

S3 Investment Company, Inc.
 Statements of Cash Flows
 (unaudited)

	For the Nine Months Ended December 31, <u>2007</u>
Cash Flows from Operating Activities:	
Net Gain (Loss)	\$ (911,899)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operations:	
Depreciation and amortization	7,163
Derivative expense	73,175
Stock issued for services	380,000
Debt forgiveness	-
Unrealized loss on investments	-
Minority interest	91,878
Changes in Operating Assets and Liabilities:	
Increase in deposits	-
(Increase) decrease in prepaid expenses	35,000
Increase in receivables	(665,621)
Increase in accounts payable and accrued liabilities	<u>325,393</u>
Net Cash Provided (Used) by Operating Activities	(664,911)
Cash Flows from Investing Activities:	
Investments	592,380
Purchase of office equipment	<u>(1,240)</u>
Net Cash Used by Investing Activities	591,140
Cash Flows from Financing Activities:	
Payments made on accrued expenses	
Principal payment on note payable	(110,000)
Proceeds from sale of common stock for cash	<u>40,491</u>
Net Cash Provided by Financing Activities	<u>(69,509)</u>
Increase (decrease) in Cash	(143,280)
Cash and Cash Equivalents at Beginning of Period	191,419
Cash and Cash Equivalents at End of Period	<u><u>\$ 48,139</u></u>
Supplemental cash flow information:	
Cash Paid For:	
Interest	\$ -
Income Taxes	\$ -
Non-Cash Investing and Financing Activities:	
Stock issued for Services	\$ 100,000

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