

Laidlaw Energy Group, Inc.
Consolidated Balance Sheets

	March 31, 2010	June 31, 2010	September 31, 2010	December 31, 2010
Assets				
Current Assets:				
Cash	\$ 765,301	\$ 693,152	\$ 1,051,690	\$ 745,040
Accounts receivable, net	-	-	2,982,500	2,507,500
Deferred tax asset	-	-	-	306,230
Total current assets	<u>765,301</u>	<u>693,152</u>	<u>4,034,190</u>	<u>3,558,770</u>
Investments	256,388	303,031	295,992	312,068
Other	11,390	11,390	11,390	11,390
Total assets	<u>\$ 1,033,079</u>	<u>\$ 1,007,573</u>	<u>\$ 4,341,573</u>	<u>\$ 3,882,228</u>
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable & accrued expenses	\$ 187,798	\$ 187,798	\$ 187,798	\$ 187,798
Taxes payable	-	-	767,130	767,130
Shareholder advances	790,137	790,137	40,137	40,137
Total current liabilities	<u>977,935</u>	<u>977,935</u>	<u>995,065</u>	<u>995,065</u>
Commitments and contingencies	-	-	-	-
Stockholders' Equity				
Preferred Stock, Series A, \$0.001 par value, 10,000,000 shares authorized, 1,000,000 and 0 shares issued and outstanding, respectively.	1,000	1,000	1,000	1,000
Common stock, \$0.001 par value, 3,000,000,000 shares authorized, 2,379,721,088, 2,379,721,088, 2,454,721,088 and 2,454,721,088 shares issued and outstanding, respectively.	2,379,721	2,379,721	2,454,721	2,454,721
Additional paid-in capital	(657,545)	(657,545)	(725,045)	(725,045)
Retained earnings (deficit)	(1,668,032)	(1,693,537)	1,615,832	1,156,487
Total stockholders' equity	<u>55,144</u>	<u>29,639</u>	<u>3,346,508</u>	<u>2,887,163</u>
Total liabilities and stockholders' equity	<u>\$ 1,033,079</u>	<u>\$ 1,007,573</u>	<u>\$ 4,341,573</u>	<u>\$ 3,882,228</u>

Laidlaw Energy Group, Inc.
Consolidated Statement of Operations

	3 Months Ended March 31, 2010	3 Months Ended June 31, 2010	3 Months Ended September 30, 2010	3 Months Ended December 31, 2010	12 Months Ended December 31, 2010
Revenue					
Management fees	\$ 168,904	\$ 166,644	\$ -	\$ -	\$ 335,549
Development fees	-	-	-	-	-
Grant revenue	-	-	-	-	-
Total revenue	<u>168,904</u>	<u>166,644</u>	<u>-</u>	<u>-</u>	<u>335,549</u>
Cost of revenues	<u>14,267</u>	<u>13,820</u>	<u>-</u>	<u>-</u>	<u>28,086</u>
Gross profit	154,638	152,825	-	-	307,462
Operating expenses					
Compensation	30,586	19,295	25,882	79,952	155,715
Rent	18,569	18,569	21,459	20,086	78,684
Legal & accounting fees	22,101	12,711	21,285	135,866	191,963
Other	114,659	128,564	239,660	529,670	1,012,553
Total operating expenses	<u>185,915</u>	<u>179,139</u>	<u>308,286</u>	<u>765,574</u>	<u>1,438,915</u>
Net income (loss) before income taxes	(31,277)	(26,315)	(308,286)	(765,574)	(1,131,452)
Other income (expense)					
Other income, net	757	809	480	0	4,386,352
Gain (loss) on investment			4,384,306		
Total other income (expense)	<u>757</u>	<u>809</u>	<u>4,384,786</u>	<u>0</u>	<u>4,386,352</u>
Net income (loss) before income taxes	(30,520)	(25,506)	4,076,499	(765,574)	3,254,900
Provision for income taxes	-	-	767,130	(306,230)	460,901
Net income (loss)	<u>\$ (30,520)</u>	<u>\$ (25,506)</u>	<u>\$ 3,309,369</u>	<u>\$ (459,344)</u>	<u>\$ 2,793,999</u>

Laidlaw Energy Group, Inc.
Consolidated Statements of Cash Flows

	3 Months Ended March 31, 2010	6 Months Ended June 31, 2010	9 Months Ended September 31, 2010	Year Ended December 31, 2010
Cash flows from operating activities:				
Net income (loss)	\$ (30,520)	\$ (56,026)	\$ 3,253,343	\$ 2,793,999
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
	-	-	-	-
Changes in operating assets and liabilities:				
Accounts receivable	-	-	(2,982,500)	(2,507,500)
Deferred tax assets	-	-	-	(306,230)
Other assets	-	-	-	-
Accounts payable & accrued expenses	-	-	-	-
Taxes payable	-	-	767,130	767,130
Shareholder advances	181,097	181,097	(568,903)	(568,903)
Net cash provided by (used in) operating activities	<u>150,577</u>	<u>125,071</u>	<u>469,071</u>	<u>178,497</u>
Cash flows from investing activities:				
Investments	<u>(185,717)</u>	<u>(232,360)</u>	<u>(225,321)</u>	<u>(241,397)</u>
Net cash used in investing activities	<u>(185,717)</u>	<u>(232,360)</u>	<u>(225,321)</u>	<u>(241,397)</u>
Cash flows from financing activities:				
Common stock issued for cash	<u>100,000</u>	<u>100,000</u>	<u>107,500</u>	<u>107,500</u>
Net cash provided by financing activities	<u>100,000</u>	<u>100,000</u>	<u>107,500</u>	<u>107,500</u>
Increase (decrease) in cash	64,860	(7,289)	351,249	44,600
Cash at beginning of period	<u>700,441</u>	<u>700,441</u>	<u>700,441</u>	<u>700,441</u>
Cash at end of period	<u><u>765,301</u></u>	<u><u>693,152</u></u>	<u><u>1,051,690</u></u>	<u><u>745,041</u></u>

Laidlaw Energy Group, Inc.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional Paid-In	Retained	Total
	Number of	Par Value	Number of	Par Value	Capital	Earnings (Deficit)	Stockholders'
	Shares		Shares				Equity (Deficit)
Balance at December 31, 2008	1,000,000	1,000	1,855,847,359	1,855,848	(444,422)	(1,203,581)	208,845
Common stock issued to investors for cash	-	-	441,223,866	441,224	(200,474)	-	240,750
Net income (loss)	-	-	-	-	-	(463,931)	(463,931)
Balance at December 31, 2009	1,000,000	1,000	2,297,071,225	2,297,072	(644,896)	(1,667,512)	(14,336)
Common stock issued to investors for cash	-	-	157,649,863	157,649	(50,150)	-	107,500
Net income (loss)	-	-	-	-	-	2,793,999	2,793,999
Balance at December 31, 2010	1,000,000	1,000	2,454,721,088	2,454,721	(695,045)	1,126,487	2,887,163

I hereby certify that the foregoing financial statements are true and correct to the best of my knowledge as of the date hereof.

LAIDLAW ENERGY GROUP, INC.

A handwritten signature in black ink, reading "Michael B. Bartoszek". The signature is written in a cursive, flowing style.

Michael B. Bartoszek
President & Chief Executive Officer