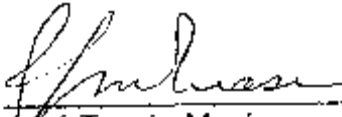


I, José Tomás Masís, President of Equipment and Systems Engineering, Inc., hereby certify that the financial statements filed herewith fairly present, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principals generally accepted in the United States, consistently applied.

Dated this 21st day of August, 2006



José Tomás Masís
President

ANDRES TRIAY, JR., C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**

**147 ALHAMBRA CIRCLE, SUITE 200
CORAL GABLES, FLORIDA 33134**

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August 21, 2006

Equipment and Systems Engineering, Inc.
Miami, Florida

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying Balance Sheet of Equipment and Systems Engineering, Inc. as of June 30, 2006 and the related statements of Income and Retained Earnings, Cash Flows and Stockholders' Equity for the six months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Company, with the consent of its stockholders, has elected, under the Internal Revenue Code, to be an "S Corporation", under which status the Company does not pay income taxes, but the stockholders are taxed has been included in these financial statements.

As explained in Notes "1" and "4" of the attached Notes to Financial Statements, the Company, with the consent of its stockholders, has revoked the "S Corporation" to be effective on October 31, 2004, and has changed its capital structure to allow for common and preferred stock to be issued.


ANDRES TRIAY JR., CPA., PA

EQUIPMENT & SYSTEMS ENGINEERING, INC.
BALANCE SHEET
AS OF JUNE 30, 2006

ASSETS

CURRENT ASSETS

Cash	\$ 97,114
Accounts receivable	224,925
Loan	1,200
Inventories	688,250
	<u>\$ 1,011,489</u>

PROPERTY AND EQUIPMENT, at cost	\$ 79,986
Accumulated depreciation	(79,986)
	<u>\$ -</u>

OTHER ASSETS

Notes receivable, stock purchase	\$ 750,000
Prepaid advisory fees	73,434
Deposits	1,164
	<u>\$ 824,598</u>
TOTAL ASSETS	<u><u>\$ 1,836,087</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Accounts payable, trade	\$ 53,310
Taxes payable	6,320
Customers deposits	89,246
Loans payable, banks	190,563
	<u>\$ 339,439</u>

OTHER LIABILITIES

Loans from shareholder	428,709
TOTAL LIABILITIES	<u>\$ 768,148</u>

SHAREHOLDERS' EQUITY

Common stock (300,000,000 shares of common stock, \$0.001 par value each authorized; 71,386,384 issued and outstanding)	\$ 71,386
Paid in capital	928,048
Preferred stock (30,000,000 shares of preferred stock, \$0.001 par value each authorized; none issued)	-
Retained earnings (Deficit)	68,505
	<u>\$ 1,067,939</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 1,836,087</u></u>

See attached notes to financial statements and accountants' compilation report.

ANDRES TRIAY, JR., C.P.A., P.A.
 CERTIFIED PUBLIC ACCOUNTANTS

EQUIPMENT AND SYSTEMS ENGINEERING, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE SIX MONTHS ENDED JUNE 30, 2006

REVENUES

Sales	\$	889,555
Cost of sales		<u>619,836</u>
GROSS MARGIN	\$	<u>269,719</u>

EXPENSES

Salaries	\$	52,512
Travel		2,443
Communications		7,033
Auto		7,421
Rent		12,600
Taxes and licenses		12,544
Insurance		22,388
Interest		5,256
Other		18,345
Officer's salaries		<u>48,000</u>
TOTAL EXPENSES	\$	<u>188,542</u>

NET INCOME (Loss)

Retained earnings (deficit) at beginning of period	\$	81,177
		<u>(12,672)</u>
RETAINED EARNINGS AT END OF PERIOD	\$	<u>68,505</u>

See attached notes to financial statements and accountants' compilation report.

ANDRES TRIAY, JR., C.P.A., P.A.
 CERTIFIED PUBLIC ACCOUNTANTS

EQUIPMENT & SYSTEMS ENGINEERING, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)	\$ 81,177
Adjustments to reconcile net income cash provided by operations:	
(Increase)Decrease in accounts receivable	59,302
(Increase)Decrease in notes receivable	180,000
(Increase)Decrease in inventories	(143,191)
(Increase)Decrease in accounts payable	5,466
(Increase)Decrease in taxes payable	4,132
(Increase)Decrease in income taxes	(10,394)
(Increase)Decrease in customers deposits	(117,858)
Net cash from operations	\$ 58,634

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on loans	\$ (11,937)
(Increase)Decrease in shareholders loans	117,499
Net cash used by financing activities	\$ 105,562
NET INCREASE IN CASH	\$ 164,196
CASH AT THE BEGINNIG OF PERIOD	(67,082)
CASH AT END OF PERIOD	\$ 97,114

See attached Notes to Financial Statements and Accountants' Compilation Report.

ANDRES TRIAY, JR., C.P.A., P.A.
 CERTIFIED PUBLIC ACCOUNTANTS

EQUIPMENT AND SYSTEMS ENGINEERING, INC.
STATEMENT OF STOCKHOLDERS' EQUITY

	COMMON STOCK	PREFERRED STOCK	RETAINED EARNINGS	TOTAL
Balance, December 31,2001	\$ 1,000	-	\$ (108,619)	\$ (107,619)
Net income for the year ended December 31,2002	-	-	4,683	4,683
Balance, December 31,2002	\$ 1,000	-	\$ (103,936)	\$ (102,936)
Net income for the year ended December 31,2003	-	-	15,636	15,636
Balance, December 31,2003	\$ 1,000	-	\$ (88,300)	\$ (87,300)
Net income for the year ended December 31,2004	-	-	39,720	39,720
Income tax			(5,049)	(5,049)
Increase in authorized capital stock (see note 4)	998,434	-	-	998,434
Balance, December 31,2004	\$ 999,434	-	\$ (53,629)	\$ 945,805
Net income (loss) for the year ended December 31,2005	-	-	51,551	51,551
Income tax			(10,594)	(10,594)
Balance, December 31,2005	\$ 999,434	-	\$ (12,672)	\$ 986,762
Net income (loss) for the six months ended June 30,2006			81,177	81,177
Balance, June 30,2006	<u>\$ 999,434</u>	<u>-</u>	<u>\$ 68,505</u>	<u>\$ 1,067,939</u>

See attached Notes to Financial Statements and
Accountants' Compilation Report.

ANDRES TRIAY, JR., C.P.A., P.A.
CERTIFIED PUBLIC ACCOUNTANTS

EQUIPMENT AND SYSTEMS ENGINEERING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30,2006

NOTE 1 - Nature of operations and significant accounting policies.

Equipment and Systems Engineering, Inc. (the Company) was incorporated on September 25,1986 and began operations on January 2,1987. It is engaged in the sale and export of equipment and supplies, and in the manufacture and sale of sodium hypo chloride generators.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues and expenses are recognized on the accrual basis. Inventories are accounted for in the first in-first out method, and depreciation and amortization are provided principally on the straight-line method over the estimated lives of the assets. There is no allowance for uncollectible accounts, since management feels confident about the collectibility of all accounts.

The Company has elected for an "S Corporation" status, under which the Company does not pay federal or state income taxes, but profits or losses from are included on a pro rata basis in the shareholders' individual taxable income. Accordingly, there is no provision for federal or state income taxes.

On October 20,2004, the Company filed a revocation of its "S Corporation" status to be effective on October 31,2004

NOTE 2 - Loans payable, banks.

The Company has obtained a loan from Bank of America, N.A. This loan is for \$250,000 and the interest rate is three percentage points over Bank of America's prime rate. It requires fifty nine principal payments of \$2,500 plus a monthly payment of all accrued unpaid interest. At the end, there is a principal and interest payment of \$185,000. The loan is dated on May 10,2004 and the final payment is due on May 10,2009. The shareholder, Jose T. Masis, personally, absolutely and unconditionally guarantees the transaction.

NOTE 3 - Lease agreement.

There is a lease for the premises occupied by the Company, which expired on June 30,2004. Since July 1, 2004, the Company has been renting on a month to month basis. The expired lease required a monthly payment of \$2,450, which included rent, sales tax, property taxes and condo fee, and is the amount of the monthly payment being made after expiration.

NOTE 4 - Changes in Capital Stock.

The Company filed, on October 14,2004, documentation with the Florida Division of Corporations, amending the original charter in respect to its Capital Stock. The Corporation shall be authorized to issue 300,000,000 shares of Common Stock, \$0.001 par value each, and 30,000,000 shares of Preferred Stock, \$0.001 par value each. (continues)

ANDRES TRIAY, JR., C.P.A., P.A.
CERTIFIED PUBLIC ACCOUNTANTS

EQUIPMENT AND SYSTEMS ENGINEERING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30,2006

NOTE 4 - Changes in Capital Stock (continuation)

On October 22,2004, the directors unanimously consented to authorize a 112,000 to 1 forward split of the Company's common stock, such that Jose T. Masis shall hold 56,000,000 shares. On the same date the Company signed "Securities Subscription Agreements" for 1,056,646 shares of common stock in exchange for Advisory Services valued in \$73,434, recorded under Other Assets as Prepaid Advisory Fees. On the same date, the Company signed "Securities Subscription Agreements" for 14,329,738 shares of common stock in exchange for non interest bearing Notes Receivable in the total amount of \$930,000, due on April 22,2005. These notes were replaced by new notes due January 21,2006. On January 19,2006, the amount of \$75,000 was paid against the notes receivable, and new notes for \$855,000 due July 27,2006 were issued. Additional payments of \$20,000 on March 7,2006 and \$15,000 on March 10,2006 were received.

NOTE 5 - Property and Equipment.

The following summarizes the significant components of fixed assets as of June 30,2006:

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>
Furniture and equipment	\$ 22,513	\$ 22,513
Transportation equipment	21,579	21,579
Leasehold improvements	<u>35,894</u>	<u>35,894</u>
Totals	<u>\$ 79,986</u>	<u>\$ 79,986</u>

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