

WQN, Inc.
Condensed Balance Sheets
Unaudited

	June 30, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 54,235	\$ 83,950
Other receivables	500,000	500,000
Prepaid expenses and deposits	-	-
Total current assets	<u>554,235</u>	<u>583,950</u>
Property and equipment, net	-	-
Investment in WebSafety	2,700,000	2,700,000
Cumulative share of net income (loss) in Websafety	<u>(2,700,000)</u>	<u>(2,700,000)</u>
Net investment in WebSafety	-	-
Investment in SeaView Capital, LP	<u>913,496</u>	<u>810,271</u>
TOTAL ASSETS	<u><u>\$ 1,467,731</u></u>	<u><u>\$ 1,394,221</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 423,314	\$ 423,314
Accrued expenses	-	-
Other current liabilities	68,704	68,673
Income tax payable	-	-
Total current liabilities	<u>492,018</u>	<u>491,987</u>
TOTAL LIABILITIES	<u><u>492,018</u></u>	<u><u>491,987</u></u>
Shareholders' (deficiency):		
Common stock - \$0.01 par value; 50,000,000 shares authorized; 22,065,370 and 6,830,062 shares issued and outstanding at June 30, 2012 and Dec. 31, 2010 & Dec. 31, 2009, respectively	220,654	220,654
Preferred stock - \$0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding	-	-
Additional paid-in capital	37,187,721	37,187,721
Accumulated (deficit)	<u>(36,432,661)</u>	<u>(36,506,140)</u>
Total shareholders' equity	<u>975,714</u>	<u>902,234</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 1,467,731</u></u>	<u><u>\$ 1,394,221</u></u>