

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period ended March 31, 2008

Commission File No. 033-28188

Registrant name: Strategic Internet Investments, Incorporated
State of incorporation: Delaware
IRS Employer Identification: 84-1116458
Address of principal executive offices: Suite 250, 1090 West Georgia Street
Vancouver, BC
Canada V6E 3V7
Issuer's telephone number 604-684-8662

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, and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Common shares outstanding as of April 30, 2008: 26,860,326

PART I – FINANCIAL INFORMATION

Statements made in this report that are not historical or current facts are "forward-looking statements" made pursuant to the Safe Harbor Provisions of Section 27A of the Securities Act of 1933 (the "Act") and Section 21E of the Securities Exchange Act of 1934. These statements often can be identified by the use of terms such as "may", "will", "expect", "believe", "anticipate", "estimate", "approximate" or "continue" or the negative thereof.

The Company intends that such forward-looking statements be subject to the Safe Harbors for such statements. The Company wishes to caution readers not to place undue reliance upon any such forward-looking statement, which speak only as of the date made. Any forward-looking statement represents management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond the control of the Company that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. The Company disclaims any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

1. Financial Statements

STRATEGIC INTERNET INVESTMENTS, INCORPORATED

(A Development Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008

(Stated in U.S. Dollars)

(Unaudited)

STRATEGIC INTERNET INVESTMENTS, INCORPORATED

(A Development Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(Stated in U.S. Dollars)
(Unaudited)

	March 31, 2008	December 31, 2007
ASSETS		
Current		
Cash	\$ 17,163	\$ 65
Prepaid expenses – Note 4	20,400	55,400
	37,563	55,465
Deferred investment costs – Notes 2 and 4	1	1
	\$ 37,564	\$ 55,466
LIABILITIES		
Current		
Accounts payable – Note 6	\$ 410,221	\$ 383,551
Loans payable – Note 3	422,509	393,742
	832,730	777,293
STOCKHOLDERS' DEFICIENCY		
Capital Stock – Notes 3, 4, and 6		
Class A Convertible Preferred stock, \$0.001 par value 10,000,000 authorized, 198,000 outstanding	198	198
Class B Preferred stock, \$0.001 par value 10,000,000 authorized, none outstanding		
Common stock, \$0.001 par value 100,000,000 authorized 26,860,326 outstanding (2007: 26,860,326 outstanding)	26,860	26,860
Additional paid-in capital	8,132,795	8,132,795
Deficit accumulated during the development stage	(8,955,019)	(8,881,680)
	(795,166)	(721,827)
	\$ 37,564	\$ 55,466

SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Stated in U.S. Dollars)
(Unaudited)

	Three months ended March 31,		Cumulative from February 28, 1989 (Date of Inception) to March 31,
	2008	2007	2008
General and Administrative Expenses			
Accounting and audit fees	\$ 5,820	\$ 13,621	\$ 248,668
Amortization	-	-	3,616
Communications	878	408	103,330
Consulting fees – Note 6	35,000	24,441	2,611,093
Interest – Notes 3 and 6	9,388	7,301	252,746
Investor relations	-	-	91,385
Legal fees	-	-	160,089
Management fees – Note 6	46,125	46,350	435,512
Office and general – Note 6	87	432	141,519
Regulatory fees	134	1,031	25,437
Rent – Note 6	6,000	5,280	123,855
Transfer agent fees (recovery)	(1,475)	620	41,918
Travel	-	-	110,031
Loss on disposal of equipment	-	-	1,481
Non-cash compensation charges – Note 4	-	20,436	484,975
Write-down of advances to related party	-	-	606,337
Operating loss	(101,957)	(119,920)	(5,441,992)
Unauthorized distribution	-	-	(69,116)
Termination fee	-	-	(792,000)
Gain (loss) on foreign exchange	2,672	(955)	(29,463)
Gain on write-down of debt	25,946	-	51,179
Write-down of deferred investment costs – Note 4	-	-	(34,209)
Net loss and comprehensive loss for the period	\$ (73,339)	\$ (120,875)	\$ (6,315,601)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	
Weighted average number of common shares outstanding	26,860,326	25,960,326	

SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in U.S. Dollars)
(Unaudited)

	Three months ended March 31,		Cumulative from February 28, 1989 (Date of Inception) to March 31,
	2008	2007	2008
Operating Activities			
Net loss for the period	\$ (73,339)	\$ (120,875)	\$ (6,315,601)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization	-	-	3,616
Beneficial conversion feature on convertible debt	-	-	117,400
Communications	-	-	28,000
Consulting fees	35,000	-	2,406,154
Gain on write-down of debt	(25,946)	-	(51,179)
Interest accrued on loans	9,388	7,301	88,475
Legal fees	-	-	25,000
Loss on disposal of equipment	-	-	1,481
Management fees	-	-	7,000
Non-cash compensation charge	-	20,436	484,975
Termination fees	-	-	792,000
Write-down of deferred investment costs	-	-	606,337
Write-down of advances to related party	-	-	34,209
Changes in non-cash items:			
Prepaid expenses	-	(880)	-
Accounts payable	52,616	83,667	574,111
Net cash used in operating activities	(2,281)	(10,351)	(1,198,022)
Investing Activities			
Organization costs	-	-	-
Acquisition of capital assets	-	-	-
Deferred investment costs	-	-	-
Advances to related party	-	-	-
Net cash used in investing activities	-	-	-
Financing Activities			
Loans payable	19,379	5,413	687,500
Due to related parties	-	-	15,526
Proceeds from issuance of common stock	-	-	1,162,631
Payment of offering costs	-	-	(30,270)
Additional paid-in capital	-	-	25,442
Net cash provided by financing activities	19,379	5,413	1,860,829
Increase (decrease) in cash during the period	17,098	(4,938)	17,163
Cash, beginning of the period	65	10,822	-
Cash, end of the period	\$ 17,163	\$ 5,884	\$ 17,163
Supplementary disclosure of cash flows:			
Cash paid for Interest	\$ -	\$ -	\$ 17,054

Non-cash Transactions – Note 5

SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
For the period from February 28, 1989 (Date of Inception) to March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Deficit	
	Shares	Par Value	Shares	Par Value	Paid-In	Accumulated	Total
					Capital	During the	
						Development	
						Stage	
Balance, February 28, 1989	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Issuance of stock to insiders on March 7, 1989 - at \$0.30	-	-	33,347	33	9,967	-	10,000
Balance December 31, 1989	-	-	33,347	33	9,967	-	10,000
Issuance of stock during public offering for \$3.00 per share, net of offering costs of \$27,270	-	-	33,348	33	72,697	-	72,730
Net loss	-	-	-	-	-	(84,159)	(84,159)
Balance, December 31, 1990	-	-	66,695	66	82,664	(84,159)	(1,429)
Net loss	-	-	-	-	-	(3,416)	(3,416)
Balance, December 31, 1991	-	-	66,695	66	82,664	(85,575)	(4,845)
Net loss	-	-	-	-	-	(2,713)	(2,713)
Balance, December 31, 1992	-	-	66,695	66	82,664	(90,288)	(7,558)
Net loss	-	-	-	-	-	(1,614)	(1,614)
Balance, December 31, 1993	-	-	66,695	66	82,664	(91,902)	(9,172)
Net loss	-	-	-	-	-	(1,863)	(1,863)
Balance December 31, 1994	-	-	66,695	66	82,664	(93,765)	(11,035)
Issuance of stock for services rendered - at \$0.03	-	-	50,000	50	1,450	-	1,500
Contributed capital	-	-	-	-	24,842	-	24,842
Net loss	-	-	-	-	-	(16,735)	(16,735)

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SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
For the period from February 28, 1989 (Date of Inception) to March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Deficit	
	Shares	Par Value	Shares	Par Value	Paid-In	Accumulated	Total
					Capital	During the	
						Development	
						Stage	
Balance, December 31, 1995	-	-	116,695	116	108,956	(110,500)	(1,428)
Net loss	-	-	-	-	-	(9,068)	(9,068)
Balance December 31, 1996	-	-	116,695	116	108,956	(119,568)	(10,496)
Issuance of stock for cash - \$0.011	-	-	2,000,000	2,000	19,300	-	21,300
Contributed capital	-	-	-	-	600	-	600
Net loss	-	-	-	-	-	(22,261)	(22,261)
Balance, December 31, 1997	-	-	2,116,695	2,116	128,856	(141,829)	(10,857)
Issuance of stock services							
- at \$0.001	-	-	7,000,000	7,000	-	-	7,000
- at \$0.01	-	-	620,000	620	5,580	-	6,200
Net loss	-	-	-	-	-	(52,308)	(52,308)
Balance, December 31, 1998	-	-	9,736,695	9,736	134,436	(194,137)	(49,965)
Net loss	-	-	-	-	-	(35,995)	(35,995)
Balance, December 31, 1999	-	-	9,736,695	9,736	134,436	(230,132)	(85,960)
Issuance of stock for cash							
pursuant to a private placement							
- at \$0.30	-	-	1,133,334	1,133	338,867	-	340,000
Issue of stock for finders fee	-	-	50,000	50	(50)	-	-
Net loss	-	-	-	-	-	(336,431)	(336,431)
Non-cash compensation charge	-	-	-	-	78,707	-	78,707

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SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
For the period from February 28, 1989 (Date of Inception) to March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Deficit	
	Shares	Par Value	Shares	Par Value	Paid-In	Accumulated	Total
					Capital	During the	
						Development	
						Stage	
Balance December 31, 2000	-	-	10,920,029	10,919	551,960	(566,563)	(3,684)
Issuance of stock for services - at \$0.50	-	-	328,356	328	163,851	-	164,179
- at \$1.55	-	-	13,383	13	20,731	-	20,744
- at \$3.50	-	-	366,667	367	1,282,964	-	1,283,331
Issuance of stock for cash pursuant to a private placement - at \$0.30	-	-	883,332	883	264,117	-	265,000
Issuance of stock pursuant to the exercise of warrants - at \$2.00	-	-	28,800	29	57,571	-	57,600
Less: Issue costs	-	-	-	-	(17,858)	-	(17,858)
Net loss	-	-	-	-	-	(2,296,406)	(2,296,406)
Non-cash compensation charge	-	-	-	-	136,378	-	136,378
Balance, December 31, 2001	-	-	12,540,567	12,539	2,459,714	(2,862,969)	(390,716)
Issuance of stock for prepaid consulting - at \$0.35	-	-	80,000	80	27,920	-	28,000
Issuance of stock for deferred investment costs - at \$0.05	-	-	1,300,000	1,300	63,700	-	65,000
Issuance of stock for services - at \$0.05	-	-	100,000	100	4,900	-	5,000
- at \$0.055	-	-	60,000	60	3,240	-	3,300
- at \$0.10	-	-	105,000	105	10,395	-	10,500
- at \$0.148	-	-	27,000	27	3,973	-	4,000
- at \$0.20	-	-	175,000	175	34,825	-	35,000
- at \$0.209	-	-	17,143	17	3,583	-	3,600
- at \$0.35	-	-	120,000	120	41,880	-	42,000
Issuance of stock for debt - at \$0.20	-	-	458,135	458	91,169	-	91,627
- at \$0.209	-	-	222,751	223	46,156	-	46,379
Net loss	-	-	-	-	-	(214,758)	(214,758)

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SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
For the period from February 28, 1989 (Date of Inception) to March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Deficit	Total
	Shares	Par Value	Shares	Par Value	Paid-In Capital	Accumulated During the Development Stage	
Balance, December 31, 2002	-	-	15,205,596	15,204	2,791,455	(3,077,727)	(271,068)
Non-cash compensation charge	-	-	-	-	53,500	-	53,500
Issue of stock for services - at \$0.14	-	-	1,450,000	1,450	201,550	-	203,000
Issue of stock for cash pursuant to a private placement - at \$0.10	-	-	650,000	650	64,350	-	65,000
Net loss	-	-	-	-	-	(1,208,941)	(1,208,941)
Issued for termination fee - at \$4.00	198,000	198	-	-	791,802	-	792,000
Balance, December 31, 2003	198,000	198	17,305,596	17,304	3,902,657	(4,286,668)	(366,509)
Non-cash compensation charge	-	-	-	-	161,450	-	161,450
Issue of stock for cash pursuant to the exercise of share purchase warrants - at \$0.10	-	-	320,000	320	31,680	-	32,000
- at \$0.05	-	-	643,715	644	31,542	-	32,186
Issue of stock for cash pursuant to the exercise of share purchase options - at \$0.25	-	-	205,000	205	51,045	-	51,250
Issue of stock for debt - at \$0.05	-	-	563,000	563	29,437	-	30,000
- at \$0.06	-	-	825,364	825	47,712	-	48,537
- at \$0.30	-	-	50,000	50	14,950	-	15,000
Issuance of stock for services - at \$2.00	-	-	10,000	10	19,990	-	20,000
- at \$0.35	-	-	350,000	350	122,150	-	122,500
Cancellation of stock issued for deferred Investment costs - at \$0.05	-	-	(1,300,000)	(1,300)	(63,700)	-	(65,000)
Net loss	-	-	-	-	-	(517,324)	(517,324)

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SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
For the period from February 28, 1989 (Date of Inception) to March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Deficit	Total
	Shares	Par Value	Shares	Par Value	Paid-In Capital	Accumulated During the Development Stage	
Balance, December 31, 2004	198,000	198	18,972,675	18,971	4,348,913	(4,803,992)	(435,910)
Non-cash compensation charge	-	-	-	-	25,700	-	25,700
Issue of stock for cash pursuant to the exercise of share purchase warrants							
– at \$0.07	-	-	75,820	76	5,232	-	5,308
– at \$0.10	-	-	357,760	358	35,417	-	35,775
– at \$0.11	-	-	299,724	300	31,270	-	31,570
– at \$0.21	-	-	16,803	17	3,483	-	3,500
Issue of stock for debt							
– at \$0.39	-	-	635,901	636	249,524	-	250,160
Issuance of stock for services							
– at \$0.25	-	-	950,000	950	236,550	-	237,500
– at \$0.36	-	-	100,000	100	35,900	-	36,000
– at \$0.50	-	-	121,000	121	60,379	-	60,500
– at \$0.54	-	-	20,000	20	10,680	-	10,700
– at \$0.84	-	-	50,000	50	41,950	-	42,000
Issuance of stock dividend							
– at \$0.65	-	-	4,060,643	4,061	2,635,357	(2,639,418)	-
Net loss	-	-	-	-	-	(517,270)	(517,270)
Balance, December 31, 2005	198,000	198	25,660,326	25,660	7,720,355	(7,960,680)	(214,467)
Issue of stock for cash pursuant to a private placement							
– at \$0.40	-	-	200,000	200	79,800	-	80,000
Issue of stock for finder's fee							
– at \$0.40	-	-	100,000	100	39,900	-	40,000
Share issue costs	-	-	-	-	(43,000)	-	(43,000)
Beneficial conversion feature on convertible debt	-	-	-	-	77,800	-	77,800
Net loss	-	-	-	-	-	(401,655)	(401,655)

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SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
For the period from February 28, 1989 (Date of Inception) to March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Deficit	
	Shares	Par Value	Shares	Par Value	Paid-In	Accumulated	Total
					Capital	During the	
						Development	
						Stage	
Balance, December 31, 2006	198,000	198	25,960,326	25,960	7,874,855	(8,362,335)	(461,322)
Issue of stock for cash pursuant to a private placement							
– at \$0.25	-	-	200,000	200	49,800	-	50,000
Issuance of stock for services							
– at \$0.20	-	-	700,000	700	139,300	-	140,000
Non-cash compensation charge	-	-	-	-	29,240	-	29,240
Beneficial conversion feature on convertible debt	-	-	-	-	39,600	-	39,600
Net loss	-	-	-	-	-	(519,345)	(519,345)
Balance, December 31, 2007	198,000	198	26,860,326	26,860	8,132,795	(8,881,680)	(721,827)
Net loss	-	-	-	-	-	(73,339)	(73,339)
Balance, March 31, 2008	198,000	\$ 198	26,860,326	\$ 26,860	\$ 8,132,795	\$ (8,955,019)	\$ (795,166)

SEE ACCOMPANYING NOTES

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

1. Nature of Operations and Ability to Continue as a Going Concern

Strategic Internet Investments, Incorporated (the "Company") is in the development stage and is devoting its efforts to developing real estate projects in the Middle East.

These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At March 31, 2008, the Company had not yet achieved profitable operations, has accumulated losses of \$8,955,019 since its inception, has a working capital deficiency of \$795,167 and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances, however there is no assurance of additional funding being available. The Company has historically satisfied its capital needs primarily by issuing equity securities. Management plans to continue to provide for its capital needs during the year ended December 31, 2008, by issuing equity securities.

The accompanying unaudited interim consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the United States Securities and Exchange Commission. Certain information and disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these financial statements have been included. Such adjustments consist of normal recurring adjustments. These interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the fiscal year ended December 31, 2007, as filed with the United States Securities and Exchange Commission.

The results of operations for the three months ended March 31, 2008 are not indicative of the results that may be expected for the full year.

2. Deferred Investment Costs – Note 4

Deferred investment costs consist of consultants' fees and payments to reimburse Star Leisure and Entertainment Inc. with respect to the acquisition of Gulf Star World Development W.L.L., net of a write-down to a nominal value of \$1.00.

STRATEGIC INTERNET INVESTMENTS, INCORPORATED
(A Development Stage Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

3. Loans Payable – Note 7

	March 31, 2008	December 31, 2007
a) Loan payable to a company controlled by a director of the Company including accrued interest of \$2,887 (December 31, 2007: \$2,605). The loan is unsecured, bearing interest at 12% per annum and is repayable on demand.	\$ 9,688	\$ 9,407
b) Loans payable to companies controlled by directors of the Company. The loans are unsecured, non-interest bearing, and repayable upon demand.	38,596	19,217
c) Loans payable to a company controlled by a director of the Company including accrued interest of \$57,020 (December 31, 2007: \$53,123). The loans are unsecured, bearing interest at 10% per annum, and repayable upon demand.	160,227	156,329
d) Loans payable to a company controlled by a director of the Company, including accrued interest payable of \$18,086 (December 31, 2007: \$14,341), pursuant to Convertible Loan Agreements. The loan is unsecured, bearing interest at 10% per annum and is repayable on demand. The lender may at anytime convert the principal sum into units of the Company. Each unit will consist of one common share plus one common share purchase warrant. The principal sum of \$135,730 may be converted into 1,762,858 units. Conversion of these loans and resulting associated warrants to equity will be based on the conversion price set at the time the principal amount was drawn ranging from \$0.05 to \$0.23. During the year ended December 31, 2007 an amount of \$39,600 (December 31, 2006: \$60,850) was recognized as the intrinsic value of the beneficial conversion feature of these loans and this amount was included in interest expense.	153,816	150,071
e) Loan payable to a company controlled by a director of the Company, including accrued interest of \$10,482 (December 31, 2007: \$9,018), pursuant to Convertible Loan Agreements. The loan is unsecured, bearing interest at 10% per annum and is repayable on demand. The lender may at anytime convert the principal sum into units of the Company. Each unit will consist of one common share plus one common share purchase warrant. The principal sum of \$49,700 may be converted into 416,248 units. Conversion of this loan and resulting associated warrants to equity will be based on the conversion price set at the time the principal amount was drawn at \$0.12. During the year ended December 31, 2007 an amount of \$NIL (December 31, 2006: \$16,950) was recognized as the intrinsic value of the beneficial conversion feature of the loan and this amount was included in interest expense.	60,182	58,718
	\$ 422,509	\$ 393,742

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(A Development Stage Company)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2008
(Stated in U.S. Dollars)
(Unaudited)

4. Capital Stock – Notes 3 and 5

Capital Stock

On May 24, 2007, the Company issued a total of 700,000 shares to two consulting firms for investor relations consulting services to be provided over a twelve month period, valued at \$140,000. The Company determined the fair value of the shares issued using the market price on the share issuance date. At March 31, 2008, \$20,400 is recorded as prepaid.

Class A Convertible Preferred Shares

The Class A convertible preferred shares have a par value of \$0.001 and are convertible to common shares at \$4.00 per share during the first 180 days following issuance, and thereafter at the average of twenty consecutive days closing prices, but shall not be less than \$1.50 per share or greater than \$6.00 per share. The Company has the right to redeem its Class A convertible preferred stock at any time by paying to the holders thereof the sum of \$4 per share.

Commitments

Stock Option Plan

The Company's board of directors approved a stock option plan. Under the plan directors, employees and consultants may be granted options to purchase common stock of the Company at a price of not less than 100% of the fair market value of the stock. The total number of options granted must not exceed 15% of the outstanding common stock of the Company. The plan expires on July 1, 2017.

Stock-based Compensation

The Company granted share purchase options to directors, employees, and consultants of the Company at the closing price of the Company's common stock on the date of the grants. The options have been granted with a term of 5 years. The stock options are exercisable at 20% on the date of grant, and then 20% every three months thereafter, such that they are fully exercisable after a period of one year from the date of grant.

During the period ending March 31, 2008 the Company did not grant any options.

The fair value of each option grant was estimated on the date of the grant using the Black-Scholes option valuation model. The Black-Scholes option valuation model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the Black-Scholes model does not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

The weighted average fair value at the date of grant of the options was as follows:

	2008	2007
Weighted average fair value	-	\$0.23
Total options granted	-	125,000
Total fair value of options granted	-	\$29,240

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4. Capital Stock – Notes 3 and 5 – (cont'd)

Commitments – (cont'd)

Stock-based Compensation – (cont'd)

The fair value of each option grant was estimated on the date of the grant using the Black-Scholes option valuation model with the following assumptions:

	2008	2007
Expected dividend yield	-	0.0%
Expected volatility	-	167%
Risk-free Interest Rate	-	4.68%
Expected term in years	-	5

The expected volatility is calculated based on the Company's historical share price.

During the period ended March 31, 2008, the change in share purchase options outstanding are as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding at December 31, 2006	1,962,000	\$0.23	1.76 years	\$ 392,400
Granted during the year	125,000	\$0.35	4.00 years	
Options outstanding at December 31, 2007	2,087,000	\$0.23	0.96 years	\$ -
Forfeited during the period	(120,000)	\$0.29	0.85 years	
Options outstanding at March 31, 2008	1,967,000	\$0.23	0.70 years	\$ -

At March 31, 2008, the Company had share purchase options outstanding as follows:

Number of Options	Exercise Price	Expiry Date
1,704,000	\$0.21	September 5, 2008
30,000	\$0.53	April 15, 2009
108,000	\$0.33	July 8, 2009
125,000	\$0.35	January 2, 2012
1,967,000		

At March 31, 2008 all of the total outstanding share purchase options were exercisable.

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4. Capital Stock – Notes 3 and 5 – (cont'd)

Commitments – (cont'd)

Acquisition of Gulf Star World Development W.L.L.

By a letter of agreement dated July 11, 2002, amended October 10, 2002, May 10, 2003 and September 30, 2003, June 30, 2004, July 11, 2005 and August 9, 2006, the Company agreed to purchase 80% of the outstanding shares of Gulf Star World Development W.L.L. (“Gulf Star”), a Bahrain corporation, from Star Leisure & Entertainment Inc. (“Star Leisure”). Star Leisure is controlled by a director of the Company and is based in British Columbia, Canada. Gulf Star is the 100% owner and developer of the residential and tourist project known as the Dream Island Resort, located on the north coast of Bahrain at Manama City.

To acquire 80% of Gulf Star, the Company must issue five million common shares at \$0.125 per share. The shares are to be issued over a three-year period as follows:

- a) 1,000,000 allotted shares issued to Star Leisure upon completion of dredging works (estimated cost of dredging contract is \$4,500,000);
- b) 1,000,000 allotted shares issued to Star Leisure upon completion of final planning and design works (estimated planning contract cost is \$8,000,000);
- c) 1,000,000 allotted shares issued to Star Leisure upon the Company securing full funding in a combination of debt and/or equity that allows main resort construction to commence;
- d) 1,000,000 allotted shares issued to Star Leisure upon completion of 50% of resort construction; and
- e) 1,000,000 allotted shares issued to Star Leisure upon resort being opened for business at the start of operations.

In addition, the Company shall make cash payments to Star Leisure totaling \$100,000 to cover a portion of hard costs accumulated by Star Leisure in progressing the Dream Island Project. During the year ended December 31, 2003, the Company paid \$34,210 as partial payment toward the \$100,000 payment. The remaining balance of \$65,790 is due on or before August 31, 2008. The Company has also agreed to reimburse Star Leisure and Jzala Investment Group (20% shareholder of Gulf Star) for costs to be verified that they may have incurred upon the project financing being fully secured and having released in sufficient amounts to commence the main construction.

On August 9, 2002, the Company entered into an assignment agreement, whereby the Company was assigned all rights and obligations under a Dredging and Reclamation Contract entered into by Star Leisure pertaining to the construction of The Dream Island Resort project. Under the terms of the Dredging and Reclamation contract, the Company issued into escrow 1,268,750 Class A Convertible Preferred shares, with a deemed value of \$5,075,000, as full payment due under this contract. These shares will be released from escrow in stages as the dredging contract progresses. No value was recorded for these shares due to the contingent nature of their release from escrow. During the year ended December 31, 2006, these shares were cancelled as, although work had commenced on the Dream Island Project, there has not yet been sufficient progress to warrant issuance of the shares.

On March 13, 2006, the Ministry of Finance, Bahrain (“MOFB”) notified Gulf Star that due to a lack of progress and failure to advance the project in a timely basis, the MOFB intends to seek termination of the lease contract for the Dream Island site and have Gulf Star pay all associated expenses incurred for the enforcement thereof. In addition, the MOFB has indicated that it reserves the right to claim damages towards all losses it has incurred and all gains denied. The Company, Gulf Star, and Star Leisure intend to oppose the action by the MOFB. However, due to the uncertainty of the future viability of the Dream Island project, management has written-down the associated deferred investment costs to a nominal value of \$1.00.

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4. Capital Stock – Notes 3 and 5 – (cont'd)

Commitments – (cont'd)

Acquisition of Port Residence Project

The Company entered into a letter of intent dated January 7, 2008, to purchase 100% of the outstanding shares of a Turkish company (“TurkCo) to be formed and, thereby, acquiring a 100% interest in the Port Residence Project, a real estate development project, in Calkaya, Turkey, as follows:

- a) The Company shall be granted the option to purchase, on a pro-rata basis, up to 30% of the outstanding shares of TurkCo for compensation as described below (the “Initial Share Purchase Option”). The Company may exercise the share purchase option based upon construction progress of the Project as follows:
 - i) Upon construction expenditures equal to or greater than 33% of the total budgeted cost, 10% of the outstanding shares of TurkCo may be purchase by the Company.
 - ii) Upon construction expenditures equal to or greater than 66% of the total budgeted cost, 10% (cumulative 20%) of the outstanding shares of TurkCo may be purchase by the Company.
 - iii) Upon construction expenditures equal to or greater than 100% of the total budgeted cost, 10% (cumulative 30%) of the outstanding shares of TurkCo may be purchase by the Company.
- b) The shareholders of TurkCo shall grant a secondary option to the Company to purchase on a pro-rata basis the remaining 70% of the outstanding shares of TurkCo at the price as described below, (the “Second Share Purchase Option”). The Second Share Purchase Option may only be exercised by the Company upon full exercise of the Initial Share Purchase Option, unless TurkCo agrees to allow an earlier exercise as requested by the Company.
- c) Compensation of Initial and Second Share Purchase Options:

The Company shall have the option to pay the full exercise price of the Share Purchase Options either in cash, or by issuing common shares of the Company at the higher value of either, \$2.00 per share or the discounted market price of the Company’s share, as quoted on the OTC:BB Stock Exchange where the “Discounted Market Price” is defined by calculating the average previous 10 day closing price of the Company shares as of the Exercise Date in question and reducing that price by 25%.

The letter of intent is subject to the completion of a formal agreement.

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5. Non-Cash Transactions

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. The Company issued common shares for settlement of debts, convertible loans, and for services provided to the Company during the following years:

	Number of Preferred Shares	Number of Common Shares	Weighted Average Price Per Share	Total
1995 Consulting fee	-	50,000	\$0.03	\$ 1,500
1998 Management fee	-	7,000,000	\$0.001	7,000
1998 Consulting fee	-	620,000	\$0.01	6,200
2000 Finders fee	-	50,000	\$0.001	50
2001 Consulting fee	-	708,406	\$2.07	1,468,254
2002 Deferred investment cost	-	1,300,000	\$0.05	65,000
2002 Consulting fee	-	684,143	\$0.19	131,400
2002 Debt settlement	-	680,886	\$0.20	138,006
2003 Consulting fee	-	1,450,000	\$0.14	203,000
2003 Termination fee	198,000	-	\$4.00	792,000
2004 Loan conversion	-	825,364	\$0.06	48,537
2004 Loan settlement	-	613,000	\$0.07	45,000
2004 Consulting fee	-	360,000	\$0.40	142,500
2004 Deferred investment cost (cancellation)	-	(1,300,000)	\$0.05	(65,000)
2005 Communications	-	56,000	\$0.50	28,000
2005 Consulting fees	-	1,135,000	\$0.29	333,700
2005 Legal fees	-	50,000	\$0.50	25,000
2005 Loan conversion	-	635,901	\$0.39	250,160
2005 Stock dividend	-	4,120,643	\$0.65	2,678,418
2006 Finders' fee	-	100,000	\$0.40	40,000
2007 Consulting fees	-	700,000	\$0.20	140,000
	198,000	19,839,343		\$ 6,478,725

These amounts have been excluded from the investing and financing activities of the statements of cash flows.

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6. Related Party Transactions – Notes 3, 4, and 8

The Company was charged the following by shareholders, directors, by companies controlled by directors and/or shareholders of the Company, and by companies with directors in common:

	Three months ended March 31,		Cumulative from February 28, 1989 (Date of Inception) to March 31, 2008
	2008	2007	
Consulting fees	\$ -	\$ 17,490	\$ 64,820
Interest	9,388	7,301	104,981
Management fees	46,125	46,350	435,512
Office and general	-	-	26,944
Rent	6,000	5,280	118,472
	\$ 61,513	\$ 76,421	\$ 750,729

At March 31, 2008, accounts payable includes \$338,810 (December 31, 2007: \$288,276) due to directors of the Company and companies controlled by directors of the Company in respect of unpaid management fees and expenses incurred on behalf of the Company.

At March 31, 2008, accounts payable also includes \$15,527 (December 31, 2007: \$15,527) expenses for operating costs paid on behalf of the Company by companies with directors in common.

The Company entered into two Management Services Agreements dated January 1, 2007 with a director and a company controlled by a director of the Company. Under the terms of these agreements they will each be paid \$7,500 per month, plus taxes where applicable, for management services. These agreements are for a 24-month period expiring on December 31, 2008. If the Company is unable to pay for the services, the consultant may elect to settle any portion of outstanding amounts plus interest with units of the Company. Each unit shall consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share of the Company. The price for the units and warrants will be determined based on a discount to the 10 day average market price ranging from 50% to 60%, but no less than \$0.05 per share.

The Company also entered into a Consulting Services Agreement with a company controlled by a director of the Company. Under the terms of this agreement, the Company will pay \$5,500 per month, plus taxes where applicable, for consulting services. This agreement was suspended in May 2007.

7. Comparative Figures

Certain comparative figures for the period ended March 31, 2007, have been reclassified to conform to the financial statement presentation adopted for the period ended March 31, 2008.

8. Subsequent Events

Subsequent to March 31, 2008, the Company received loan proceeds of \$16,950 and \$5,358 (Cdn\$5,500) from companies controlled by directors of the Company. The loans are unsecured, non-interest bearing, and repayable upon demand.

2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company is in the development stage, accordingly certain matters discussed herein are based on potential future circumstances and developments, which the Company anticipates, but which cannot be assured.

Plan of Operation

The Company is currently devoting its efforts to developing The Dream Island Resort project in Manama, Bahrain. The Dream Island Resort project will be an integrated resort, entertainment, hotel and real estate facility to be built on a 41 acre man-made island off the north eastern coast of Manama, Bahrain.

In addition the Company entered into a Letter of Intent to potentially acquire by option up to a 100% indirect interest in the Port Residence Project is a real estate development project by purchasing the outstanding shares of a Turkish company. The Renaissance Residence Project is a real estate development project that will be located on an 16.5 acre parcel of land near Antalya, Turkey.

The Company was incorporated in Colorado on February 28, 1989 as Jefferson Capital Corporation. Effective June 13, 1990 the Company changed its name to Ohio & Southwestern Energy Company. Effective July 1, 2001, the Company and Strategic Internet Investments, Incorporated ("Strategic"), an inactive Delaware corporation incorporated on March 2, 2001, were merged. All outstanding common shares of the Company were converted into an equal number of common shares of Strategic. The purpose of this merger was to change the corporate jurisdiction of the Company from Colorado to Delaware and to change the name of the Company. The surviving corporation of the merger is Strategic, a Delaware corporation.

The Company has an agreement to purchase 80% of the outstanding shares of Gulf Star World Development W.L.L. ("Gulf Star"), a Bahrain corporation, from Star Leisure & Entertainment Inc. ("Star Leisure"). Star Leisure is controlled by a director of the Company and is based in British Columbia, Canada. Gulf Star is the 100% owner and developer of the Dream Island Resort project.

To acquire 80% of Gulf Star, the Company must issue five million common shares at a price of \$0.125 per share. The shares are to be issued over a three year period based on construction progress. In addition, the Company shall make cash payments to Star Leisure totaling \$100,000 to cover a portion of hard costs accumulated by Star Leisure in progressing the Dream Island Project. At December 31, 2003 the Company had paid \$34,210, with the balance of \$65,790 to be paid by August 31, 2008.

On March 13, 2006, the Ministry of Finance, Bahrain ("MOFB") notified Gulf Star that due to a lack of progress and failure to advance the project in a timely basis, the MOFB intends to seek termination of the lease contract for the Dream Island site. The Company, Gulf Star, and Star Leisure intend to oppose the action by the MOFB. However, due to the uncertainty of the future viability of the Dream Island project, management has written-down the associated deferred development costs to a nominal value of \$1.00 at December 31, 2005.

The Dream Island project in Bahrain will require, over the next twenty to twenty-four months, a significant amount of investment capital to be secured to ensure that all stages of development can proceed and be completed on schedule and on budget. The highest percentage of the funding requirements will be met through senior debt instruments with banking, investment and construction institutions and through government financing incentives and concessions. Further financing will be achieved through the pre-selling of the real estate units, villas and apartments, to be constructed as part of the Dream Island complex.

The first stage of the project, dredging and reclamation of the 41 acre man-made island site, is to be paid by the issuance of 1,268,750 Class A Convertible Preferred Shares in the capital of the Company at a deemed price of \$4.00 per share to Robodh Contracting Establishment, Manama, Bahrain. The total value of the Dredging and Reclamation Works contract is \$5,075,000.

In August 2004, limited construction commenced on the Dream Island Project. This initial phase of work consists of the construction of a temporary causeway to provide access from the coast to the offshore site of the future island location. Large haulage trucks transported and dumped quarry stone to create the temporary causeway from which access will be gained to the island site. Once the temporary causeway has been completed, work will commence on the creation of the Dream Island perimeter of the future offshore island. Thereafter, reclamation dredging operations will commence to move sand into the perimeter thereby creating the Dream Island site.

In January 2008 the Company entered into a Letter of Intent (“LOI”) with certain property owners (“Landowners”), and Al Habeeb & Al Mokaresh Commercial Brokers LLC (“Habeeb”), and G7 Entertainment Ltd. (“G7”) and Muzaffer Ataman (“Ataman”). The Company has the potential to acquire by option up to a 100% indirect interest in the Port Residence Project (the “Port Residence Project”) in Calkaya, near Kundu Antalya, Turkey by purchasing the outstanding shares of a Turkish company (“Calkaya TurkCo”) that will be incorporated to hold and own 100% of the Port Residence Project.

The Port Residence Project is a real estate development project located on 16.5 acres of land and when completed will consist of eleven multi-storey buildings with 396 residential units. Construction of three of the buildings, Phase 1, has commenced and is expected to be complete in one year’s time, subject to securing funding.

Under the LOI the Company will be granted two options to purchase up to 100% of the outstanding shares of Calkaya TurkCo. An “initial option” will allow the Company to purchase up to 30% of the outstanding shares of Calkaya TurkCo. Upon full exercise of the initial option, the Company shall be entitled to exercise a “second option” to purchase the remaining outstanding shares of Calkaya TurkCo.

Compensation to be paid to the shareholders of Calkaya TurkCo shall, at the choice of the Company, will be paid either in cash or by issuing common shares of the Company. Any issuance of common shares of the Company would occur as of the date of the Option Exercise Notice, under a Restricted Rule 144 Reg. S share issuance. The shares would be issued at the higher value of either USD \$2.00 per share, or the discounted market price of the Company shares, as quoted on the OTC:BB whereby the “Discounted Market Price” is defined by calculating the previous 10 day average closing share price from the exercise date in question, and reducing that price by a 25% discount.

G7 is a related party to the Company. Mr. Abbas Salih, Director and controlling shareholder of the Company, is also the controlling shareholder of G7, owning a 51% interest in G7 and therefore, the contemplated agreement outlined above is a non-arms length transaction.

The LOI is subject to the completion of a formal agreement.

The financial statements have been prepared on a going concern basis. The Company has accumulated a deficit of \$8,955,019 since inception and at March 31, 2008 has a working capital deficiency of \$795,167. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time. The Company has historically satisfied its capital needs primarily by issuing equity securities. Management plans to continue to provide for its capital needs during the next twelve months by issuing equity securities, private placements, loans, and debentures convertible into equity. Additional operating capital could be obtained through the potential exercise of management and director stock options and/or exercise of outstanding stock purchase warrants. The Company remains at the development stage, as there were no revenues during the past fiscal year.

The Company's plan during the next quarter and for the balance of 2008 is to maintain the size and staffing of its Vancouver, British Columbia head office at the current levels. There are no plans to hire additional employees as administrative requirements at head office are now being adequately met by the efforts of the board members the full-time and temporary staff and consultants. Field operations and construction activities in Bahrain will be conducted through contracting and sub-contracting of work.

Off-balance sheet arrangements

As of the date of this Report, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the company's financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term "off-balance sheet arrangement" generally means any transaction, agreement, or other contractual arrangement to which an entity unconsolidated with the Company is a party under which the Company has (i) any obligation arising under a guarantee contract, derivative instrument or variable interest; or (ii) a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

3. Quantitative and Qualitative Disclosures About Market Risk

The Company has no market risk sensitive instruments.

4. Controls and Procedures

The Company's chief executive officer and chief financial officer evaluated the Company's disclosure controls and procedures as of the end of the period covered by this quarterly report. Based upon the evaluation, the Company's chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures are effective.

During the quarterly period covered by this report, there were no changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II – OTHER INFORMATION

1. Legal Proceedings

– None

2. Unregistered Sales of Equity Securities

Sales of Securities Without Registration Under the Securities Act of 1933

On March 11, 2005, the Company issued 4,060,643 common shares, net of escrowed shares, pursuant to a common stock dividend declared by the Board of Directors on February 14, 2005, payable to the shareholders of record as of March 4, 2005. In connection with this stock dividend, pursuant to the terms of stock option, convertible debenture, and stock warrant agreements the number of units or shares issuable under those agreements shall be increased by 20% and the exercise or conversion price shall be decreased by 20%. These shares are restricted under Rule 144.

On November 15, 2002 the Company entered into a Convertible Loan Facility Agreement with Icon Management Ltd. (“Icon”) whereby the Company would, from time to time, borrow operating funds from Icon, at an interest rate of ten percent (10%), repayable on demand. The lender has the right to convert all or part of the principal sum and interest into units at a conversion rate which is calculated at a discount to the average closing market price for ten days preceding a loan advance or conversion of interest. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, expiring 2 years from the conversion date, exercisable at the applicable conversion rate. Certain loans made under this agreement had specific maturity dates, thereby limiting to 2 years the lender’s right to convert all or part of the principal sum into units. During the year ended December 31, 2004, Icon converted \$48,537 of the loan into 825,364 units of the Company, including warrants exercisable at an average price of \$0.06 per share, expiring at various dates between December 31, 2004 and March 31, 2006. On December 31, 2004, Icon exercised warrants to purchase 643,715 shares. During the year ended December 31, 2005, Icon converted \$227,140 of the loan plus accrued interest of \$23,020, into 635,901 units of the Company, including warrants exercisable at an average price of \$0.39 per share, expiring at various dates between April 1, 2005 and January 31, 2007. During the period ended September 30, 2005, Icon also exercised warrants to purchase a further 420,107 shares for cash proceeds of \$43,153. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S.

On March 13, 2003 the Company completed an offering of 650,000 units of its share capital to one accredited investor at a price of \$0.10 per unit, each unit consisting of one share of common stock and one common stock share purchase warrant. Each common stock purchase warrant gives the investor the right to purchase one additional share of common stock at any time during the first two years at a price of \$0.10 per share. Total cash proceeds of \$65,000 were allocated to working capital. In July 2004, 320,000 of the warrants were exercised, and 320,000 shares were issued for cash proceeds of \$32,000. During the year ended December 31, 2005, the investor exercised the remaining warrants to purchase a further 330,000 shares for cash proceeds of \$33,000. These shares were issued pursuant to an exemption from registration under Section 4(6) of the Securities Act of 1933. Sale or transfer of the shares by the investor shall be in accordance with the provisions of Regulation S, or pursuant to registration under the Securities Act of 1933 or pursuant to an available exemption from registration. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S.

On August 10, 2003 the Company entered into a Convertible Loan Facility Agreement with Star Leisure & Entertainment Inc. (“Star Leisure”), a company controlled by a Director and Officer of Strategic, whereby the Company would, from time to time, borrow operating funds from Star Leisure, at an interest rate of ten percent (10%), repayable on demand. The lender has the right to convert all or part of the principal sum into units at a conversion rate which is calculated at a discount to the average closing market price for ten days preceding a loan advance. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, expiring 2 years from the conversion date, exercisable at the applicable conversion rate. Certain loans made under this agreement had specific maturity dates, thereby limiting to 2 years the lender’s right to convert all or part of the principal sum into units. At December 31, 2005, Star Leisure had advanced a total of \$103,206 and accrued interest of \$25,100. During the year ended December 31, 2005, \$81,206 of the loans matured, and the right to convert this principal amount into units expired. On January 31, 2006 the right to convert the remaining loan principal of \$22,000 into units expired. Under the terms of the Convertible Loan Facility Agreement, any loans that mature without being converted or repaid become due on demand. At March 31, 2008, the Star Leisure loan principal was \$49,700 and had accrued interest of \$10,482. The loan principal is convertible into 416,248 units at conversion price of \$0.12 as set at the time the principal was borrowed. Star Leisure has not converted any part of the principal sums advanced or accrued interest into units as of March 31, 2008. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S.

In January 2005, the Company issued 141,000 common shares at a deemed price of \$.50 per share, for a total deemed consideration of \$70,500, pursuant to various consulting agreements for legal, computer, and financial services. These transactions are with offshore non-U.S. persons; accordingly, these securities are exempt from registration pursuant to Regulation S.

The Company issued 50,000 common shares in January 2005, at a deemed price of \$0.84 per share, for a total deemed consideration of \$42,000, pursuant a Promotional and Capital Funding Agreement for financial and investor relation services. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S, however they are restricted under Rule 144.

The Company also issued 400,000 common shares in January 2005, at a deemed price of \$0.25 per share, for a total deemed consideration of \$100,000, pursuant a Promotional and Capital Funding Agreement for financial and investor relation services. Of these shares, 250,000 were held in escrow and were to be released subject to the Company obtaining certain future financial goals, however these goals were never achieved and the shares were subsequently cancelled. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S, however they are restricted under Rule 144.

In March 2005 the Company entered into a Promotional and Capital Funding Agreement for financial and investor relation services. Pursuant to this agreement, the Company issued 100,000 common shares in May 2005, at a deemed price of \$0.36 per share, for a total deemed consideration of \$36,000. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S, however they are restricted under Rule 144.

In December 2005 the Company entered into three Consulting Agreements for public relations and promotional services. Pursuant to these agreements, the Company issued 800,000 common shares at a deemed price of \$0.25 per share, for a total deemed consideration of \$200,000. These transactions are with offshore non-U.S. persons; accordingly, these securities are exempt from registration pursuant to Regulation S, however they are restricted under Rule 144.

On May 5, 2006 the Company entered into a Convertible Loan Facility Agreement with CMB Investments Ltd. (“CMB”), a company controlled by a Director and Officer of Strategic, whereby the Company would, from time to time, borrow operating funds from CMB, at an interest rate of ten percent (10%), repayable on demand. The lender has the right to convert all or part of the principal sum into units at a conversion rate which is calculated at a discount to the average closing market price for ten days preceding a loan advance. Each unit consists of one common share of the Company and one share purchase warrant, expiring 2 years from the conversion date, exercisable at the applicable conversion rate. At March 31, 2008, the CMB loan principal was \$135,730 and had accrued interest of \$18,086. The loan principal is convertible into 1,762,858 units. Conversion of this loan and associated warrants to equity will be at a price ranging from \$0.05 to \$0.23. CMB has not converted any part of the principal sums advanced or accrued interest into units as of March 31, 2008. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S.

On October 11, 2006 the Company completed a private placement of 200,000 common shares at \$0.40 per share for total proceeds of \$80,000. In connection with this financing, the Company paid cash of \$3,000 and issued 100,000 common shares as finder’s fees. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S.

On April 23, 2007 the Company completed a private placement of 200,000 common shares at \$0.25 per share for total proceeds of \$50,000. This transaction is with an offshore non-U.S. person; accordingly, these securities are exempt from registration pursuant to Regulation S.

In May 2007 the Company entered into two Consulting Agreements for financial consulting services for a period of 12 months. Pursuant to these agreements, the Company issued 700,000 common shares at a deemed price of \$0.20 per share, for a total deemed consideration of \$140,000. These transactions are with offshore non-U.S. persons; accordingly, these securities are exempt from registration pursuant to Regulation S, however they are restricted under Rule 144.

⁽¹⁾ Refer to the Notes of the Interim Consolidated Financial Statements for the Class A Convertible Preferred Shares terms of conversion and rights.

3. Defaults Upon Senior Securities

– None

4. Submission of Matters to a Vote of Security Holders

– None

5. Other Information

– None

6. Exhibits

Table of Exhibit		
Items	Description	Exhibit
601-3(i)	Articles of Incorporation	Note 1
601-3(ii)	Bylaws	Note 1
601-3(iii)	Certificate of Amendment	Note 1
601-(10)	Stock Award Plan	Note 2
601-(31)	Rule 13a-14(a)/15d-14(a) Certifications	Exhibit 31.1
601-(31)	Rule 13a-14(a)/15d-14(a) Certifications	Exhibit 31.2
601-(32)	Section 1350 Certifications	Exhibit 32.1
601-(32)	Section 1350 Certifications	Exhibit 32.2

Note 1: Incorporated by reference to Form 10-KSB Annual Report for the year ending December 31, 2001

Note 2: Incorporated by reference to Form 10-KSB Annual Report for the year ending December 31, 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Strategic Internet Investments, Incorporated

Date: May 12, 2008

/s/ Ralph Shearing
Ralph Shearing, CEO, Director

Date: May 12, 2008

/s/ Abbas Salih
Abbas Salih, CFO, Director