U.S. ENERGY HOLDINGS INC.
Form 10KSB/A
May 22, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE

ACT OF 1934

For the fiscal year ended December 31, 2005
[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE

ACT OF 1934

For the transition period from ______________________ to ____________

Commission file number 333-86518

Pitboss Entertainment Inc.
(Name of small business issuer in its charter)

Nevada (State or jurisdiction of incorporation or organization)	75-3025152 (I.R.S. Employer Identification No.)
14435 FM 2920 Tomball Texas, (Address of principal executive offices)	77377 (Zip Code)

Issuer's telephone number: (281) 255-9424

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

Title of each class	Name of each exchange on which registered

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

Common stock, $.001 par value, 25,000,000 shares authorized
2,638,978 shares issued and outstanding as of December 31, 2005
Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during

the past 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. **[X]** Yes **[ ]** No

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not 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. **[ ]**

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PART I

Item 1. Description of Business.

A. Business Development and Summary

Headquartered in Tomball Texas, Pitboss aspires to be a leading diversified owner and operator of multiple entertainment properties, including developments located in Las Vegas, Reno Nevada and Louisiana. Pitboss plans to be the leading growth company in the Entertainment professional services industry as well as Casino/Entertainment operations in 2005. This growth will be fueled by relentless innovation, focused on exceeding client expectations and creating extraordinary opportunities for all parties involved. Pitboss is also a diversified entertainment company with an impressive asset base consisting of both hard assets as well as media properties used to promote and brand such assets. The company also assists outside companies, both public and private, with an affordable suite of media and branding services.

PitBOSS Entertainment, Inc. (OTCBB:PBSS) is also a diversified entertainment company with an impressive asset base consisting of both hard assets as well as media properties used to promote and brand such assets. The company also assists outside companies, both public and private, with an affordable suite of media and branding services.

The Company's content is delivered to a worldwide audience via television, radio, print, the Internet and other media. By entertaining, educating and stimulating understanding of crucial social issues, the Company has built a loyal and rapidly expanding audience for its content, generating multiple revenue streams in advertising, programming, marketing and syndication. The Company's core value of social responsibility influences its content and strategic relationships.

Advertising

Over the past two years, PitBOSS Entertainment (formerly Karma Media, Inc.) has developed its own library of proprietary content, primarily for television. The company's flagship half-hour weekly travel program, "Estelle's Paradise," airs on over 700 television stations around the world and provides PitBOSS Entertainment with an advertising and product placement inventory valued at several million dollars each month, according to individual broadcaster rate cards.

Advertising Deployment

PitBOSS Entertainment established itself as a leader in the development and distribution of entertainment programming, advertising primarily in the United States and the rapidly-growing Hispanic market. In South America alone, the company's programs are broadcast an average of five times each week to a network of 382 television stations via Americana de Television, (www.atel.tv). Domestically, PitBOSS Entertainment's half-hour travel show, "Estelle's Paradise," airs on the Dish Network (Colours TV, channel 9407), DirecTV, the America One Network, as well as on hundreds of independent stations and major network affiliates (ABC, NBC, CBS, UPN) across the country.

Corporate Development, Promotions, Holdings

Our approach is based on years of experience as strategic planners, executive officers and investment bankers. Sound advice requires more than mere theory - it comes from direct, hands-on practice and a sense of having been there yourself.

Pitboss Entertainment Group Inc connects strong management and sound strategy to enable clients to achieve their desired goals without the costly overhead of high salaried executives or inexperienced junior resources. Our highly experienced professionals will understand your needs.

Pitboss Entertainment Inc. administrative office is located at 14435 FM 2920 Tomball Texas, 77377 telephone (281) 255-9424.

Pitboss Entertainment Inc. fiscal year end is December 31.

B. Business of Issuer

(1) Principal Products and Services and Principal Markets

Pitboss Entertainment , Inc., www.pitbossent.com, is a multi-media company producing advertising from original content in multiple languages, primarily for television. The Company's flagship advertising product is "Estelle's Paradise," www.estelle.tv, a half-hour weekly travel show that airs on over 600 television stations around the world. The Company's core value of social responsibility influences its content, productions and strategic relationships.

(2) Distribution Methods of the Products or Services

Pitboss Entertainment relies on a network of over 600 television broadcasters as well as the Internet as its primary marketing and distribution media.

The Company maintains one web property, www.pitbossent.com

The first web site, www.pitbossent.com, reflects the Company's corporate mantra. The site displays the Company's philosophy and commitment. pitbossent.com serves the dual purpose of educating the consumer about the causes pitbossent supports and, above all, explains the Company's strategy of supporting charitable organizations via the systematic distribution of public service announcements.

Pitboss Entertainment leverages the popularity and numerous ongoing media appearances of its Chairman and spokesperson, Latin supermodel and Internet celebrity, Estelle Reyna. Ms. Reyna has been dubbed as one of the most downloaded women on the Internet with an estimated fan base in excess of several million individuals. The 30-minute travel show, "Estelle's Paradise" has arguably become the most widely distributed travel show on earth, with over 600 television broadcasters carrying the show in dozens of countries. The show is produced in both English and Spanish.

(3) Status of any announced new product or service

Pitboss Entertainment has been adding dozens of new broadcasters every month to the distribution of "Estelle's Paradise" and its Spanish counterpart, "El Paraiso de Estelle".

The Company is focusing on adding a consistent stream of new broadcasters, both domestically and internationally and is constantly producing new episodes for the travelogue for additional advertising revenue.

(4) Industry background and competition

The competition for travel content and programming, both for broadcast and Internet delivery, is fierce. While "Estelle's Paradise" has a significant following and is enjoying exponential growth in the number of broadcasters carrying the show, Pitboss Entertainment's existing competitors, as well as potential new competitors, may have significantly greater financial, technical and marketing resources than Pitboss Entertainment. This may allow them to devote greater resources than Pitboss Entertainment can to the development and promotion of new content. These competitors may also engage in more extensive technology research and development and adopt more aggressive pricing policies for their content. As a result, it is possible that Pitboss Entertainment may have difficulty competing for new client broadcasters.

Many websites compete with Pitboss Entertainment's sites for visitors, subscribers, advertisers and e-commerce partners and Pitboss Entertainment expects this competition to increase in the future. Pitboss Entertainment believes that the primary competitive factors in its markets include brand recognition, the quality of content and products, technology, pricing, ease of use, sales and marketing efforts and user demographics. Pitboss Entertainment believes that it competes favorably with respect to each of these factors.

(5) Sources and availability of raw materials and the names of principal suppliers

Pitboss Entertainment's promotional and marketing efforts depend substantially on media content derived from Ms. Reyna's work. However, the Company is in the business of securing new distribution channels and driving exposure and transactions for third party merchants and clients for advertising. As such, Pitboss Entertainment does not rely or depend on any particular supplier.

(6) Customers

The Company's client roster consists of hundreds of domestic and international broadcasters, all of which are listed on the Pitboss Entertainment web site, www.pitbossent.com . Pitboss Entertainment formaly Karma Media also does extensive work for charities and non-profit organizations such as A Special Wish Foundation, the United Nation's World Food Program or the National Wildlife Federation. In addition, Pitboss Entertainment continues to drive transactions to over 300 merchant web sites. While revenues attributable to some clients are larger, no client individually accounts for a significant percentage of the overall revenue stream. At this time, Pitboss Entertainment does not anticipate that its business will depend disproportionately on any particular client or a group of clients.

(7) Intellectual Property

Pitboss Entertainment does not have any patents, trademarks, licenses, franchises, concessions or royalty agreements.

(8) Need for Government Approval

None.

(9) Effect of existing or probable government regulations

Pitboss Entertainment is subject to the same federal, state, and local laws as other companies conducting business on the Internet. Today there are relatively few laws specifically directed towards online services. However, due to the increasing popularity and use of the Internet and online services, many laws relating to the Internet are being debated at the state and federal levels (both in the U.S. and abroad) and it is possible that laws and regulations will be adopted with respect to the Internet or online services. These laws and regulations could cover issues such as user privacy, freedom of expression, pricing, fraud, content and quality of products and services, taxation, advertising, intellectual property rights and information security.

Applicability to the Internet of existing laws governing issues such as property ownership, copyrights and other intellectual property issues, taxation, libel, obscenity and personal privacy is uncertain. The vast majority of these laws was adopted prior to the advent of the Internet and related technologies and, as a result, do not contemplate or address the unique issues of the Internet and related technologies. Those laws that do reference the Internet, such as the Digital Millennium Copyright Act, are only beginning to be interpreted by the courts and their applicability and scope are, therefore, uncertain.

Several states have proposed legislation that would limit the uses of personal user information gathered online or require online services to establish privacy policies. The Federal Trade Commission also has settled several proceedings regarding the manner, in which personal information is collected from users and provided to third parties. Specific statutes intended to protect user privacy have been passed in many non-U.S. jurisdictions. Changes to existing laws or the passage of new laws intended to address these issues could directly affect the way Pitboss Entertainment does business or could create uncertainty on the Internet. This could reduce demand for Pitboss Entertainment's services, increase the cost of doing business as a result of litigation costs or increased service delivery costs, or otherwise harm Pitboss Entertainment's business. In addition, because Pitboss Entertainment's services will be accessible worldwide, and Pitboss Entertainment plans to facilitate sales of goods to users worldwide, foreign jurisdictions may claim that Pitboss Entertainment is required to comply with their laws. Laws regulating Internet companies outside of the U.S. may be less favorable then those in the U.S., giving greater rights to consumers, content owners and users. Compliance may be more costly or may require Pitboss Entertainment to change its business practices or restrict service offerings relative to those in the U.S. Pitboss Entertainment's failure to comply with foreign laws could subject Pitboss Entertainment to penalties ranging from fines to bans on Pitboss Entertainment's ability to offer its services.

(10) Cost of Research and Development

Most of Pitboss Entertainment's general and administrative expenses consist of the costs of management and development of new Internet/website applications. During the year ended December 31, 2005, the general and administrative expenses were $9,108.00

(11) Costs and effects of compliance with environmental laws

None applicable.

(12) Employees

Pitboss Entertainment does not have any employees, but relies on the services of its officers and directors and a number of independent consultants to perform duties ranging from day to day management of operations to graphic design, programming, and bookkeeping. The Company retains the services of about 8 to 12 consultants at all times, depending on the workload.

C. Reports to Security Holders

(1) Pitboss Entertainment will furnish its shareholders with annual financial reports certified by Pitboss Entertainments independent accountants.

(2) Pitboss Entertainment is a reporting issuer with the Securities and Exchange Commission. Pitboss Entertainment will continue to file annual reports on Form 10-KSB, quarterly reports on Form 10-QSB, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended as required to maintain the fully reporting status.

(3) The public may read and copy any materials Pitboss Entertainment files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site (http://www.sec.gov).

Item 2. Description of Property.

Pitboss Entertainment does not have partial or complete ownership of any real estate property.

Item 3. Legal Proceedings.

Pitboss Entertainment is not a party to any pending or contemplated legal proceeding, by a governmental or another authority.

Item 4. Submission of Matters to a Vote of Security Holders.

During the fourth quarter of the fiscal year 2005, no matter was submitted by this report or otherwise to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

Market Information

The common stock of Pitboss Entertainment is traded over-the-counter and quoted on the OTC Bulletin Board under the symbol "PBSS." Public listing of the common stock commenced on June 29 2005 under the symbol PBSS. Prior to that time, there was no public market for Pitboss Entertainment's common stock. On June 29 2005, the trading symbol changed to "PBSS," .

The following table sets forth the high and the low bid quotations for the common stock as reported on the OTC Electronic Bulletin Board for the periods indicated. Such information reflects inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

	Low Bid	High Bid
Three months ended March 31, 2005	$ 1.20	$ 2.00
Three months ended June 30, 2005	$ 2.50	$ 4.00
Three months ended September 30, 2005	$ 0.90	$ 1.10
Three months ended December 31, 2005	$ 0.59	$ 0.59

Holders

As of December 31, 2005, Pitboss Entertainment had approximately 2,638,978 shares of $0.001 par value common stock issued and outstanding held by approximately ninety-seven (97) shareholders of record. Pitboss Entertainment's Transfer Agent is Holladay Stock Transfer, Inc., 2939 North 67 th Place, Scottsdale, AZ 85251, phone (480) 481-3940.

Dividends

Pitboss Entertainment has never declared or paid any cash dividends on its common stock. For the foreseeable future, Pitboss Entertainment intends to retain any earnings to finance the development and expansion of its business, and it does not anticipate paying any cash dividends on its common stock. Any future determination to pay dividends will be at the discretion of the Board of Directors and will be dependent upon then existing conditions, including Pitboss Entertainment's financial condition and results of operations, capital requirements, contractual restrictions, business prospects, and other factors that the board of directors considers relevant.

Securities authorized for issuance under equity compensation plans

None.

Recent Sales of Unregistered Securities.

The following information covers all securities that Pitboss Entertainment sold within the past three years without registering the securities under the Securities Act:

In April 2004, Karma Media executed a consulting agreement with Dartmouth Capital, Inc., for strategic planning, general corporate, and management advisory services in exchange for 900,000 shares of the Karma's common stock. Consultant will, upon request, provide to Karma corporate services on an "as needed" basis, including, but not limited to, (a) assisting Karma's management in executing its business plan; (b) assisting management in identifying and negotiating with firms to provide the appropriate financial services to expedite the Company's ability to achieve its goals and objectives; (c) integrating and coordinating Karma's relationship with its outside professionals (i.e.; legal, accounting, investor relations, etc.) and recommending, when necessary, appropriate new professionals; (d) assisting

Karma in building its management team, Advisory Committee and Board of Directors; (e) assisting management in evaluating and negotiating potential investments, mergers and acquisitions, and strategic partnerships; (f) provide licensing opportunities for Karma and its products and services; and (g) assisting management in developing a recapitalization plan, if the need arises. The term of this Agreement is for thirty-six (36) months, having commenced April 5, 2004. At the time of the issuance, Dartmouth Capital, Inc., was in possession of all available material information about Karma Media, and had a degree of financial sophistication, which allowed them to make an independent assessment of the investment merits of Karma Media. On the basis of these facts, Karma Media claims that the issuance of the shares to Dartmouth Capital, Inc. in April 2004 was qualified for the exemption from registration contained in Section 4(2) of the Securities Act of 1933.

In September 2004, Karma Media hired US EURO Consulting to serve as its non-exclusive corporate finance consultant. In connection with such engagement, US EURO was issued 900,000 shares of Karma's common stock. The term of this engagement is for thirty-six (36) months, having commenced September 8, 2004. At the time of the issuance, US EURO Consulting was in possession of all available material information about Karma Media, and had a degree of financial sophistication, which allowed them to make an independent assessment of the investment merits of Karma Media. On the basis of these facts, Karma Media claims that the issuance of the shares to US EURO Consulting in September 2004 was qualified for the exemption from registration contained in Section 4(2) of the Securities Act of 1933. Also in September 2004, Karma signed an agreement with US EURO Securities, Inc., regarding a proposed "best efforts" equity offering of a certain number of shares of common stock to be issued by the Karma. In exchange, US EURO Securities, Inc., received warrants to purchase a total of 10% of the total number of shares purchased by the investor. US EURO Securities, Inc., may exercise these warrants at a price equal to 100% of the price paid by the investor or the day's closing price if at a discount to the market. These warrants are to be delivered in fully accountable and non-assessable form and will contain standard anti-dilution provisions. The warrants carry unlimited "piggyback" registration rights to any subsequent registration by Karma.

In July of 2005 Pitboss Entertainment initiated a 10 for one stock split bringing the issued and outstanding of the company to 1.6 million shares issued and outstanding.

Item 6. Management's Discussion and Analysis or Plan of Operation. This section must be read in conjunction with the Audited Financial Statements included in this report.

A. Management's Discussion

FY 2005 Pitboss Entertainment , Inc., was incorporated in the State of Nevada on July, 2005, Pitboss Entertainment has only limited start-up operations and generated negligible revenues.

In FY2005, Karma Media /Pitboss Entertainment generated $230,250 in revenue versus $732,475 in FY2004. During FY2005, it has gross profit of $118,113 with total general and administrative expenses amounted to $1,056,711 and a net loss of $938,598 which is equivalent to approximately $0.52 loss per share. The net loss was primarily attributable to $802,036 in costs associated with shares issued for Shares issued for termination agreement with Summit Entertainment Inc.

Liquidity and Capital Resources

As of December 31, 2005, Karma Media /Pitboss Entertainment had $683 in working capital. Karma Media /Pitboss Entertainment's current liabilities as of December 31, 2005 was $23,210.

Pitboss Entertainment believes that it has sufficient resources to continue operations for the next twelve months, FY 2006 for the main reason in February 2006 it has changed it's primary business focus to the oil and gas sector that has increased interest in the company.

B. Plan of Operation

Pitboss Entertainment , Inc., www.pitbossent.com, is a multi-media company producing advetising from original content in multiple languages, primarily for television. The Company's flagship advertising product is "Estelle's Paradise," www.estelle.tv, a half-hour weekly travel show that airs on over 600 television stations around the world. The Company's core value of social responsibility influences its content, productions and strategic relationships.

During FY2004 and early FY2005, Karma Media produced a total of 20 (twenty) half-hour episodes of "Estelle's Paradise" in English as well as an additional 20 (twenty) episodes of "El Paraiso de Estelle", the Spanish version of the show.

In FY2006 The company has changed its core direction into the oil & Gas sector under the supervision of the new CEO Claude Eldridge as of February 2006.

The completed episodes of "Estelle's Paradise" are as follows:

1. "Cooking from around the World"

Estelle shares some of her favorite recipes from her travels around the world. Viewers are welcome into Estelle's kitchen were they are not only introduced to the country of origin of each particular dish, but they are also taught how to create these exotic dishes in their own home.

2. "Kauai I"

Explore the stunning Garden Isle of Hawaii with Estelle, as she hikes the Kalalau Trail, and visits the Wailua and Kipu waterfalls. Viewers will also get an equestrian lesson, and accompany Estelle on horseback through the beautiful Kauai up country.

3. "Kauai II"

Return to the Garden Isle of Hawaii with Estelle, as she embarks on adventures on the water, in the waves, and on land. Viewers are treated to an informative and visually stunning kayak trip and an in-depth surf lesson in one of the most beautiful beaches on earth. Then, viewers get a back stage pass to a photo shoot featuring Estelle and two of the most prominent photographers in the U.S.

4. "Solvang, California"

Discovering travel treasures in your own back yard is the central theme to this charming piece set in the Danish Capital of the U.S.; Solvang. Estelle presents easy tips on how to travel close to home on a limited budget. Then she shows that even sleepy little Solvang has something for everyone when she makes traditional aeberskievers, goes wine tasting, then tops it all off with a spectacular Glider Ride over the Saint Ynez Valley.

5. "Belize - Maruba"

Travel to the mysterious Maruba jungle resort and spa located in the Central American county of Belize. Designed and constructed from the ground up by a local family this unique destination offers luxurious mud baths, massage, and tranquility set in the center of a thriving jungle ecosystem. In addition to indulging herself at the resort, Estelle embarks on a fascinating trip to the haunting Mayan Ruins of Alta Huna, and takes viewers on an arduous jungle safari packed with tips on how to survive in the wild.

6. "Belize - Sundiver"

Visit the tropical island resort Sundiver near San Pedro, Belize. Here Estelle takes you an incredible underwater tour complete with manta rays and sharks. She then gets her first Scuba lesson and takes viewers on her first official dive.

7. "Greece"

Poetically elegant in its sheer beauty, Greece also offers visitors a look in to the history of one of our earliest known civilizations. Travel to the islands of Mykonos and Delos, where visitors have been know to describe the sunlight and surrounding geography as possessing an energy like no other place on earth. Exploring ancient ruins, meeting with local artists, and learning to create authentic Greek Cuisine, are just few of the things awaiting viewers during this timeless episode.

8. "Greece - Belvedere"

Stay with Estelle at a truly cosmopolitan hotel in Mykonos Greece; the Belvedere. Meet local artist Minas who shares his unique art and philosophy on life. Tour the city streets and enjoy breathtaking scenery, all while learning about Greek culture in Greece and around the world.

9. "Venice Beach, California"

Experience the rich diversity that is Venice Beach and its people, on this fun filled adventure to one of the most recognized and visited Beaches in the world. Street artists, musicians, jugglers, clowns, dancers, and entertainers abound as Estelle takes viewers on a tour of the Beach Boardwalk. See the home of Muscle Beach, and the famed Santa Monica Pier while learning a thing or two about belly dancing, drum circles, and the lives of artists pursuing their American Dream.

10. "Los Angeles"

Tour the City of Angels from the sidewalks of downtown all the way up to the base of the Hollywood Sign. Have fun in the sun as Estelle takes you on the Walk of Fame, and gives you the inside scoop on how the get the most out of a trip to Glitter Town.

11. "New York"

See the world in a whole new light with a tour to the Big Apple. Estelle brings her audience on a personal trip where she gets lasix surgery, then tours the city without corrective lenses for the first time. She visits Ellis Island and Lady Liberty while sharing her own immigration story.

12. "New York - Business"

New York is a paradise for those in the business world. Get a unique look inside the American Stock Exchange with Estelle and her good friend Stu Taylor who conducts a rare personal interview with Peter Quick, President of the AMEX. She then finds adventure on the open water with a kayak trip up the famed Hudson River.

13. "South West U. S. Roadtrip"

Hit the open road with Estelle as she takes a trip through the Southwest by automobile. The trip begins in Los Angeles and makes its way through Las Vegas, Southern Nevada, and Arizona. The journey is packed with fun, history, and incredible scenery.

14. "South West U.S. Parks"

The Valley of Fire, Red Rock Canyon, and Sunset Crater, are just a few of the locations Estelle visits in this episode dedicated to U.S. Parks of the Southwest.

15. "Baja California, Mexico"

Head south of the border, and experience Baja California with someone who knows it like her own backyard. Estelle shares her favorite places to dine, shop, and stay while introducing viewers to the warm hospitality of the Mexican people.

16. "Best of Kauai"

Head back to the garden island and re-live Estelle's adventures in this episode featuring her favorite moments in paradise. Some never before seen footage has been added to make this a fun filled episode for the entire family.

17. "Best of Season 1"

This is a must see episode filled with all of Estelle's favorite adventures, locations, places, and people that made Season One of Estelle's Paradise such a huge success. There is something for everyone contained in this half hour of world travel.

18. "Palm Springs"

The resort community of Palm Springs awaits you, as Estelle brings viewers along with her to the playground of the stars. Enjoy a lesson in fine cuisine as Estelle is invited into the kitchen to cook in Palm Springs' only 5 star restaurant. Then, journey to the magical and almost mystical Joshua Tree State Park.

19. "Sedona, Arizona"

See why so many people call Sedona one of the most powerful places on earth. Stay with Estelle at the artist's paradise known as the Sunset Chateau, where she learns about the community of artisans that have come to call Sedona home. See first hand the amazing light and energy surrounding the red rock formations that make up this Arizona gem.

20. "Hotels of the World"

Come along to various places around the world that Estelle has temporarily called home on her travels in search of paradise. Each has its own unique style, luxuries, and artistic design elements. Estelle then shares her secrets to finding just the right place to stay for anyone wanting to discover Paradise on their own.

Karma Media's production team is completing new episodes at the rate of about one every three weeks. The Company's third season of production starts on March 25, 2005 in Portland and Augusta, Maine.

"Estelle's Paradise" has enjoyed wide acceptance with hundreds of broadcasters around the world, including the United States, Spain, the United Kingdom and virtually every country in Latin America. Karma Media's distribution team is constantly adding new broadcasters to its roster of stations that carry the show, both domestically and internationally. A chronology of finalized broadcast agreements can be found further below.

The Company's typical modus operandi is to offer the show to respective broadcasters on a "commercial time split basis". Under this agreement (see appendices for example), the Company typically retains the rights to one half (50%) of the commercial air time available during each half-hour broadcast of "Estelle's Paradise", which is equivalent to anywhere from 2 minutes to 4 minutes per broadcast, depending on the broadcaster and country of distribution. Karma Media in turn intends to sell its allocation of commercial air time to sponsors and advertisers. Starting with FY2005, in addition to collecting fees from potential advertisers and sponsors, the Company also intends to license its shows to broadcasters for a flat fee per episode and is in active negotiations with several broadcasters (both domestically and internationally) interested in carrying the shows in exchange for a license fee.

Additionally, the Company has been working on re-purposing its growing content library for distribution via the Web (webcasts), mobile content delivery (downloadable pictorial and video content for mobile phones and PDAs) and other, ancillary entertainment products. Going forward, the Company expects such alternative content delivery vehicles to produce sustainable operational revenues.

Since its inception, Karma Media has aligned itself with worthwhile, non-profit causes. The Company's core value of social responsibility influences its content, productions and strategic relationships. After signing an agreement with A Special Wish Foundation in FY2004, the Company signed additional agreements with the United Nations

World Food Programme and the National Wildlife Federation in early 2005 (see appendices). Karma Media intends to expand its role as a cause related marketer by supporting and fostering noble causes that tend to benefit humankind.

Chronological Sequence of Events:

From January 20 through January 28 2004, Karma Media produced a pilot for its television show "Estelle's Paradise" on location on the island of Kauai, Hawaii.

On March 15, 2004, Karma Media signed a marketing agreement with Radiovisa Corporation. Radiovisa is a Spanish-language radio company that produces syndicated and network radio programming, targeting US Hispanics of Mexican origin.

The agreement between Karma Media and Radiovisa Corporation had an initial term of three months, commencing April 1, 2004. It called for Karma Media to provide Radiovisa with a daily "vignette" (in Spanish) to be hosted by Karma Media's ChairPerson, Estelle Reyna. Each vignette shall consist of approximately 50 seconds of content to air on the Radiovisa network each weekday between 10am and 12am.

In exchange for the daily vignette, Radiovisa Corporation granted Karma Media, Inc. two 60-second commercial radio spots each weekday. Content of said spots is at the sole discretion of Karma Media, Inc.

On March 23, 2004, Karma Media entered into a broadcast agreement with Urban Television Network Corporation (UATV). Urban Television Network Corporation, based in Las Vegas, NV, with its uplink and master control in Dallas/Fort Worth, TX, is a television network composed of affiliate broadcast television stations across the country that air programming supplied by the network via satellite transmission. The network competes with BET, which is owned by Viacom Inc. for the urban market niche that the Company believes is underserved at this time. The network has approximately 72 affiliates with a household coverage of approximately 22 million households.

The agreement between Karma Media and UATV had a start date of May 2004 and an end date of May 2005. UATV agreed to broadcast a 30-minute travel show produced by Karma Media, Inc. entitled "Estelle's Paradise" and featuring Karma Media's Chairperson, Estelle Reyna, as the host.

In consideration for the broadcast rights to "Estelle's Paradise", UATV granted 2.5 minutes of commercial airtime to Karma Media for each airing of the show, in all markets in which the show airs.

On April 5, 2004, Karma Media signed a reseller agreement with Wildgate Wireless, a marketer of pre-paid calling card products located in Culver City, California.

On April 5, 2004, Karma Media signed a promotion agreement with Qool Aid, LLC, a software distribution company located in Newport Beach, California.

Also on April 5, 2004, Karma Media signed a consulting agreement with Dartmouth Capital, Inc., a company located in East Meadow, New York.

On April 16, 2004, Karma Media signed a 52-week broadcast agreement with Olympusat, a television broadcaster located in West Palm Beach, Florida. Via this agreement, Olympusat agreed to broadcast Karma Media's television show, "Estelle's Paradise", in both English and Spanish on the station know as Colours Television, available to subscribers to the Dish Network on channel 9407.

On April 26, 2004, Karma Media signed a broadcast agreement with WRCX, a television broadcaster located in Dayton, Ohio.

On May 1, 2004, Karma Media signed a broadcast agreement with Tiger Eye Broadcasting, a television broadcaster located in Miramar, Florida.

On May 10, 2004, Karma Media signed a broadcast agreement with WJAL, a television broadcaster located in Chambersburg, Pennsylvania.

On June 2, 2004, Karma Media signed a broadcast agreement with Radio Difusion y Comunicacion, S.A., a radio broadcaster located in the city of Panama, Republic of Panama.

On June 6, 2004, Karma Media signed a broadcast agreement with Americana de Television (ATEL TV), a television broadcaster located in Maracaibo, Venezuela. ATEL TV has more than 300 affiliate stations in South America, Spain and the United States of America.

On June 16, Karma Media signed a broadcast agreement with WYLE and WLLT, a television broadcaster located in Sheffield, Alabama.

During the third quarter of 2004, Karma Media further strengthened its presence as a multi-media company by entering additional broadcast agreements that expand the Company's worldwide reach:

On July 9, 2004, Karma Media signed a 26-week television broadcast agreement with Globe Entertainment Television, DBA Caribbean Superstation (CSS). CSS is located in New Rochelle, New York. The agreement entitled Karma Media to 3.5 minutes of commercial per each half-hour broadcast of "Estelle's Paradise", Karma Media's flagship program.

On August 2, 2004, Karma Media signed a 26-week radio broadcast agreement with WKM Radio 91.5 FM, a broadcaster located in Bolivia, South America. Under the terms of the agreement, Karma Media is entitled to receive 2 minutes of commercial airtime in exchange for providing the WKM Radio with a one-minute radio "vignette" entitled "El Super Minuto Caliente de Estelle".

On September 2, 2004, Karma Media established a membership with the ITEX Corporation, a leading retail trade and barter exchange. The Company intends to use ITEX as an additional vehicle to generate incremental advertising and sponsorship participation within "Estelle's Paradise" and to acquire valuable products and services from other members within the exchange.

On September 8, 2004, Karma Media entered into an agreement with US EURO Securities, Inc., a private, global investment bank headquartered in Los Angeles, California. The three-year engagement agreement proposes a best-efforts equity offering of a certain number of shares of common stock to be issued by the Company, for an amount up to one million dollars ($1,000,000). As of December 31, 2004, no shares had been issued under the terms of the agreement.

Also on September 8, 2004, Karma Media signed an agreement with US EURO Consulting, Inc., a Delaware Corporation. Under the 3-year agreement, Karma Media hired US EURO Consulting as the Company's non-exclusive finance consultant. As compensation for services to be rendered, US EURO Consulting, Inc. received 900,000 restricted shares of Karma Media common stock, in addition to other, performance-based compensation. The Consultant is involved in corporate finance, corporate strategy and planning, and the Company recognizes the substantial experience and knowledge of the Consultant in matters relating to corporate structure and capital resources.

In addition to the agreements described above, the following agreements were concluded during the fourth quarter, 2004:

On October 11, 2004, Karma Media signed a 24-month license agreement with OBETV, a UK-based broadcaster. OBETV will air Karma Media's travel program, "Estelle's Paradise" from two to four times each week. Karma Media will retain the rights to 6 minutes of commercial air time per hour of broadcast.

On October 12, 2004, Karma Media signed an Interactive Marketing and Content Distribution Agreement with Altnet, Inc. Altnet is the world's largest issuer of Digital Rights Managed (DRM) licenses for digital entertainment, issuing around 350,000 licenses each day. Altnet is a joint venture between Brilliant Digital Entertainment (OTCBB: BDEI), and Joltid, developers of the world's most popular P2P technology. Under the terms of the agreement, Altnet will promote, distribute and sell Karma Media's digital content on a "pay per download" basis. Karma Media receives a revenue share equal to 45% of the adjusted gross revenue collected by Altnet.

On October 15, 2004, Karma Media entered into a one-year agreement with Broadcast Marketing Corp. (BMC), a New York Corporation. BMC is a media sales company specializing in merchandise and services barter that can solicit and sell local and national advertisers various media.

On October 20, Karma Media entered into a one-year agreement with America One Television, a broadcaster located in Ft. Worth, Texas. America One is a family-oriented, general entertainment television network that reaches nearly 25 million U.S. homes via a network of over 100 television affiliates. America One's affiliates are primarily independent broadcasters and many of them are major media affiliated stations (ABC, UPN, FOX, WB, etc.). America One Television is a wholly owned subsidiary of USFR Media Group, Houston, Texas. America One airs Karma Media's travel program, "Estelle's Paradise" and grants Karma Media 2 minutes of commercial air time per half-hour broadcast.

On October 27, Karma Media signed a 26-week broadcast agreement with CVM Communications Group Limited (CVMTV), a Kingston-Jamaica based broadcaster. Under the terms of the agreement, Karma Media retains 4 minutes of commercial air time per half-hour broadcast.

On November 18, Karma Media entered into an agreement with Big John's Team, a non-profit organization created with the goal of raising funds for families that desperately need help paying for cancer treatments.

On November 23, 2004, Karma Media signed a content distribution agreement with 9 Squared, Inc. designed to deliver downloadable pictures and video content to mobile phone customers

Also on November 23, 2004, Karma Media signed an office lease agreement with eOfficesuites, Inc. for 5 (five) office suites and a base monthly rent of $3930.00.

On November 29, 2004, Karma Media entered into a 52-week broadcast agreement with KPAL for distribution of both the English and the Spanish version of "Estelle's Paradise".

Also on November 29, 2004, Karma Media signed a 52-week broadcast agreement with KTWO, the ABC station in Casper, Wyoming;

On November 29, 2004, Karma Media's Chief Executive Officer, Dominique Einhorn implemented a Trading Plan SEC Rule 10b5-1 with NevWest Securities Corporation (broker). The 10b5-1 Trading Plan was established in order to enable Dominique Einhorn to purchase or sell shares of common stock of Karma Media, Inc. Between the inception date of the 10b5-1

Trading Plan and March 15, 2005, Mr. Einhorn purchased a total of 74,818 shares of common stock in Karma Media, Inc. (KRMA).

On December 6, 2004, Karma Media signed a 52-week broadcast agreement with KTLE / Telemundo (Midland, Odessa);

Several additional broadcast agreements were signed during the first quarter of 2005.

Pitboss Entertainment's strategy rests on successful branding and the creation of new and innovative channels of distribution. Strategic public relations and the lifelong alignment of Estelle Reyna with non-profit causes should further enhance the Company's stature.

PITBOSS ENTERTAINMENT, INC.

(FORMERLY KARMA MEDIA, INC.)

FINANCIAL STATEMENTS

DECEMBER 31, 2005 AND 2004

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of

PitBoss Entertainment, Inc.

Tomball, Texas

We have audited the accompanying balance sheet of PitBoss Entertainment, Inc., (the Company) as of December 31, 2005, and the related statements of operations, changes in stockholders equity (deficit), and cash flows for the years then ended December 31, 2005 and 2004. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 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 PitBoss Entertainment, Inc., as of December 31, 2005, and the results of its statements of operations, changes in stockholders' equity, and cash flows for the years then ended December 31, 2005 and 2004 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 9 to the financial statements, the Company has sustained operating losses and capital deficits and doesn't have revenues to support its operations that raise substantial doubt about its ability to continue as a going concern. Management's operating and financing plans in regards to these matters are also discussed in Note 9. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

BAGELL, JOSEPHS, LEVINE & COMPANY, LLC

BAGELL, JOSEPHS, LEVINE & COMPANY, LLC

Gibbsboro, New Jersey

May 17, 2006

ASSETS

	2005
Current Assets:	
Cash	$ 683
TOTAL ASSETS	$ 683

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	$ 7,612
Loan payable - officers	15,598
Total Current Liabilities	23,210
STOCKHOLDERS' EQUITY (DEFICIT)	
Common stock, $.001 Par Value; 25,000,000 shares authorized 2,638,978 issued and outstanding as of December 31, 2005	2,639
Warrants outstanding	777,357
Additional paid-in-capital	1,846,897
Accumulated deficit	(2,649,420)
Total Stockholders' Equity (Deficit)	(22,527)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 683

PITBOSS ENTERTAINMENT, INC.
(FORMERLY KARMA MEDIA, INC.)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Revenue	$ 230,250	$ 732,475
Cost of goods sold	112,137	442,441
GROSS PROFIT	118,113	290,034
OPERATING EXPENSES		
General and administrative expenses	1,051,530	1,185,997
Depreciation	5,181	3,220
	1,056,711	1,189,217

Total Operating Expenses		
(LOSS) BEFORE PROVISION FOR TAXES	(938,598)	(899,183)
Provsion for income taxes	-	-
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (938,598)	$ (899,183)
(LOSS) PER SHARE - BASIC AND DILUTED	$ (0.52)	$ (0.59)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	1,801,417	1,522,222

	Common Stock		**Warrants**	**Additional Paid -in**	**Subscription**		
Description	**Shares**	**Amount**	**Outstanding**	**Capital**	**Receivable**	**Deficit**	**Total**
Balance, December 31, 2003	14,800,000	$ 14,800	$ 777,357	$ 150,700	$ (770)	$ (811,639)	$ 130,448
Collections of subscriptions receivable	-	-	-	-	770	-	770
Shares issued for services	1,800,000	1,800	-	880,200	-	-	882,000
Net loss for the year	-	-		-	-	(899,183)	(899,183)
Balance, December 31, 2004	16,600,000	$ 16,600	$ 777,357	$ 1,030,900	$ -	$ (1,710,822)	$ 114,035
Effects of reverse stock split	(14,940,000)	(14,940)	-	14,940	-	-	-
Shares issued for terminated agreement	978,978	979	-	801,057	**-**	**-**	802,036
Net loss for the year	-	-	-	-	-	(938,598)	(938,598)
Balance, December 31, 2005	2,638,978	$ 2,639	$ 777,357	$ 1,846,897	$ -	$ (2,649,420)	$ (22,527)

PITBOSS ENTERTAINMENT, INC.
(FORMERLY KARMA MEDIA, INC.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)	$ (938,598)	$ (899,183)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Shares issued for services	-	882,000
Shares issued for termination agreement	802,036	-
Depreciation	-	3,220
(Increase)decrease in accounts receivable	92,808	(59,328)
(Increase) decrease in prepaid expenses and other current assets	4,770	409
Increase (decrease) in accounts payable and accrued expenses	(8,388)	6,569
Total	891,226	(49,130)
Net cash (used in) operating activities	(47,372)	(66,313)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(8,668)
Net cash (used in) investing activities	-	(8,668)
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of subscriptions receivable	-	770
Increase in amounts due to related party	15,598	-
Net cash provided by financing activities	15,598	770
NET (DECREASE) IN CASH	(31,774)	(74,211)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	32,457	106,668
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 683	$ 32,457

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Shares issued for services	$ -	$ 882,000
Shares issued for termination agreement	$ 802,036	$ -

NOTE 1- HISTORY AND ORGANIZATION OF COMPANY

Karma Media, Inc. (the Company) was organized April 21, 1999 under the laws of the State of Nevada, as Le Gourmet Co. Inc.

On March 11, 2002, the Company amended its Articles of Incorporation to increase the number of authorized shares to 25,000,000 shares and to change the par value to $0.001.

On March 17, 2003, the Company amended its Articles of Incorporation to change its name to Estelle Reyna, Inc.

On September 11. 2003, the Company amended its Articles of Incorporation to change its name to Karma Media, Inc.

On July 8, 2005, the Company amended its Articles of Incorporation to change its name to PitBoss Entertainment, Inc.

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Cash and Cash Equivalents

The Company maintains a cash balance in a non-interest bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Cash equivalents include funds held in a Paypal account. There were no such cash equivalents as of December 31, 2005 and 2004.

Fixed Assets

Fixed assets are recorded at cost. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. Depreciation is calculated using the half year convention over the estimated useful lives as follows:

Computers and equipment 3 years

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED

Impairment of Long-lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. The Company has not had any impairment adjustments for the years ended December 31, 2005 and 2004, respectively.

Revenue Recognition

The Company as of October 2005 ceased its former business plan. The Company formerly recognized revenue when earned through affiliate programs. The affiliate programs are with various companies whereby they will pay a referral or commission for sales generated through a link on the Company's website. The affiliates generally took 30 days to process the commission once the sale occurs. The Company recognized the commission once it was notified of the amount. For consulting, on-line marketing and sponsorship and appearance income the Company recognizes revenue as services are performed.

Advertising Costs

The Company expenses all costs of advertising as incurred. The advertising costs are included in cost of goods sold in the statements of operations for the years ended December 31, 2005 and 2004.

Earnings (Loss) Per Share of Common Stock

Historical net (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) includes additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents were not included in the computation of diluted earnings per share when the Company reported a loss because to do so would be anti-dilutive for the periods presented.

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED

The following is a reconciliation of the computation for basic and diluted EPS:

Start-up Costs

Reporting on the costs of start-up activities follows Statement of Position 98-5 (SOP 98-5), Reporting on the Costs of Start-Up Activities, which provides guidance on the financial reporting of start-up costs and organizational costs and requires most costs of start-up activities and organizational costs to be expensed as incurred. SOP 98-5 is effective for fiscal years beginning after December 15, 1998. With the adoption of SOP 98-5, there has been little or no effect on the Company's financial statements.

Estimates

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

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED

Fair Value of Financial Instruments

Fair value of financial instruments discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2005 and 2004. The respective carrying value of certain balance sheet financial instruments approximated their fair values. These financial instruments include cash and cash equivalents, accounts receivable, prepaid expenses and accounts payable and accrued expenses. Fair values were assumed to approximate carrying values because they are short term in nature and their carrying amounts approximate fair value or they are payable on demand.

Reclassification

Certain amounts for the year ended December 31, 2004 have been reclassified to conform to the presentation of the December 31, 2005 amounts. The reclassifications have no effect on net loss for the year ended December 31, 2004.

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statement basis and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable for the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Recent Pronouncements

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 151, Inventory Costs SFAS No. 151 requires abnormal amounts of inventory costs related to idle facility, freight handling and wasted material expenses to be recognized as current period charges. Additionally, SFAS No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The standard is effective for fiscal years beginning after June 15, 2005.

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED

Recent Pronouncements (Continued)

The adoption of SFAS No. 151 did not have a material impact on the Company's financial position or results of operations.

On December 16, 2004, the Financial Accounting Standards Board (FASB) published Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment* (SFAS 123R). FAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of FAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The provisions of FAS 123R, as amended, are effective for small business issuers beginning as of the next fiscal year after December 15, 2005. Accordingly, the Company will implement the revised standard in the first quarter of fiscal year 2006. Currently, the Company accounts for its share-based payment transactions under the provisions of APB 25, which does not necessarily require the recognition of compensation cost in the financial statements (note 3(e)). Management is assessing the implications of this revised standard, which may materially impact the Company's results of operations in the first quarter of fiscal year 2006 and thereafter.

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections. SFAS No. 154 replaces Accounting Principles Board (APB) Opinion No. 20, Accounting Changes and SFAS No. 3, Reporting Accounting Changes in Interim Financial Statements. SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB No. 20 previously required that most voluntary changes in accounting principle be recognized by including the cumulative effect of changing to the new accounting principle in net income in the period of the change. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The adoption of SFAS No. 154 did not have a material impact on the Company's financial position or results of operations.

NOTE 2- SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED

Recent Pronouncements (Continued)

Stock-Based Compensation

The Company accounts for stock-based awards to employees in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees and related interpretations and has adopted the disclosure-only alternative of SFAS No. 123, Accounting for Stock-Based Compensation. Options granted to consultants, independent representatives and other non-employees are accounted for using the fair value method as prescribed by SFAS No. 123.

NOTE 3- PROVISION FOR INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS No. 109), which requires use of the liability method. SFAS No. 109 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

At December 31, 2005, deferred tax assets consisted of the following:

At December 31, 2005, the Company had accumulated deficits in the amount of $2,649,420 available to offset future taxable income through 2025. The Company established valuation allowances equal to the full amount of the deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

NOTE 4- FIXED ASSETS

During the year ended December 31, 2005, net assets in the amount of $15,252 were removed and their values were charged to compensation of one of the officers of the Company.

NOTE 5- STOCKHOLDERS' EQUITY (DEFICIT)

The Company is authorized to issue 25,000,000 shares of its $0.001 par value common stock for December 31, 2005 and 2004

As of December 31, 2005 the Company had 2,638,978 shares of common stock outstanding.

On July 8 2005, the Company reported and approved a 10 to 1 reverse split of its $0.001 par value common stock.

During 2005, the Company issued 97,898 shares of its $0.001 par value common stock to individuals in a termination agreement. The fair value was $ 802,036.

During 2004, the Company issued 1,800,000 shares of common stock valued at $882,000 for services rendered.

All shares issued previously were retroactively adjusted for the reverse stock split that occurred in 2005

NOTE 6- WARRANTS AND OPTIONS

On December 4, 2003, the Company issued one warrant to a consultant to purchase 3,000,000 shares of the Company's $0.001 par value common stock. The warrant exercise price is $0.50 per share of common stock and substantially all warrants will expire on or before October 31, 2013. The warrant has been determined to have a market value of $777,357 using the Black-Scholes option pricing model with a market value per common share of $0.50, a risk free rate of return of 4.41%, an exercise period of ten years and a volatility of 80% and was discounted for the lack of marketability.

During the years ended December 31, 2005 and 2004, no warrants were exercised.

NOTE 7- RELATED PARTY TRANSACTIONS

During the years ended December 31, 2005 and 2004, the Company paid the president of the Company $56,000 and $34,000, respectively, for his services.

During the years ended December 31, 2005 and 2004, the Company paid the secretary of the Company $110,000 and $82,500, respectively, for her services.

Office space and services were provided without charge by a former officer, director and shareholder through November 2004. Such costs are immaterial to the financial statements and, accordingly, have not been reflected therein. The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 8- COMMITMENT

On December 4, 2003, the Company executed a consulting agreement with Christopher Pair to assist the Company with strategic planning and introducing potential business partners and customers. The agreement provides for (a) consulting fees paid quarterly based on 20% of net revenues less certain revenues attributable to sources not associated with the contract and other expenses; and (b) issuance of one warrant to purchase up to 3,000,000 shares of the Company's $0.001 par value common stock. Consulting fees associated with the warrant were based on a value of $0.50 per share. The value of the warrant was based on the then-market closing price of the Company's common stock. The Company then discounted the then-market closing price because the shares issued and options to purchase shares were restricted and the volume of trading of the Company's common stock that was not restricted was relatively low. The resulting consulting expense recognized for the warrant issuance was $777,356 for the year ended December 31, 2003. During the year ended December 31, 2004, the Company paid no consulting fees and accrued no fees.

NOTE 9- GOING CONCERN

As shown in the accompanying financial statements, the Company has sustained net operating losses for the years ended December 31, 2005 and 2004, and has sustained large accumulated deficits.

The Company's future success is dependent upon its ability to achieve profitable operations and generate cash from operating activities. At December 31, 2005 there is substantial doubt whether this can happen. There is no guarantee that the Company will be able to generate revenues in the near future.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 10- SUBEQUENT EVENTS

On February 1, 2006, the Board of Directors Amended the Articles of Incorporation to change its name and address from PitBoss Entertainment, Inc. to US Energy Holdings, Inc., 4606 FM 1960 W, Suite: 443, Houston, Texas 77069, effective March 3, 2006.

On February 3, 2006, Claude Eldridge was named Chairman/CEO. Mr. Eldridge will also assume he positions of Secretary of US Energy Holdings, formally Pitboss Entertainment, Inc.

In March 2006, US Energy Holdings, Inc. announced it will enter into a joint-venture with Houston-based hawk Explorations, Inc. for the development and drilling of four oil well sites and four natural gas sites.

Item 8A.

Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based upon their evaluation as of the end of the period covered by this report, the Company's chief executive officer and chief financial officer concluded that, the Company's disclosure controls and procedures are not effective to ensure that information required to be included in the Company's periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

A material weakness is a significant deficiency or a combination of significant deficiencies that result in a more than remote likelihood than a material misstatement of the annual or interim financial statements will not be prevented or detected.

Bagell, Josephs, Levine and Company, LLC, our independent registered public accounting firm, has advised management and the board of directors that during their performance of audit procedures for 2005, it had identified the following material weaknesses in our internal controls:

A material weakness exists as of December 31, 2005, with regard to insufficient personnel in the accounting and financial reporting function due to the size of the Company which prevents the ability to employ sufficient resources to have adequate segregation of duties within the internal control system. This material weakness affects management's ability to effectively review and analyze elements of the financial statement closing process and prepare consolidated financial statements in accordance with U.S. GAAP.

In addition, a material weakness exists as of December 31, 2005, in controls over closing procedures due to a number of year-end adjustments. There were deficiencies in the analysis and reconciliation of general ledger accounts which were indicative of a material weakness in controls over closing procedures, including the (a) recognition of expenses in appropriate periods, and (b) the accounting and reporting of capital transactions.

In order to remediate this material weakness in our internal control over financial reporting, management is in the process of designing and implementing and continuing to enhance controls to aid in the correct preparation, review.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.

Directors, Executive Officers, Promoters and Control Persons

Each of Pitboss Entertainment / Karma Media's directors is elected by the stockholders to a term of one (1) year and serves until his or her successor is elected and qualified. Each of the officers is appointed by the Board of Directors to a term of one (1) year and serves until his or her successor is duly elected and qualified, or until he or she is removed from office. The Company does not presently have any standing audit, nominating or compensation committee, or any committee performing similar functions.

The following table sets forth certain information regarding executive officers and directors of Pitboss Entertainment / Karma Media that help positions during 2004, 2005:

Name and Address	Age	Position	Director since
John D. Jarvis	39	President & CEO, Director	2005
Dominique Einhorn	34	President & CEO, Director	2003
Estelle Reyna	32	Vice President-Creative Design, Secretary, Director	2003
Gerard Keenan	43	Vice President-Business Development, Treasurer, Director, Principal Financial Officer	2005
Jonathan Marshall	39	National Sales Director	2004

Note : In February 2006 Claude Eldridge was named CEO and Chairman.

Background of Directors, Executive Officers, Promoters and Control Persons

John D. Jarvis, President & CEO, Director ,John has over ten years experience in strategic marketing and sales with significant emphasis on relationship sales with Fortune 100 companies. He has over five years experience with all aspects of Internet operations and development, including direct experience with web site development for corporate presence as well as content deployment.

Dominique Einhorn, President & CEO, Director , has been involved in the management of on-line direct marketing strategies since 1993. A graduate from the Universite des Sciences Humaines of Strasbourg, France, Mr. Einhorn (with co-founder Matthew Boyce) launched TheArtAuction.com, a pure online art auction in 1996. TheArtAuction.com was eventually sold to a publicly-traded company. From 1998 to 2001, Mr. Einhorn served as President and CEO of Powerclick, Inc., an Internet marketing and consulting firm, which he eventually sold as well. From 2001 to 2003, Mr. Einhorn was CEO of 101marketing, Inc., an Internet marketing and consulting firm specializing in online media buys on behalf of its client base. From 2002 to present, Mr. Einhorn has been President of The MarketDart Corporation, a marketing company specializing in the financial services industry.

Estelle Reyna (a.k.a. Esther Bermudez), Vice President-Creative Design, Secretary, Director , has been a free-lance translator and editor and a professional model and actress since 1998 to present. In 2002, Ms. Reyna briefly served as Director of Business Development for CharityBuy, Inc., a marketing firm specializing in the development of fundraising strategies for the non-profit industry. Ms. Reyna graduated suma cum laude from the Zurich University (Linguistics). She worked as a judiciary interpreter for several years in Switzerland where she founded " Uebersetzer im Gericht ." The association's objective was to make the public and the judicial community aware of the unique role and function of interpreters in the legal system. Ms. Reyna has been an environmental activist contributing to non-profit organizations like Greenpeace and Amnesty International by rendering advice/consulting services for campaigns in South America.

Gerard Keenan, Vice President-Business Development, Treasurer, Director, and Principal Financial Officer, has background experience as a media producer and director. In addition, he has an established background as a broadcast and high-definition engineer. Mr. Keenan first got his hands on a film camera at 8 years old and lead his fellow neighborhood kids in his own 8mm productions, which would then be screened for his small town using a projector and the garage door of his friend's house. His expansive range of skill comprises essentially every technical and creative role in film and television broadcasting, ranging from studio feature films to episodic television. This knowledge gives Mr. Keenan a great advantage as a producer or director, for if trouble arises, he knows how to get it fixed. An accomplished Producer and Director, Mr. Keenan's client list includes ABC, NASCAR, ESPN, University of California, H.P., Sun, Intel, IBM, Cisco, and Network Appliance. In 2001, after 15 years of professional production experience, Mr. Keenan created High Definition Productions, Inc. He has homes in both Santa Cruz and in the rolling hills of Hollywood.

Jonathan Marshall, National Sales Director, brings to Karma Media over ten years of hands-on experience in the advertising industry. A graduate of the California State University at Fullerton, Jonathan Marshall has been directly involved with online marketing since 1993. Mr. Marshall's began his digital career as the founder of a web development firm called Planet Access in Newport Beach, California that later became a digital advertising agency. Planet Access specialized in building custom web-based and top-performing rich media applications. Over the last decade, Mr. Marshall has managed the development of multiple software applications including email and advertising-specific software. He has also successfully overseen the launch of well over 100 web properties. In his capacity as an expert in online transaction-based communication, Mr. Marshall has consulted with a number of high profile clients such as DuPont Corian, the NBA, the NFL, Chuck Jones Enterprises, Looney Tunes, Bell & Howell, Kingston Technologies, Mossimo, Billabong and many others.

Family Relationships

None.

Involvement in Certain Legal Proceedings

No director, officer, significant employee, or consultant of Pitboss Entertainment / Karma Media has been convicted in a criminal proceeding, exclusive of traffic violations.

No director, officer, significant employee, or consultant of Pitboss Entertainment / Karma Media has been permanently or temporarily enjoined, barred, suspended, or otherwise limited from involvement in any type of business, securities or banking activities.

No director, officer, significant employee, or consultant of Pitboss Entertainment / Karma Media has been convicted of violating a federal or state securities or commodities law.

Audit Committee Financial Expert

Pitboss Entertainment / Karma Media's board of directors has determined that Pitboss Entertainment / Karma Media does not have an audit committee financial expert serving on its audit committee.

Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of beneficial ownership and changes in beneficial ownership of the Company's securities with the SEC on Forms 3 (Initial Statement of Beneficial Ownership), 4 (Statement of Changes of Beneficial Ownership of Securities) and 5 (Annual Statement of Beneficial Ownership of Securities). Directors, executive officers and beneficial owners of more than 10% of the Company's common stock are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms that they file.

Except as otherwise set forth above, based solely on review of the copies of such forms furnished to the Company, or written representations that no reports were required, the Company believes that for the fiscal year ended December 31, 2005 directors, executive officers, and beneficial owners complied with Section 16(a) filing requirements applicable to them.

Item 10. Executive Compensation.

SUMMARY COMPENSATION TABLE
(na - not applicable)

		Annual Compensation ($)			Long Term Compensation
(a)	(b)	(c)	(d)	(e)	(f)
Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards ($)
John D. Jarvis President / CEO, Director	2005	0	0	0	0
Dominique Einhorn President & CEO, Director	2004	55,750	0	0	50,000
Estelle Reyna Vice President-Creative Design, Secretary, Director	2004	55,750	0	0	50,000

There are no existing or planned option/SAR grants.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information as of December 31, 2005 with respect to the beneficial ownership of Karma Media's / Pitboss Entertainment Common Stock by all persons known by Karma Media / Pitboss Entertainment to be beneficial owners of more than 5% of any such outstanding classes, and by each director and executive officer, and by all officers and directors as a group. Unless otherwise specified, the named beneficial owner has, to Karma Media's knowledge, either sole or majority voting and investment power.

NONE

Item 12. Certain Relationships and Related Transactions.

Karma Media signed a lease for four (4) office suites with eOfficesuites in November, 2004, commencing December 1st, 2004.

Item 13. Exhibits and Reports on Form 8-K.

(b) Reports on Form 8-K

During the fiscal year ended December 31, 2005, Pitboss Entertainment / Karma Media filed the following Current Reports on Form 8-K:

Date of Report	Date Filed	Items Reported
7/18/2005	7/18/2005	Item 5. Corporate Governance and Management
2/01/2006	4/19/2006	Item 5. Corporate Governance and Management

Item 14. Principal Accountant Fees and Services.

We paid the following fees in each of the prior two fiscal years to its former principal accountant, Beckstead and Watts, LLP (and its predecessor, G. Brad Beckstead, CPA) of Las Vegas, NV.

Year Ended December 31,

	2005	2004	2003
Audit Fees	7,500	7,500	7,500
Audit-Related Fees	-	-	-
Tax Fees			500
All Other Fees			
Total	7,500	7,500	8,000

On April 17, 2005, the Company engaged Bagell Josephs & Company, LLC as its new principal independent accountant. The Company paid the following fees to its present principal auditors, Bagell Josephs & Company, LLC

	Year Ended December 31, 2005
Audit Fees	5,000
Audit-Related Fees	-
Tax Fees	-
All Other Fees	-
Total	5,000

"Audit Fees" consisted of fees billed for services rendered for the audit of Pitboss Entertainment / Karma Media's annual financial statements and for review of the financial statements included in Pitboss Entertainment / Karma Media's quarterly reports on Form 10-QSB.

Beckstead and Watts, LLP, did not perform any non-audit services for Pitboss Entertainment / Karma Media in either the fiscal year ended December 31, 2004 or the fiscal year ended December 31, 2005.

Bagell Josephs & Company, LLC, was paid $5,000 for reviews of financial statements included in our quarterly reports filed during the fiscal year ended December 31, 2005.

The Company has no formal audit committee. However, the entire Board of Directors (the "Board") is the Company's de facto audit committee.

The Board discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditors' independence.

The Board reviewed the audited consolidated financial statements of the Company as of and for the year ended December 31, 2005, with management and the independent auditors. Management has the responsibility for the preparation of the Company's financial statements and the independent auditors have the responsibility for the examination of those statements.

Based on the above-mentioned review and discussions with the independent auditors and management, the Board of Directors approved the Company's audited consolidated financial statements and recommended that they be included in its Annual Report on Form 10-KSB for the year ended December 31, 2005, for filing with the Securities and Exchange Commission.

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.

Pitboss Entertainment , Inc.
(Registrant)
By: /s/ John D, Jarvis, President & CEO
March 30, 2006

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John D. Jarvis	President & CEO, Director	March 31, 2006
John D.Jarvis		

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 PURSUANT TO REGULATION SS.240.15D-14 AS PROMULAGATED BY THE SECURITIES AND EXCHANGE COMMISSION

In connection with the Annual Report of Pitboss Entertainment, Inc. (the "Company") on Form 10-KSB for the period ended December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Jarvis, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 pursuant to Regulation ss.240.15d-14 as promulgated by the Securities and Exchange Commission, that:

1) I have reviewed the Report being filed;

2) Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report;

3) Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in the Report;

4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of

internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

By /s/ John D. Jarvis

John D. Jarvis President, Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Pitboss Entertainment, Inc. (the "Company") on Form 10-KSB for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Jarvis , President, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ John D. Jarvis

John D. Jarvis
President , Chief Executive Officer
May 17, 2006