R.R. Hawkins & Associates International, a Professional Corporation

DOMESTIC & INTERNATIONAL BUSINESS CONSULTING

A superior method to building big business…"

Board of Directors
Metapower International, Inc.
Vancouver, WA

Report of Independent Registered Public Accounting Firm

We have audited the accompanying balance sheets of Metapower International Inc. as of December 31, 2011 and 2010, and the related statements of operations, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Metapower International Inc. as of December 31, 2011 and 2010, and the results of its operations, and its cash flows for each of the two years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

/s/ R.R. Hawkins & Associates International, a PC
Los Angeles, CA
April 12, 2012

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METAPOWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ending December 31, 2011	For the years ending December 31, 2010
Sales (net)	$ 14,105,517	$ 11,866,984
Cost of sales	10,781,422	9,162,860
Gross Profit	$ 3,324,095	$ 2,704,124
Costs and expenses		
General and administrative expenses	$ 858,170	$ 963,981
Human resource expenses	568,389	415,769
Marketing expenses	738,288	213,803
Research and development expenses	643,866	750,668
Depreciation/amortization	48,699	42,374
Income tax expense	23,019	66,415
	$ 2,880,431	$ 2,453,010
Income/(Loss) from operations	$ 443,664	$ 251,114
Other income/(expense)		
Interest expense	$ (338,433)	$ (346,572)
Exchange gain/(loss)	(5,242)	31,830
Other income/(expense)	82,071	27,162
	$ (261,604)	$ (287,580)
Net income/(loss)	$ 182,060	$ (36,465)
Provision for Income taxes	75,737	-
Net income/(loss) after deferred tax position	$ 106,323	$ (36,465)
Loss per common share		
Basic and Diluted	$ 0.01	$ (0.01)
Weighted Average Common Shares Outstanding		
Basic and Diluted	2,042,103,560	2,039,058,828

The accompanying notes should be read in conjunction with the audited consolidated financial statements.

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEET

		December 31, 2011		December 31, 2010
ASSETS				
Current assets:				
Cash	$	256,086	$	93,500
Accounts receivable		346,046		111,243
Prepaid assets		183,345		74,541
Deferred tax asset - Current portion		65,811		92,319
Other Current Assets		2,874		
Total current assets	$	854,163	$	371,603
Property and equipment, net	$	184,409	$	136,868
Other assets:				
Deferred tax asset - Long term portion	$	122,221	$	171,449
Total other assets	$	122,221	$	171,449
Total Assets	$	1,160,792	$	679,920
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	$	1,141,320	$	668,100
Credit card payable		41,462		25,434
Accrued interest		107,290		110,073
Deferred revenue		88,146		30,388
Foreign tax liability payable		245,539		269,619
Current portion of third party and employee notes payable		44,752		40,722
Other Current Liabilites		135,000		137,166
Total current liabilities	$	1,803,510	$	1,281,501
Non-Current liabilities				
Third party notes payable	$	130,000	$	133,373
Deferred compensation		1,303,645		1,389,498
Long term employee notes payable		298,458		340,137
Total Non-current liabilities	$	1,732,103	$	1,863,009
Shareholders' Equity:				
Series A Preferred Stock, $.00001 par value, 5,000 and 15,000 share authorized, issued and outstanding at December 31, 2011 and December 31, 2010.		1		1
Series B Preferred Stock, $.00001 par value, 200,000 shares authorized, issued, and outstanding at December 31, 2011 and December 31, 2010.		2		2
Common stock, $.00001 par value, 2,200,000,000 shares authorized; 2,039,722,608 shares issued and outstanding at December 31, 2011 and December 31, 2010.	$	20,397	$	20,397
Additional paid-in capital		$308,344		308,344
Currency Translation Account - Other Comprehensive Income		(97,789)		(107,235)
Accumulated deficit		(2,605,775)		(2,686,098)
Total shareholders' equity liabilities		(2,374,820)		(2,464,589)
Total Liabilities and Shareholders' Equity	$	1,160,792	$	679,920

The accompanying notes should be read in conjunction with the audited consolidated financial statements.

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ending December 31, 2011	For the year ending December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income/(loss)	$ 106,323	$ (36,465)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation/Amortization Expense	$ 48,699	$ 42,374
Provision for Income Taxes	$ 75,736	$ 39,462
Change in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable	$ (237,677)	$ 203,864
Prepaid expenses	(108,804)	(74,541)
Increase (decrease) in:		-
Accounts payable and accrued expenses	473,221	395,627
Credit card payable	16,028	2,641
Accrued interest	(2,783)	(29,549)
Deferred revenue	57,758	1,447
Income tax liability payable	(24,079)	84,568
Other Current Liability	(2,166)	134,999
NET CASH USED IN OPERATING ACTIVITIES	$ 402,256	$ 764,427
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in following:		
Purchases of equipment and other assets	$ (96,240)	$ (134,617)
NET CASH USED IN INVESTING ACTIVITIES	$ (96,240)	$ (134,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in following:		
Deferred compensation	$ (85,854)	$ (86,306)
Employee notes payable	(41,022)	(532,244)
Outstanding credit line	-	(28,000)
Payment of Dividends	(26,000)	(25,999)
Affects from Currency Translation	9,446	(16,380)
		-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	$ (143,430)	$ (688,929)
NET INCREASE (DECREASE) IN CASH	$ 162,586	$ (59,119)
CASH AT BEGINNING OF PERIOD	$ 93,500	$ 152,617
CASH AT END OF PERIOD	$ 256,086	$ 93,500
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Income taxes	$ 23,019	$ 63,493
Interest	$ 341,084	$ 324,996

The accompanying notes should be read in conjunction with the audited consolidated financial statements.

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDING 12/31/2011

	Comprehensive Income	MetaPower International Inc. Series A & B Convertible Preferred Stock		MetaPower International Inc. Common Stock		Additional Paid-in Capital	Cumulative Translation Adjustment	Retained Earnings (Deficit)	Total Stockholders' Equity
		Shares	Amount	Shares	Amount				
Balance at December 31, 2009		14,619,191	146	124,146,586	1,241	327,357	(90,855)	(2,623,634)	(2,385,745)
Conversion of Series B convertible preferred stock for common stock		(14,414,191.00)	(143.00)	1,915,576,022.00	19,156	(19,013.00)			-
Dividends								(25,999)	(25,999)
Comprehensive income (loss):									
Net income (loss)								(36,465)	(36,465)
Currency translation adjustment							(16,380)		(16,380)
Balance at December 31, 2010		205,000	3	2,039,722,608	20,397	308,344	(107,235)	(2,686,098)	(2,464,589)
Dividends								(26,000)	(26,000)
Comprehensive income (loss):									
Net income (loss)	106,323							106,323	106,323
Other comprehensive income(loss)	(97,789)						9,446		9,446
	8,533								
Balance at December 31, 2011		205,000	3	2,039,722,608	20,397	308,344	(97,789)	(2,605,775)	(2,374,821)

MetaPower International, Inc.
Notes to the Consolidated Financial Statements
For The Years Ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

a. Basis of Presentation and Organization – Nature of the Business

MetaPower International, Inc. (the "Company") provides management consulting services to assist companies in business process management. The Company has developed a software product ("UCoDA") for use in business process management with the ability to implement, track, and improve any number of business processes.

The Company was formed as a result of a merger agreement (the "merger") entered into on March 2, 2007. MetaPower International, Inc. was formed from the merger of MetaPower, Inc., MP2, Inc., and MP3, Inc. in January 2007 (collectively the "Predecessor"). The formation of MetaPower International, Inc. is reflected at historical cost, as all three entities were under common control. Under the terms of the Merger, Soy Environmental Products, Inc. ("Soy"), acquired all of the assets and liabilities of the Predecessor. The Merger was accounted for as a reverse merger, as the stockholders of MetaPower International, Inc. owned a majority of the outstanding shares of common stock following the Merger and controlled the Board of Directors.

MetaPower International, Inc. is deemed to be the accounting acquirer in the reverse merger. Consequently, the assets and liabilities of MetaPower International, Inc. are recorded at their historical cost basis. The financial statements include the assets and liabilities of the Predecessor, the historical operations of the Predecessor, and the Company's operations from the date of the Merger.

Upon the effective date of the Merger, the Company owned 100% of MetaPower, Inc., which owned 50% of MetaPower Canada, Ltd. Metapower Canada, LTD. purchased 133 shares of stock and retired it to give MetaPower, Inc. a 75% ownership stake of MetaPower Canada, Ltd. in March 2008. MetaPower Canada, LTD exercised its option to purchase the remaining 25% of shares in December 2008 and subsequently retired the shares, thus giving MetaPower, Inc. 100% ownership of MetaPower Canada, LTD. The Company accounted for their indirect 50% ownership in MetaPower Canada, Ltd. in 2007 under the equity method. Accordingly, the Company recorded their indirect share of the income from MetaPower Canada, Ltd. as earnings in equity of subsidiary on the accompanying statements of operations. The Company continued to account for their investment in MetaPower Canada, Ltd. under the equity method of accounting until the additional 25% acquisition in 2008, at which time the Company began consolidating the subsidiary in their results.

b. Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Among the significant estimates impacting the financial statements are those related to income taxes, valuation of intangible assets, and valuation of equity instruments.

c. Principles of Consolidation

The Company and its related subsidiaries are shown as consolidated equals on the financial statements for years ending December 31, 2011 and 2010, respectively. All significant intercompany accounts and transactions have been eliminated in consolidation.

d. Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. This ASU was issued concurrently with International Financial Reporting Standards ("IFRS") 13 *Fair Value Measurements*, to provide largely identical guidance about fair value measurement and disclosure requirements. The new standards do not extend the use of fair value but, rather, provide guidance about how fair value should be applied where it already is required or permitted under IFRS or U.S. GAAP. This standard is effective prospectively for interim and annual periods beginning after December 15, 2011. The Company does not expect the adoption of this standard to have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. This ASU increases the prominence of other comprehensive income in financial statements while eliminating the option in U.S. GAAP to present other comprehensive income in the statement of changes in equity. Under this ASU, an entity will have the option to present the components of net income and comprehensive income in either one or two consecutive financial statements. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company does not expect the adoption of this standard to have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. This ASU permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. Under these requirements, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on the qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company does not expect the adoption of this standard to have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In December 2010, the FASB issued ASU No. 2010-29, Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations. This ASU specifies that when financial statements are presented, the revenue and earnings of the combined entity should be disclosed as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. ASU 2010-29 is effective for business combinations with acquisition dates on or after January 1, 2011. The Company adopted this update in fiscal 2011.

e. <u>Accounting Standards Codification</u>

The Company follows accounting standards set by the Financial Accounting Standards Board (the "FASB"), which establishes generally accepted accounting principles ("GAAP") that are followed in reporting financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these notes are to the *FASB Accounting Standards Codification*, referred to as the Codification or ASC. The Codification replaced and incorporated (but did not change) accounting guidance previously issued by various accounting sources through specific pronouncements.

f. <u>Concentration of Credit Risk</u>

The Company performs services for customers in the United States and Canada. For the years ended December 31, 2011 and 2010 international sales, primarily to a single customer in Canada, accounted for approximately 99.16% and 99.32% of total sales, respectively. Approximately 100% of accounts receivable is due from one customer at December 31, 2011 and December 31, 2010, respectively. Management believes that the risk of loss on its accounts receivable is minimal, due to client being associated with the Company since inception and has always shown a propensity to remit payment in a timely matter, therefore, no allowance for doubtful accounts has been recorded.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of temporary cash investments. The Company periodically maintains balances in excess of the federally insured limit set by the FDIC for cash in USD and the CDIC for cash in CAD. Management is aware and accepts a slight risk in being overbalanced by the $250,000 USD threshold set by the FDIC and the $100,000 CAD threshold set by the CDIC.

g. Revenue Recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements". This statement established that revenue can be recognized when persuasive evidence of an arrangement exists, the services have been delivered, all significant contractual obligations have been satisfied, the fee is fixed or determinable and collection is reasonably assured. Revenues are earned from consulting projects based on the time incurred and out of pocket reimbursed expenses incurred on each project. The Company invoices its Canadian client weekly as the services are performed under each contract.

For its United States clients, the Company issues invoices in advance of work performed, creating a deferred revenue liability reported on the balance sheet. The Company recognizes revenue for work performed over the life of the contract on a monthly basis.

h. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Companies consider all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents. For consolidation and reporting purposes, all currency noted in financial statements and footnotes is said to be USD.

i. Foreign Currency Translation and Revaluation

All assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Revenues, costs and expenses are translated at average rates of exchange prevailing during the period. Balance Sheet translation adjustments are reported in Other Comprehensive Income as a part of Stockholder's Equity. An end of year income adjustment to Canadian Net Income is made to state Canadian Net Income in USD; this charge is reported as a function of Exchange gain/ (loss) on the Consolidated Statement of Operations. This charge is made to have consolidated net income roll forward properly in Retained Earnings from year to year. The primary business structure of the Company is such that the functional currency is CAD; however the reporting currency is USD.

j. Deferred Compensation

The Company currently has Deferred Compensation on its books for current and prior employees. The company is taking steps to reduce this amount of compensation and has mutually agreed upon payment terms with individuals on how they are being reimbursed.

k. Research and Development

The Company is currently undertaking development of software that utilizes its UCoDA patent technology. The majority of the expense related to Research and Development is labor related, however, there are costs related to travel and other expenses.

l. <u>Income Taxes</u>

The Company accounts for income taxes using the asset and the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss and credit carryforward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed or settled.

The Company establishes liabilities or reduces assets for uncertain tax positions when the Company does not believe that it is more likely than not that certain tax positions may be capable of being sustained upon audit. The amount we recognize is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We record a liability for the difference between the benefit recognized within the financial statements and the tax position taken or expected to be taken on our tax return. To the extent that our assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made.

3. Net Income (loss) Per Share

Basic net income (loss) per share is computed using the weighted average number of common shares outstanding during the year. Diluted net income (loss) per share is computed using the weighted average number of common shares outstanding and, where dilutive, the assumed conversion of series A preferred stock and convertible notes into common stock. Following is a reconciliation of the shares used in computing basic and diluted net income (loss) per share for the fiscal years ended December 31, 2011, and 2010.

		2011		2010
Shares used in computing basic income (loss) per share		2,039,722,608		2,031,934,146
Assumed conversion of series A preferred stock		2,380,952		7,124,682
Assumed conversion of convertible notes payable				
Shares used in computing dilutive income (loss) per share		2,042,103,560		2,039,058,828
Antidilutive securities not included in dilutive net income (loss) per share calculation:				
Series A preferred stock		-		
Convertible notes payable		-		
Net Income/(Loss)		$ 106,323		$ (36,465)

Weighted Average Common Shares Outstanding Basic		2,039,722,608		2,031,934,146
Diluted		2,042,130,560		2,039,058,828
Gain/(Loss) per Share - Basic		$ 0.01		$ (0.01)
Gain/(Loss) per Share - Diluted		$ 0.01		$ (0.01)

4. Property and Equipment

Depreciation of property and equipment is provided using the straight-line method over the following estimated useful lives:

Computer equipment and software	1 – 3 years
Furniture and fixtures	5 – 7 years

The specific breakout of the Company's fixed asset listing and accompanying Accumulated depreciation and amortization schedules is as follows:

Fixed Asset Listing		Net Value
Computer Software Less: Acc. Dep	131,489 (96,044)	35,445
Computers Less: Acc. Dep	37,114 (21,790)	15,325
Office Furniture Less: Acc. Dep	3,531 (1,060)	2,471
Data Center	34,818	34,818
UCoDA Patent	96,350	96,350
Total Fixed Assets (net)		$ 184,409

Depreciation/Amortization expense for 2011 and 2010 was $48,699 and $42,374, respectively. Once the data center and UCoDA patent are placed in service and a part of operations, the Company will place both assets in service and depreciate/amortize over a straight line basis over their respective useful lives. The Company values the carrying cost of its assets at either lower of cost or market value. All assets currently listed as of December 31, 2011 have been recorded at its cash value of acquisition and no write down due to market conditions has taken place.

5. Deferred Compensation

The Company has $1,303,645 and $1,389,498 of deferred compensation due to officers and employees of the Company at December 31, 2011 and 2010, respectively. These amounts do not bear interest and will be paid at such time as the Company has funds available to pay the obligations.

6. Related Party Notes

Shareholder and Officer Notes Payable

The Company has notes payable to various officers and shareholders amounting to $339,877 and $376,894 at December 31, 2011 and 2010, respectively. The shareholder and officer notes payable have interest accruing at 12% per annum. There is no accrued interest on the notes at December 31, 2011 and 2010, respectively. These notes are unsecured obligations. Current portion of the notes payable owed in the subsequent years following December 31, 2011 and 2010 are $41,419 and $36,757, respectively. The total shareholder and office note payable commitments for the five years subsequent to December 31, 2011 are as follows:

Years Ending December 31:	Shareholder Notes Payable
2012	41,419
2013	39,733
2014	32,541
2015	36,667
2016 and beyond	189,517
Total	$ 339,877

Total cash disbursements made to controlling shareholders in 2011 and 2010 was $478,333 and $483,488, respectively. Total reimbursable expenses paid to controlling shareholders out of operations in 2011 and 2010 were $19,925 and $29,872, respectively.

Short term loans made by the controller shareholders were made to cover operating expenses at the end of the fiscal years for December 31, 2011 and 2010. $74,000 was loaned and outstanding to the Company as of December 31, 2011. $50,000 was paid back on February 9th, 2012 and $24,000 was paid back on February 23, 2012, respectively. $41,000 USD and $10,000 CAD was loaned and outstanding to the Company as of December 31, 2010. $26,000 USD was paid back on January 17, 2011 and $15,000 USD and $10,000 CAD was paid back on February 3, 2011, respectively.

Other Related Party Notes Payable

The Company has two notes payable outstanding at December 31, 2011 and 2010 totaling $133,333 and $137,338, respectively. The notes accrue interest at 12% per annum, and have $64,785 and $68,749 of accrued interest outstanding at December 31, 2011 and 2010, respectively, that are included in accrued expenses on the accompanying balance sheet. One note for $130,000 is currently accruing interest at a higher rate than what the Company is paying the note down on and there are no immediate plans to pay down this liability and an expedited rate. The other note of $3,333 will be paid off in 2012.

7. Convertible Notes Payable

The Company has convertible notes payable ("Convertible Notes") outstanding totaling $135,000 at December 31, 2011 and 2010, respectively. The conversion ratio is calculated as the principal amount plus accrued interest of each note, divided by the conversion price then in effect. The Convertible Notes were mandatorily convertible into shares of common stock upon the Company's common shares becoming freely trading. Accrued interest on the Convertible Notes of $40,406 is outstanding at December 31, 2011 and 2010, respectively.

8. Commitments and Contingent Liabilities

The Company leases their facilities under non-cancellable operating leases expiring in February 2013. The total minimum lease commitments for the five years subsequent to December 31, 2011 are as follows:

Years Ending December 31:	Operating Leases
2012	11,430
2013	2,872
Total	$14,302

Rental agreements for office spaces are on a month to month basis with no automatic renewal clause. The Company expects to rent space in the future but had not signed any lease agreement at the date of the issuance of the financial statements.

9. Capital Stock

Preferred Stock

The Company exchanged 3,210,194 shares of common stock for 16,050,970 shares of series A convertible preferred stock during 2008. Additionally, the Company issued 200,000 shares of series B mandatorily redeemable preferred stock at $1 per share in December 2008. The Company exchanged 10,000 shares of series A preferred stock for 5,000,000 shares of common stock during 2010. The par value of both series A and series B is $.00001 per share, and the authorized shares for issuance of series A and series B are 20,000,000 and 1,000,000, respectively. The rights, preferences, privileges and other matters relating to preferred stock are as follows:

Dividends – The series B preferred stock accrues dividends monthly at $.010833 per share of outstanding series B. The dividends are payable each month. Dividends on series A preferred stock will participate equally with holders of common stock, if and when declared by the Board of Directors. $26,000 of dividends was paid during the years ending December 31, 2011 and 2010, respectively. No liability was needed for accrual at the reporting end dates of December 31, 2011 and 2010.

Redemption – Each share of series B preferred stock is redeemable at the option of the Company beginning after December 15, 2009. The redemption price is the original issuance price of the series B preferred stock, amounting to $1.00 per share at December 31, 2008.

Conversion – Each share of series A preferred stock is convertible, at the option of the holder, at any time after March 15, 2009, into such number of shares of common stock as is determined by dividing the initial value of the series A ($1.00 at issuance and December 31, 2008) by the conversion price in effect at the time of conversion. The conversion price is calculated based on the average closing bid price of the Company's common stock of the 10 trading days prior to the conversion. The series B preferred stock is not convertible.

Liquidation – In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the series B preferred stock shall be entitled to receive, prior and in preference to any distribution of any of the assets and funds of the Company to the holders of Series A preferred stock and common stock an amount equal to $1.00 per share, plus an amount equal to all declared but unpaid dividends. If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the series B preferred stock shall be insufficient to permit the payment to such holders of such preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the series B preferred stock in proportion to the preferential amount each such holder is otherwise entitled to receive before any distributions are made to the holders of series A preferred stock and common stock.

If any assets or funds remain after the payments to the Series B preferred stock holders, the remaining assets or funds would be distributed ratably to the Series A preferred stock holders and common stockholders.

Voting – The holder of each share of series A preferred stock has the right to one vote for each whole share of common stock into which its respective shares of preferred stock would be convertible on the record date for the vote. The series B does not have voting rights.

Common Stock

The Company issued 3,846,154 shares of common stock in 2010. 5,000,000 shares of common stock were also issued in exchange for 10,000 shares of Series A preferred stock during 2010. No change was made to the amount of common stock issued in 2011, nor was there a change in the amount the company was authorized to issue.

10. Income Taxes

Income taxes are paid to the respective tax authorities in the segment's functional currency. The corporate income tax rate for Canada and Alberta is 16.5% and 10% for the year ending December 31, 2011, and 18% and 10% for the year ending December 31, 2010, respectively.

The Company booked a deferred tax provision for $63,721 to recognize a consolidated 35% United States federal and a $12,016 provision for 6.6% State/Local income tax expense. This provision may be adjusted up or down depending on future gain or loss positions.

	2011	2010
Current tax expense:		
Federal	$10,500	$39,849
Provincial	6,087	-
State/Local	6,432	26,566
	$23,019	$66,415

	2011	2010
Deferred tax expense:		
Federal (35%)	$63,721	-
Provincial	-	-
State (6.6%)	12,016	-
	$75,737	-

The following is a summary of the Company's deferred tax assets and liabilities at December 31, 2011 and 2010, respectively:

	2011	2010
Deferred Tax Asset		
Unadjusted balance	$263,768	$263,768
Provision	75,737	-
	$188,031	$263,768

	2011	2010
Reconciliation		
Current (35% of tax asset)	$65,811	$92,319
Long-term (65% of tax asset)	122,220	171,449
	$188,031	$263,768

11. Concentration of Revenue

The Company has one customer in Ft. McMurray, Alberta that accounts for approximately 99.16% and 99.32% of total sales for 2011 and 2010, respectively.

12. Revenue Reporting

During 2011 and 2010, the three individual companies had the following revenues in their individual segments, resepctivally.

12/31/2011	MetaPower, Inc.	MetaPower Canada, LTD	MetaPower Int'l, Inc.	Total of Segments
Revenues	119,683	13,985,833		14,105,517
COGS		10,781,422		10,781,422
General/Administrative		2,808,713		2,808,713
Operating Income/(Loss)	119,683	395,698		515,382
Other Income/(Expense)	75,000	9,361		84,361
ITDA	55,131	362,551	75,737	493,420
Net Income/(Loss)	$139,552	$42,507	$75,737	$106,323

12/31/2010	MetaPower, Inc.	MetaPower Canada, LTD	MetaPower Int'l, Inc.	Total of Segments
Revenues	80,162	11,786,822		11,866,984
COGS		9,534,740		9,534,740
General/Administrative		1,972,340		1,972,340
Operating Income/(Loss)	80,162	279,742		359,904
Other Income/(Expense)		58,992		58,992
ITDA		455,361		455,361
Net Income/(Loss)	$80,162	$(116,627)		$(36,465)

13. Subsequent Events

Litigation was brought against the Company in 2010 against the validity of the Convertible notes payable. and a settlement was tentatively agreed upon in October 2010. The Company will pay $40,000 cash against these notes and recognize the balance of principal and accrued interest as debt forgiveness when a final settlement is reached.   As of December 31, 2011, a final settlement has still not been reached.

A settlement commenced between the Company and a stock issuing agency for $20,000 which was payment was agreed upon and payment made in February 2012. A legal liability of this amount has been booked in Accrued Expenses for the year ending December 31, 2011.

The company has purchased back and retired all 200,000 shares of Series B stock in March 2012.

Management has determined that there are no further events subsequent to the balance sheet date that should be disclosed in these financial statements.