

Maverick Energy Group
Financial Statements for the Years Ended December 31, 2011 and 2010

Management Certification

Based on my knowledge, the accompanying financial statements and notes thereto present fairly, in all material respects, the financial condition as of December 31, 2011 and 2010 and the results of operation and cash flow for the years then ended of Maverick Energy Group, Ltd., in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Brice E. Bogle, Chief Financial Officer for Maverick Energy Group, Ltd.

March 31, 2011



Chief Financial Officer

Maverick Energy Group
Balance Sheets
as of December 31, 2011 and 2010
(Unaudited)

	2011	2010
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 821,252	\$ 1,044,940
Accounts receivable	1,053,894	1,007,766
Inventory	91,150	93,173
Other current assets	702,804	622,977
Total current assets	2,669,267	2,768,856
 PROPERTY AND EQUIPMENT:		
Unproved land		387,085
Oil and Gas Assets	261,584	
Equipment	801,455	752,048
Less accumulated depreciation	(525,555)	(501,060)
Total property and equipment, net	537,484	638,073
 OTHER ASSETS:		
Investments	1,159,121	581,001
Notes receivable, net of current portion	57,954	55,000
Other assets	97,298	93,978
TOTAL ASSETS	\$ 4,520,957	\$ 4,136,908

The accompanying notes are an integral part of these financial statements.

Maverick Energy Group
Balance Sheets
as of December 31, 2011 and 2010
(Unaudited)

	2011	2010
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,750,627	\$ 1,517,896
Line of credit	369,786	327,122
Current maturities of long term debt	53,447	92,116
TOTAL LIABILITIES	2,173,860	1,937,134
 SHAREHOLDERS' EQUITY		
Common stock, \$0.001 par value, 500,000,00 shares authorized, 131,084,189 and 130,561,189 outstanding, respectively	130,946	\$ 130,946
Less: Treasury stock - 900,000 shares	(24,000)	
Additional Paid-in capital	158,857	158,857
Retained earnings	2,081,294	1,909,971
Total stockholders' equity	2,347,097	2,199,774
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,520,957	\$ 4,136,908

The accompanying notes are an integral part of these financial statements.

Maverick Energy Group
 Statements of Income
 Years Ended December 31, 2011 and 2010
 (Unaudited)

	2011	2010
Revenues	\$ 4,881,226	\$ 5,000,567
Costs incurred	4,195,725	4,026,971
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Gross margin	685,501	973,596
Selling, general and administrative expenses	(489,548)	(389,870)
Depreciation	(84,760)	(123,763)
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Income from operations	111,193	459,963
Partnership income (loss)		
Other income (expense)	60,130	412,738
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Net income before income taxes	171,323	872,701
Provision for income taxes		
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Net income	<u>\$ 171,323</u>	<u>\$ 872,701</u>

The accompanying notes are an integral part of these financial statements.

Maverick Energy Group
Statements of Cash Flows
Years Ended December 31, 2011 and 2010
(Unaudited)

	2011	2010
Cash generated (used) by operations		
Net income (loss)	\$ 176,345	\$ 872,701
Depreciation	79,738	123,763
Disposition of raw land		70,492
Partnership loss		
Gain on disposition of assets	(18,824)	
 Cash flows provided by (used for) changes in		
Accounts receivable	(46,128)	175,693
Inventory	2,023	(31,524)
Other current assets	(79,827)	(300,571)
Line of credit	42,664	(72,878)
Accounts payable	232,731	25,017
Other assets	(3,320)	(31,621)
Net cash generated (used) by operations	<u>385,402</u>	<u>831,072</u>
 Cash generated from (used in) investing activities		
Purchases of property, plant and equipment	(68,948)	(49,659)
Additions to oil and gas properties	(375,077)	(256,070)
Note receivable	(2,954)	(55,000)
Investments	(117,266)	
Proceeds from sale of assets	18,824	62,889
Net cash used in investing activities	<u>(546,421)</u>	<u>(320,200)</u>
 Cash generated from (used in) financing activities		
Advances of debt	39,759	
Payment of principal on debt	(78,428)	(66,131)
Purchase of treasury stock	(24,000)	
Net cash generated from financing activities	<u>(62,669)</u>	<u>(66,131)</u>
 Net cash used	(223,688)	444,741
Cash, beginning of period	1,044,940	639,934
Cash, end of period	<u>\$ 821,252</u>	<u>\$ 1,084,675</u>
 Supplemental information		
Cash paid for interest during period	<u>\$ 23,452</u>	<u>\$ 10,611</u>
Non-cash acquisition of land for note payable		<u>\$ 175,000</u>

The accompanying notes are an integral part of these financial statements.

Maverick Energy Group
Statement of Changes in Shareholders' Equity
Years Ended December 31, 2011, 2010 and 2009
(unaudited)

	Number of Shares Outstanding	Common Stock \$0.001 Par	Treasury Stock	Additional Paid - In Capital	Retained Earnings	Total Shareholders' Equity
December 31,2009	131,084,189	\$ 130,946		\$ 158,857	\$ 1,037,270	\$ 1,327,073
Net income					872,701	872,701
December 31,2010	131,084,189	\$ 130,946	-	\$ 158,857	\$ 1,909,971	\$ 2,199,774
Purchase of treasury stock			(24,000)			(24,000)
Net income					171,323	171,323
12/31/2011	<u>131,084,189</u>	<u>\$ 130,946</u>	<u>\$ (24,000)</u>	<u>\$ 158,857</u>	<u>\$ 2,081,294</u>	<u>\$ 2,347,097</u>

The accompanying notes are an integral part of these financial statements.

Maverick Energy Group, Ltd.
Notes to Financial Statements
(Unaudited)

1. Basis of Presentation

The accompanying unaudited financial statements of Maverick Energy Group, Ltd. (“the company”) do not include all information and footnotes necessary for a fair presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation of the results of operations for the period presented have been included.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

On March 30, 2006, the Pinnacle Group Unlimited, Inc. (“PGPU”) purchased certain assets and assumed certain liabilities of Maverick Energy Group, Inc. (“Maverick”) in exchange for 95,000,000 shares of its treasury stock. Maverick’s management team assumed management of PGPU as part of the transaction. Effective October 3, 2006, PGPU changed its name to Maverick Energy Group, Ltd.

2. Other current assets

Other current assets includes receivables due the Company from entities for which it is the operator totaling \$0 and \$274,213 and as of December 31, 2011 and 2010, respectively.

3. Unproved land

Unproved land represents approximately 100 and 1,200 net acres under lease in West Virginia as of March 31, 2010 and December 31, 2009. The leases are for five years with expirations beginning October 2010. The leases may be extended an additional five years at the Company’s election and the payment of additional rentals. During the first quarter 2010, the Company sold the approximate 1,100 acres for \$308,305. The balance was sold in 2011.

Maverick Energy Group, Ltd.
Notes to Financial Statements
(Unaudited)

4. Notes receivable

Notes receivable consists of a \$55,000 note bearing interest at 18%. The note is due upon demand and is expected to be repaid by August 2012.

5. Investments

Investments, which are accounted for on the equity method, consist of the following:

	December 31, 2011	December 31, 2010
11.55% interest in owner of Big Foot Field, located in Frio and Atascosa counties, Texas	-	-
Equity Net Profits interest in the Big Foot Field	\$ 223,956	\$ 223,956
Interest in Limited Partnership	12,500	12,500
25% interest in a drilling program	608,928	30,808
2% Overriding royalty in leases	313,737	313,737
	<u>\$ 1,159,121</u>	<u>\$ 581,001</u>

6. Debt

The Company's debt is comprised of the following:

	December 31, 2011	December 31, 2010
Notes payable to banks for equipment	\$ 53,447	\$ 92,116
Line of credit	369,786	327,122
	<u>\$ 423,233</u>	<u>\$ 419,238</u>

Maverick Energy Group, Ltd.
Notes to Financial Statements
(Unaudited)

The line of credit is secured by a certificate of deposit with a national bank at an interest related to the bank prime rate, which was 2.20% at December 31, 2011 and 5.24% December 31, 2010.

7. Contingencies

The Company provides for costs related to contingencies when a loss is probable and the amount is reasonably estimable.

The Company, as an operator of oil and gas properties, is subject to various federal, state, and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may impose liability on the operator of oil and gas lease or concession for the cost of pollution clean-up resulting from operations and also may subject the lessee to liability for pollution damages.

It is not possible for the Company to reliably estimate the amount and timing, if any, related to environmental matters because of the difficulty of predicting cleanup requirements and estimating cleanup costs, the uncertainty in quantifying liability under environmental laws that impose joint and several liability on all potentially responsible parties and the continually changing nature of environmental laws and regulations and the uncertainty inherent in legal matters.