



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT
BC FORM 51-901F
(previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the Securities Act.

ISSUER DETAILS
NAME OF ISSUER: PORTRUSH PETROLEUM CORPORATION
FOR QUARTER ENDED: 03 | 03 | 31
DATE OF REPORT: 03 | 05 | 28
ISSUER ADDRESS: 200 - 1687 WEST BROADWAY
CITY/PROVINCE: VANCOUVER BC
POSTAL CODE: V6J 1X2
ISSUER FAX NO.: 604-738-8116
ISSUER TELEPHONE NO.: 604-724-9524
CONTACT PERSON: NEAL IVERSON
CONTACT'S POSITION: CORPORATE SECRETARY
CONTACT TELEPHONE NO.: 604-724-9524

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE: "BRUCE NURSE"
PRINT FULL NAME: BRUCE NURSE
DATE SIGNED: 03 | 05 | 29
DIRECTIONS SIGNATURE: "MARTIN P. COTTER"
PRINT FULL NAME: MARTIN P. COTTER
DATE SIGNED: 03 | 05 | 29

**SCHEDULE A: FINANCIAL INFORMATION**

See attached consolidated financial statements for the three month period ended March 31, 2003.

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

1. See attached consolidated financial statements for the three month period ended March 31, 2003 (see Note 3).

2. Related Party Transactions:

During the period, the Company paid or accrued management fees of \$18,000 (2002 - \$15,000) to a director and office rent of \$3,000 (2002 - \$Nil) to a company controlled by an officer of the Company.

Amounts due to related parties are non-interest bearing and have no specific terms of repayment.

Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

3. For the three month period ended March 31, 2003:

a) Securities issued:

- 946,000 common shares at \$0.15 for gross proceeds of \$141,900, from the exercise of warrants.

b) Options granted: Nil

4. a) Authorized capital stock – 100,000,000 common shares without par value.

b) Issued capital stock – 21,060,608 common shares  
Share capital: \$10,097,550

c) Summary of options and warrants outstanding:

- 1,000,000 options at \$0.10, expiring April 5, 2004
- 500,000 options at \$0.20, expiring October 3, 2003
- 3,100,000 warrants at \$0.15, expiring June 18, 2004

d) Number of shares held in escrow: 103,125

Number of shares subject to a pooling agreement: Nil

**PORTRUSH PETROLEUM CORPORATION**  
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MARCH 31, 2003

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**SCHEDULE B: SUPPLEMENTARY INFORMATION** (cont'd...)

5. List of directors and officers:        Martin P. Cotter – Director and President  
   Phil E. Pearce – Director  
   Bruce Nurse – Director  
   Neal Iverson – Secretary

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Portrush Petroleum Corporation (the Company) is a junior oil and gas exploration and development company that has interests in oil and gas properties located in North America. The Company, either alone or with others, carries out or participates 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 and related ventures.

**Lennox Project, Michigan**

In June 2000, the Company 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.

The Company focussed its efforts on the Lennox project in Macomb County, SE Michigan where the Company earned 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 three month period ended March 31, 2003 was \$77,066 (2002 - \$Nil). 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.

**Discussion of Operations and Financial Condition**

The Company has been credited with operating revenue derived from the production of the Lennox wells and the operator has setoff this revenue against various drilling and exploration costs incurred by the operator on the Company's behalf. Historically, the Company has received revenues only from interest earned on cash reserves held. The Company expects to continue to rely upon equity financing as a significant source of funding.

On February 19, 2003 the Company announced its intention to participate in a 10 well coalbed methane project in Chautauqua county, Kansas. The Company is still evaluating this potential project.

**General and Administrative**

General and Administrative expenses for the period were \$45,636 compared with \$35,535 for 2002. During the quarter, the Company paid or accrued to the President of the Company fees of \$18,000 and to the Secretary of the Company rent in the amount of \$3,000. The Company's priority is to establish a sound financial base and it is anticipated that this can be accomplished without increasing general and

administrative expenses significantly.

### **Financing, Principal Purposes and Milestones**

The Company raised \$141,900 in additional capital through the exercise of 946,000 warrants at \$.15 per share. Subsequent to the end of the quarter, the Company issued a convertible debenture in the amount of \$180,000. These funds were used to pay for completion costs on the Martin 1-21 well and general working capital.

### **Investors Relations**

The Company has decided to revise its web site which was previously hosted through the services of OMNI Capital Ltd. The Company has engaged investor relations staff from time to time on monthly basis to act as investor relations contact.

### **Liquidity and Solvency**

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of additional programs. The payment of exploration and development costs and the development of its property interests will therefore depend upon the Company's ability to obtain financing through private placement financing, public financing, the joint venturing of projects, or other means. The Company is in discussions with a financial institution with a view to obtaining debt financing to develop certain oil and gas properties. 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.

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|                              | March 31,<br>2003 | December 31,<br>2002 |
|------------------------------|-------------------|----------------------|
|                              |                   | (Audited)            |
| Working capital (deficiency) | \$ (441,237)      | \$ (574,732)         |
| Deficit                      | (10,388,345)      | (10,344,956)         |

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### **Subsequent Events**

Subsequent to the end of the quarter, the Company issued a convertible debenture in the amount of \$180,000. These funds were used for working capital and to pay for the completion costs on the Martin 1-21 well.