

ANNUALREPORT OF

Sebastian River Holdings, Inc.

FOR THE YEAR ENDED DECEMBER 31, 2012

A FLORIDA CORPORATION

12518 NE Airport Way #148-156, Portland, OR 97230

(424) 258-0167

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ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS

The exact name of the company is Sebastian River Holdings, Inc.

The company was originally incorporated as Ronden Trucking Corp., in the state of Florida in December, 1995. In May, 1996 the Company changed its name to Preferred Trucking Corp. In August, 1996, the Company changed its name to Preferred Internet Technologies Corp. In August, 2003, the Company changed its name to Vision Real Estate Management & Development, Inc. In November, 2004, the Company changed its name to MEM Financial Solutions, Inc. In July, 2009, the Company changed its name to Sebastian River Holdings, Inc.

ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES

A. Company Headquarters

Our principal executive and administrative offices are located at 12518 NE Airport Way, #148-156, Portland, OR 97230.

Email: info@sbrhinc.com

Website: www.sbrhinc.com

B. IR Contact

12518 NE Airport Way, #148-156, Portland, OR 97230

Phone: (424) 258-0167

Email: info@sbrhinc.com

Website: www.sbrhinc.com

ITEM 3. SECURITY INFORMATION

Trading symbol: SBRH

CUSIP: 8128L209

Exact title and class of securities outstanding:

As of the year ended December 31, 2012, the capital stock of the company was as follows:

Class: Common stock, \$ 0.001 par value;

Number of shares authorized: 2,000,000,000 shares;

Number of shares outstanding: 1,998,875,690 issued and outstanding;

Freely tradable shares: 1,897,563,147;

Total number of shareholders of record: 147

Class: Class A, preferred stock, \$ 0.001 par value;
Number of shares authorized: 10,000,000 shares;
Number of shares outstanding: 9,500,000 issued and outstanding;

Transfer Agent: Madison Stock Transfer, Inc.
1688 East 16th Street
Brooklyn, NY 11229
Telephone: (718) 627-4453
FAX: (718) 627-6341

Is the transfer agent registered under the Exchange Act?
Yes.

List any restrictions on the transfer of security:
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:
None.

ITEM 4. ISSUANCE HISTORY

The company has not executed any securities offering, either public or private, since June, 2010.

On March 31, 2012, the company issued 9,500,000 Series A Preferred Shares of the Issuer's stock to Mark B. Newbauer for consulting services rendered. These shares were issued pursuant to Section 4(2) of the Securities Act of 1933, as it was a transaction by an Issuer not involving a public offering. These shares were issued with a restrictive legend.

In December, 2012, a private noteholder converted a portion of his note payable to 310,000,000 shares of common stock according to the terms of said convertible note. The shares were issued at a discounted value according to the terms of the note and the Company did not receive any funds from the issuance. The shares did not bear a restrictive legend and were issued as free trading as the relevant holding period had been complied with.

ITEM 5. FINANCIAL STATEMENTS:

SEBASTIAN RIVER HOLDINGS, INC.
Financial Statements
Balance Sheet
For the Twelve Months Ended December 31, 2012 and 2011
Unaudited

ASSETS	<u>2012</u>	<u>2011</u>
Current Assets		
Cash on hand, in bank	\$ 118	\$ -
Total current assets	-	-
Fixed Assets		
Fixtures & real estate	2,750	2,750
Total Fixed Assets	2,750	2,750
Other Assets		
Oil and gas leases	44,484	-
Total Other Assets	44,484	-
Total assets	47,352	2,750

See accountants' report and notes to financial statements

SEBASTIAN RIVER HOLDINGS, INC.
Financial Statements
Balance Sheet
For the Twelve Months Ended December 31, 2012 and 2011

LIABILITIES AND STOCKHOLDERS' EQUITY

	2,012	2,011
CURRENT LIABILITIES		
Accounts payable	734	243
Total accounts payable	734	243
Other Liabilities	-	-
Notes payable	228,234	75,000
Contract payable	44,484	
Total other liabilities	272,718	75,000
Total liabilities	273,452	75,243
STOCKHOLDERS' EQUITY		
Common stock 2,000,000,000 shares authorized; par value \$.001, 1,688,875,690	,998,875,690	
issued and outstanding 2012	1,998,880	1,688,880
Preferred stock	9,500	-
Additional paid in capital	(1,558,951)	(1,135,728)
Retained earnings (Deficit)	(625,645)	(398,495)
Current earnings	(49,884)	(227,150)
Total Stockholders' equity	(226,100)	(72,493)
Total Liabilities and Stockholders' Equity	47,352	\$ 2,750

See accountants' report and notes to financial statements

SEBASTIAN RIVER HOLDINGS, INC.
Statement of Income and
Retained Earnings (Deficit)
For the Twelve Months Ended
December 31, 2012 and December 31, 2011
Unaudited

	<u>2,012</u>	<u>2,011</u>
Revenue		
Lease and Rental Income	-	-
Total Revenue	-	-
Cost of Goods Sold		
Well operating expenses	<u>9,800</u>	-
Total Cost of Goods Sold	<u>9,800</u>	-
Gross Income	(9,800)	-
Expenses		
Professional fees	12,000	165,000
Taxes and licenses	2,290	62,150
Bank fees	82	
Interest	25,712	
Total Expenses	<u>40,084</u>	<u>227,150</u>
Net earnings (Loss)	<u>(49,884)</u>	<u>(227,150)</u>
Retained earnings (Deficit);		
Beginning of period	<u>(625,645)</u>	<u>(398,495)</u>
End of Period	<u><u>\$(675,529)</u></u>	<u><u>\$(625,645)</u></u>

See accountants report and notes to financials

SEBASTIAN RIVER HOLDINGS, INC.
Statement of Cash Flows
For the Twelve Months Ended December 31, 2012 and 2011
Unaudited

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Net Income (Loss)	\$ (49,884)	\$(625,645)
Adjustments to reconcile net Income (Loss) to net cash provided by operations		
Salaries & wages		165,000
Other liabilities	44,484	
Accounts payable	491	
	<hr/>	<hr/>
Net cash provided by operating activities	(4,909)	(460,645)
	<hr/>	<hr/>
Investing Activities		
Net cash provided by investment activity	(44,484)	-
	<hr/>	<hr/>
Financing Activities		
Stock sales net proceeds	44,366	460,645
	<hr/>	<hr/>
Net cash from financing activity	44,366	460,645
	<hr/>	<hr/>
Net cash increase for period	118	-
Cash at beginning of period	\$ -	-
	<hr/>	<hr/>
Cash at end of period	\$ 118	\$ -
	<hr/> <hr/>	<hr/> <hr/>

See accountants report and notes to financial statements

SEBASTIAN RIVER HOLDINGS, INC.

Statement of Stockholders' Equity
For the Twelve Months Ended December 31, 2012
Unaudited

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in-Capital	Earnings (Deficit)	Stockholders'
				During	Equity
				Development Stage	
Balance at December 31, 2010	1,688,880,000	\$ 1,688,880	\$ (1,135,728)	\$(398,495)	\$ 154,657
.Net income (loss) - 2011				(227,150)	(227,150)
Balance at December 31, 2011	<u>1,688,880,000</u>	<u>\$ 1,688,880</u>	<u>\$ (1,135,728)</u>	<u>\$(625,645)</u>	<u>\$ (72,493)</u>
Net Income at March 31, 2012				(2,290)	(2,290)
Preferred shares issued			\$ (7,701)		\$ 1,799
Net income at June 30, 2012					
Net income at September 30, 2012				-	-
Shares converted December, 2012	310,000,000	310,000	(415,522)		(105,522)
Net income - December 31, 2012				(47,594)	(47,594)
Balance at September 30, 2012	<u>1,998,880,000</u>	<u>\$ 1,998,880</u>	<u>\$ (1,558,951)</u>	<u>\$(675,529)</u>	<u>\$ (226,100)</u>

See accountants report and notes to financial statements

SEBASTIAN RIVER HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1- NATURE OF OPERATIONS

Nature of Operations

The Company was incorporated in the state of Florida in December, 1995. The Company is a holding company organized with a goal of acquiring and managing a diversified portfolio of profitable, growth-oriented companies.

The Company is a development stage enterprise, as defined in FASB ASC 915 "Development Stage Entities"

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

NOTE 3-STOCKHOLDERS' EQUITY

The company's capitalization is 2,000,000,000 common shares with a par value of \$.001 per share. And 10,000,000 shares preferred stock with a par value of \$.001 per share.

NOTE 4 – LONG-TERM DEBT

As of December 31, 2012 had \$228,234 of long-term debt for notes payable to private lenders and a note payable of \$44,484 for the purchase of an interest in oil and gas wells in Venango County, Pennsylvania.

As of December 31, 2011 the company had long-term debt of \$75,000 for notes payable to private investors.

ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.

The Company is a holding company with a current focus on the energy and entertainment industries. The Company concentrates its efforts in acquisition and management of businesses within those industries that are either profitable or can be made profitable by application of the Company's management and/or resource expertise.

B. DATE AND STATE OF INCORPORATION

The Company was incorporated in the State of Florida in December, 1995.

C. PRIMARY AND SECONDARY SIC CODES

The Company's primary (and only) SIC code is 6719 (Holding Companies).

D. THE COMPANY'S FISCAL YEAR END DATE

The Company's fiscal year ends on December 31.

E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS

The Company has recently changed its focus from financial speculation and business incubation emphasized by prior management to acquisition and management of businesses within its targeted industries. On December 14, 2012 the Company entered into an agreement to purchase a interest in 50 oil and gas wells located in Venanga County, Pennsylvania. The Company is actively pursuing further acquisitions and expects to secure compatible businesses in the near future. Because of management expertise and business alliances the Company expects to succeed in the energy and entertainment industries. Both industries are growing with vast potential within the domestic U.S. market.

F. RESULTS OF OPERATIONS FOR THE QUARTER ENDED DECEMBER 31, 2012 COMPARED TO THE QUARTER ENDED DECEMBER 31, 2011:

Revenues: The Company had no revenue for the period ended December 31, 2012, or for the period ended December 31, 2011.

Cost of Revenues: The Company incurred costs of sales for the quarter ended December 31, 2012 in the amount of \$9,800, which consisted of operating costs for its newly-acquired oil and gas interest in Venango County, Pennsylvania; the Company did not incur any costs of sales for the quarter ended December 31, 2011.

Gross Profit: The Company did not have any gross profit for either the quarter ended December 31, 2012 or the quarter ended December 1, 2011.

Operating Costs: Operating costs consist of the Company's administrative expenses before depreciation and interest. Operating costs for the quarter ended December 31, 2012 totaled \$37,794, compared to \$227,150 for the quarter ended December 31, 2011.

Operating Gain (Loss): The Company produced a operating loss for the quarter ended December 31, 2012 of \$47,594, compared to a loss of \$227,150 for the quarter ended December 31, 2011.

Net Gain (Loss) Before Income Taxes: Net gain or loss before income taxes represents operating gain or loss plus other (non-operating) gain or loss. For the quarter ended December 31, 2012, the company had a net loss of \$47,594, compared to a net loss of \$227,150 for the quarter ended December 31, 2011.

Liquidity and Capital Resources: During the quarter ended December 31, 2012, the Company produced cash or cash equivalents from operations of \$118.

G. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet arrangements during the fiscal quarter ended December 31, 2012.

ITEM 7. DESCRIBE THE ISSUER'S FACILITIES

At this time the Company's principal asset is a recently-purchased interest in 50 oil and gas wells located in Venango County, Pennsylvania. This interest is part of a larger purchase of oil and gas wells in that area by Drake Gold Resources, Inc. This interest is being purchased from Drake and can be expanded depending on the extent of the Company's investment. These wells are currently being re-worked with the expectation of expanding production in the near future.

ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS

A. NAMES OF OFFCERS, DIRECTORS AND CONTROL PERSONS

The current president and secretary of the Company Mark Newbauer, was hired on November 9, 2012.

Peter Matousek is the chairman and sole current member of the Board of Directors of the Company and has served in that capacity since November 8, 2012.

B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending

C. Investor Relations Consultant

D. Other Advisor(s)

None.

ITEM 10. OTHER INFORMATION

None.

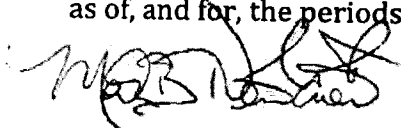
ITEM 11. EXHIBITS

N/A

ITEM 12. CERTIFICATIONS

I, Mark Newbauer, certify that:

1. I have reviewed this amended quarterly disclosure statement of Sebastian River Holdings, Inc..
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present, in all material respects, the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.



Mark Newbauer,
President

Dated: January 29, 2013