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U. S. SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-KSB

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR
15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2006
Commission file number 0-9951

ADVANCED OXYGEN TECHNOLOGIES, INC.

(Name of small business Issuer in its charter)

Delaware 91-1143622
(State of incorporation) (I.R.S. Employer Identification No.)

C/O Crossfield, Inc. 133 W 13th St, New York, NY 10011
(Address of principal executive offices) (Zip Code)

212-727-7085
(Issuer's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered under Section 12(g) of the Exchange Act:
Common Stock, par value \$.01 per share

Check whether the Issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 contained in this form, 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. [X]

For the year ended June 30, 2006, Issuer's revenues were \$28,540

The aggregate market value of Common Stock at June 30, 2006 held by non-affiliates approximated \$221,003 based upon the average bid and asked prices for a share of Common Stock on that date. For purposes of this calculation, persons owning 10% or more of the shares of Common Stock are assumed to be affiliates, although such persons are not necessarily affiliates for any other purpose. As of June 30, 2006, there were 46,973,585 issued shares and 45,853,585 outstanding shares of the registrant's Common Stock, \$.01 par value.

Transitional Small Business Disclosure Format (check one): Yes [] No [X]

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PART I

ITEM 1- DESCRIPTION OF BUSINESS

Advanced Oxygen Technologies, Inc. ("Advanced Oxygen Technologies", "AOXY", "AOT" or the "Company") sole operations are derived from its wholly owned subsidiary Anton Nielsen Vojens, ApS ("ANV"). ANV is a Danish company that owns commercial real estate in Vojens, Denmark. ANV's revenues are derived solely from the lease revenue from the real estate.

AOXY, incorporated in Delaware in 1981 under the name Aquanautics Corporation, was, from 1985 until May 1995, a development stage specialty materials company producing new oxygen control technologies. From May of 1995 through December of 1997 AOXY had minimal operations and was seeking funding for operations and companies to which it could merge or acquire. In March of 1998 AOXY began operations in California. From 1998 through 2000, the business consisted of producing and selling CD- ROMS for conference events, advertisement sales on the CD's, database management and event marketing all associated with conference events. From 2000 through March of 2003, the business consisted solely of database management. From 2003 through April 2005, the business operations were derived totally from the Company's wholly owned business, IP Service, ApS, a Danish IP security vulnerability company("IP Service"). IP Service provides network administrators early IP security warnings and vulnerabilities.

THE PATENT SALE

On May 1, 1995, the Company sold its patents, and all related technology and intellectual property rights (collectively the "Patents Rights") to W. R. Grace & Co. Conn., a Connecticut corporation ("Grace"). The price for the Patents Rights was \$335,000, in cash, and a royalty until April 30, 2007 of two percent (2%) of the net sales price of (a) all products sold by Grace that include as a component, material that absorbs, bars, climinates, extracts and/or concentrates oxygen that, but for the purchase of the Patents Rights, would fringe the Patents Rights, and (b) any mixture or compound (other than a finished product) which includes as a component material that absorbs, bars, climinates, extracts and/or concentrates oxygen that, but for the purchase of the Patent Rights, would infringe the Patent Rights. Subsequently these royalties and associated liabilities were transferred to a trust (see Trust Agreement 12/18/97 below).

STOCK ACQUISITION AGREEMENT, 12/18/97

Pursuant to a Stock Acquisition Agreement dated as of December 18, 1997, Advanced Oxygen Technologies, Inc. ("AOXY") has issued 23,750,00 shares of its common stock, par value \$.01 per share for \$60,000 cash plus consulting services rendered valued at \$177,500, to Crossland, Ltd., ("Crossland"), Eastern Star, Ltd., ("Eastern Star"), Coastal Oil, Ltd. ("Coastal") and Crossland, Ltd. (Belize) ("CLB"). Crossland and

Eastern Star, Ltd. are Bahamas corporations. Coastal Oil and CLB are Belize corporations.

PURCHASE AGREEMENT, 12/18/97

Pursuant to a Purchase Agreement dated as of December 18, 1997, CLB, Triton-International, Ltd., ("Triton"), a Bahamas corporation, and Robert E. Wolfe purchased an aggregate of 800,000 shares of AOXY's common stock from Edelson Technology Partners II, L.P. ("ETPII") for \$10,000 cash. AOXY issued 450,000 shares of its capital stock to ETPII in exchange for consulting services to be rendered. The general partner of ETPII is Harry Edelson, Chairman of the Board and Chief Executive Officer of AOXY prior to the transactions resulting in the change of control (the "Transactions"). Prior to the Transactions Mr. Edelson directly or indirectly owned approximately 25% of the issued and outstanding common stock of AOXY, and following the completion of Mr. Edelson's consultancy he will own approximately 1.5%.

Company/Individual	Number of Shares	Percent Ownership
Robert E. Wolfe	50,000	0.17%
Crossland (Belize)	6,312,500	21.30%
Triton International	375,000	1.26%
Coastal Oil, Ltd.	5,937,500	20.03%
Crossland Ltd.	5,937,500	20.03%
Eastern Star, Ltd.	5,937,500	20.03%

The 23,750,000 shares of AOXY common stock sold by AOXY as of December 18, 1997 to Crossland, Eastern, Coastal and CLB pursuant to the Stock Acquisition Agreement (the "Regulation S Shares") were not registered under the Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Rule 903(c)(2) of Regulation S. Consideration for the Regulation S Shares consisted of \$60,000 cash and consulting services rendered valued at \$177,500. Each of the purchasers of the Regulation S Shares (a "Buyer") has represented to AOXY that (i) it is not a "U.S. Person" as that term is defined in Rule 902 (o) of Regulation S; (ii) the sale of the Regulation S Shares was taking place outside of the United States; (iii) no offer was made in the United States; (iv) it was purchasing the Regulation S Shares for its own account and not as a nominee or for the account of any other person or entity; (v) it had no intention to sell or distribute the shares except in accordance with Regulation S; (vi) it agreed that it would not transfer Regulation S Shares to a U.S. Person before the 41st day from the date the Buyer purchased the Regulation S Shares.

AOXY represented to the Buyers that it had not conducted any "directed selling effort" as defined in Regulation S, and that it had filed all reports required to be filed under the Securities Exchange Act of 1934 during the preceding twelve months.

ACQUISITION OR DISPOSITION OF ASSETS, 03/09/98.

On March 9, 1998, pursuant to an Agreement for Purchase and Sale of Specified Business Assets, a Promissory Note, and a Security Agreement all dated March 9, 1998, Advanced Oxygen Technologies, Inc. (the "Company") purchased certain tangible and intangible assets (the "Assets") including goodwill and rights under certain contracts, from Integrated Marketing Agency, Inc., a California Corporation ("IMA"). The assets purchased from IMA consisted primarily of furniture, fixtures, equipment, computers, servers, software and databases previously used by IMA in its full service telemarketing business. The purchase price of \$2,000,000 consisted of delivery at closing by the Company of a \$10,000 down payment, a Promissory Note in the amount of \$550,000 payable to IMA periodically, with final payment due on April 10, 2000 and accruing compounded interest at a rate of nine percent (9%) per annum, and 1,670,000 shares of convertible, preferred stock, par value \$.01 per share, of the Company (the "Preferred Stock"). The Preferred Stock is automatically convertible into shares of the Company's common stock, par value \$.01 per shares (the "Common Stock"), on March 2, 2000, at a conversion rate which will depend on the average closing price of the Common Stock for a specified period prior thereto. The purchase price was determined based on the fair market value of the purchased assets. The down payment portion of the purchase price was drawn from cash reserves of the Company, and the cash required for payments due under the Promissory Note will be generated by future revenues from the Company's business.

SET OFF OF PROMISSORY NOTE, 9/4/98

Pursuant to the Note, the Purchase Agreement, and the Security Agreement between the Company and ("IMA"), the Company on September 04, 1998 exercised its right of "Set Off" of the Note, as defined therein due to IMA's breach of numerous representations, warranties and covenants contained in the Note and certain ancillary documents. The Company further reserved any and all rights and remedies available to it under the Note, Purchase Agreement and Security Agreement.

CALIFORNIA FACILITIES, 9/30/98

The Company entered into a lease agreement as contained in Exhibit I of the registrants SEC Form 10-QSB for the period ending September 30, 1998 with America-United Enterprises Inc. ("Landlord") on October 01, 1998 and took possession of 4,700 s.f. of premises on November 06, 1998 in Santa Clarita for its CA location. As of June 30, 2001 the Company had abandoned the premises.

DEMAND FOR INDEMNIFICATION, 12/9/98

On December 9, 1998 the company delivered to IMA, "Notification to Indemnifying Party and Demand for Indemnification for \$2,251,266." Pursuant to the Note, the Purchase Agreement, the Security Agreement, and the Employment Agreement (collectively the "Agreements"), the Company demanded that IMA pay \$2,251,266 or defend the Company against the Liabilities (as defined therein) due to, among other things, IMA's breach, representations, warranties, and violation of the Agreements.

PURCHASE AGREEMENT OF 1/29/99

On January 29, 1999, pursuant to the Purchase Agreement of 1/28/99, Advanced Oxygen Technologies, Inc. ("AOXY") purchased 1,670,000 shares of convertible preferred stock of Advanced Oxygen Technologies, Inc. ("STOCK") and a \$550,000 promissory note issued by Advanced Oxygen Technologies, Inc. ("Note") from Integrated Marketing Agency, Inc. ("IMA"). The terms of the Purchase Agreement were: AOXY paid \$15,000 to IMA, assumed a Citicorp Computer Equipment Lease, #010-0031648-001 from IMA, delivered to IMA certain tangible business property (as listed in Exhibit A of the Purchase Agreement), executed a one year \$5,000 promissory note with IMA, and delivered to IMA a Request For Dismissal of case #PS003684 (restraining order) filed in Los Angeles county superior court. IMA sold, transferred, and delivered to AOXY the Stock and the Note. IMA sold, transferred, assigned and delivered the Note and the Stock to AOXY, executed documents with Citicorp Leasing, Inc. to effectuate an express assumption by AOXY of the obligation under lease #010-0031648-001 in the amount of \$44,811.26, executed a UCC2 filing releasing UCC-1 filing #9807560696 filed by IMA on March 13, 1998, and delivered such documents as required. In addition, both IMA and AOXY provided mutual liability releases for the other.

ARTICLES OF INCORPORATION AMENDMENT OF 04/18/2000

On April 18, 2000, notice was given that the Board of Directors and persons owning 64.7%, or 19,180,500 shares of common stock of Advanced Oxygen Technologies, Inc. have elected to adopt the following proposals: 1. To amend and restate the Company's Restated Articles of Incorporation to increase the Company's authorized Common Shares from 30,000,000 to 90,000,000 shares, 2. The Board of Directors has approved an amendment to the Company's Certificate of Incorporation to change the name of the Company to AOXY, Inc. The Company's current name was adopted in 1985 when the Company was focused on applications of its technology which it has since disposed of or otherwise abandoned. The Board of Directors believes it would be more appropriate for the Company to utilize a corporate name which more accurately describes the current focus of the Company or is not misleading as to the Company's operations. The above amendments to the Certificate of Incorporation will be filed with the Secretary of State of the State of Delaware, and the Name Change will become effective as of 5:00 p.m. Eastern Time, on the date of such filing.

PURCHASE AGREEMENT OF 01/12/2001

The Company sold to Purchasers (the "Purchasers" as defined in the Purchase Agreement) an amount of three million (3,000,000) shares (the "Regulation S Shares") of the capital stock of AOXY, Inc., ("AOXY") pursuant to the Purchase Agreement ("Purchase Agreement" Exhibit A) in an amount to each Purchaser as set forth on Schedule 1 of the Purchase Agreement attached thereto. The Regulation S Shares have not been registered under the Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Rule 903(c)(2) of Regulation S. Consideration for the Regulations S Shares consisted of \$125,000 cash and forgiveness of debt. (Exhibit A attached hereto).

CHANGE OF ADDRESS OF 11/01/2001

The Company's location, and location of books and records has changed from Advanced Oxygen Technologies, Inc. 26883 Ruether Avenue, Santa Clarita, CA, 91351 ("CA Location") to Advanced Oxygen Technologies, Inc. c/o Crossfield, Inc. 133 W 13th Street, Suite #5, New York, NY 10011, Telephone (212)-727-7085, Fax (208)-439-5488. This location is co-located with a related business of the president, Robert E. Wolfe.

ACQUISITION OR DISPOSITION OF ASSETS OF 03/05/2003

Pursuant to a stock acquisition agreement, on March 05, 2003 Advanced Oxygen Technologies, Inc. (AOXY or the Buyer) purchased 100% of the issued and outstanding stock of IP Services, ApS (IP or the Company) from all of its owners (the Shareholders) for value of five hundred thousand dollars (Purchase Price). AOXY issued fourteen million shares of common stock and one share of preferred convertible stock to the Shareholders for payment and consideration of the Purchase Price.

Pursuant to an Employment Agreement, on March 05, 2003 AOXY entered into an agreement with Kurt Søndergaard (Employee). The Employee will be employed by AOXY for four years and will perform duties of president of IP.

Pursuant to the covenant of non competition agreement, the Shareholders agreed not to compete with IP for a period of five years.

RESIGNATIONS OF REGISTRANTS DIRECTORS OF 03/05/2003

At a special meeting of the Board of Directors, AOXY removed Joseph N. Noll as a director due to his inability to perform his duties as a director. AOXY appointed Kurt Søndergaard and Lawrence Donofrio to the board of directors to replace Joseph N. Noll . Kurt Søndergaard founder and major shareholder of the company, Mr. Søndergaard was educated in the Danish Navy as an electronic engineer. He has worked for 10 years in the electronic security industry, specifically in the IT sector. During this period, Kurt has developed as a business entrepreneur, building and selling an IT business. Lawrence Donofrio graduated from Hamilton College with a BA in English studies. He then worked at Citibank for three years as a financial analyst, and five years as a private financial consultant. He then took a position with Bankers Trust for two years and since 1982 has been a private consultant in the financial industry.

WAIVER AGREEMENT OF 06/26/2003

Pursuant to a Waiver Agreement on June 26, 2003 , the debt holders (Debt Holders defined in the Waiver Agreement) waived and relinquished all right, to collect from AOXY the debt owed to each of the Debt Holders by Advanced Oxygen Technologies, Inc. (AOXY) in an amount to each Debt Holder as set forth on Schedule 2 in the Waiver Agreement (the "Debt") plus any interest earned thereon. In consideration of the release of the AOXY. AOXY will compensate, pay, transfer, assign and distribute the database ("Database") and all rights thereto, of conference attendees, hi tech decision makers, and other individuals, and all the associated accounts receivable ("Accounts Receivable") due and owing, whether known or unknown.

MOBILIGROUP ApS MERGER AGREEMENT OF 04/ 23/2005

Pursuant to a merger agreement attached hereto as exhibit I, ("Merger Agreement"), on April 23, 2005 Mobile Group Inc., ("Mobile" a formerly wholly owned subsidiary of Advanced Oxygen Technologies, Inc. acquired 100% of the issued and outstanding stock of Mobiligroup, ApS in exchange for 800 shares of Mobile representing 80% of the issued and outstanding shares of Mobile.

SHAREHOLDERS (IP SERVICE SELLERS) WAIVER OF 04/23/2005

Pursuant to a waiver agreement attached hereto as exhibit II ("Waiver Agreement"), on April 23, 2005 the shareholders that sold IP Service ApS to Advanced Oxygen Technologies, Inc. ("IP Sellers") entered into a waiver agreement with Advanced Oxygen Technologies, Inc. whereby:

- 1) The IP Sellers waived and relinquished all rights to collect the share conversion owed to the IP Sellers from the conversion of a preferred share ("Preferred Share") pursuant to the stock acquisition agreement of March 3, 2003 (agreement governing the purchase of IP Service ApS, "IP Purchase Agreement"),
- 2) The IP Sellers release and indemnify Advanced Oxygen Technologies, Inc. and Advanced Oxygen Technologies, Inc. release and indemnify the IP Sellers for breach of contract, making false warranties and representations, and, liabilities associated with the remedies of set off pursuant to the IP Purchase Agreement, and,
- 3) For consideration of the above the IP Sellers will deliver to Advanced Oxygen Technologies, Inc. the Preferred Share and One Million One hundred twenty thousand (1,120,000) shares of Advanced Oxygen Technologies, Inc.

SALE OF IP SERVICE: STOCK ACQUISITION AGREEMENT OF 04/27/2005

Pursuant to a stock acquisition agreement attached hereto as exhibit III ("Stock Acquisition Agreement"), on April 27, 2005 Advanced Oxygen Technologies, Inc. sold

100.00% of the stock of IP Service ApS to SecurAs, Ltd. 7 Stewards Court, Carlisle Close, Kingston Upon Thames, Surrey KT2 7AU, United Kingdom ("SecurAs") for consideration as follows:

1) The purchase price will be Seven Hundred and Fifty Thousand US Dollars payable as follows:

a) Cash and or

b) Royalties, which are comprised of 33.33% of all revenue derived from or associated with IP Service ApS or any of its products, which shall be payable quarterly on the 10th day following each quarter and SecurAs will deliver a certified audit of the revenues of IP Service ApS annually to Advanced Oxygen Technologies Inc. At any time Advanced Oxygen Technologies, Inc. can conduct an independent audit of IP Service ApS.

At closing, SecurAs did NOT pay any cash to Advanced Oxygen Technologies, Inc.

PURCHASE OF ANTON NEILSEN VOJENS, ApS: STOCK ACQUISITION AGREEMENT OF FEBRUARY 3, 2006

Pursuant to a stock acquisition agreement on February 3, 2006 Advanced Oxygen Technologies, Inc. ("AOXY") purchased 100.00% of the stock of Anton Nielsen Vojens ApS ("ANV"), a Danish company from Borkwood Development Ltd. (a current shareholder of AOXY) for Six Hundred and Fifty Thousand US Dollars. The transaction was financed as follows:

1) AOXY executed a promissory note ("Note") for \$650,000, payable to the sellers of ANV ("Sellers") payable and amortized monthly and carrying an interest at 5% per year. AOXY has the right to prepay the note at any time with a notice of 14 days. To secure the payment of principal and interest the Sellers will receive a perfect lien and security interest in the Shares in the company ANV until the note with accrued interest is paid in full., and,

2) In the case that the Note has not been repaid within 12 months from the day of closing the Sellers have the right to convert the debt to common stock of Advanced Oxygen Technologies, Inc. in an amount of non diluted shares calculated on the conversion Date, equal to the lesser of : a) Six hundred and Fifty thousand (650,000) or the Purchase Price minus the principal payments made by the buyer, which ever is greater, divided by the previous ten day closing price of AOXY as quoted on the national exchange, or b) Fifteen million shares, which ever is lesser. The Sellers must demand such conversion with a notice of 1 month.

ANV owns commercial real estate in Denmark. The property has a tenant that has 13 years remaining on their lease.

EMPLOYEES

As of June 30, 2006 the Company had a total of 1 employee.

ITEM 2. DESCRIPTION OF PROPERTY

The assets of the Company consist of its wholly owned subsidiary, Anton Nielsen Vojens, ApS whose assets are commercial real estate. In addition, the company has an investment in Mobile Group, Inc.

ITEM 3. LEGAL PROCEEDINGS

During the period ending June 30, 2006, there were no new issued, pending or threatened legal actions.

Previously, the Company was a party to the following legal proceedings:

On April 30, 1999 NEC America Filed suit against Advanced Oxygen Technologies, Inc. In the Los Angeles Superior Court, North Valley Branch, Case Number PC 023087X alleging default of the Lease Agreement of November, 1998 in the amount of \$57,167.28. A judgment against the Company has been filed with the Los Angeles Superior Court.

A previous employee, Tim Rafalovich has filed suit against Advanced Oxygen Technologies, Inc. in the Small Claims court of New Hall, CA alleging that AOXY has not paid approximately \$5,000 in wages, case number 99S00761. A judgment was filed against the Company and the Company has subsequently made payments to Mr. Rafalovich.

On June 14, 1999 Airborne Express, Inc. filed suit against Advanced Oxygen Technologies, Inc., case # 99-C00738 in small claims court of Los Angeles CA Municipal district, Newhall Judicial District for \$5,093.95, including court costs and attorney's fees alleging monies owed. A judgment was filed against the Company.

On October 08, 1999, Acutrak, Inc. filed suit against the Company in the Municipal Court of Newhall, #99C01251 alleging non payment of invoices of \$9,070.45. A judgment was filed on April 3, 2000 against the company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the period ending June 30, 2006, there were no matters submitted to security holders for a vote.

On April 18, 2000, notice in the form of Pre 14A, (see exhibits) was given that the Board of Directors and persons owning 64.7%, or 19,180,500 shares of common stock of Advanced Oxygen Technologies, Inc. have elected to adopt the following proposals:

1. To amend and restate the Company's Restated Articles of Incorporation to increase the Company's authorized Common Shares from 30,000,000 to 90,000,000 shares. The above amendments to the Certificate of Incorporation will be filed with the Secretary of State of the State of Delaware, and the Name Change will become effective as of 5:00 p.m. Eastern Time, on the date of such filing.
2. An amendment to the Company's Certificate of Incorporation to change the name of the Company to AOXY, Inc. The Company's current name was adopted in 1985 when the Company was focused on applications of its technology which it has since disposed of or otherwise abandoned. The Board of Directors believes it would be more appropriate for the Company to utilize a corporate name which more accurately describes the current focus of the Company or is not misleading as to the Company's operations. The above amendments to the Certificate of Incorporation will be filed with the Secretary of State of the State of Delaware, and the Name Change will become effective as of 5:00 p.m. Eastern Time, on the date of such filing. The filing has not yet been made.
3. The selection of Bernstein & Pinchuk, LLP ("B&P"), formerly Bernstein, Pinchuk and Kaminsky. LLP as the Company's independent registered public accounting firm for the fiscal year ended June 30, 1999 and 2000 and has further directed that management submit the selection of independent public accountants for ratification by the stockholders by written consents. Stockholder ratification of the selection of B&P as the Company's independent public accountants is not required by the Company's by-laws or otherwise and the Company had begun using some of their services.

PART II

ITEM 5. MARKET OF REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is traded on the Over-The-Counter Bulletin Board. The following table sets forth the range of high and low bid quotations on the Common Stock for the quarterly periods indicated, as reported by the National Quotation Bureau, Inc. The quotations are inter-dealer prices without retail mark-ups, mark downs or commissions and may not represent actual transactions.

Fiscal Year Ended June 30, 2005	High	Low
First Quarter	0.025	0.010
Second Quarter	0.017	0.006

Third Quarter	0.015	0.008
Fourth Quarter	0.019	0.009
Fiscal Year Ended June 30, 2006	High	Low
First Quarter	0.010	0.010
Second Quarter	0.010	0.010
Third Quarter	0.030	0.010
Fourth Quarter	0.020	0.010

At June 30, 2006 the company had 1,562 shareholders of record. At September 26, 2006, the closing bid price of the Company's Common Stock as reported by the National Quotation Bureau, Inc., was \$0.012

ITEM 6. PLAN OF OPERATION.

BUSINESS PLAN

The Company currently shares its location with a related company of the President of the Company. The Company owns 100% of a subsidiary, Anton Nielsen Vojens, ApS ("ANV"). ANV owns and leases commercial real estate and has a tenant who has 20 years remaining on their lease. ANV has also entered into an agreement to sub divide and sell a portion of the commercial real estate. Through the sale and possible refinancing, the Company plans to retire the debt associated with the purchase of ANV.

The company owns 20% of an affiliate, Mobile Group, Inc. which has a fully owned subsidiary, Mobiligroup, ApS, Denmark. Mobiligroup provides wireless technologies through mobile devices that allow the user to interface with internet applications. MobiliGroup provides a complete solution for TV broadcasters and production companies by offering customization of mobile applications (integration with TV productions) as well as the continuous hosting of services and porting to new mobile phones.

The Company has entered into a royalty agreement with Securas until such time the entire purchase price has been paid. The Company does not expect royalty revenues from Securas prior to 2008 as the company is in the process of re-engineering the IP Service software.

During the fiscal year ending June 30, 2006, the Company significantly reduced its expenses, reduced or discontinued unprofitable operations. The Company continues its efforts to raise capital to support operations and growth, and is actively searching acquisition or merger with another company that would compliment the Company and increase its earnings potential.

FORWARD LOOKING STATEMENTS

Certain statements contained in this report, including but not limited to, statements concerning the Company's future and financing requirements, the Company's ability to obtain market acceptance of its products and the competitive market for sales of small production business' or small network security business and other statements contained herein regarding matters that are not historical facts, are forward looking statements; actual results may differ materially from those set forth in the forward looking statements, which statements involve risks and uncertainties, including without limitation to those risks and uncertainties set forth in any of the Company's Registration Statements under the heading "Risk Factors" or any other such heading. In addition, historical performance of the Company should not be considered as an indicator for future performance, and as such, the future performance of the Company may differ significantly from historical performance and there is no assurance that the Company will be able to raise sufficient capital to pursue or complete the business objectives discussed herein. The forward-looking statements contained in this Report may be impacted by future global, local, or regional events that have a general economic effect. These events may have no direct relation to the Company, the industry, the products, the clients or any other aspect of the Company or its business.

The Company undertakes no obligation to publicly revise these forward looking statement to reflect events or circumstances that arise after the date hereof. Subsequently, readers are cautioned NOT to place undue reliance on these forward looking statements.

ITEM 7. AUDITED FINANCIAL STATEMENTS

**FINANCIAL STATEMENTS
AND REPORT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ADVANCED OXYGEN TECHNOLOGIES, INC.
AND SUBSIDIARY**

June 30, 2006 and 2005

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

Advanced Oxygen Technologies, Inc.

We have audited the accompanying balance sheets of Advanced Oxygen Technologies, Inc. (the Company) and subsidiary (CANV) as of June 30, 2006 and the related statements of operations, shareholders' equity and cash flows for each of the periods. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with standards of 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, 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 financial statements referred to above present fairly, in all material respects, the financial position of Advanced Oxygen Technologies, Inc as of June 30, 2006 and the results of its operations and its cash flows for each of the periods, in conformity with accounting principles generally accepted in United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company and its subsidiary incurred operating losses of \$12,914 during the fiscal year ended June 30, 2006 and as of June 30, 2006, current liabilities exceeded current assets by \$768,395. The foregoing raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on the attainment of profitable operations and meeting its obligations on a timely basis. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Copenhagen, September 25, 2006

Revisorerne Strandvejen 58 V.m.b.a Hellerup, Denmark

Søren Jonassen

State Authorized Public Accountant

**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

Board of Directors and Stockholders

Advanced Oxygen Technologies, Inc.

We have audited the accompanying balance sheet of Advanced Oxygen Technologies, Inc. (the "Company") as of June 30, 2005 and the related consolidated statements of operations and accumulated deficit, cash flows and stockholders' deficiency of the Company and its former subsidiary for the years ended June 30, 2005 and 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Oxygen Technologies, Inc. as of June 30, 2005 and the consolidated results of operations and cash flows of the Company and its former subsidiary for the years ended June 30, 2005 and 2004 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company and its former subsidiary incurred operating losses of \$33,546 and \$37,201 respectively during the fiscal years ended June 30, 2005 and 2004 and as of June 30, 2005, current liabilities exceeded current assets by \$86,205. The foregoing raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on the attainment of profitable operations and meeting its obligations on a timely basis. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Bernstein & Pinchuk LLP

New York, New York

October 11, 2005

ADVANCED OXYGEN TECHNOLOGIES, INC.

BALANCE SHEETS

As of June 30, 2006

ASSETS

CURRENT ASSETS

Cash \$ 378,984

Total Current Assets 378,984

FIXED ASSETS

Land and buildings 650,000

Total Fixed Assets

OTHER ASSETS

Investment in Mobile Group, Inc. -

\$ 1,028,984

=====

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

CURRENT LIABILITIES

Accounts payable	\$ 52,814
Accrued Expenses	1,886
Client Escrow Funds	373,984
Current Portion of Long Term Debt	4,742
Note Payable	650,000
Payroll and sales taxes payable	63,953

Total current liabilities 1,147,379

Long Term Debt, subsidiary	97,561
Due to affiliate	31,335

Total Long Term Debt 128,896

Commitments & Contingencies -

STOCKHOLDERS' DEFICIENCY -

Convertible preferred stock, Series 2, par value \$0.01; authorized 10,000,000 shares; issued and outstanding 5,000 shares liquidating preference \$25,000 50

Convertible preferred stock, Series 3, par value \$0.01; authorized and issued, 1,670,000 shares 16,700

Convertible preferred stock, Series 4; issued and outstanding, -

Convertible preferred stock, Series 5; issued, 1 share -

Common stock, par value \$0.01; authorized, 90,000,000 shares; issued 46,973,585 shares 469,736

Additional paid-in capital 20,497,769

Accumulated deficit (21,224,262)

Less treasury stock, at cost

1,670,000 shares of convertible preferred stock, Series 3	(7,284)
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1,120,000 shares of common stock	-
----------------------------------	---

(247,291)

\$ 1,028,984

See notes to consolidated financial statements.

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**ADVANCED OXYGEN TECHNOLOGIES, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS**

	Years ended June 30,	
	2006	2005
Revenues	2006	2005
Real Estate Rentals	28,540	
Total Revenues	28,540	
Costs and Expenses		
General & Administrative, ANV	25,058	
Interest Expense, ANV	2,936	
Professional expenses-corporate	10,600	10,688
Transfer Agent Expense	2,245	2,125
Other Costs and Expenses	615	766
Total Costs and Expenses	(41,454)	(13,579)
Loss from continuing operations before other income (expenses), and income tax expense	(12,914)	(13,579)
Other income (expenses)		
Forgiveness of indebtedness		184,091
Income (loss) from continuing operations, before income tax expense	(12,914)	170,512
Income tax expense	-	-
Income (loss) from continuing operations,	(12,914)	170,512
Discontinued IP Services operations, no tax effect		(204,058)
NET LOSS	\$ (12,914)	\$ (33,546)
=====		
Average number of shares outstanding	46,761,859	46,761,859
Income (loss) from continuing operations	\$ -	\$ -
Loss from discontinued IP Services operations	\$ -	\$ -
Net loss per share	\$ -	\$ -
=====		

Diluted earnings (loss) have not been presented since the effect of the assumed conversion of the convertible preferred stock would have an anti-dilutive effect.

See notes to consolidated financial statements.

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**ADVANCED OXYGEN TECHNOLOGIES, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years ended June 30,	
	2006	2005
	-----	-----
Cash flows from operating activities		
Net loss	\$ (12,914)	\$ (33,546)
Adjustments to reconcile net income to net cash		
Depreciation and amortization	-	7,586
Discontinued Operations	-	287,283
Forgiveness of indebtedness	-	(184,091)
Changes in operating assets and liabilities		
Accounts receivable	-	-
Other receivables and prepaid expenses	-	9,497
Accounts payable	4,124	(58,369)
Payroll and sales taxes payable	-	(19,319)
Client Escrow Funds	373,984	
Other current liabilities	-	(22,124)
	-----	-----
Net cash provided by (used in) operating activities	365,194	(13,083)
	-----	-----
Cash flow from financing activities:		
Borrowings from affiliated entities		
Borrowing from officer-directors	13,790	9,625
	-----	-----
Net cash provided by financing activities	13,790	9,625
	-----	-----
NET (DECREASE) INCREASE IN CASH	378,984	(3,458)
Cash at beginning of year	0	3,458
	-----	-----
Cash at end of year	\$ 378,984	\$ 0
	=====	=====
Supplemental Disclosures:		
Significant transaction- Record Acquisition of Anton Nielsen Vojens, ApS (ANV)		
Note Payable, Borkwood Development LTD	650,000	
Long Term Debt, ANV	102,303	
Accrued Expenses ANV	26,438	
Taxes Payable ANV	1,886	

Land and Buildings	(650,000)	
Paid in Capital	(130,627)	-
	-----	-----
Income taxes paid	-	-

See notes to consolidated financial statements.

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**ADVANCED OXYGEN TECHNOLOGIES, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS'
DEFICIENCY**

	Years ended June 30,	
	----- 2006	2005 -----
Common stock, par value \$0.01, authorized, 90,000,000 shares; issued, as follows:		
Balance at beginning and end of year 46,973,585	\$ 469,736	\$ 469,736
	=====	=====
Additional paid in capital:		
Balance at beginning and end of year	\$ 20,497,769	\$ 20,628,396
	=====	=====
Accumulated deficit:		
Balance at beginning of year	\$ (21,211,348)	\$ (21,177,802)
Net loss for the year	(12,914)	(33,546)
	-----	-----
Balance at end of year	\$ (21,224,262)	\$ (21,211,348)
	=====	=====
Other stockholders' deficiency accounts (no change during year)		
Convertible preferred stock, net of treasury stock(see balance sheet)	\$ 9,466	\$ 9,466
	=====	=====
Stockholders' deficiency at end of year	\$ (247,291)	\$ (103,750)
	=====	=====

See notes to consolidated financial statements.

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NOTE 1- ORGANIZATION AND LINE OF BUSINESS

Organization:

Advanced Oxygen Technologies, Inc. (formerly Aquanautic Corporation) (the "Company") was a specialty materials company in the development stage (as defined by the Financial Accounting Standards Board ("FASB") in Statement of Financial Accounting Standards ("SFAS") no. 7, "Accounting and Reporting by Development Stage Enterprises"). The Company's core technology consisted of a variety of materials, which have a high affinity for oxygen. Through 1993 the Company also conducted

research through funding from various government agencies such as the office of Naval Research and from Small Business Innovative Research ("SBIR") grants, as well as through its own internally generated funds.

The Company has agreed to indemnify Grace for any out of pocket costs incurred because of the claims, litigation, arbitration, or other proceedings (a) relating to the validity or ownership of the Patent Rights, (b) relating to any infringement by the Patent Rights of any other patent or trademark owned by a third party, (c) relating to any breach by the Company of its representations, warranties, covenants in the Purchase Agreement, or (d) arising from any state of affairs existing at closing which was not this indemnity. The indemnity is for all such costs up to \$75,000 and for 50% of such costs over \$75,000. Amounts due Grace under the indemnity would be paid by withholding royalties from the Company.

The Company ceased its previous operations described above during 1995 and had dormant operations until March 1998. During 1997, the Company entered into the following agreements in preparation of starting a new line of business:

Stock Acquisition Agreement:

Pursuant to a Stock Acquisition dated as of December 18, 1997, the Company issued 23,750,000 shares of its common stock, par value \$0.01 per share, to several investors for \$60,000 in cash, plus consulting services with a fair value of \$177,500. In December, 2000 an affiliated creditor received \$125,000 to reduce the Company's debt from an unrelated buyer of 3,000,000 shares of common stock which the Company issued during the year

On March 9, 1998, pursuant to an Agreement of Purchase and Sale of Specified Business Assets ("Purchase Agreement"), a Promissory Note, and a Security Agreement, the Company purchased certain tangible and intangible assets (the "Assets"), including goodwill and rights under certain contracts from Integrated Marketing Agency, Inc. ("IMA"). The assets purchased from IMA consisted primarily of furniture, fixtures, equipment, computers, servers, software, and databases previously used by IMA in its full-service telemarketing business. The purchase price consisted of (a) a cash down payment of \$10,000, (b) a note payable of \$550,000, and (c) 1,670,000 shares of the Company's Series 3 convertible preferred stock. As described in Note 10, the preferred shares automatically convert into the Company's common shares on March 2, 2000 in a manner that depends on the value of the common stock during the ten trading days immediately prior to March 1, 2000. However, as part of the Purchase Agreement, IMA has the option to redeem the converted shares for the aggregate sum of \$500,000 by delivering written notice to redeem the converted shares within ten business days after the conversion date. At the time of the purchase, the fair value of the preferred shares was not clearly evident, even though it appeared to be less than \$500,000. Therefore, the purchase price had a fair value of at least \$1,060,000. The assets purchased were recorded based upon their fair values.

Pursuant to a Purchase Agreement dated January 28, 1999, the Company purchased the 1,670,000 shares of the Series 3 convertible preferred stock and the promissory note discussed in the preceding paragraph. As part of the agreement, the Company paid \$15,000 to IMA, assumed a certain computer equipment lease with remaining obligations totaling \$44,811 and executed a one-year \$5,000 promissory note to IMA. In addition, both IMA and the Company provided mutual liability releases to each other.

On March 5, 2003, the Company, in exchange for 14,000,000 common shares, acquired the common stock of IP Service Aps("IP") a Danish corporation which developed and sells a software package "Analizt". Analizt is a security early warning tool used by network administrators in order for them to implement security patches on software installations. The product is sold as installed software together with a subscription for information updates for the security database. The common shares issued at the date of acquisition were valued at 2 cents per share assigned entirely to software costs, an intangible asset, which has no fixed determinable life. This asset is evaluated at least annually and any decline in value is charged to operations during that year.

On April 23, 2005 Mobile Group Inc., a formerly fully owned subsidiary of Advanced Oxygen Technologies, Inc., acquired 100% of the issued and outstanding stock of Mobiligroup, ApS from all of its owners in exchange for 80% of its stock. The Company will account for the investment of 20% of Mobile Group Inc. by the equity method.

Waiver Agreement: On April 23, 2005 the shareholders that sold IP Service ApS to Advanced Oxygen Technologies, Inc. ("IP Sellers") entered into a waiver agreement with Advanced Oxygen Technologies, Inc. whereby: 1) The IP Sellers waived and relinquished all rights to collect the share conversion owed to the IP Sellers from the conversion of a preferred share pursuant to the stock acquisition agreement of March 3, 2003 (agreement governing the purchase of IP Service ApS, "IP Purchase Agreement"), 2) The IP Sellers release and indemnify Advanced Oxygen Technologies, Inc. and Advanced Oxygen Technologies, Inc. release and indemnify the IP Sellers for breach of contract, making false warranties and representations, and, liabilities associated with the remedies of set off pursuant to the IP Purchase Agreement, and, 3) For consideration of the above the IP Sellers will deliver to Advanced Oxygen Technologies, Inc. the Preferred Share and One Million One hundred twenty thousand (1,120,000) shares of Advanced Oxygen Technologies, Inc.,

Sale of IP Service: On April 23, 2005 Advanced Oxygen Technologies, Inc. sold 100.00% of the stock of IP Service ApS to SecurAs, Ltd. 7 Stewards Court, Carlisle Close, Kingston Upon Thames, Surrey KT2 7AU, United Kingdom ("SecurAs") for consideration as follows: 1) The purchase price will be Seven Hundred and Fifty Thousand US Dollars payable as follows: a) Cash and or b) Royalties, which are comprised of 33.33% of all revenue derived from or associated with IP Service ApS or any of its products, which shall be payable quarterly on the 10th day following each

quarter and SecurAs will deliver a certified audit of the revenues of IP Service ApS annually to Advanced Oxygen Technologies Inc. At any time Advanced Oxygen Technologies, Inc. can conduct an independent audit of IP Service ApS. At closing, SecurAs did NOT pay any cash to Advanced Oxygen Technologies, Inc. The revenues for IP Service for the period years ended June 30, 2005 and June 30, 2004 were \$41,420 and \$41,421 respectively. The losses for IP Service for the period years ended June 30, 2005 and June 30, 2004 were \$204,058 and \$27,408 respectively. No income has been recognized from the sale.

Purchase of Anton Nielsen Vojens ApS: On February 3, 2006 Advanced Oxygen Technologies, Inc. ("AOXY") purchased 100.00% of the stock of Anton Nielsen Vojens ApS ("ANV"), a Danish company from Borkwood Development Ltd. (a current shareholder of AOXY) for Six Hundred and Fifty Thousand US Dollars. The transaction was financed as follows: 1) AOXY executed a promissory note ("Note") for \$650,000, payable to the sellers of ANV ("Sellers") payable and amortized monthly and carrying an interest at 5% per year. AOXY has the right to prepay the note at any time with a notice of 14 days. To secure the payment of principal and interest the Sellers will receive a perfect lien and security interest in the Shares in the company ANV until the note with accrued interest is paid in full., and, 2) In the case that the Note has not been repaid within 12 months from the day of closing the Sellers have the right to convert the debt to common stock of Advanced Oxygen Technologies, Inc. in an amount of non diluted shares calculated on the conversion Date, equal to the lesser of : a) Six hundred and Fifty thousand (650,000) or the Purchase Price minus the principal payments made by the buyer, which ever is greater, divided by the previous ten day closing price of AOXY as quoted on the national exchange, or b) Fifteen million shares, which ever is lesser.

Subdivision and Sale of ANV Real Estate: Pursuant to an acquisition agreement ("Acquisition Agreement"), on March 3, 2006 Anton Nielsen Vojens ApS ("ANV"), a wholly owned subsidiary of Advanced Oxygen Technologies, Inc. ("AOXY") entered into an agreement to sub divide and sell a 3,300 M2 portion of its Vojens City property ("Property") for Two Million Three hundred Thousand Danish Krone (2.300.000 DKK) to Ejendomselskabet Ostergade 67 ApS, a Danish company ("EO").

Lines of Business:

The Company through its wholly owned subsidiary ANV owns income producing commercial real estate, that has 13 years remaining on its lease with Statoil AS.

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Reclassifications:

The figures for the period ending June 30, 2006 have been reclassified so that both periods are presented on the same basis considering the purchase of Anton Nielsen Vojens, ApS.

NOTE 2 - GOING CONCERN AND BASIS OF PRESENTATION:

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. As shown in the financial statements, the Company incurred operating losses and negative working capital at June 30, 2006 and June 30, 2005 respectively. These factors raise substantial doubt about the Company's ability to continue as going concern.

In view of the matters described in the preceding paragraph, continued operations are dependent upon the Company's ability to continue to raise capital and generate positive cash flows from operations. These financial statements do not include any adjustments relating to the classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue its existence.

Management plans to take the following steps, which it believes will be sufficient to provide the Company with the ability to continue in existence:

- Acquire profitable operations
- Acquire additional debt or equity financing.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Revenue Recognition:

Product Sales:

Revenue is recognized when delivery is made and risk has passed to the buyer. Revenues are recognized net of value added taxes, where required, duties and sales discounts.

Consulting Income:

Revenue is recognized at the time the consulting work is performed.

Foreign currency translation:

Foreign currency transactions are translated applying the current rate method. Assets and liabilities are translated at current rates. Stockholders' equity accounts are translated at the appropriate historical rates and revenue and expenses are translated at weighted average rates for the year. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or at the balance sheet date, are recognized in the income statement.

Income Taxes:

The Company accounts for income taxes under the asset and liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is required when it is less likely than not that the Company will be able to realize all or a portion of its deferred tax assets. Because it is doubtful that the net operating losses of recent years will ever be used, a valuation allowance has been recognized equal to the tax benefit of net operating losses generated.

Net Earnings per Share:

The Company adopted SFAS No. 128, "Earnings per Share". Basic earnings per share is computed by dividing income available to common shareholders by the weighted-average number of common shares available. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Company considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Concentrations of Credit Risk:

Financial instruments that potentially subject the Company to major credit risk consist principally of a single investment in Mobile Group Inc, and its subsidiary Mobiligroup ApS.

NOTE 4 - MAJOR CUSTOMER:

The Company's subsidiary, Anton Nielsen Vojens, ApS has sales to a major customer who is a non related party that is 100% of the operating revenues of the Company for the period ending June 30, 2006.

NOTE 5 - RELATED PARTY TRANSACTIONS ANTON NIELSEN VOJENS, ApS

The Company purchased Anton Nielsen Vojens ApS from a shareholder of the Company, Borkwood Development LTD.

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NOTE 6 - CLIENT ESCROW FUNDS:

The Company's subsidiary Anton Nielsen Vojens, ApS entered into an agreement to sub divide and sell a portion of its commercial property in Vojens, Denmark for kr 2,300,000. At June 30, 2006 all of the conditions of the sales agreement had not been met and the funds remain encumbered by a bank pursuant to the sales and escrow agreement.

NOTE 7 - COMMITMENTS AND CONTINGENCIES:

Contingency:

Contingency for the period ending April 23, 2005: Since July 2002 IP has been developing the internet security software, Analizt. Prior to July 2002 research was carried out by a related party to IP (IP Solutions A/S) pertaining to a product (MYTH-Software) with some of the same characteristics as Analizt. IP Solutions A/S filed for bankruptcy in April 2002. Soon after a Danish public funding organization (Vaekstfonden) continued the research which had been carried out prior to bankruptcy. In August 2002 IP purchased the project from Vaekstfonden. However, since Vaekstfonden did not deliver the research, IP never paid the contract price of approximately \$3,750 in cash plus a loan of approximately \$45,000 on special terms and Vaekstfonden finally revoked the sale on October 2, 2002. It is uncertain whether Vaekstfonden will file a lawsuit against IP for violation of the sales contract. It is also possible that Vaekstfonden will seek compensation due to the similarity of the product functionality of MYTH-Software and the new developed product ANALIZT. According to management, IP has not infringed on Vaekstfonden's rights to the MYTH-Software, as ANALIZT is developed in a different platform environment.

For the period ending June 20, 2005, the Company no longer considers this a contingency as IP Service ApS was sold on April 23, 2005 and all commitments, contingencies and liabilities transferred with IP at the time of the sale.

Commitments:

The Company has issued a promissory note ("Note") for \$650,000, payable to the Borkwood Development Ltd, a shareholder of the Company ("Seller"), payable and amortized monthly and carrying a interest at 5% per year. The Company has the right to prepay the note at any time with a notice of 14 days. To secure the payment of principal and interest the Sellers will receive a perfect lien and security interest in the Shares in the company ANV until the note with accrued interest is paid in full., and, 2) In the case that the Note has not been repaid within 12 months from the day of closing the Sellers have the right to convert the debt to common stock of Advanced Oxygen Technologies, Inc. in an amount of non diluted shares calculated on the conversion Date, equal to the lesser of : a) Six hundred and Fifty thousand (650,000) or the Purchase Price minus the principal payments made by the buyer, which ever is greater, divided by the previous ten day closing price of AOXY as quoted on the national exchange, or b) Fifteen million shares, which ever is lesser.

The Company's wholly owned subsidiary Anton Nielsen Vojens, ApS has a note payable with a bank. The original amount of the note was kr 750,000 Danish Krone (kr). The note is unsecured and uncollateralized, with a 7.00% interest rate and a 10 years left on the term. The current balance on the note is 605,000 kr or \$102,303 and the yearly payments are kr 75,000 or \$12,799.

NOTE 8 - DUE TO AFFILIATE

Due to affiliate at June 30, 2006 consisted of:

1) advances payable to Crossfields, Inc., a related party, which are not collateralized, non-interest bearing, and payable upon demand, however, the Company did not expect to make payment within one year. During the year ended June 30, 2006 and 2005 the Company borrowed \$13,790 and \$17,545, respectively, from affiliates and officers to meet expenses. The balances were not collateralized, were non-interest bearing and were payable on demand. and,

NOTE 9 - SUBSEQUENT EVENTS

On July 10, 2005 ,in accordance with the terms of the sale of IP Service, ApS, the buyer, Securas Ltd is to provide a quarterly accounting of the sales of the products of IP Service, whereby a percentage of the sales (royalty) is due the Company. Securas has provided the accounting that indicated that they had no IP product sales for the period ending June 30, 2005

On July 31, 2006 the Company's former Independent Public Accountants, Bernstein & Pinchuk LLC resigned pursuant to Section 203 of the Sarbanes-Oxley Act.

On September 12, 2006 the Company engaged new Independent Public Accountants, Horwath Revisorenrne, AS Strandvejen 58, Hellerup, Denmark .

On September 15, 2006 the Company and the buyer of certain real estate owned by the Company's subsidiary, Anton Nielsen Vojens, ApS completed all the obligations and requirements of the sub division and sales agreement, and the kr2,300,000 (\$373,984) escrow closed.

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NOTE 10 - INCOME TAXES

As of June 30, 2006, the Company had federal and state net operating loss carryforwards of approximately \$12,400,000 of which approximately \$1,600,000 may be utilized to offset future taxable income. Section 382 of the Internal Revenue Code imposes substantial restrictions on the utilization of net operating loss and tax credit carryforwards when a change in ownership occurs. No deferred tax debits have been recorded because it is considered unlikely that they will be realized. The loss carryforwards will expire during the fiscal years ended June 30 as follows:

Year	Amount
2012	\$464,000
2018	236,000
2019	548,000
2020	351,000
<u>2021</u>	<u>29,000</u>
Total	\$ 1,628,000

The overall effective tax rate differs from the federal statutory tax rate of 34% due to operating losses and other deferred assets not providing benefit for income tax purposes.

NOTE 11 - SHAREHOLDERS' EQUITY:

Preferred Stock:

The Company is authorized to issue 10,000,000 shares of \$0.01 par value preferred stock. The Company may issue any class of preferred shares in series. The board of directors has the authority to establish and designate series and to fix the number of shares included in each such series.

Series 2 Convertible Preferred Stock:

Each Series 2 preferred share is convertible into two shares of common stock at the option of the holder. Each Series 2 preferred share also includes one warrant to purchase two common shares for \$5.00. The warrants are exercisable over a three-year period. In the event of the liquidation of the Company, holders of Series 2 preferred stock would be entitled to receive \$5.00 per share, plus any unpaid dividends declared on the Series 2

preferred stock from the funds remaining after the Company's creditors, including directors, have been paid. There have been no dividends declared.

During November 1997, 172,000 shares of Series 2 preferred stock were converted into 344,000 shares of the Company's common stock.

Series 4 Convertible Preferred Stock:

The shares are collectively convertible to common stock of the Company on March 5, 2004, in an amount equal to the greater of a.)290,000 shares divided by the ten day closing price, prior to the date of acquisition of IPS, of the Company's common stock as quoted on the national exchange and not to exceed twenty million shares, or b.) six million shares.

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ITEM 8. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure

The Company had no disagreements with accountants on accounting and financial disclosure. Until July 31, 2006 the Company had engaged Bernstein & Pinchuk LLP, previously Bernstein Pinchuk & Kaminsky, LLP, Seven Penn Plaza, New York, NY, 10001.

The Company has no disagreements with its current accountants on accounting and financial disclosure. From September 12, 2006 the Company has engaged Horwath Revisorenrne, AS Strandvejen 58, Hellerup, Denmark.

PART III

ITEM 9. Directors and Officers of the Registrant

Set forth below is information regarding the Company's directors and executive officers, including information furnished by them as to their principal occupations for the last five years, other directorships held by them and their ages as of June 30, 2005. All directors are elected for one-year terms, which expire as of the date of the Company's annual meeting.

Name	Age	Position	Director Since:
Robert E. Wolfe	43	Chairman of the Board and CEO	1997
Lawrence Donofrio	55	Director	2003

Robert Wolfe has been the Chairman and CEO for AOXY, Inc. since 1997. Concurrently he has been the President and CEO of Crossfield, Inc. and Crossfield Investments, llc , both corporate consulting companies. From 1992-1993 he was Vice President and partner for CFI, NY Ltd. A Subsidiary of Corporate Financial Investments, PLC, London.

Lawrence Donofrio has been a director of the Company and a member of the Compensation Committee since March 2003. He graduated from Hamilton College with a BA in English studies. He then worked at Citibank for three years as a financial analyst, and five years as a private financial consultant. He then took a position with Bankers Trust for two years and since 1982 has been a private consultant in the financial industry.

ITEM 10. Executive Compensation

Robert Wolfe, Chairman and CEO has waived his \$350,000 annual salary for the year ending June 30, 2006. No officer or director received any compensation from the Company during the last fiscal year. The Company paid no bonuses in the last three fiscal years ended June 30, 2006 to officers or other employees. Prior to the Stock Acquisition of December 12, 1997, the Company's Chief executive officer and Chairman of the Board was Harry Edelson. Mr. Edelson received no compensation during the fiscal year ending June 30, 2006.

The following table sets forth the total compensation paid or accrued to its Chief Executive Officer, Robert E. during the fiscal year ending June 30, 2006. There were no other corporate officers in any of the last three fiscal years.

Executive Compensation

Name	Yr.	Salary	Bonus	Other Compensation	Restricted Awards	LTIP Awards	Other
Robert E. Wolfe	2006	0	0	0	0	0	0

OPTION GRANTS DURING 1999; VALUE OF OPTIONS AT YEAR-END

The following tables set forth certain information covering the grant of options to the Company's Chief Executive Officer, Mr. Robert E. during the fiscal year ended June 30, 2006 and unexercised options held as of that date. Mr. Wolfe did not exercise any options during fiscal 2006.

Name	# of Securities	% Total Options	Option Price	Exercise Price	Expiration Date
Robert E. Wolfe	0	0	0	0	0

Compensation Committee Report

The Compensation Committee of the Board of Directors was responsible for reviewing and approving the Company's compensation policies and the compensation paid to executive officers. Mr. Wolfe and Mr. Donofrio, who comprise the Compensation Committee are employee and non-employee directors respectively.

Compensation Philosophy

The general philosophy of the Company's compensation program, which has been reviewed and endorsed by the Committee, was to provide overall competitive compensation based on each executive's individual performance and the Company's overall performance.

There are two basic components in the Company's executive compensation program: (i) base salary and (ii) stock option awards.

Base Salary

Executive Officers' salaries are targeted at the median range for rates paid by competitors in comparably sized companies. The Company recognizes the need to attract and retain highly skilled and motivated executives through a competitive base salary program, while at the same time considering the overall performance of the Company and returns to stockholders.

Stock Option Awards

With respect to executive officers, stock options are generally granted on an annual basis, usually at the commencement of the new fiscal year. Generally, stock options vest ratably over a four-year period and the executive must be employed by the Company in order to vest the options. The Compensation Committee believes that the stock option grants provide an incentive that focuses the executives' attention on managing the Company from the perspective of an owner with an equity stake in the business. The option grants are issued at no less than 85% of the market price of the stock at the date of grant, hence there is incentive on the executive's part to enhance the value of the stock through the overall performance of the Company.

Compensation Pursuant to Plans

The Company has three plans (the "Plans") under which its directors, executive officers and employees may receive compensation. The principal features of the 1981 Long-Term Incentive Plan (the "1981 Plan"), the 1988 Stock Option Plan (the "1988 Plan"), and the Non-Employee Director Plan (the "Director Plan") are described below. During the fiscal year ended June 30, 1994, the Company terminated its tax qualified cash or deferred profit-sharing plan (the "401(k) Plan"). During fiscal 1998, no executive officer received compensation pursuant to any of the Plans except as described below.

The 1981 and 1988 Plans

The purpose of the 1981 Plan and 1988 Plan (the "Option Plans") is to provide an incentive to eligible directors, consultants and employees whose present and potential contributions to the Company are or will be important to the success of the Company by affording them an opportunity to acquire a proprietary interest in the Company and to enable the Company to enlist and retain in its employ the best available talent for the successful conduct of its business.

The 1981 Plan

The 1981 Plan was adopted by the Board of Directors in May 1981 and approved by the Company's stockholders in March 1982. A total of 500,000 shares have been authorized for issuance under the 1981 Plan. With the adoption of the 1988 Plan, no additional awards may be made under the 1981 Plan. As a result, the shares remaining under the 1981 Plan are now available solely under the 1988 Plan. Prior to its termination, the 1981 Plan provided for the grant of the following five types of awards to employees (including officers and directors) of the Company and any subsidiaries: (a) incentive stock rights, (b) incentive stock options, (c) non-statutory stock options, (d) stock appreciation rights, and (e) restricted stock. The 1981 Plan is administered by the Compensation Committee of the Board of Directors.

The 1988 Plan

The 1988 Plan provides for the grant of options to purchase Common Stock to employees (including officers) and consultants of the Company and any parent or subsidiary corporation. The aggregate number of shares which remained available for issuance under the 1981 plan as of the effective date of the 1988 Plan plus an additional 500,000 shares of Common Stock.

Options granted under the 1988 Plan may either be immediately exercisable for the full number of shares purchasable thereunder or may become exercisable in cumulative increments over a period of months or years as determined by the Compensation Committee. The exercise price of options granted under the 1988 Plan may not be less than 85% of the fair market value of the Common Stock on the date of the grant and the maximum period during which any option may be paid in cash, in shares if the Company's Common Stock or through a broker-dealer same-day sale program involving a cash-less exercise of the option. One or more

optionees may also be allowed to finance their option exercises through Company loans, subject to the approval of the Compensation Committee.

Issuable Shares

As of September 20, 1995, approximately 374,000 shares of Common Stock had been issued upon the exercise of options granted under the Option Plans, no shares of Common Stock were subject to outstanding options under the Options Plans and 626,000 shares of Common Stock were available for issuance under future option grants. From July 1, 1991 to September 20, 1995, options were granted at exercise prices ranging from \$1.22 to \$8.15 per share. The exercise price of each option was equal to 85% of the closing bid price of Company's Common Stock as reported on the NASDAQ Over the Counter Bulletin Board Exchange. Due to employee terminations, all options became void in August 1995. As of September 30, 2001 1,000,000 shares of Common Stock were available for issuance under future option grants.

Board of Directors Compensation

As of June 30, 2006 the directors did not receive any compensation for serving as members of the Board.

In addition to any cash compensation, non-employee directors also are eligible to participate in the Non-Employee Director Stock Option Plan and to receive automatic option grants thereunder. The Director Plan provides for periodic automatic option grants to non-employee members of the Board. An individual who is first elected or appointed as a non-employee Board member receives an annual automatic grant of 25,000 shares plus the first annual grant of 5,000 shares, and will be eligible for subsequent 5,000 share grants at the second Annual Meeting following the date of his initial election or appointment as a non-employee Board member.

During the fiscal year ended June 30, 2005, no options were granted to non-employee Board members.

ITEM 11. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of June 30, 2006, by (i) all those known by the Company to be beneficial owners of more than 5% of its Common Stock; (ii) all directors; and (iii) all officers and directors of the Company as a group.

Name and Address of Beneficial Owner	No. Shares fully diluted	% ownership
Hennistone Projects Ltd. Eastglade Northwood Middlessex,	11,760,000	25.65%

HA6 3LD UK		
Crossland, ltd. 104B Saffrey Square Nassau, Bahamas	2,968,750	6.47%
Crossland Ltd. Belize 60 Market Square PO Box 364 Belize City, Belize, Central America	6,312,500	13.77%
Eastern Star, Ltd Bay Street Nassau Bahamas	2,712,000	5.91%
Robert E. Wolfe	90,000	0.196%
Lawrence Donofrio	0	0.00%

ITEM 12. Certain Relationships and Related Transactions

The Company's transactions with its officers, directors and affiliates have been and such future transactions will be, on terms no less favorable to the company than could have been realized by the Company in arms-length transactions with non-affiliated persons and will be approved by a majority of the independent disinterested directors.

ITEM 13. Exhibits and Reports on Forms 8-K

Exhibits

Material Contracts

- 1) 1981 Long-Term Incentive Plan, as amended in September 1988, incorporated herein by reference to Appendix A to the Registrant's 1986 definitive Proxy Statement.
- 2) 1988 Stock Option Plan, incorporated by reference to the Registrant's 1988 definitive Proxy Statement filed pursuant to Regulation 14A

- 3) Non-Employee Director Stock Option Plan incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended June 30, 1993
- 4) Patent Purchase Agreement between Advanced Oxygen Technologic Inc., and Grace-Conn, dated February 10, 1995 incorporated by reference to the Registrant's 1995 definitive Proxy Statement filed pursuant to Regulation 14A
- 5) Contingent Plan of Liquidation dated February 10, 1995, incorporated by reference to the Registrant's 1995 definitive Proxy Statement filed pursuant to Regulation 14 A
- 6) Stock Acquisition Agreement dated December 18, 1997 incorporated by reference to the Registrant's report on form 8-K as Exhibit A
- 7) Purchase Agreement of December 18, 1997 incorporated by reference to the Registrant's report on form 8-K as Exhibit B
- 8) Waiver Agreement incorporated by reference to the Registrant's report on form 8-K as Exhibit C
- 9) Trust Agreement incorporated by reference to the Registrant's report on form 8-K dated, December 18, 1997 as Exhibit D
- 10) Assignment and Assumption Agreement incorporated by reference to the Registrant's report on form 8-K dated, December 18, 1997 as Exhibit D
- 11) Agreement For Purchase & Sale Of Specified Business Assets incorporated by reference to the Registrant's report on form 8-K dated March 09, 1998 as Exhibit 1
- 12) Covenant of Non-Competition incorporated by reference to the Registrant's report on form 8-K dated March 09, 1998 as Exhibit B
- 13) Promissory Note of March 09, 1998 incorporated by reference to the Registrant's report on form 8-K dated March 09, 1998 as Exhibit C
- 14) Security Agreement of March 09, 1998 incorporated by reference to the Registrant's report on form 8-K dated March 09, 1998 as Exhibit D
- 15) Employment Agreement, John Teuber, incorporated by reference to the Registrant's report on form 8-K dated March 09, 1998 as Exhibit F
- 16) Employment Agreement, Nancy Gaylord, dated March 13, 1998 attached hereto as Exhibit 1
- 17) America United Lease, dated September 23, 1998 incorporated by reference to the Registrant's report form 10-QSB dated November 16, 1998
- 18) NEC Lease, date November 10, 1998, incorporated by reference to the Registrant's report form 10-QSB dated January 28, 1999 as Exhibit I.
- 19) Purchase Agreement of 1/29/99, dated January 29, 1999, incorporated by reference to the Registrant's report form 8-K dated February 17, 1999 as Exhibit I
- 20) Amendment of the Articles of Incorporation dated April 18, 2000, incorporated by reference to the Registrant's 2000 definitive Proxy Statement filed pursuant to Regulation 14 A attached hereto.
- 21) Sale of Equity Securities of January 12, 2001. Incorporated by reference to the Registrant's report on Form 8-K dated January 12, 2001 also attached hereto. The Company sold to Purchasers (the "Purchasers" as defined in the Purchase Agreement) an amount of three million (3,000,000) shares (the "Regulation S Shares") of the capital stock of AOXY, Inc., ("AOXY") pursuant to the Purchase

Agreement ("Purchase Agreement" Exhibit A) in an amount to each Purchaser as set forth on Schedule 1 of the Purchase Agreement attached thereto. The Regulation S Shares have not been registered under the Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Rule 903(c)(2) of Regulation S. Consideration for the Regulations S Shares consisted of \$125,000 cash and forgiveness of debt.

- 22) Stock Acquisition Agreement of March 5, 2003 (Exhibit 1, contained herein): Pursuant to a stock acquisition agreement on March 05, 2003 Advanced Oxygen Technologies, Inc. (AOXY or the Buyer) purchased 100% of the issued and outstanding stock of IP Services, ApS (IP or the Company) from all of its owners (the Shareholders) for value of five hundred thousand dollars (Purchase Price). AOXY issued fourteen million shares of common stock and one share of preferred convertible stock to the Shareholders for payment and consideration of the Purchase Price.
- 23) Employment Agreement of March 5, 2003: Pursuant to an Employment Agreement (contained within Exhibit 1) Kurt Søndergaard (the "Employee") will be employed by AOXY for four years and will perform duties of president of IP Services, Aps.
- 24) Covenant of Non Competition of March 5, 2003: Pursuant to the covenant of non competition agreement, the Shareholders of IP Services, Aps agreed not to compete with IP Services, Aps for a period of five years,
- 25) Merger Agreement on April 24, 2005 Mobile Group Inc., a fully owned subsidiary of Advanced Oxygen Technologies, Inc., purchased 100% of the issued and outstanding stock of Mobiligroup, ApS from all of its owners for the value of three hundred thousand dollars. Advanced Oxygen Technologies, Inc., a one hundred percent owner of Mobile Group, Inc. exchanged 800 shares of Mobile Group, Inc. (80% of the issued and outstanding shares of Mobile Group, Inc.) for one hundred percent of the issued and outstanding shares of Mobiligroup ApS (138,888 shares),
- 26) Waiver Agreement:, on April 23, 2005 the shareholders that sold IP Service ApS to Advanced Oxygen Technologies, Inc. ("IP Sellers") entered into a waiver agreement with Advanced Oxygen Technologies, Inc. whereby: 1) The IP Sellers waived and relinquished all rights to collect the share conversion owed to the IP Sellers from the conversion of a preferred share pursuant to the stock acquisition agreement of March 3, 2003 (agreement governing the purchase of IP Service ApS, "IP Purchase Agreement"), 2) The IP Sellers release and indemnify Advanced Oxygen Technologies, Inc. and Advanced Oxygen Technologies, Inc. release and indemnify the IP Sellers for breach of contract, making false warranties and representations, and, liabilities associated with the remedies of set off pursuant to the IP Purchase Agreement, and, 3) For consideration of the above the IP Sellers will deliver to Advanced Oxygen Technologies, Inc. the Preferred Share and One Million One hundred twenty thousand (1,120,000) shares of Advanced Oxygen Technologies, Inc.,
- 27) Sale of IP Service, Stock Acquisition Agreement: On April 27, 2005 Advanced Oxygen Technologies, Inc. sold 100.00% of the stock of IP Service ApS to Securas, Ltd. 7 Stewards Court, Carlisle Close, Kingston Upon Thames, Surrey KT2 7AU, United Kingdom ("SecurAs") for consideration as follows: 1) The purchase price will be Seven Hundred and Fifty Thousand US Dollars payable as follows: a) Cash

and or b) Royalties, which are comprised of 33.33% of all revenue derived from or associated with IP Service ApS or any of its products, which shall be payable quarterly on the 10th day following each quarter and SecurAs will deliver a certified audit of the revenues of IP Service ApS annually to Advanced Oxygen Technologies Inc. At any time Advanced Oxygen Technologies, Inc. can conduct and independent audit of IP Service ApS. At closing, SecurAs did NOT pay any cash to Advanced Oxygen Technologies, Inc.

- 28) Advanced Oxygen Technologies, Inc's Purchase of Anton Nielsen Vojens, ApS: On February 3, 2006 Advanced Oxygen Technologies, Inc. purchased 100% of the stock of Anton Nielsen Vojens, ApS ("ANV"), a Danish company, from Borkwood Development Ltd. a shareholder of AOXY, for \$650,000. AOXY financed the entire transaction by executing a promissory note for \$650,000 to Borkwood Development Ltd with a one year term and a 5% annual interest rate. In the event the note is not paid by the end of one year, the bearer has the right to convert the debt to common stock of AOXY in an amount, calculated on the conversion date, equal to the lesser of a) \$650,000 minus all principal payments, divided by the previous ten day average closing price of AOXY as quoted on the national exchange, or b) 15 Million shares, which ever is the lesser.
- 29) Sub division and sale of real estate: Pursuant to an acquisition agreement on March 3, 2006 Anton Nielsen Vojens ApS ("ANV"), a wholly owned subsidiary of Advanced Oxygen Technologies, Inc. ("AOXY") entered into an agreement to sub divide and sell a 3,300 M2 portion of its Vojens City property ("Property") for Two Million Three hundred Thousand Danish Krone (2.300.000 DKK) to Ejendomsselskabet Ostergade 67 ApS, a Danish company ("EO").

REPORTS ON FORM 8-K

A report on Form 8-K was filed on January 16, 1998 and reported under Item 1 that all directors and officers of AOXY resigned on December 18, 1997 and Robert E. Wolfe and Joseph N. Noll were elected as directors and Mr. Wolfe was appointed president in association with the transaction of December 18, 1997 of the Stock Acquisition Agreement, the Purchase Agreement, the Waiver Agreement and the Trust Agreement (all exhibited thereto). Under Item 2 that certain royalty rights and liabilities related to technology AOXY sold to a third party was transferred to a trust for the benefit of the AOXY shareholders of record of date. Further reported under Item 7 was the sale of 23,750,000 shares of AOXY common stock as of December 18, 1997 that were not registered under the Securities Act of 1933, as amended, in reliance on the exemption from registration provided by Rule 903 (c) (2) of Regulation S. for consideration of \$60,000 cash and \$177,500 in consulting services.

A report on Form 8-K was filed on February 17, 1999 and reported under Item 2 the Purchase of Specified Assets from Integrated Marketing Agency, Inc. The assets purchased consisted of 1,670,000 shares of convertible preferred stock of Advanced Oxygen Technologies, Inc. ("STOCK") and a \$550,000 promissory note issued by Advanced Oxygen Technologies, Inc ("Note") from Integrated Marketing Agency, Inc. ("IMA"). The terms of the Purchase Agreement were: AOXY paid \$15,000 to IMA, assumed a Citicorp Computer Equipment Lease, #010-

0031648-001 from IMA, delivered to IMA certain tangible business property (as listed in Exhibit A of the Purchase Agreement), executed a one year \$5,000 promissory note with IMA, and delivered to IMA a Request For Dismissal of case #PS003684 (restraining order) filed in Los Angeles county superior court. IMA sold, transferred, and delivered to AOXY the Stock and the Note. IMA sold, transferred, assigned and delivered the Note and the Stock to AOXY, executed documents with Citicorp Leasing, Inc. to effectuate an express assumption by AOXY of the obligation under lease #010-0031648-001 in the amount of \$44,811.26, executed a UCC2 filing releasing UCC-1 filing #9807560696 filed by IMA on March 13, 1998, and delivered such documents as required. In addition, both IMA and AOXY provided mutual liability releases for the other.

A report on Form 8-K was filed on January 12, 2001 for the Sale of Equity Securities whereby the Company sold to Purchasers the "Purchasers" as defined in the Purchase Agreement) an amount of three million (3,000,000) shares (the "Regulation S Shares") of the capital stock of AOXY, Inc., ("AOXY") pursuant to the Purchase Agreement ("Purchase Agreement" Exhibit A) in an amount to each Purchaser as set forth on Schedule 1 of the Purchase Agreement attached thereto. Consideration for the Regulations S Shares consisted of \$125,000 cash and forgiveness of debt.

A report on Form 8-K was filed on February 14, 2002 giving notice of the change of the Company's location, and location of books and records from Advanced Oxygen Technologies, Inc. 26883 Ruether Avenue, Santa Clarita, CA, 91351 ("CA Location") to Advanced Oxygen Technologies, Inc. c/o Crossfield, Inc. 133 W 13th Street, Suite #5, New York, NY 10011, Telephone (212)-727-7085, Fax (208)-439-5488. This location is co-located with a related business of the president, Robert E. Wolfe.

A report on Form 8-K was filed on March 5, 2003 giving notice that: i) under item 2: ACQUISITION OR DISPOSITION OF ASSETS that pursuant to a stock acquisition agreement on March 05, 2003 Advanced Oxygen Technologies, Inc. (AOXY or the Buyer) purchased 100% of the issued and outstanding stock of IP Services, ApS (IP or the Company) from all of its owners (the Shareholders) for value of five hundred thousand dollars (Purchase Price). AOXY issued fourteen million shares of common stock and one share of preferred convertible stock to the Shareholders for payment and consideration of the Purchase Price, that pursuant to an Employment Agreement AOXY entered into an agreement with Kurd Søndergaard (Employee). The Employee will be employed by AOXY for four years and will perform duties of president of IP, that pursuant to the covenant of non competition agreement, the Shareholders agreed not to compete with IP for a period of five years, and ii) under ITEM 6: RESIGNATIONS OF REGISTRANTS DIRECTORS: at a special meeting of the Board of Directors, AOXY removed Joseph N. Noll as a director due to his inability to perform his duties as a director. AOXY appointed Kurt Søndergaard and Lawrence Donofrio to the board of directors to replace Joseph N. Noll.

A report on Form 8-K was filed on June 26, 2003 and reported pursuant to a Waiver Agreement that the debt holders (Debt Holders defined in the Waiver Agreement) waived and relinquished all right, to collect from Advanced Oxygen Technologies, Inc. the debt owed to each of the Debt

Holders by Advanced Oxygen Technologies, Inc. (AOXY) in an amount to each Debt Holder as set forth on Schedule 2 in the Waiver Agreement (the "Debt") plus any interest earned thereon. In consideration of the release of the AOXY. AOXY will compensate, pay, transfer, assign and distribute the database ("Database") and all rights thereto, of conference attendees, hi tech decision makers, and other individuals, and all the associated accounts receivable ("Accounts Receivable") due and owing, whether known or unknown.

A report on Form 8-K was filed on April 29, 2005 and further amended on July 7, 2005 and reported the following:

- a. Merger Agreement: Mobile Group Inc., a fully owned subsidiary of Advanced Oxygen Technologies, Inc. , purchased 100% of the issued and outstanding stock of Mobiligroup, ApS from all of its owners for the value of three hundred thousand dollars. Advanced Oxygen Technologies, Inc., a one hundred percent owner of Mobile Group, Inc. exchanged 800 shares of Mobile Group, Inc. (80% of the issued and outstanding shares of Mobile Group, Inc.) for one hundred percent of the issued and outstanding shares of Mobiligroup ApS (138,888 shares),
- b. Waiver Agreement: The shareholders that sold IP Service ApS to Advanced Oxygen Technologies, Inc. ("IP Sellers") entered into a waiver agreement with Advanced Oxygen Technologies, Inc. whereby: 1) The IP Sellers waived and relinquished all rights to collect the share conversion owed to the IP Sellers from the conversion of a preferred share pursuant to the stock acquisition agreement of March 3, 2003 (agreement governing the purchase of IP Service ApS, "IP Purchase Agreement"), 2) The IP Sellers release and indemnify Advanced Oxygen Technologies, Inc. and Advanced Oxygen Technologies, Inc. release and indemnify the IP Sellers for breach of contract, making false warranties and representations, and, liabilities associated with the remedies of set off pursuant to the IP Purchase Agreement, and, 3) For consideration of the above the IP Sellers will deliver to Advanced Oxygen Technologies, Inc. the Preferred Share and One Million One hundred twenty thousand (1,120,000) shares of Advanced Oxygen Technologies, Inc.,
- c. Sale of IP Service: Advanced Oxygen Technologies, Inc. sold 100.00% of the stock of IP Service ApS to SecurAs, Ltd. 7 Stewards Court, Carlisle Close, Kingston Upon Thames, Surrey KT2 7AU, United Kingdom ("SecurAs") for consideration as follows: 1) The purchase price will be Seven Hundred and Fifty Thousand US Dollars payable as follows: a) Cash and or b) Royalties, which are comprised of 33.33% of all revenue derived from or associated with IP Service ApS or any of its products, which shall be payable quarterly on the 10th day following each quarter and SecurAs will deliver a certified audit of the revenues of IP Service ApS annually to Advanced Oxygen Technologies Inc. At any time Advanced Oxygen Technologies, Inc. can conduct and independent audit of IP Service ApS. At closing, SecurAs did NOT pay any cash to Advanced Oxygen Technologies, Inc.

A report on Form 8-K was filed on February 8, 2006, attached hereto as Exhibit I, that reported pursuant to a stock acquisition agreement

("Stock Acquisition Agreement"), on February 3, 2006 Advanced Oxygen Technologies, Inc. ("AOXY") purchased 100.00% of the stock of Anton Nielsen Vojens ApS ("ANV"), a Danish company from Borkwood Development Ltd. (a crrent shareholder of AOXY) for Six Hundred and Fifty Thousand US Dollars. The transaction was financed as follows: 1) AOXY executed a promissory note ("Note") for \$650,000, payable to the sellers of ANV ("Sellers") payable and amortized monthly and carrying a interest at 5% per year. AOXY has the right to prepay the note at any time with a notice of 14 days. To secure the payment of principal and interest the Sellers will receive a perfect lien and security interest in the Shares in the company ANV until the note with accrued interest is paid in full., and, 2) In the case that the Note has not been repaid within 12 months from the day of closing the Sellers have the right to convert the debt to common stock of Advanced Oxygen Technologies, Inc. in an amount of non diluted shares calculated on the conversion Date, equal to the lesser of : a) Six hundred and Fifty thousand (650,000) or the Purchase Price minus the principal payments made by the buyer, which ever is greater, divided by the previous ten day closing price of AOXY as quoted on the national exchange, or b) Fifteen million shares, which ever is lesser. The Sellers must demand such conversion with a notice of 1 month. ANV owns commercial real estate in Denmark. The property has a tenant that has 13 years remaining on their lease (attached hereto as Exhibit II, "Lease"). The report also stated that on February 6, 2006 Kurt Sondergaard resigned from the Company's Board of Directors.

A report on Form 8-K was filed on March 14, 2006, attached hereto as Exhibit II, that reported pursuant to an acquisition agreement ("Acquisition Agreement"), on March 3, 2006 Anton Nielsen Vojens ApS ("ANV"), a wholly owned subsidiary of Advanced Oxygen Technologies, Inc. ("AOXY") entered into an agreement to sub divide and sell a 3,300 M2 portion of its Vojens City property ('Property") for Two Million Three hundred Thousand Danish Krone (2.300.000 DKK) to Ejendomselskabet Ostergade 67 ApS, a Danish company ("EO").

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): ADVANCED OXYGEN TECHNOLOGIES, INC.

Date: September 26, 2006 By (Signature and Title):

/s/ Robert E. Wolfe /s/

Robert E. Wolfe

President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: September 26, 2006 By (Signature and title):

/s/Lawrence Donofrio /s/

Lawrence Donofrio

Director

Exhibit I

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

February 3, 2006

(Date of Earliest Event Reported)

ADVANCED OXYGEN TECHNOLOGIES, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware 000-09951 91-1143622

(State of Incorporation) (Commission File No.) (I.R.S.
Employer Identification No.)

C/O Crossfield Incorporated 133 West 13th St. Suite no.5 New York, NY
10011

(Address of Principal Executive Offices)

Registrant's Telephone Number: (212) 727-7085

26883 Ruether Avenue Santa Clarita, CA, 91351

(Former Address)

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[Exhibit V, Promissory Note](#)

[ITEM 2: ACQUISITION OR DISPOSITION OF ASSETS](#)

Pursuant to a stock acquisition agreement attached hereto as exhibit I ("Stock Acquisition Agreement"), on February 3, 2006 Advanced Oxygen Technologies, Inc. ("AOXY") purchased 100.00% of the stock of Anton Nielsen Vojens ApS ("ANV"), a Danish company from Borkwood Development Ltd. (a crrent shareholder of AOXY) for Six Hundred and Fifty Thousand US Dollars. The transaction was financed as follows:

1) AOXY executed a promissory note ("Note") for \$650,000, payable to the sellers of ANV ("Sellers") payable and amortized monthly and carrying a interest at 5% per year. AOXY has the right to prepay the note at any time with a notice of 14 days. To secure the payment of principal and interest the Sellers will receive a perfect lien and security interest in the Shares in the company ANV until the note with accrued interest is paid in full., and,

2) In the case that the Note has not been repaid within 12 months from the day of closing the Sellers have the right to convert the debt to common stock of Advanced Oxygen Technologies, Inc. in an amount of non diluted shares calculated on the conversion Date, equal to the lesser of : a) Six hundred and Fifty thousand (650,000) or the Purchase Price minus the principal payments made by the buyer, which ever is greater,

divided by the previous ten day closing price of AOXY as quoted on the national exchange, or b) Fifteen million shares, which ever is lesser. The Sellers must demand such conversion with a notice of 1 month.

ANV owns commercial real estate in Denmark. The property has a tenant that has 13 years remaining on their lease (attached hereto as Exhibit II, "Lease").

ITEM 6: RESIGNATIONS OF REGISTRANTS DIRECTORS:

On February 6, 2006 Kurt Sondergaard resigned from the Company's Board of Directors.

ITEM 9. FINANCIAL STATEMENTS, PROFORMA FINANCIAL INFORMATION AND EXHIBITS

EXHIBIT I, Stock Acquisition Agreement

EXHIBIT II, Lease

EXHIBIT III, Audited Financial Statements

EXHIBIT IV, Proforma Financial Information

EXHIBIT V, Promissory Note

SIGNATURE

In accordance with the requirements of the Exchange Act, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 3, 2006

/s/ Robert E. Wolfe /s/

Robert E. Wolfe, Chairman of the Board and
Chief Executive Officer and Principal
Financial Officer

EXHIBIT I

STOCK ACQUISITION AGREEMENT

January 27, 2006

FOR: 100 % ANTON NIELSEN VOJENS APS STOCK

BETWEEN:

THE SHAREHOLDERS OF ANTON NIELSEN VOJENS APS

AND

ADVANCED OXYGEN TECHNOLOGIES, INC.

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STOCK ACQUISITION AGREEMENT

THIS STOCK ACQUISITION AGREEMENT (this "Agreement") is dated as of January 27, 2006, among: (i) Advanced Oxygen Technologies, Inc., a Delaware corporation ("Buyer", or "CAOXY"); and (ii) the shareholder(s) as listed on Exhibit A herein (collectively, the "Shareholders").

1. Recitals.

1.1. The Shareholders own One Hundred (100) percent of the issued and outstanding shares of the capital stock (the "Parent Equity") of Anton Nielsen Vojens ApS, a Denmark corporation ("ANV") in the amounts as listed on Exhibit A.

1.2. ANV owns no subsidiaries, in whole or in part. For purposes of this Agreement, ANV shall be referred to as the "Company" or the "Companies."

1.3. The Companies are engaged in the real estate investment business (the "Business").

1.4. The Shareholders wish to sell and the Buyer wishes to purchase all of the Parent Equity, (collectively the "Shares"), pursuant to the terms and conditions of this Agreement.

1.5. In consideration of the mutual benefits and covenants contained herein, and subject to the terms and conditions set forth herein, the parties hereto voluntarily enter into this Agreement.

2. Construction & Interpretation.

2.1. All documents referred to in this Agreement as "Schedules" and "Exhibits" are hereby incorporated by such reference as a part of this Agreement as though set forth in full at the point of such reference.

2.2. Whenever in this Agreement there appears the locative adverbs "herein", "hereunder", "herein below", "herein above", "under this Agreement", or any substantially similar adverb or phrase, the same shall be deemed to refer to this Agreement in its entirety and not to any specific article, section, subsection, subpart, paragraph or subparagraph.

2.3. As used herein, the terms "in this Agreement," "under this Agreement" or substantially similar terms, encompass not only the four corners of this Agreement, but also mean, refer to and include all exhibits, schedules, or ancillary documents attached hereto.

3. Definitions.

3.1. In addition to any other terms or phrases which may be defined herein, the following definitions shall apply to and govern this Agreement:

3.1.1. "Affiliate" shall mean (i) a person or entity that, directly or indirectly, through one or more intermediaries controls or is controlled by, or is controlled by a person or entity that controls such person or entity; (ii) any trust or estate in which such person or entity has a beneficial interest or as to which such person serves as a trustee or in another fiduciary capacity; (iii) any spouse, parent or lineal descendent of such person or entity and (iv) an affiliate as defined by the Securities Act of 1933, as amended. As used in this definition, "control" shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies, whether through ownership of securities, partnership or other ownership interest, by contract or otherwise.

3.1.2. "Ancillary Documents" shall mean the Employee Contract(s), Covenant of Non Competition, other agreements, opinions, and instruments or documents (together with any exhibits or schedules attached thereto) contemplated by, required by or referred to in, this Agreement for the consummation of the transactions contemplated hereby.

3.1.3. "Asset Appraisal" shall mean the independent market appraisal of the Assets conducted by an appraiser acceptable to the Buyer as of and as amended, reflected in the Audited Financial Statements, together with any exhibits or schedules annexed thereto.

3.1.4. "Asset Purchase Agreement" shall mean that there is no Agreement for Purchase & Sale of Specified Business Assets among Buyer and the Company and that all Assets of the Company will remain in the Company except as provided in Exhibit L and Exhibit K.

3.1.5. "Assets" shall mean the furniture, fixtures, equipment, property, vehicles and other tangible personal property of the Companies.

3.1.6. "Audited Financial Statements" attached hereto as Exhibit C, means:

3.1.6.1. The unqualified audited financial statements of the Companies for the periods ending 30-September-04, 30-September-05, all prepared in accordance with generally accepted accounting principles by independent certified public accountants/auditors acceptable to Buyer, and

3.1.6.2. Pro forma financial statements of the Companies for the interim period beginning 01-October-05 and ending on the Closing Date, prepared in accordance with generally accepted accounting principles by the Companies that are materially the same as the audited financial statements represented in Section 3.1.6.1 above.

3.1.7. "Buyers Legal Opinion" shall mean the legal opinion of Buyers counsel in a form reasonably acceptable to the Shareholders relating to Buyers representations in 7.1 hereof and contained herein as Exhibit G.

3.1.8. "Closing" and "Closing Date" shall have the meanings specified in Section 4.4 hereof.

3.1.9. "Covenant of Non Competition" shall mean the contract restricting competitive activities by the Shareholders and their respective Affiliates, and others and which shall comprise a part of the transaction contemplated by this Agreement, in a form substantially identical to Exhibit B.

3.1.10. "Delivered Documents" shall mean the documents and materials listed on Schedule 1.

3.1.11. "Employment Contracts" shall mean, collectively, the Employment Agreement(s) to be executed between Buyer and the employees listed on Schedule F and the contracts contained therein, which shall comprise a part of the transaction contemplated by this Agreement in a form substantially identical to Exhibit F.

3.1.12. "CHSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

3.1.13. "Lease" or "Leases" shall mean, collectively all those property, office, space or other facility(ies) lease(s), including but not limited to that certain lease(s) executed by the Company(ies) each providing for the lease of the Companies facilities, true copies of which are attached hereto as Exhibit D.

3.1.14. "Liability" or "Liabilities" shall mean any liability, obligation, loss or contingency, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due, regardless of when asserted or arising, listed on Exhibit K attached hereto and made a part hereof, attached hereto and made a part hereof.

3.1.15. "Service Agreement(s)" shall mean, individually and collectively, that/those certain Service Agreement(s), as listed on Exhibit N.

3.1.16. "Shareholders Legal Opinion" means and refers to the legal opinion of the Shareholders counsel, in a form reasonably acceptable to Buyer as contained herein as Exhibit H.

4. Purchase and Sale; Closing.

4.1. Purchase of the Shares. Subject to the terms and conditions of this Agreement the Shareholders hereby agree to sell, transfer and deliver to Buyer, and Buyer hereby agrees to purchase, the Shares.

4.2. No Assumption of Liabilities by Buyer. Notwithstanding any other provision in this Agreement, Buyer neither assumes nor shall be obligated to pay, perform or discharge any obligations or liabilities of Shareholders or Company, other than described herein in Exhibit K and Exhibit C, whether known or unknown, fixed, contingent or otherwise, including without limitation, any liability or obligation of Shareholders for taxes of any kind with respect to the Company for periods prior to the Closing Date.

4.3. Closing. The closing of the transactions contemplated by this Agreement (the "Closing") will take place at a location mutually acceptable to the parties, no later than the earlier of (i) January 27, 2006 and (ii) three (3) business days after the expiration or early termination of the waiting period under the HSR Act (if applicable), or such other day mutually acceptable to the parties hereto (in each parties sole and absolute discretion) following the date on which all such conditions shall have been met (the "Closing Date"). In the event that the Closing has not occurred by February 1, 2006, for any reason, either Buyer or the Shareholders may terminate this Agreement. In addition, notwithstanding anything else in this Agreement to the contrary, the parties hereto mutually understand and agree that the Closing shall be conditioned upon the closing of the transactions contemplated under the Asset Purchase Agreement.

4.4. HSR Act Notification. Unless the notification and report referred to in this sentence shall have been filed prior to the execution hereof or unless such notification and report shall be deemed by the parties hereto not to be required by the HSR Act, the parties hereto, as promptly as practicable, but in no event later than five (5) business days after the date of this Agreement, file with the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the "Antitrust Division") the notification and report form required for the transactions contemplated hereby pursuant to the HSR Act and request early termination of the statutory waiting period thereunder. The parties hereto shall furnish to each other such necessary information and reasonable assistance as may be requested in connection with the preparation of any filing required to be made under the HSR Act, and shall use all reasonable efforts to respond as promptly as practicable to all inquiries received from the FTC or the Antitrust Division for additional information or documentation and to obtain as promptly as practicable any clearance required under the HSR Act for the transactions contemplated hereby. Shareholders agree to pay any and all filing fees, notification fees and costs, or other costs associated with compliance of the HSR Act.

5. Purchase Price

5.1. The purchase price for the Shares (the "Purchase Price") shall be Six Hundred Fifty Thousand Dollars (\$650,000.00), payable in cash, cash equivalents, securities, bonds, notes, or other compensation acceptable to the Shareholders, as further

defined in 5.2 below or otherwise agreed to in writing by the parties hereto.

5.2. The Purchase Price shall consist of the following compensation:

5.2.1. Note signed by AOXY in the amount of \$650,000 payable and amortized monthly and carrying a interest at 5% per year. AOXY has the right to prepay the note at any time with a notice of 14 days. To secure the payment of principal and interest the “shareholders” will receive a perfect lien and security interest in the Shares in the company Anton Nielsen Vojens ApS until the note with accrued interest is paid in full.

5.2.2. In the case that the note has not been repaid within 12 months from the day of closing the “Shareholders” have the right to convert the debt to common stock of Advanced Oxygen Technologies, Inc. in an amount of non diluted shares calculated on the conversion Date, equal to the lesser of : a) Six hundred and Fifty thousand (650,000) or the Purchase Price minus the principal payments made by the buyer, which ever is greater, divided by the previous ten day closing price of AOXY as quoted on the national exchange, or b) Fifteen million shares, which ever is lesser. The Shareholders must demand such conversion with a notice of 1 month.

6. Deliveries

6.1. Shareholders Deliveries

Against delivery of the Purchase Price, and as a condition precedent to Buyers obligation to consummate the transactions contemplated hereunder, the Shareholders shall sell, assign, transfer and deliver to Buyer, all of their respective right, title and interest in and to all of the Shares. In furtherance thereof, as a condition precedent to Buyers obligation to consummate the transactions contemplated hereunder, the Shareholders shall deliver to Buyer on or before the Closing Date the following:

6.1.1. A stock certificate(s), duly endorsed in blank or with a stock transfer power duly endorsed in blank or affixed thereto with respect to the Shares.

6.1.2. In addition, the Shareholder shall deliver or cause to be delivered to Buyer:

6.1.2.1. All executed Lease Contracts;

6.1.2.2. All executed Service Agreement(s)

6.1.2.3. A true and exact copy of the Tax Bill from the State of Denmark

6.2. Buyers Deliveries.

As a condition precedent to the Shareholders obligation to consummate the transactions contemplated hereunder, Buyer shall deliver to the Seller on or before the Closing Date the following:

6.2.1. Purchase Price;

6.2.2. Security interest and perfected lien in the Shares.

7. Representations and Warranties

7.1. Buyer represents, warrants, covenants and agrees as follows:

7.1.1. Organization. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has full corporate power and authority to conduct its business as and where its business is now conducted.

7.1.2. Authority. Buyer has full right, power, authority and capacity to execute and deliver this agreement and any other documents and instruments required to be executed and delivered hereunder, and to perform its obligations under this Agreement and the other documents and instruments executed and delivered in connection herewith. Buyers execution and delivery of and performance under this Agreement has been duly authorized by all necessary corporate action of Buyer and this Agreement constitutes the valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors rights generally and subject to general principles of equity.

7.1.3. No Conflict. The execution, delivery and performance of this Agreement and the Ancillary Documents by the Buyer, and the consummation of any of the transactions contemplated thereby, by Buyer will not (i) violate any constitution, statute, regulation, rule or other restriction of any government or government agency to which the Buyer is subject; (ii) violate or conflict with any provision of the Articles of Incorporation or bylaws of Buyer; (iii) conflict with, or result in the breach or termination of, or constitute a default under, any agreement, commitment or other instrument, or any order, judgment or decree, to which Buyer is a party or by which it is bound; or (iv) permit the acceleration of the maturity of any indebtedness of, or any indebtedness secured by the property of, Buyer.

7.1.4. Corporate Form. Neither the shareholders nor the board of directors of Buyer have considered any action which would result in a change in Buyers corporate form (including merger and dissolution) nor are there any facts or circumstances presently in existence on which basis a reasonable person would have reason to believe that such action would be likely to be taken.

7.1.5. Receipt of Delivered Documents. Buyer acknowledges its receipt from the Shareholders, on or prior to the date hereof, of the Delivered Documents listed on Schedule 1 attached hereto.

7.1.6. Consent. No consent, notification, approval or authorization of, or designation, declaration or filing with, any governmental authority or any other party is required in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents on the part of Buyer.

7.1.7. Capitalization: The Buyer has thirty two million, nine hundred and seventy three thousand, five hundred and eighty five (32,973,585) shares of common stock issued and outstanding.

7.2. The Shareholders represent, warrant, covenant and agree as follows:

7.2.1. Organization. Anton Nielsen Vojens ApS is a corporation duly organized, validly existing and in good standing under the laws of the State of Denmark. Anton Nielsen Vojens ApS has full corporate or company power and authority to conduct its Business as in where its Business is now conducted.

7.2.2. Capitalization. As of the date hereof, the authorized capital stock of Anton Nielsen Vojens ApS is 300,000 shares of common stock with a par value of 1 DKK per share, of which 300,000 shares are issued and outstanding, and (ii) 0 shares of preferred stock. All the Shares have been duly authorized and validly issued, and are fully paid and non-assessable. As of the Closing Date, there will be no outstanding subscription rights, warrants, options, conversion rights or other rights or agreements of any kind whatsoever entitling any person or entity to purchase or acquire any interest in any of the Shares. As of the Closing Date, there will be no agreement between any Shareholder and any other person or entity with respect to the voting and transfer of the Shares or the control of the Companies other than a buy/sale agreement among the Shareholders, which shall be terminated as of the Closing Date. None of the Shares have been issued in violation of any federal, state or other applicable law pertaining to the issuance of securities in violation of any rights, preemptive or otherwise, of any person or entity.

7.2.3. Subsidiaries. Anton Nielsen Vojens ApS does not own any Subsidiaries, in whole or part.

7.2.4. Authority. The Shareholders and the Companies as the case may be have full right, power, authority and capacity to execute this Agreement and all other agreements and instruments to be executed herewith, and to perform their obligations under this Agreement and any other agreements to be executed and delivered herewith. This Agreement and the other agreements and instruments to be executed and delivered in connection herewith constitute valid and legally binding obligations of the Shareholders, and the Companies as the case may be, enforceable in accordance with their terms, except as maybe limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors rights generally and subject to general principals of equity.

7.2.5. No Conflict. The execution, delivery and performance of this Agreement and the Ancillary Documents by the Shareholders and the Companies shall not: (i) violate any constitution, statute, regulation,

rule or other restriction of any government or government agency to which the Shareholders or the Company are subject; (ii) violate or conflict with any provision of the articles of incorporation or bylaws of the Companies or articles of organization (as applicable) of the Companies; (iii) result in the breach or termination of, or constitute a default under, any agreement, commitment or other instrument, or any order, judgment or decree, to which the Shareholders and the Companies as the case may be, are a party or by which they are bound including but not limited to: present or future, all labor union contracts, employment agreements, construction contracts, bonding, municipal or government contracts or (iv) permit the acceleration of the maturity of any indebtedness of Shareholders or the Companies, or any indebtedness secured by the Shareholders, the Companies or the Assets of the Companies.

7.2.6. Consent. No consent, notification, approval or authorization of, or designation, declaration or filing with, any governmental authority or any other party is required in connection with the execution, delivery and performance of this Agreement and the Ancillary Documents on the part of the Shareholders or the Companies.

7.2.7. Title to Stock. The Shareholders have, and as of the Closing Date will have, good and marketable, unencumbered, legal and beneficial title to the Shares, free and clear of all mortgages, security interests, conditional sales agreements, charges, pledges, claims or encumbrances of any kind. As of the Closing Date, the Companies shall have good and marketable and unencumbered title to their respective Assets, free and clear of any liens or encumbrances resulting from any taxes arising in any period up to the Closing Date, other than those listed in Exhibit K.

7.2.8. Litigation. There are no actions, claims, creditors proceedings, arbitrations or government investigations or other administrative or judicial proceedings pending or, threatened, against or affecting any of the Companies, or assigns, before any court, administrative agency or arbitration panel, and there are no orders, decrees or judgments pending or entered against any of the Companies or the Assets. There are no violations of any law or governmental rule or regulation pending or, threatened against the Subsidiaries or the Assets. The Companies have complied with all laws and governmental rules and regulations applicable to the Business or the Assets.

7.2.9. Financial Condition.

7.2.9.1. The financial statements, balance sheets and other information pertaining to the Companies set forth in Exhibit C hereto are true, correct and complete as of the dates and for the periods set forth therein; have been prepared in accordance with generally accepted accounting principles consistently applied; and fairly represent the financial position of the Companies at such dates and for such periods.

7.2.9.2. Since the date of the Audit Financial Statements, there has been no material adverse change in the financial condition, Assets or Liabilities of the Companies, other than minor changes in the ordinary

course of business, none of which either single or in the aggregate have had a materially adverse effect on the Companies.

7.2.10. Lease. The Lease is in full force and effect without any default by the Company thereunder. All copies of the Lease(s) provided by the Shareholders and Company to Buyer are true and complete copies of the original Lease.

7.2.11. No Other Agreements. Other than set forth in this Agreement, the Companies have not entered into, and the Companies and the Assets are not subject to, any: (i) written contract or agreement for the employment of any employee of the Company; (ii) contract with any labor union or guild; (iii) similar contract or agreement affecting or relating to the Company and the Companys Assets other than the Companys 401K Plan or as disclosed herein or (iv) any other agreement that would adversely affect the Companies financial statements.

7.2.12. Bonding/Credit Capacity. The Companies bonding, bonding agreements, retention agreements, municipal contracts, government contracts, client contracts, vendor agreements, construction agreements, credit facilities, line(s) of credit, and all other agreements are true, complete and correct and represent the Companys contractual obligations and credit position in total and will not be adversely impacted, discontinued, canceled, voided, or otherwise be altered by executing the transactions contemplated herein and will continue in full force and effect subsequent to the execution of this Agreement.

7.2.13. Contract Compliance. The Companies respective obligation(s) under any contract or agreement reflected in the Audited Financial Statements or comprising the Delivered Documents or Ancillary Documents (as applicable) has been complied with by the applicable Company in accordance therewith and has had no material change or adverse effect in such contract or agreement.

7.3. Survival. All representations and warranties contained in Sections 7.1 and 7.2 of this Agreement shall survive the Closing Date for a period of Seven Years years after the Closing Date; provided, however, the representations and warranties set forth in Section 7.2.7 and 7.2.19 of this Agreement shall survive indefinitely.

8. Indemnification.

8.1. Indemnity by Buyer. Buyer shall indemnify, defend and hold harmless the Shareholders from and against and in respect to any loss, claim, damage, liability or expense, (including reasonable attorneys fees) (each a "Loss") resulting to any Shareholder, either directly or indirectly, from: (i) any breach by Buyer of any of the representations and warranties set forth in Section 7.1 above, and (ii) Buyers failure to fulfill any covenant or agreement contained in this Agreement, and (iii) all liabilities and obligations set forth on Exhibit C or Exhibit K. This Indemnity shall be absolutely without personal recourse to or personal liability of any shareholder, director or officer of the Buyer.

8.2. Indemnity by the Shareholder(s). The Shareholders shall jointly and severally indemnify, defend and hold harmless Buyer from and against and in respect to any Loss that Buyer shall incur or suffer or which shall arise from or relate to any claim or cause of action by any party with respect to any Loss resulting to Buyer, either directly or indirectly, from: (i) any breach by the Shareholders of the representations and warranties set forth in Section 7.2 above, (ii) the Shareholders failure to fulfill any covenant or agreement contained in this Agreement, (iii) liabilities or obligations not set forth on Exhibit C or Exhibit K, and (iv) any of the Excluded Assets and Excluded Liabilities.

8.3. Notice to Indemnifying Party. Either party claiming a right to indemnification hereunder (the "Indemnitee") shall promptly notify in writing the other party hereto (the "Indemnitor") of the existence of any claim, demand or other matter to which its indemnification obligations hereunder would apply (each a "Claim"), and shall give it twenty (20) days to elect to defend the same at its own expense and with counsel of its own selection. Should the Indemnitor elect to defend the same at its own expense, the Indemnitor shall have the absolute right to compromise or settle such claim, demand or other matter in its sole discretion. If the Indemnitor fails within twenty (20) days after receipt of such notice to defend the same, the other party hereto shall, in addition to any other rights it may have, at law or in equity, have the right to undertake the defense of and compromise or settle the claim, demand or other matter.

9. Taxes.

9.1. The Shareholders hereby expressly assume responsibility for the payment of, and shall timely pay any and all sales and use taxes and assessments imposed by any governmental authority as well as any transfer fees, assumption fees and the like, if any, that may become due as a consequence of the transactions under this Agreement.

9.2. The Shareholders hereby expressly assume responsibility for the payment of, and shall timely pay any and all taxes of the Companies that are due and payable prior to the Closing Date, including but not limited to sales and use taxes, withholding taxes, payroll taxes, income taxes, franchise taxes, state taxes, federal taxes or other taxes owed by the Companies that may be due and assessable for the periods prior to the Closing Date even if such assessment of liability becomes due and payable subsequent to the Closing Date.

10. Costs and Expenses

10.1. Except as specifically stated herein, each party shall bear its own expenses, including expenses of counsel, with respect to this Agreement and the transactions contemplated hereby.

11. Right of Set Off

Notwithstanding any other provision in this Agreement, Buyer shall have the right to set off, in direct order of maturity, against any payments

due under this Agreement any and all amounts owed to Buyer pursuant to the Stock Acquisition Agreement or pursuant to any other agreement, or ancillary document, by reason of Shareholders breach of a representation, warranty, or obligation under the Stock Acquisition Agreement or by reason of a breach by Shareholder of a representation, warranty or obligation under any ancillary Document or Agreement, including but not limited to the Covenant of Non Competition and the Employment Agreement, provided that Buyer shall provide Shareholders with written notice of the amount to be set off and the reasons therefore (a “Set-Off Notice”) at any time prior to the date or dates on which Buyer intends to apply a set-off from the amount due under this provision. If, after its receipt of a Set-Off Notice and payment by Buyer of any amount due under this Agreement less the amount set-off by Buyer, Shareholder disagrees with the amount of or reason for the set-off specified in a Set-Off Notice, Shareholder shall be prohibited from declaring the obligations under this Agreement, or any ancillary document including but not limited to the Covenant of Non Competition and the Employment Agreement, by reason of the set-off, to be in default and, upon Shareholders notice thereof to Buyer, the parties shall attempt to resolve the matter in good faith. Failing such resolution, Shareholder may seek an equitable resolution in a court of law, and during such time as the matter is pending and until the matter is finally and judicially resolved, Shareholder shall be prohibited from declaring the obligations under this Agreement, or any ancillary document including but not limited to the Covenant of Non Competition and the Employment Agreement, by reason of the set-off, to be in default.

If Buyer exercises its right of set-off in good faith and it is subsequently determined that such exercise was unwarranted, Buyer shall promptly pay all amounts improperly set off, and upon such payment Buyer shall be deemed to be in full compliance with its obligations under this Note.

12. Brokers, Finders or Commissions

12.1. Each of the parties to this Agreement represents and warrants to the other that all negotiations relating to this Agreement and the transactions contemplated hereby have been carried on by them individually, by their counsel, consultants or by officers of counsel or consultants for the other party and they have not dealt with or employed any broker or finder in connection with or on account of this Agreement or any transaction herein contemplated and insofar as they have knowledge.

13. Confidentiality; Public Announcements

13.1. Each party hereto agrees that it will not, without the prior written consent of the other party, disclose to any third party, directly or indirectly, any trade secrets or confidential data relating to such other party, or the business of such other party, as a result of the transactions contemplated by this Agreement. No public announcement or press release concerning the transactions contemplated herein shall be made at any time by the Buyer, the Shareholders or any

of the Companies or unless by mutual written consent or otherwise required by law.

14. Miscellaneous Provisions

14.1. Exclusivity of Presentations and Warranties; Relationship between the Parties. The parties hereto agree that this is an arms length transaction in which the parties undertakings and obligations are limited to the performance of their obligation under this Agreement. Buyer acknowledges that it is a sophisticated investor, that it is undertaken and that the Shareholders have given Buyer such opportunities as it is requested to undertake, full investigation of the Business (including the Assets and the Companies books and records), that it has only a contractual relationship with the Shareholders, solely on the terms of this Agreement, that there is no special relationship of trust or reliance between Buyer and the Shareholders.

14.2. Further Assurances. The parties hereto each agree that they shall execute and, if appropriate, acknowledge, without any additional consideration, any and all additional and other documents, instruments and writings which may be necessary to, or which would reasonably facilitate, the vesting in Buyer of good and marketable title to the Shares as provided herein and to carry out the purposes of this Agreement, including specifically the Covenant of Non-Competition.

14.3. Attorneys Fees & Costs. In the event that any action or other formal proceeding is instituted to enforce or interpret any part of this Agreement, the party prevailing in such action or proceeding shall be entitled to recover, in addition to the prevailing partys costs of suit, such attorneys fees as the presiding tribunal deems to have been reasonably incurred by the prevailing party.

14.4. Binding Agreement. All terms, conditions and covenants to be observed and performed by the parties hereto shall be applicable to and binding upon their respective agents, servants, heirs, executors, administrators, affiliates, subsidiaries, associates, employees, successors and assigns.

14.5. Captions. All captions (paragraph headings) set forth in this Agreement are inserted only as a matter of convenience and for reference, and shall not be construed to define, limit, interpret, prescribe or describe the scope or intent of this Agreement, meaning, and shall not be considered for such purposes, or any part hereof, nor affect it.

14.6. Counterparts. This Agreement may be executed in any number of counterparts, including by means of facsimile signatures, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same document.

14.7. Entire Agreement. This Agreement, together with all Ancillary Documents, Schedules and Exhibits, is an integrated document containing and expressing all terms, covenants, conditions, warranties and

agreements of the parties hereto relating to the subject matter hereof. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superceded by this Agreement and the Ancillary Documents, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth herein or in any Exhibit or Schedule delivered in connection herewith or therewith.

14.8. Amendment Only by Writing. This Agreement cannot be amended, altered or modified, except in writing signed by the parties hereto.

14.9. Definition of Writing. All references in this Agreement to "written" consents, notices or other documentation required to be given, received or obtained, shall mean a writing (printed, typewritten or handwritten) actually signed by the party giving such consent, notice or otherwise, with the intent to give such consent, notice or otherwise, free from duress, undue influence, fraud and coercion.

14.10. Gender; Plural and Singular. Whenever required by the context hereof, the singular shall be deemed to include the plural, the plural shall be deemed to include the singular, the masculine the feminine, and the neuter gender shall be deemed to include the others.

14.11. Governing Law. This Agreement shall be interpreted, construed and governed by, in accordance with and consistent with the laws of the State of New York which shall apply in all respects, including statutes of limitations, to any disputes or controversies arising out of or pertaining to this Agreement.

14.12. Neither Party to be Deemed Drafter. This Agreement is to be deemed to have been prepared jointly by the parties hereto and any uncertainty or ambiguity existing herein shall not be interpreted against either party on the basis that such party was the drafter hereof, but instead shall be interpreted according to the application of rules for the interpretation of contracts, if such an uncertainty or ambiguity exists.

14.13. Notices. Any notice required or permitted to be given hereunder shall be so given by registered or certified (return receipt requested) United States Postal Service mail, postage prepaid, unless a notice transmitted in said manner is returned to the sender as unclaimed, refused or undeliverable, or unless the party giving notice has a good faith reason to believe that a notice transmitted in said manner will be so returned, in which case such notice may be given, at the senders option, by personal service or by first class mail provided that such alternative method is effectuated by a disinterested party who attests thereto by a written declaration under penalty of perjury. Any such notice shall be addressed to or delivered to the recipient as follows:

In the case of: Addressed to:

14.13.1. SHAREHOLDERS:

See Exhibit A

14.13.2. BUYER :

Advanced Oxygen Technologies, Inc. 133 W 13th St, Suite #5, New York, NY 10011 or

In the event that notice is transmitted by U.S. Mail, such notice shall be deemed to have been received by the addressee and service thereof shall be effective, five (5) days following deposit thereof with the United States Postal Service, or upon actual receipt, whichever first occurs, unless the address for delivery is not within one of the United States or its territories or possessions, in which case service shall be elective seven (7) days following deposit, or upon actual receipt whichever first occurs. A party may change the above specified address by giving the other party notice of the new address in the manner above-prescribed for all notices.

14.14. Relationship of Parties. Neither party to this Agreement shall be deemed, in any way, nor construed to be, the partner, joint venturer, agent, employee or servant of the other, their entire relationship being that of seller and buyer only, as independent contracting parties other than one of the Shareholders, Borkwood Development Limited is also a non controlling shareholder of AOXY in the NASDAQ public market in the USA.

14.15. Severability. In the event that any term, provision, clause, article, condition or other portion of this Agreement, Ancillary Documents, the Schedules or Exhibits is determined to be invalid, void or unenforceable by a forum of competent jurisdiction, the same shall not affect any other term, provision, clause, article, condition or other portion hereof and the remainder of this Agreement shall remain in full force and effect, as if such invalid, void or unenforceable term, provision, clause, article, condition or other portion of this Agreement did not appear herein.

14.16. Interdependence. It is understood and agreed that terms and conditions of this Agreement are dependent upon the terms and conditions of the other agreements executed and delivered between and among the parties, including, but not limited to, those agreements recited in Section 6, and any Schedules or Exhibits. Any right or liability conferred in or representation or warranty made under any one of the agreements shall be considered a right of liability or representation or warranty made under all, including, but not limited to rights of set-off and indemnification.

IN WITNESS WHEREOF, the parties have subscribed their names to this Agreement or, in the case of corporate parties, have (or have caused their duly-authorized officers, as the case may be) to execute this Agreement, effective on the date first written above.

Signatures:

BUYER:

Advanced Oxygen Technologies, Inc.

By: /s/ Robert Wolfe Date: February 3, 2006

Name: Robert Wolfe

Title: Chairman, CEO

SHAREHOLDERS:

Signatures

First Last Signature Date

Borkwood Developments Limited

By: _____ Date:

Name: _____ Witness:

Title: _____ Name:

Exhibits

Schedule 1

Delivered Documents

GENERAL INFORMATION

Board of Directors, Listing, Officers and terms

Bylaws as amended

Certificate of Good Standing

Copy of 1 Years Business Tax Return.

Copy of Certificate of Incorporation.

Current Shareholders (owners) - Name of %5+ owners

Federal Tax I.D. # (same if outside U.S.)

Financials

Line of Credit Agreements

Resumes of management

Lease Contract

Danish Tax Certificate

Exhibit A

Shareholders

First	Last	Address	City	Country	Fax
Borkwood	Developments Ltd.	103 Kingsway	London	United Kingdom	44 870 132 00

Borkwood Development Ltd:

Directors: Hanna Van Breukelen, Amsterdam, Netherlands.

Secretary. Aage Madsen, Voervadsbro, Skanderborg, Denmark

Exhibit C

Audited Financial Statements

See attached:

1. Anton Nielsen Vojens ApS Pro Forma Financial Statements as of January 27, 2006.
2. Anton Nielsen Vojens ApS Consolidated Financial Statements as of 30-Sep-05, 30-Sep-04 (together with Auditors Report)

Exhibit D Lease Contract (see attached)

Exhibit II Lease

Matr. nr. 1446 Vojens Ejlerlav, Vojens Anmelder:

Beliggende:

Ostergade 67, 6500 Vojens

LEJEKONTRAKT

Undertegnede: Anton Nielsen Vojens ApS.

(UDLEJER) Jollen 3,

Bork Havn,

6893 Hemmet

og

medundertegnede Statoil A/S

(LEJER) Sankt Annae Plads 13

1299 Kobenhavn K

har d.d. indgaet folgende lejeaftale angaaende den pa bilag A viste ejendom matr. nr. 1446 Vojens Ejerlav, Vojens, beliggende Ostergade 67, 6500 Vojens.

1.0 Det lejedes omfang.

1.1 UDLEJER udlejer til LEJER den pa bilag A viste grund pa 3992 m² matr. nr. 1446 Vojens Ejerlav, Vojens med det derpa opførte malervaerksted. Eksisterende bygninger udover malervaerksted kan nedrives af LEJER uden erstatning for UDLEJER.

2.0 Det lejedes benyttelse.

2.1 Det lejede skal af LEJEREN anvendes at opføre Statoil/Mango service station med salg af motorbraendstoffer, drift af fast food/delikatesse restaurant og andre varer herunder alle former for dagligvarer, som saedvanligt saelges pa Statoil/Mango service stationer, men kan dog med UDLEJERS forudgaende skriftlige godkendelse anvendes til andet formal. LEJER er berettiget til for egen regning at opføre ovennaevnte service station pa ejendommen.

2.2 LEJEREN er selv ansvarlig for, at det lejede lovligt kan anvendes som ovenfor naevnt. LEJEREN er ansvarlig for, at indretningen og den faktiske brug af det lejede sker i overensstemmelse med gaeldende lovgivning i hele lejeperioden.

3.0 Fremleje/afstaelse m.v.

3.1 LEJER har ret til at fremleje eller bortforpagte det lejede til en person eller et selskab, der agter at fortsaette tankstationsdriften,

medmindre UDLEJER har vægtige grunde, f.eks. den nye lejers darlige økonomi eller manglende branchekendskab, til at modsætte sig dette.

3.2 LEJER har ret til at afsta lejemalet til et andet selskab, til hvem LEJER overdrager sin virksomhed med salg af motorbrændstoffer. LEJER har endvidere ret til afsta lejemalet to en anden lejer indenfor samme branche, med mindre UDLEJER har vægtige grunde, f.eks. den nye lejers darlige økonomi eller manglende branchekendskab, til at modsætte sig dette.

3.3 Safremt lejemalet med den ny lejer, til hvem LEJER matte afsta lejemalet, ophorer på grund af misligholdelse, har LEJER ret til at genindtraede i lejemalet på betingelse af, at LEJER inden 14 dage efter UDLEJERS pakrav godtgør UDLEJER alle dokumenterede omkostninger til dækning af leje- restance, omkostninger ved udsættelse op UDLEJERS ovrigte udgifter: forbindelse med lejemalets ophor.

4.0 Lejemalets begyndelse og ophor.

4.1 Lejemalet tager sin begyndelse den 1. november 1998.

4.2 Lejemalet er fra UDLEJERS uopsigeligt indtil 1. november 2018. LEJER kan efter udlobet af anførte uopsigelsesperiode forlange uopsigelsesperioden forlaenget med 10 ad gangen på uændrede vilkår.

4.3 Efter udlobet af uopsigelsesperioden med eventuel forlaengelse efter pkt. 42, kan lejemalet af hver af parterne opsiges med 6 måneders varsel til ophor den første i en måned, tidligst den 1. i den måned der indtraeder 6 måneder efter uopsigelsesperiodens ophor.

5.0 Lejens størrelse og regulering.

5.1 Lejen fastsættes som følger:

Lejebeløb kr. 300.000,- p.a. der betales kvartalsvis forud. Første gang 1. november 1998 betales dog første års leje kr. 300.000,- forud. Den 1. november 1999 og 1. november 2000 betales lejen ligeledes arligt forud. Fra 1. november 2001 betales kvartalsvis forud.

Hver den 1. januar pristalsreguleres den arlige leje, første gang 1. januar 2000 med procentsats svarende til den procentuelle stigning/fald i nettoprisindekset fra 1. januar det foregående år til 1. januar i reguleringsåret. Den arlige leje kan aldrig nedsættes til mindre end den arlige ydelse pr. 1. januar 1999.

Safremt det anvendte prisindeks afloses af et andet tilsvarende prisindeks, skal dette finde anvendelse. Safremt beregning af prisindeks ophorer eller dens beregningsmetode ændres, således at det bliver uegnet som grundlag for lejens regulering, er parterne enige om, at basere reguleringen på et nærmest tilsvarende omkostningsindeks.

UDLEJER afholder de på ejendommen palagte skatter og afgifter herunder også fremtidige stigninger.

Lejen er bortset fra de forannaevnte reguleringer, fast i hele lejeperioden.

5.2 Lejebeløb i pkt. 5.1.1 tillægges den til enhver tid gældende moms, p.t. 25%.

6.0 El, vand varme og forsikring.

6.1 Samtlige udgifter til der lejes forsyning mod el, vand, vandafgift, varme og renovation afholdes af LEJEREN der registreres som selvstændig bruger hos forsyningsselskaberne m.v.

7.0 Vedligeholdelse.

7.2 LEJER vedligeholder den på ejendommen værende malervaerkstedsbygning.

8.0 Renholdelse.

8.1 LEJER sørger for egen regning for renholdelse af det lejede samt fejning, snerydning og, glatforebekaempelse af fortov, gade m.v., som benyttes af LEJER ifølge Bilag A.

9.0 Forandringer af eksisterende bygninger.

9.1 LEJER har tilladelse fra UDLEJER til at nedrive malervaerkstedet, når lejemalet af dette måtte ophøre.

LEJER afholder selv alle omkostninger ved nyetablering eller forandringer i bygning eller tekniske anlæg og drager selv omsorg for myndighedsgodkendelser.

10.0 Det lejes overlevering og aflevering ved fraflytning.

10.1 Det lejede overtages i den stand det forefindes ved lejemalets begyndelse.

10.2 Ved lejemalets ophør afleverer LEJER ejendommen i pæn og ryddelig stand. Servicestationens installationer fjernes af LEJER, ligeledes bygninger såfremt påkrav herom fremsættes af UDLEJER.

11.0 Skiltning.

11.1 LEJER har ret til at etablere nødvendig skiltning for drift af service station. LEJER sørger selv for opfyldelse af evt. myndighedskrav.

12.0 Miljø.

12.1 LEJER skal for egen regning sørge for oprydning efter evt. spild/udslip af olieprodukter i lejeperioden i det omfang miljøkontrollen kan stille krav herom.

Ved lejemalets ophor skal LEJER ivaerksætte sådanne foranstaltninger som miljømyndighederne kan kræve ivaerksat.

12.2 Evt. forurening hidrørende fra tiden for lejemalets indgåelse er LEJER uvedkommende.

13.0 Konkurrence.

13.1 UDLEJER er ikke berettiget til at etablere konkurrerende virksomhed til Statoil servicestation, herunder salg af dagligvarer og drift af polsebod i Vojens,

14.0 Forlejeret/forkobsret.

14.1 Onsker UDLEJER indenfor en periode af 6 måneder efter lejemalets ophor at genudleje det lejede, skal LEJER have forlejeret til det lejede på vilkår som beviseligt kan opnås ved udleje til 3. mand mod acceptfrist på 14 dage fra modtagelse af dokumentation for 3. diemands tilbud.

14.2 Onsker UDLEJER at sælge ejendommen, skal denne kontrakt ikke være til hinder herfor, men LEJER skal have forkobsret til det lejede på vilkår, som kan dokumenteres at kunne opnås fra 3. mand med 14 dages acceptfrist fra modtagelse af dokumentation for tredjemands tilbud.

15.0 Lejemalets ophor.

15.1 Ved lejemalets ophor skal LEJERS skriftlige opsigelse tjene UDLEJER som tilstrækkelig fuldmagt til at begære de i.h.t., foranstående tinglyste rettigheder slettet af tingbogen.

15.2 Omkostninger i forbindelse med tinglysning og afløsning afholdes af LEJER,

16.0 Kontraktomkostninger.

16.1 LEJER afholder omkostninger til stempeling af nærværende lejekontrakt i overensstemmelse med stempelovens bestemmelser herom.

16.2 I tilfælde af advokat/revisor medvirken betaler hver part egen advokat/revisor.

17.0 Andet

17.1 Udover foranstående bestemmelser gælder de i vedlagte kontraktformular (Boligministeriets formular 57 HI) anførte generelle vilkår.

17.2 LEJER indtraeder i UDLEJERS rettigheder og forpligtelser i lejemalet mod autolakerer Tonny Spiegelhauer.

17.3 Lejemalet er betinget af myndighedernes endelige tilladelser.

17.4 Lejemalet er betinget af at deklaration fra Chevron Oil A/S er aflyst.

17.5 Lejemalet er betinget af at ejendommen er frigjort for enhver haeftelse inklusive kreditforeningens pantebrev ved lejemalets begyndelse.

18.0 Tinglysning.

18.1 LEJEREN er berettiget til et tinglyse de af naervaerende kontrakt folgende rettigheder, herunder den punkt 14 naevnte forlejeret og forkobsret, pa matr. nr. 1446, Vojens Ejerlav, Vojens, med respekt af de pa denne ejendom pa tinglysningstidspunktet lyste og servitutter.

Dato: Dato: 26, Oktober 1998.

For UDLEJER: For LEJER:

STATOIL A/S

Anton Nielson Vojens Aps Erik Leegaard Christensen

Bent Pedermn

Exhibit III AUDITED FINANCIAL STATEMENTS

Financial Statements for the year ended and the period ended September
30, 2003, September 30, 2004 and September 30, 2005.

INDEX TO FINANCIAL STATEMENTS

Consolidated Financial Statements of the Company

	Pag e
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Balance Sheets at September 30, 2003, 2004 and 2005.....	F-3
Statements of Operations for the years ended September 30, 2003, 2004 and 2005.....	F-4
Statements of Shareholders' Equity for the Periods ended September 30, 2003, 2004 and 2005.....	F-5
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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders

Anton Nielsen Vojens ApS

We have audited the accompanying balance sheets of Anton Nielsen ApS as of September 30, 2003, 2004 and 2005 and the related statements of operations and shareholders equity for each of the periods. These financial statements are the responsibility of the Companys management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial statements referred to above present fairly, in all material respects, the financial position of Anton Nielsen Vojens ApS at September 30, 2003, 2004 and 2005 and the results of its operations for each of the periods, in conformity with accounting principles generally accepted in the United States of America.

Soren Jonassen

State Authorized Public Accountant

Copenhagen, Denmark

January 27, 2006

Anton Nielsen Vojens ApS

BALANCE SHEETS

	Year Ended Sept. 30		
	2003	2004	2005
	DKK	DKK	DKK
ASSETS			
Fixed assets:			
Land and buildings.....	1,268,058	1,236,356	1,204,654
Total fixed assets.....	1,268,058	1,236,356	1,204,654
Current assets:			
Cash and cash equivalents.....	0	131,689	0
Other current assets.....	126,067	0	195,563
Total current assets.....	0	131,689	0
Total assets.....	1,394.125	1,368,045	1,400,217
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity:			
Share capital.....	300,000	300,000	300,000
Retained earnings.....	9,665	149,500	149,500
Proposed dividends.....	200,000	170,000	0
Total	509,665	449,500	349,500

equity.....			
Provisions:			
Provision for defferred tax.....	46,078	61,181	54,239
Total provisions.....	46,078	61,181	54,239
Long-term liabilities:			
Credit institutions.....	660,407	629,302	600,000
Total long-term liabilities.....	660,407	629,302	600,000
Current liabilities:			
Curernt portion of long-term debt.....	25,778	29,417	29,164
Crefit institutions.....	25,063	0	31,868
Provision for interest payable.....	0	0	0
Trade payables.....	52,750	52,750	52,750
Income taxes.....	0	49,736	49,120
Other payables.....	74,384	77,987	133,576
Total current liabilities.....	177,975	203,636	296,478
Total liabilities and shareholders' equity.....	1,394,125	1,368,045	1,400,217

See accompanying notes.

Anton Nielsen Vojens ApS

STATEMENTS OF OPERATIONS

	Year Ended September 30		
	2003	2004	2005
	DKK	DKK	DKK
Revenue.....	369,378	337,125	342,970
Costs.....	38,339	25,028	68,850
Gross profit.....	331,039	312,097	274,120
Depreciations.....	31,702	31,702	31,702
Operating profit.....	299,337	280,395	242,418
Financial income.....	3,530	3,105	104
Finacial expenses.....	50,399	48,786	46,453
Profit before taxes.....	252,468	234,714	196,069
Tax on profit.....	78,118	79,453	50,494
Net profit for the year.....	174,350	164,261	145,575

See accompanying notes.

Anton Nielsen Vojens ApS

STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Shares	Retai ned Earnings	Tot al
	US\$	US\$	U S\$
Balance at September 30, 2003.	300,00 0	9,665	309,66 5
Net income (loss).....		164,261	164,26 1
Balance at September 30, 2004.	300,00 0	3,925	303,92 5
Net income (loss).....		145,575	145,57 5
Balance at September 30, 2005.	300,00 0	149,5 00	449,50 0
Net income (loss).....		(104,014)	(104,0 14)
Balance at December 31, 2005.	300,0 00	45 ,486	345 ,486

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Description of Business

The Company is investing in and administrating real estate. The company is focusing on finding new attractive real estate to invest in during the year 2006.

Reporting currency

The functional currency of the Company is the DKK.

Risks and uncertainties

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents represent cash and short-term deposits with maturities of less than three months at the time of purchase.

Land and Buildings

Land and buildings are carried at cost and depreciated on a straight-line basis over the expected useful lives.

Revenue recognition

Revenues from services are recognized at the date of delivery of the service. Subscriptions are recognized over the subscription period.

Concentration of credit risk

Cash and cash equivalents are, for the most part, maintained with major financial institutions in Denmark.

Income taxes

The Company accounts for income taxes using the liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns.

2. Depreciations

	Sep. 30,		
	2003	2004	2005
	DKK	DKK	DKK

Land and buildings.....	31,702	31,702	31,702
.....			
	31,702	31,702	31,702
		2	

3. Land and buildings

Equipment, and improvements consisted of the following:

	Sep 30		
	2003	2004	2005
	DKK	DKK	DKK
Land and buildings.....	1,585,078	1,585,078	1,585,078
.....			
Less accumulated depreciation.....	317,020	348,722	380,424
.....			
Net land and buildings.....	1,268,058	1,236,356	1,204,654
.....			

4. Commitments

The company does not have any commitments.

5. Related party transactions

The Company has no transactions with related parties.

Exhibit IV PRO FORMA FINANCIAL STATEMENTS

ADVANCED OXYGEN TECHNOLOGIES, INC &
ANTON NIELSEN VOJENS APS
PROFORMA BALANCE SHEET

	June 30, 2005		
	Anton Nielsen Vojens ApS	Advanced Oxygen Technologies, Inc	Combined
ASSETS			
Current assets:			
Cash and cash equivalents			
Other current assets	16,337		16,337
Total current assets	16,337		16,337
Fixed assets:			
Land and buildings	195,577		195,577
Total fixed assets	195,577		195,577
Other assets:			
Investment in Mobile Group, Inc.		-	-
Total assets	211,915		211,915
LIABILITIES AND SHAREHOLDERS EQUITY			
Current liabilities:			
Accounts Payable		48,690	48,690
Payroll and sales taxes payable		37,515	37,515
Current portion of long- term debt	4,704		4,704
Credit institutions			

			-
Provision for interest payable			-
Trade payables	8,508		8,508
Income taxes	1,290		1,290
Other payables	21,124		21,124
Total current liabilities	33,046	86,205	119,251
Provisions:			
Provision for defferred tax	9,868		9,868
Total provisions	9,868		9,868
Long-term liabilities:			
Due to Officer		17,545	17,545
Credit institutions	99,489		99,489
Total long-term liabilities	99,489	17,545	117,034
Equity:			
Share capital	48,387		48,387
Retained earnings	21,125		21,125
Proposed dividends			-
Convertible preferred stock, Series 2, par value \$0.01; authorized 10,000,000 shares; issued and outstanding 5,000 shares liquidating preference \$25,000		50	50
Convertible preferred stock, Series 3, par value \$0.01; authorized and issued, 1,670,000 shares		16,700	16,700
Convertible preferred stock, Series 4; issued and outstanding,			-
Convertible preferred stock, Series 5; issued,			-

1 share

Common stock, par value
\$0.01; authorized,
90,000,000 shares;
issued

46,973,585 shares	469,736	469,736
-------------------	---------	---------

Additional paid-in
capital

20,628,396	20,628,396
------------	------------

Accumulated deficit

(21,211,348)	(21,211,348)
--------------	--------------

Less treasury stock, at
cost

(7,284)	(7,284)
---------	---------

1,670,000 shares
of convertible preferred
stock, Series 3

-

1,120,000 shares
of common stock

-

Total equity 69,512

(103,750)	(34,238)
-----------	----------

Total liabilities and
shareholders equity

211,915

211,915

ADVANCED OXYGEN TECHNOLOGIES, INC
ANTON NIELSEN VOJENS APS
PROFORMA INCOME STATEMENT
(USD)

12 Months Ending 30-Jun-05

	Anton Nielsen Vojens Aps	Advanced Oxygen Technologies Inc.	Combined
--	--------------------------------	--	----------

Revenues

Revenues

54,541

54,541

Costs

11,984

11,984

Gross Profit

42,556

42,556

Costs and Expenses

Depreciations

5,113

5,113

Professional fees- corporate

10,688

10,688

Transfer agent expense

2,125

2,125

Other costs and expenses-corporate		766	76
	13,579	1,278	1,278
Income from continuing operations before other income (expense) and income tax expense	(13,579)	12,963	12,963
Other income(expense)			
Forgiveness of indebtedness		184,091	184,091
Financial Income	142		142
Financial Expense	(7,578)		(7,578)
	184,091	(1,882)	(1,882)
Income (loss) from continuing operations, before income tax expense	170,512	11,081	11,081
Income tax expense	3,153		3,153
Income (loss) from continuing operations	170,512	11,081	11,081
Discontinued IP Service operations, no tax effect		(204,058)	(204,058)
NET INCOME (LOSS)	(33,546)	11,081	11,081

Estimated amount of taxable operating results and cash: The estimated amount of taxable operating results and cash made available by operations will be \$27,115 which is based on the most recent year's results and the assumption that there are no significant changes in operations.

Exhibit V PROMISSORY NOTE

PROMISSORY NOTE

Principal: \$650,000.00 New York, NY

Interest: 5.00% per annum February 2, 2006

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Advanced Oxygen Technologies, Inc., (referred to herein below as "Maker") promises to pay collectively and proportionately in the same proportions as the equity positions as defined by the Stock Acquisition Agreement (herein defined) to Borkwood Development Ltd. or to their assigns, successors or order ("Holder"), at Aarhus Denmark or at such other place as Holder may designate, the sum of Six Hundred and Fifty Thousand US Dollars (\$650,000.00), in lawful money of the United States, together with interest thereon, and any other amounts due hereunder in the manner prescribed herein below.

This Promissory Note (this "Note") is issued and delivered by Maker to Holder pursuant to that certain Agreement relating to the purchase and sale of all of the assets of Anton Nielsen Vojens APS; and that certain Stock Acquisition Agreement, effective as of February 2, 2006, among Advanced Oxygen Technologies, Inc. and Holder, relating to the purchase and sale of one hundred percent of the issued and outstanding capital stock of Anton Nielsen Vojens APS (the "Stock Acquisition Agreement" or "Agreements").

1 Interest (Time-Price Differential).

1.1 The unpaid balance of this Note shall accrue interest at the rate of Five Percent (5.00%) per annum, computed for the period commencing on the date of this Note and continuing thereafter until all obligations hereunder are satisfied in full

2 Installment Payments.

2.1 The obligation evidenced by this Note shall be paid in installments, as follows:

2.1.1 Commencing on April 2, 2006 and on the same day of each succeeding month thereafter, through and including the 2nd day of March, 2007, the sum of \$55,664.84, payable by wire transfer of immediately available funds.

2.1.2 There shall be a ten (10) day grace period for all payments due under this Promissory Note.

3 "Balloon Payment" Statute Inapplicable.

3.1 No payment or payments required by the terms of this Note constitute a so-called "balloon payment". No notice of any balloon payment becoming due shall be required to be given by Holder and Maker hereby expressly waives the necessity of notice of any such payment and the benefit of any and all laws and statutes under any jurisdiction requiring such notice.

4 Application Of Payments.

4.1 All payments made by Maker hereunder shall be applied in accordance with the amortization schedule attached hereto as Schedule 𠇊.”

5 Promise To Pay Unconditional.

5.1 Subject only to Section 11 hereof, Makers promise to pay the indebtedness evidenced by this Note is absolute and unconditional. Subject only to Section 11 hereof, the entire sum of principal and accrued interest thereon, as well as any other sum becoming due and payable by Maker under the terms of this Note shall become due and payable as specified herein without offset, reduction, contest or counterclaim of any type or nature whatsoever and without notice, except such notice as may be expressly required by statute.

6 Makers Right To Prepay Reserved.

6.1 As a material part of the consideration for the obligations created by this Note, Maker hereby executes same with the express understanding that Maker may, at Makers sole option, pay without penalty or other charge, any amount of the indebtedness evidenced by this Note at any time in advance of the due date thereof. In the event that any such prepayment is less than the amount then necessary to satisfy the entire unpaid principal balance and interest due at the time of such prepayment due under this Note, the monthly installments shall be recalculated to reflect the remaining principal due and shall accrue interest at the rate of five percent per annum thereforward.

7 Guarantor: All Obligations Secured.

7.1 The guarantor of the Note is Advanced Oxygen Technologies, Inc. (“Guarantor”). Subject only to Section 11 hereof, Guarantor absolutely, unconditionally and irrevocably guarantees to Holder the prompt and unconditional payment of all amounts payable hereunder, whether regular installment payments or, in the event of acceleration, the entire principal amount hereof, along with all accrued but unpaid interest thereon and any other sums which may be due under this Note and all renewals, extensions and modifications hereof (the “Guarantee”). Subject only to Section 11 hereof, the Guarantee is a guarantee of payment and not of collection, and the terms, covenants and conditions of the Guarantee and the obligations of Guarantor hereunder shall be continuing, absolute and unconditional under any and all circumstances and shall be performed by Guarantor without regard to (a) the validity, regularity or enforceability of this Note or any collateral security or guarantee therefor; (b) any defense or counterclaim that may at any time be available to or asserted by Maker against Holder and which constitutes, or might be construed to constitute, an equitable or legal discharge of Maker from this Note or Guarantor from the Guarantee, in bankruptcy or any other instance except as provided in Sections 11 and 12 hereof; (c) any law, regulation, or decree now existing or hereafter in effect that might in any manner affect any of the terms, covenants and conditions of this Note or the rights, powers or remedies of Holder hereunder as against Maker or that might cause or permit to be invoked any alteration in the time, amount or manner of payment or performance of this Note; or (d)

the election of Holder to exercise any of its rights under this Note. Subject only to Section 11 hereof, it is the purpose and intent that the terms, covenants and conditions of the Guarantee and the obligations and liabilities of Guarantor hereunder shall be continuing, absolute and unconditional under any and all circumstances and shall not be discharged except by payment and performance as provided herein. Guarantor expressly acknowledges that Holder is relying on the Guarantee in entering into the transactions contemplated by the Stock Acquisition Agreement. Until each and every term, condition and covenant of the Guarantee are fully performed, Guarantor shall not be released (a) by any act or thing which might, but for this Section 7.1, be deemed a legal or equitable discharge of the surety; (b) by reason of any waiver, extension, modification, forbearance or delay of Holder or Maker; (c) by Holders or Makers failure to proceed promptly or otherwise; or (d) by reason of any further obligation or agreement between Maker and Holder. Subject to Section 11 hereof, Guarantor expressly waives and surrenders any defense based upon any of the foregoing acts, things, agreements, waivers or any of them.

8 Definition Of Default.

8.1 Subject only to Section 11 hereof, Maker shall be deemed to be in default of its obligations under this Note (a "Default") in the event of any one or more of the following:

8.1.1 Any installment payment or payment of any other amount becoming due hereunder which is not received by Holder when due, after the expiration of the grace period.

8.1.2 Any breach of a representation or warranty or failure to comply with any covenant or agreement on the part of Maker under this Note (other than as set forth in Section 8.1.1), either of the Agreements or any other agreement executed in connection therewith, which is not bonded or otherwise secured or satisfied or cured by Maker within thirty (30) days from written notice thereof, provided that the method of such cure (whether by bonding or other security or satisfaction) is acceptable to Holder in Holders reasonable discretion.

8.1.3. Maker or Guarantor shall not, or either shall admit in writing its inability to, or either shall be generally unable to, pay its debt as such debts become due.

8.1.4. Subject to Section 11, Maker or Guarantor shall apply for or consent to the appointment of a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, make a general assignment for the benefit of its creditors, file a petition seeking to take advantage of any bankruptcy or related law, or take any action for the purpose of affecting any of the foregoing.

8.1.5. Any insolvency proceeding or similar process is commenced or filed against Maker or Guarantor.

8.1.6. A final judgment for the payment of money shall be rendered against Maker or Guarantor by a court or other entity having jurisdiction, provided same is not bonded, secured or otherwise

satisfied within, provided that the method of such cure (whether by bonding or other security or satisfaction) is acceptable to Holder in Holders reasonable discretion.

8.1.7. Any non-monetary judgment, order or decree is entered against Maker or Guarantor which could reasonably be expected to have a material adverse effect on Maker or Guarantor, which is not bonded or otherwise secured or satisfied by Maker within thirty (30) days from written notice thereof, provided that the method of such cure (whether by bonding or other security or satisfaction) is acceptable to Holder in Holders reasonable discretion.

9. Holders Option To Accelerate In Event Of Default, Etc.

9.1 Notwithstanding and irrespective of the maturity date of this Note, in the event of any Default, Holder shall have the right, at Holders option, after ten (10) days notice to Maker, during which such period Maker shall have the right to cure the Default or Defaults specified in such notice, to declare the entire balance of the unpaid principal with accrued interest and any other sums becoming payable under the terms of this Note forthwith due and payable.

10. Holders Remedies Cumulative.

10.1 All remedies accorded to Holder under the terms of this Note and under the aforesaid Stock Acquisition Agreement shall be cumulative and additional each to the other and to any other rights or remedies associated with security interests in real property or other assets, under applicable law and equity. The exercise by Holder of any one right or remedy shall not constitute an exclusive election or waiver of any other right or remedy.

11. Set-Off.

11.1 Notwithstanding any other provision in this Note, Maker and Guarantor shall have the right to set off, in direct order of maturity, against any payments due under this Note any and all amounts owed to Maker pursuant to the Stock Acquisition by reason of Holders breach of a representation or warranty under the Stock Acquisition Agreement, and not paid, provided that Maker shall provide Holder with written notice of the amount to be set off and the reasons therefore (a "Set-Off Notice") at any time prior to the date or dates on which Maker intends to apply a set-off from the amount due under this Note. If, after its receipt of a Set-Off Notice and payment by Maker of any amount due under this Note less the amount set-off by Maker, Holder disagrees with the amount of or reason for the set-off specified in a Set-Off Notice, Holder shall be prohibited from declaring the obligations under this Note, by reason of the set-off, to be in default and, upon Holders notice thereof to Maker, the parties shall attempt to resolve the matter in good faith. Failing such resolution, Holder may seek an equitable resolution in a court of law, and during such time as the matter is pending and until the matter is finally and judicially resolved, Holder shall be prohibited from declaring the obligations under this Note, by reason of the set-off, to be in default.

11.2 If Maker exercises its right of set-off in good faith and it is subsequently determined that such exercise was unwarranted, Maker shall promptly pay all amounts improperly set off, plus interest from the date of the set-off until the date of the payment at the rate of 12% per annum, and upon such payment Maker shall be deemed to be in full compliance with its obligations under this Note.

12. Reduction of Balance as Payment for Certain Claims.

12.1 Notwithstanding anything else in this Note or the Agreements to the contrary, Maker and Holder and Guarantor mutually understand and agree that any amounts owed in connection with any successful claim by Maker in connection with breaches of any of the representations and warranties under the Agreements shall first be satisfied by applying such amounts against the balances then owed under this Note and, to the extent such balances are insufficient to satisfy such amounts, against the principal amount of this Note (it being mutually understood and agreed that Holders aggregate joint and several liability with respect to breaches of the representations and warranties set forth in Section 7.2.11 of the Stock Acquisition Agreement shall be limited to \$650,000.00, and Holders and Sellers aggregate joint and several indemnification obligations under the Stock Acquisition Agreement (after taking into account the full exercise by Maker of its set-off rights under this Note) shall be limited to the aggregate amount of funds actually received by Holder and Seller under the Stock Acquisition Agreement, as applicable).

13. Representations and Warranties.

13.1 Maker and Guarantor, jointly and severally, hereby represent and warrant to Holder as follows:

13.1.1 Maker and Guarantor have full right, power, authority and capacity to execute and deliver this Note and any other documents and instruments required to be executed and delivered hereunder, and to perform their obligations under this Note and such other documents and instruments. Makers and Guarantors execution and delivery of and performance under this Note has been duly authorized by all necessary action of Maker or Guarantor, as applicable, and this Note constitutes the valid and binding obligation of Maker and Guarantor, enforceable against Maker and Guarantor in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors rights generally and subject to general principles of equity.

13.1.2 The execution, delivery and performance of this Note by Maker and Guarantor, and the consummation by Maker and Guarantor of the transactions contemplated hereby, will not (i) violate any constitution, statute, regulation, rule or other restriction of any government or government agency to which Maker or Guarantor is subject; (ii) conflict with, or result in the breach or termination of, or constitute a default under, any agreement, commitment or other instrument, or any order, judgment or decree, to which Maker or Guarantor is a party or by which Maker or Guarantor is bound (including, in the case of Guarantor, Guarantors Articles of

Incorporation or Bylaws); or (iii) permit the acceleration of the maturity of any indebtedness of, or any indebtedness secured by the property of, Maker or Guarantor.

13.1.3 No consent, notification, approval or authorization of, or designation, declaration or filing with, any governmental authority or any other party is required on the part of Maker or Guarantor in connection with the execution, delivery and performance of this Note.

14. Provisions Common To Entire Note.

The following terms shall apply to the obligations arising under this Note in its entirety:

14.1.1 Attorney Fees & Costs. Maker expressly agrees that, in the event of commencement of a suit, collection action, foreclosure or other action (Action) to enforce or interpret any provision of this Note, and in the event that such Action is successful, and not set-off by any right of Maker to set-off as provided herein, Holder shall be entitled to also recover from Maker, in addition to all unpaid principal and interest, all costs of such Action as well as all reasonable attorneys fees incurred by Holder in connection therewith and interest thereon as provided for herein. Such amounts shall be paid by Maker within five (5) days of receipt of written notice from Holder.

14.1.2 Gender Plural and Singular. Whenever required by the context hereof, the singular shall be deemed to include the plural, the plural shall be deemed to include the singular, the masculine the feminine, and the neuter gender shall be deemed to include the others.

14.1.3 Governing Law. This Note shall be interpreted, construed and governed by, in accordance with and consistent with the laws of the State of New York, which shall apply in all respects, including statutes of limitations, to any disputes or controversies arising out of or pertaining to this Note.

14.1.4 Method of Giving Notices. Any notice required or permitted to be given hereunder shall be so given personally, by facsimile, by nationally recognized overnight delivery service, or by registered or certified (return receipt) United States Postal Service mail, postage pre paid, unless a notice transmitted in said manner is returned to the sender as unclaimed, refused or undeliverable, or unless the party giving notice has a good faith reason to believe that a notice transmitted in said manner will be so returned, in which case such notice may be given, at the senders option, by personal service or by first class mail provided that such alternative method is effectuated by a disinterested party who attests thereto by a written declaration under penalty of perjury in a form authorizing service by mail. Any such notice shall be addressed to or delivered to the recipient as follows:

In the case of : Addressed to:

Maker: Advanced Oxygen Technologies, Inc.

133 W 13th Street, Suite #5

New York, NY 10011

Guarantor: Advanced Oxygen Technologies, Inc. 133 W 13th St, Suite #5,
New York, NY

Holder: Borkwood Development Ltd. Kingsway House, 103 Kingsway, London
UK WC2B 6AW England.

In the event that notice is given personally or by facsimile, such notice shall be deemed to have been received on the date sent. In the event that notice is given by nationally recognized overnight delivery service, such notice shall be deemed to have been received on the first business day following deposit thereof with such delivery service. In the event that notice is transmitted by U.S. Mail, such notice shall be deemed to have been received by the addressee and service thereof shall be effective five (5) days following deposit thereof with the United States Postal Service, or upon actual receipt, whichever first occurs, unless the address for delivery is not within the United States or its territories or possessions, in which case service shall be effective seven (7) days following deposit thereof, or upon actual receipt, whichever first occurs. A party may change the above specified address by giving the other party notice of the new address in the manner above prescribed for all notices.

15. Rights of Holder.

15.1. Holder may, without notice thereof, extend time of payment and accept partial payment, before or after maturity, without thereby changing or releasing the liability of Maker or any other party on this Note; and Maker and Guarantor, and all other parties liable hereon, hereby waive presentment for payment, demand, notice of non-payment and protest, diligence in enforcement and indulgences of every kind.

16. Terms Binding on Successors, Etc.

16.1 All terms and conditions set forth in this Note shall be binding upon and be observed by the successors, permitted assigns, representatives, trustees, and receivers of Maker and Guarantor and the successors, assigns, representatives, trustees, and receivers of Holder. Neither Maker nor Guarantor shall assign their duties or obligations hereunder without the prior written consent of Holder, which may be withheld in Holders sole and absolute discretion. This Note may be assigned in whole or in part by Holder without the consent of Maker or Guarantor.

17. Severability.

17.1 In the event that any term, provision, clause, article, condition or other portion of this Note is determined to be invalid, void or unenforceable by a forum of competent jurisdiction, the same shall not affect any other term, provision, clause, article, condition or other portion hereof and the remainder of this Note shall remain in full

force and effect, as if such invalid, void or unenforceable term, provision, clause, article, condition or other portion of this Note did not appear herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Maker has executed and Guarantor has caused its duly authorized officers to execute this Note on the date and in the place first written above.

Maker:

Advanced Oxygen Technologies, Inc.

By: _____

Robert E. Wolfe

Name: Advanced Oxygen Technologies, Inc. President

Exhibit II

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

March 03, 2006

ADVANCED OXYGEN TECHNOLOGIES, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware 000-09951 91-1143622

(State of Incorporation) (Commission File No.) (I.R.S.
EmployerIdentification No.)

C/O Crossfield Incorporated 133 West 13th St. Suite no.5 New York, NY
10011

(Address of Principal Executive Offices)

Registrant's Telephone Number: (212) 727-7085

26883 Ruether Avenue Santa Clarita, CA, 91351

(Former Address)

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Exhibits:

[Exhibit I, Acquisition Agreement \(Danish original\)](#)

[Exhibit II, Acquisition Agreement \(English translation\)](#)

ITEM 2: ACQUISITION OR DISPOSITION OF ASSETS

Pursuant to an acquisition agreement attached hereto as exhibit I (Danish original) and Exhibit II (English Translation) ("Acquisition Agreement"), on March 3, 2006 Anton Nielsen Vojens ApS ("ANV"), a wholly owned subsidiary of Advanced Oxygen Technologies, Inc. ("AOXY") entered into an agreement to sub divide and sell a 3,300 M2 portion of its Vojens City property ("Property") for Two Million Three hundred Thousand Danish Krone (2.300.000 DKK) to Ejendomsselskabet Ostergade 67 ApS, a Danish company ("EO"). Under the terms of the Acquisition Agreement:

1. EO has deposited 2.300.000 DKK with ANV,
2. EO is purchasing the Property in an as is condition,

3. EO is responsible for all costs of the transaction including but not limited to: sub division costs, legal, financial, 1/2 the filing costs, deed transfer costs and ANV is responsible for the survey costs and 1/2 the filing costs,

4. The deposit will be released to ANV upon transfer of the deed, and the satisfaction of all of the terms of the Acquisition Agreement.

The remainder of the Vojens City property owned by ANV will continue to be leased by StatOil AS. StatOil AS has executed an amended lease with ANV conditioned upon the transfer of the Property whereby StatOil AS has extended its current lease with ANV for a 20 year period and the new base annual indexed rent will begin at 200.000 DKK.

ITEM 9. EXHIBITS

EXHIBIT I, Acquisition Agreement (Danish, original)

EXHIBIT II, Acquisition Agreement (English Translation)

SIGNATURE

In accordance with the requirements of the Exchange Act, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 14, 2006

/s/ Robert E. Wolfe /s/

Robert E. Wolfe, Chairman of the Board and
Chief Executive Officer and Principal
Financial Officer

EXHIBIT I, ACQUISITION AGREEMENT (Danish)

BETINGET SKODDE

Undertegnede

Anton Nielsen Vojens ApS

cvr. n r. 31 36 34 11

Dyreborgvej 101

5600 Faaborg.

(i det følgende kaldet sælger)

Sælger, skoder og betinget overdrager herved til

Ejendomsselskabet Ostergade 67 ApS

cvr. n r.*

Ostergade 65

6500 Vojens

(idet følgende kaldet køber)

Ca 3.300 m² af den selskabet ifølge tingbogen tilhørende ejendom

matr.nr. 1446 Vojens

af samlet areal 4.040 m² ifølge tingbogen og beliggende Ostergade 67,
6500 Vojens

Det overdragne, der er under udstykning, betegnes som del nr. *, jf.
vedhæftede rids.

Overdragelsen er i øvrigt indgået på følgende nærmere vilkår:

1.

I handelen medfølger den på grunden værende bebyggelse med grund-, mur- og magelfast tilbehør, stobegods og varmeanlæg, alle slags ledninger og installationer, herunder i det omfang det er installeret, faste lamper og fast badevareudstyr, hegn, træer, planter og alt ejendommens rette tilhørende og tilhørende alt som besigtiget og antaget af køber.

Ejendommen overdrages i øvrigt med de samme rettigheder, byrder, servitutter og forpligtelser, hvormed den har tilhørt sælger og tidligere ejere, herunder eventuelle rettigheder og forpligtelser overfor ejendommens forsyningsselskaber og grundejerforeninger.

Ejendommen, herunder bygninger og udenomsarealer, er overtaget af køber i den stand, hvori disse er og forefindes, idet det er aftalt, at køber ikke i forbindelse med eventuelle på bygningerne konstaterede mangler kan gøre noget krav gældende mod sælger.

Sælger oplyser,

at ejendommen sælger bekendt ikke er under omvurdering,

at der sælger bekendt ikke verserer sager eller er udstedt påbud, der vedrører ejendommen,

at ejendommen sælger bekendt ikke er omfattet af tidsbegrænsede dispensationer,

at ejendommen ikke er omfattet af lov om brandsikring af ældre beboelsesbygninger m.v. Fremtidige ændringer heri er sælger uvedkommende,

at der ikke sker varmelevering i henhold til kontrakt,

at der ikke i sælgers ejer etableret affaldsdepot eller losseplads på ejendommen,

at ejendommen sælger bekendt er forurennet, og at der i denne anledning er tinglyst et notat på ejendommen,

at der sælger bekendt ikke fra offentlige myndigheder foreligger uopfyldte krav om eventuel registrering som affaldsdepot og/eller forurening,

at der formentlig vil ske en forureningsundersøgelse foretaget af amtet,

at der er to olieudskillere på grunder. Køber påtager sig ansvaret for eventuel reetablering og godkendelse af offentlig myndighed.

Fremtidige krav til miljøforhold for købers anvendelse af ejendommen er sælger uvedkommende.

Købers fremtidige påtænkte benyttelse af ejendommen er sælger uvedkommende.

Ejendommen er ikke omfattet af Lov om fremme af energi-og vandbesparelser i bygninger.

2.

Overtagelsesdagen er aftalt til den 1. marts 2006, fra hvilket tidspunkt det solgte henligger for købers regning og risiko i enhver henseende.

Køber overtager ejendommen fri for lejemaal og andre brugsrettigheder.

Det påhviler køber ved egen foranstaltning, at tegne nødvendige forsikringer, herunder imod bygningsbrand, med virkning fra overtagelsesdagen.

Hvis ejendommens bygninger er fuld-og nyværdiforsikrede mod brandskade er risikoen derfor do allerede overgået fra købsaftalens dato. Køber er da berettiget til erstatningen fra brandforsikringen

efter de herom gældende regler og forpligtet til at opfylde den indgæede handel.

Overtagelsesdagen er samtidig skæringsday med hensyn til de ejendommen vedrørende indtægter og udgifter, og der udfaerdiges sædvanlig refusionsopgørelse, hvis tilsvaret berigtiges kontant.

Eventuelle foraldne ydelser for eller på overtagelsesdagen betales af sælger.

Køber er ansvarlig for at ejendomsskatterne n.v., der forfalder til betaling efter overtagelsesdagen, betales rettidigt, uanset om opkrævning måtte være fremsendt.

I perioden til endelig unstykning foreligger fordeles ejendommens skatter mellem sælger og køber i det forhold, der svarer til arealet.

Køber meddeler ejerskifte til de respektive forsyningsselskaber med henblik på afleasning af forbrugsmalere og fremsendelse af slutopgørelse. I de tilfælde hvor de respektive forsyningsselskaber ikke foretager aflæsning foretages aflæsning af parterne i forening./

Sælger eller dennes advokat sørger for afmelding af eventuelle betalingsordninger.

3.

Købersummen er aftalt til kr. 2.300.000,00- skriver tomillionertrehundredetusinde kroner 00 øre - hvilket beløb indbetales kontant senest pr. Overtagelsesdagen den 1. marts 2006 Nordea, Haderslev.

Købesummen- med fradrag af indfrielse af ikke overtagen pantegæld, betaling af eventuelle restancer, betaling af eventuel køber tilkommende refusionssaldo samt det omkostningsbeløb som sælger i henhold til nedenstående skal betale- indskrives på deponeringskonto til frigivelse, når nærværende skode foreligger tinglyst endeligt uden præjudicerende retsanmærkninger.

Købessummens fordeling:

Bygninger kr. 2.061.750,00

Grund kr. 238.250,00

=====

KOBESUM I ALT kr. 2.300.000,00

4.

Ejendommen er ikke særskilt vurderet. Værdien af ejendommen på anmeldelsestidspunktet udgør kr. 2.300.000,00.

5.

Der påhviler ikke ejendommen gæld til det offentlige eller andre vedrørende vand, vej, fortov kloak eller lignende, og hvad der eventuelt senere måtte blive pålagt ejendommen af sådanne bidrag, skal være sælger uvedkommende. Sælger oplyser dog, at der sælger bekendt ikke er afsagt kendelser eller udført arbejder, der medfører bidrag af her nævnte art.

Gæld, der betales efter forbrugsmalere, betales af køber fra skæringsdagen.

6.

Køber er gjort bekendt med og respekterer, at der på ejendommen er tinglyst følgende servitutter:

01.05.1962 Dokument om oversigt m.v.

02.03.1967 Dokument om oversigt m.v.

23.01.1979 Dokument om adgangsbegrænsning m.v.

01.05.1979 Dokument om byggelinie m.v.

25.09.1997 Lokalplan nr. 12-53

Med hensyn til servitutternes nærmere indhold henvises til ejendommens blad i tingbogen.

Køber respekterer endvidere de servitutter, der in henhold til servituterklæring udarbejdet af Kort og Matrikelstyrelsen if forbindelse med udstykningssagen måtte blive pålagt ejendommen.

7.

Køber overtager udenfor købesummen sælgers eventuelle momsteguleringsforpligtelser for ejendommen. Køber og sælger underskriver erklæring herom overfor toldvæsenet.

Sælger leverer til køber en opgørelse herover senset i forbindelse med udførelse af refusionsopgørelse.

8.

Under henvisning til lovbekendtgørelse nr. 920 af 22. december 1989 med senere ændringer om sommerhuse og camping erklærer køber, at ejendommen skal anvendes til et formål, der ikke er omfattet af lovens 1, men i stedet skal anvendes til udlejning til erhverv.

9.

Haervaerende handel er af begge parter betinget af:

1. Kobesummens berigtigelse.
2. Udstykningens gennemforelse, saledes at saelger beholder 740 m2 der udlejes til Statoil.

Handelen er endvidere fra kobers dside betinget af:

3. At der ingas en aftale mellem kober og Statoil om fælles ret til at benytte fælles indkørsel til enendommen, som tiltraedes af saelger og tinglyses pa begge ejendomme.
4. At der med saelger etableres en forlejeret og forkobsret til markedsvilkår på det af statoil lejede areal, safremt Statoil ikke laengere anvender dette til benzinanlaeg med respekt af Statoils eksisterende rettigheder.
5. At Statoil aflyser lejeret og forkobsret på det herved solgte areal.

Parterne meddeler advokat Erik Berg, Vojens og advokat Bjarne Ditlevsen, Vojens, hver for sig fuldmagt til at give og tage endeligt skode, nar betingelsen herfor er opfyldte, dog bemyndiges Kort og Matrikelstyrelsen herved til på parternes vegne at fremsende overdragelsesdokumenterne til tinglysning som adkomst for kober, nar udstykningen er gennemfort og ikke afventer andet end registrering i matriklen.

10.

Omkostningerne ved naervaerende handels berigtigelse afholdes saledes:

Registreringsafgift skode samt omkostninger til udarbejdelse af deklARATIONER betales af saelger og kober med halvdelen hver.

Saelger alene betaler omkostninger til egen radgiver samt udstykningsomkostninger herunder eventuelle relaksationer.

Kober alene betaler omkostninger til egen radgiver.

Skanderborg, den 3 marts, 2006

Som saelger:

Anton Nielsen Vojens ApS.

/s/ Aage Madsen

Til vitterlighed om underskriftens aegthed, dateringens rigtighed samt underskriverens myndighed for sa vidt angaar Aage Madsen:

Personlig underskrift: /s/Lise Gemmel Personlig underskrift: /s/Jens S. Olsen

Nave: Lise Gemmel Nave: Jens S. Olsen

Stilling: sygeplejeske Stilling konsulent

Adresse: IP Jacobsensvey 67 Address: IP Jacobsensvey

Postnr./By: 8230 Aabyhoy Postnr./By: 8230 Aabyhoy

Vojens, den 1. marts 2006

Som kober:

Ejendomsselskabet Ostergade 67 ApS

/s/Diens Chirstian Barsoe Kliver /s/ Bente Friis Kliver /s/ Peter Lorenzen Kliver

Diens Christian Barsoe Kliver, Bente Friis Kliver, Peter Lorenzen Kliver

EXHIBIT II, ACQUISITION AGREEMENT (English)

The undersigned Anton Nielsen Vojens ApS

(Seller)

Sells and assigns herewith to

Ejendomsselskabet Østergade 67 ApS

(Buyer)

App. 3,300 sq.m. of the real estate belonging to Seller according to public records noted under real estate number 1446 of Vojens City now under sub division.

The transfer of ownership is agreed on the following conditions:

§1.

In the transfer is included all on the land existing constructions with all fixed and attached parts of this construction, all installations, heating equipment, fixtures of any kind, all plants and trees and all that belongs to the real estate, everything as seen and accepted by Buyer.

The estate is transferred with the same rights, burdens and obligations that has been a part of the estate with Seller and previous owners including rights and obligations in connection with the local utility companies.

The estate, and the buildings and outdoor area, is transferred to Buyer in the condition, in which it is found at the day of transfer, and it is agreed, that Buyer can not make any claims against Seller based on the actually found conditions of the real estate.

Seller is informing:

That the estate is not undergoing public reevaluation

That there to Sellers knowledge are no public demands on the estate

That the estate is not part of any time-limited dispensations

That the law regarding fire security does not have any implications on the estate

That there is no public heating delivered to the estate.

That there is no waste deposit established in Sellers ownership time

That the estate is polluted and that there is a public notice on the estate regarding that

That there is no unfulfilled public request to register the estate as polluted

That there is likely in the future a public pollution investigation on the estate

That there are 2 oil separators on the estate. Buyer has full responsibility for any reestablishment and public approval in the future.

Future demands regarding environmental issues on the estate related to Buyers future use of the estate is of no consequence for Seller.

Buyers future use of the estate is of no consequence for Seller.

§2

The day of transfer is agreed to be March 1st 2006. From this day and time the estate will be on the risk and cost of Buyer.

Buyer will receive the estate free for any leans and leases.

Buyer must from the day of transfer establish own insurance.

The day of transfer is the cut off day for all income and all expenses related to the estate and a refund sheet is made up accordingly. Any cost connected to the estate and with due date on or before the day of transfer is paid by Seller.

Buyer is responsible for paying real estate taxes etc. even though the actual bill is send to Seller.

In the period until subdivision is final and separate real estate tax bills are issued the parties will split the total tax bill according to the size of their respective land.

Buyer will report the change in ownership to the respective utility companies and secure reading of the usage up till the day of transfer.

Sellers automated payment arrangements are cancelled by Seller.

§ 3.

The purchase price is agreed to 2,300,000 DKK - tomillionthreehundredthousanddanishkroner and 00 oere - which amount is paid in cash no later than on the day of transfer on March 1st into Sellers Bank; Nordea, Haderslev.

The purchase price - with deductions for debt that is not transferred to Buyer, payment of late fees and resulting refund to Buyer and costs connected to the sale including sales tax, is placed on deposit to be released when this deed is duly noted by the authorities without any remarks.

The purchase price is based on the following valuation:

Constructions and buildings DKK 2,061,750

Land value DKK 238,250

Total purchase price DKK 2,300,000

§ 4.

The transferred real estate is not publicly valuated by the authorities. The value on the time of sale is 2,300,000 DKK.

§ 5.

There is no debt to the public or others regarding water, road, sidewalk, sewage or the like and what in the future will be allocated of debt on the real estate is of no consequence for Seller. Seller is however informing that no such decision has been made - according to his knowledge.

§ 6.

Buyer knows and respects that the estate has noted the following obligations:

01.05.1962 Document regarding view lines.

02.03.1967 Document regarding view lines.

23.01.1979 Document regarding limited access.

01.05.1979 Document regarding building lines.

25.09.1997 Local City Plan for the area.

Regarding the more specific obligations in the documents the public real estate office is referenced.

Buyer respects all obligations that will be pu on the estate in connection with the subdivision.

§ 7.

Buyer will in connection to the purchase price respect and include the public value added tax obligation connected to the estate. Buyer and Seller jointly signs a declaration to the Danish State.

Seller delivers to Buyer a calculation showing the total VAT obligation.

§ 8.

In reference to the Danish Law number 920 dated December 22nd. 1989 with later changes regarding vacation homes and camping Buyer declares that the estate will be used for purposes not included in the laws description in pgf.1, but on the contrary to business lease.

§ 9.

This deed is conditioned upon:

1. Payment of the purchase price.
2. Approval of the subdivision whereby Seller keeps app. 740 m2 that is leased to StatOil A/S.

The deed is further from buyers side conditioned upon:

3. An agreement between StatOil A/S and Buyer regarding joint access to access roads.

4. That Buyer from Seller receives a right to lease or buy the StatOil leased land if StatOil no longer wants this land for gas station. This right to lease or buy is on marked conditions and respects the StatOil rights to the estate.

5. That StatOils existing lease and purchase rights to the existing estate is cancelled.

The parties gives Attorneys at Law, Erik Berg and Bjarne Ditlevsen, Vojens each the power to give and take final deed when the above conditions are fulfilled. However the ministry of Map and Land is empowered to send this deed to final noting in the estate register when the subdivision is carried out and approved.

§ 10.

The costs connected to this deed is paid as follows:

Taxes and fees connected to this deed and costs connected to declarations regarding joint access to access roads is paid by Seller and buyer with each half.

Seller alone pays own advisor and the costs of subdivision.

Buyer alone pays own advisor.

Skanderborg march 3rd. 2006

As Seller

Anton Nielsen Vojens ApS

A.Madsen (sign)

Vojens March 1st. 2006

As Buyer

Ejendomsselskabet Østergade 67 ApS

Diens Christian Barsø Kliver, Bente Friis Kliver Peter Lorentzen Kliver