

PLANET RESOURCE RECOVERY, INC.

**FINANCIAL STATEMENTS
FOR THE YEAR END PERIOD**

ENDING DECEMBER 31, 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: December 31, 2010

/s/ KURT E NEUBAUER

Kurt E Neubauer
Chief Executive Officer

Planet Resource Recovery, Inc.
Consolidated Balance Sheets
For the Twelve Months Ended December 31, 2010

Assets	As of December 31, 2010 (Not Audited)
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	135,288
Inventory	27,238
Prepaid Expenses and Other current assets	74,417
Total current assets	<u>236,943</u>
Property and equipment, net	232,919
Other assets	<u>8,612</u>
Total assets	<u><u>\$ 478,474</u></u>
Liabilities and Shareholders' Deficit	
Current liabilities	
Accounts payable and accrued liabilities	\$ 1,002,687
Other current liabilities	686,105
Short-term debt	40,000
Total current liabilities	<u>1,728,792</u>
Long-Term Liabilities	
Long-term debt	338,091
Long-term debt, related party	<u>-</u>
Total liabilities	2,066,883
Shareholders' deficit	
Preferred stock, par value \$.001; 10,000,000 shares authorized; 500,000 Series A Shares; 19,759 shares issued and outstanding	19
Common stock; par value \$.001; 450,000,000 shares authorized; 196,715,877 shares issued and outstanding	196,716
Additional paid-in capital	13,392,536
Accumulated deficit	<u>(15,177,680)</u>
Total shareholders' deficit	<u>(1,588,409)</u>
Total liabilities and stockholders' equity	<u><u>\$ 478,474</u></u>

Planet Resource Recovery, Inc.
Consolidated Statements of Operations
For the Twelve Months Ended December 31, 2010

	As of December 31, 2010 (Not Audited)
Revenues	\$ 76,821
Cost of sales	<u>22,571</u>
Gross profit (loss)	54,250
Operating expenses	
General and administrative expenses	6,657,292
Research and development expenses	480,017
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Loss from operations	<u>(7,083,059)</u>
Other Expenses	
Interest expense	<u>2,255,259</u>
Net Loss	(9,338,318)