ARROW RESOURCES DEVELOPMENT INC
Form 10KSB/A
June 26, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB/A

(Mark One)

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

For the fiscal year ended December 31, 2007

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (No fee required)**

For the transition period from__________ to__________

Commission file number l-9224

Arrow Resources Development, Inc.
(Name of Small Business Issuer in Its Charter)

DELAWARE	**56-2346563**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

Carnegie Hall Tower, 152 W. 57th Street, 27th Floor, New York, NY 10019
(Address of Principal Executive Offices) (Zip Code)

212-262-2300
(Issuer's Telephone Number, including Area Code)

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

Title of Each Class	**Name of Each Exchange on Which Registered**
Common stock - par value $0.00001	OTC: Bulletin Board

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

---

(Title of Class)

(Title of Class)

Check whether the issuer; (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB o

Issuer's revenues for 2007, its most recent fiscal year, were $0 from continuing operations.

The number of freely tradable shares not held by affiliates is 17,254,089.

As of April 10, 2008, the aggregate market value of voting stock held by non-affiliates of the Issuer was approximately $1,035,245.

The number of shares outstanding of each of the issuer's classes of common equity, as of April 10, 2008 are as follows:

Class	Outstanding at April 10, 2008
Common stock - par value $0.00001	649,743,240

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

This amendment on Form 10-KSB/A (the “Form 10-KSB/A”) amends our annual report for the fiscal year ended December 31, 2007 originally filed with the Securities and Exchange Commission (“SEC”) on April 15, 2008 (the “Form 10-KSB”). Primarily, we are filing this amendment to clarify the description and affect of certain litigation in which we are engaged as described in Part I, Item 1, Description of Business, Legal, paragraph 2; Part I, Item 3, Legal Proceedings, paragraph 2; Part II, Item 7, Financial Statements, Report of Independent Registered Public Accounting Firm and Notes to the Consolidated Financial Statements, Note 11, Paragraph [3], Litigation – Predecessor Entity, paragraph 2; Part II, Item 8A, Controls and Procedures, Evaluation of Disclosure Controls and Procedures; and Part II, Item 8A, Controls and Procedures, Management's Report on Internal Control Over Financial Reporting, paragraph 6.

No attempt has been made in this Form 10-KSB/A to modify or update disclosures in the Form 10-KSB, except with regard to the specific subsections mentioned below. This Form 10-KSB/A does not reflect events occurring after the filing of the Form 10-KSB or modify or update any related disclosures, except with regard to the specific subsections mentioned below. Information not affected by the amendment is unchanged and reflects the disclosure made at the time of the filing of the Form 10-KSB with the SEC. Accordingly, this Form 10-KSB/A should be read in conjunction with the Form 10-KSB and our filings made with the SEC subsequent to the filing of the Form 10-KSB, including any amendments to those filings.

In accordance with Rule 12b-15 promulgated under the Securities and Exchange Act of 1934, the complete texts of Part I, Item 1; Part I, Item 3; and Part II, Item 7 are set forth herein, including those portions of the text that have not been amended from that set forth in the Form 10-KSB. The only changes to the text from the Form 10-KSB are as follows:

Part I, Item 1. Description of Business, Legal, second paragraph now reads a follows:

In May 2006, the Company was advised that it was alleged to be in default of a settlement agreement entered into in January of 2005 by CNE, its predecessor company, related to the release of unrestricted, freely-tradable, non-legend shares of stock. In August 2006, the plaintiffs, alleging the default, obtained a judgment in the 17th Judicial Circuit Court Broward County, Florida for approximately $1,000,000. On November 13, 2007, legal counsel engaged by Management commenced an action on the Company’s behalf in the above Circuit Court seeking to vacate and set aside the 2006 judgment asserting claims under Rule 1.540(b) of the Florida Rules of Civil Procedure. Our counsel’s evaluation is that the Company has only a limited chance of having the 2006 judgment opened by the Court because Florida law provides very narrow grounds for opening a judgment once a year has passed from its entry. The Courts are generally reluctant to disturb final judgments and the Company’s grounds for opening the judgment depend on the Court’s adopting a somewhat novel argument regarding such matters. If, however, the Court does open the default judgment, the Company will then have the opportunity to defend the 2006 action and, in such event, our counsel believes that the Company has a reasonable chance of succeeding in defending that claim, at least in part, based on the documents he has reviewed. As of December 31, 2007, the Company has accrued $1,053,385 related to this matter.

Part I, Item 3, Legal Proceedings, second paragraph now reads a follows:

In May 2006, the Company was advised that it was alleged to be in default of a settlement agreement entered into in January of 2005 by CNE, its predecessor company, related to the release of unrestricted, freely-tradable, non-legend shares of stock. In August 2006, the plaintiffs, alleging the default, obtained a judgment in the 17th Judicial Circuit Court Broward County, Florida for approximately $1,000,000. On November 13, 2007, legal counsel engaged by Management commenced an action on the Company’s behalf in the above Circuit Court seeking to vacate and set aside the 2006 judgment asserting claims under Rule 1.540(b) of the Florida Rules of Civil Procedure. Our counsel’s evaluation is that the Company has only a limited chance of having the 2006 judgment opened by the Court because Florida law provides very narrow grounds for opening a judgment once a year has passed from its entry. The Courts are generally reluctant to disturb final judgments and the Company's grounds for opening the judgment depend on the Court's adopting a somewhat novel argument regarding such matters. If, however, the Court does open the default judgment, the Company will then have the opportunity to defend the 2006 action and, in such event, our counsel believes that the Company has a reasonable chance of succeeding in defending that claim, at least in part, based on the documents he has reviewed. As of December 31, 2007, the Company has accrued $1,053,385 related to this matter.

Part II, Item 7, Financial Statements, Notes to the Consolidated Financial Statements, Note 11, Paragraph [3], Litigation – Predecessor Entity, second paragraph now reads a follows:

In May 2006, the Company was advised that it was alleged to be in default of a settlement agreement entered into in January of 2005 by CNE, its predecessor company, related to the release of unrestricted, freely-tradable, non-legend shares of stock. In August 2006, the plaintiffs, alleging the default, obtained a judgment in the 17th Judicial Circuit Court Broward County, Florida for approximately $1,000,000. On November 13, 2007, legal counsel engaged by Management commenced an action on the Company's behalf in the above Circuit Court seeking to vacate and set aside the 2006 judgment asserting claims under Rule 1.540(b) of the Florida Rules of Civil Procedure. Our counsel's evaluation is that the Company has only a limited chance of having the 2006 judgment opened by the Court because Florida law provides very narrow grounds for opening a judgment once a year has passed from its entry. The Courts are generally reluctant to disturb final judgments and the Company's grounds for opening the judgment depend on the Court's adopting a somewhat novel argument regarding such matters. If, however, the Court does open the default judgment, the Company will then have the opportunity to defend the 2006 action and, in such event, our counsel believes that the Company has a reasonable chance of succeeding in defending that claim, at least in part, based on the documents he has reviewed. As of December 31, 2007, the Company has accrued $1,053,385 related to this matter.

Part II, Item 7, Financial Statements, Report of Independent Registered Public Accounting Firm, a fourth and fifth paragraph have now been added that read a follows:

As discussed in Note 12 to the financial statements, an error was made in the Company's originally issued financial statements for the year ended December 31, 2007 concerning the presentation and disclosure of a legal judgment in the amount of approximately $1,000,000 obtained by the predecessor entity shareholder. The financial statements for that period did not include an accrual of a liability for this matter of $1,053,385 at December 31, 2007.

Correction of the aforementioned presentation and disclosure of the legal judgment has resulted in a recording of an estimated liability for the legal judgment of $1,053,385 at December 31, 2007 and a corresponding loss on that legal judgment for the year then ended in the same amount. In addition, the correction has also resulted in an increase in net loss for the year ended December 31, 2007 and for the period from inception (November 15, 2005 to December 31, 2007), as well as an increase in the accumulated deficit, and an increase in stockholders deficit at December 31, 2007 of $1,053,385. Finally, the disclosures related to the judgment have been enhanced from those as described in the original footnote.

Part II, Item 7, Financial Statements, Report of Independent Registered Public Accounting Firm, the signature now reads a follows:

KBL, LLP Certified Public Accountants

April 15, 2008, except for the effects of financial statement restatements described in Notes 11[3] and 12, as to which the dates are May 20, 2008, concerning the presentation and disclosure of a legal judgment obtained by the predecessor entity shareholder.

Part II, Item 8A. Controls and Procedures, Evaluation of Disclosure Controls and Procedures now reads a follows:

The Company's Chief Executive Officer and acting Chief Financial Officer, who is the same person, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the fiscal period ending December 31, 2007 covered by this amended Annual Report on Form 10-KSB/A. Based upon such evaluation, the Chief Executive Officer and acting Chief Financial Officer has concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act. As a result of the ineffectiveness of our controls, a description of a litigation in which the Company is a party was not accurately described in the Company's Form 10-KSB/A filed on April 15, 2008. In addition, the Company's financial statements contained therein did not reflect a reserve relating to a judgment against the Company in this litigation. The Company is currently in the process of evaluating its options to fix the deficiency in internal controls.

This amended annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this amended Annual Report on Form 10-KSB/A.

PART I

Item 1. Description of Business.

Arrow Resources Development, Inc. (“Arrow”) was incorporated under the laws of the State of Delaware in 1968. Unless the context requires otherwise, the term “Company,” “our,” or “we” refers to Arrow Resources Development, Inc.

GENERAL

The principal business of Arrow is to provide marketing, sales, distribution, corporate operations and corporate finance services for the commercial exploitation of natural resources around the world.

Our temporary corporate executive offices are located at Carnegie Hall Tower, 152 W. 57th Street, 27th Floor, New York, NY 10019 (212-262-2300) and our web site is www.arrowrd.com.

INTRODUCTION

We used to be a telecommunications and recruiting company formally known as CNE Group, Inc. We changed our name to Arrow Resources Development, Inc. on or around December 1, 2005. The Company elected to shift its business focus from telecommunications and recruiting to the worldwide commercial exploitation of natural resources.

Arrow Resources Development Inc. (herein “ARD,” “Arrow Inc.” or “the Company”) was established, in 2005, to serve as the corporate finance and management infrastructure developer for large scale plantation/farming operations and ethanol plants in Indonesia. These projects are first and foremost environmental restorations and social engineering projects, being done in cooperation with the central and local governments of Indonesia, in partnership with Gerakan Masyarakat Pelestari Lingkungan Hidup (GMPLH), the largest nonprofit organization in Indonesia, as well a group of Indonesian joint venture partners that includes Arrow Pacific Resources Group Limited; a British Virgin Islands registered company, PT Wika Realty Inc. an Indonesian publicly traded construction and land development company and PT Mitrasarana Infrakomindo, a public pension manager and natural resource development company. The government of Indonesia has declared that 55,000,000 hectares (approximately 6% of the country) to be “critical land”. Critical land is classified as land that has been illegally harvested over last 50 years by approximately 25 million local “farmers” who earn their living by cutting old-growth trees for their own use or for sale, at a fraction of its value to local lumber companies. The goal of the Arrow development team is to restore 3,000,000 hectares of this critical land in Indonesia through the creation of eucalyptus/corn plantations, ethanol plants, several large-scale farming (eucalyptus, corn, soy, rice, fish and chickens) operations, an oil refinery and possibly several ethanol blending plants. It is anticipated that these development will require approximately 6 - 8 years and when completed, will create approximately 200,000 local jobs, along with many small local business opportunities. Arrow has developed and maintains the corporate operating structure, financial operations, sales and marketing infrastructure and the administrative group to oversee its’ corporate citizenship programs. Arrow has outlined the necessary public relations and communications programs to sustain these rapidly growing operations. Arrow Resources, along with all of its joint venture partners, are collectively referred to in this document as "the Companies".

Arrow Pacific Resources Group Limited (herein “Arrow Pacific” or “APR”), a British Virgin Islands registered company, was founded by Hans Karundeng, an Indonesian industrialist and financier, for the purpose of developing natural resource assets controlled by his group of local Indonesian Companies that are developing plantation/farming operations and ethanol production plants in Indonesia. Mr. Karundeng is the principal stockholder of Arrow Inc., a member of the advisory board of GMPLH and a board member of several prominent Indonesian Companies. Arrow Pacific, through its local subsidiary Companies, has developed and will manage these opportunities in Indonesia.

Arrow Inc., along with its partners GMPLH and PT Eucalyptus Alam, an Indonesian registered wholly owned subsidiary of Arrow Pacific Resources Group Limited have developed a synergy of agro-biotechnology and cutting edge forestry/agricultural practices in response to the growing demand for timber and farming products. When these practices are performed in a conscientious manner, it provides humankind with one of the greatest sources for renewable and ecologically sustainable resources. Paper, dimensional lumber, fiberboard, particleboard, furniture, utensils, recreational areas, animal habitat, and clean air are some of the many benefits that will be realized through the implementation of these programs in Indonesia.

The Companies are executing their plantation/farming operating plan through the implementation of a sound land management system, promote and/or establish infrastructural development programs and provide provisions for financial, economic and social growth to the people in the development areas. It is essential for these developments to take into consideration local bio-physical environment conditions as well as the traditional and cultural beliefs of the local villagers. In conjunction with local inhabitants, the Companies have developed a plan that will maximize profits to the greatest potential of the area, while increasing employment and constantly re-evaluating their administrative and management programs. The Companies are working to achieve superior safety performance, implement reliable harvesting, replanting and farming processes, and become a leader of the industries of sustainable forestry and farming as well as leaders in the development of socially conscious and environmentally sensitive land development throughout the world.

Arrow Pacific has entered into Marketing and Distribution Agreement with Arrow Resources Development Ltd. (a Bermuda Limited Company), which is a wholly-owned subsidiary of Arrow Resources Development Inc., that provides for Arrow to receive 10% of the gross sales generated by all plantation operations from any and all derivative products (e.g. paper, pulp, chips), 5% of gross sales generated from all ethanol plants and a 50% ownership interest in all ethanol plants. Under this agreement, Arrow acts as collection and disbursement consultant and agent for all operations. In the case of each plantation, Arrow collects all gross revenue from all customers, retains 10% and disburses the remaining 90% to Arrow Pacific's various business units which becomes their gross revenues. In the case of the ethanol plants, Arrow collects all gross revenue from all customers, retains 5%, disburses all expensive tool suppliers and labor and develops audited accounting to determine operating income for distribution on a 50-50 basis. The Companies' Asian offices are in Singapore, Jakarta and Kendari Indonesia and satellite offices at each plantation or plant location. The following is a brief description of these transactions and relationships.

THE COMPANIES

Arrow Pacific, through its Indonesian operating division, PT Tiga Daun Nusantara (a locally registered Sulawesi company) is the principal operating company for the initial plantation and ethanol plant location in Tenggara, Sulawesi. Gerakan Masyarakat Pelestari Lingkungan Hidup (GMPLH), a large nonprofit organization based in Indonesia, for the development of a plantation/farming operation that will include 3 million hectares (ha) on the islands of Kalimantan and Sulawesi in Indonesia. PT Wika Realty Inc. and Indonesian publicly traded construction and land development company and PT Mitrasarana Infrakomindo, a public pension manager and natural resource development company.

This program of reforestation is built around the development of eucalyptus and corn plantations, the development of ethanol plants as well as farming operations designed to create a sustainable forestry and agricultural program. This program will include local subsistence farming operations at each plantation for the purpose of increasing and sustaining the income for local farmers. Through the development these subsistence farms, which will be funded by revenue from the programs, thousands of local farmers will plant and manage corn, rice and soybean crops for local consumption and national distribution as well as fish farms and chicken farms for local consumption and sale throughout the country.

4

Arrow Pacific and all its subsidiary Companies in Indonesia, along with GMPLH, have executed Agency Agreements in August 2006 with Arrow Resources Development Ltd. (the Bermuda registered wholly-owned subsidiary of our Resource Development Inc. herein referred to as "Arrow Ltd.") providing that the Company will advise the Companies on matters related to structured corporate finance, financial administration, corporate management practice, marketing and distribution and infrastructure. The Agency Agreements are for a term of 99 years while granting the Company 10% of gross revenue.

PT Tiga Daun Nusantara, a wholly owned subsidiary of Arrow Pacific Resources Group Limited, has opened its research and development office in Ujung Pandang for the purpose of developing genetically engineered eucalyptus tree saplings. PT Tiga Daun Nusantara the first research and development office will provide the genetically engineered eucalyptus tree saplings to be at initial plantation/farming sites. By synthesizing aspects of American-style forestry and agricultural practices with these new advances in bio-engineering, the Company's methodology produces a significant increase in both quantity and quality of tree production, corn, rice and soy production. The accelerated growth cycle, for the eucalyptus trees, produced by these processes yield a continually renewable timber resource. Ujung Pandang, also known as Makassar, is the provincial capital of South Sulawesi, Indonesia. It is anticipated that this facility will be fully operational no later than December 31 st , 2008.

The Companies are poised to capitalize on the increasing demand for the raw material for the manufacture of paper, timber products, the company's agricultural products and the demand for ethanol in the local market and all the regional developing international markets, most notably China, where rising standards of living have created a demand for larger quantities of printed material, packaging, personal care paper products, industrial paper supplies, corn, rice, soy and the production of energy such as ethanol. The proximity of the Companies operations to these local and principal markets enables them to supply these markets in a highly competitive manner due to significantly reduce transportation costs.

The Companies have two significant timing factors that enhance their competitive advantage for the production of eucalyptus. The first of these factors is the application of newly developed agro-biotechnology. The growth cycle of the eucalyptus trees in the Companies plantation areas is significantly faster than those of its competitors; 3 to 4 years, as opposed to a typical 10 to 12 years on average. The technology also offers several other biological advantages. The bio-engineered trees are more resistant to adverse weather and infestation, more successful at growing in poor soil and are able to sustain growth without the use of any toxic agro-chemicals. Several other lumbering operations in the Pacific have been heavily scrutinized in the past for their heavy use of such environmentally-degrading chemicals. The second factor is the proximity of the operations to the equator. This unique geographical position provides a growing season that lasts a full 12 months of each year, in comparison to the 7 to 8 month seasons of many of its competitors.

These significant advantages are also applicable to the production of the company's agricultural products, most notably corn. The climate and rainfall enable the growth of 2.5 crops of corn annually. This significant increase in land usage lowers cost of the raw material and increases productivity while reducing storage requirements and the amortization of fixed expenses associated with a single crop

The Companies understand that any large-scale timber and agricultural operation faces environmental and wildlife conservation concerns. In the interest of good corporate citizenship, a plan has been developed to ensure that all operations are sensitive to the environmental and ecological importance of transforming the critical land into a sustainable and renewable timber resource in a responsible manner. The Companies have consulted with their joint-venture partners GMPLH, to develop socially sensitive and environmentally friendly programs for developing these sustainable resources and large-scale farming operations. The Companies have also assembled its own local team of highly qualified scientists, bio-engineers and environmentalists for the development of its technology Center. This team has also examined methods proposed to establish a preserve for the relocation of wildlife, the preservation of biodiversity, the investigation of potential medical benefit and the replanting of several noble species.

On or around August 1, 2005, Arrow Pacific Resources (s) Pte. Ltd. (“Arrow Pte.”) entered into a Marketing and Distribution Agreement with Arrow Resources Development Ltd. (“Arrow Ltd.”) (a Bermuda Limited Company), which is a wholly-owned subsidiary of Arrow, that provided for both Companies to receive 10% of the gross sales generated by all plantation and mining operations and any and all derivative products (e.g. paper, pulp, chips). Under this agreement, Arrow was to act as collection and disbursement consultant and agent for all operations. Arrow was to collect all gross revenue from all customers, retain 10% and disburse the remaining 90% to APR’s various business units which was to become their gross revenues.

The World Bank and World Wildlife Federation have adopted forest management guidelines to ensure economic, social and environmental benefits from timber and non-timber products and the environmental services provided by forests. Most countries, including Indonesia as of 2007, have adopted these guidelines as law in order to promote economical development while combating the ongoing crisis of worldwide deforestation.

It has always been the policy of Arrow Pte to follow the international guidelines for the harvesting of timber in virgin forests. In December 2007, Arrow Pte. assessed that it would be unable to harvest the timber products in Papua, New Guinea due to the fact that the widely accepted international guidelines of the World Wildlife Federation had not been adopted by Papua, New Guinea. This fact is adverse to the economic, social and environmental goals of Arrow Pte. because with the amount of land that the project was allotted combined with the agreed upon previous guidelines of the marketing and distribution agreement, yields would be significantly reduced. Given the significant change in the economics of the harvesting of the timber in Papua, New Guinea, Arrow Pte. has decided not to pursue any further operations in Papua, New Guinea given that the above restrictions cause a significant reduction in the volume of harvesting, which results in a disproportionate cost to yield ration at the Papua, New Guinea site which makes the project not economically feasible in the foreseeable future.

Based on the fact that Arrow Pte. is unable to fulfill their part of the agreement, the Company has reached the conclusion that the marketing and distribution agreement has no value. Therefore, the Company has fully impaired the value of the agreement and recorded a loss on write-off of the marketing and distribution agreement of $125,000,000 at December 31, 2007.

In April of 2006, Arrow Ltd. entered into an agency agreement with APR to provide marketing and distribution services for timber resource products. Arrow Ltd. currently has an exclusive marketing and sales agreement with APR to market lumber and related products from land leased by GMPLH located in Indonesia which is operated by APR and its subsidiaries. Under the agreement Arrow Ltd. will receive a commission of 10% of gross sales derived from lumber and related products.

The companies' Asian offices are in Singapore, Jakarta and Kendari Indonesia and their plantation/farming activities are in Indonesia. Hans Karundeng is a director of the nonprofit organization GMPLH and is the principal stockholder of Arrow, the principal stockholder on APR and principal stockholder of all the Indonesian registered companies.

Through APR's eucalyptus plantations in Indonesia, we are poised to capitalize on the increasing demand for paper and timber products in developing international markets, most notably Asia, where rising standards of living have created a demand for larger quantities of printed material, packaging, personal care paper products, and industrial paper supplies. The proximity of APR's operations to this principal Asian market enables APR to supply that market in a competitive manner.

THE ARROW COMPANIES - GENERAL

Arrow, as part of the Management Agreement, has built and maintains all of the companies' corporate finance activities, corporate operations structure, financial management activities, international banking activities, supervision of all accounting and auditing activities, corporate research and development activities, maintenance of the companies' global MIS, direction of all marketing and sales activities and all the general administrative functions. Arrow has also developed and maintained the companies' scientific advisory team and corporate citizenship programs. Additionally, the Company supervises all legal and accounting activities necessary to retain its public listing.

APR, with its joint-venture partners, conducts all of the on-the-ground, day-to-day plantation operations, all infrastructural development operations and all shipping operations as they relate to the overall plan. APR is led by a team of highly qualified professionals with experience in the fields of plantation management, agro-law, material science and analysis, agriculture, and forestry. The team has contracted with necessary labor, heavy equipment suppliers, transportation coordinators and shipping equipment. Several members of the team hold close affiliations with organizations such as the Timber Association of Sabah, the National Sub-committee on Fiscal Incentives of Forest Plantations in Malaysia and the Scientific and Technical Committee of The Association Technique Internationale des Bois Tepicaux.

GMPLH is one of the largest non-profit organizations in Indonesia. Founded by an Indonesian group which included H. Moerdani, the organization's current managing director, and Hans Karundeng, GMPLH is an educational organization that acts as project developer, fundraiser, and project expeditor for agricultural and environmental projects throughout Indonesia and the Asian-Pacific basin. Since its inception in 1993, GMPLH has sponsored and completed more than 25 large-scale agricultural and educational projects resulting in the planting of more than 600 million trees throughout Indonesia. GMPLH has been initially granted land licenses by the Indonesian government for more than 1.8 million hectares (ha) (3.75 million acres) for a program that will ultimately include 3 million ha as part of large-scale reforestation and farming efforts.

P.T. Eucalyptus is an Indonesian registered company owned by Hans Karundeng. This company is the Indonesian operating company that is the interface between GMPLH and all of the operating units and joint venture partners. P.T. Eucalyptus is responsible for the supervision of the planning of all harvesting, land preparation, and the planning of both the eucalyptus tree plantations and a large-scale agricultural operation. The Ministry Of Forests in Indonesia requires that local companies receiving operating licenses for operations on each island. The local companies that will hold the licenses that P.T. Eucalyptus has formed are PT Nusa Alam Sejahtera, PT Sumbur Utama Alam, PT Tiga Daun Nusantara and PT Tunas Hamparan Hijau.

Arrow Pte. owns and operates natural resource companies throughout the Asian Pacific market. Arrow Pte. is led by a team of professionals with experience in agriculture and forestry. The team handles all of the on-the-ground and day-to-day plantation operations, all infrastructural development operations and all shipping operations as they relate to the overall plan for the development. The team has contracted with necessary labor, heavy equipment suppliers, transportation coordinators and shipping equipment.

INDUSTRY

The planet's consumption of forestry products has more than doubled over the last 30 years as global population continues to grow. The increased demand for forestry products has also led to the need for increased protection of forests and wildlife, and a more public participation in forestry management. The demand for imported raw material for China's low-cost timber manufacturing industries is increasing sharply and establishing a more expansive market for international suppliers. The forestry community in the Asia-Pacific region, where the Companies' plantation will be located, possesses an advantage in the industry of greater periods of harvesting and re-growth in comparison to other countries that experience periods of dormancy. This is primarily caused by adverse weather and seasonal conditions.

This enables growers in the region to cope with the ever shifting goals and expectations associated with the rapid evolution of social, economic and environmental issues that impact policies, legislation, and institutions. The increase in demand was rapidly exploited in many areas by timbering operations that stripped forests bare with no regard for their environmental damage, or replenishing the timber resources being consumed. This mercenary behavior was responded to with strict and immediate regulation and monitoring of the industry by government environmental agencies and consumer advocacy groups on lumbering operations worldwide. Despite the increase in demand, the shortage of suppliers who are able to meet environmental standards has caused the forestry industry to shrink by an estimated 9.4 million ha per annum.

The forestry industry involves harvesting, silviculture (the growing and cultivation of trees), milling, value-added processing and manufacturing. Globally, the industry is being pressured from many directions. Governments have attempted to improve the forestry industry with privatizing measures, which transfer the property rights through the sale of natural forests or planned forests. Only a limited number of countries were involved in this practice in the 1970s and 1980s, and among them were Chile and China. In New Zealand, privatization began in the late 1980s with the sale of 550,000 ha and in 2000, was shown to have 94% of planted forests owned privately. Between 2000 and 2002, South Africa saw the benefits of this system and estimated that 90,000 ha became privatized. Privatization typically consists of the management of natural forest concessions or leases, volume permits or standing timber sales, outsourcing and community-based approaches. Global paper consumption trends continue to edge higher, confirming its utility as a low cost, high- performance and flexible material. Paper has been labeled by many as "essential" for development and modern living. Global consumption has increased by at least 25% during the 20th century and by a factor of three in the last three decades alone.

The Asian demand for timber and pulp supply has increased due to the rapid expansion of its economy and one of the largest population densities. These increases have led also to the increase in usage of computers requiring more printing paper, higher living standards, and the usage of more books, magazines and packing boxes. These same factors also drive the increased demand for Eucalyptus Oil, which China uses over 70% of the world's production, and is projected to increase as well as the demand for the wood chips, which is one of the principal ingredients for manufacturing chipboard. Many experts believe China's demand for such material will continue for the next 30 years.

The international market's demand for timber derivative products continues to rise as economic factors drive the consumption of such goods forward. Household production levels directly impact the consumption levels of chipboards. A nationwide study in China determined 80% of the finished products available to the market are developed in household processing level mills which cannot meet the market demand. The insufficient rate in correlation with the high demand for timber raw material is so great that outside sources need to be employed. Aside from the growing demand for corn products in the Asian market, Indonesia is currently importing 1.5 million metric tons of corn annually to sustain its ever-growing production of ethanol and demand for animal feed products.

OPERATING MODEL

The Companies have developed a synergy of agro-biotechnology and cutting edge forestry/agricultural practices in response to the growing demand for timber and farming products. When these practices are performed in a conscientious manner, it provides humankind with one of the greatest sources for renewable and ecologically sustainable energy. Paper, dimensional lumber, fiberboard, particleboard, furniture, utensils, hydrocarbon fuel, recreational areas, animal habitat, and clean air are some of the many benefits of the world's forests.

The Companies will execute their plantation/farming operating plan through the implementation of a sound land management system, promote and/or establish infrastructural development programs and provide provisions for financial, economic and social growth to the people in the development areas. It is essential for the development to take into consideration local bio-physical environment conditions as well as the traditional and cultural beliefs of the local villagers. In conjunction with local inhabitants, the Companies have developed a plan that will maximize profits to the greatest potential of the area, while increasing employment and constantly re-examining their administrative and management programs. The Companies will work to achieve superior safety performance, implement reliable harvesting, replanting and farming processes, and become a leader of the industries of sustainable forestry and farming as well as leaders in the development of socially conscious and environmentally sensitive land development throughout the world.

The Companies believe the effectiveness of any forest management system hinges on the accuracy of obtaining pre-development information. They have commissioned qualified and highly experienced foresters, surveyors and enumerators to conduct surveys that will map out the harvestable area before the commencement of development activities. The data obtained from these surveys will provide a framework for the development of the infrastructure of the plantations. Local inhabitants will be employed to operate the plantation/farming operations as laborers and managers. There will also be teams of trainee plantation employees, field doctors, security personnel, cooks and other basic labor to support the large scale of operations being undertaken.

Possessing a strong commitment to responsible environmental management practices, the Companies will continuously monitor and improve the environmental outcomes of its operations. In the interest of good corporate citizenship, a plan has been developed to ensure that all operations are sensitive to the environmental and ecological importance of transforming the virgin forests territories into a sustainable and renewable timber resource in a responsible manner. The Companies have consulted with the scientific and environmental communities regarding the establishment of a preserve for the relocation of wildlife, the preservation of biodiversity, the investigation of potential medical benefits and the replanting of several noble species.

APR plans to construct a large number of roads to connect the project areas with the proposed factory area, harbor, camp site, local inhabitant living areas, and other major sites that require transportation to and from on a frequent basis. Throughout this phase, inventory and tree marking will take place. The data obtained from these surveys will provide a framework for the development of the infrastructure of the plantations. Local inhabitants will be employed to participate in the operations of the plantation and, in some cases as specialized loggers. There will also be teams of back-up plantation employees, field doctors, security personnel, cooks and other basic labor to support the large scale of operations being undertaken. In conjunction with the local inhabitants, equipment specialists, as well as labor force specialist from Indonesia and Singapore, APR has developed a fully operational on-the-ground team ready to begin the first phase.

The near-equatorial position of Indonesia ensures a good supply of rainwater for the tree crops year-round with little or no seasonal change, aiding in maintaining the consistent growth cycle of only 3-4 years. The specific location of the government granted timberland concessions in Indonesia enables the trees to grow with minimal interference from open-ocean earthquakes and large storms. The concessions are protected from such conditions by the large islands, which act as barriers at sea. Thus, the timberlands are all located in the areas most conducive to growth, maintenance, transportation, and sale. The areas of Southeast Asia allow eucalyptus tree and farming production to thrive due to the steady weather patterns and no real winter season.

PRODUCTS

The forestland that will be the site of APR's plantation in Indonesia are lands that have been classified by the government as "critical land" meaning land that has been partially harvested illegally during the past 50 years and the Companies have commissioned physical surveys on the target sites. The majority of the noble species and selected hardwoods have been removed by illegal logging during the past half-century. The general composition of the remaining species included on the development sites are primarily whole new growth bushes, heavy brush and some small little grove saplings which all are somewhat suitable for the manufacture of paper and paper products.

Due to the fact that all of the plantation and plant sites are considered "critical land," the Companies have commissioned physical surveys on the target sites. The majority of the noble species and selected hardwoods have been removed by illegal logging during the past half-century. The general composition of the remaining species included on the development sites are primarily whole new growth bushes, heavy brush and some small little grove saplings which all are somewhat suitable for the manufacture of paper and paper products.

The current raw materials that are being used for the manufacture of paper include peelable logs, woodchips and pulp. Raw lumber stock (peel-able logs) for the production of woodchips (the first step in the production of paper) is currently selling at $80 per cubic meter, which shows an increase of 7% in the last year. Pulp prices (the second step in the production of paper) are rapidly rising and have increased by more then $15 per ton in the last year alone. As of May 2006, the average market price for pulp was $405 per ton. Paper prices have also been rising at approximately the same rate, and raw paper is currently being sold ranging from $3,000 to $6,000 per ton, depending on its grade.

LEGAL

The Company is a party to a lawsuit where the plaintiff is alleging that he is entitled to $60,000 and 1,300,000 of common stock based upon CNE's failure to compensate him for services related to identifying financing for CNE, based upon an agreement that was entered into between CNE and the plaintiff in April 2005. On November 28, 2007, the Company settled the lawsuit with the plaintiff. In full and final settlement of the claims asserted in the action, the Company has paid the plaintiff $10,000 in cash and issued the plaintiff 200,000 shares of the Company's common stock on December 21, 2007.

In May 2006, the Company was advised that it was alleged to be in default of a settlement agreement entered into in January of 2005 by CNE, its predecessor company, related to the release of unrestricted, freely-tradable, non-legend shares of stock. In August 2006, the plaintiffs, alleging the default, obtained a judgment in the 17th Judicial Circuit Court Broward County, Florida for approximately $1,000,000. On November 13, 2007, legal counsel engaged by Management commenced an action on the Company's behalf in the above Circuit Court seeking to vacate and set aside the 2006 judgment asserting claims under Rule 1.540(b) of the Florida Rules of Civil Procedure. Our counsel's evaluation is that the Company has only a limited chance of having the 2006 judgment opened by the Court because Florida law provides very narrow grounds for opening a judgment once a year has passed from its entry. The Courts are generally reluctant to disturb final judgments and the Company's grounds for opening the judgment depend on the Court's adopting a somewhat novel argument regarding such matters. If, however, the Court does open the default judgment, the Company will then have the opportunity to defend the 2006 action and, in such event, our counsel believes that the Company has a reasonable chance of succeeding in defending that claim, at least in part, based on the documents he has reviewed. As of December 31, 2007, the Company has accrued $1,053,385 related to this matter.

HUMAN RESOURCES

As of December 31, 2007, our workforce consists of consultants. The majority of our consultants are professional, technical or administrative personnel who possess training and experience in finance, information management, and business management. We have no union contracts. We believe that our relations with our consultants are satisfactory. In addition we rely on the personnel of APR, described below.

APR has already assembled the necessary senior management and field operations personnel required to initiate the project. The initial senior staff of APR and its supporting clerical personnel are sufficient for operations in the first five years. The initial senior management and field operations personnel of APR is sufficient for operations for at least three years. During the initial three-year period, APR will conduct an executive search for additional field operations personnel and eventually the requisite personnel for the operation of the paper mill. APR will be responsible for staffing field and production operations.

Since the projects in Indonesia are first an foremost an environmental restorations and social engineering projects, the emphasis is on maximizing the use of local labor and job creation. APR is developing its technical/agricultural production center on Sulawesi Island which is staffed by highly qualified Indonesian based professionals. All manual operations will employ local resident farmers and their families and all hiring will be coordinated by GMPLH. This approach is designed to reengineer large-scale farming communities and redeveloped long-term farming infrastructure.

The companies have assembled, through their joint venture partners the necessary senior management and field operations personnel required to initiate the project. The initial senior staff, and its supporting clerical personnel are sufficient for operations in the first five years. The initial senior management and field operations personnel are sufficient for operations for approximately two years. During the initial two-year period, a human resource acquisition and benefits program will be completed and structured to grow as the projects grow.

10

Since the health of the workers is not only based on physical conditions, special attention also must be paid to safety, adequate standards of comfort, sanitation, nutrition and general welfare. Adequate training, which is appropriate for job requirements and satisfactory working conditions, is viewed by the companies as a primary and effective motivator since these considerations not only contribute to improved safety, but they also contribute to improved efficiency. Plantation/farming projects normally place a high priority on landowners' participation in resource development and give employment preference to landowners whose dedication reflects the investment they have in the success of their local economies.

Training personnel will be required to maintain the highest level of safety for the workers and the environment. The workers will receive training to identify various tree species, measurement of trees, quality criteria for harvestable trees and field organization for the pre-harvesting inventory. Training programs for harvesting crews will consist of harvesting safety, proper cutting and directional felling techniques, maintenance of chainsaw and chain sharpening, field organization of harvesting activity, use of tree location maps and criteria for deciding whether or not to fell a marked tree. Practical training for extraction crews will consist of field considerations for reducing the damage to the remaining forest stand, field organization of the extraction activities, and use of tree location/extraction maps. Training programs for farm workers will include proper soil tilling methods, proper seeding techniques, fertilizer techniques and management, irrigation techniques, testing and allocations, harvesting techniques and proper use of crop rotation.

THE MARKET

We operate in the global market for companies providing marketing, distribution, and financial advisory services. As this market is broad and often served by non-public companies for whom little competitive information is available, we have provided additional information on the market in which APR operates.

Paper performs a range of core functions in the modern world. For many, it would be hard to imagine daily life without using paper, whether for communication, packaging or for hygienic and household use. The steady growth in paper consumption has confirmed its utility as a low cost, high performance and flexible material. Global consumption has increased twenty-fold during the last century, and by a factor of three in the last three decades alone. During the same period, growth rates in paper use among developing countries have doubled that of the industrialized world. This can be correlated to the overall economic growth in developing countries 5.5% to 6.4% of GDP. As a result, the developing countries' share of world paper consumption has climbed from 15% in 1980 to 25% in 1993, with projections of 31% in 2010. Average per capita consumption in the USA alone is 333 kilograms, seven times the figure for the world as a whole and double the average for the developed world.

A new global distribution of paper consumption is emerging, in which Asia is becoming increasingly dominant, driven by growth in Japan and China. In 1980, the region accounted for less than one fifth of the world's consumption of paper, today it accounts for over 30%. Asia's paper consumption is now over 80 million tones, one-fifth higher than Western Europe and soon to surpass the United States. China's per capita consumption levels have risen by a factor of five over the past two decades from approximately 20 kilograms per capita in 1975 to 225 kilograms per head in 1994. A further quintupling of Chinese paper use over the next 20 years would take consumption level over 100 million tones per annum, about a fifth larger than current US levels.

The Food and Agricultural organization of the United Nations expects long-term demand for wood products to grow at 1.2% to 1.5% per annum. Japan is currently the largest importer of hardwood woodchips, buying 18-20mt (million tons) per annum. Korea is emerging as a significant market as its demand outstrips its own domestic supply. Global paper consumption is set to rise from 54kg/capita in 2000 to 63kg/capita in 2015, largely as a result of strong growth in Asia, led by China, and Western Europe. China's consumption of paper products has jumped from 6 kg/ capita in 1980 to 30kg kg/capita and is expected to rise by about 50% to 43 kg/capita in 2010. Projections anticipate China will have the capacity to consume 20mt of woodchip per annum by 2010. China's small export of woodchip to Japan is likely to cease as domestic demand increases, turning it into a major importer of woodchip as the decade unfolds. Both consumers and paper makers show a strong preference for plantation fiber which should result in increased demand in Asia, especially China and India. Although paper is traditionally identified with reading and writing; communications have now been replaced by packaging as the single largest category of paper use. Only a small proportion is used for personal care products. Paper usage varies from country to country but overall is continuously increasing, demonstrating the importance of determining more efficient methods to supply the demand.

The overall return depends on the rate of timber growth, which in turn depends on soil types, rainfall, pest and weed control, fertilization and genetics. Timber quality is judged based on species of tree, age of the wood and climatic conditions in which the tree is grown. Price achieved will depend on the quality of the product and the relationship between the grower and the customer. For instance, a grower backed by a well capitalized company with a demonstrable ability to fulfill a long term supply agreement would be favored over smaller, less stable grower. Factors affecting costs include distance to export terminal and processing logistics, topography of plantations and expertise of shipping and/or transportation operator. Because of its proximity to the Asian market, the locations allow shipments of timber to Asia to be made within 10 to 14 days. Thus, APR can bring timber to the Asian market faster and at a higher profit than its competitors.

As mentioned above, Arrow Pte. had entered into a Marketing and Distribution Agreement with the Company for the exclusive sales and distribution of the commercial global marketing of natural resource projects, including but not limited to timber resources, derivatives from it and other natural resources for a predetermined fee of 10% of Arrow Pte.'s gross sales activity in Papua New Guinea. However, the World Bank and World Wildlife Federation have adopted forest management guidelines to ensure economic, social and environmental benefits from timber and non-timber products and the environmental services provided by forests. Most countries, including Indonesia as of 2007, have adopted these guidelines as law in order to promote economical development while combating the ongoing crisis of worldwide deforestation.

It has always been the policy of Arrow Pte to follow the international guidelines for the harvesting of timber in virgin forests. In December 2007, Arrow Pte. assessed that it would be unable to harvest the timber products in Papua, New Guinea due to the fact that the widely accepted international guidelines of the World Wildlife Federation had not been adopted by Papua, New Guinea. This fact is adverse to the economic, social and environmental goals of Arrow Pte. because with the amount of land that the project was allotted combined with the agreed upon previous guidelines of the marketing and distribution agreement, yields would be significantly reduced. Given the significant change in the economics of the harvesting of the timber in Papua, New Guinea, Arrow Pte. has decided not to pursue any further operations in Papua, New Guinea given that the above restrictions cause a significant reduction in the volume of harvesting, which results in a disproportionate cost to yield ration at the Papua, New Guinea site which makes the project not economically feasible in the foreseeable future.

Based on the fact that Arrow Pte. is unable to fulfill their part of the agreement, the Company has reached the conclusion that the marketing and distribution agreement has no value. Therefore, the Company has fully impaired the value of the agreement and recorded a loss on write-off of the marketing and distribution agreement of $125,000,000 at December 31, 2007.

Arrow Ltd. entered into an agency agreement with APR to provides marketing and distribution services for timber resource products and currently has an exclusive marketing and sales agreement with APR to market lumber and related products from land leased by GMPLH, which is operated by APR and its subsidiaries, located in Indonesia. Under the agreement Arrow Ltd. will receive a commission of 10% of gross sales derived from lumber and related products.

COMPETITION

APR principal plantation operations will be located in Indonesia in close proximity to the Asian Pacific market enabling timber to be delivered with lower shipping costs, and at higher profit. The distance for competitors to ship their products includes a much greater cost and longer shipping period. These near-equatorial locations ensures a good supply of rainwater for the tree crops, which aids in developing a consistent growth cycle of only 3-4 years. The specific location of the government granted timberland concessions, in Indonesia, enables the trees to grow with minimal interference from open-ocean earthquakes and large storms. Thus, the location of this timberland makes easier to transport and sell, and easier to maintain.

The existing forest industry is dominated by large foreign logging companies, or landowning companies.

Australia currently exports approximately 6.5 million tons of woodchips annually from ports in Tasmania, Victoria and Western Australia. Australia's stock in plantations has risen rapidly over the past decade. Estimates show 455,000 hectares of new eucalyptus plantations have been established over the past 7 years. The Australian market competitors have relatively high entrance costs and higher service fess with lower potential return. Their harvesting cycles typically take 6 years or longer and environmental risks weigh heavily on the yield.

Brazil has 400 million hectares of tropical forests, and 7 million hectares of exotic plantations comprised mainly of fast growing eucalyptus. The timber from these plantations provides raw material for charcoal, and pulp and paper production. Brazil accounts for 60% of total charcoal production although native woods are mostly used for timber production; with an annual consumption rate around 250 million cubic meters.

Chile has around 5.5 million hectares of productive native forest, mainly Nothofagus hardwood species. Timber production from native hardwood amounts to 0.35 million m^3 /year, and nearly 75% is used to produce chips for exports to Asian countries. Pine and eucalyptus plantations cover 1.8 million hectares, with an annual expansion rate of 7-10%. Pinewood accounts for 78% of total plantations; eucalyptus is growing faster and a big surplus is expected within the next decade.

All evidence points to a demand for woodchips that growing more rapidly than supply. Quality and environmental issues result in a market preference for plantation timbers. Given these conditions, woodchip prices are likely to rise in real terms over a ten year period. After analyzing the major competitors in the market it can be anticipated that the companies will capture a minimum of 4 to 5% of the market in the next ten years, making them one of the largest distributor of woodchips worldwide.

The raw timber, pulp, and paper markets which APR hopes to enter are controlled by several large and medium-sized well-established firms. These are the most dominant international timber and paper companies:

INTERNATIONAL PAPER (www.ipaper.com): International Paper has $25 billion of annual sales, and operates in almost 40 countries. They manage their own forests worldwide, and produce raw timber stock, wood pulp, and finished paper products for sale.

KLABIN (www.klabin.com): Klabin operates primarily in Brazil, and is their leading supplier of paper, pulp and wood products. They specialize in paper packaging materials, including corrugated cardboard boxes and multi-wall stacks. They also sell lumber for construction. Klabin controls 183,000 hectares of land for timber usage, as well as 119,000 hectares in southern Brazil used for medical and wildlife research.

DAISHOWA-MARUBENI INTERNATIONAL (www.dmi.ca): DMI is one of the largest timber distributors in the Asian market, catering primarily to Japan. It controls 2.9 million hectares of land in western Canada, as well as a pulp processing plant. 50% of its sales go to Japan, 25% to North America, and the remainder is split between the rest of Asia and Europe.

GEORGIA-PACIFIC (www.gp.com): GP is one of the largest US based paper corporations. Though they have sold their pulp factory, they still receive pulp and timber materials from over 80 different suppliers for their paper business.

ASIA PULP AND PAPER GROUP (www.asiapulppaper.com): Outside of Japan, they are the largest pulp and paper provider in Asia. Most of their production takes place in Indonesia, where they have the capacity to produce over 6.9 million tons of pulp.

WEYERHAEUSER (www.weyerhaeuser.com): Weyerhaeuser is another large forest product company, producing everything from pulp, paper and packaging to construction-grade lumber for real estate and homes. They have operations in 19 countries, with their timber stock comprised of 15 million hectares of land in 5 countries. They have been a Fortune 200 company since the inception of Fortune’s rankings in 1955.

NEENAH PAPER INC. (www.neenah.com): Neenah paper primarily deals in technical paper, fine paper, and pulp, catering to the high end of the paper market. They distribute their products worldwide, and deal in more than 700,000 metric tons of bleached kraft pulp every year.

INTEGRATED TREE CROPPING (www.itclimited.com.au): As the largest timber firm in Australia, ITC controls almost 120,000 hectares of hardwood plantations.

POPE & TALBOT (www.poptal.com): Pope & Talbot principally manufactures wood and pulp products. Wood Products business manufactures and sells standardized and specialty lumber, residual wood chips, and other by-products. Together they operate three pulp mills located in Halsey, Oregon and Nanaimo and Mackenzie in British Columbia. The pulp products are marketed globally through sales offices in Portland, Oregon, Brussels, Belgium and through agency sales offices around the world.

LONGVIEW FIBRECOMPANY (www.longviewfibre.com): Longview's principal activity is to own, manage and operate timberlands, pulp and paper mill and converting plants. It operates in three business segments: timber, paper and paperboard and converted products. The timber segment owns and manages approximately 585,000 acres of timberlands in nine tree farms in Oregon and Washington. The paper and paperboard segment includes the operation of a pulp and paper mill that produces corrugating medium and linerboard. The Converted Products segment includes the operations of 15 converting plants located in 12 states that produce value-added corrugated containers, specialty packaging and creative point-of-purchase displays. The company exports its products to Japan, China, Canada and Southeast Asia.

POTLATCH CORPORATION (www.potlatchcorp.com): Potlatch Corp.'s principal activities are to grow and harvest timber, convert wood fiber into commodity and specialized wood products and bleached pulp products. The Group operates through four segments: Resource, Wood Products, Pulp and Paperboard and Consumer Products. The Group has foreign sales in Japan, Australia, Canada, China, Italy, Korea and other countries.

RAYONIER, INC. (www.rayonier.com): Rayonier's principal activities are to manufacture and sell value-added performance cellulose fibers and activities associated with timberland management, including the sale of timber and timberlands and land management. They own and operate two fiber mills the United States. Rayonier operates in three reportable business segments: performance fibers, timber and land, and wood products. Performance fibers include cellulose specialties and absorbent materials. The timber and land segment manages timberlands, sells standing timber to third parties and sells land for both future harvesting and real estate development. The wood products segment manufactures and sells lumber and medium-density-fiberboard.

MERCER INTL. INC. (www.mercerint.com): Mercer's principal activity is to produce and market pulp and paper products. They are based in Zurich, Switzerland and have operations primarily in Germany. Mercer manufactures and markets softwood kraft pulp and two primary classes of paper products. Their products are produced from both virgin fibre and recycled fibre. Their manufacturing plants are located in Germany and Switzerland.

DEMOGRAPHICS

The climate of Indonesia is reported to be monsoonal in nature, characterized by high temperatures and humidity throughout the year. However, the specific location of the timber concessions within these countries enables the trees to grow with minimal interference from open-ocean earthquakes and large storms. Operations in Indonesia are located inland, not on annual flood plains, not on islands with historically high earthquake activity and where there are active volcanoes present.

EMPLOYEES

As of December 31, 2007, our workforce consists of consultants. The majority of our consultants are professional, technical or administrative personnel who possess training and experience in finance, information management, and business management. We have no union contracts. We believe that our relations with our consultants are satisfactory.

Our future success depends in large part on our ability to retain key technical, marketing, and management personnel, and to attract and retain qualified employees and consultants. Competition for such personnel is intense, and the loss of key consultants, as well as the failure to recruit and train additional technical personnel in a timely manner, could have a material and adverse effect on our operating results.

Our success also depends, to a significant extent, upon the contribution of our executive officers and other key consultants. We have agreements with our chief executive officer, and maintain an informal stock plan whereby key personnel can participate in our success. All of our personnel are eligible to participate in this plan.

RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

The following discussion highlights certain of the risks we currently face.

The following factors, in addition to those discussed elsewhere in this document, should be carefully considered. Securities of the Company involve a high degree of risk and should be regarded as speculative. In addition to matters set forth elsewhere in this Annual Report, potential investors should carefully consider the risk factors described below relating to the business of the Company.

LIMITED OPERATING HISTORY

The success of the Company cannot be guaranteed or accurately predicted. There is no assurance that the Company will be able to operate profitably. Such prospects must be considered in light of the risks, expenses and difficulties frequently encountered in the establishment of a product and service.

Arrow began operations in approximately September, 2005, and to date has generated no material revenues. The Company has no significant operating history. There is no assurance that the Company will be able to operate and manage on a profitable basis or that cash flow from operations will be sufficient to pay the operating costs of the Company. The Company may need to raise additional capital to finance its continued operations. The Company may seek additional financing through debt or equity financings. There is no assurance that additional financing will be available to the Company, or if available, that the financing will be on terms acceptable to the Company. There is no assurance that the Company's estimate of its reasonably anticipated liquidity needs is accurate or that new business developments or other unforeseen events will not occur that will result in the need to raise additional funds. In the event that the Company cannot raise needed capital, it will have a material adverse affect on the Company. There is no assurance that the Company will achieve or sustain profitability or positive cash flow from operating activities in the future or that it will generate sufficient cash flow to service any debt requirements.

SIGNIFICANT CAPITAL REQUIREMENTS & DILUTION

The Company's capital requirements are and will continue to be significant. The Company anticipates, based on management's internal forecasts and assumptions relating to its operations (including the costs associated with marketing), that unless at least $1,500,000 is raised for working capital purposes, the Company's cash resources will not be sufficient to satisfy the Company's contemplated cash requirements and that additional financing may be needed to support the Company. There can be no assurance that the Company will be able to obtain additional financing on terms acceptable to the Company. To the extent that any financing involves the sale of the Company's equity securities, the interests of the Company's then existing shareholders could be substantially diluted. Dilution will also occur when and if options to be granted to employees, consultants and other third parties are exercised.

DEPENDENCE ON ARROW PACIFIC RESOURCES GROUP LIMITED AND ITS OPERATING SUBSIDIARIES

Our revenues are currently entirely derived from sales of APR and its operating subsidiaries products sales. APR will not be in a position to generate timber sales until it has completed certain infrastructure improvements in Indonesia. The infrastructure requirements will take APR a maximum of one year to complete. Therefore, APR will probably not generate sales of its products until the third quarter of 2008.

COMPETITION

The Company anticipates competition on numerous fronts. Increased competition could require the Company to respond to competitive pressures by establishing pricing, marketing and other programs, or seeking out additional strategic alliances or acquisitions, any of which could have a material adverse effect on the business, prospects, financial condition and results of operations of the Company. The Company could potentially have competitors with longer operating histories, larger customer bases, greater brand recognition, and significantly greater financial, marketing and other resources than the Company. Increased competition may result in reduced operating margins, loss of market share, and a diminished brand franchise, any of which would have a material adverse effect on the Company. There is no assurance that the Company will be able to compete successfully.

ABSENCE OF DIVIDENDS & DIVIDEND POLICY

The Company has never paid dividends on its Common Stock, but does anticipate paying dividends on its Common Stock in the foreseeable future. The declaration and payment of dividends by the Company are subject to the discretion of the Company’s Board of Directors. Any determination as to the payment of dividends in the future will depend upon results of operations, capital requirements, restrictions in loan agreements, if any, and such other factors as the Board of Directors may deem relevant.

OWNERSHIP OF THE COMPANY

APR owns 53.76% of the Company’s stock. Hans Karundeng is the Chairman of APR. His son, Rudolph, is a Director of the Company and is an 8% owner of the Company’s stock.

DEPENDENCE ON MANAGEMENT

The success of the Company will largely be dependent upon the active participation of its management. The Company does not currently have “Key Man” life insurance on any of its current officers or employees, although the Company intends to provide such insurance, based on availability of funds in the future. The Company would pay all premiums for such “Key Man” life insurance. The time that the officers and directors devote to the business affairs of the Company, and the skill with which they discharge their responsibilities, will substantially impact the Company’s success. Loss of the services of certain executive officers of the Company could be expected to have a material adverse effect upon the Company.

POSSIBLE LOSS OF OR INABILITY TO ATTRACT KEY PERSONNEL

The Company’s success depends largely on its ability to attract and retain highly qualified managerial and industry personnel. There can be no assurance that the Company will be successful in attracting or retaining these key personnel. The loss of the services of key personnel could have a material adverse effect on the Company.

GENERAL ECONOMIC AND OTHER CONDITIONS

The Company’s business may be adversely affected from time to time by such matters as changes in economic, industrial and international conditions, changes in taxes, changes in government regulations, prices and costs and other factors of a general nature and in particular those changes which have an adverse material effect on the natural resources industry or other industries in which the Company becomes engaged to provide marketing, sales, distribution, corporate operations and corporate finance services for the commercial exploitation of natural resources around the world.

WE MAY BE UNABLE TO CONTINUE AS A GOING CONCERN

These consolidated financial statements are presented on the basis that the Company is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable period of time.

As shown in the accompanying consolidated financial statements, the Company incurred a net loss of $130,076,689 for the year ended December 31, 2007 and a net loss during the development stage from inception in November 15, 2005 through December 31, 2007 of $134,863,392. The Company's operations are in the development stage, and the Company has not generated any revenue since inception. The Company's existence in the current period has been dependent upon advances from related parties and other individuals, and the sale of senior notes payable.

We cannot assure you when or if we will ever be able to operate on a positive cash flow basis. If we are unable to achieve the level of revenues needed to attain a positive cash flow, we may be required to take actions, including but not limited to reducing our operations, seeking an acquisition and/or merging with another entity, that could materially change and/or adversely affect our business.

We have a history of losses and we cannot assure you that we will be able to operate profitably in the foreseeable future, if at all.

Our inability to achieve or maintain profitability or positive cash flow could:

- result in disappointing financial results,
- impede implementation of our growth strategy,
- cause the market price of our common stock to decrease,
- impede our ability to procure financing on acceptable terms or at all, and
- otherwise adversely affect our business and financial condition.

Under certain circumstances we could incur an impairment loss that could adversely affect our stockholders' equity.

We will require financing if our revenues do not meet our projections or our expenses are greater than we anticipate, or to finance the further development of our business. Our inability to obtain financing, if required, would have an adverse effect on our business.

We may need to obtain financing if our actual costs are higher than projected or our contemplated future revenues fall below our current expectations, in order to

- finance more rapid expansion,
- increase marketing and sales,
- develop new or enhanced technology,
- respond to competitive pressures,
- establish strategic relationships, and/or
- provide for working capital.

If we raise such financing by issuing equity or convertible debt securities, the percentage ownership of our stockholders will be diluted. Any new debt or equity securities could have rights, preferences and privileges senior to rights of our common stock holders. We currently have no commitments for any such financing and, accordingly, cannot assure you that such financing will be available when and to the extent required or that, if available, it will be on terms acceptable to us. If adequate financing is not available on acceptable terms, we may be unable to finance the activities referred to above. In such event, our business may be adversely affected.

Recently enacted and proposed changes in securities laws and regulations will increase our costs. The Sarbanes-Oxley Act of 2002 that became law in July 2002 has required and will continue to require changes in some of our corporate governance practices. We expect that the Sarbanes-Oxley Act will increase our legal and financial compliance costs, and make some activities more difficult, time consuming and/or more costly. We also expect that the Sarbanes-Oxley Act will make it more costly to obtain director and officer liability insurance coverage, and we may be required to accept reduced coverage or incur substantially higher costs to obtain it. We currently do not have this coverage. These new rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee, and qualified executive officers. In accordance with the Sarbanes-Oxley Act, we have instituted a number of changes relating to corporate governance practices including the certification of our consolidated financial statements pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act and adoption of certain internal controls. The Sarbanes-Oxley Act has provisions that have implementation deadlines, including those related to Section 404 concerning internal control procedures. Implementation of those procedures will require resources and a portion of our management’s time and efforts.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

We prepare our financial statements in conformity with accounting principles generally accepted in the United States. These accounting principles are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to interpret and create appropriate accounting policies. A change in these policies or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change. For example, while current accounting rules allow us to exclude the expense of employee stock options from our financial statements, influential business policy groups, including the Financial Accounting Standards Board, have suggested that the rules be changed to require these options to be expensed.

Due to the change in business activities of the Company in conjunction with the change in control, we are no longer able to realize any benefit from net operating losses carried forward of CNE Group, Inc. of approximately $30,000,000. The Company currently has net operating losses of approximately $185,000 related to development stage activity, which may be carried forward to future periods.

Companies generally, and our Company, specifically, rely heavily on stock options as a major component of our employee compensation packages. If we are required to expense options granted to our officers and employees, although our cash position would not be affected, our income from continuing operations and our stockholders' equity would decrease and our stock price could be adversely affected. In such event, we may have to decrease or eliminate option grants to our officers and employees, which could negatively impact our ability to attract and retain qualified employees and executive personnel. While the Company does not currently have a stock option plan, such a plan may be established in the future.

In general, for purposes of the Code, an ownership change occurs when 5% or more owners increase their ownership percentage by more than 50% over the lowest percentage owned by those owners at any time during a testing period, which is generally the three years prior to the increase in ownership by 5% or more owners. The IRS has authority to treat warrants, options, contracts to acquire stock, convertible debt interests and other similar interests as if they are stock and stock as if it is not stock. In any event, it is possible that past and/or future transactions affecting our equity could create an ownership change and trigger this limitation on the use of our net operating loss.

RISKS RELATED TO OUR BUSINESS

Our business faces intense competition. If we fail to adequately meet this competition, our business could be adversely affected.

Most of our competitors have substantially greater financial, technical and marketing resources; longer operating histories and greater name recognition to apply to each of these factors, and in some cases have built significant reputations with the customer base in the markets in which we compete. If we are unable to successfully compete, our business, financial condition, and operating results could be materially and adversely affected.

Because we have fixed costs, any decline in our revenues could disproportionately and adversely affect our financial condition and operating results.

Significant portions of our costs are fixed, due in part to our fixed sales, engineering and product support, and manufacturing facilities. As a result, relatively small declines in revenue could disproportionately affect our operating results. Changes in product demand, among other things, could adversely affect our manufacturing capacity, which would adversely affect our business.

Our business may suffer if we lose the services of our executive officers, or if we cannot recruit and retain additional skilled personnel.

We depend on the continued services and performance of Peter Frugone, our Chairman and Chief Executive Officer, Rudolph Karundeng, one of our Directors, as well as Senior Advisor, Hans Karundeng and his subsidiary operations for our future success. If either Mr. Frugone or Mr. Rudolph Karundeng becomes unable or unwilling to continue in his current position, our business and financial conditions could be damaged. We are not the beneficiaries of any key person life insurance covering them or any other executive.

RISKS RELATED TO THE OWNERSHIP OF OUR COMMON STOCK

Your ability to sell any common stock may be restricted, because there is a limited trading market for these securities.

Although our common stock is currently traded on the NASD OTC Bulletin Board, a liquid market in our stock has been sporadic. Accordingly, you may not be able to sell shares of our common stock when you want or at the price you want, if at all.

In addition, depending on several factors including, among others, the future market price of our common stock, these securities are subject to the so-called “penny stock” rules that impose additional sales practice and market making requirements on broker-dealers who sell and/or make a market in such securities. These factors could affect the ability or willingness of broker-dealers to sell and/or make a market in our common stock and the ability of purchasers of our common stock to sell their shares in the secondary market. A delisting could also negatively affect our ability to raise capital in the future.

The market price of our common stock may be volatile, which could adversely affect the value of any common stock that you may own.

The market price of our common stock may fluctuate significantly in response to the following factors:

- variations in our quarterly operating results;
- our announcements of significant contracts, milestones or acquisitions;
- our relationships with other companies;
- our ability to obtain capital commitments;
- additions or departures of our key personnel;
- sales of our common stock by others or termination of stock transfer restrictions;
- changes in estimates of our financial condition by securities analysts; and

- fluctuations in stock market price and volume.

The last three factors are beyond our control.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation often has been instituted against that company. Such litigation is expensive and diverts management's attention and resources. Any one of the factors noted above could have an adverse affect on the value of our common stock.

Anti-takeover provisions of the Delaware General Corporation Law and in our Certificate of Incorporation could discourage a merger or other type of corporate reorganization or a change in control, even if it could be favorable to the interests of our stockholders.

The Delaware General Corporation Law and our Certificate of Incorporation contain provisions that may enable our management to retain control and resist a takeover of our Company. These provisions generally prevent us from engaging in a broad range of business combinations with an owner of 15%, 20% in the case of our Certificate of Incorporation, or more of our outstanding voting stock for a period of three years from the date that this person acquires his stock. Our Certificate of Incorporation and our By Laws also require the affirmative vote of at least 60% or our voting stockholders to effect certain actions, including, under certain circumstances, the removal of directors, and provide for the election of different classes of directors with the term of each class ending at different times. Accordingly, these provisions could discourage or make more difficult a change in control or a merger or other type of corporate reorganization even if it could be favorable to the interests of our stockholders.

Our officers and directors exercise significant control over our affairs, which could result in their taking actions that other stockholders do not approve of.

Our executive officers and directors, and persons or entities affiliated with them, currently control approximately 18% of our outstanding common stock. These stockholders, if they act together, may be able to exercise substantial influence over all matters requiring approval by our stockholders, including the election of directors and approval of significant corporate transactions. This concentration of ownership may also delay or prevent a change in control of our Company and might affect the market price of our common stock.

We have never paid any cash dividends on our common stock and currently intend to retain all future earnings, if any, to invest in our business.

If our Board issues common stock, which it can do without stockholder approval, a purchaser of our common stock could experience substantial dilution.

Our Board of Directors has the authority to issue up to 1 billion shares of common stock and 10,000,000 shares of preferred stock and to issue options and warrants to purchase shares of our common stock without stockholder approval. In the future, we could issue additional shares of our common stock at values substantially below the current market price for our common stock, which could substantially dilute the equity ownership of holders of our common stock. In addition, our Board could issue large blocks of our common stock to prevent unwanted tender offers or hostile takeovers without any stockholder approval. Our ability to issue preferred stock may adversely affect the rights of common stockholders and be used as an anti-takeover device.

Our Certificate of Incorporation authorizes our Board of Directors to issue up to 10 million shares of preferred stock without approval from our stockholders. Accordingly, all of our common stock will be junior to any preferred stock issued by us, and our Board has the right, without the approval of common stockholders, to fix the relative rights and preferences of such preferred stock. This could affect the rights of common stockholders regarding, among other things, voting, dividends and liquidation. We could also use an issuance of preferred stock to deter or delay a change in control that may be opposed by our management, even if the transaction might be favorable to the common stockholders.

The Company might issue options and warrants in the future. The exercise of all of the outstanding options and warrants would dilute the then-existing stockholders' percentage ownership of our common stock. Any sales resulting from the exercise of options and warrants in the public market, such as sales by the selling stockholders pursuant to this prospectus, could adversely affect prevailing market prices for our common stock. Moreover, our ability to obtain additional equity capital could be adversely affected since the holders of outstanding options and warrants may exercise them at a time when we would also wish to enter the market to obtain capital on terms more favorable than those provided by such options and warrants. We lack control over the timing of any exercise or the number of shares issued or sold if exercises occur.

Item 3. Legal Proceedings

The Company was a party to a lawsuit where the plaintiff alleged that he was entitled to $60,000 and 1,300,000 of common stock based upon CNE's failure to compensate him for services related to identifying financing for CNE, based upon an agreement that was entered into between CNE and the plaintiff in April 2005. On November 28, 2007, the Company settled the lawsuit with the plaintiff. In full and final settlement of the claims asserted in the action, the Company has paid the plaintiff $10,000 in cash and issued the plaintiff 200,000 shares of the Company's common stock having a fair value of $12,000, based on the public traded share price on December 21, 2007. The settlement resulted in a loss on debt conversion of $2,000 during the year ended December 31, 2007 because an estimated liability had been recognized prior to 2007.

In May 2006, the Company was advised that it was alleged to be in default of a settlement agreement entered into in January of 2005 by CNE, its predecessor company, related to the release of unrestricted, freely-tradable, non-legend shares of stock. In August 2006, the plaintiffs, alleging the default, obtained a judgment in the 17th Judicial Circuit Court Broward County, Florida for approximately $1,000,000. On November 13, 2007, legal counsel engaged by Management commenced an action on the Company's behalf in the above Circuit Court seeking to vacate and set aside the 2006 judgment asserting claims under Rule 1.540(b) of the Florida Rules of Civil Procedure. Our counsel's evaluation is that the Company has only a limited chance of having the 2006 judgment opened by the Court because Florida law provides very narrow grounds for opening a judgment once a year has passed from its entry. The Courts are generally reluctant to disturb final judgments and the Company's grounds for opening the judgment depend on the Court's adopting a somewhat novel argument regarding such matters. If, however, the Court does open the default judgment, the Company will then have the opportunity to defend the 2006 action and, in such event, our counsel believes that the Company has a reasonable chance of succeeding in defending that claim, at least in part, based on the documents he has reviewed. As of December 31, 2007, the Company has accrued $1,053,385 related to this matter.

PART II

Item 7. Financial Statements.

Our financial statements to be filed hereunder follow, beginning with page F-1.

As discussed in Note 12 to the financial statements, an error was made in the Company's originally issued financial statements for the year ended December 31, 2007 concerning the presentation and disclosure of a legal judgment in the amount of approximately $1,000,000 obtained by the predecessor entity shareholder. The financial statements for that period did not include an accrual of a liability for this matter of $1,053,385 at December 31, 2007.

Correction of the aforementioned presentation and disclosure of the legal judgment has resulted in a recording of an estimated liability for the legal judgment of $1,053,385 at December 31, 2007 and a corresponding loss on that legal judgment for the year then ended in the same amount. In addition, the correction has also resulted in an increase in net loss for the year ended December 31, 2007 and for the period from inception (November 15, 2005 to December 31, 2007), as well as an increase in the accumulated deficit, and an increase in stockholders deficit at December 31, 2007 of $1,053,385. Finally, the disclosures related to the judgment have been enhanced from those as described in the original footnote.

KBL, LLP Certified Public Accountants

April 15, 2008, except for the effects of financial statement restatements described in Notes 11[3] and 12, as to which the dates are May 20, 2008, concerning the presentation and disclosure of a legal judgment obtained by the predecessor entity shareholder.

Item 8A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and acting Chief Financial Officer, who is the same person, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the fiscal period ending December 31, 2007 covered by this amended Annual Report on Form 10-KSB/A. Based upon such evaluation, the Chief Executive Officer and acting Chief Financial Officer has concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act. As a result of the ineffectiveness of our controls, a description of a litigation in which the Company is a party was not accurately described in the Company's Form 10-KSB/A filed on April 15, 2008. In addition, the Company's financial statements contained therein did not reflect a reserve relating to a judgment against the Company in this litigation. The Company is currently in the process of evaluating its options to fix the deficiency in internal controls.

Management's Report on Internal Control Over Financial Reporting

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

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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

Management, under the supervision of the Company's Chief Executive Officer and acting Chief Financial Officer, conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2007 under the criteria set forth in the in Internal Control—Integrated Framework.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has determined that material weaknesses exist due to a lack of segregation of duties, resulting from the Company's limited resources.

This amended annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this amended Annual Report on Form 10-KSB/A.

Changes in Internal Control Over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the quarter ended December 31, 2007, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 13. Exhibits.

The Company hereby furnishes the exhibits listed on the attached exhibit index. Exhibits, which are incorporated herein by reference, may be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Washington, D.C. 20549. Copies of such material may be obtained by mail from the Public Reference Section of the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at the address http://www.sec.gov.

SIGNATURES

In accordance with Section 13(a) or 15(d) of the Exchange Act, the registrant has duly caused this amendment to its Form 10-KSB annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

	ARROW RESOURCES DEVELOPMENT, INC.	
Dated: June 26, 2008	By:	/ S/ PETER J. FRUGONE Peter J. Frugone President and Chief Executive Officer
Dated: June 26, 2008	By:	/ S/ PETER J. FRUGONE Peter J. Frugone Principal Accounting Officer

In accordance with the Exchange Act, this amendment to the Form 10-KSB annual report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/ S/ PETER J. FRUGONE **Peter J. Frugone**	President and Chief Executive Officer and	June 26, 2008