

International Power Group, Ltd.  
Form 10-Q  
April 14, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION,**  
**Washington, D.C. - 20549**  
**FORM 10-K**

☒ [ X ]

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF  
1934

**For the Fiscal Year Ended December 31, 2007.**

☐ [ ]

TRANSACTION REPORT UNDER SECTION 13 OR 15(D) OF SECURITIES EXCHANGE ACT OF  
1934

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**INTERNATIONAL POWER GROUP, LTD.**

(Name of small business issuer in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**000-51449**  
(Commission file  
number)

**20-1686022**  
(IRS Employer Identification  
No.)

**950 Celebration Blvd., Ste.A, Celebration, FL**  
(Address of principal executive offices)

**34747**  
(Zip Code)

Issuer's Telephone Number: **(407) 566-0318**

Securities registered under Section 12(b) of the Exchange Act: **None**

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

<b>Title of Class</b>	<b>Name of each exchange on which registered</b>
Common stock, \$0.00001 par value (registration) pending)	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 Act. **Yes**  
☐ **No** ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒  
**No** ☐.

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 the 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, or a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

**Large accelerated filer**

☐

**Accelerated filer**

☐

**Non-accelerated filer**

☐

**Smaller reporting company**

☒ [ X ]

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). **Yes** ☐ **No** ☒ [ X ]

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of March 24, 2008, was approximately \$30,524,297.57 based on the closing sale price of the Company's Common Stock on such date of US \$0.13 per share, as reported by the OTC Bulletin Board.

As of March 24, 2008, there were 441,951,599 shares of Common Stock of the registrant outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

NONE.

**INTERNATIONAL POWER GROUP, LTD.**

**FORM 10-K**

**DECEMBER 31, 2007**

**TABLE OF CONTENTS**

**Note on Forward-Looking Statements**

<b>Part I</b>	<b>5</b>
Item 1. Description of Business	5
Item 1a. Risk Factors	9
Item 1b. Unresolved Staff Comments	24
Item 2. Description of Property	24
Item 3. Legal Proceedings	24
Item 4. Submission of Matters to a Vote of Security Holders	24
<b>Part II</b>	<b>25</b>
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	25
Item 6. Selected Financial Data	27
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 7a. Quantitative and Qualitative Disclosures About Market Risk	35
Item 8. Financial Statements and Supplementary Data	36
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	54
Item 9a. Controls and Procedures	54
Item 9b. Other Information	54
<b>PART III</b>	<b>55</b>
Item 10. Directors, Executive Officers and Corporate Governance	55
Item 11. Executive Compensation	60

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Item 12. Security Ownership of Certain Beneficial Owners, Management and Related Stockholder Matters	63
Item 13. Certain Relationships and Related Party Transactions, and Director Independence	64
Item 14. Principal Accounting Fees and Services	65
<b>PART IV</b>	<b>66</b>
Item 15. Exhibits, Financial Statement Schedules	66

## FORWARD-LOOKING STATEMENTS

Many of the matters discussed within this prospectus include forward-looking statements within the meaning of Rule 175 under the Securities Act of 1933 and Rule 3b-6 under the Securities Exchange Act of 1934. In some cases you can identify forward-looking statements by terminology such as may, should, potential, continue, expects, and intends, plans, believes, estimates, and similar expressions. These statements are based on our current beliefs, expectations, and assumptions and are subject to a number of risks and uncertainties, many of which are set forth in this prospectus. Actual results and events may vary significantly from those discussed in the forward-looking statements.

These forward-looking statements may include, among other things, statements relating to the following matters:

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locating, financing, building and operating WTE facilities;

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generating revenues from planned WTE facilities in the form of tipping fees, the sale of electricity, and the sale of potable water;

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selling Add-Power patented technologies and using this technology to increase the efficiency of our own planned WTE facilities; and

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construction of WTE facilities in various countries.

These forward-looking statements are made as of the date of this Report, and we assume no obligation to explain the reason why actual results may differ. In light of these assumptions, risks, and uncertainties, the forward-looking events discussed in this prospectus might not occur.

## PART I

### Item 1. Description of Business

We were incorporated in the State of Delaware on November 30, 1998. We plan to build and operate WTE facilities ( WTE ) to process solid and hazardous wastes by incineration on our own and through collaboration with strategic partners and others. We expect that this processing will produce marketable electricity, potable water and components in construction materials including cement and road beds.

Our business plan is to locate, finance, build and operate WTE facilities for governmental entities and others charged with the disposal of municipal, commercial, industrial and certain hazardous wastes. We intend to focus on municipalities that have significant waste-handling and land fill problems and areas that can benefit from potable water and additional electricity production. Our primary marketing strategies include direct contact with government officials and large producers and handlers of waste. We also intend to rely on limited and highly targeted advertising. Integral to these methods is the development of strong brand identification for us coupled with increasing awareness of our target markets in the financial, ecological and tactical advantages of WTE technology.

We have access to components and technologies that incinerate solid waste and hazardous waste at high temperatures. The incinerator produces steam, which drives a turbine which produces electricity and condenses the steam into water. The electricity and steam drive further processes which scrub smoke-stack air emissions, produce potable water, ash and enough excess electricity to sell. We believe we can customize the operation of WTE facilities to suit community needs by maximizing electricity or potable water, with little or no loss of efficiency or environmental friendliness.

We believe we have technology and contractors available to us to build WTE disposal facilities that reduce solid waste output to approximately 16% of input, which we expect will break down as follows: 1.7% fly ash must be treated before it can be placed on a landfill and 14.3% is bottom ash of which 15% is ferrous materials that may be sold as scrap metal, 70% may be sold as construction material for manufacture of concrete, cinder block road beds, and 15% is discarded.

We believe our WTE facilities will generate revenues for ourselves, waste generators and collectors, and governments charged with disposal. We expect that our facilities will reduce the potential liabilities of waste generators and collectors for land-fill clean-up and reduce the need for governments to create land-fills. We anticipate three primary income streams: (i) waste disposal (tipping fees), (ii) the sale of electricity and (iii) the sale of potable water. We also expect to augment revenues by selling up to 70% of the ash produced from the processes as construction material, thereby also reducing our disposal costs.





We plan to build plants that are comprised of lines or modules. Initially, each plant will have two to six lines that will cost in the range of \$30 million to \$50 million per line to construct, depending on the type of waste we are to receive. Each line is estimated to consume approximately 100 tons of waste per day per line. These estimated costs do not include land acquisition costs, legal fees or management time. We therefore need substantial additional capital to undertake plant development and construction and sales efforts. If we cannot obtain such financing, we will not be able to execute our business plan or continue to operate.

We recently purchased proprietary patented technologies, including Add-Power, a low temperature turbine (LTT), and ScrubPower, a special emission-to-energy system, from three Swedish entities - Anovo AB Angelholm, Add-Power AB Angelholm, and SUPE Ltd - for a total consideration of \$2.8 million. We plan to use these technologies to increase the efficiency of our own planned WTE facilities. We also believe that we will be able to sell these technologies to other companies in the energy space in order to help these companies increase their output of electricity.

We believe that the acquisition of these technologies will allow us to convert greater quantities of heat, produced from boilers and turbines, and potentially increase the output of salable electricity by 20% to 30% over technologies that are currently available. We also believe that the LTT technology will provide us with an efficient low-temp turbine which is powered by a proprietary fluid to drive the turbine and produce electricity at approximately 200° F, whereas most conventional boilers and turbines can only produce electricity at temperatures between 600° - 800° F.

During the fiscal year ended December 31, 2006, we developed contacts in several countries that we believe may lead to the construction of WTE facilities. These contacts are located, and WTE facilities are proposed, in the Kingdom of Saudi Arabia, Mexico, Egypt and the United States. The Kingdom of Saudi Arabia's Presidency of Metrology and Environment issued to us in July 2006 an environmental license which we expect will enable us to establish WTE plants in this country. We have identified certain countries and geographic regions where, due to varying combinations of land fill shortages, energy needs and potable water scarcity, we believe WTE technology would be particularly effective. We believe our management's experience in the waste management industry positions us to address the waste management needs of developed and developing nations. In November 2006, we entered into a Joint Venture Agreement with Sistemas Ecologicas Para La Proteccion Ambiental S.A. ( SEPA ) and Mr. Mario Salguero Rossainzz. The agreement provides that the joint venture will build and operate a WTE plant in the City of Mexicali, North Baja California, Mexico. We have not realized any WTE related revenues to date.

During the last fiscal year, we entered into a Memorandum of Understanding and Cooperation Protocol Agreement with the Ministry of State for Environmental Affairs of the Arab Republic of Egypt. The purpose of the agreement, which was entered into in September 2007, is to be facilitated by a joint venture between our Company and Desert Blue Company, a Kingdom of Saudi Arabia provider of environmental cleanup and waste recycling and recovery solutions, and that the joint venture company will be named International Power Group Egypt, Ltd.



We started the development of the site and are in the process of building the land field facilities as part of phase one of this joint venture. We have not realized any WTE related revenues out this joint venture.

## Competition

Competition for disposal of solid waste is high. This competition comes from public and private commercial trash haulers, commercial and industrial companies that handle their own waste collection and disposal, public and private WTE companies and municipalities and regional government authorities. We have developed a business plan that we believe will maximize our know-how and limited financial assets in a manner that will best enable us to compete in this very competitive environment.

We believe that the WTE field, due to its relatively young age in the history of solid waste disposal, presents opportunity because of the disparities in technologies and fragmentation in the industry. New technologies emerge frequently. Many have local application only, or insufficient exposure to draw global interest. The components of our planned WTE technologies are commercially available. We do not believe, however, that any entity has assembled or engineered facilities in the same manner as facilities that we plan to construct. That is not to say that there is not substantial competition for the three primary sources of income from which we expect to receive revenue – tipping fees, sales of electricity and potable water. As to the production of saleable by-products, i.e. electricity, potable water and usable ash, we believe there will be competitors in the production of each of these products in each locale in which we plan to operate. Due to the limited production of those products by our process and because they are only by-products, we plan to partner with potential competing vendors in those locales to gain the efficiencies of the established distribution networks.

Governmental agencies may be able to offer lower direct charges to waste producers for waste removal and potentially WTE incineration by subsidizing costs with tax revenues and tax-exempt financing. Most municipalities presently operate solid waste disposal facilities, most of them as landfills. These facilities generally are subsidized by tax revenues and often produce fiscal losses in addition to environmental damage. We believe we can partner with governmental authorities and provide WTE technologies that can produce profits for IPWG, save our customers substantial amounts and be environmentally responsible.

We expect to compete for business on the basis of geographic location, environmental advantages of WTE over landfills, tipping or waste disposal fees, power generation fees, the sale of potable water, and the quality of operations. Our ability to obtain permits and to locate WTE facilities may be limited in areas where there is adequate space for low cost landfill based disposal of waste, inadequate tipping fees for waste disposal, or abundant and inexpensive sources of electrical power generation and potable water. We expect that operational costs will be offset (with excess revenue for debt service and profits) by a combination of tipping fees and sales of by-products (electricity, water and saleable ash products). If the combination of the revenue streams is estimated to be insufficient to operate a WTE facility, service its debt and produce a profit, we believe that neither local community nor our potential financial sources will approve such a facility. Labor, operating and disposal costs, as well as the value of our by-



products, vary widely throughout the areas in which we plan to operate. The tipping fees we expect to charge will be determined locally, and typically vary by the volume and weight, type of waste, treatment requirements, risk of handling or disposal, and labor costs.

## **Raw materials**

We believe there is a readily available supply of machinery, materials, equipment and associated vendors to design, fabricate, construct and if necessary operate the WTE plants that we expect to build. We believe the worldwide need for WTE plants continues to expand as energy costs and the need for potable water increases and open space for land-fills declines. Increasing energy costs coupled with waste generation and fewer landfills provides a growing opportunity for renewable energy solutions. We do not believe we are dependent on any one source for supply of any of the products used in our planned WTE process.

We also do not believe that there will be a shortage of waste on which to run our proposed facilities. However, as mentioned above in Competition, others compete for tipping fees to dispose of solid and hazardous wastes. We anticipate that the government and private agencies for whom we build WTE facilities will be responsible for providing the waste, which will be processed through our planned facilities. We plan to enter into long term tipping arrangements with producers of waste and possibly to securitize or insure the revenues of those contracts to finance construction and operation of our facilities.

We believe there are adequate capital markets, assuming the creditworthiness of the contracting party to the tipping fee contracts, the power generation agreements and potable water sales (or availability of insurance to augment the creditworthiness of such contracting parties), to securitize the cash flow from such agreements.

## **Intellectual Property**

We own certain proprietary patented technologies through Add-Power. We otherwise do not own any patents, trademarks or licenses. We expect this Add-Power patented technology will benefit our business of developing WTE facilities and expanding into other alternative energy businesses. We continue to negotiate with parties who provide adequate technologies to execute our business plan.

Our business plan relies upon the use of existing technology available and commonly applied in various non-US countries, as well as proprietary technologies that we hope to purchase or license. We intend to employ WTE technology that has been developed in Sweden and other European countries (over 29 WTE power plants exist in Sweden alone). WTE solutions are increasingly common in other countries, as well, including other industrialized nations such as Japan that emphasize WTE because of their limited landfill space. WTE can reduce the volume of waste disposed in landfills by up to 90 percent, which prolongs the life of available landfill space.



**INTERNATIONAL POWER GROUP, LTD.**

**FORM 10-K**

**December 31, 2007**

**Government Approval and the Effect of Government Regulations**

The United States Environmental Protection Agency ( US EPA ) has adopted regulations related to several aspects of solid waste management, including but not limited to regulations related to the products of waste combustion, heavy metal disposal and ground water contamination. We believe that our proposed WTE facilities regulated emissions will be less than permissible limits although no assurance can be given that the proposed WTE facilities will perform as specified or that applicable regulations will not be strengthened. Additionally, we will

**Number of Employees**

We currently have 12 employees (seven officers and five administrative personnel). Our officers devote as much time to our business as they deem necessary, which presently is in excess of 40 hours per week. However, each is also involved in other business ventures. Our administrative employees work fulltime for us.

**Item 1a. Risk Factors**

In addition to the other information included in this Report, the following factors should be considered in evaluating our business and future prospects. Any of the following risks, either alone or taken together, could materially and adversely affect our business, financial position or results of operation. If one or more of these or other risks or uncertainties materialize or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we projected. There may be additional risks that we do not presently know or that we currently believe are immaterial which could also impair our business or financial position.

**Business and Financial Risks**

**Our accountants have issued a going concern opinion and we have limited working capital, minimal net worth and substantial current losses that inhibit our ability to implement our business plan.**



To date, we have met our working capital requirements through the private placement of our securities and through loans. We believe that we will need an additional \$11.7 million to fund the plant design and development and operations that we plan to do over the next 12 months. Since entering the WTE field in November 2004, we have not generated any revenue from WTE facilities operations and have experienced substantial losses. As of December 31, 2007, we had a negative working capital of \$2.7 million

**We have a history of losses and an accumulated deficit; our future profitability is uncertain.**

We have experienced significant operating losses since our inception and we expect to incur additional operating losses as we develop WTE facilities. As of December 31, 2007, we had an accumulated deficit of approximately \$23 million. For the year ended December 31, 2007, we reported a loss of approximately \$6.9 million.

**There is no assurance that we will successfully develop a commercially viable product.**

We plan to be assemblers of WTE technology. As of December 31, 2007, other than the process by which we plan to assemble the described WTE facilities and our Add-Power patented technology, we do not have any patented intellectual property of our own and we are dependent on our relationships with third-parties for location of sites to build facilities, permits for operation, construction of the facilities, purchase of the parts to assemble the facilities, operation of the facilities and sales of the by-products. Since our formation in November 30, 1998, we have engaged in various activities and businesses, but we have not produced a profit. We have generated no revenue from WTE facilities operations, do not have any operational WTE facilities, and no revenues are expected to be realized from WTE facilities until 2008, if at all. There can be no assurance that our efforts will lead to the construction of WTE facilities, or revenues or profits from such facilities if built.

**INTERNATIONAL POWER GROUP, LTD.**

**Form 10-K**

**December 31, 2007**

We will need substantial additional funds to construct WTE facilities; if financing is not available, we may be required to reduce or cease operations or pursue other financing alternatives.

Our operations to date have consumed substantial amounts of cash. Negative cash flow from operations is expected to continue in the foreseeable future. Without substantial additional financing, we may be required to reduce some or all of our WTE project development plans or cease operations. We plan to build plants that are comprised of lines or modules. Initially, each plant will have two to six lines that will cost in the range of \$30 million to \$50 million per line to construct, depending on the type of waste we are to receive. Each line is estimated to consume approximately 100 tons of waste per day per line. These estimated costs do not include land acquisition costs, legal fees or management time. We therefore need substantial additional capital to undertake plant development and construction and sales efforts. If we cannot obtain such financing, we will not be able to execute our business plan or continue to operate.

Our cash requirements may vary materially from those now planned because of responses to our proposals and permit requests, cost of financing projects, availability and price of materials to construct our proposed WTE plants, changes in tipping fees that we hope to receive, availability and timely delivery of waste to power WTE facilities once built, the amount we can charge for the WTE by-products and the costs of environmental compliance, including disposal of residual waste. We may seek to satisfy future funding requirements through public or private offerings of equity securities, by collaborative or other arrangements with other partners and competitors, issuance of debt or from other sources. Additional financing may not be available when needed or may not be available on acceptable terms. If adequate financing is not available, we may not be able to continue as a going concern or may be required to delay, scale back or eliminate certain programs, forego desired opportunities or license third parties rights to develop locations that we would otherwise seek to develop internally. To the extent we raise additional capital by issuing equity securities, ownership dilution to existing stockholders will result.

**Our chances for success are reduced because we are an early stage company with regard to our new business operation.**

We have a limited operating history. We are therefore subject to all the risks and challenges associated with the operation of a new enterprise, including inexperience, lack of a track record, difficulty in entering the targeted market place, competition from more established businesses with greater financial resources and experience, an inability to attract and retain qualified personnel (including technical, engineering, sales and marketing personnel) and a need for additional capital to finance our efforts and intended growth. We cannot assure you that we will be successful in

overcoming these and other risks and challenges that we face as a new business enterprise.

**We need substantial additional financing to execute our business plan which may not be available. If we are unable to raise additional capital, we may not be able to continue operations.**

We need substantial additional capital to undertake plant development and construction and sales efforts. Our current resources are insufficient to fund operations. We believe that we will need an additional \$11.7 million to fund the plant design and development and operations that we plan to do over the next 12 months. We have not and cannot assure you that we will be able to secure any such financing. We may not be able to find financing on terms that are acceptable to us. If we cannot obtain such financing, we will not be able to execute our business plan or continue operations.

**We do not have employment contracts with any of our employees.**

Development of our business depends to a significant degree on the continuing contributions of our key management and technical personnel on whom we rely to assist in the design, development, construction and operation of our proposed WTE facilities. We cannot assure you that they will remain with us, especially because we do not have any employment contracts with these persons.

**We are dependent on third party relationships for critical aspects of our business; problems in these relationships may increase costs and/or diminish our ability to implement our business plan.**

We intend to use the expertise and resources of strategic partners and other third parties in a number of key areas, including (i) engineering, (ii) development, including licensing and permitting, (iii) product development and sales and (iv) construction and operation of WTE facilities. If these third parties do not perform in a timely and satisfactory manner, we may incur costs and delays as we seek alternate sources, if available. Such costs and delays may have a material adverse effect on our business.

We may seek additional third party relationships in certain areas, particularly in marketing and construction, where collaborators may enable us to enter geographic markets that are otherwise beyond our current resources and/or capabilities. There is no assurance that we will be able to obtain any such relationships. Our inability to obtain and maintain relationships with third parties may have a material adverse effect on our business, by slowing our ability to execute our business plan, requiring us to expand our internal capabilities, increasing our overhead expenses, impinging on future growth opportunities or causing us to delay or terminate projects.

**We may face delays in the development of our technologies and our technology may not work as expected or be economically viable.**



The technologies we intend to use have not yet been widely applied within the solid waste industry and may not work as well as expected or be economically viable. The successful application of the technologies at the scales we contemplate has yet to occur. The inability to produce large volumes of energy under our current plan may require investment in capital equipment and operating expenses beyond our business and construction plans. Unforeseen difficulties in the development or acceptance of energy produced from waste may lead to delays in the implementation of our WTE process and the subsequent generation of revenue.

**We will depend on a significant supply of solid waste and timely payment for that solid waste.**

If we do not obtain a supply of solid waste at quantities and qualities that are sufficient to operate our proposed facilities at expected operating levels, our financial condition and operating results could adversely be affected. One or more of the following factors could impact the price and supply of waste:

- §  
defaults by waste suppliers under their contracts;
- §  
a decline in solid waste supply due to increased recovery by material recovery facilities;
- §  
composting of solid waste;
- §  
incineration of solid waste;
- §  
legal prohibitions against processing of certain types of solid waste in our facilities; or
- §

increased competition from landfills and recycling facilities.

**Environmental regulations and litigation could subject us to fines, penalties, judgments and limitations on our ability to expand.**

We are subject to potential liability and restrictions under environmental laws, including those relating to handling, recycling, treatment, storage of wastes, discharges to air and water, and the remediation of contaminated soil, surface water and groundwater. The waste management industry has been and will continue to be subject to regulation, including permitting and related financial assurance requirements, as well as to attempts to further regulate the industry through new legislation. Our business is subject to a wide range of federal, state and, in some cases, local environmental, odor and noise and land use restrictions and regulations. If we are not able to comply with the requirements that apply to a particular facility or if we operate without necessary approvals, we could be subject to civil, and possibly criminal, fines and penalties, and we may be required to spend substantial capital to bring an operation into compliance or to temporarily or permanently discontinue, and/or take corrective actions. We currently do not have insurance coverage for our environmental liabilities, and we may not be able to obtain sufficient coverage in the future. Those costs or actions could be significant to us and significantly impact our results of operations, as well as our available capital.



In addition to the costs of complying with environmental laws and regulations, if governmental agencies or private parties brought environmental litigation against us, we would likely incur substantial costs in defending against such actions. We may in the future be a defendant in lawsuits brought by parties alleging environmental damage, personal injury, and/or property damage. A judgment against us, or a settlement by us, could harm our business, our prospects and our reputation.

We cannot predict with certainty the extent of future costs under environmental, health and safety laws, and cannot guarantee that they will not be material.

We could be liable if our operations cause environmental damage to our properties or to the property of other landowners, particularly as a result of the contamination of potable water sources or soil. Under current law, we could even be held liable for damage caused by conditions that existed before we acquired the assets or operations involved. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

**We may be exposed to litigation in the ordinary course of our business.**

Since our personnel are expected to routinely handle solid waste materials, we may be subject to liability claims by employees, customers and third parties.

**We may be unable to obtain required financing or permits.**

We plan to construct our initial facilities in Mexico and the Kingdom of Saudi Arabia which will require substantial funding. We cannot assure you that we will obtain the necessary financing or environmental permits to build and operate these facilities, or retain the permits that are required to operate the facilities or obtain financing or permits we require to build and operate our intended additional facilities. Permits to build and operate waste processing facilities have become increasingly difficult and expensive to obtain and retain as a result of many factors including numerous hearings and compliance with zoning, environmental and other regulatory measures. The granting of these permits is also often subject to resistance from citizen.

**Waste to energy technology has not yet gained market acceptance, nor do we know whether a market will develop for it in the foreseeable future.**

WTE technology has received only limited market acceptance. This technology is relatively new to the market place and we have not generated any revenues from WTE technology. Although ever growing concerns and regulation

regarding the environment and pollution has increased interest in environmentally friendly products generally, the industry remains in an evolving state. WTE technology competes with more established companies in the waste and alternative energy fields. Acceptance of WTE technology to traditional products and/or services depends upon a number of factors including:

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favorable pricing vis-a-vis other alternatives

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the ability to establish the feasibility and reliability of WTE technology

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public perception of the product

For these reasons, we are uncertain whether WTE technology will gain acceptance. Our future success depends upon such acceptance.

**WTE technology may be adversely affected by future technological changes and environmental regulatory requirements as well as reduction of traditional energy costs or the establishment of lower priced energy alternatives.**

Changes in governmental regulation and technological advances by others in the waste or energy industries may render our technology obsolete. Research in this area is currently being sponsored by governmental agencies, major utilities, oil companies and other energy suppliers. If such research is successful, the need for our technology could be reduced or eliminated.

**Confidentiality agreements may not adequately protect our business information which could result in unauthorized disclosure or unfair competition.**

We consider our business relationships and process for assembling commercially available equipment to construct WTE facilities proprietary. We require our employees, consultants and third parties with whom we share our business plans and confidential information to execute confidentiality agreements upon the commencement of their relationship with us. The agreements generally provide that trade secrets and all inventions conceived by the individual and all confidential information developed or made known to the individual during the term of the relationship will be our exclusive property and will be kept confidential and not disclosed to third parties except in specified circumstances. There can be no assurance, however, that these agreements will provide meaningful protection for our business information in the event of unauthorized use or disclosure of such information. If our unpatented intellectual property is publicly disclosed before we have been granted patent protection, our competitors could be unjustly enriched and we could lose the ability to profitably develop products from such information.

**We face intense competition and may not have the financial and human resources necessary to keep up with rapid technological changes which may result in our technology becoming obsolete.**

The energy production and alternate energy businesses and related businesses are subject to rapid technological change, especially due to environmental protection regulations, and subject to intense competition. We compete with both established companies and a significant number of startup enterprises. Most of our competitors have substantially greater financial, engineering and marketing resources than we do and may independently develop superior technologies which may result in our technology becoming less competitive or obsolete. We may not be able to keep pace with this change. If we cannot keep up with these advances in a timely manner, we will be unable to compete in our chosen markets.

**We depend on our executive officers and need additional marketing, engineering, administrative and technical personnel to be successful. We cannot assure you that we will be able to retain or attract such persons; our current officers have other business endeavors in addition to their work for our company.**

Since we are a small company, a loss of one or more of our current officers would severely and negatively impact our operations. To implement our business plan, we will need additional marketing, administrative, engineering and technical personnel. The market for such persons remains competitive and our limited financial resources may make it more difficult for us to recruit and retain qualified persons. If any of our officers were to resign or not be able to continue to devote his time to our business, it may have a materially adverse effect upon our business.

Our officers, who are active employees, presently devote in excess of 40 hours per week to our business activities. However, they also have outside business activities which may cause a conflict regarding the time available to devote to our business.

**Our current management has a significant voting majority of our company's outstanding common stock and can prevent changes in management, policy or outside takeover of our business.**

Our current officers and directors own over 62% of our issued and outstanding common stock and can control the appointment and/or election of all directors and officers.

#### **Risks Related to Construction of WTE Plants**

**We will depend on third parties to design and build our WTE facilities. However, their failure to perform could force us to abandon business, hinder our ability to operate profitably or decrease the value of your investment.**

We will be highly dependent upon third parties to design and build our WTE facilities. If the third parties do not perform for any reason, there is no assurance that we would be able to obtain a replacement general contractor. Any such event may force us to abandon our business. We do, however, intend to purchase performance bonds to mitigate some of the risk of a contractor terminating its relationship with us after initiation of construction.

**We may need to increase cost estimates for construction of our WTE facilities, and such increase could result in devaluation of your investment if plant construction requires additional capital.**

We anticipate that our WTE facilities will be built for a fixed contract price, based on the plans and specifications in anticipated design-build agreements. We will base our cost estimates for construction of any WTE facilities on certain assumptions after discussions and negotiations with parties with design-build experience. There is no assurance that the final cost of the plants will not be higher. There is no assurance that there will not be design changes or cost overruns associated with the construction of the WTE facilities. In addition, steel prices and shortages of

steel could affect the final cost and final completion date of any project. Any significant increase in the estimated construction cost of the plants could delay our ability to generate revenues and reduce the value of your investment because our expected revenue streams may not be able to adequately support the increased cost and expense attributable to increased construction costs.

The political climate in some of the countries where we intend to build WTE facilities could cause problems in the completion of our plants, negatively affecting our plans.

We may meet resistance to our efforts to build our WTE facilities in certain countries. The resistance may be caused by political unrest, labor or union issues, environmental problems, shortage of materials, economic conditions or other issues. There is no assurance that such resistance will not have a material adverse effect on our ability to implement our business plan.

**WTE facility construction delays could result in devaluation of your investment if our production and sale of power are similarly delayed.**

Construction projects often involve delays in obtaining permits, construction delays due to weather conditions, or other events that delay the construction schedule. The builder and designer of the plants may be involved in the construction of other projects while constructing our WTE facilities. This could cause delays in our construction schedules. Changes in interest rates or the credit environment or changes in political administrations at the federal, state or local level that result in policy changes towards waste to energy or our proposed projects could also cause construction and operation delays. If it takes longer to construct the WTE facilities than we anticipate, it would delay our ability to generate revenue and make it difficult for us to meet our debt service obligations. This could reduce the value of your investment.

**Defects in construction could result in devaluation of your investment if our plants do not produce power as anticipated.**

There is no assurance that defects in materials and/or workmanship in the WTE facilities will not occur. Under the terms of the anticipated design-build agreements, the designer builder would warrant that the material and equipment furnished to build the plant will be new, of good quality, and free from material defects in material or workmanship at the time of delivery. Though we expect the design-build agreements to require the contractors to correct all defects in material or workmanship for a period of one year after substantial completion of the plant, material defects in material or workmanship may still occur. Such defects could delay the commencement of operations of the plants, or, if such defects are discovered after operations have commenced, could cause us to halt or discontinue the plant's operation. Halting or discontinuing plant operations could delay our ability to generate revenues and reduce the value of your investment.

**Plant sites may have unknown environmental problems that could be expensive and time consuming to correct, which may delay or halt WTE facilities construction and delay our ability to generate revenue.**

We intend to build our WTE facilities all over the world. Accordingly, in areas with which we are not familiar, we will depend on third parties in locating and evaluating the proposed sites for



our plants. As a result, we could encounter unknown environmental problems that will be costly and time consuming to correct, or may not be correctible at all. These risks of environmental problems could have a material adverse effect on our ability to implement our business plan. Upon encountering a hazardous environmental condition, we may suspend work in the affected area. If we receive notice of a hazardous environmental condition, we may be required to correct the condition prior to continuing construction. The presence of a hazardous environmental condition will likely delay construction of the plant and may require significant expenditure of our resources to correct the condition. In addition, the designer builder will likely be entitled to an adjustment in price and time of performance if it has been adversely affected by the hazardous environmental condition. If we encounter any hazardous environmental conditions during construction that require time or money to correct, such event could delay our ability to generate revenues and reduce the value of your investment.

**Changes in environmental regulations or violations of the regulations could be expensive and reduce the value of your investment.**

We will be subject to extensive air, water and other environmental regulations and we will need to obtain a number of environmental permits to construct and operate WTE facilities. In addition, it is likely that our obtaining debt financing will be contingent on our ability to obtain the various environmental permits that we will require. If for any reason, any of these permits are not granted, construction costs for WTE facilities may increase, or the WTE facilities may not be constructed at all. Additionally, any changes in environmental laws and regulations, both at the federal and state level, could require us to invest or spend considerable resources in order to comply with future environmental regulations. The expense of compliance could be significant enough to reduce the value of your investment.

**The operation of WTE facilities could subject us to claims or liability lawsuits.**

The operation of WTE facilities may be considered inherently dangerous and injury to individuals or property may occur, subjecting us to lawsuits. We do not currently have insurance for such possibilities. Although we intend to seek insurance coverage, we may not be able to do so at a cost we can afford, or the coverage may prove to be insufficient. The time and cost of defending such suits could have an adverse effect on our ability to implement our business plan. Similarly, a costly judgment against us could cause us to cease operations.

**Changes and advances in production technology could require us to incur costs to update our plans or could otherwise hinder our ability to compete in the industry or operate profitably.**

Advances and changes in the technology of WTE facilities are expected to occur. Such advances and changes may make the technology we plan to install in our WTE facilities less desirable or obsolete. These advances could also allow our competitors to operate at a lower cost than we expect. If we are unable to adopt or incorporate technological advances, our methods and processes could be less efficient than our competitors, which could cause us to become uncompetitive or our projects obsolete. If our competitors develop, obtain or license technology that is superior to

ours or that makes our technology obsolete, we may be required to incur

significant costs to enhance or acquire new technology so that we remain competitive. Alternatively, we may be required to seek third-party licenses, which could also result in significant expenditures. We cannot guarantee or assure you that third-party licenses will be available or, if obtained, will continue to be available on commercially reasonable terms, if at all. These costs could negatively impact our expected financial performance by increasing planned operating costs and reducing expected revenues, which could reduce the value of your investment.

## **Risks Related to the Power Industry**

**Competition from the advancement of alternative power may lessen the demand for our technology which could negatively impact our potential for profitability and reduce the value of your investment.**

Alternative power and energy technologies and production methods are continually under development. New developments could reduce the demand for our expected power production and technology, which would negatively impact the value of your investment.

**Consumer resistance to the concept of converting waste to energy based on the belief that it is expensive to produce, adds to air pollution, is odorous and takes more energy to produce than it contributes may affect our ability to achieve market acceptance and reduce the value of your investment.**

Based upon public consumer reports, we believe that certain consumers may resist the concept of converting waste to energy due to the fallacy that WTE facilities add to air pollution and are odorous. Still other consumers may believe that the process of producing power from waste takes more energy in the conversion than the power that is actually produced. If we cannot overcome these misconceptions, market acceptance may be difficult and this could negatively affect the value of your investment.

## **Risks Related to Our Common Stock**

**Applicable SEC rules governing the trading of Penny Stocks Limits the trading and liquidity of our common stock.**

The bid and ask quotations of our common stock have been reflected on the Over-the-Counter Bulletin Board under the symbol IPWG since March 9, 2007. Prior thereto, the quotations were reflected on the Unsolicited Pink Sheets. Since our common stock continues to be quoted below \$5.00 per share, our common stock is considered a penny stock and is subject to SEC rules and regulations that impose limitations upon the manner in which our stock can be publicly traded. These regulations require the delivery, prior to any transaction involving a penny stock, of a

disclosure schedule explaining the penny stock market and the associated risks. Under these regulations, certain brokers who recommend such securities to persons other than established customers or certain accredited investors must make a special written suitability determination for the purchaser and receive the purchaser's written agreement to a transaction prior to sale.

These regulations have the effect of limiting the trading activity of our common stock and reducing the liquidity of an investment in our common stock.

**The Trading Price of our Common Stock May be Volatile.**

The trading price of our stock has, from time to time, fluctuated widely and in the future may be subject to similar fluctuations. The trading price may be affected by a number of factors including the risk factors set forth in this prospectus as well as our operating results, financial condition, announcements of innovations or new products by us or our competitors, general conditions in the market place, and other events or factors. In recent years, stock market indices, in general, and the securities of technology companies, in particular, have experienced substantial price fluctuations. Such market fluctuations may adversely affect the future trading price of our common stock.

**We have sold stock in private placements; the stock sold in those private placements and any others we may conduct may become freely tradable and have a depressive effect on the market price of our stock.**

Approximately 87,763,700 of our 373,441,971 shares outstanding as of December 31, 2007 are in the publicly trading float. Public sale of those shares, as well as the registration and subsequent public sale of the remaining shares could have a depressive effect on the public market price of our common stock.

**Our outstanding options and warrants may adversely affect our ability to consummate future equity financings due to the dilution potential to future investors.**

We have outstanding options and warrants for the purchase of shares of our common stock which may adversely affect our ability to consummate future equity financings. To the extent any such options and warrants are exercised, the value of our outstanding shares of our common stock will be diluted.

As of December 31, 2007, we have outstanding vested options to purchase 26,825,000 shares of common stock at a weighted-average exercise price of \$0.42 and vested warrants to purchase 11,737,123 shares of common stock with a weighted-average price of \$0.44

Due to the number of shares of common stock we are obligated to sell pursuant to outstanding options and warrants described above, potential investors may not purchase our future equity offerings at market price because of the potential dilution such investors may suffer as a result of the exercise of the outstanding options and warrants.

**The market price of our common stock has experienced significant volatility.**

The securities markets from time to time experience significant price and volume fluctuations unrelated to the operating performance of particular companies. In addition, the market prices of the common stock of many publicly traded solid waste companies have been and can be expected to be especially volatile. Our common stock price in the 52-week period ended

December 31, 2007, had a low of \$0.05 and high of \$0.48. Announcements of technological innovations or new products by us or our competitors, developments or disputes concerning patents or proprietary rights, publicity regarding actual or potential by us or our competitors, regulatory developments in both the United States and foreign countries, delays in our schedules and economic and other external factors, as well as period-to-period fluctuations in our financial results, may have a significant impact on the market price of our common stock. The realization of any of the risks described in these Risk Factors may have a significant adverse impact on such market prices.

**We may pay vendors in stock as consideration for their services; this may result in stockholder dilution, additional costs and difficulty retaining certain vendors.**

In order for us to preserve our cash resources, we have previously and may in the future pay certain vendors in stock, warrants or options to purchase shares of our common stock rather than cash. Payments for services in stock may materially and adversely affect our stockholders by diluting the value of outstanding shares of our common stock. In addition, in situations where we have agreed to register the stock issued to a vendor, this will generally cause us to incur additional expenses associated with such registration. Paying vendors in stock, warrants or options to purchase shares of common stock may also limit our ability to contract with the vendor of our choice should that vendor decline payment in stock.

**INTERNATIONAL POWER GROUP, LTD.**

**Form 10-K**

**December 31, 2007**

**We do not intend to pay dividends on our common stock. Until such time as we pay cash dividends our stockholders must rely on increases in our stock price for appreciation.**

We have never declared or paid dividends on our common stock. We intend to retain future earnings to develop and commercialize our products and therefore we do not intend to pay cash dividends in the foreseeable future. Until such time as we determine to pay cash dividends on our common stock, our stockholders must rely on increases in our common stock's market price for appreciation.

**If we do not effectively manage our growth, our resources, systems and controls may be strained and our operating results may suffer.**

We plan to add to our workforce and to continue to increase the size of our workforce and scope of our operations as we continue to develop our business plan and move towards construction of WTE facilities. This growth of our operations will place a significant strain on our management personnel, systems and resources. We may need to implement new and upgraded operational and financial systems, procedures and controls, including the improvement of our accounting and other internal management systems. These endeavors will require substantial management effort and skill, and we may require additional personnel and internal processes to manage these efforts. If we are unable to effectively manage our expanding operations, our revenue and operating results could be materially and adversely affected.

Our obligations as a public company under the laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 ( "Sarbanes-Oxley Act" ) and related regulations, are likely to increase our expenses and administrative burden. These expenses and burdens are particularly acute on companies of our small size. Changes in the laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act and related regulations implemented by the Securities and Exchange Commission and the National Association of Securities Dealers, are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We have and will continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from commercialization activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies regulatory authorities may initiate legal proceedings against us and our business may be harmed.





**There are limitations on the liability of our directors, and we may have to indemnify our officers and directors in certain instances.**

Our certificate of incorporation limits the personal liability of our directors for monetary damages for breach of their fiduciary duties as directors. Our bylaws provide that we will indemnify our officers and directors and may indemnify our employees and other agents. These provisions may be in some respects broader than the specific indemnification provisions under Delaware law. The indemnification provisions may require us, among other things, to indemnify such officers and directors against certain liabilities that may arise by reason of their status or service as directors or officers (other than liabilities arising from willful misconduct of a culpable nature), to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance. Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify a director, officer, employee or agent made or threatened to be made a party to an action by reason of the fact that he or she was a director, officer, employee or agent of the corporation or was serving at the request of the corporation, against expenses actually and reasonably incurred in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Delaware law does not permit a corporation to eliminate a director's duty of care and the provisions of our certificate of incorporation have no effect on the availability of equitable remedies, such as injunction or rescission, for a director's breach of the duty of care.

We believe that our limitation of officer and director liability assists us to attract and retain qualified employees and directors. However, in the event an officer, a director or the board of directors commits an act that may legally be indemnified under Delaware law, we will be responsible to pay for such officer(s) or director(s) legal defense and potentially any damages resulting there from. Furthermore, the limitation on director liability may reduce the likelihood of derivative litigation against directors, and may discourage or deter stockholders from instituting litigation against directors for breach of their fiduciary duties, even though such an action, if successful, might benefit us and our stockholders. Given the difficult environment and potential for incurring liabilities currently facing directors of publicly-held corporations, we believe that director indemnification is in our and our stockholders' best interests because it enhances our ability to attract and retain highly qualified directors and reduce a possible deterrent to entrepreneurial decision-making.

Nevertheless, limitations of director liability may be viewed as limiting the rights of stockholders, and the broad scope of the indemnification provisions contained in our certificate of incorporation and bylaws could result in increased expenses. Our board of directors believes, however, that these provisions will provide a better balancing of the legal obligations of, and protections for, directors and will contribute positively to the quality and stability of our corporate governance. Our board of directors has concluded that the benefit to stockholders of improved corporate governance outweighs any possible adverse effects on stockholders of reducing the exposure of directors to liability and broadened indemnification rights.



**Item 1b. Unresolved Staff Comments**

None.

**Item 2. Description of Property**

Our executive offices are located at 950 Celebration Blvd., Suite A, Celebration, Florida 34747. We lease 2,950 square feet at these premises for approximately \$7,000 per month. The lease expires in January 2011. We do not currently own any substantial real or personal property.

The Company believes that its facilities are adequate to maintain its existing business activities.

**Item 3. Legal Proceedings**

Except as noted below, to the knowledge of our management, there is currently no litigation pending or contemplated against our properties or the properties of our subsidiary nor was any such litigation pending or contemplated as of the fourth quarter of the fiscal year ending December 31, 2007.

A Company stockholder has asserted that she suffered losses of \$240,000 because of alleged misrepresentation as and omissions made by the Company at the time she purchased her stock. We, through our attorneys, have rejected her claim, believing it is without merit. We are not aware that she has proceeded or intends to proceed with this claim.

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

No matters were submitted for a vote of the stockholders during the fourth quarter of the fiscal year covered by this Report.



**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****Market Information**

Our shares of common stock have been quoted on the Over-the-Counter Bulletin Board operated by the National Association of Securities Dealers, Inc. under the symbol **IPWG** beginning on March 9, 2007. Prior thereto, bid and ask quotations for our common stock were reflected on the Unsolicited Pink Sheets under the symbol **IPWG**. A summary of the quotations by quarter for our 2007 and 2006 fiscal year is as follows:

	<b>High</b>	<b>Low</b>
<i>Fiscal Year 2007</i>		
Quarter ended March 31, 2007	\$0.48	\$0.21
Quarter ended June 30, 2007	0.37	0.16
Quarter ended September 30, 2007	0.26	0.11
Quarter ended December 31, 2007	0.14	0.05
<i>Fiscal Year 2006</i>		
Quarter ended March 31, 2006	\$1.18	\$1.00
Quarter ended June 30, 2006	0.88	0.81
Quarter ended September 30, 2006	0.92	0.50
Quarter ended December 31, 2007	0.70	0.30

On March 24, 2008, the closing price of our common stock was \$.0.13

**Source:**

Inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual Transactions

**Beneficial Owners**

As of March 24, 2008, there were approximately 271 holders of record of our common stock, not including holders who hold their shares in street name.

## **Dividends**

We have not paid any cash dividend to date, and we have no intention of paying any cash dividends on our common stock in the foreseeable future. The declaration and payment of dividends is subject to the discretion of our Board of Directors and to certain limitations imposed under the General Corporation Law of the State of Delaware, as amended.

The timing, amount and form of dividends, if any, will depend on, among other things, our results of operation, financial condition, cash requirements and other factors deemed relevant by our Board of Directors.

**Securities Authorized for Issuance under Equity Compensation Plans**

On September 13, 2005, our Board adopted and our shareholders approved the Company's 2005 Stock Option Plan, effective June 15, 2005. The Plan permits the Board of Directors to grant options to purchase up to 30,000,000 shares of common stock to officers, employees, and key individuals deemed important to the success of the Company. All options are vested upon issuance and are immediately exercisable. The Plan has a term that runs through June 15, 2010. Under the terms of the plan, the exercise price shall not be less than the market value as determined at date of grant. The following table summarizes option grants since the inception of the plan:

**Equity Compensation Plans**

	<b>Number of securities to be issued upon exercise of outstanding options, warrants, and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants, and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<b>Equity compensation plans approved by security holders</b>	26,825,000	\$0.42	3,175,000
<b>Equity compensation plans not approved by security holders</b>	N/A	N/A	N/A
<b>TOTAL</b>	26,825,000	\$0.42	3,175,000

As to the options granted to date, there were 2,625,000 shares exercised for \$262,500 exercised during the year ended December 31, 2006. No options were exercised during the year ended December 31, 2007.

**Repurchases of Equity Securities.**

There was no repurchase of equity securities during 2007.



### **Outstanding Warrants and Options**

As of December 31, 2007, there are outstanding warrants to purchase 11,737,123 shares of our common stock, and options to purchase 26,825,000 shares of our common stock.

### **Sales of Unregistered Securities**

During 2007, the Company sold stock units comprised of 250,000 shares of stock and 125,000 warrants, exercisable at \$0.40 per share for periods of twelve months, and units that were comprised of 250,000 shares and 125,000 warrants, exercisable at \$0.25 per share for a period twelve months. A total of 9,731,250 shares and 4,567,125 warrants were sold, yielding proceeds of \$1,327,350. Warrants exercised provided an additional \$382,000 comprised of proceeds of \$287,500 and the transfer of initial allocated value of \$94,500.

**INTERNATIONAL POWER GROUP, LTD.**

**Form 10-K**

**December 31, 2007**

**Item 6. Selected Financial Data.**

We are a smaller reporting company as defined by Regulation S-K and as such, are not required to provide the information contained in this item pursuant to Regulation S-K.

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

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those which are not within our control.*

*Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. In this Form 10-K report, unless otherwise specified, all references to "common shares" refer to the common shares in our capital stock.*

**Overview**

We commenced our development stage on April 15, 2002. The Company has spent approximately the last two years initiating and developing our WTE technology business plan. Initial steps in that process were negotiation for the opportunity to construct WTE Plants in Mexico and Saudi Arabia. In July 2006, the Kingdom of Saudi Arabia's Presidency of Metrology and Environment issued to us an environmental license which will enable us to establish WTE plants in the country. The second step in developing our business plan was to find sources that could assist us to raise the capital required to build and begin operating WTE facilities. IPWG has not had any revenues and cumulative losses of \$23 million since inception. Accordingly, a comparison of our financial information for accounting periods would likely not be meaningful or helpful in making an investment decision regarding our Company.

We expect to begin realizing operating revenues in the second quarter of 2008 from the receipt of tipping fees associated with the Egypt WTE facilities. We are expecting to begin storing waste on that facility during the construction phase. We are expecting revenue from our first WTE energy plant to commence in 2010 after the completion of the construction of the first plant.

In October 2006, we purchased proprietary patented technologies, Add-Power, a low temperature turbine (LTT), and ScrubPower, a special emission-to-energy system from three Swedish entities, Anovo AB Angelholm, Add-Power AB Angelholm, and SUPE Ltd for a total consideration of \$2.8 million. The prototype has been substantially upgraded through the incurrence of additional research and development costs. We spent around \$125,847 during year 2007 and are looking to patent new technology that will make the product more competitive and efficient. It has been tested and results have been drawn from its operating capacity at a Steel Mill in Sweden under a contract arrangement.

The acquisition of these technologies will allow us to convert greater quantities of heat, produced from boilers and turbines, and potentially increase the output of salable electricity by 20 to 30% or more over technologies that are currently available. We also believe that the LTT technology will provide us with an extremely efficient low-temp turbine which is powered by a proprietary fluid to drive the turbine and produce electricity at approximately 200° F, whereas most conventional boilers and turbines can only produce electricity at temperatures between 600° - 800° F.

We believe that we will be able to sell these technologies to other companies in the energy space in order to help these companies increase their output of electricity. The Company also plans to use these technologies to increase the efficiency of its own planned WTE facilities. We believe we will begin to receive orders for our Add-Power units by the beginning of 2008. Other applications are being explored to expand its use and expand our market opportunities for alternate energy sources.

## **Summary of Significant Accounting Policies**

### **a) Basis of Presentation**

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. The Company's year-end is December 31.

### **b) 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. Actual results could differ from those estimates.

### **c) Basic and Diluted Net Income (Loss) Per Share**

The Company computes net income (loss) per share in accordance with SFAS No. 128, "*Earnings per Share*". SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period.



**d) Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

**e) Income Taxes**

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*, which requires the use of the liability method. Accordingly, deferred tax liabilities and assets are determined based on differences between the financial statement and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Current income taxes are based on the income that is currently taxable.

**f) Fixed Assets**

Fixed assets are recorded at cost and depreciated over their useful lives using the straight-line method.

**g) Intangible Assets**

Intangible assets represent the estimated fair value at dates of acquisitions of acquired intangible assets used in our business. The patent asset represents the patented technology associated with our Add-Power unit that was acquired in the fourth quarter of 2006. We amortize our patent on a straight-line basis over its life of 7 years. See Note 4 for additional information about our intangible asset.

**h) Revenue Recognition**

Revenue will be realized from the sales of product and services. Recognition will occur upon delivery of product or performance of services. In determining recognition, the following criteria will be considered: persuasive evidence that an arrangement exists; delivery has occurred; the sales price is fixed or determinable; and collectability is reasonably assured.

**i) Fair Value of Financial Instruments**

The carrying amounts of the Company's financial instruments, which include cash equivalents and accounts payable, approximate their values at December 31, 2007 and 2006.

**j) Common Stock**

Common stock of the Company is occasionally issued in return for services. Values are assigned to these issuances equal to the market value of the common stock.

**k) Warrants Outstanding**

Warrants to purchase common stock of the Company are valued at fair value using a Black-Scholes valuation model, in accordance with the provisions of SFAS No. 123R, Shared-Based Payments ( SFAS 123R )

## **l) Stock Options**

Stock options are valued at fair value on the date of issuance using a Black Scholes valuation model, in accordance with the provisions of SFAS No. 123R. Certain options are exercised for services and are valued at their exercise price.

## **m) Recent Accounting Pronouncements**

The Company does not anticipate the adoption of recently issued accounting pronouncements to have a significant effect on the Company's results of operations, financial position, or cash flows.

## **Plan of Operation**

Because we did not have sufficient financing (debt and/or equity) during the last fiscal year, our Plan of Operation has not significantly changed from our plan indicated in our 10K Report for the year ended December 31, 2006.

Prior to the adoption of our present business plan, we investigated the option of engaging in the management of low level radioactive waste as a result of our acquisition of Terra Mar Environmental Systems, Inc. (TMES) assets. We determined not to pursue that business because of the time and expense of compliance with government regulation in the field.

Our operating plan for the next 12 months and thereafter has three components: (1) to complete negotiations to begin a Land field operation and the construction of WTE project in Egypt, (2) complete the research and development of our Add-Power electrical generating unit to make it a commercially viable product, and to manufacture and sell twelve units, and 3) to continue our existing program of introducing WTE technology to governments and others charged with responsibility to manage solid waste and/or provide potable water and electricity to various population segments. In furtherance of this general plan we have self-imposed the following goals:

### **PROJECTED DATE**

**Goal**

**Projected Date**



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1. Processing of site permits in Mexico and start waste collection	Present through July 2008
2. Complete R&D of Add-Power and manufacture first unit	Present through September 2008
3. Introduction of WTE technology in the Kingdom of Saudi Arabia and Generate revenue from Egypt landfill operation	Present through October 2008
4. Negotiations for WTE sites in several foreign countries now identified	
Form subsidiaries as may be required in other countries	Foreseeable future

### **Research and Development.**

We do not expect to establish a discrete program of research or development as part of our business plan. We expect to expend our research and development efforts towards on the job training. We intend to cooperate with our development partners to develop efficient WTE

technology customized to each customer's needs. We intend to share the learning from each project and application to improve all areas of existing WTE technology from air scrubbing to waste disposal.

### **Purchase of Plant and Equipment**

The development and construction of each proposed WTE facility will be dependent on: (i) locating appropriate land and obtaining permits for a WTE facility, (ii) obtaining significant external financing (including related financial guaranty and risk insurance) for purchase of materials and equipment and construction of facilities and (iii) securing contracts for delivery of waste and sales of byproducts necessary to produce revenues sufficient to cover debt service and operation costs. In the event we are not able to finance one or more proposed WTE facilities, we would be forced to abandon any such projects.

### **WTE Facility Finance**

Our plan to build one or more WTE facilities will require significant capital which we do not currently have. We intend to finance the construction and operation of WTE facilities through a combination of loans and securitization of income from long-term contracts for tipping fees, power and potable water sales. We believe that we will be successful in securing such financing although no assurance can be given. We have entered into an agreement with Marsh USA, Inc., an international insurance broker with the ability to provide financial guaranty insurance and risk management, to locate insurance for our projects.

### **Changes in the Number of Employees**

We expect a substantial increase in full and part time employees in the foreseeable future to bolster our technical and marketing departments. We expect that plant construction projects will be completed by third parties who will be engaged pursuant to contractual agreements. All these is subject to successful contract negotiation, permits availability and the ability to obtain financing.

### **Trends**

The increased price of oil and its derivatives as well as the environmental awareness created by global warming has become the number one concern in America and other nations in the world. We believe that the trend that is most likely to affect our business is the burgeoning need of local governments at all levels in most countries to manage solid waste, significant quantities of which are hazardous. We believe this trend will generate demand for the technology we offer although no assurance can be given.

We also believe the trend of global warming will affect our business. The trend to reduce the output of greenhouse gases has caused companies and government to find ways of generating cleaner electricity from cleaner renewable energy sources. We believe the trend will generate a demand for our technology and services we offer although no assurance can be given. Shall we

obtain financing for both, the WTE facilities and the Add-Power technology, we will be in a position to post revenues and therefore, profits in the years to come.

## Results of Operations

We had net (cash and non-cash) losses from operations from \$12,831,316 for the year ended December 31, 2006 to \$6,873,292 for the year ended December 31, 2007, or a total reduction in net losses of \$5,958,024. The net non-cash losses decreased from \$8,288,250 for the year ended December 31, 2006 to \$3,063,731 for the year ended December 31, 2007, or a total reduction in

net non-cash losses of \$5,244,519. This reduction in net non-cash losses is primarily attributable to a reduction in the issuance of common stock for services performed and permitting option exercises without charging the strike price in exchange for services, and the value of options granted to officers, directors, consultants and finders. The net cash losses decreased \$733,505 from the year ended December 31, 2006 to December 31, 2007. This reduction in net cash losses is primarily attributable to a reduction in fees paid to professional service firms and consultants and employee related costs (i.e., salaries and travel).

## Financial Condition

### *Ability to Meet Cash Requirements.*

We are considered to be in the development stage as defined in the Statement of Financial Accounting Standards ( FASB ) No. 7. To date, we have received no income from our business operations. We have incurred substantial losses since our inception. As of December 31, 2007, we had an accumulated loss of \$23.0 million during the development stage. The expenses that produced this operating loss included stock based compensation and consulting expenses in the sum of \$16.0 million and other expenses, including cash expenses, of approximately \$7 million.

Without additional equity or debt financing, we will not be able to satisfy our cash requirements for the next twelve months.

## **Two Year Cash Forecast.**

We have developed a two-year timeline and cash forecast of our cash needs to execute our business plan and we are in the process of raising the funds required to fund our operations for the next 24 months until the time we estimate that our first WTE facility will come online and revenues are expected to commence. There can be no assurance, however, that we will be able to raise the amounts of financing required to operate our business until revenues commence, that we will be able to timely commence revenue generating operations of WTE facility(ies) or that if such facility(ies) commence operation, that we will generate sufficient revenue to be profitable.

We are in the process of attempting to raise capital to address approximately \$26.4 million of financing needs for the next twenty-four months, outside of construction/project financing for specific waste to energy projects. Uses of the capital we are attempting to raise include:

- 1) Working capital to cover overhead and project management costs during construction of waste to energy plants (approximately \$16.0 million), additional details provided in the chart below.
- 2) Working capital to cover the recently completed acquisition of Ad-Power AB and the commercialization of Add-Power units (a patented low temperature turbine used for converting waste heat into electricity) of approximately \$1.6 million.
- 3) Additional development funding to apply Add-Power technology to low cost solar power generation, as well as to test the feasibility of integrating the Add-Power technology into small scale solar units for office parks, malls, and residential projects (\$8.8 million).

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A detailed schedule of our working capital needs for the next two years is as follows:

	<b>2008</b>	<b>2009</b>	<b>Total</b>
Employee Costs	\$2,463,000	\$3,687,000	\$6,150,000
Travel	1,040,000	1,040,000	2,080,000
Construction/Project Management	300,000	720,000	1,020,000
Legal Fees	852,000	840,000	1,692,000
Outsourced Engineering	275,000	600,000	875,000
Contractors/Consultants	826,000	818,000	1,644,000
External & Internal Audit	124,000	300,000	424,000
Corporate Insurance	250,000	450,000	700,000
Accounting Services (Outsourced)	75,000	300,000	375,000
Marketing	155,000	300,000	455,000
Rental /Office Expenses	279,000	300,000	579,000
Total Operating Costs	6,639,000	9,355,000	15,994,000
<b>Additional Investment/Commercialization</b>			
<b>Other Proprietary Technology</b>			
Acquisition (Cash) for Add-Power Acquisition	1,564,000	-	1,564,000
Commercialization/Working Capital for Add-Power Unit for Immediate Sale	3,500,000	-	3,500,000
R&D of Solar/Add-Power for Commercialization Small Scale Solar	-	5,300,000	5,300,000
Total Forecasted Cash Usage Excluding Project Specific Financing	\$11,703,000	\$14,655,000	\$26,358,000

In addition to the above, we plan to develop and execute contracts for our WTE facilities in Saudi Arabia, Egypt, Mexico and elsewhere (these contracts may include long term, ie.7-10 year, commitments for waste disposal, electric and water sales). We expect to use these contracts, and the expected revenue sources they represent, to secure project specific financing. We expect to have multiple financing sources for project/construction financing on a project by project basis outside of this specific equity raise.



**Payments Due under Contractual Obligations**

We have future commitments at December 31, 2007 on an acquisition balance as part of the purchase of the add-Power technology. We are obligated to pay during 2008 the remaining balance of \$962,057 for this purchase. We will not be able to meet this obligation without proceeds of external financing, of which we provide no assurance.

We do not have or know of any other contractual obligation other than those reported on note 12.

**Off-balance Sheet Arrangements**

We are not a party to any off-balance sheet arrangements.

**Item 7a. Quantitative and Qualitative Disclosures About Market Risk.**

We are a smaller reporting company as defined by Regulation S-K and as such, are not required to provide the information contained in this item pursuant to Regulation S-K.



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

**CONTENTS**

	<b>Page</b>
Report of Independent Registered Public Accounting Firm	<b>37</b>
Consolidated Balance Sheets	<b>38</b>
Consolidated Statements of Operations	<b>39</b>
Consolidated Statements of Changes in Stockholders' Equity	<b>40</b>
Consolidated Statements of Cash Flows	<b>41</b>
Notes to Consolidated Financial Statements	<b>42</b>

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To The Board of Directors**

**International Power Group, Ltd.**

We have audited the accompanying consolidated balance sheets of International Power Group, Ltd. and its subsidiary (the "Company") as of December 31, 2007, and December 31, 2006 and the related consolidated statements of operations, changes in shareholders' deficit and cash flows for the years ended December 31, 2007, 2006 and 2005 and for the period April 15, 2002 (date of inception of development stage) to December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted the audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate under 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 audits provide a reasonable basis for our opinion.

In our opinion, based on the audits, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Power Group, Ltd. and its subsidiary as of December 31, 2007 and 2006, and the results of their operations and cash flows for the years ended December 31, 2007, 2006 and 2005 and for the period April 15, 2002 (date of inception of development stage) to December 31, 2007 in accordance with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, at December 31, 2007, the Company had a working capital deficiency of \$ 2,679,063 as well as an accumulated deficit of \$ 23,009,955. In addition, the Company has had a continuing record of losses. These factors among other things, also discussed in Note 15 to the financial statements, raise substantial doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities that might be necessary should the Company be unable to continue in operation.

/s/ Robert G. Jeffrey,

Certified Public Accountant

Wayne, NJ

April 8, 2008

37

**INTERNATIONAL POWER GROUP, LTD****(A Development Stage Company)****CONSOLIDATED BALANCE SHEETS**

	December 31, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ -	\$ 1,652,940
		-
Miscellaneous accounts receivable	32,182	
Prepaid expenses	133	12,361
Total current assets	32,315	1,665,301
<b>Other Assets</b>		
Intangible asset - patents	2,300,000	2,700,000
Deposit	16,766	17,134
Other assets	14,360	6,274
Total other assets	2,331,126	2,723,408
<b>TOTAL ASSETS</b>	<b>\$ 2,363,441</b>	<b>\$ 4,388,709</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable	955,111	524,593
Accrued expenses	38,336	33,006
Loans payable to related parties	755,874	21,205
Acquisition payable	962,057	1,564,329
Total current liabilities	2,711,378	2,143,133
<b>STOCKHOLDERS' EQUITY</b>		
Common stock - authorized, 750,000,000 shares of \$0.00001 par value; issued and outstanding, 373,441,971 and 345,509,096 shares, respectively	3,734	3,455
Capital in excess of par value	17,434,713	13,748,239
Additional Paid in capital - Warrants	1,568,702	1,787,375
Additional Paid in capital - Options	3,653,000	2,842,500

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Other comprehensive income - foreign currency translation	1,869	670
Deficit accumulated during development stage	(23,009,955)	(16,136,663)
Total stockholders (deficit) equity	(347,937)	2,245,576
 TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	 \$ 2,363,441	 \$ 4,388,709

*The accompanying notes are integral part of these consolidated financial statements.*

**INTERNATIONAL POWER GROUP, LTD****(A Development Stage Company)****CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****ACCUMULATED DURING DEVELOPMENT STAGE**

	Year 2007	Year 2006	Year 2005	April 15, 2002 (Date of Inception of Development Stage) to December 31, 2007
REVENUE	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	6,851,125	12,829,775	3,267,710	22,986,247
OPERATING LOSS	(6,851,125)	(12,829,775)	(3,267,710)	(22,986,247)
OTHER INCOME (EXPENSE)				
Interest Income	41	4,637	-	4,678
Interest Expense	(22,208)	(6,178)	-	(28,386)
LOSS ACCUMULATED DURING DEVELOPMENT STAGE	\$ (6,873,292)	\$ (12,831,316)	\$ (3,267,710)	\$ (23,009,955)
NET LOSS PER SHARE basic and diluted	\$ (0.02)	\$ (0.04)	\$ (0.01)	
WEIGHTED AVERAGE SHARES OUTSTANDING	353,374,218	316,165,397	297,465,012	

*The accompanying notes are integral part of these consolidated financial statements.*

**INTERNATIONAL POWER GROUP, LTD****(A Development Stage Company)****CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY****For the Years Ended December 31, 2006 and 2007**

	Shares Issued	Common Stock Amount	Capital in Excess of Par	Warrants Amount	Options Amount	Other Comprehensive Income	Deficit Accumulated During the development stage	Total
Balance, December 31, 2005	310,407,100	\$ 3,104	\$ 1,906,202	\$ 231,263	\$2,104,500	\$ -	\$ (3,305,347)	\$ 93,559
Shares issued cash	14,889,996	149	2,427,578	1,841,273				\$ 4,260,000
Shares issued for services	11,800,000	118	5,281,132					\$ 5,280,000
Shares returned from TAT acquisition	(1,200,000)	-12	12					
Shares rescinded - Pedro Segador	(150,000)	-1	1					
Shares issued for acquisition	2,000,000	20	799,980					\$ 800,000
Warrants exercised	2,437,000	24	867,387	(258,161)				\$ 600,000
Warrants expired			27,000	(27,000)				
Options granted		0			2,644,500			\$ 2,644,500
Options expired		0	1,800,000		(1,800,000)			
Options exercised for services rendered	2,700,000	27	323,973		(54,000)			\$ 270,000

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Proceeds from option exercises	2,625,000	26	314,974		(52,500)				\$ 26
Foreign currency translation gain							670		\$
Net loss for the year								(12,831,316)	(12,831)
Balance, December 31, 2006	345,509,096	\$ 3,455	\$13,748,239	\$1,787,375	\$2,842,500	\$	670	\$(16,136,663)	\$ 2,24
Shares issued cash	9,731,250	97	942,223	385,027	-	-	-	-	\$ 1,32
Shares issued for services	17,051,625	171	1,496,062	-	-	-	-	-	\$ 1,49
Warrants exercised	1,150,000	12	381,989	(94,500)	-	-	-	-	\$ 28
Warrants expired	-	-	509,200	(509,200)	-	-	-	-	
Options granted	-	-	-	-	1,167,500	-	-	-	\$ 1,16
Options expired	-	-	357,000	-	(357,000)	-	-	-	
Foreign currency translation gain	-	-	-	-	-	1,198	-	-	\$
Net loss for the year	-	-	-	-	-	-	-	(6,873,292)	\$(6,873)
Balance, December 31, 2007	373,441,971	\$ 3,734	\$17,434,713	\$1,568,702	\$3,653,000	\$	1,869	\$(23,009,955)	\$ (347

*The accompanying notes are integral part of these consolidated financial statements.*





**INTERNATIONAL POWER GROUP, LTD.****(A Development Stage Company)****CONSOLIDATED STATEMENTS OF CASH FLOWS**

			April 15, 2002 (Date of Inception of Development Stage) to December 31, 2007
	Year 2007	Year 2006	
<b>Cash Flows From Operating Activities:</b>			
Net loss from operations	(\$6,873,292)	(\$12,831,316)	(\$23,009,955)
Adjustments to reconcile net loss to net cash used by operating activities:			
Charges not requiring cash outlay:			
Value of options granted	1,167,500	2,644,500	5,952,000
Common stock issued for services	1,496,230	5,281,250	6,807,799
Options exercised for services	-	262,500	335,000
Amortization	400,000	100,000	500,000
Impairment charges	-	-	123,000
 Changes in assets and liabilities:			
(Increase) decrease in prepaid expenses	(19,954)	(12,361)	(19,954)
Increase in accounts payable	430,518	441,694	955,165
Increase in accrued expenses	5,330	33,006	5,330
Increase in deposits	369	(15,134)	(1,632)
Increase in other assets	(8,086)	(6,274)	(8,903)
Net cash consumed by operating activities	(3,401,386)	(4,102,135)	(8,362,150)
 <b>Cash Flows From Investing Activities:</b>			
Acquisition of AddPower	(602,272)	(435,671)	(1,037,943)
Investment in Mexican company	-	-	(2,500)
Note receivable	-	-	(65,000)
Proceeds from note receivable	-	65,000	65,000
Capital uses			
Net cash consumed by investing activities	(602,272)	(370,671)	(1,040,443)
 <b>Cash Flows From Financing Activities:</b>			
Proceeds from loans	774,347	521,205	2,057,555
Repayments of loans	(39,678)	(500,000)	(1,301,681)
Proceeds of sales of stock units	1,327,350	4,269,000	6,834,350

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Proceeds from exercise of options	-	270,000	375,000
Proceed from exercise of warrants	287,500	609,250	1,435,500
Net cash provided by financing activities	2,349,519	5,169,455	9,400,724
Effect of foreign currency exchange rate on cash	1,198	670	1,869
Net increase in cash	(1,652,940)	697,319	0
Cash balance, beginning of period	1,652,940	955,621	0
Cash balance, end of period	\$ 0	\$1,652,940	\$ 0

*The accompanying notes are integral part of these consolidated financial statements.*

**INTERNATIONAL POWER GROUP, LTD.**

**(A Development Stage Company)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2007**

**Note 1. ORGANIZATION AND BUSINESS -**

***Organization***

International Power Group, Ltd., (the Company) was incorporated November 30, 1998 in the state of Delaware as Ednet, Inc. Its name was changed to International Power Group, Ltd. on September 23, 2004.

The Company acquired 66% of the stock of International Power, Inc. (Power) in return for 150,000,000 shares of its common stock, which represented 82% of the number of shares of the Company outstanding after this transaction. Subsequently, Messrs. Toscano and Wagenti transferred a total of 26,997,040 shares of Company stock held by them to the remaining holders of Power stock. Each of Mr. Toscano and Mr. Wagenti contributed the stock of Power so acquired to the Company for no consideration. In two stages, therefore, the Company acquired 100% of the outstanding stock of Power for 150,000,000 shares of IPWG common stock. The acquisition has been accounted for as a reverse merger with the Company being treated as the acquired company and Power being treated as the acquirer. Historic financial and other information of Power will be presented in all public filings. Under the accounting for a reverse merger, the assets and liabilities of the Company were recorded on the books of the continuing company at their market values which approximate net realizable value and the stockholders equity accounts of Power were reorganized to reflect the shares issued in this transaction. The financial statements include the effect of the acquisition on the financial position of the Company and the results of its operations. The statements of operations for the years ended December 31, 2007, 2006 and 2005 are based on the historical statements of income of the Company and Power for those periods and assume the acquisition took place on January 1, 2003.

Power is a Delaware corporation organized April 15, 2002. During 2004, it acquired the assets of Terra Mar Environmental Systems, Inc. (TMES) in return for 2,281,040 shares of its capital stock. The assets of TMES consisted principally of two contracts and proposals for the construction of waste disposal plants in countries of the former Soviet Union; neither of the contracts had been implemented; they expired December 31, 2005 and were not implemented. The shares of Power that were issued for the assets of TMES were redeemed from a portion of the shares that were acquired from the Company in the acquisition of Power. Power was later dissolved.

The Company and TMES had each previously operated in central Asia with contracts for the disposal of waste material; these companies, and Power, had been inactive in recent years.

In June 2006, the Company formed a wholly-owned subsidiary IPWG-Sweden AB. In October 2006, IPWG-Sweden AB purchased proprietary patented technologies, which include WTE, Add-Power, a low temperature turbine (LTT), and ScrubPower, a special emission-to-energy

system from three Swedish entities, Anovo AB Angelholm, Add-Power AB Angelholm, and SUPE Ltd for a total consideration of \$2.8 million.

There were no other acquisitions or disposals during year 2007, nor any major changes to the current business model.

### ***Nature of Operations***

The business of the Company will be the coordination of construction and management of waste disposal plants. These plants will reduce solid waste to a fraction of its original mass, thus reducing landfill requirements.

They will also treat the waste so that it can be used as construction material and for other uses. Burning of the waste will produce energy. The Company is currently negotiating with strategic partners in Mexico and elsewhere for the construction of facilities for the treatment of waste material and the production of electricity. Implementation of these projects depends on the availability of capital and therefore, have not materialized yet during year 2007.

### **Note 2. DEVELOPMENT STAGE**

The Company is a development stage company, as defined in Statement of Financial Accounting Standards (SFAS) No.7. Generally accepted accounting principles that apply to established operating enterprises govern the recognition of revenue by a development stage enterprise and the accounting for costs and expenses. The Company has been in the development stage since April 15, 2002, the date of its inception of development stage.

### **Note 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Cash***

For purposes of the Statement of Cash Flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

#### ***Income Taxes***

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes", which requires the use of the liability method. Accordingly, deferred tax liabilities and assets are determined based on differences between the financial statement and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Current income taxes are based on the income that is currently taxable.

#### ***Fixed Assets***

Fixed assets are recorded at cost and depreciated over their useful lives using the straight-line method.

#### ***Intangible Assets***

Intangible assets represent the estimated fair value at dates of acquisitions of acquired intangible assets used in our business. The patent asset represents the patented technology associated with our Add-Power unit that was acquired in the fourth quarter of 2006. We amortize our patent on a straight-line basis over its life of 7 years. See Note 4 for additional information about our intangible asset.

#### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

#### ***Recognition of Revenue***

Revenue will be realized from the sales of product and services. Recognition will occur upon delivery of product or performance of services. In determining recognition, the following criteria will be considered: persuasive evidence that an arrangement exists; delivery has occurred; the sales price is fixed or determinable; and collectability is reasonably assured.

***Fair Value of Financial Instruments***

The carrying amounts of the Company's financial instruments, which include cash equivalents and accounts payable, approximate their values at December 31, 2007 and 2006. This includes among others, warrants and options options for services, stock compensation and any other transaction falling within the scope of FASB 128 and EITF 96-3



### ***Net Loss Per Share***

The Company computes net loss per common share in accordance with SFAS No. 128, Earnings Per Share, and SEC Staff Accounting Bulletin (SAB) No. 98. Under the provisions of SFAS No. 128 and SAB 98, basic and diluted net loss per common share are computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period. Accordingly, the number of weighted average shares outstanding, as well as the amount of net loss per share, is presented for basic and diluted calculations for all periods reflected in the accompanying financial statements.

### ***Common Stock***

Common stock of the Company is occasionally issued in return for services. Values are assigned to these issuances equal to the market value of the common stock at measurement date. Measurement date is required under EITF 96-18 which clearly states the criteria to be used for the valuation of stock issued for goods and services.

### ***Warrants Outstanding***

Warrants to purchase common stock of the Company are valued at fair value using a Black-Scholes valuation model, in accordance with the provisions of SFAS No. 123R, Shared-Based Payments (SFAS 123R).

### ***Stock Options***

Stock options are valued at fair value on the date of issuance using a Black Scholes valuation model, in accordance with the provisions of SFAS No. 123R. Certain options are exercised for services and are valued at their exercise price.

### ***Recent Accounting Pronouncements***

The Company does not anticipate the adoption of recently issued accounting pronouncements to have a significant effect on the Company's results of operations, financial position, or cash flows.

## **Note 4. ASSET ACQUISITION AND RELATED PAYABLE**

On October 3, 2006 the Company completed the asset acquisition of three Swedish companies (Add-Power) for \$2.8 million, comprised of \$2.0 million in cash and stock valued at \$800,000. The Company paid approximately \$436,000 in 2006 upon execution of the contract and \$602,272 during 2007. There is an unpaid balance of \$962,057, all of which was due in 2007. The Company did make the required payments when due and is technically in default. Management is actively negotiating with the seller to resolve this matter.

The company board approved two term sheets in March 2008 for an \$800,000 bridge loan and for a \$ 15 million line of credit (an equity draw-down facility). These facilities will be used to pay off the acquisition balance and provide the capital necessary to bring the Add-Power unit to production in 2008.

Add Power is a patented turbine technology for the generation of electricity using low heat. The purchase included all the assets of Add-Power including the intellectual property and patents. Since the acquired entities did not have any customers or employees, it did not meet the definition of a business as defined by the Emerging Issues Task Force ( EITF ) in EITF 98-3, Determining Whether a Nonmonetary Transaction Involves Receipt of Productive Assets or of a Business . Therefore, the entire \$2.8 million purchase price was allocated to the patents.

**INTERNATIONAL POWER GROUP, LTD.**

**(A Development Stage Company)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2007**

**Note 5. RELATED PARTY TRANSACTIONS**

During the fourth quarter of 2006, Peter Toscano loaned the Company \$50,000, without interest. This loan was repaid in December 2006.

In the fourth quarter of 2006, Lennart Strand, an employee of the Company, loaned the Company \$21,205 for the office start-up costs in Sweden. This loan was repaid during the first quarter of 2007 with no interest.

During the year 2007, we borrowed \$40,000 at 6% interest from U.S. Precious Metals, Inc. ( USPM ). USPM and our Company had at the time of the loan and its repayment, and still have, certain common control persons, namely, Peter Toscano, Jack Wagenti and Jose Garcia. The loan is still outstanding and is due in June 30, 2008

During fiscal year 2007, the company received loans from officers and directors as follows:

<b>Date</b>	<b>Trans Description</b>	<b>Position</b>	<b>Credit Amt</b>	<b>Due Date</b>	<b>Interest</b>
	<b>Jerry + Danielle Pane - Loan</b>		<b>\$</b>		
<b>9/14/07</b>	<b>Total</b>	<b>Director</b>	<b>115,000.00</b>	<b>9/13/08</b>	<b>6%</b>
<b>8/24/07</b>	<b>Joan Wagenti - Loan Total</b>	<b>Officer</b>	<b>7,500.00</b>	<b>8/23/08</b>	<b>6%</b>
<b>10/1/07</b>	<b>Jose Garcia - Loan Total</b>	<b>Director</b>	<b>10,000.00</b>	<b>9/30/08</b>	<b>6%</b>
<b>Various</b>	<b>Peter N. Toscano - Loan Total</b>	<b>Officer</b>	<b>446,000.00</b>	<b>Various</b>	<b>6%</b>
			<b>\$</b>		
	<b>Grand Total</b>		<b>578,500.00</b>		

These notes have a term of one year expiring in 2008.

There was no other significant transaction involving subsidiaries during the reportable period.

## **Note 6. INCOME TAXES**

The Company experienced losses during 2007, 2006 and 2005. The Internal Revenue Code allows net operating losses (NOL s) to be carried forward and applied against future profit for a period of twenty years. At December 31, 2007, the Company had an NOL carry forward of \$18,225,455 available for Federal and state taxes. The potential tax benefit of both the state and Federal NOL has been offset by a valuation allowance. If not used, the carry forward will expire as follows:

<b>Date Loss Realized</b>	<b>Carryover Expiration</b>	<b>Net loss Carried Over</b>
2004	2024	\$ 37,637
2005	2025	1,127,710
2006	2026	10,186,816
2027	2027	\$ 6,873,292

**INTERNATIONAL POWER GROUP, LTD.**

**(A Development Stage Company)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2007**

Under SFAS No. 109, deferred tax assets are not recognized unless it is more likely than not that the benefits will be realized. If realization is not likely, the amounts are offset by a valuation allowance. The Company has recorded none current deferred tax assets as follows:

	Balance 2007	Balance 2006	Balance 2005
Deferred	\$	\$	\$
tax assets	6,378,909	3,859,735	-
Valuation	(6,378,909)	(3,859,735)	-
allowance			
Balance	\$ -	\$ -	\$ -

The amount of the valuation allowance increased by \$2,519,174 during the past year.

**Note 7. CAPITAL STOCK AND WARRANTS**

During 2006, the Company sold stock units comprised of 50,000 shares of stock and 25,000 warrants, exercisable at \$1.00 per share for periods of eighteen months, and units that were comprised of 250,000 shares and 125,000 warrants, exercisable at \$0.40 per share for a period eighteen months. A total of 14,889,996 shares and 7,444,998 warrants were sold, yielding proceeds of \$4,269,000.

During 2007, the Company sold stock units comprised of 250,000 shares of stock and 125,000 warrants, exercisable at \$0.40 per share for periods of twelve months, and units that were comprised of 250,000 shares and 125,000 warrants, exercisable at \$0.25 per share for a period twelve months. A total of 9,731,250 shares and 4,567,125 warrants were sold, yielding proceeds of \$1,327,350. Warrants exercised provided and additional \$287,500.

Warrant activity for the three years ended December 31, 2007 is as follows:

<b>Balance December 31, 2005</b>	<b>7,887,500</b>
Warrants granted during 2006	7,444,998
Warrants exercised during 2006	(2,437,000)
Warrants expired during 2006	(1,200,000)
<b>Balance December 31, 2006</b>	<b>11,695,498</b>
Warrants granted during 2007	4,567,125
Warrants exercised during 2007	(1,150,000)
Warrants expired during 2007	(3,375,500)
<b>Balance December 31, 2007</b>	<b>11,737,123</b>

Relevant information about the warrants outstanding at December 31, 2007 is presented below:

<b>Exercise</b>	<b>Weighted-Average Remaining</b>	
<b>Price</b>	<b>Contractual Term (months)</b>	<b>Warrants</b>
\$0.25	5.6	2,505,250
\$0.40	22.8	7,911,875
\$0.75	0	0
\$1.00	2.03	1,319,998
Total exercisable		11,737,123

The total value of the exercisable warrants outstanding as of the end of 2007 is approximately \$704, 227. The assumptions used in the valuation of warrants are as follows:

	<b>2007</b>		<b>2006</b>	
Dividend yield	0.0	%	0.0	%
Expected volatility	185.73	%	100.85	%
Risk-free interest rate	4.56	%	4.96	%
Expected term (in years)	1.0		1.39	
Weighted-average fair value of stock warrants granted	\$ 0.06		\$ 0.20	

## **Note 8. STOCK OPTIONS**

On January 1, 2005, we adopted SFAS No. 123R, Share-Based Payment, ( SFAS 123R ), which replaced SFAS No. 123, Accounting for Stock-Based Compensation ( SFAS 123 ), and superseded APB Opinion No. 25, Accounting for Stock Issued to Employees ( APB 25 ). SFAS 123R requires that the cost relating to share-based payment transactions in which an entity exchanges its equity instruments for goods or services from either employees or non-employees be recognized in the financial statements as the goods are received or services are rendered. That cost is measured based on the fair value of the equity or liability instruments issued.

During 2005, the Company adopted and the stockholders approved a stock option plan (the Plan). The Plan permits the Board of Directors to grant options to purchase up to 30,000,000 shares of common stock to officers, employees,

and key individuals deemed important to the success of the Company. All options are vested upon issuance and are immediately exercisable. The Plan has a term that runs through June 15, 2010. Under the terms of the plan, the exercise price shall not be less than the market value as determined at date of grant. The following table summarizes changes in outstanding stock options during the twelve month periods ended December 31, 2007 and 2006

:



	December 31,			
	2007		2006	
	Shares	Weighted-Average Price	Shares	Weighted-Average Price
	(Shares in thousands)			
Outstanding at the beginning of the year	22,900	\$ 0.46	17,225	\$ 0.13
Granted (all at market price)	4,125	0.31	13,000	0.74
Cancelled	(200)	0.40	(2,000)	0.40
Exercised	-0-	0.00	(5,325)	0.10
Outstanding at the end of the year	26,825	\$ 0.42	22,900	\$ 0.46

The weighted-average remaining contractual life of the options outstanding as of December 31, 2007 was 2.4 years. The aggregate intrinsic value of the options outstanding as of December 31, 2007 was \$882,000. The aggregate intrinsic value represents the difference between the closing price of the Company's common stock on December 31, 2007 and the exercise price, multiplied by the number of in-the-money stock options as of December 31, 2007. This represents the amount that would have been received by the stock option holders if they had all exercised their stock options on December 31, 2007. In future periods, this amount will change depending on fluctuations in the Company's stock price. The total intrinsic value of stock options exercised during the years ending December 31, 2007 and 2006 was \$0.9 million and \$1.7 million, respectively.

The fair value of option grants are estimated using a Black-Sholes option pricing model. The following weighted-average assumptions were used for options granted during the years ended December 31, 2007 and 2006:

	2007		2006	
Dividend yield	0.0	%	0.0	%
Expected volatility	185.73	%	100.85	%
Risk-free interest rate	4.56	%	4.96	%
Expected term (in years)	2.00		1.39	
Weighted-average fair value of stock options granted	\$ 0.06		\$ 0.20	

#### Note 9. INTANGIBLE ASSET - PATENTS

Information regarding the intangible asset patents is as follows:

	<b>December 31, 2007</b>
Intangible asset - patents	\$2,800,000
Accumulated amortization	(500,000)
Intangible asset patents, net	\$2,300,000

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Amortization expense was \$100,000 for the year ended December 31, 2006 and \$400,000 in 2007. The remaining amortization period for the patents is 4.75 years. The estimated future amortization expense of this asset is as follows:

<b>Year</b>	<b>Amortization Expense</b>
2008	400,000
2009	400,000
2010	400,000
2011	400,000
Thereafter	700,000

**Note 10. OPERATING EXPENSES**

Major categories of operating expenses are presented below.

	2,007	2,006	2005	April 15, 2002 (Date of Inception of Development Stage) to December 31, 2005
Stock options granted	\$ 1,167,500	\$ 2,644,500	\$ 2,140,000	\$ 6,017,000
Consulting expense	2,598,292	6,437,147	439,594	9,410,033
Professional fees	485,891	1,325,888	108,618	1,920,397
Office expenses	54,970	136,308	74,069	276,750
Travel and meals	311,360	793,716	203,804	1,315,328
Public relations	188,839	243,363	29,960	462,162
Salaries and other employee expenses	1,087,927	776,296	58,801	1,930,415
Insurance	4,041	42,248	13,478	59,767
Automobile expenses	55,607	45,615	17,595	118,817
Telecommunications	85,716	89,368	19,500	194,584
Rent	161,422	127,455	10,547	299,424
	-			
Impairment		-	12,000	123,000
Amortization	400,000	100,000	-	500,000
	125,847	-	-	125,847

Research and Development

Costs

Other expenses	123,712	67,871	30,244	232,722
Total Expenses	\$6,851,125	\$12,829,775	\$3,267,710	\$22,986,247

The company's management reduced expenses during 2007 by nearly \$6 million dollars compared to 2006. The major areas of reduction were the stock options granted (\$1.4 million), consulting expense (\$3.9 million) and Professional fees (\$839,997), between year 2006 and 2007. This was a direct result of the lack of financing and its consequence in the company's plan execution. The company has not posted revenues since the beginning of its operations.

**INTERNATIONAL POWER GROUP, LTD.**

**(A Development Stage Company)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2007**

**Note 11. IMPAIRMENT**

Following the acquisition of TAT, the Company determined that the entity would not provide the expected benefits and the investment was abandoned. Early in 2006, the Company began to use a Mexican subsidiary to pursue its business interests in Mexico. The Mexican subsidiary had previously been inactive. The cost of the TAT investment, (\$121,500) was written off during 2005.

There had been no more assets or disposals during 2007 requiring an impairment loss recognition.

**Note 12. RENTS UNDER OPERATING LEASES**

Rent expense for the years ended December 31, 2007, 2006 and 2005 was \$161,422, \$127,455 and \$10,547, respectively. At December 31, 2007, the company had the following minimum lease commitments for the next 5 years:

<b>Year</b>	<b>Commitment</b>
2008	89,959
2009	91,603
2010	91,443
2011	7,639

During fiscal year 2007, the landlord adjusted the CAP charge to include a re assessment of property taxes. The amount of CAP to be paid will be higher; however, the square footage amount remains the same. The amount is not deemed significant and material, and will not pose a threat to our financial structure.

There were additional rental payments made under monthly rental agreements. The amount paid during year 2007 was \$71,446.

**INTERNATIONAL POWER GROUP, LTD.**

**(A Development Stage Company)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2007**

**Note 13. COMPREHENSIVE LOSS**

Comprehensive loss is as follows:

	2007	2006	2005	April 15, 2002 (Date of Inception of Development Stage) to December 31, 2007
	\$	\$	\$	
Net loss	(6,873,292)	(12,831,316)	(3,267,710)	\$ (23,009,955)
Foreign currency translation	1,869	670	0	2,539
		\$	\$	
Comprehensive loss	\$ (6,871,423)	(12,830,646)	(3,267,710)	\$ (23,007,416)

Foreign currency translation gain or losses arises from IPWG Sweden transactions during 2007. the total for the year was \$1,869 vs, \$670 in year 2006. We did not have any foreign subsidiaries operating during year 2005, therefore no exchange rate gain or loss was recorded.

**Note 14. SUPPLEMENTAL CASH FLOWS**

There was no cash paid for interest or income taxes during the years ended December 31, 2007, 2006.

**The following non-cash investing and financing activity took place during 2006:**

- a.** The Company issued 2,000,000 shares of common stock as partial compensation for the acquisition of Add-Power. These shares were valued at \$800,000.
- b.** The Company issued 11,800,000 shares of common stock for services valued at \$5,281,250. For additional services, it granted option holders the right to exercise without payment options to purchase 2,625,000 shares of common stock. The value of this additional benefit was \$262,500.

**The following non-cash investing and financing activity took place during 2007:**

- a.** During the year 2007, the Company issued 17,051,625 shares of common stock for services valued at \$1,496,230.
- b.** The company did not grant option holders the right to exercise without payment options for service during year 2007.



**Note 15. GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company had a material working capital deficiency as of December 31, 2007 an accumulated deficit of \$ 23.0 million as of December 31, 2007 and has experienced continuing losses. These factors raise substantial doubt about the ability of the Company to continue as a going concern. In order to address these concerns, the Company's board approved two term sheets in March 2008 for a \$800,000 bridge loan and for a \$ 15 million line of credit

(an equity draw-down facility). Among other things, these funds will be used to pursue and complete projects that are currently in progress. This includes the set up of the Add Power manufacturing facilities now that extensive testing has been satisfactorily completed and the completion of the initial phase of planned waste-to-energy ( WTE ) facilities in several countries. The initial phase involves the construction of land fill facilities to start the collection of waste which will provide a source of revenue to make projects economically viable.

The financial statements do not include adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue in operation. The Company's present plans, the realization of which cannot be assured, to overcome these difficulties include but are not limited to the continuing effort to raise capital in the public and private markets.

**Note 16. CONTINGENCY**

A Company stockholder has asserted that she suffered losses of \$240,000 because of alleged misrepresentation as and omissions made by the Company at the time she purchased her stock. The Company, through its attorneys, has rejected her claim.

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

None

**Item 9a. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures.**

Our Chief Executive Officer ( CEO ) and Chief Financial Officer ( CFO ), are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended (the Exchange Act )

Internal control over financial reporting is promulgated under the Exchange Act as a process designed by, or under the supervision of, our CEO and CFO and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition or disposition of our assets that could have a material effect on the financial statements.

Readers are cautioned that internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even effective internal control over financial reporting can only provide reasonable assurance with respect to the financial statement preparation and presentation.

Our management, under the supervision and with the participation of our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) as of the end of the period covered by this Report. Based on such evaluation, the CEO and CFO have concluded that these controls and procedures are effective in providing reasonable assurance that information requiring disclosure is recorded, processed, summarized and reported with the timeframe specified by the SEC's rules and forms.

**Item 9b. Other Information.**

None.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance.**

Our directors and executive officers, their ages, and the positions they hold are set forth below. Our directors hold office until our next annual meeting of stockholders and until their successors in office are elected and qualified. All officers serve at the discretion of our Board of Directors.

**(A) Directors and Executive Officers**

Name	Age	Title
Peter Toscano	57	Chairman of the Board, Chief Executive Officer/President
Jack Wagenti	69	Vice President, Secretary, and Director
Jose Garcia	50	Vice President and Director
Louis D. Garcia	55	Vice President, Finance
Jerry Pane	42	Director
Sheik Hani A. Z. Yamani	45	Director
Sheldon Baer	67	Director
Georgi Grechko	74	Director
Salvatore Arnone	45	Director
Robert Astore	69	Chief Financial Officer and Director

**Mr. Peter Toscano,** Mr. Toscano has been Director, President and Chief Executive Officer of International Power Group since October of 2004. Mr. Toscano also is President, Chief Executive Officer and Director of U.S. Precious Metals, Inc., positions he has held since May 9, 2002. Mr. Toscano was an officer of Material Waste Recycling, Inc. from February 2001 through May 9, 2002. Material Waste Recycling, Inc. was in the business of recycling wools, cottons and acrylics both in the United States and Mexico. Mr. Toscano over the past five years has been involved in materials reprocessing, export, and importation in Mexico. In addition, Mr. Toscano has had experience in the development of systems for the management of hazardous wastes in Russia and Central Asia. Also, Mr. Toscano has been involved in various low-level radioactive waste management projects within the Pacific Rim. Within those arenas, Mr. Toscano has spearheaded projects that utilized strategic alliances with major companies such as Westinghouse Electric Company and Waste Management, Inc. Among his responsibilities, Mr. Toscano has acted as a liaison bridging the gap between Russian and US corporations. . Since May 2002, Mr. Toscano has been an officer and director of U.S. Precious Metals, Inc., a publicly traded (OTC:BB) mining exploration company conducting its activities in Mexico

**Mr. Jack Wagenti**, Mr. Wagenti has been Director and Secretary of International Power Group since October of 2004. He has also served as Chief Financial Officer of the Company from its inception to October 2006. Mr. Wagenti is also a Director and the Secretary and Chief Financial Officer of U.S. Precious Metals Inc., a company which is traded on the Over The Counter Bulletin Board. Mr. Wagenti has held positions with U.S. Precious Metals since May 2002. From 1996 to the present, Mr. Wagenti has served in varying capacities of American International Ventures, Inc., a company which is traded on the Over the Counter Bulletin Board

and Pink Sheets Market. Presently, Mr. Wagenti is a Director of American International Ventures, Inc. American International Ventures, Inc. is in the mineral exploration business in the State of Nevada and its assets include the Brunner Property located in Nye County, Nevada.

**Mr. Jose Garcia**, Mr. Garcia has been a Director and Vice President of International Power Group since October of 2004. Mr. Garcia was employed by La Carvella Restaurant from February 2001 to May 9, 2002. Mr. Garcia has been Vice President and Director of U.S. Precious Metals, Inc. since May 2002, a company trading on the Over The Counter Bulletin Board. He has also been President of its Mexican subsidiary, U.S. Precious Metals de Mexico since March 2003. Mr. Garcia is from Morelia, Mexico and is President of IPW Group de Mexico, which is a wholly owned subsidiary of International Power Group, Ltd.

**Mr. Louis D. Garcia**, Mr. Garcia has been the Company's Vice President, Finance since May 15, 2006. From 1997 through March 2006, Mr. Garcia was the Managing Director of Providence Financial Services, LLC. Prior to Providence, Mr. Garcia was a Senior Managing Director with GCR Highland LLC and Senior Managing Director (Real Estate) with Jesup, Josenthal and Co., Inc. Mr. Garcia received a Bachelor of Science in Finance from Saint Johns University in New York.

**Sheik Hani A. Z. Yamani**, has been a Director of International Power Group, Ltd. since March 2006. He is also the Executive Chairman of Hazy Trading Establishment and its affiliated companies, an organization he founded in 1988. Hazy Trading Establishment has completed energy and development projects in Africa and Middle East valued at over 5 billion US. He has been an advisor to a number of multi-national companies including Asea Brown Boveri (ABB) (1991 to 1998), Astaldi spA. (1991 to 1998), Interbeton BV (1992 to 1999) and Avia Mineral (1994 to 1998). He has also been a member of World Travel & Tourism Council and the Young Presidents' Organization. He is a member of the Board and the Executive Committee of the International Islamic Relief Organization.

Sheik Yamani attended Oxford University and the Wharton School of Business at the University of Pennsylvania and, from 1983 to 1984, trained at Citibank in New York City and Geneva, and at MKS Finance in Geneva, one of the world's leading integrated precious metals and foreign exchange trading houses. Sheik Yamani is also the author of "To Be a Saudi", a book that received positive reviews in the international media during the late 1990s. Sheik Yamani is often an editorial contributor in the Saudi Arabian media on economic, political and social issues.

**Dr. Georgi Grechko**, has been a Director since October 2004. He brings extensive technical expertise in the field of applied sciences. He will also help foster the international cooperation that is required for International Power's operation. He qualifies as an independent director as defined under the Sarbanes Oxley Act of 2002. Dr. Grechko, a Russian cosmonaut, flew on three space flights and at one time held the space endurance record. He graduated from the Leningrad Institute of Mechanics with a doctorate in mathematics. He went on to work at Sergei Korolev's design bureau and from there was selected for cosmonaut training in the Soviet moon program. He went on to work on the Salyut space stations. After leaving the space program in 1992, Dr. Grechko became a lecturer in atmospheric physics at the Soviet Academy of Sciences. Dr. Grechko from November 1997 to September 2004 was the Chief Advisor to the Chairman of



the Board of Investsberbank, Pokrovka Street 47A, Moscow, 105062, Russian Federation, from September 2004 to present he is a member of the Board of Directors of Investsberbank.

**Mr. Salvatore J. Arnone** has been a director of International Power Group, Ltd. since December 2004. He is a Senior Account Executive with KMBS, Inc. (a/k/a Konica-Minolta Business Systems, Inc.), a company that manufactures, sells and services photocopiers and other office equipment. Mr. Arnone has been with KMBS, Inc. since May of 1998. Mr. Arnone has received many exceptional achievement awards in management and sales.

**Mr. Robert Astore**, has been a director of International Power Group, Ltd. since January 2005. Currently, he is our Chief Financial Officer. He assumed that position in January 19, 2007. He was President and owner of Bergen Film Laboratories, Inc., Lodi New Jersey from 1960 to 1981. From 1981 to 1990, Mr. Astore was a self-employed builder. Mr. Astore from 1990 to present he has been employed as an independent consultant in seafood sales and brokerage. Mr. Astore received a Bachelor's Degree in Business Administration from the University of Miami.

**Mr. Sheldon Baer**, 67, became a director on November 5, 2007. He is currently the President of Golden Hands Construction Inc., company which, he personally founded in 1977. Golden Hands specializes in construction of medical, commercial and industrial facilities; it has been featured in prestigious publications such as the Physician Magazine of the Los Angeles Medical Association and Contract Magazine. In 2007, Mr. Baer was also appointed a director of U.S. Precious Metals, Inc.

**Mr. Jerry Pane**, 42, became a director on October 25, 2007. He has been a partner in Madison Trading, LLC, a New York City based investment firm, since 2001. In 2007, Mr. Pane was also appointed a director of U.S. Precious Metals, Inc.

*(B) Other Officers (non-executive) and Significant Personnel.*

**Dr. Kenny Tang**. In March 2006, the Company appointed Dr. Tang, 48, to its newly created Environmental Advisory Board. Currently, he is the first and, to date, the only member of this board. Since June 2000, Dr. Kenny Tang has been the CEO of Oxbridge Capital, an investment and advisory firm which he founded at that time, specializing in environmental clean technologies and renewable energy. Prior to June 2000, he was employed in corporate finance with the Union Bank of Switzerland in London and as a strategy consultant with KPMG Consultants and Stern Stewart, the later two being pioneers in corporate governance and shareholder value creation. Dr. Tang also serves (since 2005) as the European Managing Partner at Enhancement Partners LP, which is a global consortium that is developing Gigawatt-size wind farms in China. Prior to 2000, he was the President and CEO of SUSTAIN, an Asian research institute focusing on economic and environmental sustainability from an Asian perspective, which he founded.



Dr. Tang earned his doctorate at Judge Business School, Cambridge University's business school and he is a member of the Board of Governors of Middlesex University, London. He is also a Chartered Financial Analyst (CFA).

**Gregory J. Callageri.** In April 2006, the Company appointed Gregory J. Callageri, 48, as Chairman of its newly formed Finance Advisory Committee. He is the first and, to date, the only member of this board. Mr. Callageri is the CEO of REGF, LLC, a private investment manager and consulting firm that he founded in April 2005. From 1999 to April 2005, Mr. Callageri owned and operated an asset management and consulting firm named MAP Fund LLC, which he had founded. Mr. Callageri sold MAP Fund LLC in April 2005.

Mr. Callageri has over 23 years experience working with global banks, asset managers and hedge funds. Throughout his career, he has had prominent roles and high level responsibilities in international capital markets and has worked in the major financial centers. His experience in hedge funds and derivatives operations has given him a broad range of exposure and experience in dealing with international banking institutions. He has visited, analyzed and completed due diligence on over 200 hedge funds throughout his career. He received an MBA from Pace University in New York and lives in Chicago, Illinois.

*(C) Involvement in Certain Legal Proceedings.* To the knowledge of the Company, none of its officers or directors has been personally involved in any bankruptcy or insolvency proceedings within the last five years. Similarly, to the knowledge of the Company, none of the directors or officers, within the last five years, have been convicted in any criminal proceedings (excluding traffic violations and other minor offenses) or are the subject of a criminal proceeding which is presently pending, nor have such persons been the subject of any order, judgment, or decree of any court of competent jurisdiction, permanently or temporarily enjoining them from acting as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director or insurance company, or from engaging in or continuing in any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, nor were any of such persons the subject of a federal or state authority barring or suspending, for more than 60 days, the right of such person to be engaged in any such activity, which order has not been reversed or suspended.

*(D) Audit Committee Financial Expert .* The Company does not have an audit committee or an audit committee financial expert, as such term is defined in Item 401(e) of Regulation S-B. The Company is not required at this time to have an audit committee because it is not a listed issuer as described in Rule 10A-3(c)(2) promulgated under the Exchange Act. The Board is considering current and potential independent board members for this committee when the appropriate time arrives.

*(E) Compliance with Section 16(A) of the Exchange Act .* Section 16(a) of the Exchange Act requires the Company's directors, executive officers, and persons who own more than 10% of the Company's equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, Directors and greater than 10% stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. During the fiscal year ended December 31, 2007 there were 10 such individuals who were subject to the reporting requirements of the Exchange Act. To the best of the Company's knowledge, all our executive officers, directors and persons who beneficially own more than ten percent of our common stock are current in their Section 16 filings.



(F) *Code of Ethics:* The Company's Board of Directors has been considering adoption of a Code of Ethics to be applicable to its Chief Executive Officer and senior financial executives. The Code of Ethics will be designed to deter wrong-doing and promote honest and ethical behavior, full, fair, timely, accurate and understandable disclosure, and compliance with applicable laws. The Board anticipates it will adopt the Code of Ethics during the current fiscal year.

**Item 11. Executive Compensation.**

The following table summarizes compensation information for the last two fiscal years for (i) Mr. Peter Toscano, our Principal Executive Officer and (ii) the two most highly compensated executive officers other than the Principal Executive Officer, who were serving as executive officers at the end of the fiscal year and who we refer to collectively, the Named Executive Officers.

Annual Compensation Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plans Compensation	Non-Qualified Deferred Compensation	All Other Compensation	Total
Peter Toscano	2007	\$49,815.00	-	-	-	-	-	-	\$49,815.00
President, Chief Executive Officer and Director	2006	\$46,231.00	-	-	-	-	-	\$39,379(1)	\$85,610.00
Jack Wagenti	2007	\$49,467.00	-	-	-	-	-	-	\$49,467.00
Vice President and Director	2006	\$46,231.00	-	-	-	-	-	18,386(1)	\$64,617.00
Jose Garcia	2007	\$95,833.00	-	-	-	-	-	-	\$95,833.00
Vice President and Director	2006	\$84,583.00	-	-	-	-	-	-	84,583.00

1) These amounts include car allowance for Messrs Toscano and Wagenti for \$12,979 and \$18,386, respectively. In addition, Mr. Toscano received a housing allowance in the amount of \$26,400

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## **Narrative Disclosure to Summary Compensation**

### ***Employment Agreements***

We currently have no written employment agreements with any of our officers, directors, or key employees.

### ***Severance Arrangements***

We currently have no written employment agreements with any of our officers, directors, or key employees.

### ***Change-in-Control Arrangements***

We currently have no written employment agreements with any of our officers, directors, or key employees.

### ***Stock Ownership Requirement for Management***

We do not have a formal policy requiring stock ownership by management. One of the key objectives of our equity incentive plan is to promote ownership of our stock by management.

### ***Directors Compensation:***

Directors receive no monetary compensation for their service as directors. Directors are reimbursed for expenses incurred in connection with the Company's business.

## **2007 GRANTS OF PLAN-BASED AWARDS**

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The company issues stock option awards for officers and employees as part of its compensation policy. During year 2007, the company did not issue additional awards. Employees are still eligible to exercise the options granted during years 2005 and 2006.

The table below sets forth information regarding grants of plan-based awards made to each of the named executive officers during 2006 and 2007:

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The following table shows outstanding equity awards at December 31, 2007:

Name	Option Awards	Stock Awards	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Number	Market Value	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That
	(#) Exercisable	(#) Unexercisable	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Chris Duncan Chief Operating Officer(1)	1,000,000	I		\$0.83	6/14/2010				
	200,000			\$0.67	6/17/2010				
	300,000			\$0.67	6/14/2010				

Mr. Duncan resigned to his position  
as COO in January 2, 2006

**Outstanding Equity Awards at Fiscal Year End**

All Directors have been granted stock options for their board service.



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The following table documents the compensation of our directors for the fiscal years ended December 31, 2007:

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards (1)	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation	All Other Compensation	Total
Salvatore Arnone	\$ -	\$ -	\$ -	\$ -	\$ -	\$125,000	\$ 125,000
Robert Astore (1)	-	-	75,000	-	-		\$75,000
Georgi Grecko	-	-	-	-	-		-
Thomas Mitchell (2)	-	-	210,000	-	-		\$210,000
Walter Salvatore	-	-	125,000	-	-		\$125,000
Hani A. Z. Yamani	-	545,000	-				\$545,000
Sheldon Baer	-	25,000	120,000	-	-		\$145,000
Jerry Pane	-	60,000	62,500	-			122,500
Gregory Callegari	-		125,000	-	-		125,000

(1) Mr. Astore was appointed to the board in 2006

(2) Mr. Mitchell resigned as a director of the Company on February 3, 2007.

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The financial value of each option was estimated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 8 in the Notes to the Consolidated Financial Statements included in this Form 10-K. The following is a list of the outstanding option held by each director as of December 31, 2007:

Robert Astore	1,000,000
Walter Salvatore	1,000,000
Sheik Hani A. Z. Yamani	5,000,000
Jerry Payne	1,250,000
Sheldon Baer	2,250,000
Gregory Callegari	500,000

(2) Mr. Astore was appointed to the board in 2006.

All such options were granted at or above fair market value determined on the date of grant.

### **Item 12. Security Ownership of Certain Beneficial Owners, Management and Related Stockholder matters.**

#### **Security Ownership of Certain Beneficial Owners and Management**

The following table indicates the number of shares of our common stock that were beneficially owned as of March 24, 2008 by (1) each person known by us to be the owner of more than 5% of our outstanding shares of common stock, (2) our directors, (3) our executive officers, and (4) our directors and executive officers as a group. In general, beneficial ownership includes those shares a director or executive officer has sole or shared power to vote or transfer (whether or not owned directly) and rights to acquire common stock through the exercise of stock options or warrants that are exercisable currently or become exercisable within 60 days. Except as indicated otherwise, the persons name in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them. We based our calculation of the percentage owned on 441,951,599 beneficially owned shares outstanding on March 24, 2008. The address of each director and executive officer listed below is c/o International Power Group, Ltd., 950 Celebration Boulevard, Celebration, Florida, 34747.

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Name and Address	Total umber of Shares Beneficially Owned	Percent of Class	Outstanding Sahres as of 3/24/2008 441,951,599
Peter Toscano	100,954,830	22.84%	
Jack Wagenti	106,194,480	24.03%	
Jose Garcia	7,500,000	1 1.70% *	
Louis D. Garcia	2,000,000	0.45% *	
Salvatore Arnone	2,300,000	3 0.52% *	
Dr. Georgi Grechko	1,040,000	3 0.24% *	
Robert Astore	2,800,000	4 0.63% *	
Jerry Payne	7,560,000	8 1.71% *	
Sheldon Baer	7,250,000	9 1.64% *	
Sheik Hani A.Z. Yamani	11,000,000	6 2.49% *	
Armada Partners, L.P. (7)	25,000,000	7 5.66%	
All officers and directors as a group (10 persons)	273,599,310	61.91%	

\* *Represents less than 1%* \_\_\_\_\_

- (1) Includes 1 million shares issuable upon presently exercisable stock options.
- (2) Includes 200,000 shares issuable upon presently exercisable stock options.
- (3) Includes 1 million shares issuable upon presently exercisable stock options.
- (4) Includes 1.3 million shares issuable upon presently exercisable stock options.
- (5) Includes 1.5 million shares issuable upon presently exercisable stock options.
- (6) Includes 6 million shares issuable upon presently exercisable stock options.
- (7) The address for Armada Partners, L.P. is 650 5 th Avenue, New York, NY 10199.

Voting control and dispositive power over these shares is held by Mr. Armando Ruiz.

- (8) Includes 5 million shares issuable upon presently exercisable warrants.
- (9) Includes 2 million shares issuable upon presently exercisable stock options.

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

#### *Certain Relationships and Related Transactions*

Except as set forth below, no transactions have occurred since the beginning of the Company's last two fiscal years or are proposed with respect to which a director, executive officer, security holder owning of record or beneficially more than 5% of any class of the Company's securities or any member of the immediate families of the foregoing persons had or will have a direct or indirect material interest and the amount involved exceeds \$120,000.

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During calendar year 2006, we borrowed \$250,000 at 6% interest from U.S Precious Metals, Inc. ( USPM ). We repaid the loan with interest the next quarter. USPM and our Company had at the time of the loan and its repayment, and still have, certain common control persons, namely, Peter Toscano, Jack Wagenti and Jose Garcia.

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During the fourth quarter of 2006, Peter Toscano loaned the Company \$50,000, without interest. This loan was repaid in December 2006.

In the fourth quarter of 2006, Lennart Strand, an employee of the Company, loaned the Company \$21,205 for the office start-up costs in Sweden. This loan was repaid during the first quarter of 2007 with no interest.

During the year 2007, we borrowed \$40,000 at 6% interest from USPM. This lender and our Company had at the time of the loan and its repayment, and still have, certain common control persons, namely, Peter Toscano, Jack Wagenti and Jose Garcia. The loan is still outstanding and is due in June 30, 2008.

During fiscal year 2007, the company loaned monies from officers, directors and/or their affiliates as follows:

<b>Date</b>	<b>Trans Description</b>	<b>Position</b>	<b>Credit Amt</b>	<b>Due Date</b>	<b>Interest</b>
	<b>Jerry + Danielle Pane - Loan</b>		<b>\$</b>		
<b>9/14/07</b>	<b>Total</b>	<b>Director</b>	<b>115,000.00</b>	<b>9/13/08</b>	<b>N/A</b>
<b>8/24/07</b>	<b>Joan Wagenti - Loan Total</b>	<b>Officer</b>	<b>7,500.00</b>	<b>8/23/08</b>	<b>6%</b>
<b>10/1/07</b>	<b>Jose Garcia - Loan Total</b>	<b>Director</b>	<b>10,000.00</b>	<b>9/30/08</b>	<b>N/A</b>
<b>Various</b>	<b>Peter N. Toscano - Loan Total</b>	<b>Officer</b>	<b>446,000.00</b>	<b>Various</b>	<b>N/A</b>
			<b>\$</b>		
	<b>Grand Total</b>		<b>578,500.00</b>		

These notes have a term of one year expiring in 2008.

### *Director Independence*

The Company's common stock trades on the Over the Counter Bulletin Board. Accordingly, we are not required to maintain a minimum number of independent directors. The term "independent director" means that the director does not have any direct or indirect material relationship with the Company that will interfere with his or her exercise of independent judgment in carrying out their responsibilities as a director.

Although we are under no requirement to have a minimum number of independent directors, we believe that five out of nine current directors would qualify as independent directors under the definition of the term. They include: Sal Arnone, Jerry Pane, Sheldon Baer, Sheik Hani A. Z. Yamani and Dr. Georgi Grechko.



**Item 14. Principal Accounting Fees and Services.**

The following is a summary of the fees billed to us by the principal accountants to the Company for professional services rendered for the fiscal years ended December 31, 2007 and 2005:

<b>Fee Category</b>	<b>Fiscal 2007 Fees</b>	<b>Fiscal 2006 Fees</b>
Audit Fees	\$12,225	\$12,225
Audit Related Fees		-
Tax Fees	4,038	\$ 1,120
All Other Fees	-	-
Total Fees	\$16,263	\$13,325

**Audit Fees**

Consists of fees billed for professional services rendered for the audit of our financial statements and review of interim consolidated financial statements included in quarterly reports and services that are normally provided by the principal accountants in connection with statutory and regulatory filings or engagements.

**Audit Related Fees**

Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees .

**Tax Fees**

Consists of fees billed for professional services for tax compliance, tax advice and tax planning. These services include preparation of federal and state income tax returns.

**All Other Fees**

Consists of fees for product and services other than the services reported above.

**Pre-Approval Policies and Procedures**

Prior to engaging its accountants to perform a particular service, the Company's Board of Directors obtains an estimate for the service to be performed. All of the services described above were approved by the Board of Directors in accordance with its procedures



PART IV

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

The following documents are filed as part of this Report:

- a. Financial Statements: The financial statements listed in the Table of Contents to the Consolidated Financial Statements are filed as part of this report.
- b. Financial Statement Schedules All schedules have been included in the Consolidated Financial Statements or Notes thereto.
- c. Exhibits

<b>Exhibit No.</b>	<b>Description of Document</b>
3(i)(a)	Articles of Incorporation of the Registrant(1)
3(i)(b)	Certificate of Amendment to Articles of Incorporation of the Registrant(1)
3(i)(c)	Articles of Incorporation of International Power Group de Mexico (1)
3(ii)	By-Laws of the Registrant (1)
4.1	2005 Stock option Plan(2)
10.1	Contract with NAANOVO Energy USA(1)
10.2	Contract with Providence Financial(1)
10.3	Contract with Anthony Crisci, Esq.(3)
10.4	Letter of Engagement with Fran Tech International Licensing(3)
10.5	Contract with CVI(3)
10.6	October 24, 2005 Insurance, Brokerage and related Consulting Services Agreement with Marsh USA, Inc.(4)
10.7	November 7, 2005 Conditional Joint Venture and Warrant Agreement with NAANOVO International Free Zone, N.V.(5)
10.8	Kingdom of Saudi Arabia license (6)
10.9	Joint Venture Agreement among the Company, Sistemas Ecologicos Para La Proteccion Ambiental S.A. DE C.V. and Mario Salguero Rossainzz dated as of November 9, 2006 (7)
	<u>Desert Blue Memorandum of Understanding (English Translation)</u> (8)
99.1	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)(9)
31.2	

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Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)(9)

32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, (18 U.S.C. 1350)(9)

32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, (18 U.S.C. 1350)(9)

(1) Incorporated by reference to the Company's Form 10-SB as filed with the Securities Exchange Commission on July 19, 2005.

(2) Incorporated by reference to the Company's Form 10-QSB as filed with the Securities Exchange Commission on November 21, 2005.

(3) Incorporated by reference to the Company's Form 10-SB/A as filed with the Securities Exchange Commission on August 24, 2005.

(4) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K as filed with the Securities Exchange Commission on October 27, 2005.

(5) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K as filed with the Securities Exchange Commission on November 7, 2005.

(6) Incorporated by reference to Exhibit 10.8 to the Company's Form 10-SB/A6 as filed with the Securities and Exchange Commissions on September 18, 2006.

(7) Incorporated by reference to Exhibit 10.1 in the Company Form 8-K filed with the Securities and Exchange Commission on November 17, 2006.

(8) ) Incorporated by reference to Exhibit 99.1 to the Company's Form 8-K as filed with the Securities Exchange Commission on October 2, 2007

(9) Filed herewith

**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 on the 15<sup>st</sup> . day of April 2008.

**International Power Group, Ltd.**

*/s/ Peter Toscano*

Name: Peter Toscano

Title: Chairman and Chief Executive Officer

(Principal Executive Officer)

**Exhibit 31.1**

**CERTIFICATION**

I, Peter Toscano, certify that:

1. I have reviewed this annual report on Form 10-K of International Power Group, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially

affected, or is reasonable likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

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

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

Date: April 15, 2008

*/s/ Peter Toscano*

Peter Toscano

(Chief Executive Officer, and Chairman of the Board of Directors)

(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION**

I, Robert Astore certify that:

1. I have reviewed this annual report on Form 10-K of International Power Group, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

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

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

Date: April 15, 2008

/s/Robert Astore  
Robert Astore  
( Principal Financial Officer )

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADDED BY**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of International Power Group, Ltd. (the Company ) on Form 10-K for the year ended December 31, 2007 as filed with the Securities and Exchange Commission (the Report ), I, Amro Albanna, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: April 15, 2008

By: /s/ Peter Toscano

Peter Toscano

Chief Executive Officer



**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADDED BY**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of International Power Group, Ltd , (the Company ) on Form 10-K for the period ended December 31, 2007 as filed with the Securities and Exchange Commission (the Report ), I, Albert Cervantes, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the report.

Date: April 15, 2008

By: /s/ Robert Astore

Robert Astore

Chief Financial Officer

(Principal Accounting Officer)