UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-30728

PROTEO, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEVADA	88-0292249
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
2102 BUSINESS CENTER DRIVE, IRVINE, CALIFORNIA	92612
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

(949) 253-4616
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 ☒ No ☐ .

Indicate by check mark whether the registrant has submitted electronically and posted on its web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐ .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "an accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒ .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	NUMBER OF SHARES OUTSTANDING
Common Stock, $0.001 par value	23,879,350 shares of common stock at October 31, 2011

PROTEO, INC.
AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)

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PROTEO, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	September 30, 2011 (Unaudited)	December 31, 2010
CURRENT ASSETS		
Cash and cash equivalents	$ 523,818	$ 698,534
Research supplies	419,957	494,349
Prepaid expenses and other current assets	28,809	33,643
	972,584	1,226,526
PROPERTY AND EQUIPMENT, NET	140,833	168,168
	$ 1,113,417	$ 1,394,694
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 89,759	$ 106,424
Accrued licensing fees	129,519	119,277
	219,278	225,701
LONG TERM LIABILITIES		
Accrued licensing fees	686,361	675,903
	686,361	675,903
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Non-voting preferred stock, par value $0.001 per share; 10,000,000 shares authorized; 694,590 shares and 661,500 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	695	662
Common stock, par value $0.001 per share; 300,000,000 shares authorized; 23,879,350 shares issued and outstanding	23,880	23,880
Additional paid-in capital	8,567,634	8,567,634
Note receivable for sale of preferred stock	(659,970)	(984,400)
Accumulated other comprehensive income	233,274	169,680
Deficit accumulated during development stage	(7,957,735)	(7,284,366)
Total Proteo, Inc. Stockholders' Equity	207,778	493,090
Noncontrolling Interest	-	-
Total Stockholders' Equity	207,778	493,090
Total Liabilities and Stockholders' Equity	$ 1,113,417	$ 1,394,694

SEE ACCOMPANYING NOTES TO THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PROTEO, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
AND FOR THE PERIOD FROM NOVEMBER 22, 2000 (INCEPTION) THROUGH SEPTEMBER 30, 2011

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,		NOVEMBER 22, 2000 (INCEPTION) THROUGH SEPTEMBER 30,
CONSOLIDATED STATEMENTS OF OPERATIONS	2011	2010	2011	2010	2011
REVENUES	$ -	$ -	$ -	$ -	$ -
EXPENSES					
General and administrative	71,408	100,980	228,986	271,173	4,969,781
Research and development	206,453	70,588	413,542	308,955	3,462,433
	277,861	171,568	642,528	580,128	8,432,214
INTEREST AND OTHER INCOME (EXPENSE), NET	79,832	(136,030)	(30,808)	77,732	411,570
NET LOSS	(198,029)	(307,598)	(673,336)	(502,396)	(8,020,644)
LESS: NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	-	63,004
NET LOSS ATTRIBUTABLE TO PROTEO, INC.	(198,029)	(307,598)	(673,336)	(502,396)	(7,957,640)
PREFERRED STOCK DIVIDEND	-	-	(33)	(32)	(95)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (198,029)	$ (307,598)	$ (673,369)	$ (502,428)	$ (7,957,735)
BASIC AND DILUTED LOSS ATTRIBUTABLE TO PROTEO, INC. COMMON SHAREHOLDERS	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	23,879,350	23,879,350	23,879,350	23,879,350	
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS					
NET LOSS ATTRIBUTABLE TO PROTEO, INC.	$ (198,029)	$ (307,598)	$ (673,336)	$ (502,396)	$ (7,957,640)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	(97,113)	149,965	63,594	(102,223)	233,274
COMPREHENSIVE LOSS	$ (295,142)	$ (157,633)	$ (609,742)	$ (604,619)	$ (7,724,366)

SEE ACCOMPANYING NOTES TO THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PROTEO, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
AND FOR THE PERIOD FROM NOVEMBER 22, 2000 (INCEPTION) THROUGH SEPTEMBER 30, 2011

	NINE MONTHS ENDED SEPTEMBER 30,		NOVEMBER 22, 2000 (INCEPTION) THROUGH SEPTEMBER 30,
	2011	2010	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss attributable to Proteo, Inc.	$ (673,336)	$ (502,396)	$ (7,957,640)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	36,906	36,281	476,252
Bad debt expense	-	-	60,408
Loss on disposal of equipment	-	-	4,518
Foreign currency transaction losses (gains)	36,705	(70,722)	128,275
Changes in operating assets and liabilities:			
Research supplies	90,302	17,800	(449,381)
Prepaid expenses and other current assets	39,448	24,642	(95,737)
Accounts payable and accrued liabilities	(16,942)	(63,711)	60,953
Deferred fees	-	-	11,944
Accrued licensing fees	-	-	660,713
NET CASH USED IN OPERATING ACTIVITIES	(486,917)	(558,106)	(7,099,695)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(4,091)	(1,246)	(638,964)
Cash of reorganized entity	-	-	27,638
NET CASH USED IN INVESTING ACTIVITIES	(4,091)	(1,246)	(611,326)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of common stock	-	-	1,792,610
Proceeds from subscribed common stock and issuance of preferred stock to related party	324,430	252,829	6,131,005
NET CASH PROVIDED BY FINANCING ACTIVITIES	324,430	252,829	7,923,615
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(8,138)	(42,345)	311,224
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(174,716)	(348,868)	523,818
CASH AND CASH EQUIVALENTS--BEGINNING OF PERIOD	698,534	689,126	-
CASH AND CASH EQUIVALENTS--END OF PERIOD	$ 523,818	$ 340,258	$ 523,818

SEE ACCOMPANYING NOTES TO THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

BASIS OF PRESENTATION

The accompanying condensed consolidated balance sheet as of December 31, 2010, which has been derived from audited financial statements, and the accompanying interim condensed consolidated financial statements as of September 30, 2011, for the three-month and nine-month periods ended September 30, 2011 and 2010, and for the period from November 22, 2000 (Inception) through September 30, 2011, have been prepared by management pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting. These interim condensed consolidated financial statements are unaudited and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments and accruals) necessary to present fairly the financial condition, results of operations and cash flows of Proteo, Inc. and its wholly owned subsidiary (hereinafter collectively referred to as the "Company") as of and for the periods presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Operating results for the three-month and nine-month periods ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011 or for any other interim period during such year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted in accordance with the rules and regulations of the SEC. The accompanying condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed with the SEC on March 15, 2011.

NATURE OF BUSINESS

The Company is a clinical stage drug development company focusing on the development of anti-inflammatory treatments for rare diseases with significant unmet needs. The Company's management deems its lead drug candidate Elafin for intravenous use to be one of the most prospective treatments of postoperative inflammatory complications in the surgical therapy of esophagus carcinoma, kidney transplantation and coronary arterial bypass surgery. Elafin appears to be also a promising compound for the treatment of pulmonary arterial hypertension. The clinical development is currently focused in Europe with the intention to receive the primary approval in Europe.

The products that the Company is developing are considered drugs or biologics, and hence are governed by the Federal Food, Drug and Cosmetics Act (in the United States) and the regulations of State and various foreign government agencies. The Company's proposed pharmaceutical products to be used by humans are subject to certain clearance procedures administered by the above regulatory agencies.

Since its inception, the Company has primarily been engaged in the research and development of its proprietary product Elafin. Once the research and development phase is complete, the Company intends to seek the various governmental regulatory approvals for the marketing of Elafin. Management believes that none of its planned products will produce sufficient revenues in the near future. As a result, the Company intends to generate revenue by out-licensing and marketing activities. There are no assurances, however, that the Company will be able to develop such products, or if produced, that they will be accepted in the marketplace.

From time to time, the Company enters into collaborative arrangements for the research and development (R&D), manufacture and/or commercialization of products and product candidates. These collaborations may provide for non-refundable, upfront license fees, R&D and commercial performance milestone payments, cost sharing, royalty payments and/or profit sharing. The Company's collaboration agreements with third parties are generally performed on a “best efforts” basis with no guarantee of either technological or commercial success.

Proteo, Inc.'s common stock is currently quoted on the OTC QB under the symbol "PTEO".

DEVELOPMENT STAGE AND GOING CONCERN CONSIDERATIONS

The Company has been in the development stage since it began operations on November 22, 2000, and has not generated any significant revenues from operations. Management plans to generate revenues from out-licensing and product sales, but there is no commitment by any persons for license of the company’s proprietary intellectual property or the purchase of any of the proposed products and there is no assurance of any future revenue. The Company will require substantial additional funding for continuing research and development, obtaining regulatory approvals and for the commercialization of its product. There can be no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to the Company.

DEVELOPMENT STAGE AND GOING CONCERN CONSIDERATIONS (continued)

Management has taken action to address these matters, which include:

- Retention of experienced management personnel with particular skills in the development of such products;
- Attainment of technology to develop biotech products; and
- Raising additional funds through the sale of debt and/or equity securities.

In the absence of significant sales and profits, the Company will be required to raise additional funds to meet its future working capital requirements through the additional sales of debt and/or equity securities. There is no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to the Company.

These circumstances, among others, raise concerns about the Company's ability to continue as a going concern. Based on current cash on hand, anticipated collections of the notes receivable for preferred stock and estimates of future operating expenditures (which are largely based on historical averages), management believes that the Company has sufficient cash to cover its operations for the next 18 to 21 months. There is no assurance that actual operating expenses or anticipated collections of the notes receivable will match management's estimates. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CONCENTRATIONS

The Company maintains substantially all of its cash in bank accounts at a German private commercial bank. The Company's bank accounts at this financial institution are presently protected by the voluntary "Deposit Protection Fund of The German Private Commercial Banks." The Company has not experienced any losses in these accounts.

Proteo, Inc.'s operations, including research and development activities and most of its assets, are located in Germany. The Company's operations are subject to various political, economic, and other risks and uncertainties inherent in Germany and the European Union.

OTHER RISKS AND UNCERTAINTIES

Proteo, Inc.'s line of future pharmaceutical products being developed by its German subsidiary are considered drugs or biologics, and as such, are governed by the Federal Food, Drug and Cosmetics Act (in the United States) and by the regulations of State agencies and various foreign government agencies. There can be no assurances that the Company will obtain the regulatory approvals required to market its products. The pharmaceutical products under development in Germany will be subject to more stringent regulatory requirements because they are recombinant products for humans. The Company has no experience in obtaining regulatory clearance on these types of products. Therefore, the Company will be subject to the risks of delays in obtaining or failing to obtain regulatory clearance and other uncertainties, including financial, operational, technological, regulatory and other risks associated with an emerging business, including the potential risk of business failure.

The Company is exposed to risks related to fluctuations in foreign currency exchange rates. Management does not utilize derivative instruments to hedge against such exposure.

PRINCIPLES OF CONSOLIDATION

The condensed consolidated financial statements have been prepared in accordance with GAAP and include the accounts of Proteo, Inc. and Proteo Biotech AG, its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

PRINCIPLES OF CONSOLIDATION (continued)

Effective January 1, 2009, the Company adopted new guidance to the Consolidation Topic of the Financial Accounting Standard Board's ("FASB") new Accounting Standards Codification ("ASC" or "Codification"). This guidance improves the relevance, comparability and transparency of the financial information that a company provides in its consolidated financial statements by establishing accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This standard requires the Company to classify noncontrolling interests (previously referred to as "minority interest") as part of consolidated net earnings and to include the accumulated amount of noncontrolling interests as part of stockholders' equity.

The net loss amounts the Company has previously reported are presented as "Net loss attributable to Proteo, Inc" and, as required by the Codification, loss per share continues to reflect amounts attributable only to the Company. Similarly, in the presentation of stockholders' equity, the Company distinguishes between equity amounts attributable to the Company's stockholders and amounts attributable to the noncontrolling interest. In addition to these financial reporting changes, this guidance provides for significant changes in accounting related to noncontrolling interests; specifically, increases and decreases in the Company's controlling financial interests in consolidated subsidiaries will be reported in equity similar to treasury stock transactions. If a change in ownership of a consolidated subsidiary results in loss of control and deconsolidation, any retained ownership interests are remeasured with the gain or loss reported in net earnings. Except for presentation, the implementation of this guidance did not have a material effect on the Company's condensed consolidated financial statements because a substantive contractual arrangement specifies the attribution of net earnings and loss not to exceed the noncontrolling interest.

RESEARCH SUPPLIES

The Company capitalizes the cost of supplies used in its research and development activities. Such costs are expensed as used to research and development expenses in the accompanying condensed consolidated statements of operations.

FAIR VALUE OF FINANCIAL INSTRUMENTS AND CERTAIN OTHER ASSETS/LIABILITIES

The Fair Value Measurements and Disclosures Topic of the ASC requires disclosure of fair value information about financial instruments when it is practicable to estimate that value. Management believes that the carrying amounts of the Company's financial instruments, consisting primarily of cash and cash equivalents, accounts payable and accrued liabilities, approximate their fair value at September 30, 2011 due to their short-term nature. The Company does not have any assets or liabilities that are measured at fair value on a recurring basis and, during the three-month and nine-month periods ended September 30, 2011 and 2010 and for the period from November 22, 2000 (Inception) through September 30, 2011, did not have any assets or liabilities that were measured at fair value on a non-recurring basis.

SIGNIFICANT RECENT ACCOUNTING PRONOUNCEMENTS

The Company adopted the FASB's new ASC as the single source of authoritative accounting guidance under the Generally Accepted Accounting Principles Topic. The ASC does not create new accounting and reporting guidance, rather it reorganizes GAAP pronouncements into approximately 90 topics within a consistent structure. All guidance in the ASC carries an equal level of authority. Relevant portions of authoritative content, issued by the SEC, for SEC registrants, have been included in the ASC. After the effective date of the Codification, all nongrandfathered, non-SEC accounting literature not included in the ASC is superseded and deemed nonauthoritative. Adoption of the Codification also changed how the Company references GAAP in its condensed consolidated financial statements.

In April 2010, the FASB issued Accounting Standards Update No. 2010-17. This Update provides guidance on defining a milestone under Topic 605 and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. Consideration that is contingent on achievement of a milestone in its entirety may be recognized as revenue in the period in which the milestone is achieved only if the milestone is judged to meet certain criteria to be considered substantive. Milestones should be considered substantive in their entirety and may not be bifurcated. An arrangement may contain both substantive and nonsubstantive milestones that should be evaluated individually. The adoption of this Update on January 2, 2011 had no material impact to the Company's consolidated financial statements.

SIGNIFICANT RECENT ACCOUNTING PRONOUNCEMENTS (continued)

Except as described above, in the opinion of management, neither the FASB, its Emerging Issues Task Force, the AICPA, nor the SEC have issued any additional accounting pronouncements since the Company filed its December 31, 2010, Form 10-K that are expected to have material impact on the Company's future consolidated financial statements.

2. STOCK SUBSCRIPTIONS RECEIVABLE AND OTHER EQUITY TRANSACTIONS

The Company is authorized to issue 10,000,000 shares of preferred stock, $0.001 par value. Except as described below, the Board of Directors has not designated any liquidation value, dividend rates or other rights or preferences with respect to any shares of preferred stock.

The Board of Directors has designated 750,000 preferred shares as non-voting Series A Preferred Stock. As more fully described in the Company’s Form 8-K filed with the SEC on June 11, 2008, holders of Series A Preferred Stock are entitled to receive preferential dividends, if and when declared, at the per share rate of twice the per share amount of any cash or non-cash dividend distributed to holders of the Company's common stock. If no dividend is distributed to common stockholders, the holders of Series A Preferred Stock are entitled to an annual stock dividend payable at the rate of one share of Series A Preferred Stock for each twenty shares of Series A Preferred Stock owned by each holder of Series A Preferred Stock. The annual stock dividend shall be paid on June 30 of each year commencing in 2009 and no stock dividends will be paid after December 31, 2011. The Company issued 33,090 preferred shares and 31,500 preferred shares during the nine-month periods ended September 30, 2011 and 2010, respectively, in connection the annual stock dividend.

The Company entered into a Preferred Stock Purchase Agreement, as amended, for preferred shares sold in 2008. During the nine-month period ended September 30, 2011, the Company received payments approximating $324,000, in connection with this agreement. The note receivable approximated $660,000 at September 30, 2011.

There were no issuances of common stock during the nine-month periods ended September 30, 2011 and 2010, nor have any stock options been granted from inception to date.

3. LOSS PER COMMON SHARE

Basic loss per common share is computed based on the weighted average number of shares outstanding for the period. Diluted loss per common share is computed by dividing net loss attributable to common stockholders by the weighted average shares outstanding assuming all dilutive potential common shares were issued. There were no dilutive potential common shares outstanding at September 30, 2011 and 2010. Additionally, there were no adjustments to net loss to determine net loss available to common shareholders. As such, basic and diluted loss per common share equals net loss, as reported, divided by the weighted average common shares outstanding for the respective periods.

4. FOREIGN CURRENCY TRANSLATION

Assets and liabilities of the Company's German operations are translated from Euros (the functional currency) into U.S. dollars (the reporting currency) at period-end exchange rates; equity transactions are translated at historical rates; and income and expenses are translated at weighted average exchange rates for the period. Net foreign currency exchange gains or losses resulting from such translations are excluded from the results of operations but are included in other comprehensive income and accumulated in a separate component of stockholders' equity. Accumulated other comprehensive income approximated $233,000 at September 30, 2011 and $170,000 at December 31, 2010.

5. FOREIGN CURRENCY TRANSACTIONS

The Company records payables related to a certain licensing agreement (Note 7) in accordance with the Foreign Currency Matters Topic of the Codification. Quarterly commitments under such agreement are denominated in Euros. For each reporting period, the Company translates the quarterly amount to U.S. dollars at the exchange rate effective on that date. If the exchange rate changes between when the liability is incurred and the time payment is made, a foreign exchange gain or loss results. The Company has made no payments under this licensing agreement during the nine-month periods ended September 30, 2011 and 2010, and, therefore, has not realized any significant foreign currency exchanges gains or losses during these periods.

Additionally, the Company computes a foreign exchange gain or loss at each balance sheet date on all recorded transactions denominated in foreign currencies that have not been settled. The difference between the exchange rate that could have been used to settle the transaction on the date it occurred and the exchange rate at the balance sheet date is the gain or loss that is currently recognized. The Company recorded foreign currency transaction (losses) gains of approximately $(37,000) and $71,000 for the nine-month periods ended September 30, 2011 and 2010, respectively, which are included in interest and other income (expense), net in the accompanying condensed consolidated statements of operations and comprehensive loss.

6. SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION

The Company considers itself to operate in one segment and has not generated any significant operating revenues since its inception. All of the Company's property and equipment are located in Germany.

7. DR. WIEDOW LICENSE AGREEMENT

On December 30, 2000, the Company entered into a thirty-year license agreement, beginning January 1, 2001 (the "License Agreement"), with Dr. Oliver Wiedow, MD, the owner and inventor of several patents, patent rights and technologies related to Elafin. Pursuant to the License Agreement, the Company agreed to pay Dr. Wiedow an annual license fee of 110,000 Euros for a period of six years. No payments were made through fiscal year 2003. In 2004, the License Agreement was amended to require the Company to make annual payments of 30,000 Euros, to be paid on July 15 of each year, beginning in 2004. Such annual payment could be increased to 110,000 Euros by June 1 of each year based on an assessment of the Company's financial ability to make such payments. In December 2007 the Company paid Dr. Wiedow 30,000 Euros. The License Agreement was again amended by an Amendment Agreement to the License Agreement (the "Amendment") dated December 23, 2008. Pursuant to the Amendment, the Company and Dr. Wiedow agreed that the Company would pay the outstanding balance of 630,000 Euros to Dr. Wiedow as follows: for fiscal years 2008 to 2012, the Company shall pay Dr. Wiedow 30,000 Euros per year, and for fiscal years 2013 to 2016, the Company shall pay Dr. Wiedow 120,000 Euros per year. The foregoing payments shall be made on or before December 31 of each fiscal year. In December 2008 the Company paid Dr. Wiedow 30,000 Euros. The payments of 30,000 Euros due on December 31, 2009 and 2010 were not made; however, in July 2011, Dr. Wiedow agreed in writing to waive the non-payment defaults and agreed to defer the due date of each such payment until December 31, 2011. While the total amount owed does not currently bear interest, the Amendment provides that any late payment shall be subject to interest at an annual rate equal to the German Base Interest Rate (0.12% as of January 1, 2011) plus six percent. In the event that the Company's financial condition improves, the parties can agree to increase and/or accelerate the payments.

The Amendment also modified the royalty payment such that from the date of the Amendment the Company will not only pay Dr. Wiedow a three percent royalty on gross revenues from the Company's sale of products based on the licensed technology but also three percent of the license fees (including upfront and milestone payments and running royalties) received by the Company or its subsidiary from their sublicensing of the licensed technology. At September 30, 2011, the Company has accrued approximately $816,000 due in accordance with this agreement.

Pursuant to the License Agreement, as amended, Dr. Wiedow may terminate the License Agreement in the event of a breach which is not cured within 90 days following written notice of such breach. In addition, Dr. Wiedow may terminate the License Agreement immediately in the event of the Company’s bankruptcy, insolvency, assignment for the benefit of creditors, insolvency, liquidation, assignment of all or substantially all of its assets, failure to continue to develop Elafin. After any termination, to the extent permitted by applicable law, the Company will return all documents, information and data received by Dr. Wiedow and will immediately cease to develop, manufacture or sell Elafin.

Dr. Wiedow, who is a director of the Company, beneficially owned approximately 45% of the Company's outstanding common stock as of September 30, 2011.

8. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, whereby 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 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. Management evaluates the need to establish a valuation allowance for deferred tax assets based upon the amount of existing temporary differences, the period in which they are expected to be recovered and expected levels of taxable income. A valuation allowance to reduce deferred tax assets is established when it is “more likely than not” that some or all of the deferred tax assets will not be realized. Management has determined that a full valuation allowance against the Company’s net deferred tax assets is appropriate.

There is no material income tax expense recorded for the periods ended September 30, 2011 and 2010, due to the Company's net losses and related changes to the valuation allowance for deferred tax assets.

8. INCOME TAXES (continued)

As of September 30, 2011, the Company has a deferred tax asset and an equal amount of valuation allowance of approximately $2,132,000, relating primarily to federal and foreign net operating loss carryforwards of approximately $507,000 and $1,357,000, respectively, as discussed below, and timing differences related to the recognition of accrued licensing fees of approximately $268,000.

The Company has federal and foreign net operating loss carry forwards approximating $1,491,000 and $5,426,000, respectively at September 30, 2011, which are expected to begin expiring in 2025 for federal purpose and for foreign purpose it has an indefinite life.

Utilization of the net operating losses ("NOL") carry forwards may be subject to a substantial annual limitation due to ownership change limitations that may have occurred or that could occur in the future, as required by Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), as well as similar state and foreign provisions. These ownership changes may limit the amount of NOL carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an "ownership change" as defined by Section 382 of the Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the market value of a company by certain stockholders or public groups. Due to the existence of the valuation allowance, future changes in the Company's unrecognized tax benefits will not impact its effective tax rate. Any carry forwards that may expire prior to utilization as a result of such limitations will be removed, if applicable, from deferred tax assets with a corresponding reduction of the valuation allowance.

Based on management's evaluation of uncertainty in income taxes, the Company concluded that there were no significant uncertain tax positions requiring recognition in its financial statements or related disclosures. Accordingly, no adjustments to recorded tax liabilities or accumulated deficit were required. As of September 30, 2011, there were no increases or decreases to liability for income taxes associated with uncertain tax positions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENTS:

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends that such forward-looking statements be subject to the safe harbors created by such statutes. The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. Accordingly, to the extent that this Quarterly Report contains forward-looking statements regarding the financial condition, operating results, business prospects or any other aspect of the Company, please be advised that the Company's actual financial condition, operating results and business performance may differ materially from that projected or estimated by management in forward-looking statements.

Such differences may be caused by a variety of factors, including but not limited to adverse economic conditions, intense competition, including intensification of price competition and entry of new competitors and products, adverse federal, state and local government regulation, inadequate capital, unexpected costs and operating deficits, increases in general and administrative costs and other specific risks that may be alluded to in this Quarterly Report or in other reports issued by the Company. In addition, the business and operations of the Company are subject to substantial risks that increase the uncertainty inherent in the forward-looking statements. The inclusion of forward looking statements in this Quarterly Report should not be regarded as a representation by management or any other person that the objectives or plans of the Company will be achieved.

Since inception, the Company has generated a relatively minor amount of non-operating revenue from its licensing activities and does not expect to report any significant operating revenue until the successful development and marketing of its planned pharmaceutical and other biotech products. Additionally, after the launch of the Company's products, there can be no assurance that the Company will generate positive cash flow and there can be no assurances as to the level of revenues, if any, the Company may actually achieve from its planned principal operations.

OVERVIEW

The Company is a clinical stage drug development company focusing on the development of anti-inflammatory treatments for rare diseases with significant unmet needs. The Company's management deems its lead drug candidate Elafin for intravenous use to be one of the most prospective treatments of postoperative inflammatory complications in the surgical therapy of esophagus carcinoma, kidney transplantation and coronary arterial bypass surgery. Elafin appears to be also a promising compound for the treatment of pulmonary arterial hypertension. The clinical development is currently focused in Europe with the intention to receive the primary approval in Europe.

The Company's success will depend on its ability to prove that Elafin is well tolerated by humans and its efficacy in the indicated diseases in order to demonstrate a favorable risk/benefit balance. There can be no assurance that the Company will be able to develop feasible production procedures in accordance with Good Manufacturing Practices ("GMP") standards, or that Elafin will receive any governmental approval for its use in further clinical trials or its use as a drug in any of the intended applications.

Proteo has obtained Orphan drug designations within the European Union for the use of Elafin in treatment for the treatment of pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension as well as for the treatment of esophagus carcinoma. Orphan drug designation assures exclusive marketing rights for the treatment of the respective disease within the EU for a period of up to ten years after receiving market approval. In addition, a simplified, accelerated and less expensive approval procedure with the assistance of European Medicines Agency (“EMA”), the European FDA equivalent, can be drawn upon.

Proteo currently focuses on the development of Elafin for treatment of postoperative inflammatory complications in the surgical therapy of esophagus carcinoma. Clinical trials for further indications and preclinical research into new fields of application are conducted in cooperation with Universities and our licensing partner Minapharm.

Proteo has presented the current status of the clinical development on the Biochemical Society Meeting - Structure and function of Whey Acidic protein 4-disulphide core proteins – in Cambridge on April 2011, published in Biochemical Society Transactions in October 2011.

CLINICAL DEVELOPMENT

After developing a production procedure for Elafin, the Company has initiated clinical trials to achieve governmental approval for the use of Elafin as a drug in Europe. For this purpose, the Company has contracted an experienced Contract Manufacturing Organization in Europe to produce Elafin in accordance with GMP standards as required for clinical trials. The excellent tolerability of Elafin in human subjects was demonstrated in a Phase I clinical single dose escalating study.

Treatment of Esophagus Carcinoma

A double-blind, randomized, placebo-controlled Phase II clinical trial on the effect of Elafin on the postoperative inflammatory reactions and postoperative clinical course was conducted in patients undergoing esophagectomy for esophagus carcinoma. We announced the favorable influence of Elafin treatment on the postoperative recovery in February 2011. In January 2010 Orphan Drug Designation was awarded to the Company by the European Commission for the use of Elafin in the treatment of esophagus carcinoma. The Company has received protocol assistance for further clinical development by the European Medicines Agency (EMA).

Treatment of Coronary Bypass Patients

In September 2009 the Company signed a Memorandum of Understanding with the University of Edinburgh. Within the framework of collaboration, the recruitment and treatment of patients into the EMPIRE-Study, which will investigate the efficacy of Elafin in preventing complications of coronary bypass surgery, was started in the third quarter of 2011. EMPIRE (Elafin Myocardial Protection from Ischaemia Reperfusion Injury) is a placebo-controlled, double-blinded, monocentric Phase-II study with 80 patients. Up to date, approximately 10 percent of the patients were recruited. The study is being performed under the supervision of the cardiologist Dr. Peter Henriksen at NHS Lothian's Edinburgh Heart Centre in association with The University of Edinburgh, one of the leading European universities in the area of cardiovascular research. The aim of the study is to investigate the efficacy and safety of intraoperatively administered Elafin in coronary bypass surgery. Inflammation of cardiac muscle and the resulting muscle injury after a bypass operation remain a frequent and unresolved problem. The study is funded by the Medical Research Council (MRC) and Chest Heart & Stroke Scotland (CHSS) with funding in excess of 500,000 GBP.

Treatment of Kidney Transplantation

The Company's licensing and development partner, Minapharm Pharmaceuticals SAE, has initiated a Phase II clinical trial on the use of Elafin in kidney transplantation patients. This trial is concerned with the prevention of acute organ rejection and chronic graft injury (allograft nephropathy) and will be conducted at the University of Cairo. The start and conduct of the trial may be influenced by the actual political situation in Egypt. Actually, the consequences cannot be overseen by management.

PRECLINICAL RESEARCH

Pulmonary arterial Hypertension and Lung Diseases

Since 2008, the Company has cooperated with scientists at Stanford University in California with respect to the preclinical development in the field of pulmonary arterial hypertension and ventilation induced injury. The group presented new preclinical data on the Company's drug substance Elafin at the Annual International Conference of the American Thoracic Society in New Orleans in May 2010. The data show that the treatment with Elafin during mechanical ventilation largely prevented the inflammation in lungs of newborn mice. In August 2010 the cooperation agreement with Stanford University was extended by a further project.

In the third quarter of 2011 the Stanford School of Medicine research team led by Marlene Rabinovitch, MD, has been awarded a five-year, $10.8 million grant from the National Heart, Lung and Blood Institute for the study of elafin's ability to treat three distinct lung problems. The Stanford team will test whether, elafin prevents such lung damage or promotes healing of damaged tissue in three lung diseases. The grant will fund one project for each disease, all three of which are notoriously difficult to treat. Rabinovitch will lead Project 1 on pulmonary hypertension, or elevated blood pressure in the arteries that supply blood to the lungs, which kills more than 60 percent of patients within five years of diagnosis. Project 2 will focus on ventilator-induced injury of the immature lung, which causes lasting lung damage in premature babies. This project will be led by Richard Bland, MD, professor of neonatology. Project 3, which is to be led by Mark Nicolls, MD, associate professor of pulmonary and critical care medicine and chief of the Division of Pulmonary and Critical Care Medicine, examines chronic lung transplant rejection, which leads lung transplant recipients to have the worst survival statistics of all organ recipients.

Vascular damage

The Company entered into an agreement with the Molecular Imaging North Competence Center (MOIN CC) at the Christian-Albrechts-University of Kiel in April 2010. Under this agreement the effects of Elafin on vascular changes will be examined in animal models. The federal state of Schleswig-Holstein is backing the creation and infrastructure of MOIN CC with 8.2 million EUR using funding from the federal state and the European Regional Development Fund (ERDF), as well as resources from the second German economic stimulus package.

Life-threatening Infections

In June 2010 the Company signed a cooperative research and development agreement with the US Army Medical Research Institute of Infectious Diseases (USAMRIID). This agreement allows USAMRIID to use Proteo's Elafin and related scientific data in order to plan and conduct preclinical research on the development of new therapeutic strategies to combat life-threatening infectious diseases, in an investigation into the use of Elafin as a co-therapy with antibiotics.

RESULTS OF OPERATIONS

OPERATING EXPENSES

The Company's operating expenses for the three-month and nine-month periods ended September 30, 2011 approximated $278,000 and $643,000, respectively, an increase of approximately $106,000 and $62,000 over the respective periods of the prior year. General and administrative expenses (mostly professional and legal fees) for the three-month and nine-month periods decreased $30,000 and $42,000, respectively, and research and development expenses increased $136,000 and $105,000 over the same periods, accounting for the increase in operating expenses. The increase in research and development expenses is primarily due to increased expenses for clinical research, due to the start of the EMPIRE trial, as previously discussed in the Form 10-Q.

INTEREST AND OTHER INCOME (EXPENSE)

Net interest and other income (expense) for the three-month and nine-month periods ended September 30, 2011 approximated $80,000 and ($31,000), respectively, compared to $(136,000) and $78,000 for the respective periods in 2010, a net change of approximately $216,000 and ($109,000), respectively. The changes are driven primarily by foreign currency transaction gains and losses in 2011 on the license accrual and certain other payables denominated in a foreign currency caused by fluctuations of the U.S. Dollar compared to the Euro.

INCOME TAXES

There is no material income tax expense recorded for the periods ended September 30, 2011 and 2010, due to the Company's net losses. As of September 30, 2011, the Company has a deferred tax asset and an equal amount of valuation allowance of approximately $2,132,000, relating primarily to federal and foreign net operating loss carry forwards of approximately $507,000 and $1,357,000, respectively, as discussed below, and timing differences related to the recognition of accrued licensing fees of approximately $268,000.

The Company has federal and foreign net operating loss carry forwards approximating $1,491,000 and $5,426,000, respectively at September 30, 2011, which are expected to begin expiring in 2025 for federal purpose and for foreign purpose it has an indefinite life. In the event the Company were to experience a greater than 50% change in ownership, as defined in Section 382 of the Internal Revenue Code, the utilization of the Company's tax NOLs could be severely restricted.

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

The Company experienced a net gain (loss) of approximately $64,000 and $(102,000) in foreign currency translation adjustments during the nine-month periods ended September 30, 2011 and 2010, respectively. The changes are primarily due to a fluctuating U.S. Dollar (our reporting currency) compared to the Euro (our functional currency) during the periods. The value of the Euro compared to the U.S. Dollar increased approximately 3% from December 31, 2010 to September 30, 2011, driving balance sheet increases to accrued licensing fees. The value of the Euro decreased almost 6% between June 30, 2011 and September 30, 2011.

LIQUIDITY AND CAPITAL RESOURCES

Since our inception we have raised a total of (i) approximately $4,983,000 from the sale of 20,065,428 shares of our common stock, of which 6,585,487 shares, 300,000 shares and 1,500,000 shares have been sold at $0.40 per share, $0.84 per share and $0.60 per share, respectively, under stock subscription agreements in the amount of approximately $2,035,000, $252,000 and $900,000, respectively, and (ii) $2,940,000 from the sale of 600,000 shares of the Company's non-voting Series A Preferred Stock. The balance of the purchase price for the Series A Preferred Stock is evidenced by a promissory note which, as of September 30, 2011, had a principal balance of approximately $660,000. See Note 2 to the condensed consolidated financial statements included elsewhere herein for the payment terms under the promissory note.

Proteo is a holding company that owns 100% of Proteo, AG,, its operating subsidiary in Germany (the “Subsidiary”). To date the Subsidiary has not had any earnings, and it does not expect to have any earnings for several years pending the approval of its first product candidate. In this regard, there were no undistributed earnings of the Subsidiary to repatriate to the U.S. parent (i.e. the Company).

As of September 30, 2011, the Company had not made the required accrued licensing fee payments to Dr. Wiedow of 30,000 Euros on each of December 31, 2009 and December 31, 2010, pursuant to the terms of their License Agreement, as amended. Dr. Wiedow has agreed in a binding writing to defer such payments until December 31, 2011. See Note 7 to the consolidated financial statements include elsewhere for the payment terms under the License Agreement.

The Company has cash approximating $524,000 as of September 30, 2011 to support current and future operations. This is a decrease of $175,000 over the December 31, 2010 cash balance of approximately $699,000. Such cash is held by the Subsidiary in Germany in Euros. The Company does not intend to repatriate any amount of this cash to the United States as it will be used to fund the Subsidiary’s continued operations.

Management believes that the Company will not generate any significant revenues in the next few years. Given the Company's current cash on hand ($524,000 at September 30, 2011) and anticipated collection on its note receivable (approximately $660,000 in total), management believes the Company has sufficient cash on hand to cover its operations for the next 18 to 21 months. As for periods beyond the next 18 to 21 months, we expect to continue to direct the majority of our research and development expenses towards the development of Elafin although it is extremely difficult for us to reasonably estimate all future research and development costs associated with Elafin due to the number of unknowns and uncertainties associated with preclinical and clinical trial development.

These unknown variables and uncertainties include, but are not limited to:

- the uncertainty of future clinical trial results;
- the uncertainty of the ultimate number of patients to be treated in any current or future clinical trial;
- the uncertainty of the applicable regulatory bodies allowing our studies to move forward;
- the uncertainty of the rate at which patients are enrolled into any current or future study. Any delays in clinical trials could significantly increase the cost of the study and would extend the estimated completion dates;
- the uncertainty of terms related to potential future partnering or licensing arrangements;
- the uncertainty of protocol changes and modifications in the design of our clinical trial studies, which may increase or decrease our future costs; and
- the uncertainty of our ability to raise additional capital to support our future research and development efforts beyond December 2012.

As a result of the foregoing, the Company's success will largely depend on its ability to generate revenues from out-licensing activities, secure additional funding through the sale of its Common/Preferred Stock and/or the sale of debt securities. There can be no assurance, however, that the Company will be able to generate revenues from out-licensing activities and/or to consummate debt or equity financing in a timely manner, or on a basis favorable to the Company, if at all.

RESEARCH SUPPLIES

The Company’s capitalized research supplies have decreased from $494,000 at December 31, 2010 to $420,000 at September 30, 2011. The decrease is primarily the result of supplies being consumed in connection with the clinical research and development activities, as discussed previously in Part 1, Item 2 of this Form 10-Q.

GOING CONCERN

The Company's independent registered public accounting firm stated in their Auditors’ Report included in the Company’s Form 10-K for the year ended December 31, 2010 filed with the Securities and Exchange Commission on March 15, 2011, that the Company will require a significant amount of additional capital to advance the Company's products to the point where they may become commercially viable and has incurred significant losses since inception. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. Therefore, the Company will be required to seek additional funds to finance its long-term operations. The successful outcome of future activities cannot be determined at this time and there is no assurance that if achieved, the Company will have sufficient funds to execute its intended business plan or generate positive operating results.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off balance sheet arrangements.

CAPITAL EXPENDITURES

None significant.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

A smaller reporting company ("SRC") is not required to provide any information in response to Item 305 of Regulation S-K.

ITEM 4T. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including to Birge Bargmann our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15 under the Exchange Act, our management, including Birge Bargmann our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2011. Based on that evaluation, Ms. Bargmann concluded that as of September 30, 2011, and as of the date that the evaluation of the effectiveness of our disclosure controls and procedures was completed, our disclosure controls and procedures were effective.

b) Changes in Internal Control Over Financial Reporting

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, has concluded there were no significant changes in our internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS

Not required for SRCs.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. [REMOVED AND RESERVED]

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Index:

2.1	Agreement and Plan of Share Exchange (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Commission on May 6, 2002)
3.1	Articles of Incorporation, dated December 18, 1992 (Incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-SB filed with the Commission on April 25, 2000)
3.2	Amendment to Articles of Incorporation, dated October 31, 1996 (Incorporated by reference to Exhibit 3.2 to the Registrant's Form 10-SB filed with the Commission on April 25, 2000)
3.3	Amendment to Articles of Incorporation, dated February 12, 1998 (Incorporated by reference to Exhibit 3.3 to the Registrant's Form 10-SB filed with the Commission on April 25, 2000)
3.4	Amendment to Articles of Incorporation, dated May 18, 1999 (Incorporated by reference to Exhibit 3.4 to the Registrant's Form 10-SB filed with the Commission on April 25, 2000)
3.5	Amendment to Articles of Incorporation, dated July 18, 2001 (Incorporated by reference to Exhibit 3.5 to the Registrant's Annual Report on Form 10-KSB filed with the Commission on May 10, 2002)
3.6	Amendment to Articles of Incorporation, dated January 11, 2002 (Incorporated by reference to Exhibit 3.6 to the Registrant's Annual Report on Form 10-KSB filed with the Commission on May 10, 2002)
3.7	Articles of Share Exchange, dated April 25, 2002 (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Commission on May 6, 2002)
3.8	By-Laws, dated December 18, 1992 (Incorporated by reference to Exhibit 3.5 to the Registrant's Form 10-SB filed with the Commission on April 25, 2000)
3.9	Certificate of Designation of Series A Preferred Stock dated June 5, 2008 (Incorporated by reference to Exhibit 3.9 to the Registrant's Current Report on Form 8-K filed with the Commission on June 11, 2008)

10.3	Common Stock Purchase Agreement dated November 7, 2005 (Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the Commission on November 14, 2005)
10.4	Promissory Note dated November 7, 2005 with Guaranty (Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the Commission on November 14, 2005)
10.5	Common Stock Purchase Agreement dated December 22, 2006 (Incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the Commission on December 22, 2006)
10.6	Promissory Note dated December 22, 2006 (Incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the Commission on December 22, 2006)
10.7	License Agreement dated August 9, 2007, by and between Proteo Biotech AG and Rhein Minapharm Biogenetics SAE. (Incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-QSB filed with the Commission on November 14, 2007) **
10.8	Preferred Stock Purchase Agreement dated June 9, 2008 ***
10.9	Promissory Note dated June 9, 2008 (Incorporated by reference to Exhibit 10.9 to the Registrant's Current Report on Form 8-K filed with the Commission on June 11, 2008)
10.10	Amendment to the License Agreement between the Registrant and Dr. Oliver Wiedow dated December 23, 2008 (Incorporated by reference to Exhibit 10.10 of the Registrant's Current Report on Form 8-K filed with the Commission on January 7, 2009)
10.11	Forbearance Agreement and General Release dated July 6, 2009 ***
10.12	Agreement on the Assumption of Debt dated February 11, 2010 (Incorporated by reference to Exhibit 10.12 to the Registrant's Current Report on Form 8-K filed with the Commission on February 17, 2010)
10.13	Summary of Ms. Birge Bargmann's Employment Agreement dated August 1, 2007, with Proteo Biotech AG (Incorporated by reference to Exhibit 10.13 of the Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 3, 2011) *
10.14	Summary of Ms. Birge Bargmann's Employment Agreement dated May 27, 2011, with Proteo Biotech AG (Incorporated by reference to Exhibit 10.14 of the Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 3, 2011) *
10.15	License Agreement between the Registrant and Professor Dr. Oliver Wiedow dated December 30, 2000 ***
10.16	Summary of Material Terms of License Agreement between Proteo Biotech AG, the Registrant's wholly owned subsidiary, and ARTES Biotechnology GmbH dated November 15, 2004 ***
10.17	Translation from German to English of Contract for an Atypical Silent Partnership between Proteo Biotech AG, the Registrant's wholly owned subsidiary, and Professor Dr. Oliver Wiedow effective October 1, 2006 ***
10.18	Letter Agreement dated July 28, 2011, between Registrant and Dr. Oliver Wiedow***
14.1	Code of Ethics (Incorporated by reference to Exhibit 14.1 of the Registrant's Form 10-KSB filed with the Commission on March 31, 2005)
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ***

31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ***
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ***
101.INS	XBRL Instance Document***
101.SCH	XBRL Schema Document***
101.CAL	XBRL Calculation Linkbase Document***
101.DEF	XBRL Definition Linkbase Document***
101.LAB	XBRL Label Linkbase Document***
101.PRE	XBRL Presentation Linkbase Document***

* This Exhibit is a management contract or a compensation plan or arrangement.
** Portions omitted pursuant to a request of confidentially filed separately with the Commission.
*** Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PROTEO, INC.

Dated: November 3, 2011

By: /s/ Birge Bargmann

Birge Bargmann
Principal Executive Officer and Chief Financial Officer
(signed both as an Officer duly authorized to sign on behalf of the Registrant and Principal Financial Officer and Chief Accounting Officer)

EXHIBIT 10.8

PROTEO, INC.

PREFERRED STOCK PURCHASE AGREEMENT

This Preferred Stock Purchase Agreement ("Agreement") is made this 9th day of June, 2008 by and between PROTEO, INC., a Nevada corporation with its principal place of business at 2102 Business Center Drive, Irvine, CA 92612 (the "Company") and the Purchaser of its stock, FIDEsprit AG, a Swiss corporation with its principal place of business at Rosengartenstr. 4, CH-8608 Bubikon, Switzerland ("Purchaser").

RECITALS

A. The Company is engaged in research and development of pharmaceuticals. The Company now is willing to sell shares of its Series A Preferred stock, on terms as stated herein.

B. The Company has authorized 300,000,000 shares of common stock and 10,000,000 shares of preferred stock. Currently, 23,879,350 shares of the Company's common stock are issued and outstanding. As of the date hereof, no preferred stock has been issued.

C. The Company has created a Series A Preferred Stock of and designated up to 750,000 shares of the Company's preferred stock which voting powers, preferences and relative, participating, optional and other special rights are defined in the Certificate of Designation of Series A Preferred Stock, a copy of which is attached hereto as Exhibit A.

D. Purchaser and the Company now mutually desire for Purchaser to purchase 600,000 shares of the Company's Series A Preferred Stock at the price per share determined herein, on the terms and conditions stated herein.

AGREEMENT

In consideration of the mutual promises, representations, warranties and conditions set forth in this Agreement, the Company and Purchaser agree as follows.

1. Purchase and Sale of Shares.

1.1 SALE OF SHARES. The Company and its Board of Directors has authorized the issuance and sale of 600,000 shares of Series A Preferred stock (the "Purchase Shares") pursuant to the terms of this Agreement, which Purchase Shares in accordance with the Certificate of Designation, Preferences and Rights of Series A Preferred Stock (the "Certificate"), a copy of which is attached hereto as part of this Agreement.

1.2 PRICE PER SHARE. The price per share shall be $6.00 per share, totaling to $3,600,000 for the Purchase Shares.

In reliance upon Purchaser representations and warranties contained in Section 4 hereof, and subject to the terms and conditions set forth herein, the Company hereby agrees to sell to Purchaser 600,000 shares of the Company's Series A Preferred Stock.

2. CLOSING: ISSUANCE AND DELIVERY OF SHARES: CONDITIONS.

2.1 CLOSING(S). The closing of the sale under this Agreement (the "Closing"), shall be held within five (5) working days following the date of the Agreement ("Closing Date"), at the offices of the Company or on such earlier date or at such other place as the Parties may agree.

2.2 PAYMENT OF PURCHASE PRICE. At the Closing, the Purchaser shall deliver appropriate promissory note for the payment of the purchase price as determined in paragraph 1.2. payable in four (4) installments in such amount and at such date as following:

- First installment of $900,000 falling due upon execution;
- Second installment of $450,000 falling due on or before August 30, 2008;
- Third installment of $900,000 falling due on or before November 30, 2008;
- Fourth and final installment of $1,350,000 falling due on or before March 31, 2009.

Any payment shall be in United States funds by check, cash, by wire transfer or by other means of payment as shall have been agreed upon by the Purchaser and the Company prior to payment.

2.3 ISSUANCE AND DELIVERY. At the Closing, subject to the terms and conditions hereof, the Company shall deliver an irrevocable instruction to the Company's secretary to issue and deliver to Purchaser appropriate stock certificates, registered in the name of the Purchaser for the Shares, or his designee.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company hereby represents and warrants to Purchaser as of the date hereof as follows, and all such representations and warranties shall be true and correct as of any Closing Date as if then made and shall survive the Closing.

3.1 ORGANIZATION. The Company is a corporation, duly incorporated, validly existing and in good standing under the laws of Nevada. The Company has all requisite power and authority to own or lease its properties and to conduct its business as now conducted. The Company holds all licenses and permits required for the conduct of its business as now conducted, which, if not obtained, would have a material adverse effect on the business, financial condition or results of operations of the Company taken as a whole. The Company is qualified as a foreign corporation and is in good standing in any states where the conduct of its business or its ownership or leasing of property requires such qualification, except where the failure to so qualify would not have a material adverse effect on the business, financial condition or results of operations of the Company taken as a whole.

3.2 CAPITALIZATION. The Company is authorized to issue 300,000,000 shares of Common Stock of which 23,879,350 shares are outstanding at the date of this Agreement. The Company is authorized to issue 10,000,000 shares of Preferred Stock of which no shares are outstanding at the date of this Agreement. All of the issued and outstanding shares of Common Stock on the Closing Date are or will have been duly authorized, validly issued and then fully paid and non-assessable. The Company's right to issue shares of its stock otherwise shall not be limited by any provision herein.

3.3 AUTHORITY. The Company has all requisite power and authority to enter into this Agreement, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, and upon their execution and delivery by the Company, such document will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

3.4 ISSUANCE OF SHARES. The Purchase Shares, when issued pursuant to the terms of this Agreement, will be duly and validly authorized and issued, fully paid and non-assessable.

3.5 NO CONFLICT WITH LAW OR DOCUMENTS. The execution, delivery and consummation of this Agreement, and the transactions contemplated hereby, will not (a) conflict with any provisions of the Articles of Incorporation or Bylaws of the Company; (b) result in any violation of or default or loss of a benefit under, or permit the acceleration of any obligation under (in each case, upon the giving of notice, the passage of time, or both), any mortgage, indenture, lease, agreement or other instrument, permit, franchise license, judgement, order, decree, law, ordinance, rule or regulation applicable to the Company.

3.6 CONSENTS, APPROVALS AND PRIVATE OFFERING. Except for any filings required under Federal and applicable state securities laws, all of which shall have been made as of the Closing Date to the extent required as of such time, no permit, consent, approval, order or authorization of, or registration, declaration or filing with, any Federal, state, local or foreign governmental authority is required to be made or obtained by the Company in connection with the execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby and thereby.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser hereby represents, warrants and covenants with the Company as follows:

4.1 LEGAL POWER. Purchaser has the requisite power, as appropriate, and is authorized to enter into this Agreement, to purchase the Purchase Shares hereunder, and to carry out and perform his, her or its obligations under the terms of this Agreement.

4.2 DUE EXECUTION. This Agreement has been duly authorized, executed and delivered by Purchaser, and, upon due execution and delivery by the Company, this Agreement will be a valid and binding agreement of Purchaser.

4.3 INVESTMENT REPRESENTATIONS.

Purchaser represents and agrees that:

4.3.1 Purchaser is acquiring the Purchase Shares for its own account, not as a nominee or agent, for investment and not with a view to or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended (the "Act"), except pursuant to an effective registration statement under the Act;

4.3.2 Purchaser is a professional and an 'accredited investor,' as that term is defined in Rule 501 (a) of Regulation D promulgated under the Act. Purchaser has such knowledge and experience in financial and business matters that it is fully able to evaluate the merits and risks of the acquisition of the Securities, and has conducted their own investigation into the suitability of its investment, and reviewed all the information that it considers necessary to evaluate its acceptance of the Purchase Shares. Purchaser is able to bear the risks associated with accepting the Purchase Shares, including the risk of loss of the entire investment in the Purchase Shares. Purchaser has received and reviewed any and all information Purchaser deemed necessary to evaluate its investment.

4.3.3 Purchaser understands that the Purchase Shares have not been registered under the Act by reason of a specific exemption therefrom, and may not be transferred or resold except pursuant to an effective registration statement or exemption from registration and each certificate representing the Purchase Shares will be endorsed with the following legend:

(i) THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF A CURRENT AND EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT WITH RESPECT TO SUCH SHARES, OR AN OPINION OF THE ISSUER'S COUNSEL TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT; and

(ii) Any legend required to be placed thereon by applicable federal or state securities laws.

4.3.4 Purchaser has read, and understands and agrees to the Certificate of Designation for the Series A Preferred Stock.

5. TERM AND TERMINATION

5.1 TERM. This Agreement shall expire upon total payment of the Purchase Price and issuance of 600,000 shares of Preferred Stock Class A to Purchaser.

5.2 The Company may cancel this agreement upon

(i) any misrepresentation or omission of or on behalf of the Purchaser made to the Company in connection with this Agreement;
(ii) adjudication of bankruptcy, or filing of a petition under any bankruptcy or debtor's relief law by or against the Purchaser, or failure of the Purchaser to generally pay its debts as they become due;
(iii) failure of the Purchaser to pay any installment hereunder when due, which shall continue for ten (10) days;
(iv) termination of the Promissory Note given by the Purchaser to the Company in accordance with paragraph 2.2;

6. MISCELLANEOUS.

6.1 GOVERNING LAW . This Agreement shall be governed by and construed under the laws of the State of California.

6.2 SUCCESSORS AND ASSIGNS. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and are binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto.

6.3 ENTIRE AGREEMENT. This Agreement and the other documents delivered pursuant hereto, constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by a representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.4 SEVERABILITY. In case any provision of this Agreement shall be invalid, illegal, or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6.5 AMENDMENT AND WAIVER. Except as otherwise provided herein, any term of this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely), with the written consent of the Company and Purchaser. Any amendment or waiver effected in accordance with this Section shall be binding upon each future holder of any security purchased under this Agreement (including securities into which such securities have been converted) and the Company.

6.6 NOTICES. All notices and other communications required or permitted hereunder shall be in writing and shall be effective when delivered personally, or sent by telex or telecopier (with receipt confirmed), provided that a copy is mailed by registered mail, return receipt requested, or when received by the addressee, if sent by Express Mail, Federal Express or other express delivery service (receipt request) in each case to the appropriate address set forth below.

If to the Company: PROTEO, INC.
Birge Bargmann
Proteo Biotech AG
Am Kiel-Kanal 44
D-24106 Kiel

If to Purchaser: FID Esprit AG
Joerg Alte
Rosengartenstr. 4
CH-8608 Bubikon

6.7 TITLES AND SUBTITLES. The titles of paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not be not considered in construing this Agreement.

6.8 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

"COMPANY"
PROTEO, INC. a Nevada Corporation

By: /S/ BIRGE BARGMANN
CEO: Birge Bargmann

"PURCHASER"
FIDEsprit AG

By: /S/ JOERG ALTE
Managing Director: Joerg Alte

Exhibit A

[SEAL]

ROSS MILLER
Secretary of State
204 North Carson Street, Ste 1
Carson City, Nevada 89701-4299
(775) 684-5708
Website: secretaryofstate.biz

Filed in the office of /s/ Ross Miller Ross Miller Secretary of State State of Nevada	Document Number 20080386820-67 Filing Data and Time 06/05/2008 4:03 PM Entity Number C13879-1992

CERTIFICATE OF DESIGNATION
(PURSUANT TO NRS 78.1955)

ABOVE SPACE IS FOR OFFICE USE ONLY

USE BLACK INK ONLY - DO NOT HIGHLIGHT

CERTIFICATE OF DESIGNATION
FOR NEVADA PROFIT CORPORATION
(PURSUANT TO NRS 78.1955)

1. Name of corporation:

Proteo, Inc.

2. By resolution of the board of directors pursuant to a provision in the articles of incorporation, this certificate establishes the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.

Series A Preferred Stock, authorized number of shares constituting such series shall be 750,000, with a par value of $0.001 per share.

Please see attached.

3. Effective date of filing (optional):

4. Officer Signature (Required): X /s/ Birge Bargmann

Filing fee: $175.00

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

CERTIFICATE OF DESIGNATION OF SERIES A PREFERRED STOCK

OF

PROTEO, INC.
A NEVADA CORPORATION

Proteo, Inc., a Nevada corporation (the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation (the "Board of Directors") in accordance with the provisions of the Articles of Incorporation of the Corporation, there is hereby created, a series of Preferred Stock consisting of 750,000 shares, which series shall have the following powers, designations, preferences and relative, participating, optional and other special rights, and the following qualifications, limitations and restrictions as follows:

Section 1. DESIGNATION AND AMOUNT. The shares of Preferred Stock created hereby shall be designated as "Series A Preferred Stock" and the authorized number of shares constituting such series shall be 750,000.

Section 2. DIVIDENDS AND DISTRIBUTIONS.

(A) The holders of the then outstanding shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds of the Corporation legally available therefore, preferential dividends at the per share rate of two (2) times the per share amount of each and any cash and non-cash dividend distributed to holders of the Corporation's Common Stock when, as and if declared by the Board of Directors.

(B) No dividend shall be paid or declared on any share of Common Stock, unless a dividend, payable in the same consideration and manner, is simultaneously paid or declared, as the case may be, on each share of Series A Preferred Stock in an amount determined as set forth in paragraph (A) above. For purposes hereof, the term "dividends" shall include any pro rata distribution by the Corporation, out of funds of the Corporation legally available therefore, of cash, property, securities (including, but not limited to, rights, warrants or options) or other property or assets to the holders of the Common Stock, whether or not paid out of capital, surplus or earnings.

(C) If no dividend is distributed according to Section 2 (A), the holders of the then outstanding shares of Series A Preferred Stock shall be entitled to an annual stock dividend, when, as and if declared by the Board of Directors, payable at the rate of one (1) share of the Series A Preferred Stock for each twenty (20) shares of Series A Preferred Stock then held by each holder of Series A Preferred Stock. Such stock dividend shall be paid on June 30 of each year, commencing with the first June 30 in the year subsequent to the calendar year in which the shares of Series A Preferred Stock were issued and no dividend was distributed according to Section 2 (A). No fractional shares of Series A Preferred Stock shall be issued in connection with the payment of the stock dividend. In lieu of fractional shares, the Corporation shall issue such additional fraction of a share as is necessary to increase the fractional share to a full share.

No stock dividend under this paragraph shall be paid after December 31, 2011.

(D) The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive any dividend or distribution as provided in Paragraph (A) or Paragraph (C) above.

Section 3. VOTING RIGHTS. Except than otherwise provided herein or by law, the shares of Series A Preferred Stock shall have no voting rights other than on such matters submitted to a vote to the stockholders of Series A Preferred Stock and such other stock designated to be the same class of the Company's stock.

Section 4. REACQUIRED SHARES. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of Series A Preferred Stock or of any other series of Preferred Stock as designated by the Board of Directors from time to time.

Section 5. LIQUIDATION, DISSOLUTION OR WINDING UP. Upon any liquidation, voluntary or otherwise, dissolution or winding up of the Company, holders of Series A Preferred Stock shall be entitled to receive per share distributions equal to two (2) times the rate of per share distributions to be made to the holders of Common Stock. No distributions shall be made unless nay accrued and unpaid dividends and distributions on the Series A Preferred Stock have been made prior thereto. In the event, the Company shall have (i) subdivided the outstanding Common Stock, or (ii) combined the outstanding Common Stock into a smaller number of shares by a reverse stock split or otherwise, after the issuance of Series A Preferred Stock, distributions payable to Series A Preferred Stock under this Section 5 shall be adjusted accordingly.

Section 6. CONSOLIDATION; MERGER; ETC. In the event the Company shall enter into any consolidation, merger combination or other transaction in which the shares of Common Stock are exchanged into other stock or securities, cash and /or any other property, then in any such case each share of Series A Preferred Stock shall automatically be simultaneously exchanged for or converted into the same stock or securities, cash and/or other property at a rate per share equal to 1.5 times the rate per share that the Common Stock is being exchanged or converted.. In the event, the Company shall (i) subdivide the outstanding Common Stock, or (ii) combine the outstanding Common Stock into a smaller number of shares by a reverse stock split or otherwise, the amount set forth in the preceding sentence shall be adjusted at the same rate.

Section 7. REDEMPTION. The shares of Series A Preferred Stock shall not be redeemable.

Section 8. RANKING. The Series A Preferred Stock may rank junior to any other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets as may be determined in the designation of any such series of Preferred Stock.

Section 9. AMENDMENT. At any time when any shares of Series A Preferred Stock are outstanding, neither the Articles of Incorporation of the Corporation nor this Certificate of Designation shall be amended or altered in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of holders representing a majority of the outstanding shares of Series A Preferred Stock, voting separately as a class.

IN WITNESS WHEREOF, the undersigned have executed this Certificate and do affirm the foregoing as true and correct this 05 day of June 2008.

/s/ Birge Bargmann
Birge Bargmann
President, CEO and CFO

Attest:

/s/ Barbara Kahlke
Barbara Kahlke, Ph.D.
Secretary

Exhibit 10.11

FORBEARANCE AGREEMENT AND GENERAL RELEASE

THIS FORBEARANCE AGREEMENT AND GENERAL RELEASE ("***Agreement***"), dated as of July 6th, 2009, is entered by and among FIDEsprit AG, a Swiss corporation (" ***Borrower*** "), Axel J. Kutscher (" ***Guarantor*** ") and Proteo, Inc., a Nevada corporation (" ***Proteo*** " and together with Borrower and Guarantor, the " ***Parties*** "), with reference to the facts as set forth in the Recitals:

RECITALS

A. **WHEREAS**, pursuant to that certain Preferred Stock Purchase Agreement dated June 9, 2008 (the " ***Stock Purchase Agreement*** "), Borrower purchased 600,000 shares of Proteo's Series A Preferred Stock in consideration of Borrower's delivering to Proteo a promissory note of even date therewith in the original principal amount of $3,600,000 (as amended and modified from time to time, the " ***Note*** ", the original of which is attached hereto as **Exhibit A**). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Stock Purchase Agreement.

B. **WHEREAS**, Borrowers obligations under the Note have been guaranteed (the "Guaranty") by the Guarantor, the original of which is attached hereto as **Exhibit B** .

C. **WHEREAS**, Borrower is currently in default under the Note for failing to make all of the scheduled principal and interest payments under the Note and for not paying the Note in full by its due date of March 31, 2009 (collectively, the " ***Events of Default*** ").

D. **WHEREAS**, Proteo, Borrower and Guarantor desire to enter into this Forbearance Agreement to set forth the terms and conditions upon which Proteo agrees to forbear from enforcing its rights under the Note as a result of the Events of Default.

AGREEMENT

1. **RECITALS**. The Recitals are incorporated herein by and through this reference, and the Parties agree that the facts recited above are true and correct.

2. **ACKNOWLEDGMENT OF DEBT**. Borrower and Guarantor hereby acknowledge and agree that, as of July 6th, 2009, Borrower is obligated to Proteo under the Note for the aggregate sum of $1,940,208 (representing the unpaid principal balance plus all other amounts due under the Note as of July 6 th , 2009) (the " ***Indebtedness*** ").

3. **CONFIRMATIONS OF NOTE AND GUARANTEE**. Borrower and Guarantor hereby confirm the validity and effectiveness of the Note and Guaranty, as modified hereby. This acknowledgment and confirmation shall in no way be deemed to constitute a requirement or admission by Proteo that any such acknowledgment or confirmation is required to maintain the effectiveness of the Note and Guaranty, no such acknowledgment and confirmation being so required. Except as may be expressly modified herein, each of the Note and Guaranty shall remain in full force and effect.

4. **ACKNOWLEDGMENT OF DEFAULTS AND WAIVERS**. Borrower and Guarantor hereby acknowledge and agree that Borrower is currently in default under the Note, among other reasons, by reason of those Events of Default described in Paragraph C of the Recitals (all of such Events of Default shall collectively be referred to as " **Defaults** ") hereinabove. Borrower and Guarantor hereby knowingly and voluntarily waive any and all rights they may have, if any, to contest or dispute the validity of, or to cure, the Defaults or the exercise of any rights of Proteo. Borrower and Guarantor hereby further acknowledge and agree that in entering into this Agreement, Proteo is relying upon the acknowledgment by Borrower and Guarantor of the existence of the Defaults and their waiver of any right to dispute the existence thereof or to contest any enforcement of Proteo's rights based thereon.

5. **LIMITED SUFFERANCE OF DEFAULTS; FORBEARANCE**. Borrower has requested that Proteo enter into this Agreement and forbear from exercising its rights under the Note and Guaranty as to afford Borrower limited additional time to pay the outstanding Indebtedness. Subject to Borrower's prompt and continual compliance with the payment requirements set forth in Paragraph 6 below, Proteo hereby agrees to allow the Defaults under the Note existing as of the date hereof to continue to exist and further agrees to forebear from relying thereon to enforce any of its rights and remedies under the Note and Guaranty, all subject to the terms and conditions of this Agreement, until the Indebtedness is paid in full (" **Forbearance Period** "), at which time the Forbearance Period shall automatically terminate. As long as Borrower does not breach any term or condition of this Agreement or no additional default occurs or exists under the Note or Guaranty during the Forbearance Period, Lender agrees to forbear from exercising any and all of its remedies under the Note and Guaranty and this Agreement; provided however, if a breach of this Agreement occurs or an event of default (other than the Defaults) occurs or exists under the Note or Guaranty, then, without notice by Proteo to Borrower or Guarantors and at Proteo's option, the Forbearance Period shall terminate and Proteo shall have the right to enforce its remedies under the Note and Guaranty, this Agreement, any agreement executed concurrently herewith, or at law or equity; and provided, further, that upon the failure of Borrower to satisfy any of the terms and conditions of this Agreement, or upon the occurrence of any subsequent event of default hereunder, under any agreement executed concurrently herewith, or, under the Note or Guaranty, the foregoing agreement to forbear by Proteo shall be of no further force and effect, shall be deemed rescinded, revoked and terminated and the Defaults shall be revived and reinstated, and shall be deemed to have occurred and to exist as if such forbearance had not been granted, with all rights and remedies of Proteo under the Note and Guaranty, as hereinafter modified, based upon the Defaults, revived as if Proteo had never forborne from enforcement. Proteo may thereafter enforce its rights pursuant to the terms of the Note, Guaranty, and pursuant to applicable law, and exercise such other rights and remedies as may be available to Proteo at law, in equity, or otherwise.

6. **TERMS AND CONDITIONS**. In consideration of Proteo's forbearance pursuant to Paragraph 5 above, Borrower agrees to and shall pay the Indebtedness to Proteo by making monthly payments in the amount of $140,000 commencing on the first business day of September 2009 and continuing on the first business day of each succeeding month thereafter until the entire Indebtedness is paid in full.

All payments must be in lawful money of the United States of America, free from any offset, deduction or counterclaim. Checks constitute payment only when collected, deposited and credited to Proteo's bank account.

Nothing contained herein is intended to, nor shall it be deemed to, relieve Borrower or Guarantor of any of their respective obligations under the Note or Guaranty, nor shall it modify the legal relationship of Borrower and Guarantor with respect to Proteo.

7. **NO NOVATION**. The Parties further agree that in no event shall the effect of this Agreement be deemed to be a novation of the Note or Guaranty, the intent of the Parties hereunder being to amend the Note and Guaranty and to confirm the obligations (including the Indebtedness) of Borrower and Guarantor under the Note and Guaranty, as amended hereby, with all of the terms and provisions of the Note and Guaranty in full force and effect save and except those modified by this Agreement.

8. **CROSS DEFAULTS**. Borrower and Guarantor hereby agree and confirm that, at Proteo's option, the occurrence of an event of default under and set forth in this Agreement shall be a default under each of the Note and Guaranty and, to the extent necessary, the Note and Guaranty are hereby irrevocably amended to effect such cross defaults. Borrower and Guarantor additionally agree and confirm that, at Proteo's option, the occurrence of an event of default (other than the Defaults) under the Note and Guaranty shall be a default under this Agreement.

9. **EVENTS OF DEFAULT**. Any failure by Borrower or Guarantors or Pledgors to comply with any terms and conditions of this Agreement, together with each of the events of default contained within the Note and Guaranty (other than the Defaults), shall constitute an event of default hereunder.

10. **REMEDIES**. Upon the occurrence of an event of default (as set forth in Paragraph 9, above), or the termination of the Forbearance Period Proteo shall have the right to enforce its remedies under the Note, Guaranty, this Agreement, or under any of the documents executed concurrently herewith, at law or in equity, and, at its election, exercise any and all rights and remedies provided for under the Note, Guaranty or herein, and terminate its obligations under this Agreement.

11. **GOVERNING LAW**. This Agreement and the Note and Guaranty shall be deemed to have been made in the State of California and the validity, enforceability, construction, interpretation and enforcement of this Agreement and the Note and Guaranty and the rights of the Parties thereto shall be determined under, governed by and construed in accordance with the laws of the State of California, without regard to the principles of conflicts of law. If any provision of this Agreement or its exhibits shall be determined to be invalid, void or illegal, such provision shall be construed and amended in a manner which would permit its enforcement, but in no event shall such provision affect, impair or invalidate any other provision hereof. In the event that any interest rate set forth in the Note shall be in excess of the maximum rate allowed by law, the Note Documents shall be deemed to be modified to provide for the maximum interest rate allowed by law.

12. **COMPLETE AGREEMENT; INTEGRATION; MERGER**. This Agreement and the Note, Guaranty and Stock Purchase Agreement are intended by the Parties as the complete, integrated and final expression of their agreement. All prior understandings, whether oral or written, other than the Note, Guaranty and Stock Purchase Agreement, are hereby merged into this Agreement. This Agreement may only be amended by a writing executed by the Parties. No oral amendment, waiver or other understanding with respect to the subject matter of this Agreement shall be enforceable.

13. **GENERAL RELEASE IN FAVOR OF LENDER**. In consideration of the covenants and agreements contained herein and for other good and valuable consideration, Borrower and Guarantor agree as follows:

Borrower and Guarantor, and each of them, together with all of their affiliates, including without limitation their affiliates, trusts, corporations, partnerships, agents, attorneys, heirs, executors, administrators, successors, assigns, representatives, employees, trustees, beneficiaries, officers, directors, partners, owners, members and shareholders (collectively the " **Releasors** ") hereby release and discharge Proteo and its affiliated corporations, agents, attorneys, heirs, executors, administrators, successors, assigns, representatives, employees, trustees, beneficiaries, officers, directors, owners, partners, members and shareholders, with respect to any rights, claims, charges, demands, obligations, damages, liabilities, costs, attorneys' fees, expenses, or causes of action of any nature, character and description, whatsoever, whether arising from or in any way related to, the loan evidenced by the Note, the Guaranty and Stock Purchase Agreement, the business of Releasors, and any and all transactions or other matters in any way related to any of the foregoing, or otherwise arising prior to the date hereof, whether known or unknown, anticipated or unanticipated, sounding in tort, contract or any other theory, law or equity, suspected or unsuspected, past or present.

14. **WAIVER OF CALIFORNIA CIVIL CODE, SECTION 1542**. The foregoing release extends to all claims whether or not claimed or suspected and constitute a waiver of each and all the provisions of the California Civil Code, Section 1542 (to the extent it would be applicable), which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMSWHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXISTIN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE,WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

RELEASORS HAVE READ AND UNDERSTOOD THE FOREGOING AND INDICATE THAT FACT BY PLACING THEIR INITIALS, OR THE INITIALS OF AN AUTHORIZED AGENT, BELOW:

/s/ JAM
(Borrower)

/s/ AJK
(Guarantor)

RELEASORS, AND EACH OF THEM, UNDERSTAND AND ACKNOWLEDGE THAT THE SIGNIFICANCE AND CONSEQUENCE OF THIS WAIVER OF CALIFORNIA CIVIL CODE, SECTION 1542, IS THAT EVEN IF THEY SHOULD EVENTUALLY SUFFER ADDITIONAL DAMAGES ARISING OUT OF THE FACTS REFERRED TO ABOVE, THEY WILL NOT BE ABLE TO MAKE ANY CLAIM FOR THOSE DAMAGES. FURTHERMORE, RELEASORS, AND EACH OF THEM, ACKNOWLEDGE THAT THEY WILL NOT BE ABLE TO MAKE ANY CLAIM FOR DAMAGES EVEN AS TO CLAIMS FOR DAMAGES THAT MAY EXIST AS OF THE DATE OF THIS RELEASE BUT WHICH THEY DO NOT KNOW EXIST, AND WHICH, IF KNOWN, WOULD MATERIALLY AFFECT THEIR DECISIONS TO EXECUTE THIS AGREEMENT, REGARDLESS OF WHETHER THEIR LACK OF KNOWLEDGE IS THE RESULT OF IGNORANCE, OVERSIGHT, ERROR, NEGLIGENCE, OR ANY OTHER CAUSE. RELEASORS COVENANT AND AGREE THAT THEY WILL FOREVER REFRAIN AND FOREBEAR FROM BRINGING, COMMENCING OR PROSECUTING ANY AND ALL ACTIONS, LAWSUITS, CLAIMS OR PROCEEDINGS WITH RESPECT TO ANY MATTER THAT HAS BEEN RELEASED HEREIN. FURTHER, IT IS EXPRESSLY UNDERSTOOD AND AGREED BY RELEASORS, THAT THE FACTS WITH RESPECT TO WHICH THIS AGREEMENT IS GIVEN MAY HEREINAFTER TURN OUT TO BE OTHER THAN OR DIFFERENT FROM THE FACTS IN THAT CONNECTION NOW KNOWN OR BELIEVED BY SAID PARTY TO BE TRUE, AND SAID PARTY EXPRESSLY ASSUMES A RISK OF THE FACTS TURNING OUT TO BE SO DIFFERENT, AND AGREES THAT THIS AGREEMENT SHALL BE IN ALL RESPECTS EFFECTIVE AND NOT SUBJECT TO TERMINATION OR RESCISSION BY REASON OF ANY DIFFERENCE IN THE FACTS.

15. **TOLLING OF STATUTE OF LIMITATIONS**. Any and all statutes of limitations applicable to any and all rights, causes of action, claims and remedies, or equitable claim of laches, which Proteo has or might have against Borrower and/or Guarantor arising out of or relating to the circumstances and events described in the Recitals shall be and hereby are tolled and suspended effective at all times on and after the date of this Agreement.

15.1 Except for the tolling of the statute of limitations applicable to Proteo's rights, causes of action, claims and remedies against each party set forth above, nothing in this paragraph is intended to modify or amend the obligations of Borrower and Guarantor to Proteo, including but not limited to, any other agreement existing by, between or amongst the Borrower and Guarantor and Proteo, or to be any waiver , estoppel or election as any right claim, defense or objection of Proteo. Any and all substantive rights of Proteo are hereby expressly preserved.

15.2. It is expressly understood and agreed that nothing in this paragraph shall operate or be construed to defeat or diminish Proteo's right to file actions or prosecute actions or any other claims against Borrower and Guarantor (in conformance with the terms of this Agreement), without prior verbal or written notice, on any issue, including but not limited to the matters discussed hereinabove.

16. **ADVICE OF COUNSEL**. Each Party hereto represents that it/he has been advised of the effect of the Agreement by its/his own attorneys, has investigated the facts and is not relying upon any representation or acknowledgment, whether oral or in writing, of any other Party hereto except as contained herein.

17. **RESCISSION**. Except as provided herein, each of the Parties hereto expressly waives any right to rescind the Agreement.

18 REIMBURSEMENT OF PROTEO'S LEGAL FEES. Borrower and Guarantor jointly and severally agree to reimburse Proteo for the legal fees and expenses it has incurred in preparation of this Agreement and related documents required as a result thereof in an amount not to exceed $2,500.

19. **GENERAL PROVISIONS**.

19.1. **Time is of the Essence**. In all dealings hereunder or under the Note or Guaranty, time is of the essence,

19.2. **Counterparts**. This Agreement may be executed in counterparts and by different Parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same Agreement. Signatures to this Agreement may be transmitted by facsimile, each of which shall have the same effect as and be deemed an original signature for purposes of this Agreement. This Agreement shall become effective upon the execution of a counterpart of this Agreement by each of the Parties hereto (" **Effective Date** ").

19.3. **Successors and Third Parties**. Each covenant set forth in this Agreement shall inure to the benefit of and be binding upon the Parties to this Agreement together with all of the affiliates, and each of them, and their successors and assigns.

19.4. **Meaning of Pronouns and Effect of Captions**. As used in this Agreement and the attached exhibits, the masculine, feminine and/or neuter gender, in the singular or plural, shall be deemed to include the others whenever the text so requires. Captions and paragraph headings are inserted solely for convenience and shall not be deemed to restrict or limit the meaning of text.

19.5. **Construction**. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of construction or otherwise. On the contrary, this Agreement is the product of extensive negotiation among the Parties hereto, has been reviewed by all Parties and their counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties.

19.6. **Attorneys Fees and Costs**. If any legal action or other proceeding is brought for the enforcement of this Agreement, the Note or the Guaranty, or because of an alleged dispute in connection with any of the provisions of this Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it/he/she may be entitled.

19.7. **Notice**. Any notices which may be required hereunder may be served personally, by overnight delivery service which routinely obtains a signed receipt (e.g. , DHL, Federal Express or UPS), or by United States mail, postage pre-paid, to the addresses set forth below. Notice shall be deemed effective on the date actually received by the Parties, or three days after the same were deposited in the United States mail.

If to Proteo:	PROTEO, INC. Birge Bargmann Proteo Biotech AG Am Kiel-Kanal 44 D-24106 Kiel Germany
If to Borrower:	FID Esprit AG ATT: Juergen Muetzlitz Rosengartenstr. 4 CH-8608 Bubikon Switzerland
If to Guarantor:	Axel Kutscher Oetwilerstrasse 29 CH-8634 Hombrechtikon Switzerland

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be entered into as of the date first set forth hereinabove.

"**PROTEO**"

PROTEO, INC.
A Nevada corporation

/s/ BIRGE BARGMANN
Birge Bargmann
President

"**BORROWER**"

FIDESPRIT AG

/s/ JURGEN AUGUST MUTZLITZ
Jürgen August Mützlitz
President

"**GUARANTOR**"

/s/ AXEL J. KUTSCHER
Axel J. Kutscher
an Individual

Exhibit A

PROMISSORY NOTE

US $3,600,000.00

BUBIKON, SWITZERLAND

JUNE 9, 2008

FOR VALUED RECEIVED, the undersigned, a corporation duly organized under the laws of Switzerland, with its principal place of business at Rosengartenstr. 4, CH-8608 Bubikon, Switzerland, (the "Maker"), unconditionally promises to pay to the order of Proteo, Inc., a Nevada corporation, (the "Holder"), at its principal place of business at 2102 Business Center Drive, Suite 130, Irvine, CA 92612 or at such other place as may be designated in writing by the Holder, the principal sum of $3,600,000.00, with no interest.

Principal shall be payable in four installments as follows:

- First installment of $900,000 falling due upon execution;
- Second installment of $450,000 falling due on or before August 30, 2008;
- Third installment of $900,000 falling due on or before November 30, 2008;
- Fourth and final installment of $1,350,000 falling due on or before March 31, 2009

All payments under this Note shall be in lawful money of the United States.

In no event shall the interest and other charges in the nature of interest hereunder, if any, exceed the maximum amount of interest permitted by law. Any amount collected in excess of the maximum legal rate shall be applied to reduce the principal balance.

All payments under this Note shall be applied first to the late fees and costs, if any, and second to interest then due, if any, and to balance the principal.

The Maker agrees to pay to the holder all costs, expenses and reasonable attorney's fees incurred in the collection of sums due hereunder, whether through legal proceedings or otherwise, to the extent permitted by law.

This Note may be prepaid at any time, in whole or in part, without penalty or premium.

If any installment hereunder is not paid within ten (10) days of the date the same is due, the Maker shall pay to the holder a late charge equal to three percent (3%) of the overdue payment as liquidated damages, and not as a penalty.

After the maturity of this Note, or upon any default, this Note shall bear interest at the rate of ten percent (10%) per annum, at the option of the Holder.

At the option of the Holder, this entire Note shall become immediately due and payable, without demand and notice, upon the occurrence of any one of the following events:

(a) failure of the Maker to pay any installment hereunder when due, which shall continue for ten (10) days;
(b) any misrepresentation or omission of or on behalf of Maker made to the holder in connection with this loan;
(c) insolvency or failure of the Maker or any guarantor to generally pay its debts as they become due;
(d) assignment for the benefit of creditors of, or appointment of a receiver or other officer for, all or any part of Maker's or any guarantor's property;
(e) adjudication of bankruptcy, or filing of a petition under any bankruptcy or debtor's relief law by or against Maker or any guarantor;
(f) death of Maker or any guarantor;
(g) sale or transfer, whether voluntary or involuntary, of all or any interest in the property which is security for this Note; or
(h) default under any mortgage, trust deed, security agreement or other instrument securing this note, if any.

The Maker expressly waives presentment, demand, notice, protest, and all other demands and notices in connection with this Note. No renewal or extension of this Note, or release of any collateral or party liable hereunder, will release the liability of the Maker.

Failure of the Holder to exercise any right or option shall not constitute a waiver, nor shall it be a bar to the exercise of any right or any option at nay future time.

If any provision of this Note shall be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

This Note shall be governed by the laws of the state of California.

IN WHITNESS WHEREOF, this Promissory Note is executed under seal on the day and year first above written.

Executed:

FIDEsprit AG:

/s/ Joerg Alte
Joerg Alte
Managing Director

Exhibit B

GUARANTY

FOR VALUE RECEIVED, the undersigned Axel J. Kutscher, living at Oetwilerstr. 29, CH-8634 Hombrechtikon, Switzerland, as primary obligor, hereby unconditionally guarantees the prompt payment of principal and interest when due and all other obligations contained in the Promissory Note as of June 9, 2008 given by FIDESprit AG to Proteo, Inc. The undersigned accepts and agrees to be bound by all terms, conditions and waivers contained in the Note. The undersigned waives notice of acceptance of this guarantee and suretyship defenses of all kinds. The Holder may extend the time of payment, release any collateral or party reliable on the Note, or grant any indulgence to any party without releasing the liability of the undersigned. The Holder need not proceed against Maker or any other party or collateral prior to proceeding against the undersigned. The undersigned agrees to pay all costs, expenses and attorney's fees incurred by the Holder in enforcing the Note and this Guaranty.

Dated June 9, 2008.

Executed:

Guarantor

By: /s/ Axel J. Kutscher
Axel J. Kutscher

EXHIBIT 10.15

LICENSE AGREEMENT

This agreement, entered into effective as of December 30, 2000, by and between Proteo, Inc., a Nevada Corporation having its principal place of business at 2775 Mesa Verde Drive East, #F101, Costa Mesa, California 92626 (hereinafter the "Licensee"), and Professor Dr. med. Oliver Wiedow, MD, living at Forstweg 55, D-24105 Kiel, Germany,(hereinafter the "Licensor").

WITNESSETH:

WHEREAS, Licensor is the owner, co-inventor and/or licensee of several patents and patent rights (the “Patents”) and related technologies as described in the patents referred to in Exhibit “A”;

WHERAS, Licensee wishes to obtain an exclusive license worldwide under these patents, patent rights and technologies;

WHERAS; Licensor is willing to grant an exclusive, royalty-bearing license under this patents, patents rights and technologies.

NOW, THEREFORE, the parties intending to be legally bound agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Technology Rights “Technology Rights” shall mean patents granted, patents pending and patent applications listed in Exhibit “A”, or as later amended by written agreement of the parties, and related technologies, including but not limited to alterations, improvements or new technologies derived from or based on all or part of such technologies.

1.2 Product “Products” shall mean any product, raw material or other services (including but not limited to licenses or other rights granted) based on “Technology Rights”.

1.3 Subsidiary “Subsidiary” shall mean any person or other legal entity which, directly or indirectly, is controlled by either party, where control shall mean the (direct or indirect) power to vote more than 50 % of the voting shares, general partnership interests or other voting interest of a person or legal entity.

1.4 Knowledge “Knowledge” shall mean actual knowledge, after reasonable investigation.

ARTICLE 2 License Grant

2.1 License Licensor herby grants to the Licensee the exclusive right and license under the Technology Rights to develop, manufacture, test, sell and service any of the Products world wide (the “License Rights”). Without the prior written consent of Licensor, the License Rights shall not be assignable and Licensee shall not be entitled to grant sublicenses.

2.2 Alteration Licensee shall be entitled to alter, to amend, to modify or develop further such Products under Technology Rights and any portion thereof.

2.3 Knowledge Licensee confirms that it has Knowledge with respect to each patent and patent application as listed in Exhibit “A”, and has Knowledge and is aware of the Patent Assignment as of 4/10/1999 between Licensor and Zeneca Ltd. And acknowledges to be bound to any and all of Licensor’s obligations thereunder.

ARTICLE 3 LICENSING FEES AND ROYALTIES

3.1 Licensing Fee Licensee shall pay to Licensor a license fee of 110,000 € per year for a term of six years, payable in quarterly installments of 27,000 €. The first installment shall fall due on April 1, 2001, each following installment shall fall due within 10 days after the end of each quarter. The last installment shall be due January 10, 2007. Any such installment of Licensing Fees shall be reduced by the amount equivalent to any Royalties (as defined in 3.2), and by the amount equivalent to 50% of any salary, or other professional fee with respect to the Technology Rights, which Licensor receives from Licensee or its Subsidiaries during the same period.

3.2 Royalties Licensee shall pay to Licensor running royalties in the amount of 3% of gross revenues earned with Products based on the Technology Rights by Licensee or Licensee's Subsidiaries. Royalties shall be paid for each quarter falling due within forty-five (45) days after the end of each quarter.

3.3 Other payments If Licensee assigns the License Rights or any portion thereof to any third party (where third party shall include any Subsidiaries of Licensee) with prior written consent of Licensor, Licensor shall be entitled to a maximum of 25% of such payments, which Licensee receives with respect to such assignment or to which Licensee is entitled, in each case regardless of Licensee's gross revenues ("lump sum").

3.4 Accounting and Audit With respect to the running royalties set forth above, Licensee shall keep full, clear and accurate records and accounts for sales of Products based on the Technology Rights subject to royalty for a period of three (3) years. Licensor shall have the right through a certified public accountant appointed by Licensor to audit, not more than once in each calendar year and during normal business hours, all such records and accounts to the extent necessary to verify that no underpayment has been made by Licensee hereunder. Such audit shall be conducted at Licensor's own expense, provided that if any discrepancy or error exceeding five percent (5%) of the money actually due is found through the audit, the cost of the audit shall be born by the Licensee.

3.5 Third Party Royalties Licensee shall also pay all license fees and royalties to which Licensor is obliged to any third party under the Patent Assignment as of 4/10/1999 between Licensor and Zeneca Ltd. or any applicable law.

3.6. Maintenance and No-Contest Licensee shall obliged to maintain, enforce and defend the License Rights any of the Patents and related intellectual property rights at its own costs. Throughout the duration of this License Agreement, Licensee shall neither challenge the validity of the Technology Rights nor support third parties in such challenge.

3.7. New patents Any new patents based on claims of existing patents and patent applications shall be enforced on behalf and in the name of the Licensor at the expenses of the Licensee. Such new patent shall be covered by this agreement.

ARTICLE 4 CONFIDENTIAL INFORMATION

Neither party shall disclose any confidential information received by the other party without the prior written consent of such party.

ARTICLE 5 WARRANTY

Licensor represents and warrants to the Licensee that the Licensor, otherwise than disclosed herein: (i) is not aware of any third parties rights, title, and interest in the Technology Rights, (ii) has not assigned transferred, licensed, pledged or otherwise encumbered the Technology Rights or agreed to do so, (iii) has full power and authority to enter into this Agreement as provided in Section 2, (iv) is not aware of any violation, infringement or misappropriation of any third party's rights (or any claim thereof) by the Technology Rights and (v) is not aware of violation of employer rights.

Licensor undertakes no liability for (i) the patentability or validity of any claims of any existing patents or patent application relating to the Technology Rights (ii) the commercial exploitability of the Technology Rights and (iii) the readiness of Technology Rights for manufacturing or plant use purposes.

Any claims of Licensee against Licensor for breach of representations or warranties hereunder or any other claims, licensor may have under or in the context of this Licensee Agreement shall not exceed the amount of royalties paid under this License Agreement by Licensee to Licensor.

ARTICLE 6 FURTHER ASSURANCES; MORAL RIGHTS;

6.1 Assurances Licensor agrees to assist the Licensee in every legal way to evidence, record and perfect the Section 2 License Rights and defend the License Rights, provided, however, that the Licensor will be held harmless from any costs, expenses and liabilities which might occur thereof.

6.2 Moral Rights To this extent allowed by applicable laws, Section 2 includes the rights to make use of all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as “moral rights”, “artist’s rights”, “droit moral” or the like (collectively the “Moral Rights”) as defined hereinafter. Licensor hereby ratifies and consents to, and provides all necessary ratifications and consents to, any action that may be taken with respect to such Moral Rights by or authorized by the Licensee against third Parties; Licensor agrees not to assert any Moral Rights with respect thereto unless agreed to by and between the Parties of this License Agreement. Licensor will conform any such ratification, consents and agreements from time to time as requested by the Licensee.

ARTICLE 7 COMPETITION; FURTHER COOPRATION

7.1 Competition Licensor will not engage in any competition, or cooperate with or participate in any competitor with respect to the Technology Rights. However, any shareholding that does not grant the power to control any competitor, shall not be deemed as such participation, where power to control shall mean the (direct or indirect) power to vote more than 50% of voting shares, general partnership interests or other voting interests of a person or legal entity.

7.2 Further Cooperation Licensor will provide Licensee any information and data necessary, which are available to Licensor, to maintain and develop the assigned Technology Rights, provided, however, that Licensor will be held harmless from any costs, expenses and liabilities which might occur thereof.

ARTICLE 8 TERM AND TERMINATION

8.1 Term This Agreement shall remain in effect for thirty (30) years.

8.2 Termination In the event of a material breach of this Agreement by one party hereto, and if such breach is not corrected within ninety (90) days after written notice complaining thereof is received by such party, the other party may terminate this Agreement forthwith by written notice to that effect to such party.

8.3 Termination by Licensor Licensor shall also have the right to terminate this Agreement forthwith by giving written notice of termination to the Licensee within ninety (90) days upon after (i) the filing by Licensee of a petition in bankruptcy or insolvency, (ii) any adjudication that Licensee is bankrupt or insolvent, (iii) the filing by Licensee of any legal action or document seeking reorganization, readjustment or arrangement of Licensee’s business under any law relating to bankruptcy or insolvency, (iv) the appointment of receiver for all or substantially all of the property of Licensee, (v) the making of Licensee of any material assignment for the benefit of creditors,(vi) the institution of any proceedings for the liquidation or winding up of Licensee’s business or for the termination of its corporate charter or (vii) the assignment to third party of all or substantially all of the assets of Licensee (viii) the Licensee shall discontinue development and marketing of Products based upon the Technology Rights finally, (ix) the Licensee shall not use reasonable efforts to develop and market Products based upon the Technology Rights for a term no less than six (6) months, (x) Licensee is or becomes unable to rise sufficient funds to finance the development and marketing of such Products for a period no less than six (6) months or (xi) Licensee is coming or threatened to come under the control of any Licensee’s competitors.

After any termination – to extent permitted by applicable law, Licensee shall return all documents, information and data received by Licensor and shall immediately cease to develop, manufacture or sell Products.

ARTICLE 9 TRANSFER OF RIGHTS

This Agreement, or any of the rights, titles and interests provided hereunder, are not assignable or transferable by either party without the prior written consent of the other party; any attempt to do so shall be void.

ARTICLE 10 NOTICE

All notices, consents, assignments and other communications under this Agreement shall be in writing and shall be deemed to have been duly given when (a) delivered by hand, (b) sent by telex or facsimile (with receipt confirmed), provided that a copy is mailed by registered mail, return receipt requested, or (c) received by the delivery service (receipt requested), in each case to the appropriate addresses, telex numbers and facsimile numbers set forth below (or to such other addresses, telex numbers and facsimile numbers as a party may designate as to itself by notice to the other party).

If to Licensee: Proteo, Inc.
2775 Mesa Verde Drive East, #F101
Costa Mesa, CA 92626, USA
Fax: +1 (714) 979-7080

If to Licensor: Prof. Dr. med. Oliver Wiedow
Forstweg 55
D-24105 Kiel
Germany
Fax: +49 (0)431-8888463

ARITCLE 11 GOVERNING LAW; LITIGATION

11.1 Governing Law This Agreement shall be construed under the laws of the Federal Republic of Germany.

11.2 Litigation Any dispute, controversy or claim arising out of, or relating to this Agreement, or the termination or validity thereof shall be settled through bona fide negotiations between the parties, but should the parties be unable to resolve such disputes then the matter shall be referred to proceed to litigation at the appropriate court in Kiel, Germany.

ARTICLE 12 MISCELLANEOUS

12.1 Exclusive Agreement This document and those other documents referenced herein and made a part hereto as Exhibits or Amendments, constitute the entire agreement of the Parties with respect to the subject matter hereof, and supersede any and all prior agreements whether in writing or verbal, and neither of the parties is relying upon warranties, representations, or inducements not expressly set forth herein.

12.2 Representation Neither party shall not act as an agent of the other party or make any representation on behalf of the other party, if not agreed otherwise from time to time.

12.3 Alteration The provisions of this Agreement shall not be waived, altered, modified, amended or repealed, in whole or in part, unless by instruments in writing, which expressly refers to this Agreement, duly executed by the parties hereto.

12.4 Validity If any term or condition of this Agreement is null and void or will become null and void during its course, then the validity and effectiveness of all other terms and conditions shall not be impaired thereby. In such event, invalid terms or conditions shall be suitable amended to maintain the economic intention of the parties hereto. All terms and conditions of this Agreement shall be deemed to be separable. The failure of a Party to insist upon strict performance of any provision hereof shall not constitute a waiver of, or estoppel against asserting the right to require such performance in the future, nor shall a waiver or estoppel in one instance constitute a waiver or estoppel with respect to a later breach of a similar nature or otherwise.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and entered into as of the date first above written

LICENSOR:

Prof. Dr. med. Oliver Wiedow

By: /s/ Oliver Wiedow
Oliver Wiedow

LICENSEE:

PROTEO, Inc.
A Nevada Corporation

By: /s/ Joerg Alte
Joerg Alte, President

EXHIBIT A

Patent Number	Country	Status
0402068	Europe Austria Belgium Switzerland Liechtenstein Germany Denmark Spain France United Kingdom Greece Italy Luxembourg Netherlands Sweden	Granted Patent
5464822	USA	Granted Patent
08/427170	USA	Patent Application
636148	Australia	Granted Patent
2018592	Canada	Patent Application
902880	Finland	Patent Application
70520	Ireland	Granted Patent
94602	Israel	Granted Patent
148816/90	Japan	Patent Application
177716	Norway	Granted Patent
233974	New Zealand	Granted Patent
94326	Portugal	Granted Patent
90/4461	South Africa	Granted Patent

EXHIBIT 10.16

Summary of Material Terms of License Agreement between Proteo Biotech AG, the Registrant's wholly owned subsidiary, and ARTES Biotechnology GmbH dated November 15, 2004

Proteo Biotech AG ("licensee") entered into an exclusive worldwide license agreement signed November 15, 2004 whereby ARTES Biotechnology GmbH ("licensor") grants to licensee a sub-license to the Hansenula Polymorpha Technology, which sub-license is based on a License between licensor and Rhein Biotech GmbH (Rhein). Should the license agreement between Rhein and licensor terminate, Rhein will assume the sublicense agreement with the licensee under similar terms.

The licensor grants a worldwide exclusive license to the licensee for the use of the hansenula polymorpha expression technology to produce Elafin and its homologues, except for the field of feed and food where the worldwide license is non-exclusive. The contract became effective on November 1, 2004, has an initial term of 15 years and expires on October 31, 2019. One year before the expiry date of this agreement, the parties will begin negotiations about an extension of this agreement on the basis of similar terms and conditions. If the negotiations do not result in an extension of the agreement within three months, the licensor has the right to license to third parties after the termination of this agreement. The licensor supports the licensee in the use of the technology with its know-how for the duration of the contract. Pursuant to the agreement, the licensor receives an annual license fee of 10,000 Euros ("lump sum"). Once the licensee achieves first sales on Elafin, except for sales as research reagent, the licensee has to pay revenue licensing fees of 2.5% on net sales, subject to a minimum licensing fee of 20,000 Euros per annum. The Lump Sum of 10,000 € will be deducted from this revenue license fees. The license fees are payable annually in November, after completion and audit of the previous year's annual report of the licensee. The sub-license is transferable without prior written consent of the licensor. Further sub-licensing by the licensee is permitted. The transfer of the sub-license or further sublicensing has to be in accordance with this agreement. Licensor and licensee may terminate this agreement according to important reasons according to German laws (§ 314 *Bürgerliches Gesetzbuch* (BGB)). For licensor important reasons may occur if the licensee attacks the licensors intellectual properties or went bankrupt. For licensee important reasons may be the defeasance of a property right as well as a foreseeable non-approval of Elafin according to the respective drug laws. A further important reason would be seen if unreasonable efforts would be necessary to achieve drug approval in view of profitability.

Exhibit 10.17

Translation From German

Contract for an Atypical Silent Partnership

between

Proteo Biotech AG
represented by the managing director Birge Bargmann

- hereinafter also referred to as the "Owner" -

and

Prof. Dr. Oliver Wiedow

- hereinafter also referred to as "Silent or Atypical Silent Partner" -

Recitals

The Owner operates a commercial business in Kiel. The purpose of the entrepreneur is the development, manufacturing and marketing of pharmaceuticals. Prof. Wiedow intends to participate as an atypical silent partner (in the meaning of §§ 230 et. seq. of the German Commercial Code) in the business of the Owner in order to strengthen the equity. To that end the parties agree as follows:

§ 1 Contributions of the Silent Partner

(1) The silent partner shall pay the following cash contributions:
€ 50 000.00

(2) The contributions are due for payment latest on October 1, 2006.

§ 2 Legal Nature of the Silent Partnership

Upon signing of this agreement, a uniform atypical silent partnership with one atypical silent partner comes into existence. The legal relationship between the partners is comprehensively governed by the provisions of this agreement.

§ 3 Term of the Partnership, Fiscal Year

(1) The partnership shall become effective on 01 October 2006, its term shall be for an indefinite period of time.

(2) The fiscal year equals the fiscal year of the Owner.

§ 4 Management

(1) The management of the atypical silent partnership shall be solely incumbent upon the Owner.

(2) The following acts by the Owner, however, require the consent of the Silent Partner:

a) The entering into, the amendment of and the termination of profit and loss transfer agreements and of further silent partnership agreements

b) Complete of partial discontinuance of the trade business of the Owner.

(3) If the Owner intends to execute any of the activities referred to in para. (2), it shall immediately inform the silent partners thereof and request from them to give their consent.

(4) The silent partners are obliged to promptly take a position. The silent partners are entitled to examine all records that are underlying the businesses requiring consent. If within 4 weeks from the delivery of a respective request there is no statement by the Silent partners, this shall be deemed to constitute consent; the request for making a statement shall explicitly refer to this legal consequence.

§ 5 Position of the Silent Partner

(1) The Silent Partner participates in the results, the assets and in the hidden reserves of the partnership. The participation quota is measured pursuant to § 10 of this agreement.

(2) Disregarding the fact that legally no joint total assets of the partnership exist, the assets of the Partnership shall be treated inter partes as joint assets. In particular, the participation of the Silent Partner extends to the value growth in assets and in the hidden and open reserves of the Partnership.

§ 6 Information and Control Rights

(1) The Silent Partner shall be entitled to the statutory information and control rights pursuant to Section 233 German Commercial Code*(§ 233 HGB)* and to the rights pursuant to Section 716 German Civil Code *(§ 716 BGB).* This shall also apply following termination *(Beendigung)* of the Partnership to extent required for verification of the credit balance of the Silent Partner *(Auseinandersetzungsguthaben)*.

(2) The Silent Partner shall be entitled to exercise his information and control rights through a attorney-at-law, a tax advisor or a chartered accountant.

(3) The Silent Partner shall keep all matters of the partnership that became known to him confidential.

§ 7 Annual Accounts

(1) Pursuant to commercial legal provisions and tax legal provisions, the Owner is obliged to keep books and records and to set up annual accounts. The partnership has to comply with such obligations also in the interest of the silent partners.

(2) The annual accounts (balance sheet, profit and loss statement) shall be set up by the Owner within the statutory time periods following the end of the business year.

(3) The annual accounts shall comply with the commercial law principles of proper book keeping and accounting*(Grundsätze ordnungsgemäßer Buchführung und Bilanzierung)*. Furthermore, the provisions of the assessment of taxable income shall be decisive.

(4) A copy of the annual accounts shall be sent to the Silent Partner. Any objections against the annual accounts shall be made by the Silent Partner in writing and within one month from the receipt of the annual accounts at latest. After expiration of this period, the annual accounts shall be deemed approved.

§ 8 Partners' Accounts

(1) The Silent Partner's contribution shall be booked on a deposit account *(Einlagenkonto)*.

(2) Share of losses shall be booked on a loss account*(Verlustkonto)*. As long as this account shows shares of losses, the shares in profit shall only be credited to such loss account.

(3) All other book entries relating to the Silent Partner, in particular profit credits – unless they have to be credited to the loss account – and payments*(Auszahlungen)* shall be made via a private account *(Privatkonto)*.

§ 9 Relevant Profits

(1) Basis for the profit participation of the Silent Partner is the profit as shown in the annual tax accounts before allowing for the Silent Partner's share in profits and losses and before deduction of the Owner's corporate income tax*(Körperschaftssteuer)*.

(2) If the annual accounts of the Owner (e.g. by way of a tax audit) are incontestably adjusted, such adjustment shall have to be taken into account with regard to the profit participation of the Silent Partner; equalisation payments shall be made within 4 weeks after incontestable adjustment of the annual accounts.

§ 10 Profit Participation

(1) The Silent Partner participates in the profits as determined pursuant to § 9 in the amount of a share of 15%. The profit share allocated to the Silent Partner shall in no fiscal year exceed an amount equalling 30% of the paid in contribution.

(2) The Silent Partner shall only participate in a respectively determined loss in the amount of a share of 15%. Shares in loss shall only be allocated to the Silent Partner, as long as their aggregate amount does not exceed the paid in contribution.

(3) The Silent Partner shall in no case be obliged to make any additional contributions.

§ 11 Withdrawals

(1)The Silent Partner is entitled to withdraw his share of profit credited to his private account.

(2)Payments on the share of profit shall be made within 4 weeks after approval of the balance sheet. The Owner may refuse the payment of the share in profit in whole or in part, to the extent the liquidity situation so requires.

§ 12 Assignment and Encumbrance of Shares

(1) The assignment, the disposal*(Veräusserung)* and the pledging of the silent partnership share as well as the agreement on a sub-participation, the granting of fiduciary relationships, and the order of a usufructus right *(Nießbrauchsrecht)* require the prior written consent of the Owner. Such consent may only be withheld for important reason. Any such disposition "in rem" *(Verfügung)* can only be made uniformly for the complete silent participation.

(2) The same shall apply to the assignment and the pledging of entitlements to profits and of credits.

§ 13 Death of a Silent Partner

In case of the death of the Silent Partner, his heirs shall enter into his legal position. Upon the Partnerships request, the heirs shall have to evidence their inherited rights by means of a certificate of inheritance. Several heirs shall have to be represented vis-à-vis the Partnership by a joint representative. Upon request, the representative shall have to evidence his power of representation to the partnership by means of a power of attorney attested by a notary public. Except for the entitlements to profits, the rights of the heirs under this contract shall remain dormant until the evidence of the proxy right, in case of sentence 2 hereof until the submission of a certificate of inheritance.

§ 14 Termination

(1) The silent partnership may be terminated by giving 6 months notice to the end of a fiscal year, but for the fist time as of 31 December 2007.

(2) The right to termination for important reason shall remain unaffected; besides the reasons provided for in Sections 234 German Commercial Code*(§ 234 HGB)* in conjunction with Section 723 German Civil Code *(§ 723 BGB)* an important reason in particular is deemed to be as well:

a) the liquidation of the Owner;
b) the opening of insolvency proceedings against a Silent Partner;
c) enforcements measures in partnership rights of the Silent Partner, if such measures are not cancelled again within 3 months.

§ 15 Credit Balance of the Silent Partner

(1) Upon the termination*(Beendigung)* of the silent partnership, the Silent Partner shall be entitled to a credit balance that shall be determined as of the day of termination.

(2) The credit balance comprises of

a) the balance of the deposit account, private account and loss account determined in consideration of § 9 hereof
b) the Silent Partner's share in the hidden reserves of the Owner in the amount of 15% of the value, however at maximum up to an amount equalling the 2 times value of the capital contribution.

If a negative amount results, such amount shall only be equalized by the Silent Partner up to the amount of a negative private account.

(3) If the termination is not concurrent with a balance sheet date, the results of the current fiscal year shall be pro rated in means of time for the purpose of determining the account balances.

(4) For the determination of the hidden reserves para. 2 b) all assets of the Partnership shall be valued at their current market values. In case of lack of agreement on such values, an arbitrator's expert deployed by the competent Chamber of Commerce shall take the decision binding for both parties. If the silent partnership ends in case of liquidation of the Owner, the liquidation proceeds shall be decisive for the determination of hidden reserves.

(5) § 9 (2) shall apply accordingly. The compensation credit*(Abfindungsguthaben)* shall be adjusted by taking into account the new notices *(Bescheide)*.

(6) The payment of the credit balance shall be made in four (4) equal quarterly instalments, the first of which becoming due for payment three months following the termination of the silent partnership. As long as the amount of the credit balance is not yet established, an estimate of the amount of the instalments shall be made; equalisation shall be made at the time of the first instalment that becomes due for payment following the determination of the credit balance. The payment of the credit balance shall be adequately extended in terms of time, if the payment pursuant to sentence 1 would not be justified in due consideration of the Owner's asset and earnings position. Upon termination of the silent partnership due to the Owner's liquidation, the complete credit balance is due for payment within 3 months following its determination.

(7) The credit balance in its respective amount shall be interest bearing at a rate of 4% per annum. Interests shall be due for payment together with the last instalment.

§ 16 Written Form, Severability

(1) Changes of and amendments to this agreement shall only become effective if made in writing. There are no ancillary agreements.

(2) Should one or more provisions of this shareholder agreement proe be invalid, such invalidity shall not invalidate the remainder of this agreement. In such case, the partners shall be obliged to replace the invalid provision by means of a resolution with a legally valid provision that achieves as close as possible the purpose of the invalid provision, in particular that what has been intended by the parties. The same shall apply, if during the execution of this agreement contractual gaps should occur.

(3) Place of venue for all disputes arising out of this agreement shall be Kiel, to the extent this can be lawfully agreed to.

Kiel, September 30, 2006

/s/ Birge Bargmann
Proteo Biotech AG

by Birge Bargmann
(Managing Director) *(Vorstand)*

/s/ Prof. Dr. Oliver Wiedow
Prof. Dr. Oliver Wiedow

Exhibit 10.18

Prof. Dr. med. Oliver Wiedow
Forstweg 55
D-24105 Kiel
Germany

Kiel, on July 28, 2011

Proteo, Inc.
Att: Chief Executive Officer
Ms. Birge Bargmann
2102 Business Center Drive
Irvine, CA 92612
USA

Re: Elafin License Agreement

Dear Ms. Bargmann.

This is to confirm certain agreements and understandings reached between me and Proteo, Inc. in December 2010 based on the following background:

Pursuant to the provisions of the license agreement between Proteo, Inc. (hereinafter "Licensee") and myself (hereinafter "Licensor", Licensee and Licensor collectively the "Parties") dated December 30th, 2000 as amended on December 23rd, 2008 (hereinafter the "License Agreement"), Licensee promised to pay certain amounts to Licensor. In December 2007 and December 2008, Licensee paid to Licensor 30,000 Euros per year and no other payments were made under the License Agreement to Licensor as of July 28th, 2011. I herewith confirm that based on the foregoing we have agreed on the following in December 2010:

1. The Parties herewith agree that Licensor defers to December 31st, 2011 the instalment payable by Licensee in the amount of 60,000 Euros, which otherwise would be due on December 31st, 2010 (hereinafter the "Deferral").

2. Neither the waiver nor the Deferral under Section 1 hereof, would constitute a waiver of or estoppel to Licensor's rights to already existing or future payment obligations under the License Agreement.

Please confirm by respective countersignature that you are in agreement with this letter and with this confirmation of our agreement from December 2010.

Kind regards,

/s/ Oliver Wiedow
Prof. Dr. med. Oliver Wiedow

We agree to the foregoing
Proteo, Inc., on July 28, 2011
/s/ Birge Bargmann
Birge Bargmann, Chief Executive Officer

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Birge Bargmann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Proteo, Inc. (the "registrant");

2. Based on my knowledge, this 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 this report;

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

4. I am 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 registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 registrant's disclosure controls and procedures and presented in this report my 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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting, and;

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: November 3, 2011

By: /s/ Birge Bargmann
Birge Bargmann
Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Birge Bargmann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Proteo, Inc. (the "registrant");

2. Based on my knowledge, this 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 this report;

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

4. I am 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 registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 registrant's disclosure controls and procedures and presented in this report my 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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting; and;

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: November 3, 2011

By: /s/ Birge Bargmann
Birge Bargmann
Chief Financial Officer (Principal Accounting Officer)

EXHIBIT 32

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 Quarterly Report of Proteo, Inc., a Nevada corporation (the "Company"), on Form 10-Q for the quarter ended September 30, 2011, as filed with the Securities and Exchange Commission (the "Report"), Birge Bargmann, Chief Executive Officer and Chief Financial Officer, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350), that to her knowledge:

(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 results of operations of the Company.

Date: November 3, 2011

/s/ Birge Bargmann
Birge Bargmann
CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, OR OTHER DOCUMENT AUTHENTICATING, ACKNOWLEDGING, OR OTHERWISE ADOPTING THE SIGNATURE THAT APPEARS IN TYPED FORM WITHIN THE ELECTRONIC VERSION OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, HAS BEEN PROVIDED TO PROTEO, INC. AND SUBSIDIARY AND WILL BE RETAINED BY PROTEO, INC. AND SUBSIDIARY AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

This Certification is being furnished pursuant to Rule 15(d) and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. This Certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.