

PORTRUSH PETROLEUM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

THREE MONTH PERIOD ENDED
MARCH 31, 2004

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended March 31, 2004.

PORTRUSH PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited – Prepared by Management)

	March 31, 2004	December 31, 2003 (Audited)
ASSETS		
Current		
Cash	\$ 12,144	\$ 4,981
Receivables	<u>4,212</u>	<u>3,832</u>
	16,356	8,813
Oil and gas properties (Note 3)	<u>281,897</u>	<u>173,758</u>
	<u>\$ 298,253</u>	<u>\$ 182,571</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)

Current		
Accounts payable and accrued liabilities	\$ 192,903	\$ 257,848
Due to related parties	<u>88,315</u>	<u>57,954</u>
	281,218	315,802
Future site restoration	<u>6,473</u>	<u>6,473</u>
	<u>287,691</u>	<u>322,275</u>
Stockholders' equity (deficiency)		
Capital stock	10,635,248	10,534,248
Share subscriptions received in advance	245,450	146,950
Contributed surplus	270,552	270,552
Deficit	<u>(11,140,688)</u>	<u>(11,091,454)</u>
	<u>10,562</u>	<u>(139,704)</u>
	<u>\$ 298,253</u>	<u>\$ 182,571</u>

On behalf of the Board:

“Martin Cotter” Director “Neal Iverson” Director

The accompanying notes are an integral part of these consolidated financial statements.

PORTRUSH PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited – Prepared by Management)
THREE MONTH PERIOD ENDED MARCH 31

	2004	2003
REVENUE		
Oil and gas revenue, net of royalties	\$ 79,187	\$ 100,976
EXPENSES		
Depletion	\$ 25,850	\$ 74,866
Operating expenses	19,581	23,910
Consulting and administration fees	13,000	-
Management fees	23,000	18,000
Office and miscellaneous	5,108	3,129
Professional fees	2,328	16,630
Rent	7,500	-
Shareholder costs	1,977	-
Telephone	7,500	-
Transfer agent and regulatory fees	5,684	4,729
Travel and promotion	16,912	3,148
	<u>(128,440)</u>	<u>(144,412)</u>
Loss before other item	<u>(49,253)</u>	<u>(43,436)</u>
OTHER ITEM		
Interest income	<u>19</u>	<u>47</u>
Loss for the period	(49,234)	(43,389)
Deficit, beginning of period	<u>(11,091,454)</u>	<u>(10,344,956)</u>
Deficit, end of period	<u>\$ (11,140,688)</u>	<u>\$ (10,388,345)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>27,326,304</u>	<u>20,333,897</u>

The accompanying notes are an integral part of these consolidated financial statements.

PORTRUSH PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
THREE MONTH PERIOD ENDED MARCH 31

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (49,234)	\$ (43,389)
Items not affecting cash:		
Depletion	25,850	74,866
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(380)	2,389
Increase (decrease) in accounts payable and accrued liabilities	<u>(64,945)</u>	<u>(95,000)</u>
Cash used in operating activities	<u>(88,709)</u>	<u>(61,134)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related parties	30,361	21,000
Loan payable	-	(9,000)
Share subscriptions received in advance	98,500	
Net proceeds from issuance of capital stock	<u>101,000</u>	<u>141,900</u>
Cash provided by financing activities	<u>229,861</u>	<u>153,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Oil and gas property expenditures	<u>(133,989)</u>	<u>(30,881)</u>
Cash used in investing activities	<u>(133,989)</u>	<u>(30,881)</u>
Change in cash position during period	7,163	61,885
Cash position, beginning of period	<u>4,981</u>	<u>17,456</u>
Cash position, end of period	<u>\$ 12,144</u>	<u>\$ 79,341</u>

The accompanying notes are an integral part of these consolidated financial statements.

PORTRUSH PETROLEUM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
MARCH 31, 2003

1. BASIS OF PRESENTATION

The consolidated financial statements contained herein include the accounts of the Company and its wholly-owned subsidiary, Texas Dome Petroleum Corporation ("the Company").

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE OF OPERATIONS

The Company is incorporated under the laws of British Columbia and its principal business activity is the acquiring and developing of oil and gas properties. The Company has a property located in the United States. It has a 22.5% working interest in a prospect located in Michigan, U.S.A. and a 25% working interest in a prospect located in Wyoming, U.S.A. During the year ended December 31, 2002, the prospect located in Wyoming was abandoned.

3. OIL AND GAS PROPERTIES

	March 31, 2004	December 31, 2003
Oil and gas properties, U.S.A.	\$ 1,305,472	\$ 1,171,483
Less: Accumulated depletion	<u>(1,023,575)</u>	<u>(997,725)</u>
	<u>\$ 281,897</u>	<u>\$ 173,758</u>

The Company has a 22.5% working interest in a prospect located in Michigan, U.S.A. During the year ended December 31, 2003, the ceiling test calculation determined that the net book value of the Company's assets in the U.S.A. exceeded net future cash flows from proven reserves and, accordingly, the Company recorded a ceiling test write-down of \$319,950 included in accumulated depletion.

The Company entered into an agreement to acquire a 10% working interest in certain oil and gas leases located in the Refugio and Goliad Counties, Texas, U.S.A. As consideration for its interest, the Company is required to make staged payments totaling USD\$1,044,000

PORTRUSH PETROLEUM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
MARCH 31, 2003

4. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
100,000,000 common voting shares, no par value			
Issued			
Balance, December 31, 2003	26,693,667	\$ 10,534,248	\$ 270,552
Exercise of warrants	<u>1,010,000</u>	<u>101,000</u>	<u>-</u>
Balance, March 31, 2004	<u>27,703,667</u>	<u>\$ 10,635,248</u>	<u>\$ 270,552</u>

The Company issued 1,010,000 common shares pursuant to the exercise of warrants for proceeds of \$101,000.

As at March 31, 2004, the Company had received funds of \$245,450 in advance of the issuance of common shares pursuant to the exercise of stock options and warrants. These shares were issued subsequent to the period.

The following stock options and share purchase warrants were outstanding at March 31, 2004:

	Number of Shares	Exercise Price	Expiry Date
Options	950,000	\$ 0.10	April 5, 2004 (Note 8)
Warrants	3,100,000	0.15	June 18, 2004
	1,500,000	0.12	May 1, 2004
		then at 0.14	May 1, 2005
	1,090,000	0.10	August 28, 2005
	<u>2,037,059</u>	<u>0.24</u>	<u>October 14, 2005</u>

5. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$23,000 (2003 - \$18,000) to two directors.
- b) Paid or accrued rent of \$Nil (2003 - \$3,000) 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.

PORTRUSH PETROLEUM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
MARCH 31, 2003

6. INCOME (LOSS) PER SHARE

Income (loss) per share is calculated using the weighted average number of shares outstanding during the period.

7. SEGMENTED INFORMATION

All of the Company's operations are in the oil and gas industry with its principal business activity in the acquisition and development of oil and gas properties. The Company has oil and gas property located in the United States.

8. SUBSEQUENT EVENTS

Subsequent to March 31, 2004, the Company entered into the following transactions:

- a) The Company issued 1,550,000 common shares pursuant to the exercise of warrants for proceeds of \$155,000.
- b) The Company issued 950,000 common shares pursuant to the exercise of options for proceeds of \$95,000.
- c) The Company concluded a private placement of 3,100,000 units at \$0.20 per unit. Each unit consists of one common share and one share purchase warrant. Eight warrants allow the holder to purchase one additional common share at \$0.20 for one year. The funds will be used to fund the Company's participation in the Mission River project in Texas. A 7.5 % commission is payable in cash or shares.