

Air Carrier: **Cargo 360, Inc.**

Quarter Ended: **June 30, 2007**

STATEMENT OF CASH FLOWS

Cash flows from operating activities:

Net earnings	\$	3,757,192
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation		44,470
Changes in assets and liabilities:		
(Increase) decrease in receivables		555,904
(Increase) decrease in expendable parts		-
(Increase) decrease in prepaid activities		(917,685)
(Increase) decrease in developmental costs and other assets		
Increase (decrease) in accounts payable		472,976
Increase (decrease) in accrued liability		(1,691,763)
Net cash provided(used) by operating activities		<u>2,221,094</u>

Cash flows from investing activities:

Payments for acquisition of property and equipment		(46,437)
(Increase) decrease in advance payments		(1,553,096)
Net cash provided from investing activities		<u>(1,599,533)</u>

Cash flows from financing activities:

Proceeds from equity issue		
Proceeds from short-term debt		
Proceeds from long-term debt		
Payments for capital leases		
Increase in paid in capital		
Cash dividends paid		
Net cash provided by financing activities		-

Net (decrease) increase in cash and cash equivalents 621,561

Cash and cash equivalents at beginning of period 12,327,215

Cash and cash equivalents at end of period \$ 12,948,776