

Pinnacle Group Unlimited, Inc.
Balance Sheet
as of March 31, 2006 and June 30, 2006

	March 31, 2006	June 30, 2006
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 529,423	\$ 320,360
Accounts receivable	429,417	447,787
Inventory	83,650	83,650
Total current assets	1,042,490	851,797
PROPERTY AND EQUIPMENT:		
Unproved land	41,974	55,737
Equipment	193,583	194,078
Less accumulated depreciation	(48,180)	(61,506)
Total property and equipment, net	187,377	188,309
OTHER ASSETS:		
Other receivables	451,293	88,367
Note receivable	550,000	550,000
Accrued interest on note receivable	13,848	46,454
Investments	543,822	569,211
Offering costs	62,357	62,357
Other assets	27,455	23,121
TOTAL ASSETS	\$ 2,878,642	\$ 2,379,616
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 607,728	\$ 453,775
Current maturities of long term debt	379,236	286,830
Total current liabilities	986,964	740,605
LONG - TERM DEBT	98,518	87,734
OTHER:		
Unearned revenues	388,546	195,460
Payable to affiliate	624,307	741,881
Billings in excess of costs on uncompleted contracts	574,354	250,596
TOTAL LIABILITIES	\$ 2,672,689	\$ 2,016,276
 SHAREHOLDERS' EQUITY		
Common stock, \$0.001 par value (500,000,00 shares authorized, 126,700,00 and 126,950,000 shares outstanding at March 31, 2006 and June 30, 2006, respectively)	\$ 126,700	\$ 126,950
Additional Paid-in capital	79,253	90,703
Retained earnings		147,387
Total stockholders' equity	205,953	363,340
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,878,642	\$ 2,379,616

The accompanying notes are an integral part of these financial statements.

Pinnacle Group Unlimited, Inc.
Statement of Cash Flows
for the Quarter Ended June 30, 2006

Cash flows from operating activities	
Adjustments to reconcile net income to net cash provided by operating activities:	
Net income	\$ 147,387
Depreciation	13,326
Stock compensation to non-employee	10,000
Changes in operating assets:	
Accounts receivable	(18,370)
Accrued interest	(32,606)
Other receivables	362,926
Changes in operating liabilities	
Accounts payable	(153,953)
Other amounts payable	42,668
Deferred revenues - drilling	(323,758)
Unearned revenues	(193,086)
Due to affiliates	(45,094)
Net cash generated (used) by operating activities	<u>(190,560)</u>
Cash generated from (used in) investing activities	
Purchases of property, plant and equipment	(14,258)
Other assets	4,334
Investment in Z2, LLC	<u>(25,388)</u>
Net cash used in investing activities	<u>(35,312)</u>
Cash generated from (used in) financing activities	
Payment of principal on debt	(103,191)
Advances	<u>120,000</u>
Net cash generated from financing activities	<u>16,809</u>
Increase (Decrease) in cash	(209,063)
Cash at March 31, 2006	<u>529,423</u>
Cash at June 30, 2006	<u><u>\$ 320,360</u></u>
Supplemental information	
Cash paid for interest during period	<u><u>\$ 3,911</u></u>

The accompanying notes are an integral part of these financial statements.

Pinnacle Group Unlimited, Inc
Notes to Balance Sheet
As of March 31 and June 30, 2006
(unaudited)

1. Basis of Presentation

The accompanying unaudited financial statements of Pinnacle Group Unlimited, Inc. ("the company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. They do not include all information and footnotes necessary for a fair presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation of the results of operations for the period presented have been included in the interim period. Operating results for the three months ended June 30, 2006 are not necessarily indicative of the results that may be expected for the year ending March 31, 2007.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

On March 30, 2006, the Company purchased certain assets and assumed certain liabilities of Maverick Energy Group, Inc. ("Maverick") in exchange for 95,000,000 shares of its treasury stock. Maverick's management team will assume management of PGPU as part of the transaction.

2. Other receivables

Other receivables include amounts due the Company from entities for which it is the operator totaling \$434,200 as of March 31, 2006.

3. Unproved land

Unproved land represents approximately 2,100 net acres under lease in West Virginia with in excess of fifty drilling sites. The leases are for five years with expirations beginning October, 2010.

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4. Notes receivable

Notes receivable consists of a note from a company bearing interest at 6%, due on July 31, 2010. Interest is accrued but not paid until maturity.

5. Investments

Investments, which are accounted for on the equity method, consist of the following:

	March 31, 2006	June 30, 2006
11.55% Interest in the owner of the Big Foot Field, located in Frio and Atascosa Counties, Texas, for which the Company is the operator	\$ 77,036	\$ 102,425
Equity Net Profits interest in the owner of the Big Foot Field	229,428	229,428
12.5% interest in a drilling program	237,358	237,358
Total investments	<u>\$ 543,822</u>	<u>\$ 569,211</u>

The Company has a 25% interest in and is the managing general partner of two drilling programs in West Virginia.

6. Debt

The Company's debt is comprised of the following:

	March 31, 2006	June 30, 2006
Notes payable to a bank for vehicles	\$ 136,857	\$ 126,752
Notes payable to counter-party to derivative transactions of the owner of the Big Foot Field	340,897	247,812
Total debt	\$ 477,754	\$ 374,564
Less current maturities	(379,236)	(286,830)
Long term debt	<u>\$ 98,518</u>	<u>\$ 87,734</u>

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The note payable to the former counter-party to the derivative transactions of the owner of the Big Foot Field arose from the termination of the derivative transactions with this counter-party and entering into new derivative transactions with a new counter-party in November, 2005. Maverick, in its role as operator, received funds for the benefit of the owner of the field. As of the termination date of the contracts with the former counter-party, the counter-party was determined to be due amounts which Maverick had collected for the benefit of the owner of the Big Foot Field. The amount due from the owner of the Big Foot Field is included in other receivables. The counter-party agreed to payment of these amounts over a twelve month period, with interest at the London Inter-Bank Overnight Rate ("LIBOR") plus 1%. As of March 31, 2006 and June 30, 2006, this rate was approximately 5.51% and 6.02%, respectively.

7. Contingencies

The Company provides for costs related to contingencies when a loss is probable and the amount is reasonably estimable.

The Company, as an operator of oil and gas properties, is subject to various federal, state, and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may impose liability on the operator of oil and gas lease or concession for the cost of pollution clean-up resulting from operations and also may subject the lessee to liability for pollution damages.

It is not possible for the Company to reliably estimate the amount and timing, if any, related to environmental matters because of the difficulty of predicting cleanup requirements and estimating cleanup costs, the uncertainty in quantifying liability under environmental laws that impose joint and several liability on all potentially responsible parties and the continually changing nature of environmental laws and regulations and the uncertainty inherent in legal matters.