

Financial Statements of

**PGI ENERGY, INC.**

As of Third Quarter Ended September 30, 2011

(Unaudited)

**PGI Energy Inc**  
**Balance Sheet**  
As of September 30, 2011

**ASSETS**

**Current Assets**

|                      |        |
|----------------------|--------|
| Cash                 | 23,601 |
| Other Current Assets | 51,004 |

Total Current Assets 74,605

**Fixed Assets**

|                         |         |
|-------------------------|---------|
| Wells and Development   | 527,800 |
| Leashold Improvements   | 23,271  |
| Computer Equipment      | 43,472  |
| Copiers and Printers    | 3,455   |
| Furniture and Equipment | 71,134  |

Accumulated Depreciation -13,053

Total Fixed Assets 656,079

**Other Assets**

|             |       |
|-------------|-------|
| Investments | 6,000 |
|-------------|-------|

Total Other Assets 6,000

**TOTAL ASSETS** 736,684

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Accounts Payable 102,964

**Other Current Liabilities**

Loan 355,882

N/P To Vendors 590,000

Accrued Expenses 113,195

Total Other Current Liabilities 1,059,077

Total Current Liabilities 1,162,041

Total Liabilities 1,162,041

**Equity**

Additional paid in capital 13,167,360

Common Stock , \$.01 par value; 2,022,220,561 20,222,206

Retained Earnings -26,870,433

Net Income -6,944,490

Total Equity -425,357

**TOTAL LIABILITIES & EQUITY** 736,684

**PGI Energy Inc**  
**Profit & Loss**  
**Nine Months Ended September 30th, 2011**

|  |                          |
|--|--------------------------|
| <b>Ordinary Income/Expense</b>             |                          |
| <b>Income</b>                              |                          |
| Trans. and Logistic Fees                   | 15,542                   |
| Trading Activities                         | (10,000)                 |
| <b>Total Income</b>                        | <u>5,542</u>             |
| <br>                                       |                          |
| <b>Cost of Goods Sold</b>                  |                          |
| Brokerage Fees                             | 1,552                    |
| Freight and Shipping Costs                 | 9,283                    |
| <b>Total COGS</b>                          | <u>10,835</u>            |
| <br>                                       |                          |
| <b>Gross Profit</b>                        | <u>(5,293)</u>           |
| <br>                                       |                          |
| <b>General and Administrative Expenses</b> | <u>9,681,078</u>         |
| <br>                                       |                          |
| <b>Net Ordinary Income</b>                 | (9,686,371)              |
| <br>                                       |                          |
| <b>Other Income/Expense</b>                |                          |
| <b>Other Income</b>                        |                          |
| Gain On Extinguishment of Debt             | 3,678,624                |
| <b>Total Other Income</b>                  | <u>3,678,624</u>         |
| <br>                                       |                          |
| <b>Other Expense</b>                       |                          |
| Loss on Assumption of N/P                  | 929,943                  |
| Other Expenses                             | 6,800                    |
| <b>Total Other Expense</b>                 | <u>936,743</u>           |
| <br>                                       |                          |
| <b>Net Other Income</b>                    | <u>2,741,881</u>         |
| <br>                                       |                          |
| <b>Net Income</b>                          | <u><u>-6,944,490</u></u> |

# PGI Energy, Inc.

2700 Post Oak Blvd, Suite 1700  
Houston, TX 77056  
P 832.900.1400  
F 832.900.1401  
M pgienergy.us

## Shareholder List

Cutoff Date: 09-15-2011

Include Good Addresses & Bad Addresses  
Outstanding Stock Only  
Common Stock Only  
Printed in Name Order

| Security | Shareholders | Issued        | Outstanding   | Non-Restricted | Restricted  | Authorized    |
|----------|--------------|---------------|---------------|----------------|-------------|---------------|
| COMMON   | 535          | 2,022,220,551 | 2,022,220,551 | 1,323,230,842  | 698,989,709 | 3,000,000,000 |



### Transfer Online, Inc

512 SE Salmon Street  
Portland, OR 97214  
PHONE: 503.227.2950 . FAX: 503.227.6874  
info@TransferOnline.com . www.TransferOnline.com

Certified By: \_\_\_\_\_

Date: \_\_\_\_\_