

**PLANET RESOURCE RECOVERY, INC.**

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

**ENDING JUNE 30, 2010**

**UNAUDITED**

**I, Kurt E Neubauer, Chief Executive Officer 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: June 30, 2010**

**/s/ KURT E NEUBAUER**

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**Kurt E Neubauer**  
**Chief Executive Officer**

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

**ASSETS**

**CURRENT ASSETS:**

CASH AND CASH EQUIVALENTS	\$ 1,177,349
ACCOUNTS RECEIVABLE	2,952
INVENTORIES	13,325
PREPAID EXPENSES AND OTHER CURRENT ASSETS	116,582
TOTAL CURRENT ASSETS	<u>1,310,208</u>

**PROPERTY AND EQUIPMENT, net** 145,158

**OTHER ASSETS, net** 2,626,112

TOTAL ASSETS \$ 4,081,478

**LIABILITIES AND STOCKHOLDERS' DEFICIT**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE	\$ 815,251
ACCRUED INTEREST	17,020
OTHER CURRENT LIABILITIES	593,671
SHORT-TERM DEBT	56,860
TOTAL CURRENT LIABILITES	<u>1,482,802</u>

**LONG-TERM LIABILITES:**

LONG-TERM DEBT	<u>10,183</u>
TOTAL LIABILITES	1,492,985

**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: 186,039,370 SHARES	186,039
ADDITIONAL PAID-IN CAPITAL	10,524,563
ACCUMULATED DEFICIT	<u>(8,122,129)</u>
TOTAL STOCKHOLDERS' DEFICIT	2,588,493

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT \$ 4,081,478

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

<b>REVENUES</b>	\$	27,118
<b>COST OF REVENUES</b>		<u>336</u>
GROSS PROFIT		26,782
<b>OPERATING EXPENSES:</b>		
SELLING, GENERAL AND ADMINISTRATIVE		2,154,882
RESEARCH AND DEVELOPMENT		<u>147,047</u>
LOSS FROM OPERATIONS		(2,275,147)
<b>OTHER EXPENSES:</b>		
INTEREST EXPENSE		(7,620)
NET LOSS	\$	<u><u>(2,282,767)</u></u>