

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Asset Purchase Agreement
CONVEYING PARTY DATA	
Name	Execution Date
ElectroWave (USA), Inc., a Texas corporation	03/31/2007
RECEIVING PARTY DATA	
Name:	ElectroWave (USA), Inc., a Nevada corporation
Street Address:	15473 East Freeway
City:	Channelview
State/Country:	TEXAS
Postal Code:	77530
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	6869254
Application Number:	10925878
Application Number:	11057093
CORRESPONDENCE DATA	
Fax Number:	(314)345-6060
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	314-345-6000
Email:	jacie.steinkamp@huschblackwell.com
Correspondent Name:	Lawrence E. Evans
Address Line 1:	720 Olive Street
Address Line 2:	Suite 2400
Address Line 4:	St. Louis, MISSOURI 63101
ATTORNEY DOCKET NUMBER:	61051.1
NAME OF SUBMITTER:	Lawrence E. Evans
Total Attachments: 3 source=Assign#page1.tif	

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## AGREEMENT AND PLAN OF REORGANIZATION

This Agreement and Plan of Reorganization ("Agreement") is made and entered into as of this \_\_\_\_ day of March 2007 by and among Deep Down, Inc., a Nevada corporation (the "Buyer"), ElectroWave (USA), Inc., a Nevada corporation ("Merger Sub"), ElectroWave (USA) Inc., a Texas corporation (the "Seller"), Pincmont JV, Martin L. Kershman and Ronald W. Nance (individually a "Shareholder" and collectively the "Shareholders").

### RECITALS

A. Seller is engaged in the business of providing products and services in the field of electrical and electronic monitoring & control systems for energy, military and commercial business sectors (the "Business");

B. Seller desires to transfer substantially all of its assets to Merger Sub, and Buyer desires to acquire those assets and assume certain specified liabilities, on the terms and subject to the conditions hereinafter set forth; and

C. The Buyer, the Seller and the Shareholders are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the provisions of Section 4(2), Section 4(6) and/or Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act").

D. Seller has agreed to distribute, among other things, shares of its Series H preferred stock (the "Shares") of Buyer acquired pursuant to this Agreement to its stockholders as part of the dissolution and liquidation of Seller, which dissolution and liquidation shall be conducted in accordance with the laws of the State of Texas, and its articles of incorporation and bylaws.

E. It is intended that the transactions contemplated by this Agreement shall qualify as a tax-free reorganization within the meaning of Section 368(a)(1)(C) of the Internal Revenue Code of 1986, as amended (the "Code"), and be treated for financial reporting purposes as a pooling of interests.

NOW, THEREFORE, in consideration of the premises and the respective warranties, representations, covenants and agreements hereinafter set forth, Seller and Buyer hereby mutually agree as follows:

1. Purchased Assets. Seller agrees to assign, transfer and deliver to Merger Sub, and Merger Sub agrees to acquire from Seller, on the Closing Date (as defined in section 4 hereof), all of the right, title and interest of Seller in and to all of the following assets (the "Purchased Assets") which are owned and/or used by Seller in connection with the Business, free and clear of all security interests, liens, claims and other encumbrances other than to Capital One:

all of the Business, goodwill, assets, properties and rights of every nature, kind and description, whether tangible or intangible, real, personal or mixed, wherever located and whether or not carried or reflected on the books and records of the Company, which are owned by the Company or in which the Company has any interest (including the right to use), cash and marketable securities, licenses, accounts receivable, prepaid expenses, inventory, equipment including all phone systems, fixtures and furniture, customer and supplier lists, phone numbers, trademarks, tradenames, corporate names, service marks, trade secrets, proprietary data, and other intellectual property rights, leases and contracts set forth as Assumed Liabilities, and books and records.

2. Liabilities Assumed by Buyer. Buyer and Seller agree that Merger Sub shall not assume, nor shall Merger Sub in any way be responsible for, any liability, obligation, claim or commitment, contingent, actual or otherwise, known or unknown, of Seller or any of its shareholders, directors, officers, employees or agents, it being expressly understood and agreed that Seller shall continue to be responsible for any and all liabilities, obligations, claims or commitments of Seller or the Business entered into on or prior to the Closing Date, including but not limited to, any sales, income, payroll or other taxes, obligations to other creditors including vendors, employees and

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Each party to this Agreement agrees that he will not make any public disclosure of this Agreement or the execution of the Agreement without the other's prior approval. Prior to issuing any press release or public statement concerning the transactions represented herein, a copy shall be made available to the other parties for their comments. If the proposed transactions are not consummated for any reason whatsoever, the respective parties hereto shall keep confidential any information (unless ascertainable from public or published information or trade sources) concerning the business or operations of the parties hereto.

This Agreement is intended to be performed in the State of Texas and shall be governed by and construed and enforced in accordance with the laws of that state.

This Agreement is intended for the benefit of the parties hereto and is not intended to benefit any third party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, as of the date and year first above written.

**BUYER:**

DEEP DOWN, INC.

By: 

Ronald E. Smith, Chief Executive Officer

**MERGER SUB:**

ELECTROWAVE (USA) INC.,  
a Nevada corporation

By: \_\_\_\_\_

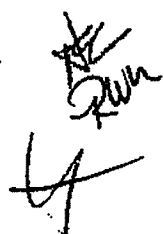
John C. Siedhoff, Chief Financial Officer

**SELLER:**

ELECTROWAVE (USA) INC.  
a Texas corporation

By: 

Martin L. Kershman, President

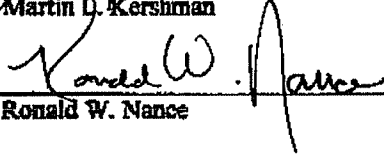
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**SHAREHOLDERS:**

Pinemont, NY

By:   
 Albert P. Keller

  
 Martin L. Kershman

  
 Ronald W. Nance

