

Year End Annual Report Statement as Prepared by Founder Ronald Flynn

Dear shareholder and Partner,

This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs and assumptions made by the Company's management as well as information currently available to the management. When used in this document, the words "anticipate", "believe", "estimate", and "expect" and similar expressions, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.

Spectrum Blue Steel and True Green Energy Group use procedures, methods, and practices used by businesses and organizations to abate or remediate problems that are causing degradation of the Earth's environment, ecosystem, or natural resources. Spectrum's Solutions are a response to people's increasing concern about the negative effects of human activity on the Earth and a response from the business community to correct the damage.

Our firm is a legally recognized organization in the Philippines and has been designed to provide a complete turnkey operation for landfills and dumpsites. Spectrum Blue Steel has a green energy system that recycles garbage and creates energy without any harmful carbon emissions.

Spectrum Blue Steel is privately owned, and was formed to earn profits that will increase the wealth of its owners and grow the business itself. The owners and operators main objective is to joint venture with local governments and cities to clean up landfills and dump sites in addition to recycling and generating clean green energy on the local grid.

Most commercial transactions are governed by a very detailed and well-established body of rules that have evolved over a very long period of time, it being the case the current governing trade and commerce is a strong driving force in the creation of law and courts in the Philippines.

As for other laws that regulate or impact Spectrum Blue Steel's businesses, There are many laws governing treatment of labor and general relations with employees, safety and protection issues (OSHA or Health and Safety), anti-discrimination laws (age, gender, disabilities, race, sexual orientation, minimum wage laws, union laws, workers compensation laws, and annual vacation or working hours time.

Spectrum Blue Steel is a special green energy company that requires particular permits and licenses. Due to special laws that govern admission into energy and municipal solid waste in the Philippines, Spectrum Blue Steel had to complete an entire EIA



(environmental impact assessment) study to protect Filipino people and the environment.

Upon the finalization of this study Spectrum submitted a complete 108 page report to the (DOE) Department Of Energy in order to get approval for deployment of the Biosphere MKV. Since the department of energy's approval, Spectrum started the construction in San Fernando and is making arrangements to ship in the first Biosphere and MRF system to the Philippines.

SBS and TGEg are both registered with the Securities Exchange Commission and have special licenses to operate a business in the Clark Freeport zone. Spectrum Blue Steel is also subject to ongoing special regulations because it is involved in public utilities, investment securities and banking.

Environmental regulations are also very complex and the manufacture of the Biosphere MKV is a listed bulletin board stock on NASDAQ trading under the symbol GEECF.OB.

Global Environmental Energy Corp.'s (Bahamas) (the "Company" or "Global") was formed to become a fully integrated energy company whose interests include traditional oil and gas exploration and production, alternative energy sources, environmental infrastructure and electrical micro-power generation through its subsidiaries.

In May 2004 the Board of Global Environmental Energy Corp. (Delaware) (a Delaware Corporation) (formerly Life Energy & Technology Holdings Inc., formerly Health Pak Inc., formerly Morgan Windsor Ltd., originally incorporated on December 28, 1978) approved the formation and incorporation of Global Environmental Energy Corp. (Bahamas). Global Environmental Energy Corp. (Bahamas) is a Bahamian Corporation (No. 134791 B) incorporated on June 24, 2004 under the Bahamian International Business Companies Act, 2000.

In August 2004 Life Energy & Technology Holdings, Inc (Delaware) authorized by board resolution a name change for the Company to Global Environmental Energy Corp. (Delaware) and approved a change of its domicile from Delaware to the Commonwealth of the Bahamas maintaining its principal place of business in New Orleans Louisiana.

On September 1, 2004 Global Environmental Energy Corp. (Delaware) OTCBB trading symbol GEEC, CUSIP number # 379 44, and Global Environmental Energy Corp. (Bahamas) completed a one for one share exchange. Upon the completion of the share exchange Global Environmental Energy Corp. (Delaware) became a wholly owned subsidiary of Global Environmental Energy Corp. (Bahamas).

The Company enjoys a licensing agreement with McCormack Consulting, the inventors, developers and owners of the Biosphere Process™ System (Patent Pending) and all rights and title thereto. The Biosphere Process™ System provides for the conversion of waste materials (which includes municipal solid waste, agricultural or forestry surpluses or wastes, industrial or medical waste materials or traditional fossil fuels) in a process



that includes, initially, the automatic separation of metals and plastics, the formation of organic compost and the heating of the organic residue left from the separation process to very high temperatures in a separate chamber, which is deprived of oxygen.

The heating of the organic waste in this manner (i.e. in an oxygen deprived environment) prevents combustion, smoke and odor, and transforms the waste into steam and other gasses, which then run a turbine to produce electricity. The remaining solid waste then becomes a pulverized powder, which can be sold as a by-product for use in the building industry.

The Biosphere Process™ System heats and converts solid waste in an atmosphere that does not produce smoke or odor and therefore is capable of being placed directly in the centre of a town with no pollution to the atmosphere. The System can also be used specifically for the purpose of producing electricity for local use - ability in great demand in developing countries. Additionally, the Biosphere Process™ System is effective for the elimination of infectious medical and toxic waste.

When the Company's operating plans are fully implemented, the Biosphere Process™ System is expected to produce revenues from garbage tipping fees, recycling of metals, the sale of building products, papers and plastics, and the sale of electrical power and steam.

The Functioning of the Biosphere Process™ System

The Biosphere Process™ is most easily described in a format where it is operated using Municipal Solid Waste (MSW) as a feedstock - although the Biosphere Process™ System operates equally well as a micro power generation system consuming any waste material, including agricultural or forestry surpluses or wastes, industrial or medical waste materials or traditional fossil fuels.

The Biosphere Process™ System when operated on MSW takes place in five distinct stages:

Stage One: MSW is collected and brought to a centralized Biosphere Process™ facility. Each facility is designed as a "one stop shop" providing for up to 100% recycling of the total tonnage of MSW collected. The Biosphere Process™ facilities are economically viable at as little as 5-8 Tons/hr and can be constructed in closed facilities of as little as 3000 square ft. Each Biosphere Process™ facility is designed to be a stand-alone facility, with internal positive air control ensuring that the facility does not emit any non-permit able emissions to the atmosphere.

Stage Two: The MSW is sorted to provide separation for compost production, plastics and rubber recovery, metals, glass and aggregate recovery, and finally, electrical power generation. Typically operating at a rate of 30 tons/hour, each receiving line separates



MSW into two feedstock streams comprising putrescible (organic) and non-putrescible (non-organic) materials.

Putrescible materials usually comprise around 20% by volume are rapidly composted and recycled into high nutrient value soil additives and fertilizers using a proprietary vertical accelerated composter. Non-putrescible materials are further sorted to allow plastics and rubber recovery at around 10% of volume before being shredded in advance of valuable metals recovery. All of the recoverable aluminum and ferrous metals are removed from the waste stream, using rotating trammels equipped with band magnets, and hand picking stations designed to achieve the maximum possible percentage recovery of these materials. Finally glass, aggregates, concrete products and sand are removed using a Biosphere Separator™2 which achieves the following separation percentages; metals, 3.1%, glass 5.2%, aggregates, concrete, dirt and sand 8.0% and finally residual materials suitable for power generation equal to not more than 53.7% by volume of the initial MSW.

Stage Three: In stage three of the process, all other material in the waste stream is forced through a Biosphere Densifier™3, which compacts the MSW into 20g flakes with 15-20% moisture termed Biosphere Flakes™4 at the rate of 30Tons/hour, these flakes drive the Biosphere Process.

Stage Four: The Biosphere Flakes™ are converted into a 1000(°C) - 1800(°C) flux using a Biosphere Venturi™5. The process is designed to produce a high value inert pozzolanic material, which is then recycled into concrete products for the building industry, thus ensuring up to 100% recycling of all MSW handled through the Biosphere Process™ completely replacing traditional land filling as a method of waste disposal.

Stage Five: The 1000(°C) - 1800(°C) flux produced in stage four is used to power a turbine for micro power generation, a by-product of which is electricity and steam which can be used to power local industry including desalination facilities.

Economic Need for the Biosphere Process™

Every man, woman and child, the population of the developed world, produces up to one-half ton of MSW per annum; the vast majority of which is, at present, simply land filled and allowed to decay. Not only is such a practice outdated, having changed little in hundreds of years, but also it is costly and wasteful of what have for some time been recognized as finite natural resources. The Biosphere Process™ is a new development that allows for up to 100% recycling of the resource that MSW represents.

The Biosphere Process™ in addition to consuming MSW as a feedstock is an “omnivorous” micro power generation system. The Biosphere Process™ will operate and generate electricity using MSW, traditional fossil fuels, agricultural wastes or surpluses,



forestry wastes or surpluses, industrial waste streams, cellulose or hemicelluloses biomass waste streams, lignin, or any manner of waste material.

Such energy credits, form the basis of the greenhouse-gas trade, and are the backbone of a developing global industry. This expected trade will provide a further impetus for multinational companies, national governments and member states in both the European Union and elsewhere to champion the commercial use of MSW and waste materials and importantly the remediation of existing landfills, which conversely are fast becoming a natural resource. Not only are landfills a rich source of metals, 8-10% high grade aluminum and ferrous metals, and of silicates, sands and building aggregates, but they also contain significant volumes of combustible fuel material with an exceptionally high calorific content, highly suitable for power generation. The Biosphere Process™ System can also be fuelled by traditional fossil fuels, oil, and natural gas.

Licensing Agreements

GEECF grants and relies upon its non-exclusive Biosphere Technology License agreements as its potential source of royalty income. On May 20, 2009, the Board of Directors of the Company resolved that in order to better protect the Company's intellectual property rights, all existing and new Biosphere Technology License agreements be reviewed and renewed.

Spectrum Blue Steel Corporation, a Philippines corporation ("Spectrum"). On June 2, 2008, Spectrum was granted a non-exclusive license in the Philippines to market, sell, lease and operate Biosphere Process Systems. In 2009, Spectrum placed an order with the Company for an initial Biosphere System for deployment in the Philippines. In connection therewith, the Company has arranged to have its consulting engineers visit and survey Spectrum's intended site for this installation.

Spectrum has made a minimal deposit to purchase the system in 2009 as it was conducting a study with the EIA for approval with the department of energy. Spectrum is contracted to pay the balance in the first quarter of 2010. Spectrum exercises no control over Global environmental energy corporation, its officers or its employees and is a privately owned partnership in the Philippines.

Status of Recent Publicly Announced Developments

The following public announcements have been made by Spectrum Blue Steel since the beginning of the fiscal year ending May 31, 2009 relating to the Spectrum and its contracts:



On June 20, 2008, the Company announced that its Philippine licensee, Spectrum Blue Steel Corporation (“Spectrum”) is planning to deploy 1,500 Biosphere Systems under its license. Geecf had engineers visit Spectrum’s intended site for the initial Biosphere System in the Philippines.

Spectrum has made progress in developing its initial site, acquiring ancillary equipment and embarking upon an extensive program of civil engineering. In addition, Spectrum has been applying for and pursuing the required local and national permits to allow Spectrum to operate Biosphere Systems in the Philippines.

On July 30, 2008, Spectrum announced a strategic partnership with Al Manhal International Group of Abu Dhabi to market the Company’s Biosphere Systems in Gulf, Arab, and other Asian and European countries.

On April 22, 2009, Spectrum announced the establishment of a Biosphere Pilot facility in the Philippines which is set to be installed within a one hectare portion of the existing landfill in the City of San Fernando, Pampanga. Geecf has had consulting engineers visit Spectrum in the Philippines and the intended installation site. Geecf has also assisted Spectrum in the planning, design and specification of civil works needed at the initial intended installation site

On July 2, 2009, Spectrum announced during the groundbreaking of the Pilot Biosphere Project in Pampanga that three more sites are ready for the installation and deployment of the Biosphere Process and Technology in the Philippines. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On September 24, 2009, Spectrum announced among other things that it had signed contracts with the City of San Fernando in Pampanga, Philippines for Biosphere machines and by September 30, 2009, it will be signing another joint venture agreement with Joesfino M. Angeles, the mayor of Santa Rosa, Nueva Ecija in central Philippines. Spectrum has seen copies of the contracts referred to in the release and Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On September 30, 2009, Spectrum announced that it had signed a joint venture agreement to develop, finance, design and engineer the construction and operation and maintenance of the new Biosphere gasification facility in the city of Santa Rosa, Nueva Ecija, Philippines. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.



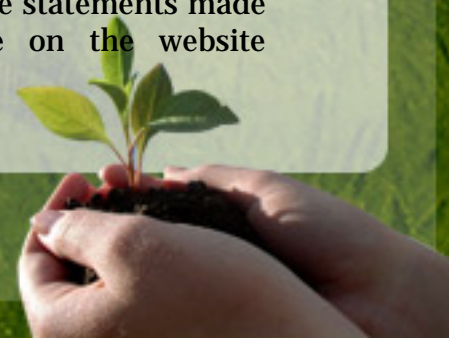
On October 19, 2009, Spectrum announced that the construction for the San Fernando access road from the Mega Dike to the Project Site as well as perimeter fencing is now ready to start. Spectrum announced that the contractor who has been awarded the construction is Saint J's builders, who is a major construction company located in San Augustin city of San Fernando. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On October 28, 2009, Spectrum announced that it has defined itself by a distinct focus on resource efficiency and sustainability, rising and unstable energy prices, scarcity of resources driven by population growth, affluence and climate change. Spectrum stated that its ability to facilitate and deploy the Biosphere system is truly a compelling investment thesis that has both young and old listening. Spectrum stated that the Biosphere system enables significant environmental benefits at a scale appropriate to the urgency of the need for green solutions to clean and save planet earth by turning waste into energy. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On November 16, 2009, Spectrum announced plans to open their new office on the corner of 4(th) and 27(th) street in the global city of Fort Bonifacio Philippines. With the arrival of this new office space, Spectrum Blue Steel will have many new green jobs available for Filipino citizens. In January 2010 Spectrum will start a sizeable hiring campaign for new green energy jobs. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On November 20, 2009, Spectrum announced that True Energy Group and NT Energy are set to meet the Government of Argentina with the CEO of Global Environmental Energy Corp. True Green Energy Group and NT Energy who are promoters of world power and green energy solutions are partners with Spectrum Blue Steel who is the license holder of the Biosphere MKV system. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On November 23, 2009, Spectrum and TGEg announced their go green campaign for 2010. The Company is unable to confirm the truth or accuracy of the statements made in the announcement. Spectrum uses the investor login page on the website



www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On December 2, 2009, Spectrum announced that it is emerging as one of the fastest growing green energy companies on the planet. Through the efforts of True Green Energy Group and True Green Planet's President and Recycling Specialist Leroy Johnston, who has been in the recycling business for over 25 years, stated that Spectrum Blue Steel is light years ahead of everyone and is setting the stage for spectacular earnings because of the bi products recovered by using the Biosphere MKV. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On December 4, 2009, Spectrum announced that True Green Energy Group, through Spectrum Blue Steel, and the Biosphere MKV power plant have been cultivating the recovery of garbage and in landfills on a global scale. The Biosphere process of gasification harnesses the combustibility of solid wastes to create a heat source that produces an extremely hot steam that will then generate green electricity. Spectrum Blue Steel reported that the President of True Green Energy Group, Mr. John Lamb, along with the founder of Spectrum Blue Steel Ronald Flynn, announced Spectrum Blue Steel's newest partner Mr. Eugene B Jones, who is the Executive Director for Southern Waste Information exchange, Inc. (SWIX), which is a non-profit clearinghouse and repository for businesses and government agencies in the USA. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

On December 16, 2009 Spectrum announced that The Municipal Mayor for Santa Rosa Honorable Josephina M. Angeles finalized the spectrum agreement by purchasing a site, and giving access, with 100% right of way for the immediate deployment of the "MRF" and Biosphere facility to be installed and connected to the grid for twenty five years with the provision that both parties can extend the contract by mutual agreement. Spectrum uses the investor login page on the website www.tgeg.asia to confirm the truth and accuracy of the statements made in the announcement.

Patents and Trademarks

Geecf has formulated patent applications and has the trademark protection for the Biosphere Process™ Systems and certain other of its developed technologies. Patent protection for the Biosphere Process System is pending. The Company has as of the date of this filing still to reach a final agreement with McCormack Consulting, the inventor, developer and owner of the technology to acquire the technology rather than having just the right to use the technology. Currently, the Company relies primarily upon trade secrets and proprietary techniques to attain and preserve any commercial advantage. Geecf has obtained trademark protection for several of its proprietary trade



names none of which are filed or are required to be filed at this time. The Company intends to have a third party negotiate on the Company's behalf a fair purchase agreement for the technology from McCormack Consulting.

Supplies

GEECF at present purchases from independent subcontractors products that are built to licensed specifications and designs. Management does not believe that there is or will be in the near future a significant shortage or inability to obtain adequate supplies of materials needed to fulfill lease obligations.

Employees

At present Spectrum has several directors and officers. As the Company implements the planned expansion of its operation, it will require additional employees both skilled and unskilled. The Company believes that the personnel it will require are readily available at reasonable salary rates.

Government Regulation

In addition to normal employment and company regulation as applied by any government to companies operating in their jurisdiction, the products marketed by the Company are subject to regulation and permitting by for example the Philippines Environmental Protection Industry Association in the Philippines governed by the department of energy, the Environmental Protection Agency expects that any products distributed by the Spectrum will continue to be subject to pervasive and continuing regulation by the Environmental Protection Agency, or its equivalent governmental organization or in the city it is deployed in.

Critical Accounting Policies

The Company's financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with the standards of our partnership. Spectrums significant accounting policies are critical accounting policies, and are particularly important to the portrayal of our financial position and results of operations in the Philippines. These critical accounting policies require SBS to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We believe the 2009 audited partnership financial statements will be available to view in January 2010.



Income Taxes- The Company accounts for income taxes in accordance with the Statement of Financial Accounting Standards under the republic of the Philippines. *Accounting for Income Taxes* requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between financial statement and income tax basis of assets and liabilities that will result in taxable income or deductible expenses in the future based on enacted tax laws, vat, and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities. The Company is incorporated under the laws of the republic of the Philippines.

Spectrum Blue Steel will continue to contract joint venture agreements with both local and international governments in order to earn money by deploying the Material Cycling facility and deploying the Biosphere MKV. In closing I would like to wish everyone a Merry Christmas and a Happy New Year.

Regards

Ronald Flynn

