**ECO-SAFE USA, INC.**
**AND**
**ECO-SAFE SYSTEMS USA, INC.**
**COMBINED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2006 AND**
**THE PERIOD FROM JULY 1, 2005 (INCEPTION)**
**THROUGH DECEMBER 31, 2005**

MENDOZA BERGER COMPANY, L.L.P.
Certified Public Accountants

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*Eco-Safe Systems USA*
Certified Audit

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders
of Eco-Safe Systems USA, Inc. and Eco-Safe USA, Inc.

We have audited the accompanying combined balance sheets of Eco-Safe Systems USA, Inc. (a Delaware corporation) and Eco-Safe USA, Inc. (a California corporation) as of December 31, 2006 and 2005 and the related combined statements of income, changes in shareholders' equity, and cash flows for the year ended December 31, 2006 and for the period from inception (July 1, 2005) to December 31, 2005. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Eco-Safe Systems USA, Inc. and Eco-Safe USA, Inc. as of December 31, 2006 and 2005 and the results of their operations and their cash flows for the year ended December 31, 2006 and the period from July 1 to December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

**Mendoza Berger & Company, LLP**

Irvine, California
July 23, 2007

**ECO-SAFE USA, INC.**
**AND**
**ECO-SAFE SYSTEMS USA, INC.**
**COMBINED BALANCE SHEETS**

**ASSETS**

| | December 31, 2006 | December 31, 2005 |
|---|---|---|
| Current assets: | | |
| Cash | $ 35,784 | $ 6,367 |
| Other current assets: | | |
| Accounts receivable | 18,184 | - |
| Inventory | 126,000 | 16,200 |
| Prepaid expenses | 6,441 | 4,692 |
| Loans receivable | 52,029 | - |
| Total current assets | 238,438 | 27,259 |
| Property and equipment, net | 15,095 | - |
| Other assets: | | |
| Deposits | 3,875 | 1,875 |
| Total other assets | 3,875 | 1,875 |
| Total assets | $ 257,408 | $ 29,134 |

See accompanying notes to financial statements

**ECO-SAFE USA, INC.**
**AND**
**ECO-SAFE SYSTEMS USA, INC.**
**COMBINED BALANCE SHEETS**

**LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)**

| | December 31, | |
|---|---|---|
| | 2006 | 2005 |
| Current liabilities: | | |
| Accounts payable | $ 35,814 | $ - |
| Credit cards payable | 15,446 | 11,684 |
| Accrued expenses | 11,896 | 3,104 |
| Accrued income taxes | 16,233 | 1,143 |
| Note payable | 9,999 | - |
| Total current liabilities | 89,388 | 15,931 |
| Long-term note payable – related party | 30,103 | 11,210 |
| Total long-term liabilities | 30,103 | 11,210 |
| Shareholders' equity (deficit): | | |
| Common stock, Eco-Safe USA, Inc., par value $.0004, 5,000,000 shares authorized, issued and outstanding at December 31, 2006 and 2005, respectively | 2,000 | 2,000 |
| Common stock, Eco-Safe Systems USA, Inc. par value $.0004, 100,000,000 shares authorized, 64,076,372 and 0 issued and outstanding at December 31, 2006 and 2005, respectively. | 102,500 | - |
| Retained earnings (accumulated deficit) | 33,417 | (7) |
| Total shareholders' equity | 137,917 | 1,993 |
| Total liabilities and shareholders' equity | $ 257,408 | $ 29,134 |

See accompanying notes to financial statements

## ECO-SAFE USA, INC.
## AND
## ECO-SAFE SYSTEMS USA, INC.
## COMBINED STATEMENTS OF OPERATIONS

| | For the Year Ended December 31, 2006 | For the Period From July 1, 2005 (Inception) Through December 31, 2005 |
|---|---|---|
| Sales | $ 334,416 | $ 68,653 |
| Cost of goods sold | (90,458) | (27,858) |
| Gross profit | 243,958 | 40,795 |
| Operating expenses: | | |
| Automobile expense | 13,197 | 2,927 |
| Bank charges | 1,481 | 121 |
| Bond expense | 332 | - |
| Commissions | 8,200 | 13,795 |
| Consultants | 1,829 | - |
| Demonstration costs | 9,221 | 1,657 |
| Depreciation | 226 | - |
| Equipment leasing and rental | 576 | - |
| Fines and penalties | 598 | - |
| Freight out and postage | 2,107 | 1,895 |
| Insurance | 9,751 | 1,887 |
| Interest expense | 7,549 | 358 |
| Legal and accounting | 43,254 | - |
| Marketing expense | 1,698 | - |
| Meals and entertainment | 8,275 | 783 |
| Office supplies | 4,238 | 953 |
| Outside services | 13,014 | 2,620 |
| Patent fees | 1,300 | 200 |
| Product development | 5,705 | 1,200 |
| Public relations | 14,493 | - |
| Referral fees | 5,300 | - |
| Rent | 22,612 | 4,495 |
| Repairs and maintenance | 1,730 | 267 |
| Small tools and supplies | 156 | - |
| Taxes – other | 180 | - |
| Telephone | 6,920 | 1,328 |
| Training | 405 | - |
| Travel | 10,136 | 5,185 |
| Total operating expenses | 194,483 | 39,671 |

**ECO-SAFE USA, INC.**
**AND**
**ECO-SAFE SYSTEMS USA, INC.**
**COMBINED STATEMENTS OF OPERATIONS**

| | For the Year Ended December 31, 2006 | For the Period From July 1, 2005 (Inception) Through December 31, 2005 |
|---|---|---|
| Income (loss) from operations | 49,475 | 1,124 |
| Other income and (expenses): | | |
| Interest income | 554 | 12 |
| Income (loss) before income taxes | 50,029 | 1,136 |
| Income tax expense | 16,605 | 1,143 |
| Net income (loss) | $ 33,424 | $ (7) |
| Weighted average number of shares outstanding (basic and diluted) | 18,613,678 | 5,000,000 |

See accompanying notes to financial statements

**ECO-SAFE USA, INC.**
**AND**
**ECO-SAFE SYSTEMS USA, INC.**
**COMBINED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)**
**FOR THE YEAR ENDED DECEMBER 31, 2006 AND**
**FOR THE PERIOD JULY 1, 2005 (INCEPTION) THROUGH DECEMBER 31, 2005**

| | Common Stock | | Accumulated Earnings (Deficit) | Total Shareholders' Equity (Deficit) |
|---|---|---|---|---|
| | Shares | Amount | | |
| Balance, July 1, 2005 (inception) | - | $ - | $ - | $ - |
| Sale of stock to founder | 5,000,000 | 2,000 | - | 2,000 |
| Net loss | - | - | (7) | (7) |
| Balance, December 31, 2005 | 5,000,000 | 2,000 | (7) | (1,993) |
| Transfer of shares per stock exchange agreement | 16,905,384 | - | - | - |
| Sale of stock to founders | 43,470,988 | 4,230 | - | 4,230 |
| Sale of stock for services | 3,000,000 | 270 | - | 270 |
| Sale of stock for cash | 700,000 | 98,000 | - | 98,000 |
| Net income | - | - | 33,424 | 33,424 |
| Balance, December 31, 2006 | $ 69,076,372 | $ 104,500 | $ 33,417 | $ 137,917 |

See accompanying notes to financial statements

**ECO-SAFE USA, INC.**
**AND**
**ECO-SAFE SYSTEMS USA, INC.**
**COMBINED STATEMENTS OF CASH FLOWS**

| | For the Year Ended December 31, 2006 | For the Period From July 1, 2005 (Inception) Through December 31, 2005 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income (loss) | $ 33,424 | $ (7) |
| Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 176 | - |
| Changes in: | | |
| Accounts receivable | (18,184) | - |
| Inventory | (109,800) | (16,200) |
| Prepaids and other assets | (1,749) | (4,692) |
| Due to/from shareholders | (33,137) | 11,210 |
| Other assets | (2,000) | (1,875) |
| Accounts payable and accrued expenses | 63,459 | 15,931 |
| Net cash provided by (used in) operating activities | (67,811) | 4,367 |
| Cash flows from investing activities: | | |
| Purchase of fixed assets | (15,271) | - |
| Net cash used in investing activities | (15,271) | - |
| Cash flows from financing activities: | | |
| Proceeds from credit line | 9,999 | - |
| Proceeds from sale of common stock | 102,500 | 2,000 |
| Net cash provided by financing activities | 112,499 | 2,000 |
| Net increase (decrease) in cash and cash equivalents | 29,417 | 6,367 |
| Cash and cash equivalents, beginning of period | 6,367 | - |
| Cash and cash equivalents, end of period | $ 35,784 | $ 6,367 |
| **Supplemental disclosure of cash flow information:** | | |
| Income taxes paid | $ 1,515 | $ - |

The accompanying notes are an integral part of these financial statements

ECO-SAFE USA, INC.
AND
ECO-SAFE SYSTEMS USA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

## 1. GENERAL

Eco-Safe USA, Inc. and Eco-Safe Systems USA, Inc. (the Company) which were formed in July 2005 and May 2006, respectively, are in the business of developing, manufacturing and distributing ozone water reclamation systems and ozone food disinfection systems. These systems are designed to be utilized by large institutions such as grocery stores, fish processing plants and in the beef and poultry industry, as well as for individual home use. The systems are 100% toxin free and present an alternative to use of harsh chemicals or disinfecting agents for food and water sanitization.

The Company received initial FDA approval for the safe use of ozone products as an antimicrobial on food products including produce, beef and poultry in either a gaseous or aqueous state in June of 2001. In December of 2000, ozone was approved by the USDA and allowed as an ingredient in or on products labeled as organic.

Because the ozone systems slow the decaying process, the use of the ozone food disinfection system extends the useful shelf life of produce, beef and poultry, anywhere from four to twenty five days, depending on the product. It also significantly decreases bacteria count on these products throughout the shelf life.

During the year ended December 31, 2006, the Company distributed demonstration units for a month to various businesses, running tests at Company cost, to prove the effectiveness of the systems. Many of these units were subsequently sold to the customers. There were also sales in 2005.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, and in accordance with generally accepted accounting principles.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Cash and Cash Equivalents**

For purposes of financial statement presentation, the Company considers all money market funds and highly liquid debt instruments with maturities of three months or less to be cash equivalents.

**Inventory**

Inventory is comprised of only finished units which are valued using a standard cost based on the annual average cost of production.

**Property, Plant and Equipment**

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of five to seven years. Repairs and maintenance costs are expensed as incurred, and expenditures for major improvements which extend the useful lives of the improved assets are capitalized.

**Income Taxes**

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred taxes also are recognized for operating losses and tax credits that are available to offset future taxable income. There were no deferred taxes as of December 31, 2006 and 2005.

**Adoption of FASB Interpretation 46R**

In December 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation 46R (FIN 46R), a revision to Interpretation 46 (FIN 46), "*Consolidation of Variable Interest Entities*". FIN 46R clarifies some of the provisions of FIN 46 and exempts certain entities from its requirements. FIN 46R is effective for nonpublic entities by the beginning of the first annual period after December 15, 2004. FIN 46R addresses consolidation by business enterprises of variable interest entities and management believes the adoption of FIN 46R has a material impact on the Company's financial statements. FIN 46R provides a new framework for identifying variable interest entities (VIEs) and determining when a company should include the assets, liabilities, noncontrolling interests and results of operations of a VIE in its consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Adoption of FASB Interpretation 46R** (continued)

In general, a VIE is a corporation, partnership, limited-liability corporation, trust or any other legal structure used to conduct activities or hold assets that either (1) has an insufficient amount of equity to carry out its principal activities without additional subordinated financial support, (2) has a group of equity owners that are unable to make significant decisions about its activities, or (3) has a group of equity owners that do not have the obligation to absorb losses or the right to receive returns generated by its operations.

FIN 46R requires a VIE to be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) is obligated to absorb a majority of the risk of loss for the VIE's activities, is entitled to receive a majority of the VIE's residual returns (if no party absorbs a majority of the VIE's losses) or both. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE's assets, liabilities and noncontrolling interests at fair value and subsequently account for the VIE as if it were consolidated based on majority voting interest. FIN 46R also requires disclosures about VIEs that the variable interest holder is not required to consolidate, but in which it has a significant variable interest.

In accordance with the transition provisions of FIN 46R, the assets, liabilities and noncontrolling interests of new consolidated VIEs were initially recorded at the amounts at which they would have been carried in the consolidated financial statements if FIN 46R had been effective when the Company first met the conditions to be the primary beneficiary of the VIE. (In situations where the determining carrying amounts as required was impractical, the assets, liabilities and noncontrolling interests were measured using their fair values as of December 31, 2005.)

## 3. ACCOUNTS RECEIVABLE

As of December 31, 2006 all accounts receivables are current and collectable. Therefore, no reserve for uncollectible accounts is required. There were no accounts receivable at December 31, 2005.

## 4. PROPERTY AND EQUIPMENT

Property and equipment at December 31, consists of the following:

| | 2006 | 2005 |
|---|---|---|
| Furniture and equipment | $ 900 | $ - |
| Vehicles | 14,370 | - |
| Less: accumulated depreciation | (176) | - |
| Total property and equipment | $ 15,094 | $ - |

Depreciation expense as of December 31, 2006 and 2005 was $176 and $0, respectively.

## 5. BANK LINE OF CREDIT AND CREDIT CARDS PAYABLE

The Company obtained a bank line of credit during 2006. The limit on this line is $10,000. Borrowings under the agreement accrue interest at the bank's prime rate plus 4.00%. This revolving line of credit has no expiration date but is reviewed annually. The Company had an outstanding balance of $9,999 on the line of credit at December 31, 2006.

Credit cards payable are comprised of three separate credit cards, two of which are issued to officers of Eco-Safe USA, Inc., and one general business credit card, also from Eco-Safe USA, Inc. The officers' credit cards maintain credit limits of $4,000 and $10,000 and accrue interest at 13.33% for purchases and 23.83% for cash advances. There were no cash advances maintained on these cards as of December 31, 2006 and 2005. The outstanding balances on these cards were $3,965 and $9,513 as of December 31, 2006, and $2,922 and $8,761 as of December 1, 2005, respectively. The general business credit card maintains a $2,500 credit limit and can only be used for purchases, allowing no cash advances. The outstanding balances on this card as of December 31, 2006 and 2005 were $1,968 and $0, respectively.

Interest expense as of December 31, 2006 and 2005 was $7,549 and $358, respectively.

6. **COMMITMENTS & CONTINGENCIES**

**Operating Leases**

The Company leases facilities under two separate operating leases expiring on January 31 and October 31, 2008.

Total rental expense on operating leases as of December 31, 2006 and 2005 was $22,613 and $ 4,495, respectively.

As of December 31, 2006 the future minimum lease payments are as follows:

| For the Years Ending December 31, | Eco-Safe USA, Inc. | Eco-Safe Systems USA, Inc. |
|---|---|---|
| 2007 | $ 23,288 | $ 22,000 |
| 2008 | 19,875 | 2,000 |
| Total | $ 43,163 | $ 24,000 |

**Public Relations Service Agreement**

On July 18, 2006 the Company entered into an agreement with a Public Relations Firm (PR Firm) for services involving market analysis, branding, web site identification and related services. The agreement expires on July 18, 2008.

Total budgeted cost for the initial services, including: Market Analysis, Branding, Copy, Web Site and Downloadables, and Design shall be $7,000, one-half to be delivered upon commencement of the project and one-half to be delivered upon completion. In conjunction with the payment terms of this agreement, 50,000 shares shall be issued to a separate individual of the public relations team, in the same percentage distribution as the cash.

Continued monthly services shall be paid as follows: a $2,500 retainer to be paid at the beginning of each month, plus out of pocket expenses. In the event the retainer is not paid, the PR Firm may elect to have company stock shares allocated to them in lieu of cash. Interest on unpaid amounts will accrue at 1/2%, 30 days after billing.

6. **COMMITMENTS & CONTINGENCIES** (Continued)

**Public Relations Service Agreement** (continued)

In the event the Company becomes a publicly traded company, the Company shall arrange to have transferred to the PR Firm one million shares of voting stock. Paperwork related to such stock transfer shall be submitted to the PR Firm within two weeks of the initial public issuance of Company stock.

The agreement will be reviewed every six months, with any mutually agreeable adjustments made based on workload and Company requirements. The agreement continues automatically upon termination unless cancelled in writing by either party.

7. **RELATED PARTY TRANSACTIONS**

**Notes Receivable Related Parties**

The unsecured note receivable from related parties was due from Global Marketing, Inc., which is 100% owned by the two companies' president, who is also the sole owner of Eco-Safe USA, Inc. The note had a balance of $50,839 and $0 as of December 31, 2006 and 2005, respectively. Any interest accrual associated with this receivable would not materially effect the financial statements at year end and, therefore, is not presented. This note is included with loans receivable – shareholders.

**Notes Payable – Shareholder**

The Company has a note payable to a shareholder in the amount of $30,103 and $11,210 as of December 31, 2006 and 2005, respectively. This note represents unreimbursed business expenses paid by the shareholder on behalf of the Company. These advances are non-interest bearing, have no fixed terms of repayment and are unsecured.

## 8. REORGANIZATION

On May 3, 2006, Eco-Safe Systems USA, Inc (Systems) was incorporated in the state of California and 100,000,000 shares were authorized, with 45,000,000 shares of common stock being issued for $0.0001 per share, to three separate shareholders. All shareholders were officers of the Company at the time the shares were issued. The president of Systems is the sole owner of Eco-Safe USA, Inc.

As of May 31, 2006, the Company made and entered into an agreement which provides for the reorganization of C.F. Green Corporation (CFGC), a Delaware corporation, with and into Systems, a California corporation, resulting in CFGC becoming a wholly-owned subsidiary of Systems. The agreement is for the exchange of 72% of the outstanding common stock (restricted common stock) of CFGC, or 43,470,988 shares, for 100% of the outstanding common shares of Systems, or 45,000,000 shares.

The former shareholders of CFGC acquired control of Systems upon the closing of the share exchange transaction. The exchange was accounted for as a reverse acquisition. Accordingly, for financial statement purposes, CFGC was considered the accounting acquirer, and the related business combination was considered a recapitalization of CFGC rather than an acquisition by Systems. The historical financial statements prior to the agreement will be those of CFGC, and the name of the consolidated company going forward will be Eco-Safe Systems USA, Inc.

The following shows the unaudited condensed balance sheet for CFGC as of December 31, 2005:

| | | |
|---|---|---|
| Current assets | $ | 541 |
| Current liabilities | $ | (1,465) |
| Capital | | (59,975) |
| Retained earnings | | 60,899 |
| Total liabilities and equity | $ | (541) |

## 9. SUBSEQUENT EVENTS

Effective January 1, 2007, Systems, a Delaware corporation, purchased 100% of the outstanding stock of Eco-Safe USA, Inc. (Eco), a California corporation, whereby the President of both Eco and Systems, agreed to transfer all outstanding common shares of Eco in exchange for 100,000 shares of Systems. After the reorganization, both Eco and Systems continued as corporations governed by the laws of their respective states of incorporation. It was intended that this reorganization should constitute a tax-free transaction within the meaning of the Internal Revenue Code of 1986, as amended (the Code), and that the agreement thereto pertaining should constitute a "plan of transaction" for purposes of the Code. The president of both corporations represents that the fair market value of the shares of Eco and the shares of Systems were approximately equal. The shares of Systems received are not to be registered under the Securities Act of 1933, nor under any state securities laws and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering. Said shares were acquired for investment purposes only, not for future distribution.

During 2007, 8,250,000 common shares of Systems, net of cancellations, were sold or distributed to various parties. Of those, 8,150,000 were transferred to officers, contractors or other employees of Systems for services.