

GREENBELT RESOURCES CORPORATION

TABLE OF CONTENTS

	Page
Financial Information	
Compilation Report	1
Unaudited Consolidated Balance Sheets December 31, 2009 and December 31, 2008	2
Unaudited Consolidated Statements of Operations for the years ended December 31, 2009 and 2008	3
Unaudited Consolidated Statements of Cash Flows for the years ended December 31, 2009 and 2008,	4
Unaudited Consolidated Statement of Stockholders' Equity for the years ended December 31, 2008 and 2009	5
Notes to Consolidated Financial Statements (unaudited)	6-15

BRAVERMAN INTERNATIONAL, P.C.

Certified Public Accountants

1255 McDonald Drive
PRESCOTT, AZ 86303
CELL 602-881-3870
PHONE 928-771-1122, FAX 928-777-8378
hiluv007@aol.com

*To the Board of Directors
Greenbelt Resources Corporation
Burnsville, Minnesota*

The accompanying consolidated balance sheets of Greenbelt Resources Corporation as of December 31, 2009 and 2008, and the related consolidated statements of operations, cash flows and stockholders' equity for the years then ended have been prepared by Braverman International, P.C. We have prepared such financial statements in our capacity as Chief Financial Officer of Greenbelt Resources Corporation.

Braverman International P.C.

Braverman International, P.C.

Prescott, Arizona

March 1, 2010

**GREENBELT RESOURCES CORPORATION
CONSOLIDATED BALANCE SHEETS**

(unaudited)

	December 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash in bank	\$ 17,897	\$ 11,098
Accounts receivable	14,750	14,750
Prepaid expenses	2,769	16,791
Total Current Assets	35,416	42,639
Investment in Renewed World Energies, Inc.	-	131,800
Equipment, at cost, net	5,627	8,006
Goodwill	248,906	248,906
	\$ 289,948	\$ 431,351

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Shareholder loans	\$ 221,500	\$ -
Accounts Payable	14,641	24,234
Accrued liabilities	40,326	36,756
Total Current Liabilities	276,467	60,990
Stockholders' Equity		
Preferred stock, par value \$.001, 5,000,000 shares authorized, 5,000,000 shares issued and outstanding	10,000	10,000
Common stock, par value \$.001, 120,000,000 shares authorized, 72,018,317 shares issued and outstanding 2008, 82,911,906 shares issued and outstanding 2009	82,912	72,018
Common stock subscribed	-	200,000
Paid in capital	1,749,699	1,480,843
Stock subscriptions receivable	(29,965)	(94,000)
Accumulated Deficit	(1,799,164)	(1,298,500)
Total Stockholders' Equity	13,482	370,361
	\$ 289,948	\$ 431,351

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
AND ACCOUNTANT'S COMPILATION REPORT

GREENBELT RESOURCES CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(Unaudited)

	<u>2009</u>	<u>2008</u>
REVENUES	\$ 120,000	\$ 10,250
EXPENSES		
Selling, general and administrative:		
Compensation, commissions and consulting	253,480	264,162
Other	193,084	251,848
Research and development	40,369	10,250
Depreciation	2,379	3,698
Interest	4,554	1,139
Total expenses	<u>493,866</u>	<u>531,097</u>
Operating (loss)	(373,866)	(520,847)
OTHER INCOME/(EXPENSE)		
Gain on sale of investment in RWE		257,300
Impairment loss on RWE investment	(126,800)	
Other	2	441
Net (loss)	<u>\$ (500,664)</u>	<u>\$ (263,106)</u>
NET (LOSS) PER SHARE - BASIC	<u>\$ (0.01)</u>	<u>*</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>76,890,642</u>	<u>71,338,521</u>

* less than \$(.01) per share

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
AND ACCOUNTANT'S COMPILATION REPORT

GREENBELT RESOURCES CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AN 2008
(unaudited)

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Net (loss)	\$ (500,664)	\$ (263,107)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	2,379	3,698
Rent provided by common stock	24,000	
Impairment loss on investment in RWE	126,800	
Gain on sale of equipment		(239)
Gain on sale of investment in RWE		(257,300)
Common stock issued for services	54,750	16,454
Changes in operating assets and liabilities		
Prepaid expenses	14,022	(5,184)
Accounts receivable		(14,500)
Accounts payable	(9,593)	14,282
Accrued liabilities	3,570	(995)
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(284,736)</u>	<u>(506,890)</u>
INVESTING ACTIVITIES		
Purchase of equipment		(1,833)
Cost of investment in RWE		(329,500)
Proceeds from sale of investment in RWE	5,000	455,000
Proceeds from sale of property and equipment		10,238
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>5,000</u>	<u>133,905</u>
FINANCING ACTIVITIES		
Shareholder loans	221,500	
Proceeds from sale of common stock	65,035	299,613
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>286,535</u>	<u>299,613</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,799	(73,372)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>11,098</u>	<u>84,471</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,897</u>	<u>\$ 11,098</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
AND ACCOUNTANT'S COMPILATION REPORT

GREENBELT RESOURCES CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

	Preferred Stock		Common Stock		Paid-In Capital	Common Stock Subscribed	Stock Subscriptions Receivable	Accumulated (Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance, January 1, 2008	5,000,000	\$ 5,000	70,414,955	\$ 70,415	\$ 1,425,780	\$ -	\$ (148,400)	\$ (1,035,394)	\$ 317,401
Shares issued for cash			1,350,000	1,350	52,650				54,000
Share-based compensation of employee			100,000	100	8,900				9,000
Shares issued for services			153,356	153	13,513				13,666
Stock offering cost					(15,000)				(15,000)
Series C Preferred shares issued	5,000,000	5,000			(5,000)				(5,000)
Common stock subscriptions						200,000			200,000
Proceeds from stock subscriptions							30,400		30,400
Office rent provided by common stock							24,000		24,000
Net (loss) for the year								(263,106)	(263,106)
Balance, December 31, 2008	10,000,000	10,000	72,018,311	72,018	1,480,843	200,000	(94,000)	(1,298,500)	365,361
Shares issued for cash			666,666	667	24,333				25,000
Proceeds from stock subscriptions							40,035		40,035
Common stock issued for services			3,650,006	3,650	51,100				54,750
Office rent provided by common stock							24,000		24,000
Common stock issued for stock subscriptions			6,576,923	6,577	193,423	(200,000)			-
Net (loss) for the year								(500,664)	(500,664)
Balance, December 31, 2009	10,000,000	\$ 10,000	82,911,906	\$ 82,912	\$ 1,749,699	\$ -	\$ (29,965)	\$ (1,799,164)	\$ 8,482

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
AND ACCOUNTANT'S COMPILATION REPORT

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

Note 1. Organization and History

Greenbelt Resources Corporation (the Company, “we”, “our”, or “its”) was organized March 12, 2001 (Date of Inception) under the laws of the State of Nevada, as “Originally New York, Inc.” We filed a Form 10-SB and became a reporting public company pursuant to the Securities Act of 1933, and began reporting to the Securities and Exchange Commission (SEC), the required periodic reports pursuant to the Securities Exchange Act of 1934, as amended, until we voluntarily terminated our reporting requirement on April 5, 2007, by filing Form 15-12G on that date with the SEC. Our last filed financial statements were as of September 30, 2006.

We had no significant operations until October 2006, and in accordance with Statement of Accounting Standards No. 7, we were considered a development stage enterprise having no substantial earned revenues pursuant to our then business plan. Beginning in early 2009 we no longer were a development stage enterprise since we earned substantial revenues pursuant to our revised business plan which provided for the research and development on alternative fuel sources for ethanol.

Presently we are authorized to issue 10,000,000 shares of \$0.001 par value preferred stock, and 120,000,000 shares of \$0.001 par value common stock. Our fiscal year end is December 31.

After our inception we intended to design and market proprietary logoed articles of clothing (i.e. hats, polo shirts, golf shirts, etc.) which its founder had originally contributed to the Company. As of December 31, 2004 the Company sold its proprietary logos and certain other assets to its founder and sole officer. During 2005, we decided to abandon any effort to operate our originally intended business.

On October 18, 2006, we acquired in a combined transaction, a business located in Eagle Grove Junction, Iowa, and \$300,000 in exchange for 52,700,000 newly issued restricted shares of our common stock valued at \$.015 per share, resulting in goodwill of \$248,906, an indefinite-lived asset, for which no amortization can be attributed in future periods for financial accounting purposes per Statement of Financial Accounting Standards No. 142, however, it is subject to impairment testing annually.

We attributed goodwill to the excess of the amount paid over the net assets acquired. The assets included real estate, personal property, and research and development technology evidenced by an ethanol pilot plant which was being constructed largely by our consulting engineer/director for the seller prior to its purchase by us. All acquired research and development costs were expensed in connection with this business transaction.

Real estate acquired consisted of two buildings and several parcels of land. One of the buildings was transferred back to the seller in 2007, for the return of 9 million shares of our common stock. The remaining acquired assets, except the ethanol pilot plant, were mostly sold, exchanged in bartering transactions, or abandoned during 2007 and 2008. The ethanol pilot plant was eventually relocated to Southern California in 2009, where it is being finalized for use in testing feedstocks.

We are a green technology company that is publicly traded on the pink over-the-counter market under the symbol GRCO.PK. Our subsidiary company, Diversified Ethanol Corporation, (Diversified) formed in December 2006, specializes in the design, development and deployment of solutions for the growing

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

advanced biofuels market using our award-winning and proprietary “Butterfield Closed-cycle System.” We have developed unique technical and operational capabilities to enable the production of biofuels, in particular ethanol produced from biomass. Diversified has constructed a pilot plant in Paso Robles, CA to demonstrate and continually improve our ability to generate increased production efficiencies for certain small- to medium-sized ethanol plants, worldwide.

Our specialized services will allow for processing of locally generated waste into locally consumed fuel, thus reducing energy costs, disposal fees and emissions, and helping to create a cost-efficient path to sustainable energy from wastes.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements as of and for the years ended December 31, 2009 and 2008, include the accounts of Greenbelt Resources Corporation and its wholly-owned subsidiary Diversified Ethanol Corporation, after elimination of all inter-company accounts and transactions.

Cash and Cash Equivalents

We maintain cash balances in a variety of mostly non-interest-bearing account that currently do not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2009 and 2008.

Equipment and Depreciation

Equipment consisting of office furnishings and equipment are recorded at historical cost. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. Depreciation is calculated using principally the straight-line method over the estimated useful lives of 5 and 7 years.

Earnings Per Share

The Company reports basic and diluted earnings (loss) per share (EPS) for common and common share equivalents. Basic EPS is computed by dividing reported earnings by the weighted average shares outstanding. Diluted EPS is computed by adding to the weighted average shares the dilutive effect if stock options and warrants were exercised into common stock. For the years 2009 and 2008, there were no common stock equivalents outstanding whose effect could be included in the computation of diluted EPS as their results would be antidilutive. Weighted average number of shares outstanding for 2009 and 2008 were 76,890,642 and 71,338,621, respectively.

Use of Estimates

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for stock-based transactions, uncollectible accounts receivable, asset depreciation and amortization, and taxes, among others.

Goodwill

At December 31, 2009 and 2008, we had \$248,906 of goodwill on our balance sheets which arose from the acquisition of a business in 2006. As mentioned above, there will be no amortization of this cost for financial accounting purposes. We periodically review our long-lived assets for potential impairment as required by Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of."

Non-monetary Transactions

We have established a policy relative to the methodology to determine the value assigned to each intangible acquired with or licensed by us and/or services or products received for non-cash consideration of our common stock. The value is based on the market price of our common stock issued as consideration at the date of the agreement of each transaction or when the service is rendered or product is received, as adjusted for applicable discounts.

The methods, estimates, and judgments we use in applying these most critical accounting policies have a significant impact on the results of the financial reports we issue.

Income Taxes

The Company uses the liability method of accounting for income taxes pursuant to Statement of Financial Accounting Standards Board No. 109. Under this method, deferred income taxes are recorded to reflect the tax consequences in future periods of temporary differences between the tax basis of assets and liabilities and their financial amounts at year-end.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as December 31, 2009 and 2008. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts receivable, and other liabilities. Fair values were assumed to approximate carrying values because they are short term in nature and their carrying amounts approximate fair values.

Research and Development

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

Company- sponsored research and development costs are expensed as incurred including the in process pilot plant technology acquired in October 2006, since its component parts contained no items for future alternative use. For the years 2009 and 2008, these costs were \$ 40,369 and \$10,250, respectively.

Revenue Recognition

Since acquiring our present business, we have rendered feasibility studies to others regarding plant design and development. We recognize this revenue upon performance and to date each study has been completed within a 3 month period. Income from feasibility studies for the years 2009 and 2008, was \$120,000 and \$10,250, respectively.

Cost of Revenue

Our feasibility studies have been conducted principally by two of our consulting engineers and a former CEO whose compensation is included in general and administrative expense in the accompanying statement of operations. Management has estimated the cost for the studies at approximately 50% of the billed amounts above.

Recently Issued Accounting Standards.

Recently Adopted Accounting Standards

In June 2009, the Financial Accounting Standards Board (the "FASB") issued Statement No. 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*, hereafter referred to as *Accounting Standards Codification* (the "Codification," "ASC", or "ASC Topic 105"). ASC Topic 105 is the sole source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative US GAAP for SEC registrants. The Codification supersedes all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification are non-authoritative. Following the adoption of the Codification, the FASB will issue Accounting Standards Updates, which the FASB will not consider as authoritative in their own right, but which will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification. We adopted ASC Topic 105 effective with our consolidated financial statements as of December 31, 2009. The adoption of ASC Topic 105 did not have a material impact on our consolidated financial statements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. The statement does not require any new fair value measurements, but for some entities, the application of the statement will change current practice. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Effective June 1, 2008, we adopted SFAS No. 157, and have determined that it will not have a material effect on our financial statements.

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

In February 2007, the FASB issued SFAS No. 159, the “Fair Value Option for Financial Assets and Financial Liabilities”. SFAS 159 provides entities with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that select different measurement attributes. SFAS 159 is effective for fiscal years beginning after November 15, 2007. Effective June 1, 2008, we adopted SFAS No. 159, and have determined that it will not have a material effect on our financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), “Business Combinations - Revised 2007”. SFAS 141 (R) provides guidance on improving the relevance, representational faithfulness, and comparability of information that a reporting entity provides in its financial reports about a business combination and its effects. SFAS 141R applies to business combinations where the acquisition date is on or after the beginning of the first annual reporting period on or after December 15, 2008. We do not expect the adoption of SFAS No. 141 to have a material impact on our financial statements.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements - an Amendment of Accounting Research Bulletin No. 51” (“SFAS No. 160”), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. We do not expect the adoption of SFAS No. 160 will have a material impact on our financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities", an amendment of SFAS No. 133. SFAS 161 applies to all derivative instruments and non-derivative instruments that are designated and qualify as hedging instruments pursuant to paragraphs 37 and 42 of SFAS 133 and related hedged items accounted for under SFAS 133. SFAS 161 requires entities to provide greater transparency through additional disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and how derivative instruments and related hedged items affect an entity's financial position, results of operations, and cash flows. SFAS 161 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2008. We do not expect the adoption of SFAS No. 161 will have a material impact on its financial condition or results of operation.

In May 2008, the FASB issued SFAS No. 163, “Accounting for Financial Guarantee Insurance Contracts – an interpretation of FASB Statement No. 60.” SFAS 163 requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

reporting of financial guarantee insurance contracts by insurance enterprises. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. SFAS 163 will be effective for financial statements issued for fiscal years beginning after December 15, 2008. We do not expect the adoption of SFAS No. 163 will have a material impact on its financial condition or results of operation.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events." The objective of SFAS No. 165 is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements; and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009. The adoption of this statement is not expected to have a material effect on our financial statements.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles," a replacement of FASB Statement No. 162. SFAS No. 168 does not alter current U.S. GAAP, but rather integrates existing accounting standards with other authoritative guidance. SFAS No. 168 provides a single source of authoritative U.S. GAAP for nongovernmental entities and supersedes all other previously issued non-SEC accounting and reporting guidance. SFAS No. 168 is effective for interim and annual periods ending after September 15, 2009. The adoption of SFAS No. 168 will not have an impact on our results of operations or financial position.

Note 3. Shareholders' Equity

We were initially authorized to issue 5 million shares of \$.001 par value Series B preferred stock and 40 million shares of \$.001 par value common stock. No Series A preferred shares have ever been authorized or issued. On October 16, 2006 we amended our articles of incorporation to increase the number of common shares authorized to 120 million. On October 30, 2008, we amended our articles to increase the number of preferred shares to 10 million. All of the preferred shares have been issued to a voting trust which is controlled by our Board of Directors.

On August 30, 2007, our Board of Directors approved an irrevocable voting trust for 5 million shares of Series B preferred stock. On that date there were 5 co-trustees, each of whom exchanged the 1 million shares of preferred stock issued to them for voting trust certificates for the number of preferred shares held by them. These shares, which have voting rights of 100 per share, but no less in total than 51% of all votes cast at any meeting of shareholders, were issued to and controlled by our Board of Directors in order to have them be able to control the majority of voting rights. On October 30, 2008 the voting per share was reduced to 1 vote per share due to the issuance of Series C Preferred shares below. As of December 31, 2009, all 5 million voting trust certificates representing Series B preferred were held by one trustee due to the resignation of 4 of the co-trustees through that date.

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

On October 30, 2008, with the consent of our shareholders, our articles of incorporation were amended to provide for 5 million Series C preferred shares, \$.001 par value common stock. These shares, which have voting rights of 100 per share, but no less in total than 51% of all votes cast at any meeting of shareholders, were issued to and controlled by our Board of Directors in order to have them be able to control the majority of voting rights along with Series B preferred shares. All of the outstanding Series of preferred shares are entitled to ordinary dividends, when and if declared simultaneously with common shares.

Note 4. Going Concern

Our financial statements have been presented on the basis that we are a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Our ability to continue in existence is dependent on our ability to raise additional working capital, develop our business plan, and to achieve profitable operations. Our business plan involves the completion of our research and development applied to the utilization of certain feedstocks to produce ethanol fuels through our pilot plant which is in its final stage of construction. Although we anticipate being able to achieve profitable operations and/or adequate cash flows in the near term, management's plans are to continue to pursue additional debt and/or equity financing. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 5. Related Party Transactions

Consulting Agreements

Our present CEO's consulting agreement is for a one year term of employment commencing September 1, 2009. The consulting agreement with our previous CEO terminates March 31, 2010. Our CFO's agreement is for 6 months commencing December 1, 2009.

Shareholder Loans

On July 15, 2009, we entered into an unsecured borrowing arrangement with a related party LLC under a promissory note payable having a maximum principal amount of \$150,000, with interest at 10% per annum from October 15, 2009, which is due with principal on or before October 15, 2010, in such manner as payee shall direct us in writing. On December 2, 2009, we increased this borrowing to \$195,000 which was the outstanding balance as of December 31, 2009, and incurred accrued interest of \$3,234.

On June 15, 2009, we also borrowed from a related party LLC on an unsecured basis, \$26,500 with interest at 9% per annum from October 15, 2009, which is due with principal on or before October 15, 2010, in such manner as payee shall direct us in writing. As of December 31, 2009, \$26,500 was owed and we incurred accrued interest of \$503.

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

Both payees have the right to convert all unpaid debt on these obligations into our common shares at the rate of two cents per share as of October 15, 2010.

Investment in RWE

During 2008 we invested in an unrelated company, Renewable World Energies, Inc. (RWE), \$329,500 in exchange for 500,000 restricted common shares of REW stock. Of this amount we sold for \$455,000, 300,000 shares of the RWE stock to an affiliate, Black Lion Energy Fund, L.P. and recorded a gain of \$257,300 in 2008.

During 2009, and in connection with an agreement between RWE and us, which provided for the repurchase of the remaining shares we held in RWE, \$5,000, the first installment, was paid. No further payments were made as agreed to and the obligation to repurchase the shares was considered in default. Accordingly, as of December 31, 2009, we impaired the remaining investment in RWE after determining that RWE was not financially able to complete the payment obligations it incurred, and we recorded an impairment loss of \$126,800.

In August 2009, the president of RWE was given 1 million shares valued at \$15,000 for consulting services.

Note 6. Income Taxes

At December 31, 20089, we had a net federal operating loss carry forward of, \$1,667,709, and research credit carry forwards of \$49,047, which expires in various periods through 2029. Components of net deferred tax assets, including a valuation allowance, are as follows:

	<u>Deferred Tax Assets</u>	<u>Valuation Allowance</u>	<u>Balance</u>
Deferred tax assets as of December 31, 2008	\$435,255	\$(435,255)	\$ -0-
Additions for the year	<u>174,878</u>	<u>(174,878)</u>	<u>-0-</u>
Deferred tax assets as of December 31, 2009	<u>\$610,133</u>	<u>\$(610,133)</u>	<u>\$ -0-</u>

The following is a reconciliation of federal income tax expense:

2009 2008

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

Expected income tax (benefit) at		
Federal statutory tax rate -34%	\$(170,226)	\$ (89,456)
Permanent differences	(4,652)	(4,517)
Valuation allowance	<u>174,878</u>	<u>93,973</u>
Actual income tax (benefit)	\$ <u>0%</u>	\$ <u>0%</u>

In assessing the recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. Management considers the scheduled reversals of future deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As a result, management determined it was more likely than not the deferred tax assets of \$610,133 and \$435,255 would not be realized as of December 31, 2009 and 2008, respectively, and recorded a full valuation allowance at those dates of \$610,133 and \$435,255, respectively.

The tax effects of temporary differences which were computed at a Federal statutory rate of 34% that give rise to deferred tax assets as of December 31, 2009 and 2008, were as follows:

	<u>2009</u>	<u>2008</u>
Net operating loss carry-forwards	\$ 131,766	\$ 243,013
Impairment loss on investment in RWE	43,112	-
Valuation allowance	<u>(174,878)</u>	<u>(243,013)</u>
Net deferred tax assets, December 31	<u>\$ -0-</u>	<u>\$ -0-</u>

Note 7. Segment Information

We operate in one business segment: the research, development and commercialization of solutions for the growing advanced biofuels market. Our corporate headquarters in the United States collects research revenues from external customers. Our entire business is managed by a single management team, which reports to the Chief Executive Officer. Our revenues are currently derived from domestic activities.

GREENBELT RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(unaudited)

Note 8. Subsequent Events

Pilot Plant

As of March 15, 2010 we substantially completed our pilot plant in Paso Robles, California, with a total cost incurred since its acquisition in 2006 of approximately \$450,000.

Financing

We were able to continue meeting our cashflow requirements subsequent to December 31, 2009, by obtaining funds under existing sources through the issuance of convertible debentures. We anticipate needing additional funds of this type until we our plant is successfully operating and/or we have obtained additional plant design/development contracts which we have been seeking.