

BALANCE SHEET  
NANOLOGIX, INC.  
(A DEVELOPMENT STAGE COMPANY)  
December 31, 2005 and 2004

ASSETS	DECEMBER 31,	
	2005	2004
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 331	\$ 9,887
Accounts receivable	2,680	48,796
Trading securities	10	1,287
<b>TOTAL CURRENT ASSETS</b>	<b>3,021</b>	<b>59,970</b>
<b>OTHER ASSETS</b>		
Deposits	400	2,500
Patent costs, net of accumulated amortization of 255,670 in 2005 and \$246,548 in 2004	352,470	352,276
<b>TOTAL OTHER ASSETS</b>	<b>352,870</b>	<b>354,776</b>
<b>TOTAL ASSETS</b>	<b>\$ 355,891</b>	<b>\$ 414,746</b>

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LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 19,483	\$ 84,071
Accrued salaries	20,390	10,100
Accrued bonuses	40,000	75,000
Accrued payroll taxes and penalties	15,949	6,679
Loan payable - shareholder	1,570	11,258
<b>TOTAL CURRENT LIABILITIES</b>	<b>97,392</b>	<b>187,108</b>
<b>STOCKHOLDERS' EQUITY</b>		
Convertible preferred stock, \$.0001 par value, 50 shares authorized, issued and outstanding 1 share in 2005 and 12 shares in 2004	97,500	6,360,000
Common stock, \$.0001 par value, 100,000,000 shares authorized, issued and outstanding 40,763,903 shares in 2005 and 18,327,030 in 2004	4,076	1,833
Additional paid in capital	13,633,672	5,744,891
Deficit accumulated during the development stage	(13,476,749)	(11,879,086)
	258,499	227,638
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 355,891</b>	<b>\$ 414,746</b>

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