

PORTRUSH PETROLEUM CORPORATION
Report to Shareholders

Dear Fellow shareholders:

Fiscal year 2002 was a year of growth and change for Portrush. The continued support of the Company's shareholders, coupled with a desire to establish a revenue base has positioned Portrush for the opportunities ahead.

The Company focussed its efforts on the Lennox project in Macomb County, SE Michigan where the Company has a 22.5% working interest. At present the Company has two wells on production averaging 260 barrels of oil a day and 250 mcf of gas is being flared. The operator is pursuing options for conserving the gas and is in discussions with a local utility to sell the gas.

Production revenue for fiscal 2002 was \$302,915. This revenue was primarily derived from the Richards 1-20 well at Lennox which went on stream in January 2002. This well continues to maintain production at approximately 120 barrels of oil a day. In April 2003 a second well, the Martin 1-21 was placed on production at 150 barrels of oil a day. Follow-up development drilling plans are being finalised for the project and Portrush is anxious to develop additional production at this time.

The Michigan Basin contains extensive belts of organic reefs composed of carbonate rocks (Limestone and Dolomite) formed under shallow seas in the Silurian period. These oil and gas filled reefs are the principal target for exploration companies in the basin. Portrush is now in a position to form relationships with industry partners to evaluate other Silurian reef projects in the basin. The Company will not expose itself to unnecessary risks in order to pursue these opportunities.

The Company raised \$301,833 in additional capital through the sale of equity in a private placement and the exercise of various warrants. Since year end the company issued a convertible debenture in the amount of \$180,000. This capital made it possible for the Company to maintain its 22.5% working interest in the Lennox project. General and Administrative expenses for the year were \$216,124 compared with \$256,160 for 2001. The Company's priority is to establish a sound financial base and it is anticipated that this can be accomplished without increasing G&A significantly.

I want to thank my fellow board members for their support throughout the year. I also want to thank all those who worked in various capacities in the past year and who have continued to demonstrate the drive and dedication necessary for success we have achieved and will continue to achieve. Our success, though modest is a starting point and in my opinion will provide a platform for opportunities in the future.

This year the Company expects to see a significant increase in revenue. These additional funds will enable the Company to establish new relationships within the oil business and pursue a policy to develop new reserves and cash flow with minimal risk. I expect this policy to ultimately benefit the shareholders of Portrush, who I sincerely thank for their continued support and loyalty in our efforts to establish the Company as a junior oil and gas production company.

Martin Cotter,
President