TOT Energy
Form 10KSB
June 19, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-KSB

(Mark One)

x ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2008

¨ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ____________ to_________________

Commission file number 000-51108

TOT Energy, Inc.

(Name of small business issuer in its charter)

| | |
|---|---|
| **Delaware** | **20-0715816** |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification Number) |

201 South Biscayne Blvd
Suite 2804
Miami, FL 33131
(Address of principal executive offices)

(305) 913-1622
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value $0.001 per share

(Title of class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ¨

Check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B (Sec. 229.405 of this chapter) contained herein, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ¨

Check whether the issuer is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ¨ No x

The Company's revenues for fiscal year ended March 31, 2008 were $97.50 excluding other income.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.)

The aggregate market value of the voting common equity held by non-affiliates was $1,689,223 based upon the last traded price of $0.13 per share on June 13, 2008.

At June 13, 2008, the number of shares outstanding of the issuer's common stock was 214,507,773 shares.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Transitional Small Business Disclosure Format (Check one): Yes ¨ No x

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PART I

Item 1. Description of Business

## Overview

In 2004, we began developing visualization software, and commenced selling the software in 2005. Due to lack of significant sales, we substantially reduced our workforce and overhead costs beginning in September 2005. From September 2005 through July 2007, Ener1 Group, Inc., a related party, loaned us money to fund our operations. In July 2007, Ener1 Group, Inc. stopped funding our operations and we stopped paying our remaining executive employee. In August and September 2007, two of our three members of the board of directors resigned.

In December 2007, a related party structured a transaction that provided funds to us to settle our existing debts at a discount to the face amount of the obligations, restructured certain notes payable in exchange for newly issued common shares of the company, and gave Splinex, LLC substantial majority of the outstanding common shares (the "Splinex Restructuring").

In December 2007, Bzinfin, S. A., a company that is affiliated with the Company through common ownership, agreed to loan Splinex, LLC $500,000 to fund the settlement of certain financial obligations and the costs of audit and filing financial reports with the SEC. Under a Purchase Agreement dated December 17, 2007, TGR Capital, LLC, a Florida limited liability company ("TGR") controlled by a related party, 1) acquired the membership interests in Splinex, LLC, thereby giving TGR control over Splinex, LLC, and 2) agreed to repay the Bzinfin loan of $500,000. Under an Exchange Agreement dated December 18, 2007, the Company issued 113,500,000 newly issued shares of the Company to Splinex, LLC of which 8,500,000 shares were issued to Bzinfin and 2,125,000 were issued to Alexander Malovik in exchange for forgiveness of debts other than the $500,000 discussed above.

Splinex, LLC owned 98,157,334 shares of the Company as of December 17, 2007 and now owns 201,263,749 shares after the completion of the Exchange Agreement. The Company had 100,757,773 shares outstanding at December 17, 2007 and now has 214,507,773shares outstanding after the completion of the Exchange Agreement and at March 31, 2008.

TGR Capital, LLC has renamed Splinex Technology, Inc., TOT Energy, Inc ("TOT"). TOT Energy is working to build a diversified portfolio of energy assets through acquisitions, joint ventures and other business structures. The Company's activities are expected to include the exploration, development, production, and marketing of crude oil and natural gas in Russia and Kazakhstan, as well as other markets around the world. TOT Energy will also explore investments in renewable energy.

History of TOT Energy, Inc f/k/a Splinex

TOT Energy was originally formed to create and license software which it developed that enables the generation, manipulation, viewing and image-based searching of complex, multi-dimensional mathematical objects and information. The targeted end-users of our software products were mathematicians, scientists, graphic designers or digital artists working on complex, graphical three-dimensional problems. The software was expected to provide greater productivity through improved interaction with, enhanced visual representation and faster manipulation of, and greater technical and artistic precision in representing, multi-dimensional mathematical objects and information.

Since October 28, 2003 ("Inception") through December 17, 2007, we operated in a development phase typical of a software company and focused on developing technologies and products and securing intellectual property rights while we developed relationships with potential customers and resellers. We were organized under the laws of the State of Delaware in February 2004 to conduct the business and operations of Splinex, LLC ("Predecessor"). Effective

April 1, 2004, our Predecessor reorganized as a corporation and, as a result, contributed its assets, liabilities and operations to us under a contribution agreement.

On December 17, 2007, TGR Capital, LLC acquired Splinex and renamed the Company TOT Energy, Inc. The focus of the company was changed from technology to oil and gas services. To date, we have minimal sales and no sales contracts and are considered to be in the development stage as of March 31, 2008. Our corporate activities to date included raising capital, strategic and business planning, filing required documents with the U. S. Securities and Exchange Commission (the "Commission"), and hiring executive management.

**The Company**

We began activity on October 28, 2003. We were organized to conduct the business and operations of our Predecessor. Effective April 1, 2004, our Predecessor reorganized as a corporation and, as a result, contributed its assets, liabilities and operations to us.

On January 18, 2005, we merged with a subsidiary of Ener1, Inc., an affiliated company controlled by certain direct and indirect beneficial owners of the membership interests of our Predecessor (the “Merger”). We survived the Merger and issued 5,000,000 shares of our common stock to Ener1, Inc. in the Merger. Ener1, Inc. declared a dividend of the 5,000,000 shares that it received to its shareholders of record as of January 17, 2005 (the “Distribution”). The dividend was paid on January 24, 2005. Immediately after the Merger, and prior to the Distribution, Splinex, LLC and Ener1, Inc. owned 95% and 5%, respectively, of our then outstanding common stock. We registered the Distribution by Ener1, Inc. of our common stock on a registration statement on Form S-1 filed with the Commission. As a result of the Merger and the Distribution, we became a public reporting company subject to the information and reporting requirements of the Securities Exchange Act of 1934. The Merger and the Distribution are described further in our Registration Statement on Form S-1, filed with the Commission on December 27, 2004 (Registration No. 333-116817).

On December 17, 2007, we were effectively acquired by TGR Capital, LLC with all shares held by Splinex, LLC being sold to TGR which is controlled by a related party. Our principal executive offices are located at 201 South Biscayne Blvd; Suite 2804; Miami, FL 33131. Our telephone number is (305) 913-1622.

**<u>Our Business</u>**

TOT Energy is working to build a diversified portfolio of energy assets through acquisitions, joint ventures and other business structures. The Company’s activities are expected to include the exploration, development, production, and marketing of crude oil and natural gas in Russia and Kazakhstan, as well as other markets around the world. TOT Energy will also explore investments in renewable energy.

**Employees**

At March 31, 2008, the Company employed a Chief Financial Officer and a Chief Executive Officer. None of our employees were represented by a collective bargaining agreement, (see subsequent events on page 21).

Item 2. Description of Property

We currently lease office space on a rolling three month basis from a full service office suite company. Our current lease term expires August 31, 2008. We are seeking approximately 3,600 square feet of office space in Miami as a permanent location.

Item 3. Legal Proceedings

From time to time, we may be involved in litigation relating to claims arising in the normal course of operations. We are not currently a party to any such proceedings.

Item 4. Submission of Matters to Vote

None.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

There was no established public trading market for our common stock prior to July 2005. The approximate number of record holders of our common stock at March 31, 2008 was 200. The number of shareholders of record does not include beneficial owners of common stock whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries. The principal market for our stock was the Pink Sheets LLC. On June 13, 2008, the price of our common stock last traded at $0.13 per share.

The following table sets forth the high and low prices for our common stock for the period indicated as reported by the OTC Electronic Bulletin Board, eoddata or the Pink Sheets LLC. No shares were reported traded before July 7, 2005. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

| **Fiscal Year** | **Fiscal Quarter Ended** | **High** | **Low** |
|---|---|---|---|
| 2006 | September 30, 2005 | $ 0.51 | $ 0.05 |
| | December 31, 2005 | $ 0.51 | $ 0.25 |
| | March 31, 2006 | $ 0.25 | $ 0.06 |
| 2007 | June 30, 2006 | $ 0.20 | $ 0.03 |
| | September 30, 2006 | $ 0.05 | $ 0.03 |
| | December 31, 2006 | $ 0.18 | $ 0.08 |
| | March 31, 2007 | $ 0.13 | $ 0.08 |
| 2008 | June 30, 2007 | $ 0.14 | $ 0.05 |
| | September 30, 2007 | $ 0.13 | $ 0.06 |
| | December 31, 2007 | $ 0.10 | $ 0.08 |
| | January 30, 2008 | $ 0.14 | $ 0.08 |
| | April 28, 2008 | $ 0.10 | $ 0.10 |
| | May 30, 2008 | $ 0.12 | $ 0.08 |
| | June 13, 2008 | $ 0.13 | $ 0.12 |

We have not paid any cash dividends during the last two fiscal years and do not anticipate paying any cash dividends on our common stock.

**Plan Shares Outstanding**

The following table sets forth information with respect to our equity compensation plan approved by our security holders and equity compensation plans not approved by security holders. The information in this table is as of December 18, 2007.

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) |
|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Equity compensation plans approved by security holders. | 100,000 | $ | 0.25 | 4,900,000 (1) |

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**Recent Sales of Unregistered Securities**

None.

Item 6. Management's Discussion and Analysis or Plan of Operations

*This Annual Report on Form 10-KSB contains forward -looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to our expectations, hopes, intentions or strategies regarding future events or future financial performance. Any statements contained in this report that are not statements of historical fact may be deemed forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "intend", "believe," "estimate," "predict," "potential" or "continue," or the negative of such terms or other comparable terminology. Forward-looking statements include but are not limited to statements regarding: the possible merger of the Company. These statements are only predictions and are subject to a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. The following important factors, in addition to those discussed in our filings with the Commission from time to time, and other unforeseen events or circumstances, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements: general economic conditions; our ability to negotiate successfully settlement of debt obligation; our ability to find a suitable merger partner;, legal and regulatory issues; and, changes in accounting policies or practices.*

*All forward-looking statements are based on information available to us on the date of this filing, and we assume no obligation to update such statements.*

*The following discussion should be read in conjunction with our other filings with the Commission and the consolidated financial statements and related notes included in this Annual Report.*

**Plan of Operation**

TOT Energy is working to build a diversified portfolio of energy assets through acquisitions, joint ventures and other business structures. The Company's activities are expected to include the exploration, development, production, and marketing of crude oil and natural gas in Russia and Kazakhstan, as well as other markets around the world. TOT Energy will also explore investments in renewable energy and participate in limited trading activities to sell energy products we may source.

We intend to acquire a portfolio of energy related companies. and we are engaged in various discussions to achieve this goal. Our communication policy on acquisitions is to disclose a transaction when a definitive agreement has been executed. Any potential acquisition would be financed primarily with new shares of TOT Energy, Inc., and therefore will result in substantial dilution to the existing shareholders.

As of March 31, 2008, we have plans to lease and furnish approximately 3,600 square feet of permanent office space in Miami, Florida.

**Results of Operations for the Year Ended March 31, 2008 Compared to the Year Ended March 31, 2007**

We earned $215,085 in net income, or $0.00 per share, for the year ended March 31, 2008 ("fiscal 2008") compared to a loss of $361,061, or $0.00 per share, for the year ended March 31, 2007 ("fiscal 2007"). Our total operating expenses for fiscal 2008 were $243,111 as compared to operating expenses for fiscal 2007of $371,217. Interest expense in fiscal 2008 was $110,464 compared to fiscal 2007 interest expense of $158,881.

Our operating expenses decreased significantly during fiscal 2008 as we terminated product development activities and our remaining workforce. Our work in fiscal 2008 was to settle all liabilities with the funds on hand and create a clean balance sheet that could be sold.

BZINFIN, S.A. agreed to loan the Company, through Splinex, LLC, $500,000 in order to settle outstanding obligations and prepare the Company for sale. Outstanding payable were settled at a discount and the Company recognized $167,244 and $568,562 of income from settlements in 2007 and 2008 respectively.

There were no research and development expenses for fiscal 2008 or 2007.

**Liquidity and capital resources**

At March 31, 2008, we had negative working capital of $5,705,494 and cash of $88,007. The Company has no further borrowing availability under the existing intercompany loan.

We expect to refinance our existing intercompany debt in the later part of 2008 with a demand note from a Mike Zoi related company. Our short term cash needs are expected to be met by Mike Zoi and/or companies he controls in exchange for consideration to be determined. Mr Zoi intends to finance the short term needs of the Company but he has no obligation to provide future funding. Future business or economic changes could change Mike's funding plans.

Our goal is to acquire energy related companies and business through joint ventures using, where appropriate, our common stock to fund the acquisitions.

**Critical Accounting Policies and Estimates**

Our significant accounting policies are described more fully in Note 1 to our consolidated financial statements. Management is required to make certain estimates and assumptions during the preparation of our financial statements in accordance with generally accepted accounting principles. These estimates and assumptions impact the reported amount of assets and liabilities as well as disclosures regarding any contingencies. Actual results could differ from estimates and this could impact reported net income or the value of our assets and liabilities.

In applying estimates, management uses its judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by outside sources, trade journals and other sources, as appropriate.

Deferred Taxes. Estimates of deferred income taxes and items giving rise to deferred tax assets and liabilities reflect management's assessment of actual future taxes to be paid on items reflected in the financial statements, giving consideration to both timing and the probability of the realization. Actual income taxes could vary from these estimates for a variety of reasons including changes in tax law, operating results that vary from budget or the review of our tax returns by the IRS. We believe the estimate of deferred taxes is a "critical accounting estimate". Management of the Company has discussed the development and selection of this critical accounting estimate with the audit committee of our board of directors and the audit committee has reviewed the Company’s disclosure relating to it in this MD&A.

**Quantitative and Qualitative Disclosures About Market Risk**

We do not have material exposure to market risks associated with changes in interest rates related to cash equivalent securities held at March 31, 2008.

**Off-balance sheet arrangements**

At March 31, 2008, we did not have any off-balance sheet arrangements, as defined in tem 303(c)(4)(2) of SEC Regulation S-B.

**Recently Issued Accounting Pronouncements**

In February 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities, Including an Amendment of FASB Statement No. 115," (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 is expected to expand the use of fair value measurement, which is consistent with the FASB's long-term measurement objectives for accounting for financial instruments. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007 (i.e., fiscal year 2008). We have assessed the effect of this pronouncement on our consolidated financial statements, and at this time, no material effect is expected.

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*". SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact of adopting SFAS No. 157 on its financial position, cash flows, and results of operations.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" and SFAS No. 160, "Noncontrolling Interest in Consolidated Financial Statements." These Statements replace FASB Statement No. 141, "Business Combinations," and requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS No. 141(R) also makes significant amendments to other Statements and other authoritative guidance. The Statements are effective for years beginning on or after December 15, 2008. Management is evaluating if the adoption of these new standards would have a material effect on the Company's financial position or operating results.

On December 15, 2006 the SEC announced that it is has modified reporting requirements for smaller public companies under Section 404 of the Sarbanes-Oxley Act (SOX 404) of 2002. The Commission granted relief to smaller public companies by extending the date by which non-accelerated filers must start providing a report by management assessing the effectiveness of the company's internal control over financial reporting. The compliance date for these companies was moved from fiscal years ending on or after July 15, 2007, to fiscal years ending on or after December 15, 2007. The Commission also extended the date by which non-accelerated filers must begin to comply with the Section 404(b) requirement to provide an auditor's attestation report on internal control over financial reporting in their annual reports. This deadline was moved to the first annual report for a fiscal year ending on or after December 15, 2008. This provision has been further extended to 2009. The extension requires all non-accelerated filers to complete only the management's portion of the internal control requirements in their first year of compliance with SOX 404. This modification is intended to provide cost savings and efficiency opportunities to smaller public companies and to assist them as they prepare to comply fully with SOX 404 reporting requirements. The extension will provide these issuers and their auditors an additional year to consider, and adapt to, the changes in Auditing Standard No. 2 that the Commission and the Public Company Accounting Oversight Board intend to make, as well as the guidance for management the Commission has issued, to improve the efficiency of the Section 404(b) auditor attestation report process.

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders
of TOT Energy, Inc.

We have audited the accompanying consolidated balance sheets of TOT Energy, Inc., f/n/a Splinex Technology, Inc., (a development stage company) as of March 31, 2008 and 2007, and the related consolidated statements of operations, changes in stockholders' deficiency in assets and cash flows for the years then ended and for the period from October 28, 2003 (inception), to March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TOT Energy Technologies, Inc. as of March 31, 2008 and 2007, and the related consolidated statements of operations, changes in stockholders' deficiency in assets and cash flows for the years then ended and for the period from October 28, 2003 (inception), to March 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has experienced recurring losses in the development stage. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Daszkal Bolton LLP

Boca Raton, Florida
June 19, 2008

**TOT ENERGY, INC. f/k/a SPLINEX TECHNOLOGY, INC.**
**(A DEVELOPMENT STAGE COMPANY)**
**CONSOLIDATED BALANCE SHEETS**

| | March 31, 2007 | March 31, 2008 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash | $ 251 | $ 88,007 |
| Prepaid expenses and other | 5,132 | 20,500 |
| Total current assets | 5,383 | 108,507 |
| | | |
| Property and equipment, net | - | - |
| Accounting software license | - | 1,197 |
| Total assets | $ 5,383 | $ 109,704 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' DEFICIENCY IN ASSETS** | | |
| Current liabilities | | |
| Demand note payable and accrued interest due to related party - Ener1 Group | 776,476 | - |
| Note payable and accrued interest due to related party - Bzinfin | 2,805,207 | - |
| Accounts payable | 557,120 | 15,193 |
| Accrued expenses | 500,927 | 32,641 |
| Due to related parties - Ener1 (2007) and Splinex, LLC (2008) | 138,262 | 500,000 |
| Total liabilities | 4,777,992 | 547,834 |
| | | |
| **COMMITMENTS AND CONTINGENCIES** | | |
| | | |
| **STOCKHOLDERS' DEFICIENCY IN ASSETS** | | |
| Preferred stock ($.001 par value, 100,000,000 shares authorized and no shares issued and outstanding) | - | - |
| Common stock ($.001 par value, 400,000,000 shares authorized and 100,757,773 and 214,507,773 shares issued and outstanding) | 100,758 | 214,508 |
| Treasury stock, at cost; 250,000 shares | (62,500) | (62,500) |
| Paid in capital | 1,109,712 | 5,115,356 |
| Accumulated deficit | (5,920,579) | (5,705,494) |
| Total stockholders' deficiency in assets | (4,772,609) | (438,130) |
| Total liabilities and stockholders' deficiency in assets | $ 5,383 | $ 109,704 |

See accompanying notes to consolidated financial statements.

**TOT ENERGY, INC. f/k/a SPLINEX TECHNOLOGY, INC.**
**(A DEVELOPMENT STAGE COMPANY)**
**CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Year Ended March 31, 2007 | Year Ended March 31, 2008 | Cumulative From Inception (October 28, 2003) Through March 31, 2008 |
|---|---|---|---|
| Net sales | $ 1,793 | $ 98 | $ 3,911 |
| | | | |
| Operating Expenses | | | |
| Sales and marketing | - | - | 561,296 |
| General and administrative | 371,217 | 243,111 | 3,800,545 |
| Research and development | - | - | 1,984,516 |
| Total operating expenses | 371,217 | 243,111 | 6,346,357 |
| Cost of merger and registration | - | - | 512,321 |
| Total expense | 371,217 | 243,111 | 6,858,678 |
| | | | |
| Loss from operations | (369,424) | (243,013) | (6,854,767) |
| | | | |
| Other income (expense) | | | |
| Other income from settlements | 167,244 | 568,562 | 735,806 |
| Interest expense, net | (158,881) | (110,464) | (409,380) |
| Total other income and expense | 8,363 | 458,098 | 326,426 |
| Loss before income taxes | (361,061) | 215,085 | (6,528,341) |
| Income taxes | - | - | - |
| Net income (loss) | $ (361,061) | $ 215,085 | $ (6,528,341) |
| | | | |
| Net loss per basic and fully diluted share | $ (0.00) | $ 0.00 | |
| | | | |
| Weighted average shares outstanding | 100,757,773 | 104,183,619 | |

See accompanying notes to consolidated financial statements.

**TOT ENERGY, INC. f/k/a SPLINEX TECHNOLOGY, INC.**
**(A DEVELOPMENT STAGE COMPANY)**
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY IN ASSETS**

| | Preferred Stock Shares | Preferred Stock Amount | Common Stock Shares | Common Stock Amount | Treasury Stock | Additional Paid in Capital | Accumulated Deficit | Total Stockholders' Deficiency in Assets |
|---|---|---|---|---|---|---|---|---|
| Common stock issued $0.001 per share effective at inception on October 28, 2003 | - | $ - | 95,000,000 | $ 95,000 | $ - | $ (94,999) | $ - | $ 1 |
| Additional capital contributed during period | | | - | - | | 849,999 | - | 849,999 |
| Net loss | - | - | - | - | - | (822,847) | - | (822,847) |
| Balance at March 31, 2004 | - | - | 95,000,000 | 95,000 | | (67,847) | - | 27,153 |
| Capital contributions | - | - | - | - | | 1,150,000 | - | 1,150,000 |
| Shares issued as executive compensation and other non-cash expenses | - | - | 670,273 | 670 | - | 23,896 | - | 24,566 |
| Shares issued in Merger | - | - | 5,000,000 | 5,000 | - | (5,000) | - | - |
| Net loss | - | - | - | - | - | - | (3,296,189) | (3,296,189) |
| Balance at March 31, 2005 | - | - | 100,670,273 | 100,670 | - | 1,101,049 | (3,296,189) | (2,094,470) |
| Acquisition of treasury stock | - | - | - | - | (62,500) | - | - | (62,500) |
| Stock options exercised | - | - | 87,500 | 88 | - | 8,663 | - | 8,751 |
| Net loss | - | - | - | - | - | - | (2,263,329) | (2,263,329) |
| Balance at March 31, 2006 | - | - | 100,757,773 | 100,758 | (62,500) | 1,109,712 | (5,559,518) | (4,411,548) |
| Acquisition of treasury stock | - | - | - | - | - | - | - | - |
| Stock options exercised | - | - | - | - | - | - | - | - |
| Net loss | - | - | - | - | - | - | (361,061) | (361,061) |
| Balance at March 31, 2007 | - | - | 100,757,773 | 100,758 | (62,500) | 1,109,712 | (5,920,579) | (4,772,609) |
| Stock options vested | - | - | - | - | - | 8,000 | | 8,000 |
| Shares issued for debt | - | - | 113,500,000 | 113,500 | | 3,657,297 | - | 3,770,797 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Related party debt settlement | - | - | - | - | - | 320,597 | - | 320,597 |
| Shares issued to former employee | - | - | 250,000 | 250 | - | 19,750 | - | 20,000 |
| Net income | - | - | - | - | - | - | 215,085 | 215,085 |
| Balance at March 31, 2008 | - | $ - | 214,507,773 | $ 214,508 | (62,500) | $ 5,115,356 | $ (5,705,494) | $ (438,130) |

See accompanying notes to consolidated financial statements.

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**TOT ENERGY, INC. f/k/a SPLINEX TECHNOLOGY, INC.**
**(A DEVELOPMENT STAGE COMPANY)**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Year Ended March 31, 2007 | Year Ended March 31, 2008 | Cummulative From Inception (October 28, 2003) Through March 31, 2008 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net income / (loss) | $ (361,061) | $ 215,085 | $ (6,528,341) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation | 7,340 | - | 71,817 |
| Share based compensation | - | 28,000 | 60,179 |
| Non cash interest expense Interest Expense | 158,004 | 110,464 | 402,715 |
| Settlement of accounts payable | - | (307,651) | (307,651) |
| Settlement of accrued severance | - | (260,911) | (260,911) |
| | | | |
| Changes in operating assets and liabilities: | | | |
| Prepaid expenses | 53,417 | (15,367) | (20,500) |
| Due to related parties | - | - | 138,261 |
| Software License | - | (1,197) | (1,197) |
| Deposits | 9,881 | - | - |
| Accounts payable | (5,884) | (60,222) | 496,901 |
| Accrued expenses | (182,166) | (178,445) | 268,732 |
| Total adjustments | 40,592 | (685,329) | 848,346 |
| Net cash used in operating activities | (320,469) | (470,244) | (5,679,995) |
| | | | |
| Cash flows from investing activities: | | | |
| Purchase of equipment | - | - | (79,429) |
| Employee loans and advances, net | 831 | - | - |
| Net cash used in investing activities | 831 | - | (79,429) |
| | | | |
| Cash flows from financing activities: | | | |
| Contributed capital from equity investors | - | - | 2,000,000 |
| Note payable related party | 310,431 | 558,000 | 3,847,431 |
| Net cash provided by financing activities | 310,431 | 558,000 | 5,847,431 |