

HYPERBARIC OXYGENATION CORPORATION

CONSOLIDATED BALANCE SHEET

As At September 30

2004

2003

As At May 31

2005

(Expressed in U.S. dollars)

ASSETS

Current

Bank	\$ 2,619	\$ 3,390	\$ 12,327
Accounts receivable	31,654	32,932	27,784
Sundry taxes receivable	388	-	-
Inventory	14,811	9,391	19,641
Deposits	268	1,103	2,312
Prepaid expenses	500	500	500
	<u>50,240</u>	<u>47,316</u>	<u>62,564</u>

Investments

	1,000,000	1,000,000	1,000,000
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Capital

	<u>217,426</u>	<u>243,588</u>	<u>287,149</u>
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TOTAL ASSETS

	<u>\$ 1,267,666</u>	<u>\$ 1,290,904</u>	<u>\$ 1,349,713</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payable	\$ 4,321	22,450	\$ 536,594
Deferred revenue	-	-	417
Sundry taxes payable	-	14,301	6,293
Due to related parties	148,108	148,108	148,108
	<u>152,429</u>	<u>184,859</u>	<u>691,412</u>

Stockholders' Equity

Common stock

1,000,000,000 Common shares authorized with
a par value of \$.001 each

26,457,001 Issued and outstanding	26,457	26,457	26,457
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Additional paid in capital	<u>3,808,727</u>	<u>3,808,727</u>	<u>3,808,727</u>
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Accumulated Deficit

	3,835,184	3,835,184	3,835,184
	<u>(2,719,947)</u>	<u>(2,729,139)</u>	<u>(3,176,883)</u>

	<u>1,115,237</u>	<u>1,106,045</u>	<u>658,301</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>\$ 1,267,666</u>	<u>\$ 1,290,904</u>	<u>\$ 1,349,713</u>
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HYPERBARIC OXYGENATION CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED
DEFICIT

For the Year Ended September 30 For the Eight Months Ended May 31 (Expressed in U.S. dollars)	2005	2004	2003
Sales	\$ 122,453	\$ 448,309	\$ 1,020,829
Cost of goods sold	<u>14,386</u>	<u>66,217</u>	<u>437,554</u>
Gross profit	108,067	382,092	583,275
Other income			
Debt forgiveness	<u>15,305</u>	<u>403,603</u>	<u>-</u>
Income before selling and administrative expenses	<u>123,372</u>	<u>785,695</u>	<u>583,275</u>
Selling expenses	<u>1,831</u>	<u>9,204</u>	<u>24,961</u>
Administrative expenses			
Advertising and promotion	2,133	17,408	39,166
Amortization	26,162	43,561	44,901
Automobile	2,310	6,623	5,180
Bad Debts	12,667	83,819	66,741
Bank charges and interest	1,143	6,447	10,318
Insurance and permits	693	1,119	1,043
Management fees	9,217	26,886	30,875
Office and sundry	6,367	16,909	21,666
Professional fees	4,136	10,216	14,083
Regulatory fees	1,164	1,986	3,101
Rent and utilities	37,393	72,308	67,426
Repairs and maintenance	1,704	18,204	12,198
Start up costs	436	4,490	6,649
Supplies	2,163	9,321	11,021
Telephone	4,216	7,740	17,212
Travel and accommodation	238	966	2,641
Translation loss	<u>207</u>	<u>744</u>	<u>937</u>
	<u>112,349</u>	<u>328,747</u>	<u>355,158</u>
Net income	9,192	447,744	203,156
Accumulated Deficit, Beginning of Year	<u>(2,729,139)</u>	<u>(3,176,883)</u>	<u>(3,380,039)</u>
Accumulated Deficit, End of Year	<u>\$ (2,719,947)</u>	<u>\$ (2,729,139)</u>	<u>\$ (3,176,883)</u>