

SEAWRIGHT HOLDINGS INC  
Form 10-K  
June 15, 2011

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

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

For the fiscal year ended December 31, 2008

- 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: 333-56848

SEAWRIGHT HOLDINGS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

54-1965220  
(I.R.S. Employer  
Identification No.)

600 Cameron Street, Alexandria, Virginia 22314  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:  
(703) 340-1629

Securities registered pursuant to Section 12(b) of the Act:  
None

Securities registered pursuant to Section 12(g) of the Act:  
Common Stock, par value \$.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes  No

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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. \$492,477 as of June 30, 2010.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of May 31, 2011, 14,348,399 shares of the registrant's common stock, par value \$0.001 per share, were issued and outstanding.

Documents Incorporated by Reference: None.

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SEAWRIGHT HOLDINGS, INC.

2008 FORM 10-K ANNUAL REPORT

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## PART I

### Cautionary Statement Concerning Forward-Looking Statements

Our representatives and we may from time to time make written or oral statements that are "forward-looking," including statements contained in this Annual Report on Form 10-K and other filings with the Securities and Exchange Commission, reports to our stockholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements within the meaning of the Act. In addition, other written or oral statements which constitute forward-looking statements may be made by us or on our behalf. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "may," "should," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict.

#### Item 1. Business

##### Overview

##### Introduction

Seawright Holdings, Inc. (the "Company", "Seawright", "we" or "our") was incorporated under the laws of the State of Delaware on October 14, 1999, originally under the name Pre-Settlement Funding Corporation. In September 2003, we changed our name to Seawright Holdings, Inc. Prior to October 2003, our business consisted of financing plaintiffs who are involved in personal injury claims. In October 2003, Seawright Springs, LLC, our wholly owned subsidiary, purchased the Mt. Sydney property described below. As a result of our acquisition of real property and improvements in October 2003, we restructured our operations to focus on the development of a spring water bottling and distribution business. We have since discontinued our strategy of trying to bottle and market spring water on a retail basis. Our current strategy is to focus on the bulk sale of natural spring water produced from our Mt. Sidney property in bulk to other bottlers, or to municipal, agricultural or commercial users. In 2008, we decided to enter into the business of owning oil and gas properties, and procured an option on certain properties in Knox County, Kentucky. However, we were unable to close on the purchase and the option lapsed in 2009. In 2010, we procured a new option on the oil and gas rights underlying the same properties, and shortly thereafter assigned the option to a third party.

##### Business and Basis of Presentation

From our inception through the date of these financial statements, we have recognized limited revenues and incurred significant operating expenses. Consequently, our operations are subject to all risks inherent in the establishment of a new business enterprise. For the period from inception through December 31, 2008, we have accumulated losses of \$7,600,208.

In October 2003, we acquired property that generates natural spring water. Through the acquisition of this property, we intend to enter into the business of producing and selling spring water in Mt. Sidney, Virginia, which is located in the Shenandoah Valley. The property has a natural flow of spring water in excess of 1,000,000 gallons of water daily.

The main focus of our current operations is the establishment of a business that produces and sells spring water from our Mt. Sidney property, although we may pursue other business opportunities that we deem appropriate.

Our strategy is to focus on the bulk sale of natural spring water produced from our Mt. Sidney property in bulk to other bottlers, or to municipal, agricultural or commercial users. We may also seek opportunities to enter into co-packing arrangements, where other bottlers bottle our water under our name, or private labeling agreements, where our water is bottled under another company's name. Selling our water under private labeling agreements will allow us to sell our water without incurring the high costs of advertising and distribution required to establish brand recognition and market identity.

We currently do not have our own bottling and packaging facilities. We have installed an updated bulk water loading facility at the Mt. Sidney spring site. Now, private labeled bottlers will be able to load water at our spring site and transport it to their bottling and packaging facilities.

#### Bottled Water Market Overview

Demand for bottled water has grown significantly in recent years, and in particular demand for products that contain spring water. In 2009, total U.S. bottled water volume surpassed 8.4 billion gallons, which was a 46% advance over 2002's volume level and bottled water remains the fastest growing major beverage segment. In 2009, the bottled water category continues as the second largest commercial beverage in the United States.

#### U.S. BOTTLED WATER MARKET Volume and Producer Revenues 2001 - 2009

Year	Millions of Gallons	Annual %	Millions of Dollars	Annual %
2001	5,185.2	--	\$6,880.6	--
2002	5,795.7	11.8%	\$7,901.4	14.8%
2003	6,269.8	8.2%	\$8,526.4	7.9%
2004	6,806.7	8.6%	\$9,169.4	7.5%
2005	7,537.1	10.8%	\$10,012.5	9.1%
2006	8,255.0	9.5%	\$10,857.8	8.5%
2007	8,757.6	6.1%	\$11,551.5	6.4%
2008	8,669.3	-1.0%	\$11,178.5	-3.2%
2009	8,454.0	-2.5%	\$10,595.0	-5.2%

Source: Beverage Marketing Corporation

During the nine-year period from 2001 to 2009, bottled water volume increased by an average growth rate of 6.44%, which growth rate exceeded the growth rates of all other beverage categories.

Per capita consumption of bottled water has been growing by at least one gallon annually. In 2009, the per capita consumption of water in the United States increased 52% from 2001's rate, which means annual bottled water consumption by U.S. residents is second only to carbonated soft drinks.

U.S. BOTTLED WATER MARKET  
Per Capita Consumption  
2001 - 2009

Year	Gallons Per Capita	Annual % Change
2001	18.2	8.6%
2002	20.1	10.6%
2003	21.6	7.2%
2004	23.2	7.5%
2005	25.4	9.7%
2006	27.6	8.4%
2007	29.0	5.3%
2008	28.5	-1.8%
2009	27.6	-3.2%

Source: Beverage Marketing Corporation

The bottled water market comprises three major segments: still or non-sparkling, sparkling, and imported water, which includes both non-sparkling and sparkling segments. The Company's spring water may be used in both sparkling and non-sparkling applications.

The Beverage Marketing Corporation categorizes water into three main categories.

\* Non-sparkling or still water, which contains no carbonation and is consumed as an "alternative to tap water."

\* Sparkling water, which contains either natural or artificial carbonation and is positioned to compete in the broad "refreshment beverage" field.

\* Imported water, which includes both sparkling and non-sparkling water produced and bottled outside the U.S., and which is targeted to "image-conscious consumers."

U.S. BOTTLED WATER MARKET  
Volume & Growth by Segment  
2001 - 2009

Year	Non-Sparkling		Domestic Sparkling		Imports		Total	
	Volume*	Change	Volume*	Change	Volume*	Change	Volume*	Change
2001	4,917.3	--	144.0	--	123.9	--	5,185.3	--
2002	5,487.5	11.6%	149.5	3.8%	158.7	28.0%	5,795.6	11.8%
2003	5,923.9	8.0%	152.6	2.1%	193.3	21.8%	6,269.8	8.2%
2004	6,411.3	8.2%	166.8	9.3%	228.6	18.2%	6,806.7	8.6%
2005	7,171.4	11.9%	185.0	10.9%	182.5	-20.2%	7,538.9	10.8%
2006	7,901.4	10.2%	189.3	2.3%	164.3	-10.0%	8,255.0	9.5%
2007	8,376.6	6.0%	200.1	5.7%	180.9	10.1%	8,757.6	6.1%
2008	8,302.9	-0.9%	204.7	2.3%	161.8	-10.6%	8,669.3	-1.0%
2009	8,123.8	-2.2%	202.2	-1.2%	127.9	-20.9%	8,454.0	-2.5%

\* Millions of gallons

Source: Beverage Marketing Corporation

Non-sparkling water (still water) remains the largest segment of bottled water.

The bottled still water business, which will represent our most significant product area, has been consistently growing at an average annual rate of 7.9% since 2001 according to the Beverage Marketing Corporation. Still water now comprises over 95% of all of the bottled water gallonage sold in the United States.

#### Geographic Markets and Distribution Channels

- Bottled water is sold through various channels, including:
  - Home Delivery (1 to 5 gallon bottles)
  - Commercial and Office Delivery (1 to 5 gallon bottles)
  - Off Premise Retail (supermarkets, convenience store, and drug store)
    - On-Premise Retail (restaurants)
    - Vending Machines
  - Institutional Usage (hospitals, schools)
- Bulk Sales (Domestic and International sales of potable water)

### Bottled Water Classifications and Definitions

The Company's water qualifies as natural spring water and is a mineral water containing 300 parts per million (ppm) total dissolved solids (TDS). The various classifications of water are contained in the paragraphs that follow.

Bottled water or drinking water is water that is intended for human consumption and that is sealed in bottles or other containers with no added ingredients except that it may optionally contain safe and suitable anti-microbial agents. Fluoride may be optionally added within the limitations established by the U.S. Food and Drug Administration ("FDA"). Firms may manufacture non-standardized bottled water products with ingredients such as minerals for flavor. The common or usual name of the resultant product must reflect these additions. Bottled water or drinking water may be used as an ingredient in beverages (e.g., diluted juices or flavored bottled waters). It does not include those food ingredients that are declared in ingredient labeling as "water", "carbonated water," "disinfected water," "filtered water," "seltzer water," "soda water," "sparkling water," and "tonic water."

Natural water is bottled spring, mineral, artesian, or well water which is derived from an underground formation or water from surface water that only requires minimal processing. Natural water is not derived from a municipal system or public water supply, and is unmodified except for limited treatment (e.g., filtration, ozonation or equivalent disinfection process).

Spring water is water derived from an underground formation from which water flows naturally to the surface of the earth. Spring water must comply with the FDA standard of identity. Spring water must be collected only at the spring or through a borehole tapping the underground formation feeding the spring. There must be a natural force causing the water to flow to the surface through a natural orifice. The location of the spring must be identified and such identification must be maintained in a company's records. Spring water collected with the use of an external force must be from the same underground stratum as the spring, as shown by a measurable hydraulic connection using a hydro-geologically valid method between the bore hole and the natural spring, and must have all the physical properties, before treatment, and be of the same composition and quality, as the water that flows naturally to the surface of the earth. If spring water is collected with the use of an external force, water must continue to flow naturally to the surface of the earth through the spring's natural orifice.

Mineral water is water containing not less than 250 parts per million (ppm) total dissolved solids (TDS), coming from a source tapped at one or more boreholes or springs, originating from a geologically and physically protected underground water source. Mineral water shall be distinguished from other types of water by its constant level and relative proportions of minerals and trace elements at the point of emergence from the source, due account being taken of the cycles of natural fluctuations. No minerals may be added to this water.

Sparkling bottled water is bottled water that, after treatment and possible replacement of carbon dioxide, contains the same amount of carbon dioxide that it had at the emergence from the source. Manufacturers may add carbonation to previously non-carbonated bottled water products and label such water appropriately (e.g., sparkling spring water).

Well water or "Artesian" water is bottled water from a well tapping a confined aquifer in which the water level stands at some height above the top of the aquifer. Artesian water may be collected with the assistance of external force to enhance the natural underground pressure.

Ground water is water from a subsurface saturated zone that is under a pressure equal to or greater than atmospheric pressure. Ground water must not be under the direct influence of surface water.

Purified water is bottled water produced by distillation, de-ionization, reverse osmosis, or other suitable process and that meets the definition of purified water.

#### Government Regulation of Bottled Water

Prior to 1996, bottled water was regulated in the same fashion as municipal water. Municipal water is regulated not as a food by the FDA, but as a commodity by the Environmental Protection Agency ("EPA") pursuant to the Safe Drinking Water Act of 1974 ("SDWA"), which only provided for certain mineral/chemical content requirements so as to ensure water safety, not product definition.

In 1996, the United States enacted statutes and regulations to regulate bottled water as a food. Accordingly, the Company's water must meet FDA standards for manufacturing practices and chemical and biological purity. Furthermore, these standards undergo a continuous process of revision. The labels affixed to bottles and other packaging of the water is subject to FDA restrictions on health and nutritional claims for foods.

As of 1996, bottled water is fully regulated as a food by the FDA under the Federal Food, Drug, and Cosmetic Act, which defines food as "articles used for food or drink for man or other animals." This includes packaged (bottled) water sold in containers at retail outlets as well as containers distributed to the home and office market. This legislation was designed to ensure that bottled water companies clearly and accurately define the type of water that was being bottled and sold to the public. The FDA adopted the basic mineral/chemical guidelines employed by the EPA, while making some aspects more stringent.

In addition, all drinking water must meet EPA standards established under the SDWA for mineral and chemical concentration. The 1986 amendments to the SDWA mandated the establishment of new drinking water quality and treatment regulations. Most municipalities meet or exceed EPA drinking water regulations, many of that reflect recent public awareness of the issue of contaminated water. For example, EPA standards for lead in drinking water did not exist prior to 1986, when 50 ppb (parts per billion) was established. This standard was lowered to 15 ppb in 1991, because after five years the government still found 130 million people exposed to unacceptable lead levels.

The United States government also enacted Safe Drinking Water Reauthorization Act of 1996. This law requires all local water utilities to issue annual reports to their consumers disclosing all chemicals and bacteria in their water.

Bottled water is also subject to state and local regulation. Bottled water must originate from an "approved source" in accordance with standards prescribed by the state health department in each of the states in which our products will be sold. The source must be inspected and the water sampled, analyzed and found to be of safe and wholesome quality. There are annual "compliance monitoring tests" of both the source and the bottled water. The health departments of the individual states also govern water purity and safety, labeling of bottled water products and manufacturing practices of producers. Our Mt. Sidney property has been inspected and approved by the Virginia Department of Agriculture as a source of spring water. To the extent we market our water on a retail basis, we are required to make certain disclosures and disclaimers on our labels.

Compliance with these various regulations has not had, and we do not expect such compliance to have, any material adverse effect on our capital expenditures, net income or competitive position.

### Competition

The beverage industry, and in particular the bottled water industry, is extremely competitive and seasonal. The leaders in the U.S. bottled water business, based on total estimated sales (at wholesale), according to the Beverage Marketing Corporation, are Aquafina, Dasani, Poland Spring, Arrowhead, Sparkletts, Deer Park and Crystal Geysers. We have determined that developing a proprietary brand of bottled water requires greater resources than we have to effectively compete in that market. Therefore, our current focus is to market our water supply on a bulk basis to other bottled water companies, or to municipal, commercial or agricultural uses.

### Marketing Objectives and Advertising Strategy

Our initial marketing strategy is targeted primarily to marketing our natural spring water in bulk to private label bottlers, and secondarily to municipal, commercial or agricultural users. We do not plan to market our water through a dedicated salesforce, and instead intend to use market our water through our officers. We also do not intend to use any form of mass media to market our water supply.

### Intellectual Property

In June 2005, we purchased intellectual property from Quibell Partners, L.L.C. relating to the creation and bottling of flavored and non-flavored bottled water, including, but not limited to, the following:

- certain trademarks, service marks, trade names, service names and logos, including the trademark rights to the name "Quibell";
- various glass bottle designs;
- bottle label designs and artwork for water bottle carrypacks;
- formulas for flavored sparkling water and for teas; and
- web site coding.

We also own the domain name [www.seawrightsprings.com](http://www.seawrightsprings.com).

Since our business plan no longer includes the retail distribution of bottled water, we have written off our investment in these assets during the year ended December 31, 2007.

#### Research and Development

We did not incur any research and development expenses in the last two years ended December 31, 2008 and 2007.

#### Employees

As of December 31, 2010, we had one employee, Joel Sens, who serves as our president, chief executive officer, secretary and treasurer.

#### Item 1A. Risk Factors.

An investment in our common stock is risky. You should carefully consider the following risks, as well as the other information contained in this Form 10-K, before investing. If any of the following risks actually occurs, our business, business prospects, financial condition, cash flow and results of operations could be materially and adversely affected. In this case, the trading price of our common stock could decline, and you might lose part or all of your investment.

We may amend or supplement the risk factors described below from time to time by other reports we file with the SEC in the future.

#### Risks Related To Our Business

Our accountants have indicated that if we do not generate enough cash from operations to sustain our business we may have to liquidate assets or curtail our operations.

The accompanying financial statements have been prepared assuming we will continue as a going concern. Since inception, we have accumulated substantial losses. Conditions exist that raise substantial doubt about our ability to continue as a going concern unless we are able to generate sufficient cash flows to meet our obligations and sustain our operations.

We have had losses since our inception, expect losses to continue in the future and may never become profitable.

We have historically generated substantial losses, which, if continued, could make it difficult to fund our operations or successfully execute our business plan, and could adversely affect our stock price. For the period from inception through December 31, 2008, we have accumulated losses totaling \$7,600,208.

We have a limited operating history, an unproven market for our spring water, and may never achieve or sustain profitable operations.

We have only been operating for a short time and have not yet achieved significant sales or made a profit from operations. We have generated limited revenues from our current products of \$19,611 from inception through December 31, 2008.

We initially tried to market our spring water as a proprietary brand, but decided that the marketing and distribution costs needed to build a consumer brand exceeded the capital resources available to us. Therefore, we have decided to focus on bulk sales of our water to other bottlers, and to municipal, commercial and agricultural users; however, to date, we have not reached any agreements to sell our water in bulk.

We have not conducted any market surveys or studies to determine if there is a market for our bulk sales of our water. Water is costly to transport in relation to its value, which may limit any potential bulk buyers of our water to users in our immediate geographic area, or users that are willing to locate their commercial establishment or bottling operations near our property to take advantage of our water supply. As a result of the above factors, we may never achieve or sustain profitable operations.

We have substantial indebtedness, which we may not be able to pay.

We have substantial indebtedness which we are unable to pay from our operations or current assets. As of May 31, 2011, our property in Mt. Sydney, Virginia is subject to a first mortgage for \$750,000, and we have about \$200,000 in accounts payable. In addition, we have over \$750,000 of other notes payable, many of which are past due or in default. We have also entered into put arrangements with prior noteholders who have converted their notes into common stock, which entitle the holders under certain circumstances to put their shares back to us for the amount of their original obligation. We currently do not have any revenue producing operations, and minimal cash. Accordingly, we are not able to pay all of our indebtedness according to its terms. We have succeeded in negotiating settlements with most of our creditors, under which the creditors have agreed to convert their debt into common stock or be repaid at a discount or both. However, if we are not able to negotiated settlements, or generate revenues or obtain new capital with which to pay our indebtedness, our creditors may commence legal action against us, which would leave our assets vulnerable to seizure.

Our revenues and operating results are likely to fluctuate significantly.

As a result of our limited operating history and inexperience in marketing our water in bulk, our future quarterly and annual revenues and operating results are difficult to predict, and may fluctuate greatly from period to period based on the nature of the parties that agree to purchase our water in bulk. These fluctuations may be caused by a number of factors, many of which are beyond our control. These factors include the following, as well as others discussed elsewhere in this section:

- how and when our customers introduce new products and services or enhance their existing products and services;
  - our ability to attract and retain new customers and satisfy our customers' demands;
  - our ability to establish and maintain strategic relationships;
  - our ability to attract, train and retain key personnel;
  - the emergence and success of new and existing competition;
- varying operating costs and capital expenditures related to the expansion of our business operations and infrastructure, domestically and internationally, including the hiring of new employees;
  - Seasonal fluctuations in our customers' demand for water;
- costs and effects related to the acquisition of businesses or technology and related integration; and
  - costs of litigation and intellectual property protection.

For these reasons, you should not rely on period-to-period comparisons of our financial results, if any, as indications of future results. Our future operating results could fall below the expectations of public market analysts or investors and significantly reduce the market price of our common stock. Fluctuations in our operating results will likely increase the volatility of our stock price.

We may be subject to product liability claims and our insurance may not be adequate to cover such claims.

The marketing and selling of our products will expose us to product liability risk. Any future claim against us for product liability could materially and adversely affect our business, financial condition, and results of operations and result in negative publicity. Even if we are not found liable, the costs of defending a lawsuit can be high.

We currently do not carry insurance for this type of liability.

We are subject to substantial competition and so may not have the ability or the capital to compete effectively.

The industry in which we expect our products to be sold is highly competitive. We may not have the ability or the capital to compete effectively in this environment.

The significant competition in our industry could harm our ability to win business and increase the price pressure on our products. We face strong competition from a wide variety of firms, including large, multinational firms with far greater resources than we possess.

Many of our competitors have considerably greater financial, marketing and technological resources than we do, which may make it difficult to sell our products. Many of our competitors also have longer operating histories and presence in key markets, greater name recognition, larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources. As a result, these competitors may also be able to devote greater resources to the promotion and sale of their products.

We must comply with environmental regulations or we may have to pay expensive penalties or clean-up costs

We are subject to federal, state and local laws, and regulations regarding protection of the environment, including air, water, and soil. We do not maintain insurance for pollutant cleanup and removal. If we are found responsible for any hazardous contamination, we may have to pay expensive fines or penalties or perform costly clean-up. Even if we are charged and later found not responsible for such contamination or clean up, the cost of defending the charges could be high.

If we do not comply with government regulations, we may be unable to ship our products or have to pay expensive fines or penalties

We are subject to regulation by state and federal governments and governmental agencies. If we fail to obtain regulatory approvals or suffer delays in obtaining regulatory approvals, we may not be able to market our bulk water generate revenues. Although we do not anticipate problems satisfying any of the regulations involved, we cannot foresee the possibility of new regulations that could adversely affect our business.

Insiders can exert significant control over our policies and affairs

As of May 31, 2011, our chief executive officer and principal stockholder, Joel Sens, beneficially owned approximately 17.2% of our outstanding common stock on a fully-diluted basis. As a result, Mr. Sens effectively controls all of our affairs and policies, including matters requiring stockholder approval, such as amendments to our certificate of incorporation, fundamental corporate transactions including mergers, acquisitions and the sale of the company, and other matters involving the direction of our business and affairs. Although you may vote your shares, you will have limited influence on our business and management.

We currently have one employee and we may not be able to execute our business plan without his services

Mr. Sens is presently our sole employee and is employed without any formal contract establishing terms of employment or compensation. We are therefore dependent upon Mr. Sens, who works for us as an at will employee, with respect to our operations and management. If Mr. Sens is unable to devote substantial time and attention to our operations for whatever reason or decides to change his employment, our business will be materially and adversely affected.

We believe that, as our activities increase and change in character, additional, experienced personnel will be required to implement our business plan. Competition for such personnel is intense and we may not be able to attract and retain such personnel.

We may not be able to successfully manage growth of our business

Our future success will be highly dependent upon our ability to successfully manage the anticipated expansion of our operations. Our ability to manage and support growth effectively will be substantially dependent on our ability to implement adequate financial and management controls, reporting systems and other procedures, and attract and retain sufficient numbers of qualified technical, sales, marketing, financial, accounting, administrative and management personnel.

Our future success also depends upon our ability to address potential market opportunities while managing expenses to match our ability to finance our operations. This need to manage our expenses will place a significant strain on our management and operational resources. If we are unable to manage our expenses effectively, our business, results of operations and financial condition will be materially and adversely affected.

#### Risks associated with acquisitions

Although we do not presently intend to do so, as part of our business strategy in the future, we could acquire assets and businesses relating to or complementary to our operations. Any acquisitions by us would involve risks commonly encountered in acquisitions of assets or companies. These risks would include, among other things, the following:

- we could be exposed to unknown liabilities of the acquired companies;
- we could incur acquisition costs and expenses higher than anticipated;
- fluctuations in our quarterly and annual operating results could occur due to the costs and expenses of acquiring and integrating new businesses or technologies;
- we could experience difficulties and expenses in assimilating the operations and personnel of any acquired businesses;
  - our ongoing business could be disrupted and our management's time and attention diverted; and
  - we could be unable to integrate with any acquired businesses successfully.

#### Risks Related to Seawright Holdings, Inc. Common Stock

Penny Stock" rules may make buying or selling our securities difficult

Trading in our securities is subject to the SEC's "penny stock" rules and it is anticipated that trading in our securities will continue to be subject to the penny stock rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from recommending transactions in our securities, which could severely

limit the liquidity of our securities and consequently adversely affect the market price for our securities.

Our securities have been thinly traded on the Pink Sheets, which may not provide liquidity for our investors

Our securities are quoted on the Pink Sheets. The Pink Sheets is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market or other national or regional exchanges. Securities traded on the Pink Sheets are usually thinly traded, highly volatile, have fewer market makers and are not followed by analysts. The SEC's order handling rules, which apply to NASDAQ-listed securities, do not apply to securities quoted on the Pink Sheets. Quotes for stocks included on the Pink Sheets are not listed in newspapers. Therefore, prices for securities traded solely on the Pink Sheets may be difficult to obtain and holders of our securities may be unable to resell their securities at or near their original acquisition price, or at any price.

A sale of a substantial number of shares of our common stock may cause the price of our common stock to decline; we have recently settled debts by the issuance of shares.

If our stockholders sell substantial amounts of our common stock in the public market, including shares issued upon the exercise of outstanding options or warrants, the market price of its common stock could fall. In December 2010, we issued 750,000 shares in conversion of indebtedness, and in January 2011 we agreed to issue another 650,000 shares in conversion of indebtedness. In general, the shares are eligible for sale immediately under Rule 144, and we expect the recipients to try and sell their shares. These sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. Stockholders who have been issued shares may be able to sell their shares pursuant to Rule 144 under the Securities Act of 1933, beginning six months after the stockholders acquired their shares if we are current on our reporting obligations under the Securities Exchange Act of 1934, or one year if we are not. We are not current with our reporting obligations under the Securities Exchange Act of 1934.

We have not paid dividends in the past and do not expect to pay dividends in the future. Any returns on investment may be limited to the value of our common stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if its stock price appreciates.

Our stock price is volatile and you may not be able to sell your shares for more than what you paid

Our stock price has been subject to significant volatility, and you may not be able to sell shares of common stock at or above the price you paid for them. The trading price of our common stock has been subject to wide fluctuations in the past. During the year ended December 31, 2010, our common stock traded at prices as low as \$0.001 per share and as high as \$0.19 per share. Our stock price has historically fluctuated within a broad range each year.

The market price of the common stock could continue to fluctuate in the future in response to various factors, including, but not limited to:

- quarterly variations in operating results;
- our ability to control costs and improve cash flow;
- announcements of technological innovations or new products by us or by our competitors;
- changes in investor perceptions; and
- new products or product enhancements by us or our competitors.

The stock market in general has continued to experience volatility which may further affect our stock price. As such, you may not be able to resell your shares of common stock at or above the price you paid for them.

Item 1B. Unresolved Staff Comments.

Not applicable

Item 2. Properties.

Our principal executive offices are located at 600 Cameron Street, Alexandria, Virginia 22314. We lease these facilities on a month-to-month basis at a cost of \$192 per month. We believe these facilities are suitable for our current needs.

We own 145 acres of undeveloped raw land in Mt. Sidney, Virginia, which we acquired in 2003 for \$1,000,000.

Item 3. Legal Proceedings.

From time to time, we are a party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not involved currently in legal proceedings that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future.

Item 4. (Removed and Reserved).

## PART II

## Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

## Market Information

Prior to January 9, 2004, there was no public trading market for our securities. On January 9, 2004, our securities began trading on the OTC Bulletin Board ("OTCBB") maintained by members of the National Association of Securities Dealers, Inc. ("NASD") under the symbol SWRI.OB. On May 19, 2008, trading in our common stock moved to the Pink Sheets, and our symbol changed to SWRI.PK.

The following table sets forth the range of high and low bid prices for our common stock for each applicable quarterly period. The table reflects inter-dealer prices without retail mark-up, mark-down or commissions and may not represent actual transactions.

	Fiscal Year Ended December 31, 2008	
	High(\$)*	Low(\$)*
First Quarter	0.26	0.13
Second Quarter	0.165	0.07
Third Quarter	0.12	0.075
Fourth Quarter	0.12	0.025

	Fiscal Year Ended December 31, 2007	
	High(\$)*	Low(\$)*
First Quarter	1.20	0.40
Second Quarter	2.45	0.96
Third Quarter	1.48	0.20
Fourth Quarter	0.53	0.20

The shares quoted are subject to the provisions of Section 15(g) and Rule 15g-9 of the Securities Exchange Act of 1934, as amended (the Exchange Act"), commonly referred to as the "penny stock" rule. Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act.

The Commission generally defines penny stock to be any equity security that has a market price less than \$5.0 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be a penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; authorized for quotation on The NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least \$5.00 per share) or the registrant's net tangible assets; or exempted from the definition by the Commission. Trading in the shares is subject to additional sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors, generally persons with assets in excess of \$1,000,000 or annual income exceeding \$200,000, or \$300,000 together with their spouse.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, the monthly statements must be sent disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker dealers to trade and/or maintain a market in the company's common stock and may affect the ability of shareholders to sell their shares.

#### Number of Shareholders

As of May 31, 2011, there were 14,348,399 shares of our common stock issued and outstanding and 30 holders of record of our common stock. The transfer agent of our common stock is OTR, Inc., 1001 SW 5 Avenue, Suite 1550; Portland, OR 97204.

#### Dividends

We have never paid cash dividends or distributions to our equity owners. We do not expect to pay cash dividends on our common stock, but instead, intend to utilize available cash to support the development and expansion of our business. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including but not limited to, future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements we may obtain or enter into, future prospects and in other factors our Board of Directors may deem relevant at the time such payment is considered. There is no assurance that we will be able or will desire to pay dividends in the near future or, if dividends are paid, in what amount.

#### Securities Issued in Unregistered Transactions

During the quarter ended December 31, 2008, we did not issue any securities in unregistered transactions,

#### Issuer Purchases of Equity Securities

During the quarter ended December 31, 2008, we did not purchase any shares of our common stock.

#### Item 6. Selected Financial Data.

Not applicable.

#### Item 7. Management's Discussion and Analysis of Financial Condition or Results of Operations.

WE URGE YOU TO READ THE FOLLOWING DISCUSSION IN CONJUNCTION WITH OUR CONSOLIDATED FINANCIAL STATEMENTS AND THE NOTES THERETO BEGINNING ON PAGE F-1. THIS DISCUSSION MAY CONTAIN FORWARD-LOOKING STATEMENTS THAT INVOLVE SUBSTANTIAL RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS COULD DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS AS A RESULT OF A NUMBER OF FACTORS, INCLUDING BUT NOT LIMITED TO THE RISKS AND UNCERTAINTIES DISCUSSED UNDER THE HEADING "RISK FACTORS" IN THIS FORM 10-K AND IN OUR OTHER FILINGS WITH THE SEC. IN ADDITION, SEE "CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS" SET FORTH IN THIS REPORT.

#### Plan of Operation

In 2003, we purchased property containing a spring located in Mt. Sidney, Virginia in the Shenandoah Valley with the intention of developing a spring water distribution business. The spring has a flow in excess of 1,000,000 gallons of water daily.

We chose to develop and acquire packaging for selling our water under the brand names Seawright Springs and Quibell. We developed two proprietary Polyethylene Terephthalate, or PET, bottles in a 16.9 ounce size and a 33.8 ounce size. In addition, in June 2005 we acquired from Quibell glass bottle designs for various sized bottles (including 237 ml, 385 ml, 750 ml and 1 liter sizes) as well as labels for various sized sparkling water bottles, spring water bottles and tea bottles (including 237 ml, 385 ml, 750 ml, 1 liter, 1.5 liter and 16.9 ounce bottles).

We ultimately determined that we did not have the capital resources to market and distribute our bottled water as a retail brand, and therefore we discontinued that business strategy. Our business strategy is now focused on negotiating bulk sales of our water to other bottlers, or to municipal, commercial or agricultural users.

We do not anticipate that our business will require substantial additional capital to the extent it involves the sale of water in bulk from our existing property, because we expect that such sales will be handled by our existing officer. However, we are also considering complimentary acquisitions of other natural resources properties, and will need to raise new capital to complete any acquisitions.

In 2008, we decided to enter the business of owning oil and gas properties, and procured an option on certain properties in Knox County, Kentucky. However, we were unable to close on the purchase and the option lapsed in 2009. In 2010, we procured a new option on the oil and gas rights underlying the same properties, and shortly thereafter assigned the option to a third party. Subsequent to the assignment of the option in 2010, the President of the Company became a significant shareholder and a director of that entity the option was assigned to. This 2010 option also lapsed later in 2010.

#### Product Research and Development

We do not anticipate performing research and development for any products during the next twelve months.

#### Acquisition or Disposition of Plant and Equipment

On July 8, 2008, the Company sold real estate property for net proceeds of \$2,409,009 for a net gain of \$1,448,056. On September 30, 2009, the Company sold real estate property for net proceeds of \$58,831 for a net gain of \$32,940. We do not anticipate the purchase or sale of any significant property, plant or equipment during the next twelve months. We have made improvements to plant and equipment at the spring site, and we have spent approximately \$250,000 to complete the renovation of our spring catchment, which protects the water spring from outside elements.

#### Critical Accounting Policies

The Company's discussion and analysis of its consolidated financial condition and results of operations are based upon its consolidated financial statements that have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). This preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. US GAAP provides the framework from which to make these estimates, assumption and disclosures. The Company chooses accounting policies within US GAAP that management believes are appropriate to accurately and fairly report the Company's consolidated operating results and financial position in a consistent manner. Management regularly assesses these policies in light of current and forecasted economic conditions. While there are a number of significant accounting policies affecting our consolidated financial statements, we believe the following critical accounting policies involve the most complex, difficult and subjective estimates and judgments:

- Revenue Recognition;
- Stock Based Compensation; and
- Use of Estimates.

## Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required. ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arrangements (“ASC 605-25”). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets.

## Stock Based Compensation

Effective for the year beginning January 1, 2006, the Company adopted Accounting Standards Codification subtopic 718-10, Compensation (“ASC 718-10”). The Company made no employee stock-based compensation grants during the years ended December 31, 2008 and 2007, and all previously granted stock compensations have vested at the time of grant, therefore the Company had no stock based compensation related to options or warrants recorded during the years ended December 31, 2008 and 2007.

## Use of Estimates

The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements. The Company analyzes its estimates, including those related to future contingencies and litigation. The Company bases its estimates on assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

## Comparison of Financial Results

Years Ended December 31, 2008 and 2007

### Revenues

During the years ended December 31, 2008 and 2007, \$6,596 and \$7,187 of revenue, respectively, was generated from the Mt. Sidney spring from on-site sales. We have discontinued trying to market our bottled water as a retail brand, and have shifted our focus to negotiating bulk sales of our water to other bottlers, or to municipal, commercial or agricultural users. Because of the change in our business strategy, we do not believe that past revenues are reflective of our future revenues.

## Costs and Expenses

From our inception through December 31, 2008, we have incurred net losses of \$7,600,208. These losses were associated principally with maintenance and engineering costs associated with the spring site, including testing of water quality, stock issuances to our founders, legal, consulting and accounting fees and costs in connection with the development of our business plan, market research, and the preparation of our registration statement.

We incurred operating expenses of \$789,546 during the year ended December 31, 2008 as compared to \$1,208,047 of expenses during the year ended December 31, 2007. Expenses for the year ended December 31, 2008 are composed principally of salary, legal and accounting fees, and consulting fees. The Company's operations have been reduced in the year ended December 31, 2008 as compared to the year ended December 31, 2007.

We incurred total other income of \$935,272 for the year ended December 31, 2008, as compared to other expense of (\$2,752,099) for the year ended December 31, 2007. Other income for the year ended December 31, 2008 was attributable to a gain of approximately \$1.5 million from sale of certain real estate property, net of interest expenses of approximately \$513,000. Other expense for the year ended December 31, 2007 was mainly attributable to a charge of approximately \$1.2 million in connection with fair value of common shares issued in the induced conversion of notes payable, with the remaining attributable to interest bearing debt and associated amortization of financing costs.

During the years ended December 31, 2008 and 2007, we incurred net income (loss) of \$152,322 and (\$3,952,959), respectively.

## Liquidity and Capital Resources

The following table sets forth the major sources and uses of cash for our last two years ended December 31, 2008 and 2007:

	2008	2007
Net cash used in operating activities	\$(916,306 )	\$(1,632,037 )
Net cash provided by (used in) investing activities	2,274,018	(85,110 )
Net cash (used in) provided by financing activities	(1,357,577 )	1,714,606
Net increase (decrease) in cash and cash equivalents	\$135	\$(2,541 )

As of December 31, 2008, we had working capital deficit (total current liabilities in excess of total current assets) of \$1,990,020 an available cash balance of \$580, deferred financing costs – current portion of \$6,944, prepaid expense of \$31,200, bank overdraft of \$55, and an accounts payable and accrued liabilities balance of \$295,639, and notes payable and line of credit of \$1,732,850.

While we have raised the capital necessary to meet our working capital and financing needs in the past, additional financing is required in order to meet our current and projected cash flow deficits from operations and development. Funds will be needed to meet certain of our obligations that are secured by our property in Mt. Sydney, Virginia, and to fund general and administrative expenses. We have been working on business development in recent years to fund our cash needs from the bulk sale of our spring water, but if we are not able to negotiate a bulk sales agreement in a timely fashion, we will need to raise new capital to fund our cash needs.



If we are not successful in generating sufficient liquidity from operations or in raising sufficient capital resources on terms acceptable to us, this could have a material adverse effect on our business, results of operations, liquidity and financial condition.

Our independent registered certified public accountants have stated in their report included herein that we have incurred operating losses since our inception, and that we are dependent upon management's ability to develop profitable operations. These factors among others may raise substantial doubt about our ability to continue as a going concern.

#### New Accounting Pronouncements

See Note 1 of the Consolidated Financial Statements for a full description of new accounting pronouncements, including the respective expected dates of adoption and effects on results of operations and financial condition.

#### Off-Balance Sheet Arrangements

We have not had, and at December 31, 2008, do not have, any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

#### Inflation

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could adversely affect our business, financial condition and results of operations.

#### Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

#### Item 8. Financial Statements and Supplementary Data.

The financial statements required by Article 8 of Regulation S-X are attached hereto as Exhibit A.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

We have had no disagreements with our independent registered public accountants with respect to accounting practices or procedures or financial disclosure.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Joel Sens, who is both our chief executive officer and our chief financial officer, is responsible for establishing and maintaining our disclosure controls and procedures. Disclosure controls and procedures means controls and other procedures that are designed to ensure that information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in those reports is accumulated and communicated to the our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of December 31, 2008. Based on that evaluation and because of the Company's limited resources and limited number of employees, it is concluded that our disclosure controls and procedures were ineffective as of December 31, 2008.

Changes in internal controls

There were no changes in our internal controls over financial reporting that occurred during the quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of our principal executive officer and principal financial officer and implemented by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements in accordance with U.S. generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of December 31, 2008 we conducted an evaluation, under the supervision and with the participation of our chief executive officer (our principle executive officer), our chief operating officer and our chief financial officer (also our principal financial and accounting officer) of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

A material weakness is defined within the Public Company Accounting Oversight Board's Auditing Standard No. 5 as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Based upon this assessment, management concluded that our internal control over financial reporting was ineffective due to the Company's limited resources and limited number of employees.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

#### Plan for Remediation of Material Weaknesses

To mitigate the current limited resources and limited employees, we rely heavily on direct management oversight of transactions, along with the use of legal and outsourced accounting professionals. As we grow, we expect to increase our number of employees and engage outsourced accounting professionals, which will enable us to implement adequate segregation of duties within the internal control framework.

These control deficiencies could result in a misstatement of account balances that would result in a reasonable possibility that a material misstatement to our consolidated financial statements may not be prevented or detected on a timely basis. Accordingly, we have determined that these control deficiencies as described above together constitute a material weakness.

In light of this material weakness, we performed additional analyses and procedures in order to conclude that our consolidated financial statements for the fiscal year ended December 31, 2008 included in this Annual Report on Form 10-K were fairly stated in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). Accordingly, management believes that despite our material weaknesses, our consolidated financial statements for the fiscal year ended December 31, 2008 are fairly stated, in all material respects, in accordance with the US GAAP.

#### Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Group have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9A(T). Controls and Procedures.

None.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Executive Officers and Directors

The names, ages, and respective positions of our directors, executive officers, and key employees are set forth below.

Name	Age	Present Positions with Company
Joel Sens	46	Chairman, Chief Executive Officer and Chief Financial Officer, Treasurer, Secretary

Mr. Joel Sens, age 46, is the current president, chief executive officer, treasurer and secretary and has served in those positions since 2004. Mr. Sens has also been a director of the Company since our inception. Mr. Sens is an entrepreneur who was a founder of Next Generation Media Corp., a publicly held media holding company, in March 1997. From January 1994 through March 1997, Mr. Sens acted as a consultant specializing in barter transactions and engaged in financial transactions involving the purchase and sale of newspaper companies, radio stations, and barter companies.

We have no other promoters or control persons. The directors named below will serve until our next annual stockholders meeting or until their successors are duly elected and qualified. Directors are elected for a one-year term at the annual stockholders' meeting. Officers hold their positions at the will of the board of directors, absent any employment agreement.

Board of Directors

Our board currently consists of one director. There have been no material changes to the procedures by which security holders may recommend nominees to the board of directors. Since January 1, 2007, our directors have not received any compensation for serving as directors. However, our directors are reimbursed for reasonable travel and other out-of-pocket expenses incurred in attending meetings of the board.

Board Committees

We do not have an audit, nominating or compensation committee. We intend, however, to establish an audit committee and a compensation committee of our Board of Directors in the future, once we have independent directors. We envision that the audit committee will be primarily responsible for reviewing the services performed by our independent auditor, evaluating our accounting policies and our system of internal controls. The compensation committee will be primarily responsible for reviewing and approving our salary and benefits policies (including stock options) and other compensation of our executive officers.

We do not have an audit committee financial expert on our board because we do not have any independent directors.



## Section 16(a) Beneficial Ownership Reporting Compliance.

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than ten percent (10%) of a registered class of our equity securities (collectively, the "Reporting Persons") to file reports of changes in ownership of such securities with the Securities and Exchange Commission and the Company. Based solely on a review of (i) any Forms 3 and 4 and amendments thereto furnished to us pursuant to Rule 16a-3(e), promulgated under the Exchange Act, during our fiscal year ended December 31, 2008 and (ii) any Forms 5 and amendments thereto and/or written representations furnished to the Company by any Reporting Persons stating that such person was not required to file a Form 5 during our fiscal year ended December 31, 2008, it has been determined that the following Reporting Persons were delinquent with respect to such person's reporting obligations set forth in Section 16(a) of the Exchange Act:

- Joel Sens failed to file a Form 4 or 5 relating to his purchase of 105,000 shares of common stock for \$65,766 on April 7, 2008 in a private transaction.

## Code of Ethics

We have not adopted a formal code of ethics that applies to our directors, officers or employees. We are a development stage company with no principal operating activities and limited resources. We also have only one employee, who holds all of our officer positions. Because of these factors, we have not yet adopted a formal code of ethics, but we expect to adopt such a code in the future.

## Item 11. Executive Compensation.

## Summary Compensation Table

The following table sets forth the compensation earned by our named Executive Officers during the last two fiscal years and other officers who received compensation in excess of \$100,000 during any of the last three fiscal years. In accordance with Item 402(a)(5), we have omitted certain columns from the table required by Item 402(c).

## SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			All Other Compensation	Total Compensation
		Salary \$(1)	Bonus (\$)	Other Annual Compensation (\$)		
Joel Sens, CEO	2008	180,000	0	0	0	180,000
	2007	180,000	0	0	0	180,000

- 1) We do not have a formal employment agreement with Mr. Sens. The salary for Mr. Sens was \$180,000 for the fiscal years 2008 and 2007.

## Outstanding Equity Awards at Fiscal Year-End

Name (a)	Number of	Option Awards			Stock Awards		
		Equity Incentive	Equity Incentive	Option Exercise	Option Expiration	Number of	Market Equity Incentive

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	Securities Underlying Unexercised options (#) (b)	Plan Awards: Number of Securities Underlying Unexercised Options (#) (c)	Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Price (\$)(e)	Date (\$)(f)	Shares or Units of Stock that have not Vested (#) (g)	Value of Shares of Unearned Stock that Have not Vested (\$)(h)	Plan Awards: Number of Unearned Shares, Other Rights that Vested (#) (i)	Plan Awards: Market or Payout Value of Unearned Shares, Units or other Rights that have not Vested (\$)(j)
Joel Sens	400,000	--	--	0.50	10/25/2010	--	--	--	--
Joel Sens	300,000	--	--	1.00	10/25/2010	--	--	--	--
Joel Sens	300,000	--	--	1.75	10/25/2010	--	--	--	--
Joel Sens	500,000	--	--	2.00	10/25/2010	--	--	--	--

Employment Agreements

We have not entered into an employment agreement with Mr. Sens or any other officer or director.

## Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Jeffrey Sens (1)	--	--	--	--	--	--	--

(1) Mr. Jeffrey Sens resigned on February 4, 2008.

We do not have any policy regarding the compensation of directors and paid no compensation for director services in the year ended December 31, 2008.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information regarding the beneficial ownership of shares of our common stock as of May 31, 2011 (issued and outstanding) by (i) all stockholders known to the Company to be the beneficial owner of more than five percent of the Company's outstanding common stock; and (ii) all directors and executive officers of the Company individually and as a group:

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (2)	Percent of Class (2)
Joel Sens 600 Cameron Street Alexandria VA 22314	2,480,214	17.3%
All executive officers and directors as a group (1 person)	2,480,214	17.3%

(1) Each person has sole voting power and sole dispositive power as to all of the shares shown as beneficially owned by them. Other than as footnoted below, none of these security holders has the right to acquire any shares within sixty days from options, warrants, rights, conversion privilege, or similar obligations.

(2) Mr. Sens' shares include 85,800 shares owned by Stafford Street Capital LLC, an entity wholly owned by Mr. Sens.

(3) Based on 14,348,399 shares outstanding at May 31, 2011.

## Securities Authorized for Issuance Under Equity Compensation Plans

The following information is provided for the fiscal year ended December 31, 2008, with respect to compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance, aggregated as follows:

- (i) All compensation plans (including individual compensation arrangements) previously approved by our stockholders; and
- (ii) All compensation plans (including individual compensation arrangements) not previously approved by our stockholders.

## EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders	0	0	0
Equity compensation plans not approved by stockholders	1,500,000	1.35	0
Total	1,500,000	1.35	0

## Item 13. Certain Relationships and Related Transactions, and Director Independence.

## Related Party Transactions.

Our President and principal shareholder Joel Sens has advanced funds to the Company for working capital purposes from time to time, which we have repaid each year. Additionally, the total payment we remitted exceeded the total balance due to Mr. Sens in the amount of \$42,951 during the year ended December 31, 2006. We have accounted for the excess payment to Mr. Sens as a nonreciprocal transfer to a shareholder for 2006 and, accordingly, have reflected the overpayment as a direct reduction of additional paid-in capital. During 2007, Mr. Sens contributed capital of \$42,951 to the Company to cure the overpayment he received in 2006. The Company has accounted for the contribution as an addition to paid-in capital. Mr. Sens also advanced an additional \$54,288 (net) for working capital purposes during 2007. This amount is reflected as related party payable on the Company's consolidated balance sheet. During the year ended December 31, 2008, the Company repaid the \$54,288 due to Mr. Sens. In addition, Mr. Sens withdrew funds or incurred personal expenses in the net amount of \$648,379 from the Company. The Company has accounted for the excess payments to Mr. Sens as a nonreciprocal transfer to a shareholder for 2008 and, accordingly, has reflected the overpayment as a direct reduction of additional paid-in capital.

From time to time, Mr. Sens has guaranteed certain loans to the Company, and/or pledged certain personal property to secure loans to the Company. From time to time, Mr. Sens has guaranteed certain loans to the Company, and/or

pledged certain personal property to secure loans to the Company. During 2007 and 2008, Mr. Sens had guaranteed or pledged personal assets to secure the following loans:

- On June 29, 2006, the Company borrowed \$525,000 from Fidelity Bank & Trust Bank, which loan was guaranteed by the Mr. Sens and which loan was repaid in 2008.
- On June 20, 2007, the Company borrowed \$200,000 from Dutchess Private Equities, LP, which loan was guaranteed by Mr. Sens and which loan was repaid in 2008.
- On September 4, 2007, the Company borrowed \$250,000 from Dutchess Private Equities, LP, which loan was guaranteed by Mr. Sens and which loan was repaid in 2008.
- On September 30, 2008, the Company issued a \$47,300 note payable with 6% per annum interest due November 15, 2008 to vender, which note was guaranteed by Mr. Sens.
- On April 14, 2008, the Company borrowed \$375,000 from Pierre Palian, which loan was guaranteed by Mr. Sens.
- On August 28, 2008, the Company amended a revolving line of credit agreement with American Marketing and Capital, Inc., and as part of the amendment Mr. Sens pledged 980,000 shares of the Company's common stock owned by Mr. Sens as additional collateral. The line of credit agreement was a joint and several obligation of the Company and Mr. Sens.
- In August 2008, the Company and Charter House, LLC amended their loan documents to provide for an additional loan of \$135,000 to the Company, as part of the amendment Mr. Sens pledged 2,100,000 shares of the Company's common stock to secure the loan.

One of our directors, Ronald L. Attkisson, is also the principal stockholder of Jones, Byrd and Attkisson, which, from August 2004 until February 2005, acted as placement agent for a private placement of our shares. In connection with its role as placement agent, Jones, Byrd and Attkisson received a fee of \$299,700 and was issued 594,000 warrants exercisable for 594,000 shares of our common stock at \$0.85 per share. In addition, Jones, Byrd and Attkisson acted as placement agent under an investment agreement with regard to an equity line of credit. Pursuant to the investment agreement, we had the right to put ("put") our shares of common stock to Dutchess Private Equities Fund, LP ("Dutchess") on a periodic basis, which was obligated to purchase the shares at the price established by investment agreement. Under our placement agent agreement for the equity line of credit, we agreed to pay Jones, Byrd and Attkisson 1% of the gross proceeds from each put exercised under the investment agreement, of which Jones, Byrd and Attkisson waived its fee. Mr. Attkisson resigned as a director on February 28, 2007.

Joel Sens, our only officer and one of our directors, is engaged in other businesses, either individually or through partnerships and corporations in which he has an interest, holds office, or serves on a board of directors. As a result, certain conflicts of interest may arise between us and Joel Sens. We will attempt to resolve such conflicts of interest in our favor. Joel Sens is accountable to us and our stockholders as a fiduciary, and is required to exercise good faith and integrity in handling our affairs. A stockholder may be able to institute legal action on behalf of the Company or on behalf of himself or herself and other similarly situated stockholders to recover damages or for other relief in cases of the resolution of conflicts is in any manner prejudicial to us.

#### Review, Approval and Ratification of Related Party Transactions

The board of directors has responsibility for establishing and maintaining guidelines relating to any related party transactions between the Company and any of its officers or directors. Under the Company's Code of Ethics, any conflict of interest between a director or officer and the Company must be referred to the non-interested directors for approval. The Company intends to adopt written guidelines for the board of directors which will set forth the requirements for review and approval of any related party transactions. Since February 2007, the Company has not had any disinterested directors, and since February 2008, Joel Sens has been the sole director. Accordingly, since February 2007, this policy has been held in abeyance. The Company plans to reinstitute the policy when and if it has dis-interested directors.

#### Director Independence

The Company periodically reviews the independence of each director. Pursuant to this review, the directors and officers of the Company, on an annual basis, are required to complete and forward to the Corporate Secretary a detailed questionnaire to determine if there are any transactions or relationships between any of the directors or officers (including immediate family and affiliates) and the Company. If any transactions or relationships exist, the Company then considers whether such transactions or relationships are inconsistent with a determination that the director is independent. The only director of the Company at this time is Joel Sens, who is not independent.

#### Conflicts Relating to Officers and Directors

To date, we do not believe that there are any conflicts of interest involving our officers or directors.

With respect to transactions involving real or apparent conflicts of interest, we have adopted policies and procedures which require that: (i) the fact of the relationship or interest giving rise to the potential conflict be disclosed or known to the directors who authorize or approve the transaction prior to such authorization or approval, (ii) the transaction be approved by a majority of our disinterested outside directors, and (iii) the transaction be fair and reasonable to us at the time it is authorized or approved by our directors.

#### Item 14. Principal Accountant Fees and Services.

The following is a summary of the fees billed to the Company by RBSM LLP for professional services rendered for the fiscal years ended December 31, 2007 and 2006:

Fee Category	Fiscal 2008 Fees	Fiscal 2007 Fees
Audit Fees	\$ 1,830	\$ 57,000
Audit-Related Fees	-	-
Tax Fees	-	-

All Other Fees		-		-	
Total Fees		\$	1,830	\$	57,000

Audit Fees consist of fees billed for professional services rendered for the audit of Seawright Holdings, Inc.'s consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by RBSM LLP in connection with statutory and regulatory filings or engagements.

Audit Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of Seawright Holdings, Inc.'s consolidated financial statements and are not reported under "Audit Fees".

Tax Fees consist of fees billed for professional services for tax compliance, tax advice and tax planning.

All Other Fees consist of fees for products and services other than the services reported above. There were no management consulting services provided in fiscal 2008 or 2007.

#### Pre-Approval Policies and Procedures

The Company currently does not have a designated Audit Committee, and accordingly, the Company's Board of Directors' policy is to pre-approve all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent auditors and management are required to periodically report to the Company's Board of Directors regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. The Board of Directors may also pre-approve particular services on a case-by-case basis.

The Board of Directors has considered whether the provision of non-audit services is compatible with maintaining the principal accountant's independence.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules.

(a)(1) Financial Statements. The following financial statements are included in this report:

Audited consolidated financial statements of Seawright Holdings, Inc. as of December 31, 2008 and 2007, and for the years ended December 31, 2008 and 2007, including consolidated balance sheets, statements of operations, statements of cash flows, and statements of changes in stockholders' deficit.

(a)(2) Financial Statement Schedules. The following financial statement schedules are included as part of this report: none.

(a)(3) Exhibits. The following exhibits are included as part of this report by reference:

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Pre-Settlement Funding Corporation.(1)
3.2	Certificate of Designation of Series A Convertible Preferred Shares of Seawright Holdings, Inc.(1)
3.3	Amended and Restated By-laws of Seawright Holdings, Inc.(1)
4.1	Form of Common Stock Certificate.(2)
10.1	Asset Purchase Agreement dated as of June 27, 2005, by and between Seawright Holdings, Inc. and QuiBell Partners, LLC(3)
10.2	Deed of Trust Note dated June 8, 2006, by and between Seawright Springs, Inc. and Charter House, LLC. (4)
10.3	Modification Agreement dated October 5, 2006 to the Deed of Trust Note dated June 8, 2006, by and between the Seawright Springs, Inc., Palma Collins as Trustee and Charter House, LLC. (5)
10.4	Forbearance Agreement among Seawright Springs, LLC, Seawright Holdings, Inc. and Charter House, LLC dated May 5, 2010 (6)
10.5	Deed of Trust Note executed by Seawright Holdings, Inc. and Seawright Springs, LLC to Pierre Palian in the original principal amount of \$375,000 dated April 14, 2008 (6)
10.6	Deed of Trust executed by Seawright Holdings, Inc. and Seawright Springs, LLC in favor of Pierre Palian dated April 14, 2008 (6)
10.7	Forbearance Agreement among Seawright Springs, LLC, Seawright Holdings, Inc. and Pierre Palian dated May 5, 2010 (6)
10.8	Note executed by Seawright Springs, LLC to Kent Carr in the original principal amount of \$750,000 dated May 5, 2010 (6)
10.9	Deed of Trust executed by Seawright Springs, LLC in favor of Kent Carr dated May 5, 2010 (6)
10.10	Confessed Judgment Promissory Note executed by Seawright Holdings, Inc. to Theodore J. Kanakis in the original principal amount of \$150,000 dated January 15, 2010 (6)

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- 10.11 Deed of Trust executed by Seawright Springs, LLC in favor of Theodore J. Kanakis dated January 15, 2010 (6)
- 10.12 Settlement Agreement between Seawright Holdings, LLC, Joel Sens and Theodore J. Kanakis dated January 22, 2011 (6)
- 10.13 6% Convertible Promissory Note executed by Seawright Holdings, Inc. to American Marketing and Capital, Inc. in the original principal amount of \$440,000 dated May 5, 2010 (6)
- 10.14 Settlement Agreement and Mutual Release of Claims between Seawright Holdings, Inc., Joel Sens and Amicus Funding, Inc. dated November 9, 2009 (6)
- 10.15 Letter Agreement between Seawright Holdings, Inc. and American Marketing and Capital, Inc. dated November 9, 2010 (6)
- 10.16 Letter Agreement between Seawright Holdings, Inc. and Amicus Funding, Inc. dated November 10, 2010 (6)
- 21 Subsidiaries of the Registrant (6)
- 31\* Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
- 32\* Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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\* Filed herewith.

- (1) Incorporated by reference from Form 8-K as filed with the SEC on October 24, 2003.
- (2) Incorporated by reference from exhibit 4(i) of Form 10-QSB as filed with the SEC on May 23, 2005.
- (3) Incorporated by reference from Form 8-K as filed with the SEC on June 30, 2005.
- (4) Incorporated by reference from Registration Statement on Form SB-2 as filed with the SEC on July 17, 2006.
- (5) Incorporated by reference from Form 8-K as filed with the SEC on October 11, 2006.
- (6) Incorporated by reference from Form 10-K for the fiscal year ended December 31, 2007 as filed with the SEC on June 15, 2011.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 15, 2011

Seawright Holdings, Inc.  
a Delaware Corporation

By: /s/ Joel Sens  
Name: Joel Sens  
Title: Chief Executive Officer (principal executive officer)

In accordance with the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: June 15, 2011

By: /s/ Joel Sens  
Name: Joel Sens  
Title: Chief Executive Officer,  
President, Treasurer  
(principal financial and  
accounting officer) and  
Director

EXHIBIT A

SEAWRIGHT HOLDINGS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007

AND PERIOD FROM OCTOBER 14, 1999 (DATE OF INCEPTION)  
TO DECEMBER 31, 2008

WITH AUDIT REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

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SEAWRIGHT HOLDINGS, INC.  
(A DEVELOPMENT STAGE COMPANY)

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Consolidated Statements of Operations for the Years Ended December 31, 2008 and 2007 and for the Period From October 14, 1999 (Date of Inception) Through December 31, 2008	F-4
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Consolidated Statements of Cash Flows for the Years Ended December 31, 2008 and 2007 and for the Period From October 14, 1999 (Date of Inception) Through December 31, 2008	F-10 - F-11
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Seawright Holdings, Inc.  
Arlington, Virginia

We have audited the accompanying consolidated balance sheets of Seawright Holdings, Inc. and its wholly owned subsidiaries (the "Company"), a development stage company as of December 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the two years in the period ended December 31, 2008 and the period from October 14, 1999 (date of inception) through December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We have conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Seawright Holdings, Inc. as of December 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2008 and the period from October 14, 1999 (date of inception) through December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the accompanying consolidated financial statements, the Company has suffered recurring losses and is experiencing difficulty in generating sufficient cash flow to meet its obligations and sustain its operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ RBSM LLP

New York, New York  
June 14, 2011



SEAWRIGHT HOLDINGS, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2008 AND 2007

	2008	2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 580	\$ 445
Prepaid expense	31,000	-
Deferred financing costs, net - current portion	6,944	40,205
Total current assets	38,524	40,650
Property and equipment, net	1,286,585	2,243,405
Other assets	138,776	25,395
Total assets	\$ 1,463,885	\$ 2,309,450
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Bank overdraft	\$ 55	\$ 15,808
Accounts payable and accrued expenses	295,639	202,011
Due to related party	-	54,288
Line of credit	555,427	-
Convertible notes payable, net of debt discount, current portion	37,812	-
Notes payable, current portion	1,139,611	1,590,314
Total current liabilities	2,028,544	1,862,421
Long-term liabilities:		
Notes payable, long term portion	-	510,604
Convertible notes payable, net of debt discount, long-term portion	-	34,896
Other long term liabilities	42,489	38,120
Total liabilities	2,071,033	2,446,041
Commitments and contingencies	-	-
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, par value \$0.001 per share; 100,000 shares authorized	-	-
Series A convertible preferred stock, par value \$0.001 per share; 60,000 shares authorized, none issued and outstanding as of December 31, 2008 and 2007	-	-
Common stock, par value \$0.001 per share; 19,900,000 shares authorized; 13,598,399 shares issued and outstanding as of December 31, 2008 and 2007	13,598	13,598
Common shares to be issued	36,896	11,396
Additional paid in capital	6,967,566	7,615,945
Preferred stock dividend	(25,000 )	(25,000 )
Accumulated deficit during development stage	(7,600,208 )	(7,752,530 )

Total stockholders' deficit	(607,148 )	(136,591 )
Total liabilities and stockholders' deficit	\$1,463,885	\$2,309,450

The accompanying notes are an integral part of these consolidated financial statements

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SEAWRIGHT HOLDINGS, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended December 31,		For the period from October 14, 1999 (date of inception) through December 31, 2008
	2008	2007	
Revenue, net	\$6,596	\$7,187	\$19,611
Cost and expenses:			
Selling, general and administrative	774,189	1,171,362	5,471,804
Impairment of trade name	-	19,529	19,529
(Gain) loss on sale of trading securities	-	-	(37,356 )
Depreciation and amortization	15,357	17,156	49,958
	789,546	1,208,047	5,503,935
Operating loss	(782,950 )	(1,200,860 )	(5,484,324 )
Other income (expense):			
Other income	-	-	61,969
Gain on sale of property	1,448,056	-	1,448,056
Gain on extinguishment of debt	-	-	807,103
Interest expense, net	(512,784 )	(2,752,099 )	(4,449,913 )
Total other (expense)	935,272	(2,752,099 )	(2,132,785 )
Income (loss) from continuing operations before income taxes and discontinued operations	152,322	(3,952,959 )	(7,617,109 )
Provision for income taxes	-	-	-
Income (loss) from continuing operations before discontinued operations	152,322	(3,952,959 )	(7,617,109 )
Income from discontinued operations	-	-	16,901
Net Income (loss)	152,322	(3,952,959 )	(7,600,208 )
Preferred stock dividend	-	-	(25,000 )
Net Income (loss) attributable to common shareholders	\$152,322	\$(3,952,959 )	\$(7,625,208 )
Income (loss) per common share:			
Basic	\$0.01	\$(0.33 )	
Diluted	\$0.01	\$(0.33 )	

Weighted average number of common shares outstanding used in  
income (loss) per share calculation:

Basic	13,598,399	11,839,193
Diluted	13,645,458	11,839,193

The accompanying notes are an integral part of these consolidated financial statements

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SEAWRIGHT HOLDINGS, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)  
FOR THE PERIOD FROM OCTOBER 14, 1999 (DATE OF INCEPTION) THROUGH DECEMBER 31, 2008

	Preferred Stock:		Common Stock:		Shares to be issued		Paid in Capital	Additional Common Stock Subscriptions	Preferred Stock Dividend	Deficit Accumulated During Development Stage	Total
	Shares	Amount	Shares	Amount	Shares	Amount					
Net loss	-	\$-	-	\$-	-	\$-	\$-	\$-	\$-	\$ (1,291 )	\$ (1,291 )
Balance, December 31, 1999	-	-	-	-	-	-	-	-	-	(1,291 )	(1,291 )
Common stock issued on September 30, 2000 in exchange for convertible debt at \$0.50 per share	-	-	78,000	78	-	-	38,922	-	-	-	39,000
Common stock issued on November 27, 2000 in exchange for convertible debt at \$0.50 per share	-	-	26,000	26	-	-	12,974	-	-	-	13,000
Net loss	-	-	-	-	-	-	-	-	-	(157,734 )	(157,734 )
Balance, December 31, 2000	-	-	104,000	104	-	-	51,896	-	-	(159,025 )	(107,025 )
Common stock issued January 1, 2001 in exchange for convertible debt at \$0.50 per share	-	-	174,000	174	-	-	86,826	-	-	-	87,000
Common stock issued on January 2, 2001 to	-	-	5,000,000	5,000	-	-	20	-	-	-	5,020

founders in  
exchange for  
services  
rendered at  
\$0.001 per  
share

Common stock issued on January 2, 2001 in exchange for services rendered at \$0.50 per share	-	-	90,000	90	-	-	44,910	-	-	-	45,000
Net loss	-	-	-	-	-	-	-	-	-	(556,921 )	(556,921)
Balance, December 31, 2001	-	\$-	5,368,000	\$ 5,368	-	\$-	\$ 183,652	\$ -	\$ -	\$ (715,946 )	\$(526,926)

The accompanying notes are an integral part of these consolidated financial statements

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SEAWRIGHT HOLDINGS, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)  
FOR THE PERIOD FROM OCTOBER 14, 1999 (DATE OF INCEPTION) THROUGH DECEMBER 31, 2008

	Preferred Stock:		Common Stock:		Shares to be issued		Additional Paid in Capital	Common Stock Subscription	Preferred Stock Dividend	Deficit Accumulated During Development Stage	Total
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance forward	-	\$-	5,368,000	\$5,368	-	\$-	\$183,652	\$-	\$-	\$(715,946 )	\$(526,926 )
Net loss	-	-	-	-	-	-	-	-	-	(357,588 )	(357,588 )
Balance, December 31, 2002	-	-	5,368,000	5,368	-	-	183,652	-	-	(1,073,534 )	(884,514 )
Preferred stock issued in exchange for cash at \$5.00 per share	55,000	55	-	-	-	-	274,945	-	-	-	275,000
Stock options issued in exchange for services rendered	-	-	-	-	-	-	5,276	-	-	-	5,276
Net income	-	-	-	-	-	-	-	-	-	506,846	506,846
Balance, December 31, 2003	55,000	55	5,368,000	5,368	-	-	463,873	-	-	(566,688 )	(97,392 )
Preferred stock cancelled in exchange for stock options exercised at \$0.5625 per share	(5,000 )	(5 )	160,000	160	-	-	64,845	-	-	-	65,000
Common stock issued on April 8, 2004 in	-	-	300,000	300	-	-	89,700	-	-	-	90,000

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exchange for cash at \$0.30 per share											
Common stock issued and subscribed in connection with private placement	-	-	2,404,978	2,405	-	-	1,359,491	25,581	-	-	1,387,477
Conversion of preferred stock to common stock	(50,000)	(50)	500,000	500	-	-	(450 )	-	-	-	-
Preferred stock dividend	-	-	50,000	50	-	-	24,950	-	(25,000)	-	-
Warrants issued to consultants in exchange for services rendered	-	-	-	-	-	-	545,460	-	-	-	545,460
Beneficial conversion feature of convertible debentures	-	-	-	-	-	-	&#160				