INDEX TO FINANCIAL STATEMENTS

AMAZONAS FLORESTAL, LTD.
CONSOLIDATED BALANCE SHEETS

	June 30,2012 (Unaudited)	December 31, 2011 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 657	$ 2,495
Accounts Receivable	11,924	42,898
Total Current Assets	12,581	45,393
Non-current assets		
Inventory/Timber Projects	90,000	90,000
Land	46,983,989	46,983,989
Total non-current assets	47,073,989	47,073,989
TOTAL ASSETS	$ 47,086,570	$ 47,119,382
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ -	$ 7,714
Notes & loans payable	87,480	80,414
Total Current Liabilities	87,480	88,128
Stockholders' Equity (Deficit)		
Preferred stock, 10,000,000 shares authorized, none issued	-	
Common stock, 500,000,000 shares authorized, 401,880,000 and 20,000,000 shares issued and outstanding at June 30, 2012 and December 31, 2011 respectively	134,021	100,000
Additional Paid In Capital	46,949,968	46,983,989
Accumulated Deficit	(84,899)	(52,735)
Total Stockholders' Equity	46,999,090	47,031,254
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 47,086,570	$ 47,119,382

See accompanying notes to the financial statements

AMAZONAS FLORESTAL LTD.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	For the three months ended		For the six months ended		From December 16, 2008 (inception) to
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Revenue	$ -	$ -	$ -	$ -	$ 71,563
Cost of goods sold	-	-	-	-	57,682
Gross Profit	-	-	-	-	13,881
General and administrative expenses	6,487	6,163	32,163	17,628	108,366
Operating income (loss)	(6,487)	(6,163)	(32,163)	(17,628)	(94,485)
Other income (expenses)	-	-	-	-	9,586
Net Income (loss)	$ (6,487)	$ (6,163)	$ (32,163)	$ (17,628)	$ (84,899)
Net (loss) per common share – basic and diluted	$ (0.00)	$ (0.00)	$ -	$ (0.00)	
Weighted average common shares outstanding - basic and diluted	401,880,000	20,000,000	223,933,333	20,000,000	

See accompanying notes to the financial statements

AMAZONAS FLORESTAL LTD.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	For the six months ended June 30, 2012	For the six months ended June 30, 2011	Cumulative from December 16,2008 (inception) to June 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (32,164)	$ (17,628)	$ (84,899)
Adjustments to reconcile net loss to net cash used in operating activities:			
Unrealized gain on foreign currency	7,066	9,928	(2,520)
Changes in operating assets and operating liabilities:			
(Increase) decrease in accounts receivable	30,974	-	(11,924)
Increase in SFM Plans payable	-	-	90,000
Increase (decrease) in fees payable	-	7,700	-
Increase (decrease) in taxes payable	(7,714)	-	-
Increase (decrease) in due to shareholders	-	-	-
Net cash (used in) operating activities	(1,838)	-	(9,343)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Inventory	-	-	(90,000)
Net cash (used in) investing activities	-	-	(90,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of debt	(60,000)		(60,000)
Issuance of common stock due to merger	72,021	-	74,021
Issuance of common stock related to conversion of debt	60,000	-	60,000
Decrease in capital due to stock issuance	(72,021)		(74,021)
Increase in paid in capital due exchange of stock	-	-	100,000
Net cash provided by financing activities	-	-	100,000
NET INCREASE IN CASH	$ (1,838)	$ -	$ 657
CASH BEGINNING OF PERIOD	2,495	-	-
CASH END OF PERIOD	$ 657	$ -	$ 657
NON-CASH ACTIVITIES			
Capitalization due to land value	$ -	$ -	$ 46,983,989
Conversion of debt into common stock	$ (60,000)	$ -	$ (60,000)
Issuance of common stock	$ 132,021	$ -	$ 132,021
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:			
Interest paid	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -

NOTE 1: CORPORATE HISTORY

Amazonas Florestal, Ltd. (formerly Ecologic Systems, Inc.) ("the Company") was incorporated on December 18, 2008, under the name of Ecologic Rentals, Inc. Its corporate offices are located at 1327 Ocean Avenue, Suite B, Santa Monica, CA, 90401. The Company was formed to serve as a vehicle to effect an asset acquisition, merger, exchange of capital stock, or other business combination with a domestic or foreign business. In July, 2009, the Company filed a Certificate of Amendment with the state of Nevada, to formally change its name from Ecologic Rentals, Inc. to Ecologic Systems, Inc. ("EcoSys").

On June 10, 2009, EcoSys sold all of its capital stock to Ecologic Transportation, Inc. ("EGCT"), its parent company, pursuant to a Stock Purchase Agreement, and henceforth operated as a wholly owned subsidiary of EGCT.

On March 16, 2012 (the "Closing Date"), the Company and EGCT entered into a Share Exchange Agreement with Amazonas Florestal, Inc. a Florida corporation (the "Share Exchange"). The Company acquired one hundred percent (100%) of the issued and outstanding shares of common stock of Amazonas Florestal, Inc. ("AMZO") in exchange for seventy million (70,000,000) authorized but un-issued shares of the Company's common stock.

As a result of the transactions effected by the Share Exchange, there is a change of control whereby the AMZO Shareholders now own a controlling ownership interest in the Company. Subsequent to the Closing, the Company ceased to operate as a wholly owned subsidiary of EGCT. In addition, the Company changed its name from Ecologic Systems, Inc. to Amazonas Florestal, Ltd. ("AZFL").

In addition, prior to the Closing, the Company introduced AMZO management to the holder of its sixty thousand dollar ($60,000) convertible note in order to have non-affiliate parties associated with AMZO acquire all or a portion of the note. The Company assisted in the facilitation of the acquisition of the note as part of its negotiations with AMZO regarding the Share Exchange. The terms of the convertible note allow for the conversion into common stock at par value. On March 29, 2012, the note was fully converted at par value resulting in an additional sixty million (60,000,000) shares of EcoSys common stock issued and outstanding.

AZFL became a holding company and is defined by the activity of its wholly owned subsidiary AMZO. AMZO commenced operations in fiscal year 2010.

Please note that the information provided below, unless otherwise noted, and the terms "we", "us", "our", and the "Company" relates to the combined enterprises of AZFL after the Merger.

NOTE 2: NATURE OF BUSINESS

Timber Activities

Headquartered in Miami, Florida at 1110 Brickell Avenue, Miami, Florida, 33131, and with operations in Amazonas, Brazil, at Rua Sao Salvador 120 Andar Vierialves, Business Center Manaus, Amazonas, Brazil, Amazonas Florestal Inc., ("AMZO"), is a Florida corporation founded in 2010 as a diversified timber company, with a focus on sustainable practices in the management of its forestry holdings in the Brazilian state of Amazonas. The AMZO management team and its shareholders, some of whom have owned large tracts of land in the Amazon Rain Forest for over fifty years, are committed to sustainable forest management and the bio-diversity of the Amazon Rain Forest. AMZO intends to build a business strategy that will enable its development into a profitable enterprise, as well as preserve the balance between environmental integrity and consumer needs.

AMZO currently owns 90,108 acres of virgin Rain Forest (141 square miles), known as *Fazenda Jatuarana*, located in Amazonas, Brazil. The *Fazenda Jatuarana* is unencumbered by any debt, and has an appraised value of over US$47 million (Forty Seven million dollars), which has been audited under US GAAP accounting principles. The AMZO business strategy will include the harvesting and extraction of timber, both from the *Fazenda Jatuarana* and third-party land, and the production of quality wood products such as lumber, flooring and decking, all while maintaining Sustainable Forest Management (SFM) practices, further described below, which are congruous with the preservation of the bio-diverse Rain Forest land and its people.

The AMZO approach addresses local poverty alleviation, sustainable development and bio-diversity conservation, and restoration, and also combats the new challenges of climate change. AMZO is committed to working closely with the local forest communities, and providing employment opportunities to the indigenous peoples. AMZO offers an innovative way of doing business, and a new way of life for individuals, forest communities and the natural environment, while generating company profits and benefits from preservation incentives.

Alternative Fuel Network

The Company is developing a network of alternative fuel contracts with strategically located retail locations. The Company is desirous of securing fuel contracts for Electrical and Natural Gas (including Compressed Natural Gas (CNG), Hydrogen Compressed Natural Gas (HCNG), Electrical Charging Stations (Electricity), Solar Energy, Bio-Diesel, Ethanol (E-10, E-15 & E85) alternatives.

A business plan has been created that centered on acquiring alternative fuel contracts with strategically located retail gas stations, parking structures, corporate offices, employee parking structures, government and municipality fleets and other locations with car traffic, both mobile and stationary, with alternative fuel and energy improvements. The general thesis is that by acquiring a network of retail fuel contracts represented by a geographic footprint with the scale of the state of California we would be able to attract the large investment needed for the scale of such a network and at the same time attract large strategic partners to effectuate our business plan.

The Company completed the development of its interactive mapping of a network of fueling stations, and is currently in the process of finalizing the Mobile Application to be used by consumers for GPS identification and location of existing Alternative Fueling stations within the AFL Network. The mapping system is ever changing and developing with EcoSys and can be manipulated to integrate new stores and services which are to be ever changing. The map will be used to identify the specific target stations and its owner in order to make presentations to secure alternative fuel contracts.

The Company continues its integration of Alternative Fuel research for the state of California into the Company's existing business plan. The introduction of new state and federal laws regarding Alternative Fuels development and Alternative Fuels infrastructure and how they related to the implementation of the Company's Network, is primary in researching efforts.

NOTE 3: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles, generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Use of Estimates

In the preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, management may make estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Fiscal Year End

The Company has a fiscal year ending December 31.

Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Fair Value of Financial Instruments

The carrying amounts reported in the balance sheet for cash, accounts payable and accrued expenses approximate fair value based on the short-term maturity of these instruments.

Earnings (Loss) per Share

Basic earnings (loss) per share are computed by dividing net income, or loss, by the weighted average number of shares of common stock outstanding for the period. Diluted earnings (loss) per share is computed by dividing net income, or loss, by the weighted average number of shares of both common and preferred stock outstanding for the period.

Inventories

Inventories of logs, lumber, and supplies are stated at the lower of cost or market within the Company's operating areas, primarily using the average cost method. Log costs include harvest and transportation cost as appropriate. Lumber costs include materials, labor, and production overhead. (For additional information, see Note 4 – Inventories.)

Timber and Timberlands

Timber and timberlands, which include timberland, fee timber, purchased stumpage inventory, and logging facilities, are stated at cost, less the cost of fee timber harvested and accumulated depreciation of logging facilities, and includes no estimated future reforestation cost. The cost of timber consists of fee timber acquired from government approved timber extraction projects. The cost of fee timber harvested is based on the volume of timber approved to be harvested. Logging facilities, which consist primarily of pathways constructed and other land improvements, are depreciated using the straight-line method over a ten-year estimated life. The Company estimates its fee timber inventory using statistical information and data obtained from physical measurements and other information gathering techniques from government engineers. Fee timber carrying costs, commercial thinning, engineering fees, and timberland management costs are capitalized.

Property, Plant, and Equipment

Property, plant, and equipment assets are stated at cost less accumulated depreciation. Depreciation of buildings, equipment, and other depreciable assets is primarily determined using the straight-line method. Expenditures that substantially improve and/or increase the life of facilities or equipment are capitalized. Maintenance and repair costs are expensed as incurred. Gains and losses on disposals or retirements are recognized in the period they occur.

Property, plant, and equipment assets are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell, and depreciation ceases.

Revenue Recognition

The Company recognizes revenue when the following criteria are met: (1) persuasive evidence of an agreement exists, (2) delivery has occurred or services have been rendered, (3) the price to the buyer is fixed and determinable, and (4) collectability is reasonably assured. Delivery is not considered to have occurred until the customer takes title and assumes the risks and rewards of ownership. Revenue from the sale of lumber and wood by-products is recorded at the time of shipment due to terms of such sale being designated free on board ("f.o.b.") shipping point. Revenue from the sale of timber-cutting rights to third parties is recorded when legal title passes to the purchaser, which is generally upon delivery of a legally executed timber deed and receipt of payment for the timber.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC 740-10, "Accounting for Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year; and, (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. 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 recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if, based on the weight of available positive and negative evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition of a tax position taken or expected to be taken on a tax return. Under ASC 740-10, a tax benefit from an uncertain tax position taken or expected to be taken may be recognized only if it is "more likely than not" that the position is sustainable upon examination, based on its technical merits. The tax benefit of a qualifying position under ASC 740-10 would equal the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority having full knowledge of all the relevant information. A liability (including interest and penalties, if applicable) is established to the extent a current benefit has been recognized on a tax return for matters that are considered contingent upon the outcome of an uncertain tax position. Related interest and penalties, if any, are included as components of income tax expense and income taxes payable.

Property Taxes

Property taxes applicable to the Company's assets are estimated and accrued in the period of assessment. The company is liable for the payment of rural land tax in Brazil, known as ITR (Imposto Teritorial Rural) that is based on approximately 2% of the historical value of the property. Fazenda Jaturana was registered in the Registro de Imoveis (Property/Land Registry) section of the Receita Federal (Brazilian IRS) for a value of BRL $6,500,000 equivalent to almost $ 4 Million. As of June 30, 2012 and December 31, 2011, the property taxes accrued were $0 and $7,714, respectively.

Net Change in Purchased Stumpage Inventory

Purchased stumpage inventory consists of timber-cutting rights and ownership of the actual trees purchased from third parties specifically for use in the Company's projected production and milling operations. Depending on the timing of acquisition and usage of this acquired stumpage inventory, the net change in this inventory can either be a source or use of cash in the Company's statements of cash flows.

Shipping and Handling Costs

Shipping and handling costs, such as freight to the customers' destinations, are included in cost of sales in the Company's statements of operations. These costs, when included in the amount invoiced to customers, are also recognized in net sales.

Off-Balance Sheet Arrangements

The Company evaluates its transactions to determine if any variable interest entities exist. If it is determined that the Company is the primary beneficiary of a variable interest entity, that entity will be consolidated into the Company's financial statements.

Recently Adopted Accounting Standards

The Company evaluates the pronouncements of various authoritative accounting organizations, primarily the Financial Accounting Standards Board ("FASB"), the US Securities and Exchange Commission ("SEC"), and the Emerging Issues Task Force ("EITF"), to determine the impact of new pronouncements on US GAAP and the impact on the Company. The Company has adopted the following new accounting standards:

Fair Value Measurements: – Accounting Standards Update ("ASU") No. 2010-06 amended existing disclosure requirements about fair value measurements by adding required disclosures about items transferring into and out of levels 1 and 2 in the fair value hierarchy; adding separate disclosures about purchase, sales, issuances, and settlements relative to level 3 measurements; and clarifying, among other things, the existing fair value disclosures about the level of disaggregation. The ASU was adopted during the period ended March 31, 2010, and its adoption had no impact on the Company's consolidated financial position, results of operations or cash flows.

Consolidations: – ASU No. 2009-17 revised the consolidation guidance for variable-interest entities. The modifications include the elimination of the exemption for qualifying special purpose entities, a new approach for determining who should consolidate a variable-interest entity, and changes to when it is necessary to reassess who should consolidate a variable-interest entity. The ASU was adopted during the period ended March 31, 2010, and its adoption had no impact on the Company's consolidated financial position, results of operations or cash flows.

Embedded Derivatives: – ASU No. 2010-11 clarified that the transfer of credit risk that is only in the form of subordination of one financial instrument to another is an embedded derivative feature that should not be subject to potential bifurcation and separate accounting. This ASU was adopted during the period ended September 30, 2010, and its adoption had no impact on the Company's consolidated financial position, results of operations or cash flows.

Recently Issued Accounting Standards Updates

The following accounting standards updates were recently issued and have not yet been adopted by the Company. These standards are currently under review to determine their impact on the Company's consolidated financial position, results of operations, or cash flows.

Stock Compensation: - Issued in April 2010, ASU No. 2010-13 clarifies the classification of an employee share based payment award with an exercise price denominated in the currency of a market in which the underlying security trades. This ASU was effective for the first fiscal quarter beginning after December 15, 2010.

Business Combinations: Issued in December 2010, ASU 2010-29 requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. This ASU was effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010.

There were other various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries. None of the updates are expected to a have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Going Concern

We have incurred losses since inception and our ability to continue as a going concern depends upon our ability to develop profitable operations and to continue to raise adequate financing. We are actively targeting sources of additional financing to provide continuation of our operations. In order for us to meet our liabilities as they come due and to continue our operations, we are solely dependent upon our ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case we may be unable to meet our obligations and we may cease operations. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

NOTE 4: INVENTORIES

Inventories consist of the two forest management plans purchased in 2011. Dos Ramos I has 979.12 hectares with an approved license for the extraction of 10,086.548 cubic meters of various species of semi-hard and hardwoods of commercial demand, both in the region and worldwide, through the Operation License number 371/10, as authorized by

IPAAM. Dos Ramos II has 1,351.79 hectares, and contains 4,701.947 cubic meters of timber authorized for extraction through the IPAAM license number 538/10.

Lumber inventory amounts at June 30, 2012 and December 31, 2011 are stated at lower of cost or net realizable value, as follows:

	June 30, 2012		December 31, 2011	
Semi-hard wood	$	36,900	$	36,900
Hardwood		53,100		53,100
	$	90,000	$	90,000

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment consists of the following:

	Range of Useful Lives	June 30, 2012		December 31, 2011	
Land-Fazenda Jatuarana	N/A	$	46,983,989	$	46,983,989
		$	46,983,989	$	46,983,989

Fazenda Jatuarana is a rural forest property of 36,481.629 hectares located in the municipality of Apui, 260 nautical miles south-south east of the city of Manaus, capital of the state of Amazonas in Brazil. Title was rendered by all of the pertinent authorities to the previous owners in compliance with law no 1826 of the Brazilian Civil Code and published in the Diario Oficial, as required by such law on the 30th of December 1987, under article number 26,391 on that date. The property is located at the geographical coordinates from point F-8A, at Latitude 07.31'04, 18468 South and Longitude 60,32'12,36491" WGr, with flat coordinates UTM 771.837,95 East and 9.168.238,55 North. The property is inscribed registered in the State Land Office under Protocol 409028, with Registry number 399638 Lv8, effective through seal number AG030633 and digital verifier 7E3-6084-2080-DCO7, in the name of AMAZONAS FORESTAL LLC.

NOTE 6: CONCENTRATION OF CREDIT RISKS

Financial instruments, which potentially subject the Company to credit risk, are trade accounts receivable. Concentration of credit with respect to these trade accounts receivable is limited due to the Company's customer base as one. At June 30, 2012 and December 31, 2011, the accounts receivable of $11,924 and $42,898, respectively, was due from a single customer. The Company intends to perform ongoing credit evaluations of its new customers going forward and generally will not require collateral to support accounts receivable.

NOTE 7: FOREST MANAGEMENT PLANS PAYABLE

In 2011, the Company incurred indebtedness in the amount of BRL $150,000. (US $90,000) for the purchase of two Sustainable Forest Management Plans - Lago Preto Dos Ramos I and Lago Preto Dos Ramos II – from landowners Jander Lucio de Souza Cruz and Franco dos Santos Yamane, respectively. The Company recognized a currency exchange gain of $9,586 to adjust the value of the indebtedness to the US dollar value at December 31, 2011. No currency exchange adjustment has been made for the current period. The indebtedness bears no interest, and is payable upon commencement of timber extraction from each respective parcel of land.

NOTE 8: DUE TO STOCKHOLDERS

From time to time, certain shareholders have paid, on behalf of the Company, expenses related to operations. As of June 30, 2012 and December 31, 2011, there were no outstanding monies due to stockholders.

NOTE 9: STOCKHOLDERS' EQUITY

On February 16, 2011, the Company filed documents with the State of Florida Department of Corporations to convert its limited liability company status to a C corporation. Upon conversion, the Articles of Organization were replaced with the Articles of Incorporation authorizing 20,000,000 shares of common stock, par value $0.001.

On March 16, 2012, as a result of the Share Exchange (Note 1), EcoSys acquired one hundred percent (100%) of the issued and outstanding shares of common stock of AMZO. In exchange, 70,000,000 shares of EcoSys common stock were issued ratably to the AMZO shareholders.

On March 29, 2012, 60,000,000 shares of the Company's common stock were issued to the holders of certain convertible debt owed by the Company in the amount of $60,000, resulting in the convertible debt being paid in full.

The issuance of the common stock pursuant to the terms of the convertible note, affected the number of total issued and outstanding shares, and triggered an anti-dilution provision as it pertains to the percentage of shares owned by EGCT. As a result, an additional 2,020,618 shares were issued to the Company, thereby maintaining the ownership of EGCT shares at 3%, or 4,020,618 shares, as required by the anti-dilution provision.

On April 19, 2012, the Comapny affected a forward split of its existing and outstanding shares of common stock on the basis of 3 shares for each share held. As a result, an additional 268,041,236 shares of common stock were issued.

As of June 30, 2012, and December 31, 2011, respectively, the Company had 132,020,618 and 401,880,000 shares of its common stock issued and outstanding.

NOTE 11: SUBSEQUENT EVENTS

In 2009, the FASB ASC Topic 865 (formerly FASB 165, Subsequent Events) , which defines the period after the balance sheet date that subsequent events should be evaluated and provides guidance in determining if the event should be reflected in the current financial statements. This ASC Topic also requires disclosure regarding the date through which subsequent events have been evaluated.

The Company has evaluated subsequent events through the time the June 30, 2012 financial statements were available for issuance. No events have occurred subsequent to June 30, 2012 that require disclosure or recognition in these financial statements with the exception of the following:

The Company caused a Rule 15c2-11 Exemption Request Form to be filed with FINRA in May, 2012, and was subsequently approved and received the ticker symbol "AZFL" from FINRA in July, 2012.

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Independent Auditor's Report

To the Shareholders
AMAZONAS FLORESTAL, INC.
Miami, FL 33131

We have audited the accompanying balance sheets of Amazonas Florestal, Inc. as of December 31, 2010 and 2011, and the related statements of operations, changes in shareholders' equity, and cash flows for the periods then ended. These financial statements are the responsibility of Amazonas Florestal, Inc.'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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amazonas Florestal, Inc. as of December 31, 2010 and 2011, and the results of its operations and its cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States.

Labrozzi & Co., P.A.
Miami, Florida
February 16, 2012

AMAZONAS FLORESTAL, INC.
BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

	December 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash	$ 2,495	$ -
Accounts receivable	42,898	-
Total Current Assets	45,393	-
Non-Current Assets		
Inventory/Timber projects - Lago Preto Dos Ramos I and II	90,000	90,000
Land	46,983,989	46,983,989
Total Non-Current Assets	47,073,989	47,073,989
TOTAL ASSETS	**$ 47,119,382**	**$ 47,073,989**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Fees Payable	$ -	$ 7,700
Due to Shareholder	-	9,928
Taxes Payable	7,714	-
Forest Management Rights Payable	80,414	90,000
Total Liabilities	88,128	107,628
Stockholders' Equity		
Common stock; 20,000,000 authorized, no par value; zero and 20,000,000 issued and outstanding as of December 31, 2010 and 2011	100,000	-
Additional Paid In Capital	46,983,989	46,983,989
Retained Earnings	(52,735)	(17,628)
Total Stockholder's Equity	47,031,254	46,966,361
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 47,119,382**	**$ 47,073,989**

See Notes to the Financial Statements

AMAZONAS FLORESTAL INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	December 31, 2011	December 31, 2010
Revenue	$ **71,563**	$ -
Cost of goods sold	57,682	-
Gross profit	13,881	-
Expenses		
General and administrative	58,574	17,628
Total Expenses	58,574	17,628
Net loss before other income	(44,693)	(17,628)
Other Income		
Translation gain	9,586	-
Total Other Income	9,586	-
Net loss before provision for income taxes	(35,107)	(17,628)
Provision for income taxes	-	-
Net loss after provision for income taxes	(35,107)	(17,628)
Net loss	$ **(35,107)**	$ **(17,628)**
Earnings per share	$ **(0.00)**	$ -
Weighted shares outstanding	**20,000,000**	-

See Notes to the Financial Statements

AMAZONAS FLORESTAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		December 31, 2011		December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	$	**(35,107)**	$	**(17,628)**
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Changes in operating assets and operating liabilities				
Accounts receivable		(42,898)		-
Due to Lucio de Souza Cruz and Franco dos Santos Yamane		(9,586)		90,000
Taxes payable		7,714		-
Fees payable		(7,700)		7,700
Due to shareholder		(9,928)		9,928
Net cash provided by (used in) operating activities		(97,505)		90,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of timber projects		-		(90,000)
Net cash used in investing activities		-		(90,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Sale of common stock		100,000		-
Net cash provided by financing activities		100,000		-
NET INCREASE IN CASH		2,495		-
CASH BEGINNING OF PERIOD		-		-
CASH END OF PERIOD	$	**2,495**	$	-
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:				
Interest paid	$	-	$	-
Income taxes	$	-	$	-

See Notes to the Financial Statements

AMAZONAS FLORESTAL, INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Common Stock		Additional Paid-in	Retained	Total Shareholders'
	Shares	Amount	Capital	Earnings	Equity
Balance July 9, 2010 (date of inception)	-	$ -	$ -	$ -	$ -
Acquisition of land	-	-	46,983,989	-	46,983,989
Net income	-	-	-	(17,628)	(17,628)
Balance December 31, 2010	-	$ -	**$46,983,989**	**$(17,628)**	**$46,966,361**
Common stock sold/distributed	19,800,000	95,000	-	-	95,000
Common stock issued for services	200,000	5,000	-	-	5,000
Net loss	-	-	-	(35,107)	(35,107)
Balance December 31, 2011	**20,000,000**	**$100,000**	**$46,983,989**	**$(52,735)**	**$47,031,254**

See Notes to the Financial Statements

Note 1 – Significant Accounting Policies

Description of Business — AMAZONAS FLORESTAL, INC. ("Amazonas" or the "Company") was organized in the State of Florida on July 9, 2010. The Company is a natural resources company engaged primarily in the harvesting of timber and the manufacture and marketing of lumber. Amazonas owns approximately 36,481.629 hectares of timberland, primarily in the Amazonian rain forest near the city of Manaus. The Company contracts sawmill/milling services from a company located in the city of Itacoatiara, Brazil.

In addition to its timber extraction and production operations, the Company is engaged in studies and projects to develop and sell carbon credits and forest preservation benefits on its property denominated Fazenda Jatuarana. These studies represent the groundwork for verification of the actual amounts of carbon and other greenhouse gases that are stored on the Company's land and are expected to place the company in line for direct UN REDD benefits as proposed by the United Nations Framework Convention on Climate Change (UNFCCC) and at COP 16 in Cancun, Mexico. On December 15, 2010, UN REDD stated that the program will enter Brazil during 2012 through 2013 proposing up to USD$120 Billion in benefits through the year 2020. Through private sectors' natural rainforest preservation incentives, in conjunction with direct sales of Verified Emission Reductions (VER's), these projects offer considerable amounts of Certified Emission Reductions (CER's), as certified through the UNFCCC, for sale as credits through the Swiss and Frankfort (German) stock exchanges.

The Company purchased Fazenda Jatuarana in exchange for 49% of its membership interests from Amazonas Industria, Comercio e Exportacao de Produtos de Madeira, Ltda, a Brazilian company. On December 14th, 2010, the Company commenced development of carbon studies in the region, located 389_kilometers from the city of Manaus, Brazil. This property has been appraised by EB da Amazonia, a certified appraisal company that specializes in the valuation of rural forest properties in Northern Brazil. The land was valued at BRL $ 77 Million which, at the time of the appraisal, was based on the concurrent exchange rate, equivalent to approximately USD$ 44 Million. The appraisal methods used were in line with acceptable GAAP principles to determine actual fair market value of the land and the net back to stumpage methods widely acceptable to calculate the net value of a forest resource.

Two Sustainable Forest Management Projects- Lago Preto Dos Ramos I and Lago Preto Dos Ramos –II, were purchased from Jander Lucio de Souza Cruz and Franco dos Santos Yamane respectively for a total of BRL $150,000. Lago Preto I has 979.12 hectares with an approved license for the extraction of 10,086.548 cubic meters of various species of semi-hard and hardwoods of commercial demand, both in the region and worldwide. Through the Operation License number 371/10, as authorized by IPAAM (Instituto de Protecao Ambiental de Amazonas). Lago Preto II has 1,351.79 hectares, and contains 4,701.947 cubic meters of timber authorized for extraction through the IPAAM license number 538/10.

Ing. Ricardo Ludke, the Forest Engineer responsible for all of the technical and management aspects of the projects, was retained by the Company. Mr. Ludke's responsibility, working closely with IPAAM- Instituto de Proteccao Ambiental da Amazonas, the State of Amazonas, (the government agency that regulates and controls all such sustainable projects in the state),together with IBAMA,(the Brazilian EPA, in the approval and enforcement of all laws that govern such projects in Brazil), is to ensure that all of the felling and extraction is done in compliance with the low impact logging criteria that is described and as specified on the project literature as conditional for its approval by IPAAM. Ing. Ludke has a thorough background in the management of such projects having worked with several dozen such projects in the past with IBAMA in congruence with such platforms at a government level

The process for timber extraction as shown on the projects and studies include provisions for environmental impact in minimizing erosion through only the selective harvest of mature trees with a sufficient diametric class as cataloged in the inventory. A complete inventory of trees was performed, and aluminum tags were placed at chest height to identify trees that are destined and approved for extraction. Each tree number approved is specified on the operational license extended by IPAAM and attached to an ACOF (Authorization for Forestry Harvest) and only these trees can be felled and extracted in order to avoid government fines. The natural regeneration of the surrounding forest is guaranteed through this process as is the integrity of the biodiversity found within the same. Also certain areas within the project are set aside for perpetual conservation as required by law hence the title of "Sustainable Forest Management Projects". IPAAM and IBAMA inspectors pay special attention to assure that only those trees that are approved for extraction are actually extracted and the other conservational guidelines that call for directional felling and low impact techniques are followed.

The company has options to purchase another 303,000 hectares from the same provider that sold the above described Fazenda Jatuarana and another 203,000 hectares from yet another source. The company intends to acquire its capital requirements through a business combination or joint venture in order to fund the costs of extraction and production of its present resources as well as the costs entailed in the Green Projects described above for readying the Fazenda Jatuarana for future UN REDD benefits while continuing to pursue the acquisition of additional properties for similar development..

Going Concern —The accompanying financial statements have been prepared on a going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As reflected in the accompanying financial statements, the Company had no revenues for fiscal year 2010 and net losses for both 2010 and 2011.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The accompanying financial statements do not include any adjustments that might arise as a result of this uncertainty.

Business Environment — The Company is primarily a wood products producer operating in a commodity-based business environment with a major diversification in real estate holdings. This environment is affected by a number of factors including general economic conditions, government regulation, interest rates, credit availability, exports, foreign exchange rates, industry capacity and production levels, the availability of contractors for logging, hauling, and shipping, the availability of raw materials, costs of fuel, and weather conditions.

Use of Estimates — In the preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, management has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results may differ from those estimates

Inventories — Inventories of logs, lumber, and supplies are stated at the lower of cost or market within Amazonas's operating areas, primarily using the average cost method. Log costs include harvest and transportation cost as appropriate. Lumber costs include materials, labor, and production overhead. (For additional information, see Note 2 – Inventories.)

Timber and Timberlands — Timber and timberlands, which include timberland, fee timber, purchased stumpage inventory, and logging facilities, are stated at cost, less the cost of fee timber harvested and accumulated depreciation of logging facilities, and includes no estimated future reforestation cost. The cost of timber consists of fee timber acquired from government approved timber extraction projects. The cost of fee timber harvested is based on the volume of timber approved to be harvested. Logging facilities, which consist primarily of pathways constructed and other land improvements, are depreciated using the straight-line method over a ten-year estimated life. The Company estimates its fee timber inventory using statistical information and data obtained from physical measurements and other information gathering techniques from government engineers. Fee timber carrying costs, commercial thinning, engineering fees, and timberland management costs are capitalized.

Property, Plant, and Equipment — Property, plant, and equipment assets are stated at cost less accumulated depreciation. Depreciation of buildings, equipment, and other depreciable assets is primarily determined using the straight-line method. Expenditures that substantially improve and/or increase the useful life of facilities or equipment are capitalized. Maintenance and repair costs are expensed as incurred. Gains and losses on disposals or retirements are recognized in the period they occur.

Property, plant, and equipment assets are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell, and depreciation ceases.

Revenue Recognition — The Company recognizes revenue when the following criteria are met: (1) persuasive evidence of an agreement exists, (2) delivery has occurred or services have been rendered, (3) the price to the buyer is fixed and determinable, and (4) collectability is reasonably assured. Delivery is not considered to have occurred until the customer takes title and assumes the risks and rewards of ownership. Revenue from the sale of lumber and wood by-products is recorded at the time of shipment due to terms of such sale being designated free on board ("f.o.b.") shipping point. Revenue from the sale of timber-cutting rights to third parties is recorded when legal title passes to the purchaser, which is generally upon delivery of a legally executed timber deed and receipt of payment for the timber.

Income Taxes — The Company uses the asset and liability method of accounting for income taxes. Under this method, the provision for income taxes includes amounts currently payable and amounts deferred as tax assets and liabilities, based on differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities, and is measured using the enacted tax rates that are expected to be in effect when the differences reverse. Deferred tax assets are reduced by a valuation allowance which is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax law is recognized in income in the period that includes the enactment date. The Company continuously reviews state and federal tax returns for uncertain tax provisions. Tax benefits are recorded if it is more-likely-than-not that the positions will be sustained upon examination by the taxing authorities and liabilities are recorded if it is deemed less likely that the position taken would prevail. These liabilities are adjusted in the period in which it is determined that the issue is settled with the relevant taxing authority, the expiration of statute of limitation for a tax year in question, a change in tax laws, or other facts become known.

Property Taxes — Property taxes applicable to the Company's assets are estimated and accrued in the period of assessment. At December 31, 2011, the Company had not accrued property tax expense. In 2011, the company will be liable for the payment of rural land tax in Brazil, known as ITR (Imposto Teritorial Rural) that is based on approximately 2% of the historical value of the property. Fazenda Jaturana was registered in the Registro de Imoveis (Property/Land Registry) section of the Receita Federal (Brazilian IRS) for a value of BRL $6,500,000 equivalent to almost $ 4 Million. Commencing in 2011, the property taxes will be based on this value.

Net Change in Purchased Stumpage Inventory — Purchased stumpage inventory consists of timber-cutting rights and ownership of the actual trees purchased from third parties specifically for use in the Company's projected production and milling operations. Depending on the timing of acquisition and usage of this acquired stumpage inventory, the net change in this inventory can either be a source or use of cash in the Company's statements of cash flows.

Shipping and Handling Costs — Shipping and handling costs, such as freight to our customers' destinations, are included in cost of sales in the Company's statements of operations. These costs, when included in the amount invoiced to customers, are also recognized in net sales.

Off-Balance Sheet Arrangements — The Company evaluates its transactions to determine if any variable interest entities exist. If it is determined that the Company is the primary beneficiary of a variable interest entity, that entity is consolidated into Amazonas's financial statements.

Effect of recently issued Authoritative Accounting Guidance — Financial Accounting Standards Update No. 2010-06, "Improving Disclosures about Fair Value Measurements" was effective January 1, 2010, for the Company and requires the disclosure of detailed information about valuation techniques, inputs used in determining fair value, and transfers into and out of Level 1 and Level 2 of the fair value hierarchy. It also clarifies the existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value and amends guidance on employers' disclosures about postretirement benefit plan assets to require disclosures be provided by asset class instead of major categories of assets. The guidance pertains only to disclosures related to fair value measurements.

Subsequent events — The Company has evaluated subsequent events through the date the financial statements were issued.

Note 2 – Inventories

Inventories at December 31, 2011 consisted of the following:

		2011
Semi-hard wood	$	36,900
Hardwood		53,100
	$	90,000

Lumber inventory amounts at December 31, 2011 stated at lower of cost or net realizable value.

Note 3 – Property, Plant, and Equipment

Property, plant, and equipment at December 31 consisted of the following:

	Range of Useful Lives		2011
Land	N/A	$	46,983,989
		$	46,983,989

Fazenda Jatuarana is a rural forest property of 36,481.629 hectares located in the municipality of Apui, 260 nautical miles south-south east of the city of Manaus, capital of the state of Amazonas in Brazil. Title was rendered by all of the pertinent authorities to the previous owners in compliance with law no 1826 of the Brazilian Civil Code and published in the Diario Oficial, as required by such law on the 30th of December 1987, under article number 26,391 on that date. The property is located at the geographical coordinates from point F-8A, at Latitude 07.31'04, 18468 South and Longitude 60,32'12,36491" WGr, with flat coordinates UTM 771.837,95 East and 9.168,238,55 North. The property is inscribed registered in the State Land Office under Protocol 409028, with Registry number 399638 Lv8, effective through seal number AG030633 and digital verifier 7E3-6084-2080-DCO7, in the name of AMAZONAS FORESTAL LLC.

Note 4 – Concentration of Credit Risks

Financial instruments, which potentially subject the Company to credit risk, are trade accounts receivable. Concentration of credit with respect to these trade accounts receivable is limited due to the Company's customer base as one. At December 31, 2011, the $42,898 accounts receivable was due from a single customer. The Company intends to perform ongoing credit evaluations of its new customers going forward and generally will not require collateral to support accounts receivable.

Note 5 – Jander Lucio de Souza Cruz and Franco dos Santos Yamane

Two Sustainable Forest Management Projects- Lago Preto Dos Ramos I and Lago Preto Dos Ramos –II, were purchased from Jander Lucio de Souza Cruz and Franco dos Santos Yamane respectively for a total of BRL $150,000. Lago Preto I has 979.12 hectares with an approved license for the extraction of 10,086.548 cubic meters of various species of semi-hard and hardwoods of commercial demand, both in the region and worldwide. Through the Operation License number 371/10, as authorized by IPAAM (Instituto de Protecao Ambiental de Amazonas). Lago Preto II has 1,351.79 hectares, and contains 4,701.947 cubic meters of timber authorized for extraction through the IPAAM license number 538/10. The terms of the agreement bears no interest and is payable when timber extraction has commenced.

Note 6 – Due to Shareholder

From time to time, certain shareholders have paid, on behalf of the Company, expenses related to operations.

Note 7 – Shareholders' Equity

On February 16, 2011, the Company filed documents with the State of Florida Department of Corporations to convert its limited liability company status to a C corporation. Upon conversion, the Articles of Organization were replaced with the Articles of Incorporation authorizing 20,000,000 shares of common stock, par value $0.001.