

PLANET RESOURCE RECOVERY, INC.

**FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD**

ENDING SEPTEMBER 30, 2010

UNAUDITED

I, Kurt E Neubauer, President of Planet Resource Recovery, Inc., hereby certify that the financial statements filed herewith and any notes thereto, fairly present, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

Dated: September 30, 2010

/s/ KURT E NEUBAUER

Kurt E Neubauer
Chief Executive Officer

PLANET RESOURCE RECOVERY, INC.
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2010 - UNAUDITED

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	\$ 5,817
ACCOUNTS RECEIVABLE	132,615
INVENTORIES	27,238
PREPAID EXPENSES AND OTHER CURRENT ASSETS	157,799
TOTAL CURRENT ASSETS	<u>323,469</u>

PROPERTY AND EQUIPMENT, net 254,779

OTHER ASSETS, net 2,628,612

TOTAL ASSETS \$ 3,206,860

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$ 941,753
ACCRUED INTEREST	-
OTHER CURRENT LIABILITIES	491,262
SHORT-TERM DEBT	56,860
TOTAL CURRENT LIABILITIES	<u>1,489,875</u>

LONG-TERM LIABILITIES:

LONG-TERM DEBT	<u>9,446</u>
TOTAL LIABILITIES	1,499,321

STOCKHOLDERS' DEFICIT

PREFERRED STOCK, \$0.001 PAR VALUE, AUTHORIZED 10,000,000 SHARES, AUTHORIZED 500,000 SERIES A SHARES; ISSUED AND OUTSTANDING: 19,759 SERIES A SHARES	20
COMMON STOCK, \$0.001 PAR VALUE, AUTHORIZED 450,000,000 SHARES; ISSUED AND OUTSTANDING: 189,403,677 SHARES	189,403
ADDITIONAL PAID-IN CAPITAL	13,152,137
ACCUMULATED DEFICIT	<u>(11,634,021)</u>
TOTAL STOCKHOLDERS' DEFICIT	<u>1,707,539</u>

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT \$ 3,206,860

PLANET RESOURCE RECOVERY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
SEPTEMBER 30, 2010 - UNAUDITED

REVENUES	\$	64,071
COST OF REVENUES		<u>22,571</u>
GROSS PROFIT		41,500
OPERATING EXPENSES:		
SELLING, GENERAL AND ADMINISTRATIVE		2,700,152
RESEARCH AND DEVELOPMENT		<u>911,911</u>
LOSS FROM OPERATIONS		(3,570,563)
OTHER INCOME (EXPENSES):		
OTHER INCOME		20,115
INTEREST EXPENSE		(2,244,212)
NET LOSS	\$	<u>(5,794,660)</u>