

**EC DEVELOPMENT, INC.**  
**STATEMENT OF CASH FLOWS**  
**(Unaudited)**

	Six Months Ended June 30, 2011 <hr style="border-top: 1px solid black;"/> (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss	\$ (958,272)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	529,836
Changes in assets and liabilities:	
Accounts receivable	(7,895)
Accounts payable and accrued expenses	131,774
	<hr style="border-top: 1px solid black;"/>
Net cash provided by operating activities	(304,557)
	<hr style="border-top: 1px solid black;"/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<hr style="border-top: 1px solid black;"/> -
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Sales of common stock	91,000
Sales of warrants	455,000
Increase (decrease) in loan payable - stockholder/officer	(806)
Proceeds from note payable - other	25,000
Dividends	(100,000)
Increase (decrease) in note payable - related party	(11,746)
Payments of notes payable	(154,369)
	<hr style="border-top: 1px solid black;"/>
Net cash (used in) provided by financing activities	304,079
	<hr style="border-top: 1px solid black;"/>
Net increase (decrease) in cash	(478)
Cash, beginning of year	1,940
	<hr style="border-top: 1px solid black;"/>
Cash, end of year	<u><u>\$ 1,462</u></u>