

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

3Power Energy Group Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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, 2010

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

For the transition period from _____ to _____

Commission File Number: 333-103647

3Power Energy Group Inc.

(Exact Name of Registrant as Specified in its Charter)

Nevada

(State of other jurisdiction of
incorporation or organization)

98-0393197

(IRS Employer Identification
Number)

100 Wall Street, 21st Floor

New York, NY 10005

(Address of principal executive offices)

011 44 203 318 2995

(Registrant's telephone number)

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

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

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 Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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 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. (Check one):

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>

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: \$10,538,888 at 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: The Issuer had 40,114,900 shares of Common Stock, par value \$.0001, outstanding as of March 31, 2011.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in forward-looking statements made in this Annual Report on Form 10-K (this “Report”) and in other reports and documents published by us from time to time. Any statements about our beliefs, plans, objectives, expectations, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “believes,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimated,” “intend,” “plan,” “projection,” “outlook” and the like, constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). However, as we issue “penny stock,” as such term is defined in Rule 3a51-1 promulgated under the Exchange Act, we are ineligible to rely on these safe harbor provisions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned to carefully read all “Risk Factors” set forth under Item 1A and not to place undue reliance on any forward-looking statements. We disclaim any obligation to update any such factors or to announce publicly the results of any revisions of the forward-looking statements contained or incorporated by reference herein to reflect future events or developments, except as required by the Exchange Act. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Unless otherwise provided in this Report, references to the “Company,” the “Registrant,” the “Issuer,” “we,” “us,” and “our” refer to 3Power Energy Group Inc. (formerly known as Prime Sun Power Inc.).

SPECIAL NOTE REGARDING VOLUNTARY FILER STATUS

The Company is a “voluntary filer” with the U.S. Securities and Exchange Commission. This means that the Company is not required to file Current and Periodic Reports with the U.S. Securities and Exchange Commission. The Company is not a fully reporting company that is subject to review under Section 408 of the Sarbanes-Oxley Act of 2002. Furthermore, the Company is not subject to the going private rules and certain tender offer regulations, and the beneficial holders of the Company’s securities do not need to report on acquisitions or dispositions of the Company’s securities or their plans regarding their influence and control over the Company. Therefore the Company’s status a voluntary filer reduces investors’ rights to access significant information regarding the Company and its controlling shareholders.

The Company’s voluntary filer status may lead to its removal from the over the counter bulletin board, as Rule 6530 of the Financial Industry Regulatory Authority provides that issuers must be required to file reports pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 in order to remain listed.

PART I

ITEM 1: BUSINESS

Corporate Information

We were incorporated in the State of Nevada on December 18, 2002, as ATM Financial Corp. On November 10, 2006, our President and Chief Executive officer resigned to pursue other interests. We suspended all prior business plans as of that date. During the first quarter of the year ended December 31, 2008, we began considering a new business model involving solar power and other renewable energies. On April 1, 2008, we changed our name from "ATM Financial Corp." to "Prime Sun Power Inc." On April 15, 2008, the Company changed its stock symbol from "AFIC" to "PSPW." The Company's common stock is traded on the National Association of Securities Dealers Inc.'s over-the-counter bulletin board. On March 30, 2011, the Company changed its name to 3Power Energy Group Inc.

The Company's address is 100 Wall Street, 21st Floor, New York, NY 10005. The Company's telephone number is 011 44 203 318 2995.

Customers

As of the period covered by this Report, the Company is a development stage business planning to provide solar power and other renewable energies and we anticipate that we will do business mainly in Europe, and that our Company will operate solar photovoltaic power plants for which power is produced for sale to local or regional electrical grids. We intend to enter into strategic alliances with others engaged in the manufacture and/or assembly of solar modules. During the period covered by this Report the Company did not have any customers. As of the end of the period covered by this Report, the Company had not commenced the construction of any solar plants. We plan to outsource most of the Company's operations to vendors who will work exclusively for the Company, and while the Company anticipates maintaining the overall project management, control, administration and finance within Company staff. Subsequent to the period covered by this Report, we have determined to expand the scope of our activity to develop and operate wind power plants in Chile and other countries worldwide.

Management

During the year ended December 31, 2010, the Company's sole officer and director was Olivier de Vergnies. On February 25, 2011, Mr. de Vergnies resigned as the Company's Acting Chief Executive Officer, Acting Chief Financial Officer and sole director. As of the date of this Report, Toby Durrant is the Company's Chief Investment Officer and Company's Acting Chief Executive Officer and Acting Chief Financial Officer. The Company's sole director is Mr. Durrant.

Sales and Marketing

The Company plans to sell up to 150Mwt of PV Solar plants and use the revenues, together with funds raised from strategic investors, to build and operate its own power plants. The Company has established excellent relations and strong networks with financial institutions and industry leaders who represent the Company's potential customers for Power plant purchase or investment. The Company plans to appoint an IR and PR agency to support market awareness and the Company's plans to apply for listing on the NASDAQ Stock Market.

Intellectual Property

The Company has no intellectual property at the present time.

Government Regulation

With respect to the period covered by this Report, the Company is planning on commencing operation of solar power plants, both in Italy and elsewhere. Such operations will be subject to extensive national and local regulation at each location in which we will operate, both prior to and after commencing operations. In particular, the Company's execution of the Acquisition Agreement (as defined below) will require the Company to comply with Italian regulations relating to the continuing operation of a solar power park. The Company represented in the Acquisition Agreement that PSP Italia S.r.l. will hold all licenses, consents, permits, approvals and authorizations required for the operation of the solar power plant and its connection to the electrical grid, and that PSP Italia S.r.l. will hold such authorizations for a period of at least twenty years.

The Company intends to sell the electrical power it generates through the Italian power company Ente Nazionale per l'Energia e Lettrica (Enel).

The Company will require approval from certain government authorities in order to connect to Italy's National Electricity Transmission Grid. The generation of electricity in Italy is regulated by the Autorità per l'energia elettrica e il gas (the Italian Regulatory Authority for Electricity and Gas).

Once an operational solar power plant has been constructed in Italy, the Company will require the approval of the Gestore dei Servizi Elettrici (GSE) in order to receive production incentives for solar power. The GSE is a publicly-owned company which promotes and supports renewable energy in Italy. Over the past five years, Italy has had some of the world's most generous incentives for the construction of solar power plants, and continues to have relatively high incentives.

The Company expects to be subject to significant levels of regulation in other countries in which it undertakes operations in the future.

Project Acquisition by GPR Global Power Resources Ltd.

On March 2, 2010, the Company entered into a project acquisition agreement (the "Acquisition Agreement") with GPR Global Power Resources Ltd., a Company formed in Switzerland ("GPR," and together with the Company, the "Parties"). Pursuant to the Acquisition Agreement, the Company has agreed to sell to GPR all of the shares of a wholly-owned Italian subsidiary of the Company called PSP Italia S.r.l. This subsidiary expects to develop a turnkey alternative energy power plant, utilizing solar power. The purchase price for the shares of PSP Italia S.r.l. shall be a minimum of 4.05 million Euros per mega watt of power produced by the solar power plant. The Acquisition Agreement shall cover up to a total of twenty five mega watts of power, for a total potential sales price of 101.25 million Euros.

The purchase price for this transaction shall be released by GPR to the Company incrementally on each date on which the Company shall connect five mega watts of the solar power plant to the Italian National Grid as enumerated in the Acquisition Agreement. Thus, payment shall be due to the Company in five equal tranches; for each five mega watts connected, a payment of 20.25 million Euros shall be due and payable to the Company. GPR shall make each tranche of payments within ninety days of the date on which the Company shall connect five mega watts of power to the electrical grid. GPR shall have the right to withhold 10% of the purchase price due to the Company for up to six months as a security for the fulfillment of the Company's obligations. The purchase price that GPR shall be required to pay may be reduced by the amount of certain cost savings that GPR may assist the Company in making or as a result of certain taxes GPR may be required to pay, in each case as set forth in the Acquisition Agreement. Furthermore, the Parties have agreed that certain specifications concerning this project to be included in the annexes to the Acquisition Agreement have not yet been set, and will be mutually agreed upon by the Parties in the immediate future. The Company and GPR will not finalize these annexes until such time as GPR delivers the Bank Standby Letter described below. The Acquisition Agreement will not be fully enforceable until the annexes are fully completed and signed by the parties.

The Acquisition Agreement requires the Company to facilitate and arrange for long-term debt financing of at least 80% of the purchase price to be paid by GPR. The terms of the Acquisition Agreement are subject to review and approval by the relevant third party financing institution. The Acquisition Agreement requires GPR to finance the remainder of the purchase price, and to deliver a Bank Standby Letter of Credit in an amount equal to 20% of the first payment tranche that will be due (4.05 million Euros).

The Company shall be responsible for all construction costs for the solar power plant, including costs for sub contractors. The Company intends to commence construction of the solar power plant upon completion of the required fund raising.

Once construction commences, the Company estimates that it will take approximately three to four months to complete the 25 mega watt solar power plant. The Company currently estimates that the costs of production per mega watt will be 3.6 million Euros.

Throughout the construction process, the Company shall be required to provide GPR with regular progress reports and rights to inspect the facility. The Company shall inform GPR without delay about all present and expected legal, political and economic facts relating to PSP Italia S.r.l. and/or the solar power plant which may negatively affect the acquisition of PSP Italia S.r.l., the future operation of the solar power plant, the expected core data or key values of the solar power plant and/or the business expectations of GPR. In addition, the Company shall be required to maintain liability insurance in the amount of 5 million Euros per liability event, and, at the request of GPR, the Company shall be obliged to ensure that all losses and damages caused by sub-contractors are sufficiently covered by the corresponding insurance of the sub-contractors.

The Company will represent that its subsidiary PSP Italia S.r.l. has good and marketable title to all of its properties and assets, including the solar power plant, free and clear of any liens. The Company will also represent that PSP Italia S.r.l. will hold all licenses, consents, permits, approvals and authorizations required for the operation of the solar power plant and its connection to the electrical grid, and that PSP Italia S.r.l. will hold such authorizations for a period of at least 20 years. The Company will also represent that PSP Italia S.r.l. will hold all necessary guarantees and has no obligations (other than related to the right to operate the solar power plant).

The solar power plant shall be required to meet certain standards for electrical production capacity enumerated in the Acquisition Agreement. The Company shall be obliged to construct the solar power plant in accordance with the specifications agreed to in the Acquisition Agreement and in conformity with any applicable regulation of whatever nature. The Company has acknowledged and agreed that GPR shall be entitled to give binding instructions and directives with regard to the construction of the solar power plant to the extent that: (i) such instruction and directive does not lead to an increase of the construction costs, unless the Parties have otherwise agreed; and (ii) it does not negatively affect the achievement of connection to the electrical grid. The Company must advise GPR of any substantial deviations from agreed specifications.

The Company shall represent and warrant that the construction of the solar power plant has been performed in accordance with all applicable laws and regulations and in accordance with the generally accepted rules of building and construction. The Company shall furthermore represent and warrant that the solar power plant has been completed in accordance with all licenses and guarantees, and that the solar power plant, and all applicable licenses and guarantees shall be validly transferred upon the connection of the solar power plant to the electrical grid. The Company shall avoid performance in any manner that could lead to the revocation of any licenses, consents, permits, approvals, authorizations or other reasons attributable to the Company. At the time of connection to the electrical grid, the solar power plant shall have all necessary approvals and acceptance.

The Company shall also represent and warrant that the structure of the solar power plant shall remain in viable, suitable and useable condition for a time period of at least 20 years from the date of connection to the electrical grid, and that the solar power plant will produce electric power at the agreed capacity for a time period of at least 20 years. The Company shall be liable for any defect and damage to the solar power plant or drop in power production. The Company is also representing and warranting that spare parts for the solar power plant will be available for a period of 20 years, and that all relevant licenses relating to the solar power plant will be valid for a period of 20 years. The Company intends to satisfy these liabilities, representations and warranties by obtaining back-to-back representations and warranties regarding the same matters from established and reputable subcontractors who will engineer and construct the power plant.

The Company shall indemnify and hold harmless GPR and its affiliates, as well as their directors, officers and employees, from and against any and all losses arising out of any breach by the Company of any representation, warranty, agreement or covenant in the Acquisition Agreement, of which GPR gives notice to the Company within 20 years after the closing of this transaction, except for indemnifications related to taxes, which shall survive for 10 years after closing. GPR shall indemnify and hold harmless the Company and its directors, officers and employees from and against any and all losses arising out of any breach by GPR, which the Company gives GPR notice of within two years of the closing.

The Acquisition Agreement also contains standard representations regarding the capital structure and ownership of PSP Italia S.r.l., its articles of association, corporate organization, books and records, compliance with law, qualification to do business, consents and approvals and lack of pending legal proceedings. Both Parties to the Acquisition Agreement have agreed not to disclose confidential information.

Neither Party may assign the Acquisition Agreement. The Acquisition Agreement is governed by Swiss Law, and the jurisdiction of any dispute shall be Zurich. Disputes shall be settled by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce.

The Acquisition Agreement was initiated and executed pursuant to the terms of a frame Agreement for PV-Plant Acquisitions (the "Frame Agreement") entered into by the Parties on November 18, 2009. Pursuant to the Frame Agreement, the Parties established a general outline and framework under which the Company would develop a series of solar power plants ("PV Plants") in Italy. The Parties agreed in the Frame Agreement that the Company would have a goal of developing 100 mega watts of power. The Parties agreed that as each project was finalized by the Company, the Company would offer such solar power plant to GPR for purchase. The purchase price, as set forth in the Frame Agreement, would not exceed: (i) 4.1 million Euros per mega watt for PV Plants grid connected in 2010 in the event that the Company delivers long-term debt funding of 85% or more; or (ii) 4.05 million Euros per mega watt for PV Plants grid connected in 2010 in the event that the Company delivers long-term debt funding of 80% or more. Under the terms of the Frame Agreement, the parties determined that upon definitive agreement regarding the terms and conditions for acquisition of the solar PV Plants, the Parties would enter into a separate binding acquisition agreement for each such PV Plant. Under the Frame Agreement, the Parties agreed that if they could not reach definitive agreement on all parameters relating to the acquisition, the Company would be free to offer that particular PV Plant to any third party investor. The Parties agreed that GPR would undertake to deliver at signing of the first specific acquisition agreement a rollover Bank Standby Letter of Credit in the amount of 100% of the equity portion of the purchase price for the first 5 mega watts, which shall be carried forward for the next tranches of 5 mega watts each. This letter of credit would be subject to the condition of the prior occurrence of the (i) grid connection of the solar power plant as defined in such acquisition agreement and the closing of such acquisition agreement; and (ii) the provision of long-term debt funding at a debt-equity ratio of 80:20 or at a higher debt rate and overall terms acceptable to GPR. The form of the Standby Letter of Credit will be subject to the approval and acceptance of the bank providing the long term debt. The Parties agreed the acquisition agreements will be subject to the delivery of long-term debt funding by the Company of at least 80% under terms and conditions acceptable for GPR. The Parties further agreed that the Company would deliver specified due diligence documentation. Neither Party may assign the Frame Agreement. The Frame Agreement is governed by Swiss Law, and the jurisdiction of any dispute is Zurich, Switzerland. On March 2, 2010, the Parties entered into the first of the acquisition agreement as contemplated under the Frame Agreement for the sale to GPR of a 25 megawatt power plant, as described above.

The Parties to the Frame Agreement subsequently reached an understanding that they would extend the Frame Agreement through December 31, 2011.

Master Acquisition Agreement with DFD Select Group Ltd. and Enway SAS

On July 2, 2010, the Company entered into a Master Acquisition Agreement (the "Master Acquisition Agreement") with DFD Select Group Ltd. and Enway SAS for the acquisition of special purpose vehicles owning photovoltaic plants in France which collectively will have a capacity of 100 Mega Watts. Pursuant to the Master Acquisition Agreement, Enway SAS will sell the Company certain projects for which Enway SAS is presently obtaining all of the necessary authorizations for the construction and operation of, including the permits necessary for grid connection. Prior to closing, the Company shall perform due diligence concerning the projects. The plants will be constructed according to certain conditions to be mutually determined by the parties to the Master Acquisition Agreement. The parties to the Master Acquisition Agreement have agreed that the Company will pay Enway SAS according to several options to be determined. The first option comprises of a payment equal to fifty percent (50%) of the difference between the amount which the project cost to complete and the price at which the Company can re-sell it at. The second option consists of a set mark-up above costs, in which Enway SAS and DFD Select Group Ltd. may convert the price into either ownership of up to forty-nine (49%) of the particular project that has been developed or into shares of the Company's common stock at a price per share equal to the average common stock share closing price within the four (4) weeks of trading before the transaction, discounted by twenty-five percent (25%).

At the present time, the Company believes that the costs for developing these photovoltaic plants will average approximately 3.5 Million Euros per mega watt. The costs for this project will be paid by the French Special Purpose Vehicle (SPV) that will be created for the photovoltaic plants. The costs will then be shared according to the ownership of each SPV. To date, DFD Select Group Ltd. and Enway SAS have incurred costs in connection with the development of this project; the Company has not incurred significant costs. To date, neither party has paid any consideration to the other, for entering into the Master Acquisition Agreement or otherwise.

Master Acquisition Agreement with Superserve Ltd.

On August 20, 2010, the Company entered into a Master Acquisition Agreement (the "Superserve Agreement") with Superserve Ltd. ("Superserve") for the acquisition of special purpose vehicles owning the licenses to build photovoltaic plants in Greece which collectively will have a capacity of up to 25 Mega Watts. Pursuant to the Superserve Agreement, Superserve will sell the Company up to ten projects for which Superserve is presently obtaining all of the necessary authorizations for the construction and operation of, including the permits necessary for grid connection. Prior to closing, Superserve will have completed the acquisition of the licenses and the Company shall have performed due diligence concerning the projects. The plants will be constructed according to certain conditions to be mutually determined by the parties to the Superserve Agreement and third party contractors. This transaction will be contingent on the Company's ability to raise adequate financing.

At the present time, the Company believes that the costs for developing these photovoltaic plants will average approximately 3.5 Million Euros per mega watt. The costs for this project will be paid by the Greek Special Purpose Vehicle (SPV) that will be created for the photovoltaic plants. In addition to paying construction costs, if the project proceeds, the Company will pay Superserve 30,000 Euros for each of the ten projects, plus 30,000 Euros for each 500 kilowatts that are connected to the grid. To date, neither party has paid any consideration to the other, for entering into the Superserve Agreement or otherwise.

Financing Agreement with CRG Finance AG

On March 2, 2010, the Company entered into a Financing Agreement (the "Financing Agreement") with CRG Finance AG ("CRG Finance"). Pursuant to the Financing Agreement, CRG Finance loaned the Company a total of 470,000 Euros. In further consideration for the making of this loan, the Company shall transfer 20% of the Company's rights to its net profits to be made in the sale of PSP Italian S.r.l. to GPR (the "Net Profit Rights").

CRG Finance has agreed that upon receipt of its Net Profit Rights, CRG Finance will reinvest at least 50% of such Net Profit Rights into either new projects of the Company or shares of the Company, at a purchase price to be mutually agreed upon. The Company has issued a senior promissory note to CRG Finance in the amount of 470,000 Euros. The principal of the note, along with interest at an annual rate of seven and one half percent, is due within thirty days of demand.

The Company has utilized these 470,000 Euros in the identification of potential locations for the development of solar facilities. The Company has identified locations which the Company believes are commercially viable for the operation of solar power projects. The locations the Company has identified are in Southern Italy in the Puglia Region, including the provinces of Lecce, Foggia, Taranto and Brindisi. The rights to utilize these lands have been secured by the Company's local partners through land options. The relevant local authorities are currently reviewing the grant of permits for these properties. When permits are granted by such authorities, the Company will be permitted to commence the development of these locations once the necessary funds are raised. The process of developing these locations will take approximately three to four months.

SUBSEQUENT EVENTS

Planned Acquisition of Seawind International Ltd. and Seawind Energy Limited

The Company previously entered into a term sheet with Seawind International Ltd., (“Seawind International” and together with the Company, the “Parties”). The Parties have subsequently agreed that the Company will first acquire an affiliate, Seawind Energy Limited, and thereafter plan to acquire Seawind International (such transactions are referred to herein as the “Acquisitions” and the entities are collectively referred to as the “Seawind Companies”).

The Company and the Seawind Companies expect to complete mutually acceptable definitive Acquisition agreements containing customary representations, warranties, covenants and ancillary agreements very shortly. Rudana Investment Group AG, the majority shareholder of the Company (“Rudana”), and the Seawind principals also intend to enter into a shareholders agreement. The Company expect to close the Acquisitions following completion of satisfactory legal due diligence and final completion of the 2010 audit of the financial statements of the Seawind Companies.

In anticipation of the Closing, the Company changed its name to 3Power Energy Group Inc. and increased its authorized share capital to 300,000,000 shares prior to issuing shares in exchange for the acquisition of the Seawind Companies. At or prior to the closing of the Seawind acquisition, the Company anticipates increasing the members of the Board of Directors.

Resignation of Olivier de Vergnies as Acting Chief Executive Officer, Acting Chief Financial Officer and Director; Appointment of Toby Durrant

Effective as of February 25, 2011, Mr. Olivier de Vergnies has resigned as a member of the Board of Directors of the Company, and as the Company’s Acting Chief Executive Officer and Acting Chief Financial Officer. Mr. Toby Durrant, the Company’s Chief Investment Officer, has assumed the duties of Acting Chief Executive Officer and Acting Chief Financial Officer. On April 14, 2011, Mr. Durrant became a member of the Board of Directors.

Credit Facility

On March 10, 2011, the Company entered into a Financing and Security Agreement with CR&P Holding S.p.A., an Italian investment group, for a \$50 million loan. The Company intends to use the facility to finance photovoltaic, wind and hydro power plant development projects and prospective acquisitions in Italy, France Turkey, Albania and Chile. The proceeds of the loan will principally be utilized to finance the equity portion of the first projects from the Company's existing pipeline as well as to cover some of the Company's operational expenses and predevelopment costs.

The loan is being made available to the Company at a fixed rate of 5% per annum for a period of 10 years. In addition, the lender will also receive 20% of the annual net profits derived from each project for the duration of the loan. The loan will be secured by the assets of each special purpose project subsidiary holding company. Each draw of the loan amount by the Company will be subject to customary due diligence by the lender. The Company's management is coordinating with CR&P in regard to the selected projects details and use of loan proceeds information in order to finalize the loan proceeds disbursement plans.

Where You Can Find More Information

The Company is a "voluntary reporting company." We expect to continue to file annual, quarterly and other requisite filings with the U.S. Securities and Exchange Commission (the "SEC"). Members of the public may read and copy any materials which we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Members of the public may obtain additional information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy and information statements, as well as other information regarding issuers that file electronically with the SEC. This site is located at <http://www.sec.gov>.

We maintain an Internet website at www.primesunpower.com. In addition to news and other information about our company, we make available on our website our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after we electronically file this material with, or furnish it to, the Securities and Exchange Commission and copies of our Code of Ethics. The information available on our website is provided for convenience only and is not incorporated into this Report.

You may also request a copy of our filings at no cost, by writing or telephoning us at:

3Power Energy Group Inc.
100 Wall Street, 21st Floor
New York, NY 10005
Telephone: 011 44 203 318 2995
Attention: Toby Durrant

ITEM 1A. RISK FACTORS

An investment in our Company involves a risk of loss. You should carefully consider the risks described below, before you make any investment decision regarding our Company. Additional risks and uncertainties, including those generally affecting the market in which we operate or those we currently deem immaterial, may also impair our business. If any such risks actually materialize, our business, financial condition and operating results could be adversely affected. In such case, the trading price of our common stock could decline.

The following risk factors are not exhaustive and the risks discussed herein do not purport to be inclusive of all possible risks but are intended only as examples of possible investment risks.

Risks Related to Our Business

We are commencing business as an early stage company under development. We have not yet commenced revenue generating operations under our new business model and we have no past performance which can serve as an indicator of our future potential.

We have initiated a new business model. Our most recent financial statements will therefore not provide sufficient information to assess our future prospects. Our likelihood of success must be considered in light of all of the risks, expenses and delays inherent in establishing a new business, including, but not limited to unforeseen expenses, complications and delays, established competitors and other factors.

Our Auditors have issued an opinion expressing uncertainty regarding our ability to continue as a going concern. If we are not able to continue operations, investors could lose their entire investment in our company.

We have a history of operating losses, and may continue to incur operating losses for the foreseeable future. This raises substantial doubts about our ability to continue as a going concern. Our auditors issued an opinion in their audit report dated April 14, 2011 expressing uncertainty about our ability to continue as a going concern. This means that there is substantial doubt whether we can continue as an ongoing business without additional financing and/or generating profits from our operations. If we are unable to continue as a going concern and our Company fails, investors in our Company could lose their entire investment.

We need to raise additional capital which may not be available to us or might not be available on favorable terms.

We will need additional funds to implement our business plan as our business model requires significant capital expenditures. We will need substantially more capital to execute our business plan. Our future capital requirements will depend on a number of factors, including our ability to grow our revenues and manage our business. Our growth will depend upon our ability to raise additional capital, possibly through the issuance of long-term or short-term indebtedness or the issuance of our equity securities in private or public transactions. If we are successful in raising equity capital, because of the number and variability of factors that will determine our use of the capital, our ultimate use of the proceeds may vary substantially from our current plans. We expect that our management will have considerable discretion over the use of equity proceeds.

Indebtedness may burden us with high interest payments and highly restrictive terms which could adversely affect our business.

As a matter of Company policy, our financial plans will limit our debt exposure to a reasonable level. However, a significant amount of indebtedness could increase the possibility that we may be unable to generate sufficient revenues to service the payments on indebtedness, when due, including principal, interest and other amounts.

The current global financial market conditions will be relevant to the Company's ability to raise funds and make sales in the particular markets in which we will be active. While the Company believes that the opportunity exists to proceed in spite of these factors, major market disruptions, recent adverse changes in global market conditions, and the regulatory climate may affect our business.

Currency conversion and exchange rate volatility could adversely affect our financial condition.

To the extent that we need to convert United States dollars into foreign currencies for our operations, appreciation of the foreign currency against the United States dollar could have a material adverse effect on our business, financial condition and results of operations.

Our strategy for growth may include joint ventures, strategic alliances and mergers and acquisitions, which could be difficult to manage.

The successful execution of the our growth strategy may depend on many factors, including identifying suitable companies, negotiating acceptable terms, successfully consummating the corporate relationships and obtaining the required financing on acceptable terms. We may be exposed to risks that we may incorrectly assess new businesses and technologies. We could face difficulties and unexpected costs during and after the establishment of corporate relationships.

Acquisitions may be foreign acquisitions which would add additional risks including political, regulatory and economic risks related to specific countries as well as currency risks.

We may be exposed to tax audits.

Our U.S. federal and state tax returns may be audited by the U.S. Internal Revenue Service (the "IRS"). An audit may result in the challenge and disallowance of deductions claimed by us. Further, an audit could lead to an audit of one or more of our investors and ultimately result in attempts to adjust investors' tax returns with respect to items unrelated to us. We are unable to guarantee the deductibility of any item that we acquire. We will claim all deductions for federal and state income tax purposes which we reasonably believe that we are entitled to claim. In particular, we will elect to treat as an expense for tax purposes all interest, management fees, taxes and insurance. The IRS may disallow any of the various elements used in calculating our expenses, thereby reducing federal income tax benefits of an investment. To the extent that any challenge or disallowance is raised in connection with a tax return filed by an individual shareholder, the cost of any audit and/or litigation resulting there from would be born solely by the affected shareholder. In the event the IRS should disallow any of our deductions, the directors, in their sole discretion, will decide whether to contest such disallowance. No assurance can be given that in the event of such a contest the deductions would be sustained by the courts. If the disallowance of any deductions results in an underpayment of tax, investors could also be responsible for interest on the underpayments.

Because of the nature of our business and the areas in which we operate, our customers and distributors may need approval from foreign governments.

Our customers or distributors will be responsible for obtaining local regulatory approval from the governments in the countries in which they operate. If these regional distributors are not successful in obtaining the necessary approvals, we will not be able to distribute in those regions. Local and in some cases central governmental approval for the installation and the connection of PV power plants is a fundamental pre-condition for us to commence generating revenues. Any delay or failure of such approval may (i) result in a substantial delay for generating revenues or (ii) block us entirely from generating revenues.

Should GPR suffer financial or other setbacks, the Company could experience significant losses in connection with the Acquisition Agreement.

On March 2, 2010, the Company entered into the Acquisition Agreement with GPR. Pursuant to the Acquisition Agreement, the Company has agreed to sell to GPR all of the shares of a wholly-owned Italian subsidiary of the Company called PSP Italia S.r.l. The purchase price for this transaction shall be released by GPR to the Company incrementally on the achievement of certain milestones, with respect to connection of the solar power plant to the Italian National Grid as enumerated in the Acquisition Agreement. However, should GPR suffer financial or other set-backs, and is no longer able to pay its agreed purchase price, the Company will need to make other sales arrangements. The Company may not be able to identify another buyer on the same, or similar, terms as those agreed with GPR. The Company could lose all of its investment in this transaction.

Should the Company fail to get GPR financing, the transaction contemplated by the Acquisition Agreement may not proceed.

The Acquisition Agreement requires the Company to facilitate and arrange for long-term debt financing of at least 80% of the purchase price to be paid by GPR. Without such financing, the transaction might not proceed as presently contemplated.

The Acquisition Agreement shall not be fully enforceable by the Company until such time as the annexes thereto are set.

The parties to the Acquisition Agreement have agreed that certain specifications concerning this project are to be included in the annexes to the Acquisition Agreement and have not yet been set. They will be mutually agreed upon by the parties at a later date. The Company and GPR will not finalize these annexes until such time as GPR delivers the Bank Standby Letter required thereby. The Acquisition Agreement will not be fully enforceable until the annexes are fully completed and signed by the parties.

The financing loan of 470,000 Euros which the Company has received from CRG Finance AG will not be adequate for the Company to proceed with the planned construction of solar power plants; should the Company fail to find additional financing, the Company will not be able to proceed with its planned projects.

The Company will need to raise additional funds to proceed with the transactions contemplated by the Acquisition Agreement. The Company has utilized all of the loan of 470,000 Euros in the identification of potential locations for the development of solar facilities. The Company has identified locations which the Company believes are commercially viable for the operation of solar power projects.

The Company will require no less than \$2,000,000 in additional funding in order to conduct proposed operations for the next year. Should the Company fail to raise such funds, the Company will not be able to commence construction of the solar power plants. In order to commence construction on all of the Company's currently contemplated projects, the Company would be required to raise 15,000,000 Euros (\$19,218,450) to acquire definitive licenses to own and operate solar parks, and then organize construction bridge loans to pay for the construction of the solar parks.

The Company has entered into an agreement to acquire adequate liability insurance, which may be difficult for the Company to accomplish.

Pursuant to the Acquisition Agreement, the Company will be required to maintain liability insurance in the amount of at least \$5,000,000. Such insurance may be difficult to acquire at an affordable rate, and the Company has not yet received any assurances that such insurance will be available. Should the Company fail to get adequate liability insurance, the Company will be in breach of the Acquisition Agreement.

The Company has agreed to construct a solar power plant that will continue to remain operational for twenty years, and complying with this provision of the Acquisition Agreement may be challenging.

Pursuant to the Acquisition Agreement, the Company has represented and warranted that the structure of the solar power plant shall remain in viable, suitable and useable condition for a time period of at least twenty years from the date of connection to the electrical grid, and that the solar power plant will produce electric power at the agreed capacity for a time period of at least twenty years. The Company has agreed that it shall be liable for any defect and damage to the solar power plant or drop in power production. The Company is also representing and warranting that spare parts for the solar power plant will be available for a period of twenty years, and that all relevant licenses relating to the solar power plant will be valid for a period of twenty years. While the Company intends to satisfy these liabilities, representations and warranties by obtaining back-to-back representations and warranties regarding the same matters from established and reputable subcontractors who will engineer and construct the power plant, it is possible that circumstances beyond the Company's control could cause a breach of such agreements.

Should the Company fail to complete its planned acquisition of the Seawind Companies, the Company would be required to revise its current plans for the business and management of the Company.

Pursuant to the Company's planned agreements with the Seawind Companies, the Company intends to add new management, change its offices and commence operations after such acquisition. Should such acquisition not be completed, or not be completed in a timely fashion, the Company will be required to revise its current plans.

Risks Related to our Industry

Existing regulations, and changes to such regulations, may present technical, regulatory and economic barriers to the purchase and use of solar power products.

Installation of solar power systems are subject to oversight and regulation in accordance with national and local ordinances, building codes, zoning, environmental protection regulation, utility interconnection requirements for metering and other rules and regulations. We must insure that systems comply with varying standards.

At the present time, the Company is planning on commencing operations in Italy. The Company will require approval from certain government authorities in order to connect to Italy's National Electricity Transmission Grid. The generation of electricity in Italy is regulated by the Autorità per l'energia elettrica e il gas (the Italian Regulatory Authority for Electricity and Gas). Changes in government regulations could reduce or eliminate our ability to profitably operate.

The price and availability of land on which to construct solar parks will impact our ability to commence operations.

In order to commence operations of a solar park, the Company will need to acquire or lease suitable land. The Company may have to pay significant premiums in order to persuade land owners or landlords to permit the Company to utilize suitable land for purposes of solar energy production. There is inherent uncertainty whether sufficient suitable land will be available to the Company at reasonable prices to acquire or lease. If the Company cannot acquire or lease land which is suitable for solar energy production, the Company's business model could be significantly impaired.

Reductions in Italian incentives for the solar industry may adversely impact our business.

Once an operational solar power plant has been constructed in Italy, the Company will require the approval of the Gestore dei Servizi Elettrici (GSE) in order to receive production incentives for solar power. The GSE is a publicly-owned company which promotes and supports renewable energy in Italy. Over the past five years, Italy has had some of the world's most generous incentives for the construction of solar power plants, and continues to have relatively high incentives. Cuts in these incentives could impact the profitability of the Company.

Risks Related To Investing In Our Common Shares

We do not anticipate paying cash dividends.

We do not anticipate paying cash dividends in the foreseeable future. We intend to retain any cash flow we generate for investment in our business. Accordingly, our common stock may not be suitable for investors who are seeking current income from dividends. Any determination to pay dividends on our common stock in the future will be at the discretion of our board of directors.

Because the market for our common shares is limited, investors may not be able to resell their common shares.

Our common shares trade on the Over-the-Counter-Bulletin-Board quotation system. Trading in our shares has historically been subject to very low volumes and wide disparity in pricing. Investors may not be able to sell or trade their common shares because of thin volume and volatile pricing with the consequence that they may have to hold your shares for an indefinite period of time.

There are legal restrictions on the resale of the common shares offered, including penny stock regulations under the U.S. Federal Securities Laws.

We anticipate that our common stock will continue to be subject to the penny stock rules under the Securities Exchange Act of 1934, as amended. These rules regulate broker/dealer practices for transactions in "penny stocks." Penny stocks are generally equity securities with a price of less than \$5.00. The penny stock rules require broker/dealers to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations and the broker/dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction, the broker and/or dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The transaction costs associated with penny stocks are high, reducing the number of broker-dealers who may be willing to engage in the trading of our shares. These additional penny stock disclosure requirements are burdensome and may reduce all of the trading activity in the market for our common stock. As long as the common stock is subject to the penny stock rules, our shareholders may find it more difficult to sell their shares.

If we raise additional funds through the issuance of equity or convertible debt securities, your ownership will be diluted.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership held by existing shareholders will be reduced, new securities may contain certain rights, preferences or privileges that are senior to those of our common shares. Furthermore, any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants, which may limit our operating flexibility with respect to certain business matters.

Grants of stock options and other rights to our employees may dilute your stock ownership.

We plan to attract and retain employees in part by offering stock options and other purchase rights for a significant number of common shares. We have granted stock options to certain officers and directors. The issuance of common shares pursuant to these options, and options issued in the future, will have the effect of reducing the percentage of ownership in us of our then existing shareholders.

Our stock price may be volatile and market movements may adversely affect your investment.

The market price of our stock may fluctuate substantially due to a variety of factors, many of which are beyond our control. The stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of our stock. Future sales of our common shares by our shareholders could depress the price of our stock.

The Company is not required to file Current and Periodic Reports with the U.S. Securities and Exchange Commission and the Company's status as a voluntary filer may have consequences for investors' ability to access relevant and timely information about the Company.

The Company is a "voluntary filer" with the U.S. Securities and Exchange Commission. This means that the Company is not required to file Current and Periodic Reports with the U.S. Securities and Exchange Commission. The Company is not a fully reporting company that is subject to review under Section 408 of the Sarbanes-Oxley Act of 2002. Furthermore, the Company is not subject to the going private rules and certain tender offer regulations, and the beneficial holders of the Company's securities do not need to report on acquisitions or dispositions of the Company's securities or their plans regarding their influence and control over the Company. Therefore the Company's status as a voluntary filer reduces investors' rights to access significant information regarding the Company and its controlling shareholders.

The Company's status as a voluntary filer could lead to its removal from the over the counter bulletin board.

The Company's voluntary filer status may lead to its removal from the over the counter bulletin board, as Rule 6530 of the Financial Industry Regulatory Authority provides that issuers must be required to file reports pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 in order to remain listed.

ITEM 1B: UNRESOLVED STAFF COMMENTS

Pursuant to permissive authority, we have omitted Unresolved Staff Comments.

ITEM 2: PROPERTIES

The Company does not own any real estate or other property. The Company does not plan on investing directly or indirectly in real estate in the near future. As of the date of this Report, the Company is currently utilizing office space at 100 Wall Street, New York, NY 10005. There is no rent charged for this space, which is being temporarily provided to the Company by its counsel. We intend to move to new offices for our corporate headquarters in the foreseeable future.

ITEM 3: LEGAL PROCEEDINGS

The Company is not, and has not been during the period covered by this Report, a party to any legal proceedings.

On February 25, 2010, the Company received notification from Sunpower Corporation, a Delaware corporation ("SunCorp"), demanding that the Company (then known as Prime Sun Power Inc.) cease and desist from using the words "Sun Power" in its name. SunCorp identified several U.S. and International trademark registrations of its "Sunpower" mark. The Company subsequently received a cease and desist letter from SunCorp legal counsel on April 1, 2010 asserting rights to the name "Sun Power." As the Company has changed its name, this matter has now been resolved.

ITEM 4: RESERVED

Not Applicable.

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) Market Information.

Our shares are traded on the over-the-counter bulletin board operated by the National Association of Securities Dealers, Inc. under the symbol "PSPW". Prior to April 15, 2008 our common stock traded on the over-the-counter bulletin board under the symbol "AFIC". The following table sets forth for the periods indicated the high and low bid information for the Company's common stock in U.S. Dollars. These quotations reflect only inter dealer prices, without retail mark up, mark down or commissions and may not represent actual transactions. The following prices reflect the effects of the Company's 6 for 1 stock dividend declared on January 22, 2008 and paid to the shareholders of record of the Company as of February 4, 2008.

	Common Stock	
	High	Low
Quarter Ended December 31, 2010	.90	.07
Quarter Ended September 30, 2010	.95	.22
Quarter Ended June 30, 2010	1.10	.65
Quarter Ended March 31, 2010	1.15	.12
Quarter Ended December 31, 2009	.25	.08
Quarter Ended September 30, 2009	.35	.07
Quarter Ended June 30, 2009	1.75	.13
Quarter Ended March 31, 2009	.55	.15

(b) Holders.

At April 1, 2011 there were 11 stockholders of record of the Company's common stock.

(c) Dividends.

On January 22, 2008, the Board of Directors declared the payment of a stock dividend, approving the payment of such dividend to all of the shareholders of record of the Company as of the record date of February 4, 2008. Each shareholder received six additional shares of the Company's common stock for each one share of the Company's common stock which they held on the record date. Following payment of the stock dividend, the issued and outstanding share ownership of the Company increased from 5,730,700 shares of Company common stock to 40,114,900 shares of common stock.

During the period covered by this Report, we have not declared or paid cash dividends. The Company does not intend to pay cash dividends on its common stock in the foreseeable future. We anticipate retaining any earning for use in our continued development. We are not subject to any restrictions respecting the payment of dividends, except that they may not be paid to render us insolvent.

(d) Securities authorized for issuance under equity compensation plans

We do not have any equity compensation plans and accordingly we have no securities authorized for issuance thereunder.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

Warrant issued to Synergy Investments & Finance Holding Limited

On May 10, 2008, the Company issued a warrant to Synergy Investments & Finance Holding Limited (referred to herein as “Synergy”) in consideration for international corporate development services rendered on behalf of the Company. On May 22, 2008, the Company amended the First Warrant and issued a second warrant to Synergy (the “Second Warrant” and together with the First Warrant, the “Warrants”). The Company intends to amalgamate and amend the Warrants. The Warrants will have an exercise term of 3 years and will become exercisable only for the purchase of a number of shares equal to (i) 5% of the amount of capital raised by the Company from introductions made by Synergy, divided by (ii) the original exercise price of \$1.62 per share. All other terms and conditions of the Warrants shall remain the same. As a result of the contingent nature of the vesting of the Synergy warrant, no expense has been recognized. We cannot guarantee that Synergy will be successful in assisting us to raise capital for our operations. As of the date of this Report, Synergy has not raised any capital for the Company and as such no rights to purchase any shares under the terms of the Synergy Warrant have yet been granted. Synergy has not made any firm commitment to provide financing to the Company. The Company’s agreement with Synergy is nominally for a period of three years, however, the agreement may be terminated prior to that period so long as the Company compensates Synergy for any introductions of capital which Synergy has made.

We will need to raise additional capital to implement our new business plan and continue operations. We are seeking alternative sources of financing, through private placement of securities and loans from our shareholders in order for us to maintain our operations. We cannot guarantee that we will be successful in raising additional cash resources for our operations or that we will stay in business after our new business plan has commenced.

The transaction described above was made in reliance upon the exemption from Securities Act registration provided by Section 4(2) of the U.S. Securities Act, and the rules and regulations promulgated thereunder, including Rule 903 of Regulation S. Synergy is not a U.S. person (as such term is defined in Rule 902(k) of Regulation S) and this transaction was entered into outside of the United States.

ITEM 6: SELECTED FINANCIAL DATA

Pursuant to permissive authority under Regulation S-K, Rule 301, we have omitted Selected Financial Data.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with the financial statements and the related notes thereto included elsewhere in this Report. This Report contains certain forward-looking statements and the Company's future operating results could differ materially from those discussed herein. Certain statements contained in this Report, including, without limitation, statements containing the words "believes", "anticipates," "expects" and the like, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). However, as the Company intends to issue "penny stock," as such term is defined in Rule 3a51-1 promulgated under the Exchange Act, the Company is ineligible to rely on these safe harbor provisions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to announce publicly the results of any revisions of the forward-looking statements contained or incorporated by reference herein to reflect future events or developments, except as required by the Exchange Act.

Plan of Operation

The Company is a development stage business planning to develop and sell solar photovoltaic power and other renewable energies. Although our Company has a new business purpose, we have not commenced any revenue generating operations under the new business model. We anticipate that we will do business mainly in Europe, and that our Company will operate photovoltaic energy production parks in which solar electrical power is produced for sale to the local electrical grid. We intend to enter into strategic alliances with other companies and organizations engaged in the manufacture and/or assembly of solar modules.

The Company presently faces a number of challenges, including raising capital, indentifying commercially viable photovoltaic power plant locations, obtaining rights and licenses for development, interacting with local governments, indentifying and entering into agreements with appropriate subcontractors for the development and operation of solar parks, and hiring and retaining qualified staff.

Upon the consummation of the planned acquisition of the Seawind Companies, the Company will have new plans related to the operation of photovoltaic energy production parks.

Revenues

During the fiscal year ended December 31, 2010, the Company had no revenues from operations.

Expenses

The Company's operational net loss in 2010 was \$799,758, compared to an operational net loss in 2009 of approximately \$1,992,470. This loss represented a net loss per share of \$.02 in 2010, as compared to net loss per share of \$.05 in 2009. The Company's net loss since inception was \$3,640,661 as of December 31, 2010.

Since the inception of the Company, the Company's net cash used in operating activities has totaled \$1,015,639. The Company's net cash used in operating activities totaled \$135,233 for the year ended December 31, 2010, as compared to \$270,892 for the year ended December 31, 2009. Since the inception of the Company, we have incurred aggregate total expenses of \$3,640,661, including total expenses of \$799,758 during the twelve months ended December 31, 2010 and \$1,992,470 during the twelve months ended December 31, 2009. The Company's liabilities are expected to grow considerably during the foreseeable future as the Company continues the development of its new business model compared to prior periods in which the Company had no operations.

Our total expenses for the year ended December 31, 2010 of \$799,758 consisted primarily of management services fees of \$416,667, professional fees of \$186,513, general and administrative expenses of \$39,709, consulting fees & director fees of \$34,627 and personnel costs of \$54,687. The professional fees included \$24,736 for accounting and \$161,778 for legal fees. The Company paid consulting fees of \$34,627. Interest expense was \$66,924 for the year ended December 31, 2010. With the exception of interest expenses, each of these expenses was less than in the year ended December 31, 2009, in which total expenses of \$1,992,470 consisted of land licensing and development fees of \$428,980, management service fees of \$416,667, personnel costs of \$390,338, professional fees of \$386,379, consulting and director fees of \$112,308, general and administrative expenses of \$57,362 and interest expenses of \$46,328.

Liquidity and capital resources

As of the date of this Report, we have not yet generated any revenues from our business operations. Since inception, the Company has incurred total expenses of \$3,640,661, including total expenses of \$799,758 during the twelve months ended December 31, 2010.

Our consolidated cash balance at December 31, 2010 was \$142. As of December 31, 2010, our total assets consisted of \$142, which was a decrease from the Company's total assets of \$14,051 at December 31, 2009. As of December 31, 2010, the Company's total liabilities were \$3,259,635, which increased from \$2,474,417 as of December 31, 2009.

Through the date of this Report, our primary source of capital has been loans from Rudana Investment Group AG, the majority shareholder of our Company, loans received from CRG Finance AG, and the sale of rights to a power plant. The Company has received loans from CRG Finance AG in the amount of 470,000 Euros (US\$660,073) and proceeds from the sale of rights to a one-megawatt power plant in Italy during the first quarter 2010 in the amount of 179,630 Euros (US\$242,921).

To date, the Company has received loans in aggregate of \$1,034,592 from Rudana (the "Shareholder Loans"). The Shareholder Loans include \$313,064 loaned by Rudana and \$721,528 in Company invoices paid by Rudana, which amounts are offset by reimbursements to Rudana of \$823,448 and payments of \$14,730 made by the Company on behalf of Rudana. The current net total of the Shareholder Loans from Rudana is \$196,414. The Company has used the proceeds from the Shareholder Loans for general corporate purposes. The Shareholder Loans have an interest rate of seven and a half percent (7.5%) per annum, which together with the principal amount shall be repayable thirty (30) days after demand by Rudana. In connection with the Shareholder Loans, the Company intends to execute notes setting forth the terms thereof. In addition, the Company's accrued fees owed for management services received from Prime Asset Finance Limited, a subsidiary of Rudana, from inception through December 31, 2010 total \$833,333.

Our pre-operational activities to date have consumed substantial amounts of cash. Our negative cash flow from operations is expected to continue and to accelerate in the foreseeable future as the Company invests in capital expenditures to commence operations.

We will need to raise additional capital to implement our new business plan and continue operations for any length of time. We are seeking alternative sources of financing, through private placement of securities and loans from our shareholders in order for us to maintain our operations. We cannot guarantee that we will be successful in raising additional cash resources for our operations. Rudana, has loaned the Company funds for operations in the past, and has indicated that it will continue to loan funds as their financial circumstances may permit. Rudana, however, is under no obligation to make additional loans in the future.

Our future capital requirements will depend on a number of factors, including our ability to grow our revenues and manage our business. Our growth will depend upon our ability to raise additional capital, possibly through the issuance of long-term or short-term indebtedness or the issuance of our equity securities in private or public transactions. If we are successful in raising equity capital, because of the number and variability of factors that will determine our use of the capital, our ultimate use of the proceeds may vary substantially from our current plans. We expect that our management will use the equity proceeds to acquire assets in the form of equity participation into PV-Plants projects in Italy, France and Greece. Global financial market conditions will be relevant to the Company's ability to raise funds and make sales in the particular markets in which we will be active. While the Company believes that the opportunity exists to proceed in spite of these factors, major market disruptions, recent adverse changes in global market conditions, and the regulatory climate may affect our business.

The Company will require no less than \$2,000,000 in additional funding in order to conduct proposed operations for the next year. Should the Company fail to raise such funds, the Company will not be able to commence construction of the solar power plants. In order to commence construction on all of the Company's currently contemplated projects, the Company would be required to raise 15,000,000 Euros (approximately \$19,220,000) to acquire definitive licenses to own and operate solar parks, and then organize construction bridge loans to pay for the construction of the solar parks.

The Acquisition Agreement dated March 2, 2010 between the Company and GPR Global Power Resources Ltd. requires the Company to facilitate and arrange for long-term debt financing of at least 80% of the purchase price to be paid by GPR Global Power Resources Ltd. The terms of the Acquisition Agreement are subject to review and approval by the relevant third party financing institution. The Acquisition Agreement requires GPR Global Power Resources Ltd. to finance the remainder of the purchase price, and to deliver a Bank Standby Letter of Credit in an amount equal to 20% of the first payment tranche that will be due (4.05 million Euros).

The Company has engaged in discussions with financial institutions to arrange the long-term debt financing of 80% of the purchase price, however, the Company has received no commitments for these funds, and will not be able to secure such a commitment until GPR Global Power Resources Ltd. delivers a Bank Standby Letter of Credit. The Company anticipates that it will receive a definitive response regarding GPR's ability to deliver this Letter of Credit by the end of the year.

Results of Operations

We have not yet commenced active operations. As of December 31, 2009 and December 31, 2010, our Company had no operations, no revenues and substantially no assets. As such, comparative information for such periods would not assist the reader to understand our business model and we have therefore omitted such information from this discussion.

Plant and Equipment

The Company has not yet determined its anticipated spending on plant and equipment for the year ending December 31, 2011.

Employees

As of December 31, 2010, the Company had only one employee: Olivier de Vergnies, the Company's Acting Chief Executive Officer and Acting Chief Financial Officer. Mr. de Vergnies served as a Director of the Company from January 16, 2009 until February 25, 2011 and served as the Company's Acting Chief Executive Officer and Acting Chief Financial Officer from June 19, 2009 until February 25, 2011. Toby Durrant has served as the Company's Chief Investment Officer since January 26, 2011, and has served as the Company's Acting Chief Executive Officer and Chief Financial Officer since February 25, 2011. Mr. Durrant as served as a member of the Company's Board of Directors since April 14, 2011. The Company has not yet determined its anticipated employee and staff needs for the year ending December 31, 2011, and such decisions will be made following the acquisition of the Seawind Companies.

Research and Development

We have not yet determined our anticipated spending on research and development activities for the year ending December 31, 2011.

Off Balance Sheet Arrangements

As of December 31, 2010, we did 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.

Subsequent Events

Credit Facility

On March 10, 2011, the Company entered into a Financing and Security Agreement with CR&P Holding S.p.A., an Italian investment group, for a \$50 million loan. The Company intends to use the facility to finance photovoltaic, wind and hydro power plant development projects and prospective acquisitions in Italy, France Turkey, Albania and Chile. The proceeds of the loan will principally be utilized to finance the equity portion of the first projects from the Company's existing pipeline as well as to cover some of the Company's operational expenses and predevelopment costs.

The loan is being made available to the Company at a fixed rate of 5% per annum for a period of 10 years. In addition, the lender will also receive 20% of the annual net profits derived from each project for the duration of the loan. The loan will be secured by the assets of each special purpose project subsidiary holding company. Each draw of the loan amount by the Company will be subject to customary due diligence by the lender. The Company's management is coordinating with CR&P in regard to the selected projects details and use of loan proceeds information in order to finalize the loan proceeds disbursement plans.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We did not have any operations which implicated market risk as of the end of the latest fiscal year. We expect that our planned operations will engender market risk, particularly with respect to interest rate risk, foreign currency exchange rate risk, commodity price risk (in regard to our prospective customer base), and other relevant market risks, such as equity price risk. We intend to implement an analysis and assessment program which will on a regular basis determine exposures of our Company to such risks. We expect to report the results of all such quantitative and qualitative risk assessments prior to entering into any material agreements, and on a regular monthly and annual basis to our Audit Committee so that responsive risk management measures can be discussed and actions taken to the extent reasonably feasible.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Certified Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
3Power Energy Group Inc.
formerly known as Prime Sun Power Inc.
(A Development Stage Company)
New York, New York

We have audited the accompanying balance sheets of 3Power Energy Group Inc. (A Development Stage Company), formerly known as Prime Sun Power Inc., as of December 31, 2010 and 2009 and the related statements of operations, changes in stockholders' deficiency and cash flows for the years then ended and the period from inception (December 18, 2002) to December 31, 2010. We did not audit the statements of operations and changes in stockholders' deficiency of the Company from inception (December 18, 2002) to December 31, 2006. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to amounts included for that period is based solely on the report of the other auditors. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 3Power Energy Group Inc., (A Development Stage Company) as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended and, based on the report of the other auditors, for the period from inception (December 18, 2002) to December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, as of December 31, 2010 the Company has negative working capital and a stockholders' deficiency of \$3,259,493. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern unless it is able to, among other things, attain profitable operations and generate sufficient cash flows to meet its obligations and sustain its operations. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Paritz & Company, P.A.
Hackensack, New Jersey
April 14, 2011

Chang Lee LLP

Chartered Accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

PRIME SUN POWER INC.
(formerly ATM FINANCIAL CORP.)
(A development stage company)

We have audited the balance sheets of Prime Sun Power Inc. (formerly ATM Financial Corp.) (the "Company") (a development stage company) as at December 31, 2006 and 2005 and the related statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2006 and 2005 and for the period from December 18, 2002 (inception) to December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended, and for the period from December 18, 2002 (inception) to December 31, 2006 in conformity with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is a development stage company since inception on December 18, 2002 and has incurred significant recurring net losses since then resulting in a substantial accumulated deficit, which raise substantial doubt about its ability to continue as a going concern. The Company is devoting substantially all of its present efforts in establishing its business. Management's plans regarding the matters that raise substantial doubt about the Company's ability to continue as a going concern are also disclosed in Note 1 to the financial statements. The ability to meet its future financing requirements and the success of future operations cannot be determined at this time. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
March 19, 2007

/s/ CHANG LEE LLP

Chartered Accountants

3Power Energy Group Inc.
formerly known as Prime Sun Power Inc.
(A development stage company)
Balance Sheets

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
ASSETS		
Current Assets		
Cash	\$ 142	\$ 14,051
Total Current Assets and Total Assets	<u>\$ 142</u>	<u>\$ 14,051</u>
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,202,420	\$ 994,573
Advanced deposit	242,921	-
Note payable - finance company	660,073	414,626
Accrued management services - related party	833,333	416,667
Accrued interest - related party	78,270	57,550
Accrued interest - note payable - finance company	46,204	-
Loan from shareholder	196,414	591,001
Total Current Liabilities and Total Liabilities	<u>3,259,635</u>	<u>2,474,417</u>
Stockholders' Deficiency:		
Common Stock, par value \$.0001 per share 100,000,000 shares authorized, 40,114,900 shares issues and outstanding at December 31, 2010 and December 31, 2009	4,011	4,011
Additional paid in capital	377,157	376,526
Deficit accumulated during development stage	<u>(3,640,661)</u>	<u>(2,840,903)</u>
Total Stockholders' Deficiency	<u>(3,259,493)</u>	<u>(2,460,366)</u>
Total Liabilities and Stockholders' Deficiency	<u>\$ 142</u>	<u>\$ 14,051</u>

See Notes to Financial Statements

3Power Energy Group Inc.
formerly known as Prime Sun Power Inc.
(A development stage company)
Statement of Operations

	Year Ended December 31,		Accumulated from December 18, 2002 (Date of Inception) to December 31,
	2010	2009	2010
Revenue	-	-	-
EXPENSES			
Consulting and director fees	34,627	112,308	280,426
Professional fees	186,513	386,379	904,335
Management services - related party	416,667	416,667	833,333
Personnel costs	54,687	390,338	641,896
General & administrative	39,709	57,362	232,669
Land licensing and development fees	-	428,980	428,980
Interest expense	66,924	46,328	125,500
Gain on debt settlement	-	-	(14,176)
Non-cash compensation	631	154,108	207,698
Total Expenses	799,758	1,992,470	3,640,661
Net Loss	\$ (799,758)	\$ (1,992,470)	\$ (3,640,661)
Basic and Diluted Loss Per Share	\$ (0.02)	\$ (0.05)	
Weighted Average Shares Outstanding	40,114,900	40,114,900	

See Notes to Financial Statements

3Power Energy Group Inc.
formerly known as Prime Sun Power Inc.
(A development stage company)
Statement of Stockholders' Deficiency
For the Period from December 18, 2002 (Date of Inception) to December 31, 2010

	Common Stock		Additional Paid-in Capital (\$)	Deficit Accumulated During the Development Stage (\$)	Total (\$)
	Shares #	Par Value (\$)			
Balance - December 18, 2002 (Unaudited)					
Common stock issued for cash at \$0.0001 per share	28,000,000	2,800	(2,400)		400
Net loss for the period				(21,990)	(21,990)
Balance - December 31, 2002	28,000,000	2,800	(2,400)	(21,990)	(21,590)
Net loss for the Year				(24,216)	(24,216)
Balance - December 31, 2003	28,000,000	2,800	(2,400)	(46,206)	(45,806)
Net loss for the Year				(13,398)	(13,398)
Balance - December 31, 2004	28,000,000	2,800	(2,400)	(59,604)	(59,204)
February 14, 2005 - shares issued for cash at \$0.10 per share	12,114,900	1,211	171,859		173,070
Net loss for the Year				(18,609)	(18,609)
Balance - December 31, 2005	40,114,900	4,011	169,459	(78,213)	95,257
Net loss for the Year				(16,167)	(16,167)
Balance - December 31, 2006	40,114,900	4,011	169,459	(94,380)	79,090
Net loss for the Year				(56,129)	(56,129)
Balance - December 31, 2007	40,114,900	4,011	169,459	(150,509)	22,961
Non-cash compensation			52,959		52,959
Net loss for the Year				(697,924)	(697,924)
Balance - December 31, 2008	40,114,900	4,011	222,418	(848,433)	(622,004)
Non-cash compensation			154,108		154,108
Net loss for the year				(1,992,470)	(1,992,470)
Balance - December 31, 2009	40,114,900	4,011	376,526	(2,840,903)	(2,460,366)
Non-cash compensation			631		631
Net loss for the period				(799,758)	(799,758)
Balance - December 31, 2010	40,114,900	\$ 4,011	\$ 377,157	\$ (3,640,661)	\$ (3,259,493)

See Notes to Financial Statements

3Power Energy Group Inc.
formerly known as Prime Sun Power Inc.
(A development stage company)
Statement of Cash Flow

	For the Year Ended December 31		Accumulated from December 18, 2002 (Date of Inception) to December 31, 2010
	2010	2009	2010
Operating Activities			
Net loss	\$ (799,758)	\$ (1,992,470)	\$ (3,640,661)
<i>Adjustments to reconcile net loss to net cash provided by (used) in operations:</i>			
Non-cash compensation	631	154,108	207,698
Interest accrued to related party	20,720	46,328	78,270
Interest accrued on bank note	46,204	-	46,204
Gain in debt settlement	-	-	14,176
Accrued management services - related party	416,667	416,667	833,333
Land licensing and development fees	-	428,980	-
<i>Change in operating assets and liabilities</i>			
Advanced deposits	242,921	-	242,921
Accounts payable and accrued liabilities	207,848	675,495	1,202,420
Net cash provided by (used) in operating activities	135,233	(270,892)	(1,015,639)
Investing Activities			
Land licensing & development fees	-	(428,980)	-
Net cash used in investing activities	-	(428,980)	-
Financing Activities			
Proceeds and repayment of loans from Shareholder	(394,588)	292,668	196,414
Proceeds from finance company	245,446	414,626	660,073
Gain in debt settlement	-	-	(14,176)
Common stock issued	-	-	381,168
Net cash provided by (used in) financing activities	(149,142)	707,294	1,223,479
Increase (decrease) in Cash	(13,909)	7,422	207,840
Cash - beginning of period	14,051	6,629	-
Cash - end of period	\$ 142	\$ 14,051	\$ 207,840

See Notes to Financial Statements

3POWER ENERGY GROUP INC.
Formerly known as PRIME SUN POWER INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. BUSINESS DESCRIPTION

Organization and Business Description

3Power Energy Group Inc. (the "Company") was incorporated in the State of Nevada on December 18, 2002 and is a development stage company as defined by current account guidance. On March 30, 2011, the Company changed its name from Prime Sun Power Inc. On January 10, 2008, a change of control of the Company occurred and Rudana Investment Group AG, ("Rudana") a corporation formed under the laws of Switzerland, became the new majority shareholder of the Company ("Rudana"), controlling approximately 70% of the issued and outstanding shares of the Company's common stock. The Company plans to pursue a business model producing solar generated electrical power and other alternative renewable energies.

Going Concern

The Company has been in the development stage since its inception and has not yet realized any revenues from its planned operations. As shown in the accompanying financial statements, the Company has incurred a net loss of \$3,640,661 for the period from inception (December 18, 2002) to December 31, 2010, has a working capital deficiency of \$3,259,493. The ability of the Company to continue as a going concern and to emerge from the development stage is dependent upon, among other things, its successful execution of its plan of operations and ability to raise additional financing or capital. There is no guarantee that the Company will be able to raise additional financing capital or sell any of services or products at a profit. These factors, among others, raise substantial doubt regarding the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The actual results experienced by the Company may differ materially from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected and the effect could be material.

Cash and Cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

The Company maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company's accounts at these institutions may, at times, exceed the federally insured limits. The Company has not experienced any losses in such accounts.

Property and equipment and depreciation policy

Depreciation is based on the estimated useful lives of the related assets and is computed using the straight-line method. Equipment is recorded at cost and depreciation is provided over the useful lives of five years.

Income taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Impairment of long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine if impairment exists, the Company compares the estimated future undiscounted cash flows from the related long-lived assets to the net carrying amount of such assets. Once it has been determined that impairment exists, the carrying value of the assets is adjusted to the fair value. Factors considered in the determination of the fair value include current operating results, trends and the present value of estimated expected future cash flows.

Stock based compensation

We recognize compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-based awards, we calculate the fair value of the award on the date of grant using the Black-Scholes method for stock options and the quoted price of our common stock for unrestricted shares; the expense is recognized over the service period for awards expected to vest. For non-employee stock-based awards, we calculate the fair value of the award on the date of grant in the same manner as employee awards, however, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

Fair value measurements

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts and notes payable, and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

Loss per share

Loss per share is computed using the weighted average number of shares outstanding during the period. Diluted loss per share is equivalent to basic loss per share.

Recently Issued Accounting Standards

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board or other standard setting bodies that may have an impact on the Company's accounting and reporting. The Company believes that such recently issued accounting pronouncements and other authoritative guidance for which the effective date is in the future either will not have an impact on its accounting or reporting or that such impact will not be material to its financial position, results of operations, and cash flows when implemented.

3. NOTE PAYABLE – FINANCE COMPANY

On March 2, 2010, the Company entered into a Financing Agreement (the "Financing Agreement") with CRG Finance AG ("CRG Finance"). Pursuant to the Financing Agreement, CRG Finance loaned the Company a total of 470,000 Euros (\$660,073 as of December 31, 2010). In further consideration for the making of this loan, the Company shall transfer 20% of the Company's rights to its net profits to be made in the sale of PSP Italian S.r.l. to GPR (the "Net Profit Rights").

CRG Finance has agreed that upon receipt of its Net Profit Rights, CRG Finance will reinvest at least 50% of such Net Profit Rights into either new projects of the Company or shares of the Company, at a purchase price to be mutually agreed upon. The Company has issued a senior promissory note to CRG Finance in the amount of 470,000 Euros (\$660,073 as of December 31, 2010). The principal of the note, along with interest at an annual rate of seven and one half percent, is due within thirty days of demand.

4. DEVELOPMENT FEES

Project Acquisition by GPR Global Power Resources Ltd.

On March 2, 2010, the Company entered into a project acquisition agreement (the "Acquisition Agreement") with GPR Global Power Resources Ltd., a Company formed in Switzerland ("GPR," and together with the Company, the "Parties"). Pursuant to the Acquisition Agreement, the Company has agreed to sell to GPR all of the shares of a wholly-owned Italian subsidiary of the Company called PSP Italia S.r.l. This subsidiary will develop a turnkey alternative energy power plant, utilizing solar power. The purchase price for the shares of PSP Italia S.r.l. shall be a minimum of 4.05 million Euros per mega watt of power produced by the solar power plant. The Acquisition Agreement shall cover up to a total of twenty five mega watts of power, for a total potential sales price of 101.25 million Euros.

The purchase price for this transaction shall be released by GPR to the Company incrementally on each date on which the Company shall connect five mega watts of the solar power plant to the Italian National Grid as enumerated in the Acquisition Agreement. Thus, payment shall be due to the Company in five equal tranches; for each five mega watts connected, a payment of 20.25 million Euros shall be due and payable to the Company. GPR shall make each tranche of payments within ninety days of the date on which the Company shall connect five mega watts of power to the electrical grid. GPR shall have the right to withhold 10% of the purchase price due to the Company for up to six months as a security for the fulfillment of the Company's obligations. The purchase price that GPR shall be required to pay may be reduced by the amount of certain cost savings that GPR may assist the Company in making or as a result of certain taxes GPR may be required to pay, in each case as set forth in the Acquisition Agreement. Furthermore, the Parties have agreed that certain specifications concerning this project to be included in the annexes to the Acquisition Agreement have not yet been set, and will be mutually agreed upon by the Parties in the immediate future. The Company and GPR will not finalize these annexes until such time as GPR delivers the Bank Standby Letter described below. The Acquisition Agreement will not be fully enforceable until the annexes are fully completed and signed by the parties.

The Acquisition Agreement requires the Company to facilitate and arrange for long-term debt financing of at least 80% of the purchase price to be paid by GPR. The terms of the Acquisition Agreement are subject to review and approval by the relevant third party financing institution. The Acquisition Agreement requires GPR to finance the remainder of the purchase price, and to deliver a Bank Standby Letter of Credit in an amount equal to 20% of the first payment tranche that will be due (4.05 million Euros).

The Company shall be responsible for all construction costs for the solar power plant, including costs for sub contractors. The Company intends to commence construction of the solar power plant upon completion of the required fundraising.

Once construction commences, the Company estimates that it will take approximately three to four months to complete the 25 mega watt solar power plant. The Company currently estimates that the costs of production per mega watt will be 3.6 million Euros.

The Company has evaluated events after the date of these financial statements through April 14, 2011 the date that these financial statements were issued. There were no additional material subsequent events as of that date, which would require adjustment to or disclose in the accompanying financial statements.

Sale of Project Rights

During the first quarter 2010, the Company sold rights of ownership in a one-megawatt photovoltaic power plant from the Company's photovoltaic projects planned for development in Italy. Under the terms for the transfer of such ownership, the Company will establish a special purpose company in Italy under which the holders of such rights will obtain ownership in the one-megawatt power plant. The Company has granted the right of ownership in the one-megawatt power plant in consideration for an aggregate purchase price of 350,000 Euros (approximately \$486,000), of which the Company has received 175,000 Euros (approximately \$243,000) during the three months ended March 31, 2010. During the three months ended June 30, 2010, the purchaser of the rights of ownership in this one-megawatt photovoltaic power plant provided business introduction services to the Company valued at 175,000 Euros in lieu of making additional cash payment.

Strategic Investment Agreement with Bangkok Solar Power Co., Ltd.

On May 21, 2010, the Company entered into a Strategic Investment Agreement (the "Agreement") with Bangkok Solar Power Co., Ltd. ("BSP"), a leading manufacturer of PV solar modules and engineering, procurement, construction, and installation ("EPCI") contractor to acquire up to 6,639,063 shares of the Company's Common Stock. All shares issued to BSP will be subject to a lock-up period until December 31, 2013.

The Company and BSP have agreed to work together in a strategic alliance whereby BSP shall be appointed as the General Contractor to perform the EPCI contract for the Company's solar power plants for at least 50 megawatts peak per annum until 2013. BSP and the Company have agreed that BSP will perform the turnkey contract for the engineering, procurement and construction and installation of the Company's solar power plants, as will be set forth in a separate ECPI agreement.

BSP will purchase the Company's shares in increments of €400,000 upon activation of each megawatt of peak solar power to be covered by the EPCI service agreement. The incremental share purchase will only be payable if the EPCI includes a price of at least €3,000,000 per megawatt. BSP has agreed to purchase a total of 5,176,416 shares of the Company's common stock (the "Initial Shares") at a price of €7.73 per share for an aggregate purchase price of €40,000,000. For the incremental purchase of the Initial Shares, the Company shall issue to BSP an aggregate amount of 1,462,947 shares (the "Bonus Shares"), with each issuance of Bonus Shares proportional to the respective incremental purchase of the Initial Shares.

If all of the strategic alliance shares are acquired, BSP will own 6,639,063 shares of the Company's common stock, or 14.2% of the Company's issued and outstanding shares of common stock. Giving effect to the Bonus Shares together with the purchase price of the Initial Shares, the blended purchase price per share of the 6,639,063 shares of the Company's common stock to be acquired by BSP consisting of both the Initial Shares and the Bonus Shares will be equal to approximately €6.02 per share.

In addition to the Initial Shares and the Bonus Shares, BSP shall, with respect to all EPCI relationships between BSP and the Company under which BSP thin film modules are engineered, procured, constructed or installed in the Company's solar power plants, be permitted to purchase from the Company additional shares of common stock at a purchase price calculated in the same manner as the Initial Shares and Bonus Shares (these shares are described as the "Thin Film Shares"). BSP shall have the option to purchase the Thin Film Shares provided the purchase price per megawatt for the modules is acceptable for both parties.

5. LAND LICENSING

Project San Paolo and Project Puglia

On April 15, 2009, the Company entered into four agreements to obtain licenses and land lease call option rights for the development of certain photovoltaic power plant projects in Italy. These agreements included two Transfer Agreements: one for a project located in San Paolo, Italy (referred to herein as Project San Paolo) and one for a project located in Foggia/Apricena, Italy (referred to herein as Project Puglia and together with Project San Paolo, the Projects). Both of the Projects were located in the Puglia region of Italy.

Pursuant to the Transfer Agreements for the Projects, the Company planned to acquire option contracts from another party (referred to herein as the Transferor), as acquired from various landlords. The Company intended to acquire or lease certain land at specified prices for the purpose of constructing and installing photovoltaic plants. The Transferor was expected to assist the Company to apply for certain key licenses. The Company agreed to pay the Transferor certain transaction fees upon the performance of certain conditions by the Transferor.

Project San Paolo and Project Puglia have terminated as the Company was unable to obtain the necessary licenses to proceed with the Projects. All of the applicable agreements pertaining to the Projects have terminated in accordance with their terms. Prior to the cancellation of the Projects, that Company's largest shareholder, Rudana Investment Group AG, advanced 150,000 Euros towards each of the two payments required under the Transfer Agreements related to Project San Paolo and Project Puglia, for a total of 300,000 Euros (\$428,980). The advance of these payments on behalf of the Company by Rudana Investment Group AG has been recorded as loan. The aggregate amounts of 300,000 Euros (\$428,980) paid in respect of the Transfer Agreement were charged to expense during the year ended December 31, 2009.

The Project San Paolo and Project Puglia which previously were deemed to have been terminated as of the end of 2009 were provided with possibility of revival in respect of proceedings by the Italian Constitutional Court. On the basis of the decision of the Constitutional Court the Company believes the Projects can be revived if the Italian regional licensing and authorization procedures are revised to comport with newly stated requirements constitutional applicable Italian federal laws or if the applications for the Projects are resubmitted under the long form procedures of Italian federal law. The period in which the Projects could possibly be revived is uncertain as of the date of this Report. The Company was not a party to the federal or regional Italian Constitutional Court lawsuit.

6. INCOME TAXES

The Company has available approximately \$3,545,000 of net operating loss carry forwards to offset future taxable income, if any. The carry forwards expire as follows:

2022	\$	22,000
2023	\$	24,000
2024	\$	13,000
2025	\$	19,000
2026	\$	16,000
2027	\$	56,000
2028	\$	695,000
2029 and after	\$	2,700,000

Utilization of these carryforwards may be limited due to the changes in ownership referred to in Note 1. The Company has a deferred tax asset of approximately \$950,000 relating to available net operating loss carry forwards for which 100% valuation allowance has been provided.

The computed credit for income taxes for the years ended December 31, 2010 and 2009 differs from the expected Federal tax rate as follows:

	2010	2009
Computed expected tax rate	35%	35%
Valuation allowance	35%	35%
Income tax credit	0	0

7. STOCKHOLDERS' DEFICIENCY

On January 22, 2008, the Board of Directors declared the payment of a stock dividend to the stockholders of record of the Company as of February 4, 2008. The stock dividend was paid on February 4, 2008. Each stockholder received six additional shares of the Company's common stock for each one share of the Company's common stock which they held on the record date. Following the payment of the stock dividend, the issued and outstanding share ownership of the Company increased from 5,730,700 shares of Company common stock to 40,114,900 shares of common stock. The Statement of Stockholders' Deficiency and per share amounts has been retroactively adjusted to reflect the historical impact of the stock dividend.

On September 22, 2008 the Company granted an option to purchase 500,000 shares of the Company's common stock to the Chief Technology Officer. These options were granted at an exercise price of \$1.90 per share which was equal to the closing price of the Company's common stock as quoted on the Nasdaq Over-the-Counter Bulletin Board on the day immediately preceding the date of grant.

The Company accounted for this grant under the fair value method of accounting using a Black Scholes valuation model to measure stock option expense at the date of grant. The fair value of the stock option is amortized to expense over the vesting period of one year. Using the Black Scholes options pricing model, the options were valued at \$0.39 per share for a total of \$207,698, of which \$631 and \$140,341 was expensed in the years ended December 31, 2010 and 2009.

The fair value was estimated based on the following assumptions:

Risk-free rate	1.5%
Expected volatility	50%
Expected life	1 year
Dividend yield	-

8. SUBSEQUENT EVENTS

Planned Acquisition of Seawind International Ltd. and Seawind Energy Limited

The Company entered into a term sheet with Seawind International Ltd., (“Seawind International” and together with the Company, the “Parties”). The Parties have subsequently agreed that the Company will first acquire an affiliate, Seawind Energy Limited, and thereafter plan to acquire Seawind International (such transactions are referred to herein as the “Acquisitions” and the entities are collectively referred to as the “Seawind Companies”).

The Company and the Seawind Companies expect to complete mutually acceptable definitive Acquisition agreements containing customary representations, warranties, covenants and ancillary agreements very shortly. Rudana Investment Group AG and the Seawind principals also intend to enter into a shareholders agreement. The Company expect to close the Acquisitions following completion of satisfactory legal due diligence and final completion of the 2010 audit of the financial statements of the Seawind Companies.

The Company changed its name to 3Power Energy Group Inc. and increased its authorized share capital to 300,000,000 shares prior to issuing shares in exchange for the acquisition of the Seawind Companies. At or prior to the closing of the Seawind acquisition, the Company anticipates increasing the members of the Board of Directors.

Credit Facility

On March 10, 2011, the Company entered into a Financing and Security Agreement with CR&P Holding S.p.A., an Italian investment group, for a \$50 million loan. The Company intends to use the facility to finance photovoltaic, wind and hydro power plant development projects and prospective acquisitions in Italy, France Turkey, Albania and Chile. The proceeds of the loan will principally be utilized to finance the equity portion of the first projects from the Company’s existing pipeline as well as to cover some of the Company’s operational expenses and predevelopment costs.

The loan is being made available to the Company at a fixed rate of 5% per annum for a period of 10 years. In addition, the lender will also receive 20% of the annual net profits derived from each project for the duration of the loan. The loan will be secured by the assets of each special purpose project subsidiary holding company. Each draw of the loan amount by the Company will be subject to customary due diligence by the lender. The Company’s management is coordinating with CR&P in regard to the selected projects details and use of loan proceeds information in order to finalize the loan proceeds disbursement plans.

The company evaluated subsequent events through the date the financial statements were issued. Other than the events disclosed above, no reportable or disclosure transactions occurred through the date.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A: CONTROLS AND PROCEDURES

As of the end of the period covered by this Report, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934 (the "Exchange Act"). In carrying out that evaluation, management identified a material weakness (as defined in Public Company Accounting Oversight Board Standard No. 2) in our disclosure controls and procedures regarding a lack of adequate personnel and adequate segregation of duties. Based on their evaluation of our disclosure controls and procedures as of December 31, 2010, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of that date, the Company's disclosure controls and procedures were not effective for the purposes described above.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) of the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The Company has evaluated the effectiveness of our internal control over financial reporting based on the framework set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's 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 the end of the period covered by this report, the Company carried out, under the supervision and with the participation of Company Management, which consists solely of the Company's Chief Executive Officer, who also serves in the capacity of acting Chief Financial Officer, an evaluation of the effectiveness of the design and operation of the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) in ensuring that information required to be disclosed by the Company in its reports is recorded, processed, summarized and reported within the required time periods. In carrying out that evaluation, management identified a material weakness (as defined in Public Company Accounting Oversight Board Standard No. 2) in our internal control over financial reporting.

The material weakness identified by Management consisted of inadequate staffing and supervision within the bookkeeping and accounting operations of the Company. The Company's bookkeeping and accounting functions overseen by a single individual who serves as a consultant to the Company, which prevents us from segregating duties within the Company's internal control system. The inadequate segregation of duties is a weakness because it could lead to the untimely identification and resolution of accounting and disclosure matters or could lead to a failure to perform timely and effective reviews. Accordingly, based on their evaluation of the Company's internal control over financial reporting as of December 31, 2010, the Company's Management, including its Chief Executive Officer who also serves as its Chief Financial Officer, have concluded that, as of that date, the Company's internal controls over financial reporting were not effective. The Company intends to take steps to remediate such controls as soon as reasonably possible.

This 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 our registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended December 31, 2010 that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B: OTHER INFORMATION

None.

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CORPORATE GOVERNANCE

The following table presents information with respect to our officers, directors and significant employees as of April 14, 2011:

Name	Age	Position
Toby Durrant		Acting Chief Executive Officer, Acting Chief Financial Officer, Chief Investment Officer and Director

Each director serves until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified.

Set forth below is biographical information regarding the current officers, directors and significant employees of the Company as of April 15, 2011.

Toby Durrant. Mr. Durrant has served as the Company's Chief Investment Officer since January 26, 2011, and has served as the Company's Acting Chief Executive Officer and Chief Financial Officer since February 25, 2011. Mr. Durrant as served as a member of the Company's Board of Directors since April 14, 2011. Mr. Durrant is the founder and managing director of Liberton Worldwide Limited, a business consultancy based in the United Kingdom which advises cleantech companies on corporate strategy. He has served in this position since 2010. Previously, Mr. Durrant was employed from 2006-2009 by Hichens, Harrison & Co./Religare Capital Markets, a stockbrokerage and corporate advisory business. He began advising the company on strategy before being made a Managing Director in 2007, where he was responsible for the international development of the business. In 2008, Mr. Durrant was appointed Chief Executive Officer of Religare Capital Markets, after an acquisition and name change. Between 2001 and 2006, Mr. Durrant was the co-founder and director of Square Mile Solutions Limited, a consultancy firm based in the City of London which advised and implemented new business strategies for financial institutions.

Conflicts Of Interest

The officers and directors of our Company are subject to restrictions regarding opportunities which may compete with the Company's business plan. New opportunities which are brought to the attention of the officers and directors of the Company must be presented to the Board of Directors and made available to the Company for consideration and review under principals of state law corporate opportunity doctrines. A breach of this requirement could be construed as a breach of the fiduciary duties of the officer or director. Our Ethics Policy requires each employee to avoid any activity, investment or association that conflicts or interferes with the independent exercise of his or her judgment or actions adverse to the Company's best interests. Under the Ethics Policy, no employee, or any member of employee's immediate family, is permitted to accept money, gifts of other than nominal value, unusual entertainment, loans, or any other preferential treatment from any customer or supplier of the Company where any obligation may be incurred or implied on the giver or the receiver or where the intent is to prejudice the recipient in favor of the provider. Likewise, no employee is permitted to give money, gifts of other than nominal value, unusual entertainment or preferential treatment to any customer or supplier of the Company, or any employee or family members thereof, where any obligation might be incurred or implied, or where the intent is to prejudice the recipient in favor of the Company. No directors, officers or employees are permitted to solicit or accept kickbacks, whether in the form of money, goods, services or otherwise, as a means of influencing or rewarding any decision or action taken by a foreign or domestic vendor, customer, business partner, government employee or other person whose position may affect the Company's business. No employee is permitted to use Company property, services, equipment or business for personal gain or benefit. Employees may not act on behalf of, or own a substantial interest in, any company or firm that does business, or competes, with the Company, or conduct business on behalf of the Company with any company or firm in which the employee or a family member has a substantial interest or affiliation. Exceptions require advance written approval from the Chief Financial Officer. Employees must not personally benefit from outside endeavor as a result of their employment by the Company. Other than the provisions of our Ethics Policy governing conflicts of interest, we have not adopted a specific conflicts of interest policy.

Involvement in Certain Legal Proceedings

To our knowledge, during the past five years, no director, person nominated to become a director, executive officer, promoter or control person of the company: (1) had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) was convicted in a criminal proceeding or subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type or business, securities or banking activities; or (4) was found by a court of competent jurisdiction in a civil action or by the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Section 16 (a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that the executive officers and directors, and persons who beneficially own more than 10% of the equity securities of reporting companies, file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file. The Company, however, is a “voluntary reporting company,” and is therefore not subject to this obligation. Based solely on our review of the copies of such forms we received, we believe that during the year ended December 31, 2010, all such filing requirements applicable to our Company were complied with, except that reports were filed late by the following persons:

Name	Number of Late Reports	Transactions Not Timely Reported	Known Failures to File a Required Form
Rudana Investment Group AG	5	5	0

Code of Ethics

We have adopted a corporate code of ethics. We believe our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. To the knowledge of the Company, there have been no reported violations of the Code of Ethics. In the event of any future amendments to, or waivers from, the provisions of the Code of Ethics, we intend to describe on our Internet website, within four business days following the date of a waiver or a substantive amendment, the date of the waiver or amendment, the nature of the amendment or waiver, and the name of the person to whom the waiver was granted.

Board Committees

Audit Committee

Audit committee functions are performed by our entire board of directors. Our audit committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and (5) funding for the outside auditor and any outside advisors engagement by the audit committee.

Audit Committee Financial Expert

None of our directors or officers have the qualifications or experience to be considered a financial expert. We believe the cost related to retaining a financial expert at this time is prohibitive. Further, because of our limited operations, we believe the services of a financial expert are not yet warranted. We intend to appoint an audit committee financial expert during the foreseeable future.

Disclosure Committee

Disclosure committee functions are performed by our entire board of directors.

Director Nominations

There have been no changes in the year ended December 31, 2010 to the procedures by which security holders may recommend nominees to our board of directors.

ITEM 11: EXECUTIVE COMPENSATION**Summary Compensation Table (1)(2)**

Name and Principal Position	Year	Salary	Option Awards	Total
Olivier de Vergnies, Director Acting Chief Executive Officer and Acting Chief Financial Officer (3)	2010 (3)	\$ 0	\$ 0	\$ 0
	2009 (3)	\$ 0	\$ 0	\$ 0
Frank Juergens, Chief Operating Officer and Interim Chief Executive Officer (4)	2010 (4)	\$ 0	\$ 0	\$ 0
	2009 (4)	\$ 58,009	\$ 13,767	\$ 71,776
Mathias Kaiser, Chief Financial Officer (5)	2010 (5)	\$ 0	\$ 0	\$ 0
	2009 (5)	\$ 75,000	\$ 0	\$ 75,000
Gerald Sullivan, Chief Financial Officer and Interim Chief Executive Officer (6)	2010 (6)	\$ 0	\$ 0	\$ 0
	2009 (6)	\$ 40,903	\$ 0	\$ 40,903
Cesare Boffa, Director and Chief Technology Officer (7)	2010 (7)	\$ 0	\$ 0	\$ 0
	2009 (7)	\$ 212,052	\$ 140,341	\$ 352,393

(1) The table reflects each of the Company's last two completed fiscal years. Pursuant to permissive authority under S-K Rule 402(a) (5) we have omitted tables and columns where there has been no compensation awarded to, earned by, or paid to any of the named executive officers or directors required to be reported in that table or column in any fiscal year covered by that table.

No persons have been entitled to compensation in excess of \$100,000 per year prior to 2009.

(2) Mr. Toby Durrant has served as the Company's Acting Chief Executive Officer and Acting Chief Financial Officer since February 25, 2011. He has served as the Company's Chief Investment Officer since January 26, 2011. He has served as the Company's sole director since April 14, 2011. He did not serve as an officer or director during 2009 or 2010 and was not paid any compensation by the Company during such years.

(3) Mr. de Vergnies served as a Director of the Company from January 16, 2009 until February 25, 2011 and served as the Company's Acting Chief Executive Officer and Acting Chief Financial Officer from June 19, 2009 until February 25, 2011.

(4) Mr. Juergens served as the Company's Chief Operating Officer and Interim Chief Executive Officer from January 7, 2009 until June 19, 2009.

(5) Mr. Kaiser served as the Chief Financial Officer of the Company from January 7, 2009 until June 19, 2009. Mr. Kaiser was compensated for his services by Rudana Investment Group AG, our majority shareholder, and he was not separately compensated by the Company. As 75% of Mr. Kaiser's time was spent on matters related to the Company, such approximate proportion of his salary paid by Rudana Investment Group AG has been attributed to his services rendered on behalf of the Company.

(6) Mr. Sullivan served as our Chief Financial Officer and Interim Chief Executive Officer from May 10, 2008 until January 7, 2009.

(7) On September 22, 2008, Cesare Boffa was appointed as a director of the Company and as the Company's Chief Technology Officer. Dr. Boffa was granted stock options for the purchase of 500,000 shares of the Company's common stock at an exercise price of \$1.90 per share. The aggregate grant date fair value of the option award was computed in accordance with FASB Accounting Standards Codification Topic 718.

Outstanding Equity Awards at Fiscal Year-End

Name and Principal Position	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards:		Option Exercise Price	Option Expiration Date
			Number of Securities Underlying Unexercised Options	Unearned Options		
Olivier de Vergnies, Director Acting Chief Executive Officer and Acting Chief Financial Officer (1)	0	0	0		N/A	N/A
Frank Juergens, Chief Operating Officer and Interim Chief Executive Officer (2)	0	0	0		N/A	N/A
Mathias Kaiser, Chief Financial Officer (3)	0	0	0		N/A	N/A
Gerald Sullivan Chief Financial Officer and Interim President and Chief Executive Officer (4)	0	0	0		N/A	N/A
Cesare Boffa, Director and Chief Technology Officer (5)	0	500,000	0	\$	1.90	September 22, 2013

(1) Mr. de Vergnies served as a Director of the Company from January 16, 2009 until February 25, 2011 and served as the Company's Acting Chief Executive Officer and Acting Chief Financial Officer from June 19, 2009 until February 25, 2011.

(2) Mr. Juergens served as the Company's Chief Operating Officer and Interim Chief Executive Officer from January 7, 2009 until June 19, 2009. Mr. Juergens was granted options to purchase 50,000 shares of the Company's common stock, however, such options were cancelled upon his resignation from the Company prior to the end of the fiscal year.

(3) Mr. Kaiser served as the Chief Financial Officer of the Company from January 7, 2009 until June 19, 2009.

(4) Mr. Sullivan served as our Chief Financial Officer and Interim Chief Executive Officer from May 10, 2008 until January 7, 2009.

(5) On September 22, 2008, Cesare Boffa was appointed as a director of the Company and as the Company's Chief Technology Officer. Dr. Boffa was granted stock options for the purchase of 500,000 shares of the Company's common stock at an exercise price of \$1.90 per share.

Director Compensation

Name	Year	Fees earned or paid in cash (\$)	Total
	2010	\$ 0	\$ 0
Augustine Fou (1)	2009	\$ 14,000	\$ 14,000

(1) Augustine Fou was the only director who received compensation in 2009 and who is not included in the "Summary Compensation Table" above. Cesare Boffa was compensated for his services as Company's Chief Technology Officer. Dr. Fou resigned as a director on August 4, 2009.

Compensation of Officers and Directors

Toby Durrant Employment Arrangement

The Company has agreed to pay Mr. Durrant a base salary of \$150,000 per year, plus stock options and bonuses based upon (i) the amount of capital Mr. Durrant is able to raise and (ii) certain milestones to be reached, in each case in amounts as to be mutually determined by the Company and Mr. Durrant. At the present time, there is no written employment agreement between the Company and Mr. Durrant, however, the Company and Mr. Durrant anticipate entering into such an agreement at a later date.

Olivier de Vergnies Director Agreement

Pursuant to the Company director agreement with Mr. Olivier de Vergnies, he did not received compensation from the Company during 2009 or 2010 and does not have any residual rights to compensation. Mr. de Vergnies resigned as an officer and director on February 25, 2011.

Gerald Sullivan Employment Agreement

Mr. Sullivan served as our Chief Financial Officer and Interim Chief Executive Officer from May 10, 2008 until January 7, 2009. During that period the Company paid him at a rate of \$100,000 per annum, which was pro-rated for his actual period of service to the Company. Mr. Sullivan resigned as our Chief Financial Officer and Interim Chief Executive Officer on January 7, 2009.

Frank Juergens Employment Agreement

Effective as of January 7, 2009, entered into an employment agreement with Frank Juergens regarding his service as Chief Operating Officer of the Company. Under the employment agreement, Mr. Juergens agreed to serve as Chief Operating Officer for a two year period. In consideration for services rendered to the Company, Mr. Juergens was to be paid a base salary of 130,000 Swiss Francs per year. In addition, Mr. Juergens was to be granted options to purchase 50,000 shares of common stock of the Company. This agreement terminated when Mr. Juergens left the Company on June 19, 2009, pursuant to a separation agreement.

Cesare Boffa Employment and Director's Agreement

On September 22, 2008, the Company entered into an employment agreement with Cesare Boffa regarding his service as the Company's Chief Technology Officer. Dr. Boffa's compensation as the Company's Chief Technology Officer was 180,000 Euros per annum. Dr. Boffa was granted stock options for the purchase of 500,000 shares of the Company's common stock equal to the fair market value per share as of the date of the employment agreement (the aggregate grant date fair value of the option award was computed in accordance with FASB Accounting Standards Codification Topic 718). Dr. Boffa agreed to devote less than 50% of his professional working time to the Company. The employment agreement had a three year term. On October 6, 2008, the Company entered into a director's agreement with Dr. Boffa regarding his service as a director of the Company. Dr. Boffa agreed that he would not receive any compensation other than pursuant to the employment agreement.

Dr. Boffa is no longer the Company's Chief Technology Officer. Dr. Boffa is now a consultant to the Company.

Compensation Arrangement with Mathias Kaiser

Mr. Kaiser served as the Chief Financial Officer of the Company from January 7, 2009 until June 19, 2009. Mr. Kaiser was compensated for his services by Rudana Investment Group AG, our majority shareholder, and he was not separately compensated by the Company. As 75% of Mr. Kaiser's time was spent on matters related to the Company, such approximate proportion of his salary paid by Rudana Investment Group AG has been attributed to his services rendered on behalf of the Company.

Equity Incentive Plan

The Company does not currently have an equity compensation plan. The Company expects to adopt an equity incentive plan for its officers, directors and key employees during 2011 and make grants under such plan in accordance with comparable industry standards.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of Common Stock as of April 14, 2011 by (i) each director of the Company; (ii) each of the Company's officers named in the Summary Compensation Table and other key employees of our Company; (iii) each person who is known by the Company to be the beneficial owner of more than five percent of the Company's outstanding Common Stock; and (iv) all directors and named executive officers as a group. Except as otherwise indicated below, each person named has sole voting and investment power with respect to the shares indicated. The percentage of ownership set forth below reflects each holder's ownership interest in 40,114,900 issued and outstanding shares of the Company's common stock.

Amount and Nature of Beneficial Ownership

Name and Address of Beneficial Owner	Shares	Options/ Warrants	Total	Percentage of Shares Outstanding
Five Percent Shareholders				
Rudana Investment Group AG (1)	20,498,638	0	20,498,638	51.1%
Executive Officers and Directors				
Toby Durrant (2)	0	0	0	0%
All Officers and Directors as a Group	0	0	0	0%

None of the current officers and directors of the Company own any securities of the Company.

The mailing address for each of the listed individual is c/o 3Power Energy Group Inc., 100 Wall Street, 2nd Floor, New York, NY 10005.

(1) Mr. Hany Salem is the individual who exercises voting and dispositive powers for shares beneficially owned by Rudana Investment Group AG.

(2) Mr. Toby Durrant is the Company's sole officer and director. The Company expects to grant Mr. Durrant an incentive option package in the foreseeable future.

The Company is not aware of any pledges of any shares, options or warrants by any of the individuals or entities listed above.

Changes in Control

As of the date of filing of this Report, the Company is unaware of any arrangement which may result in a change in control, other than the planned acquisition of the Seawind Companies (the "Acquisitions"). As a result of this transaction, the shareholders of the Seawind Companies will be issued shares of the Company's common stock in amounts to be determined. Following the closing of the Acquisitions, the Board of Directors of 3Power Energy Group Inc. shall consist of five directors, with two Directors to be nominated by each of Rudana and the Seawind Companies, and a fifth director to be nominated by Rudana subject to acceptance by Seawind Companies. The shareholders of the Seawind Companies may received such shares as to effect a change of control.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Transactions Involving Prime Asset Finance Ltd.

The Company has entered into an agreement with Prime Asset Finance Ltd. ("PAF"), a UK company which is a wholly owned subsidiary of Rudana Investment Group AG, our majority controlling shareholder. Under the terms of the agreement, PAF will assist and advise us on developing strategic plans for inception of operations, preparing acquisition growth plans, identifying potential acquisition candidates, initiating discussion with potential acquisition candidates and strategic alliance partners, analyzing the financial implications of potential acquisitions and strategic alliances; negotiating terms and conditions of transactions and strategic alliances; outlining and managing the due diligence process; developing strategies to maximize revenue and corporate value including growth through sales, utilizing alternative distribution channels and enhancing marketing programs and providing support for investor relations programs. On April 1, 2009, we entered into the written form of management services agreement with PAF and have agreed to pay an initial services fee of \$350,000 to PAF and retroactive to January 1, 2009 we agreed to pay management services fees of \$25,000 per month in respect of the management services. All of the management fees have accrued to date and have not yet been paid. In addition, PAF will be compensated in the amount of 8% of the total transaction value of any company acquired by us by merger or acquisition. We believe that the services of PAF have been valuable to us with respect to inception of our operations and activities, particularly in regard to establishing our initial strategic alliances and recruiting our highly qualified senior management team and introducing us to prospective customers. The terms and conditions of our agreement with PAF were independently reviewed and assessed by an independent member of our Board of Directors as of the date of agreement, who determined that the PAF agreement is fair and reasonable to our Company and its shareholders.

Loans from Rudana Investment Group AG

To date, the Company has received loans in aggregate of \$1,034,592 from Rudana (the "Shareholder Loans"). The Shareholder Loans include \$313,064 loaned by Rudana and \$721,528 in Company invoices paid by Rudana, which amounts are offset by reimbursements to Rudana of \$823,448 and payments of \$14,730 made by the Company on behalf of Rudana. The current net total of the Shareholder Loans from Rudana is \$196,414. The Company has used the proceeds from the Shareholder Loans for general corporate purposes. The Shareholder Loans have an interest rate of seven and a half percent (7.5%) per annum, which together with the principal amount shall be repayable thirty (30) days after demand by Rudana. In connection with the Shareholder Loans, the Company intends to execute notes setting forth the terms thereof. In addition, the Company's accrued fees owed for management services received from Prime Asset Finance Limited, a subsidiary of Rudana, from inception through December 31, 2010 total \$833,333.

The terms and conditions of these loans were approved by our Board of Directors.

Director Independence

As of the date of this Report we have one director, Toby Durrant. Mr. Durrant is not independent because he is also an officer of the Company. The Company has adopted the standards for Director independence contained in the Nasdaq Marketplaces Rule 5605(a)(2).

The Company's Board of Directors currently has an Audit Committee and a Disclosure Committee. Both of these committees currently consist of the entire Board of Directors and operate in accordance with Nasdaq Marketplaces Rule 5605(a)(2). We intend to appoint an audit committee financial expert during the foreseeable future.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed by Paritz & Company, P.A., for professional services rendered for the audit of the Company's annual financial statements for the fiscal year ended December 31, 2010 totaled \$20,000. The aggregate fees billed by Paritz & Company for professional services rendered for the audit of our annual financial statements included in the Company's Annual Report for the fiscal year ended December 31, 2009 were \$19,000.

Audit-Related Fees

The aggregate fees billed by Paritz & Company, P.A. for audit related services for the fiscal year ended December 31, 2010, and which are not disclosed in "Audit Fees" above, were \$0. The aggregate fees billed by Paritz & Company, P.A. for audit related services for the fiscal year ended December 31, 2009, and which are not disclosed in "Audit Fees" above, were \$0.

Tax Fees

The aggregate fees billed by Paritz & Company, P.A. for tax compliance for the fiscal year ended December 31, 2010 was \$0. The aggregate fees billed by Paritz & Company, P.A. for tax compliance for the fiscal year ended December 31, 2009 was \$0.

All Other Fees

The aggregate fees billed by Paritz & Company, P.A. for services other than those described above, for the year ended December 31, 2010, were \$5,000. The aggregate fees billed by Paritz & Company, P.A. for services other than those described above, for the year ended December 31, 2009, were \$3,575.

Audit Committee Pre-Approval Policies

Our Board of Directors reviewed the audit and non-audit services rendered by Paritz & Company, P.A. during the periods set forth above and concluded that such services were compatible with maintaining the auditors' independence. All audit and non-audit services performed by our independent accountants are pre-approved by our Board of Directors to assure that such services do not impair the auditors' independence from us.

PART IV

ITEM 15: EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description of Exhibits
Exhibit 3.1	Certificate of Incorporation, as amended, incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-KSB, filed with the Securities and Exchange Commission on April 14, 2008.
Exhibit 3.2	Bylaws, as amended, incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-KSB, filed with the Securities and Exchange Commission on April 14, 2008.
Exhibit 3.3	Certificate of Amendment to Articles of Incorporation, incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on March 29, 2011.
Exhibit 10.1	Securities Purchase and Sale Agreement, dated January 9, 2008, between Rudana Investment Group AG and Viktoria Vynnyk, incorporated by reference to Exhibit 99.1 to Rudana Investment Group AG's Schedule 13D, filed with the Securities and Exchange Commission on January 22, 2008.
Exhibit 10.2	Promissory Note issued by the Company to Rudana Investment Group AG, dated as of April 15, 2008, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 15, 2008.
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Exhibit 10.9	Director's Agreement, by and between the Company and Olivier de Vergnies, dated as of January 16, 2009, incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 20, 2009.

- Exhibit 10.10 Director's Agreement, by and between the Company and Bruno Colle, dated as of March 18, 2009, incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 20, 2009.
- Exhibit 10.11 Director's Agreement, by and between the Company and Roberto Gerbo, dated as of March 24, 2009, incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 20, 2009.
- Exhibit 10.12 Separation and Mutual Release Agreement, by and between the Company and Frank Juergens, dated as of June 19, 2009, incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on August 21, 2009.
- Exhibit 10.13 Management Services Agreement, dated as of April 1, 2009 by and between the Company and Prime Asset Finance, incorporated by reference to Exhibit 10.13 to Amendment No. 1 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 8, 2010.
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- Exhibit 10.20 Frame Agreement for PV- Plant Acquisitions, by and between GPR Global Power Resources Ltd. and the Company, dated as of November 18, 2009, incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 15, 2010.
- Exhibit 10.21 Acquisition Agreement, dated as of March 2, 2010, by and between the Company and GPR Global Power Resources Ltd., incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 15, 2010.

- Exhibit 10.22 Financing Agreement, dated as of March 2, 2010, by and between the Company and CRG Finance AG, incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 15, 2010.
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- Exhibit 10.24 Master Acquisition Agreement, by and between the Company, DFD Select Group Ltd. and Enway SAS, dated as of July 2, 2010, incorporated by reference to Exhibit 10.24 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 22, 2010.
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- Exhibit 14.1 Code of Ethics for Senior Financial Officers, incorporated by reference from the Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on April 1, 2005.
- Exhibit 21 List of Subsidiaries.
- Exhibit 31.1 Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- Exhibit 32.1 Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- Exhibit 99.1 List of Promissory Notes entered into by and between the Company and Rudana Investment Group AG, incorporated by reference to Exhibit 99.1 to Amendment No. 1 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 8, 2010.

* Portions of those exhibits marked with an asterisk have been omitted and filed separately with the Commission pursuant to a request for confidential treatment.

SIGNATURES

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

3POWER ENERGY GROUP INC.

By: /s/ Toby Durrant

Name: Toby Durrant

Title: Acting Principal Executive Officer
Acting Principal Financial Officer and
Acting Principal Accounting Officer

Dated: April 15, 2011

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

/s/ Toby Durrant

Name: Toby Durrant

Title: Director

Dated: April 15, 2011

Exhibit Index

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* Portions of those exhibits marked with an asterisk have been omitted and filed separately with the Commission pursuant to a request for confidential treatment.

Subsidiaries of 3Power Energy Group Inc.

Prime Sun Power Italia S.r.l.

Exhibit 32.1
CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of 3Power Energy Group Inc. on Form 10-K for the year ended December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Toby Durrant, Principal Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 15, 2011

By: /s/ Toby Durrant
Name: Toby Durrant
Title: Principal Executive Officer and Principal Financial Officer
