

Portrush Petroleum Corporation

ANNUAL INFORMATION FORM

May 9, 2001

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THE COMPANY

Portrush Petroleum Corporation is a junior oil and gas exploration and development company. It is the intention of the Company, either alone or with others, to carry out or participate in exploration and development programs on its properties to determine the existence, location, extent and quality of the oil and gas resources located on its properties and to drill and complete, where appropriate, oil or gas wells.

Name and Incorporation

The Company was incorporated under the Business Corporations Act of Ontario on February 9, 1956 and changed its name to Bar Resources Limited on July 26, 1978. On December 19, 1994 the Company changed its name to Southern Bar Minerals Corporation and consolidated its share capital on the basis of one new share for every three and one-half existing shares. On January 12, 1996 the Company changed its name to Texas Gulf Petroleum Corporation and on June 11, 1996 the Company was continued into the province of British Columbia. On March 15, 2000 the Company changed its name to Portrush Petroleum Corporation and consolidated its share capital on the basis of one new share for every five existing shares. The Company concurrently increased its authorized capital to its present authorized capital of 100,000,000 common shares without par value.

The head office of the Company is located at Suite 200, 1687 West Broadway, Vancouver, B.C. V6J 1X2. The registered and records office for the Company is Suite 700, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

The Company has one wholly owned subsidiary, Texas Dome Petroleum Corporation, a U.S. corporation which was incorporated for the purpose of holding U.S. resource property interests. This company is currently inactive as the Company does not presently have an interest in any resource properties in the United States.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares trade on the Canadian Venture Exchange. The Company has filed the necessary documents to register under the rules of the Securities Exchange Act 1934, as amended, and the Company therefore has a reporting obligation thereunder.

THE BUSINESS OF THE COMPANY

The Company is a junior oil and gas exploration and development company and has interests in oil and gas properties located in Canada and the United States (the "Properties"). It is the intention of the Company, either alone or with others, to carry out or participate in exploration and development programs on the Properties and on other properties that it may acquire an interest in, to determine the existence, location, extent and quality of the oil and gas resources located on the Properties and to drill and complete, where appropriate, oil or gas wells.

The following outlines the general business of the Company during the preceding five years:

Prior Operations of the Company

During 1995, the Company acquired all of the issued and outstanding shares of Texas Dome Petroleum Corporation through the issuance of 4,392,484 common shares and thereby acquired various interests in oil and gas prospects located in Southern Texas. The transaction was accounted for as a reverse takeover and the financial statements of the Company and Texas Dome Petroleum Corporation were consolidated. During

the year, the Company capitalized oil and gas lease acquisition, exploration and development expenditures and related general and administrative costs totalling \$1,185,602.

The Company's investment in the Buckhorn Mine continued to be carried on the books of the Company at cost, including all costs relating to mine development, mill rehabilitation and operations at pre-production levels, net of incidental revenues. The Company retained a 20% carried interest in the net proceeds of production from the mine subject to a minimum 1% of net smelter returns and maximum of 2% with a right to recover up to US\$2 million of expenditures based upon future increases in the price of gold.

On January 12, 1996 the Company changed its name to Texas Gulf Petroleum Corporation and during the year wrote-off its investment in the Buckhorn Mine as no future revenue was anticipated as coming from the project. During the year, the Company capitalized oil and gas lease acquisition, exploration and development expenditures and related general and administrative costs totalling \$1,215,668 and wrote-off oil and gas expenditures of \$666,119.

During 1997, the Company decided not to develop the remaining oil and gas properties in South Texas and wrote-off the balance of its oil and gas interests.

During 1998 and 1999, the Company instituted and completed a reorganization of its affairs resulting in the change of the Company's name to Portrush Petroleum Corporation and the consolidation of its share capital on the basis of one new share for every five existing shares effective March 15, 2000.

Properties of the Company

THE LAMBTON AND KENT COUNTIES GAS PROSPECTS - MICHIGAN BASIN

The Company entered into two agreements with Range Petroleum Corporation ("Range") dated March 21, 2000 and April 14, 2000 to conduct seismic programs on 20 natural gas exploration prospects located in Lambton and Kent counties in the province of Ontario. Subject to a satisfactory review of the initial seismic programs, the Company will enter into a formal joint venture agreement with Range to proceed with further exploration and development. Range will operate the program and provide Portrush with technical support.

The joint venture lands are located in Moore, Sombra, and Dawn Townships in Lambton County and in Gore of Chatham and Gore of Camden in Kent County. The lands are situated in the Michigan Basin, a geological area referred to as the Guelph Pinnacle Reef Belt. The reef belt is present in southwestern Ontario in an area bounded by Lake St. Clair, St. Clair River and southern Lake Huron on the west and varies in width from 3 miles to 36 miles.

Range currently holds various working interests in the prospect lands some of which are subject to a 12.5% freehold royalty. Range's average approximate working interest in the prospects is expected to be 95 percent. The Company will conduct seismic programs on the prospects and by drilling each prospect to a depth sufficient to evaluate the Silurian Guelph formation, may earn 50% of Range's interest in the prospects.

The exploration program consists of three stages. The first stage is an initial 2-D seismic acquisition and processing which is estimated to cost approximately \$200,000. The second stage calls for five 3-D seismic programs on each of the two sets of 10 prospects. The costs of each 3-D seismic program is estimated to be \$100,000. The third stage, based on the results of the 3-D seismic program calls for the drilling of seismically identified prospects with a cost per well estimated to be \$200,000. In order to earn its 50% interest in the subject lands, the Company must drill and complete at least two wells in each of the 2 groups of 10 prospects.

The following is a summary of the Company's activity on the joint ventures prospects, incurred

costs to date and working interest.

	Prospect	Township Location	Status	Incurred Cost To Date	W.I.
1	Courtright West	Moore	Drilling	\$157,000	25%
2	Courtright South	Moore	3D Compete	118,000	25%
3	West Wabash	Dawn	2D Done. Plan 3D.	12,500	50%
4	Dawn Mills	Dawn	2D Done	12,000	50%
5	Donkey Creek	Dawn	2D Done. Plan 3D.	13,000	50%
6	N. Thamesville	Dawn	2D Done. Plan 3D.	18,000	50%
7	Mooretown N.	Moore	Plan 3D	4,500	50%
8	Mooretown S.	Moore	Shooting 2D		50%
9	Serka	Gore Camden	Plan 2D		50%
10	East Sydenham	Gore Chatham	Plan 2D		50%
11	Four Corners	Dawn-Sombra	Shooting 3D	125,300	50%
12	Dresden	Dawn	2D Done. Plan 3D.	23,000	50%
13	Turnerville	Dawn	Shooting 2D		50%
14	Bentpath S.	Dawn	Plan 2D		50%
15	Croton	Dawn	Plan 2D	18,000	50%
16	Long Creek	Dawn	Plan 2D		50%
17	Rutherford S.	Dawn	Plan 2D		50%
18	Huff South	Dawn	Plan 2D		50%
19	North Sombra	Sombra	Plan 2D		50%
20	Lone Circle East	Dawn	Plan 2D		50%

The Company has also acquired one-half of Range Petroleum Corporation's 50% interest in two Silurian-Ordovician prospects, and associated leased lands (approximately 2,560 acres) located in St. Clair County, Cottrellville Township and Macomb County, Lenox Township, Southeast Michigan in consideration of cash payments to Range of \$150,000 for each of the two areas. To date Range and its partners have spent approximately \$270,000 on land and \$485,000 seismic. A drill location (Richards #1-20) has recently been surveyed for the Lenox prospect located in Macomb County. The well is expected to spud in June, 2001 at an anticipated cost of \$543,000. Portrush is carried on all of the 3D seismic and drilling cost associated with these two prospects.

Portrush has also farmed in on Range Petroleum Corporations multi-well drilling program in Lambton County. Portrush will earn 20-25% W.I. in the drilling prospects by paying 50% of the drilling and completion costs. The drill locations are as follows:

Location	Target	Estimated Contribution	Interest Earned
Range et al Baldoon #1	Guelph Reef	\$94,000	25%
Portrush RPG Courtright #2	Guelph Reef	104,500	25%

Range St. Clair #1 Enniskillen	Guelph	110,000	20%
Range St. Clair #2 Enniskillen	Ordovician	187,000	20%
Range St. Clair #3 Enniskillen	A1 Dolomite	110,000	20%

THE CRANBERRY-BOTHA PROPERTY - WESTERN CANADA SEDIMENTARY BASIN

The Company participated in a four (4) well plus (1) option well, exploratory drilling program, on a 64 section farmout package, in northern Alberta (the "Cranberry area") targeting Mississippian and Slave Point gas resources. The drill locations were identified using a 235 square kilometer (91 square mile) proprietary 3D seismic survey. The first well will spud in January 2001. The drilling program was completed in March 2001.

Range Petroleum Corporation ("Range") has a significant working interest position in the Cranberry area and has entered into a number of farm-in arrangements with several other operators in the area to increase that position. The four wells in the drilling program were earning wells required to fulfill the farm-in obligations. The fifth well was an option well which if drilled would have earned additional interests.

Generally the Company earned a third of Range's interest by paying 50 percent of their costs and included a third of Range's existing working interests in the area encompassing 46 sections. As a result, the actual interests and burdens on the various wells were different.

The following summarizes the drilling and completion results as incurred on the properties:

The wells were drilled to the Banff Formation and production casing was set over the Pekisko on three wells with the fourth well being completed underbalanced open hole through the Pekisko Formation.

Log analysis and core data indicated the wells averaged between 10 and 18 meters of net pay in excess of 15% porosity. Two of the wells were sand fractured and one well was fractured with hot acid. The fourth well was drilled and completed open hole underbalanced. All wells had oil and gas wellbore inflow but time only allowed for the production testing of the 6-1 well. This well tested 10m³/d of fluid cutting between 15% and 85% water and 200 Mcfd of associated gas. Due to an early spring breakup operations had to be suspended on March 10, 2001. All core log, fluid and pressure data are currently being analyzed to access resource potential and to determine further drilling, completion and testing programs next winter.

The following is a summary of the Company's contribution to the drilling and completion costs and the interest earned by the Company:

Test Well # (drilling order)	Well Location	Target	Estimated Contribution	Interest Earned	Status
No. 1 (1)	16-17-98-2 W6M	Pekisko	\$281,775	17.91%	Drilled Completed
No. 2 (3)	4-29-98-2 W6M	Pekisko	\$328,000	20.83%	Drilled Completed
No. 3 (4)	4-30-98-2 W6M	Pekisko	\$318,500	16.67%	Drilled Completed
No. 4 (2)	6-1-99-3 W6M	Pekisko	\$351,000	16.67%	Drilled Completed
No. 5 (5)	4-10-99-3 W6M	Pekisko		N/A	Elected not to drill

Risk Factors and Government Regulation

Reserves

None of the Company's oil and gas properties contain significant proven reserves. The amounts attributed to the Company's properties in its financial statements represent exploration costs and should not be taken to represent realizable value. Oil and gas exploration and development involves significant risks. Few wells which are drilled are developed into commercially producing fields. Substantial expenditures may be required to establish reserves and no assurance can be given that commercial quantities or further reserves will be discovered or, if found, will be present in sufficient quantities to enable the Company to recover the costs incurred. The Company's estimates of exploration and production costs can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, and unusual or unexpected formations, pressures and work interruptions. There can be no assurance that actual exploration cost will not exceed projected cost.

Competition

Oil and gas exploration is intensely competitive and involves a high degree of risk. There can be no assurance that commercial production of hydrocarbons can be obtained from any of the Company's properties, nor are there any assurances that production, if obtained, will be in sufficient quantities to be profitable. In its efforts to acquire properties, the Company competes with other companies that have significantly greater resources. Many of these companies not only explore for and produce oil and gas, but also conduct refining and petroleum marketing operations on a worldwide basis.

Competition for producing properties will be affected by the amount of funds available to the Company, information available to the Company and any standards established by the Company for the minimum projected return on investment. Competition may also be presented by alternative fuel sources.

Risks Associated with Oil and Gas Exploration

There can be no assurance that commercial quantities of hydrocarbons will be recovered by the Company in the future. The marketability of any oil and gas acquired or discovered will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, proximity and capacity of oil and gas pipelines and processing equipment and government regulations (including regulations relating to royalties, allowable production, importing and exporting of oil and gas, and environmental protection). In addition, hazards such as unusual or unexpected formations, pressures or other conditions are involved in drilling and operating wells.

Financial Risks

The Company does not presently have sufficient financial resources to undertake by itself all of its planned exploration and development programs. The exploration and development of the Company's properties depend, therefore, on the Company's ability to obtain additional financing through joint ventures, debt financing, equity financing or other means.

There can be no assurance that the Company will obtain necessary additional financing or that any joint venture partner will obtain financing under the terms of any joint venture agreement into which it enters with the Company. The failure of the Company to obtain additional financing on a timely basis or on terms favourable to the Company could result in the loss or substantial dilution of the Company's interests (as existing or as proposed to be acquired) in its properties. In addition, the failure of any joint venture partner to obtain any required financing could adversely affect the Company's ability to complete the exploration or development of any such joint venture project on a timely basis.

Should the Company elect to satisfy its cash commitments through the issuance of securities, by way of either private placement or public offering, there can be no assurance that the Company's efforts to raise such funding will be successful, or achieved on terms favourable to the Company or its existing shareholders.

Limited Operating History and History of Losses

The Company has historically incurred losses from operations. As at December 31, 1999, the Company had a cumulative deficit of \$6,598,875. There can be no assurance that the Company will achieve profitability in the future. In addition, should the Company be unable to continue as a going concern, realization of assets and settlement of liabilities in other than the normal course of business may be at amounts significantly different from those in the financial statements.

Absence of Dividends

The Company has never paid cash dividends and has no intention of doing so in the foreseeable future. There can be no assurance that the Company's directors will ever declare cash dividends, which action is completely within their discretion.

Currency Fluctuations

The Company incurs costs and expenses in Canadian dollars. The Company expects that any future production revenues will be denominated in Canadian dollars; however, oil and gas prices are generally quoted in United States dollars. If the Canadian dollar goes down in value against the United States dollar while other factors remain constant, the Company will see a relative increase in production revenues and, conversely, if the United States dollar goes down in value against the Canadian dollar while other factors remain constant, the Company will see a relative decrease in production revenues. The Company does not presently hedge against currency fluctuations as such fluctuations will have a minimal effect on its operations until the Company has sustained production revenues.

Dependence on Key Personnel

The Company is heavily dependent upon the expertise of certain of its key officers and directors, and the loss of one or more of these individuals could have a material adverse effect on the Company. None of these individuals have entered into employment agreements with the Company and the Company does not maintain key-person insurance policies on any of its executive officers.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of, and/or own securities of, other resource companies, whereby such persons may have a conflict of interest in allocating their time and resources among the Company and such other companies; and to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest.

Expiration of Licenses and Leases

The Company's properties are held in the form of licenses and leases and working interests in licenses and leases. If the Company or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of the Company's licenses or leases or the working interests relating to a license or lease may have a material adverse effect on the Company's results of operation and business.

Environmental Regulation

Hazards incident to the exploration and development of oil and gas properties such as accidental spills or leakage of petroleum liquids and other unforeseen conditions may be encountered by the Company. The Company may be subject to liability for pollution and other damages due to hazards which cannot be insured against due to prohibitive premium costs or for other reasons. Governmental regulations relating to environmental matters could also increase the cost of doing business or require alteration or cessation of operations in certain areas.

Existing and possible future environmental legislation, regulations and actions could give rise to additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could materially and adversely affect the business of the Company or its ability to develop its properties on an economically feasible basis. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude entirely the economic development of a property.

Fluctuation in Oil and Gas Prices

As with most other companies involved in resource exploration, the Company may be adversely affected by future increases in the costs of conducting exploration, development and resource extraction that may not be fully offset by increases in the price received on sale of the petroleum or natural gas.

Volatility of Oil and Gas Prices

The Company's revenues, profitability and future growth and the carrying value of its oil and gas properties are substantially dependent on prevailing prices of oil and gas. The Company's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Company. These factors include economic conditions in the United States and Canada, the actions of the Organization of Petroleum Exporting Countries, governmental regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and gas, the price of foreign imports and the availability of alternative fuel sources. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Title to Properties

It is the practice of the Company in acquiring oil and gas leases or interests in oil and gas leases not to undergo the expense of retaining lawyers to fully examine the title to the interest to be placed under lease or already placed under the lease. Rather, the Company relies upon the judgment of oil and gas lease brokers or landmen who actually do the field work in examining records in the appropriate governmental office before attempting to place under lease a specific interest. The Company believes that this practice is widely followed in the oil and gas industry.

Prior to the drilling of a well for oil and gas, it is the normal practice of the oil and gas industry for the person

or company acting as the operator of the well to hire a lawyer to examine the title to the spacing unit within which the proposed oil and gas well is to be drilled. Frequently, as a result of such examination, certain curative work must be done to correct deficiencies in the marketability of the title, and the curative work entails expense. The work might include obtaining affidavits of heirship or causing an estate to be administered. From time to time, the examination made by the title lawyers reveals that the oil and gas lease or leases are worthless, having been purchased in error from a person who is not the owner of the mineral interest desired. In such instances, the amount paid for such oil and gas lease or leases may be lost.

There may be title defects which affect lands comprising a portion of the Company's Properties.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table provides a brief summary of the Issuer's financial operations. For more detailed information, refer to the audited financial statements and unaudited financial statements of the Issuer which are attached to and form part of this Annual Information Form.

	Year-end 12/31/20	Year-end 12/31/99	Year-end 12/31/98	Year-end 12/31/97	Year-end 12/31/96
Revenues (Net)	Nil	Nil	Nil	Nil	Nil
Other (Interest)	2,566	Nil	Nil	(1,461)	65,156
Gross Profit	Nil	Nil	Nil	Nil	Nil
General and Administrative Expenses	187,254	65,127	132,753	422,809	579,691
Write-off of mineral properties ⁽¹⁾	Nil	Nil	Nil	Nil	1,500,676
Write-off of oil & gas properties ⁽²⁾	Nil	Nil	Nil	1,970,959	666,119
Net Income (Loss) per share	(184,254) (0.03)	(65,127) (0.02)	(132,753) (0.05)	(2,393,768) (0.16)	(2,747,791) (0.21)
Working Capital	96,369	(111,162)	(46,035)	73,550	803,432
Mineral Properties ⁽³⁾					
Acquisition costs	350,000	Nil	Nil	Nil	74,023
Deferred exploration and development	773,052	Nil	Nil	774,385	1,082,633
Long Term Liabilities	Nil	Nil	Nil	Nil	Nil
Shareholders' Equity					
Dollar Amount	8,002,984	6,487,713	6,487,713	6,010,812	6,010,812
Number of Securities ⁽⁴⁾	9,539,778	2,948,015	2,948,015	2,565,253	2,565,253

(1) In fiscal 1996 the Company wrote-off capitalized costs of \$1,500,676 pertaining to its Buckhorn Mine Property.

(2) In fiscal 1997, the Company wrote-off the balance of deferred oil & gas exploration costs on its U.S. properties.

(3) Not included are general and administrative costs capitalized in 1996 of \$59,012 and 1995 of \$84,553.

(4) There were 9,539,778 (1999: 2,948,015) post-consolidated shares issued and outstanding as of December 31, 2000 of which 103,125 post-consolidated are escrowed shares which will be released only upon obtaining the consent of the appropriate regulatory authority.

As a junior company engaged in oil and gas exploration, the Company has not and does not anticipate generating any operating revenues in the next few years. Historically, the Company has received revenues only from interest earned on cash reserves held. The Company expects this to be the only source of its income for the next few years. The Company expects to rely upon equity financing as its primary source of funding. (As such, selected quarterly income information is not provided.)

The Company's accounting policy is to record its mineral properties at cost. Exploration and development expenditures relating to mineral properties are deferred until either the properties are brought into production, at which time they are amortized on a unit of production basis, or until the properties are sold or abandoned, at which time the deferred costs are written off.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the year-ended December 31, 2000.

The Company is a junior oil and gas exploration and development company. It is the intention of the Company, either alone or with others, to carry out or participate in exploration and development programs on oil and gas properties that it may acquire an interest in, in order to determine the existence, location, extent and quality of the oil and gas resources located on the properties and to drill and complete, where appropriate, oil or gas wells.

During 1995, the Company acquired all of the issued and outstanding shares of Texas Dome Petroleum Corporation through the issuance of 4,392,484 common shares and thereby acquired various interests in oil and gas prospects located in Southern Texas. The transaction was accounted for as a reverse takeover and the financial statements of the Company and Texas Dome Petroleum Corporation were consolidated. During the year, the Company capitalized oil and gas lease acquisition, exploration and development expenditures and related general and administrative costs totalling \$1,185,602.

The Company's investment in the Buckhorn Mine continued to be carried on the books of the Company at cost, including all costs relating to mine development, mill rehabilitation and operations at pre-production levels, net of incidental revenues. The Company retained a 20% carried interest in the net proceeds of production from the mine subject to a minimum 1% of net smelter returns and maximum of 2%, with a right to recover up to US\$2 million of expenditures based upon future increases in the price of gold.

On January 12, 1996 the Company changed its name to Texas Gulf Petroleum Corporation and during the year wrote-off its investment in the Buckhorn Mine as no future revenue was anticipated as coming from the project. During the year, the Company capitalized oil and gas lease acquisition, exploration and development expenditures and related general and administrative costs totalling \$1,215,668 and wrote-off oil and gas expenditures of \$666,119.

During 1997, the Company decided not to develop the remaining oil and gas properties in South Texas and wrote-off the balance of its oil and gas interests.

During 1998 and 1999, the Company instituted and completed a reorganization of its affairs resulting in the change of the Company's name to Portrush Petroleum Corporation and the consolidation of its share capital on the basis of one new share for every five existing shares effective March 15, 2000.

The Company does not have any operating revenues, and as a junior resource company engaged in oil and gas

exploration, the Company does not anticipate generating any operating revenues in the next few years. Historically, the Company has received revenues only from interest earned on cash reserves held. The Company expects this to be the only source of its income for the next few years. The Company expects to rely upon equity financing as its primary source of funding.

During 2000, the Company raised \$1,515,271 by way of private placements resulting in the issuance of 6,591,763 common shares. The private placement proceeds were used to finance the Company's participation in various oil and gas exploration and development programs.

During 2000, the Company incurred \$508,014 in deferred exploration and development costs and \$615,038 in acquisition costs associated with its participation in various oil and gas exploration and development programs.

General and administration expenses have fluctuated over the past five years, being as low as \$65,127 in 1999 when the Company was relatively inactive. General and administrative expenses for 2000 were \$187,254, down from a high of \$671,072 in 1995 when the Company was very active to \$132,753 in 1998. The Company expects that general and administrative expenses will increase in 2001 as the Company's exploration and development expenses increase as a result of the Company's exploration and development activities.

During 2000, the Company paid or accrued management fees of \$20,000 and travel expenses of \$20,870 to the President of the Company, \$10,000 in consulting fees to a director of the Company and fees of \$4,000 to the Company's secretary.

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of its planned exploration and development programs. The payment of property payments and the development of its property interests will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There is no assurance that the Company will be successful in obtaining the required financing or that financing will be available on terms and conditions acceptable to the Company or that will not cause significant dilution to shareholders.

MARKET FOR SECURITIES

The Company's shares of common stock are listed on the Canadian Venture Exchange, British Columbia, Canada. The Company's trading symbol is "PSH".

Each share of common stock has one vote on all matters on which shareholders may vote and holders thereof are entitled to received dividends when and if declared by the board of directors of the Company. Holders of shares of the common stock have no preemptive rights nor conversion rights. The shares are not subject to further calls or assessment.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Directors and Senior Officers of the Company, no one owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

The directors and officers of the Company, as a group, beneficially own, directly or indirectly, 659,166 common shares (of the 9,539,778 outstanding Common shares) and hold options to purchase 210,000 common shares. In addition, the directors and officers of the Company have been granted, subject to regulatory approval and confirmation, stock options to purchase 290,000 common shares at \$.35 per share.

DIRECTORS AND OFFICERS

Name and Residence of Directors and Officer and Present Offices Held	Principal Occupation for the last five years	Number of Shares held
MARTIN P. COTTER Dublin, Ireland President and Director	Self-employed professional engineer. Director of the Company from 1996 to present.	626,666
MARK HADLEY Calgary, Alberta Director	Manager Geology, Range Petroleum Corp., March 1998 to present; 1996 to 1998, Senior Geologist Suncor Energy Inc.	32,500
NEAL IVERSON Vancouver, British Columbia Secretary	Self-employed realtor, Western Mortgage Realty Corp. 1987 to present.	Nil

The Directors, who comprise the Company's audit committee, are required to stand for election each year in accordance with the Articles of the Company.

ADDITIONAL INFORMATION

The Company will provide, upon request to its Secretary, at Suite 200, 1687 West Broadway Street Vancouver, B.C. V6J 1X2:

- (a) when its securities are in the course of a distribution pursuant to a short form prospectus or when a preliminary short form prospectus has been filed in respect of a distribution of its securities:
 - (i) one copy of this Annual Information Form;
 - (ii) one copy of its comparative financial statements for its year ended December 31, 2000 and auditors' report thereon;
 - (iii) one copy of its interim consolidated financial statements issued subsequent to December 31, 2000;
 - (iv) one copy of its Management Information Circular dated April 9, 2001 in respect of its 2001 annual general meeting of shareholders; and
 - (v) one copy of any other documents that are incorporated by reference into the aforementioned short form or preliminary short form prospectus; and

- (b) at any other time, one copy of the documents referred to in (a)(i) to (a)(iv) above.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors dated April 9, 2001 and additional financial information is provided in the Company's comparative audited financial statements for its most recently completed financial year ended December 31, 2000.