

**VIPER NETWORKS, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2011**

**ASSETS**

CURRENT ASSETS:

|  |              |
|--|--------------|
| Working Cash                               | \$ 29,800    |
| Cash                                       | 10,753       |
| Accounts Receivable, Net of Allowance      | 2,374,143    |
| Other Current Assets                       | 85,401       |
| Inventories                                | 60,323       |
| Total Current Assets                       | 2,560,420    |
| Property and Equipment Furniture, Fixtures | 1,611,120    |
| Other Assets                               | 32,339       |
| TOTAL ASSETS                               | \$ 4,203,879 |

**LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)**

CURRENT LIABILITIES:

|  |              |
|--|--------------|
| Accounts payable                                   | \$ 1,769,864 |
| Accrued liabilities                                | 197,800      |
| Accrued Salaries and Loans - Farid Shouekani       | 1,790,125.01 |
| Accrued Salaries and Loans - Hala Shouekani        | 166,218.23   |
| Accrued Salaries and Loans - Venkat Venkataraju    | 168,356.06   |
| Accrued Salaries and Loans - Abdel Majid Almashour | 220,172.88   |
| Short Term Debt                                    | 198,300      |
| Loans from Related Parties                         | 97,800       |
| Loan Due to Shareholders                           | 111,157      |
| TOTAL LIABILITIES                                  | 4,719,793    |

STOCKHOLDERS' EQUITY:

|   |                     |
|---|---------------------|
| Common Stock                                  | 193,145             |
| Preferred Stock                               | 3,752               |
| Additional paid-in capital                    | 19,363,648          |
| Net Income                                    | (559,632)           |
| Treasury stock                                | (223,028)           |
| Retained Earnings                             | (20,719,032)        |
| Total Stockholders' Equity                    | (515,914)           |
| TOTAL LIABILITIES AND<br>STOCKHOLDERS' EQUITY | <u>\$ 4,203,879</u> |

|   |                      |
|---|----------------------|
| <b>AUTHORIZED COMMON STOCK</b>                        | <b>2,500,000,000</b> |
| <b>TOTAL COMMON SHARES ISSUED AND OUSTANDING</b>      | <b>1,278,606,589</b> |
| <b>AUTHORIZED PREFERRED A STOCK</b>                   | <b>10,000,000</b>    |
| <b>TOTAL PREFERRED A SHARES ISSUED AND OUSTANDING</b> | <b>100,000</b>       |
| <b>AUTHORIZED PREFERRED B STOCK</b>                   | <b>10,000,000</b>    |
| <b>TOTAL PREFERRED B SHARES ISSUED AND OUSTANDING</b> | <b>987,500</b>       |

**VIPER NETWORKS, INC.**  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011

|                                     | <u>December 31,</u><br><u>2011</u> |
|-------------------------------------|------------------------------------|
| <b>REVENUE</b>                      | <b>\$ 1,055,010</b>                |
| OPERATING EXPENSES:                 |                                    |
| Cost of Revenue                     | 827,132                            |
| Compensation Expense                | 565,723                            |
| Selling, General and Administration | 221,787                            |
| Total Operating Expenses            | 1,614,642                          |
| (Loss) Income from Operations       | (559,632)                          |
| Other Income (Expenses)             | -                                  |
| Net Income (Loss) Before Taxes      | (559,632)                          |
| Net Income (Loss)                   | <u>\$ (559,632)</u>                |

