

**PLANET RESOURCE RECOVERY, INC.**

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

**ENDING MAY 31, 2009**

**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: May 31, 2009**

**/s/ KURT E NEUBAUER**

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

**Planet Resource Recovery, Inc.**  
**Consolidated Balance Sheets**  
**For the Three Months Ended May 31, 2009**

| <b>Assets</b>   | <b>As of<br/>May 31,<br/>2009<br/>(Not Audited)</b> |
|---|---|
| Current assets  |   |
| Cash and cash equivalents   | \$ 3,166  |
| Accounts receivable   | 32,556  |
| Inventory   | 25,065  |
| Other current assets  | 638   |
| Total current assets  | <u>61,425</u>                                       |
| Property and equipment, net   | 145,574   |
| Other assets  | <u>24,113</u>                                       |
| Total assets  | <u><u>\$ 231,112</u></u>                            |
| <b>Liabilities and Shareholders' Deficit</b>  |   |
| Current liabilities   |   |
| Notes payable-current   | \$ 461,203  |
| Accounts payable and accrued liabilities  | 384,222   |
| Accrued interest  | 3,823   |
| Total current liabilities   | <u>849,248</u>                                      |
| Shareholder notes payable   | 166,715   |
| Long-term debt, net of current maturities   | <u>77,257</u>                                       |
| Total liabilities   | 1,093,220   |
| Shareholders' deficit   |   |
| Preferred stock, par value \$.001; 10,000,000 shares authorized;<br>19,386 shares issued and outstanding    | 19  |
| Common stock; par value \$.001; 450,000,000 shares authorized;<br>104,324,142 shares issued and outstanding | 104,324   |
| Additional paid-in capital  | 2,913,532   |
| Accumulated deficit   | <u>(3,879,983)</u>                                  |
| Total shareholders' deficit   | <u>(862,108)</u>                                    |
| Total liabilities and stockholders' equity  | <u><u>\$ 231,112</u></u>                            |

**Planet Resource Recovery, Inc.**  
**Consolidated Statements of Operations**  
**For the Three Months Ended May 31, 2009**

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|  | <b>As of<br/>May 31,<br/>2009<br/>(Not Audited)</b> |
|--|---|
| Revenues   | \$ 26,498   |
| Cost of sales  | <u>-</u>  |
| Gross profit (loss)  | 26,498  |
| Operating expenses   |   |
| Research and development expenses                            | 35,430  |
| General and administrative expenses                          | 326,547   |
| Depreciation expense   | <u>62,649</u>                                       |
| Total operating expenses                                     | <u>424,626</u>                                      |
| Operating income (loss)                                      | (398,128)   |
| Other income (expense)                                       |   |
| Interest expense   | <u>(10,310)</u>                                     |
| Total other income (expense)                                 | (10,310)  |
| Income (loss) from continuing operations before income taxes | (408,439)   |
| Provision (benefit) from income taxes                        | <u>-</u>  |
| Income (loss) from continuing operations                     | (408,439)   |
| Net income (loss)  | <u><u>\$ (408,439)</u></u>                          |