Form 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

Portrush Petroleum Corporation

MD&A

Description of Business and effective Date of this Report

Portrush Petroleum Corporation (“Company”) is a junior oil and natural gas exploration and production company. The Company is focused on its core properties: the Lenox project, located in the Michigan Basin of the state of Michigan, and the Mission River project, situated in Refugio and Goliad Counties, Gulf Coast, Texas. The Lenox project has two oil wells on production and the Mission River project has seven gas wells on production. Portrush is a reporting issuer publicly traded on the TSX Venture Exchange in Canada under the symbol PSH.

This discussion should be read in conjunction with the financial statements and related notes of the Company for the year ended December 31, 2005 (the "Financial Statements"). The information in this Management Discussion and Analysis (“MD&A”) contains forward-looking information or statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The information contained in this report is made as of April 21, 2006.

2005 Highlights

- Reported oil and gas revenues increased to $593,598 for the 12 month period ended December 31, 2005 compared to $442,368 for the same period in 2004, with a reported net loss of $0.01 per share for the period in 2005 compared to a net loss of $0.02 per share for fiscal 2004.

- The Mission River field in Texas has seven wells on production and total production from the field for the month of March amounted to approximately fifty five million cubic feet of gas and 3,000 barrels of oil.

- The operator of the Mission River project has completed the first deep well, the Scanio-Shelton #6, drilled to a depth of 10,300 feet. A second deep well is planned for the project and drilling is expected to take place before the end of the 2nd quarter.

- Reserves have increased in both Lenox and Mission River.

Properties of the Company

Mission River Project, Texas

In Texas, the Company has a joint venture with the McAlester Fuel Company of Houston, Texas to develop the Mission River Project, situated in Refugio and Goliad Counties, Gulf Coast, Texas. The Company owns a 10% working interest in the project.

The initial twelve (12) well program was designed to test bypassed oil and gas payzones in the traditional producing intervals from 5,000 to 6,400 feet; The first well was spudded on April 30th 2004 and five additional wells have since been drilled and completed as gas wells. Six wells are currently on production and the seventh, the Scanio-Shelton #6, a recently completed deep well commenced production on March 13, 2006. A gas pipeline runs through the property. Total production from the field for the month of March 2006 amounted to approximately 55 million cubic feet of gas and 3,000 barrels of oil.

Lenox Project, Michigan

In June 2000, the Company acquired a 25% 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 focused its efforts on the Lenox project in Macomb County, SE Michigan where the Company earned a 22.5% working interest. At present the Company has two oil wells on production and excess gas is being flared. Lenox provided a significant portion of the oil and gas revenue during 2005.

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.

Exploration Risks

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.

Selected Annual Information

	Year-end 12/31/05	Year-end 12/31/04	Year-end 12/31/03
Revenues (Net) Other (Interest)	593,598	442,368	415,244
General and Administrative Expenses (not including stock based compensation) Stock Based Compensation Expenses	327,506 75,193	569,691 298,482	343,110 Nil
Settlement of lawsuit & write-off of receivable[(1)]	Nil	(73,022)	2,464
Net Income (Loss) per share	(160,248) (0.01)	(766,320) (0.02)	(746,498) (0.03)
Working Capital	157,501	(286,850)	(306,989)
Oil & Gas Properties Property Expenditures	1,571,241	1,642,393	173,758
Long Term Liabilities	Nil	Nil	Nil
Shareholders' Equity Dollar Amount Number of Securities [(2)]	1,718,248 43,433,792	1,349,070 40,342,417	(139,704) 26,693,667

(1) In fiscal 2004, the Company wrote-off an accounts receivable of $73,022.

(2) During the year ended December 31, 2005, the Company cancelled 103,125 common shares which were held in escrow.

The Company's accounting policy is to record its resource properties at cost. Exploration and development expenditures relating to oil and gas 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 had 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.

Results of Operations

During the year ended December 31, 2005, the Company recorded gross revenue of $593,598 compared with $442,368 in 2004. Well operating expenses were $343,933 compared with $267,493 in the previous year. During the 4th quarter, revenue decreased to $115,429 and the Company recorded stock option expenses of 42,645 resulting in a loss of $42,040.

General and administration expenses before the non-cash expenses were $327,506 compared with $569,690 for 2004. The Company expects general and administrative expenses to remain relatively constant as the Company expects its level of activity to remain the same for next year. The Company is planning to attend a number of trade shows and conferences in first half of the year. The Company paid or accrued to the President of the Company management fees of $6,000 per month.

Summary of Quarterly Results

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2004	Total Revenue	79,187	89,417	94,094	179,670
	Net Loss	(49,234)	(601,270) (1)	(249,247)	(133,431)
	Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.01)
2005	Total Revenue	157,958	146,856	173,355	115,429
	Net Loss	(2,425)	(113,576) (2)	(2,207) (3)	(42,040) (4)
	Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

(1) During the quarter, the Company recorded stock based compensation expenses of $428,612.
(2) During the quarter, the Company recorded stock based compensation expenses of $29,672
(3) During the quarter, the Company recorded stock based compensation expenses of $2,876.
(4) During the quarter, the Company recorded stock based compensation expenses of $42,645.

The Company has increased it revenues over the last two years from its various producing wells. Administrative costs have remained relatively consistent over the last two years when stock-based compensation, a non-cash expense, is excluded from administrative costs.

Liquidity

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of any additional projects. The payment of property payments and the development of the 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.

Investor Relations

On September 1, 2005, the Company announced that it entered into an investor relations agreement with Agora Investor Relations Corp. to provide shareholder communications services for the Company. Agora will be paid US$2,500 per month over a 12 month period and will be granted stock options to purchase 200,000 common shares at $0.15 per share expiring September 1, 2007.

The Company will use AGORA (http://www.agoracom.com) to provide a dynamic interactive investor relations service thru the use of its IR HUB website. The website provides effective communication between Portrush Petroleum, it's shareholders and the investment community through AGORA's Internet based investor relations system. The Portrush Petroleum IR HUB (http://www.agoracom.com/IR/Portrush) will allow both Portrush and AGORA to communicate with all investors simultaneously, anytime and in real-time, while providing shareholders with equal access and complete transparency to all investor relations communications.

The Company will continue its corporate awareness program this fall with the aim of enhancing the Company's visibility and foster a clear understanding of its performance and strategic direction.

Financing, Principal Purposes and Milestones

During the year, the Company raised $300,000 through the issuance of 2,000,000 units consisting one share and a warrant to purchase an additional share at $0.15 per share expiring September 14, 2007. These funds will be used for working capital.

Outstanding Share Data

There were 43,433,792 common shares of the Company outstanding as of December 31, 2005.

During the first quarter of 2006, the Company issued 500,000 common shares for gross proceeds of $75,000 pursuant to the exercise of stock options.

(See Note 4 of the financial statements for additional detail)

The following incentive stock options and share purchase warrants were outstanding at December 31, 2005:

	Number of Shares	Exercise Price	Expiry Date
Options	1,795,000	0.15	April 15, 2006*
	305,000	0.15	April 27, 2007
	100,000	0.15	August 11, 2007
	625,000	0.15	September 1, 2007
	150,000	0.15	December 15, 2007
Warrants	387,500	0.20	June 2, 2006
	2,000,000	0.15	September 14, 2007

*During April, 2006 1,195,000 options expired unexercised and 100,000 options were exercised.

Capital Resources

The Company has not entered into a property option agreement that requires the Company to meet certain yearly exploration expenditure requirements.

Off-Balance Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Transactions with Related Parties

The Company paid or accrued management fees of $72,000 (2004 - $72,000) to a director, Martin Cotter for his services as the President of the Company.

Amounts due to related parties are non-interest bearing, unsecured 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.

Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Changes in Accounting Policies

Stock Options

During the year ended December 31, 2003 the Company elected the early adoption, on a prospective basis, of the CICA released amendments to Section 3870, “Stock Based Compensation and Other Stock-based Payments”, which require an expense to be recognized in the financial statements for all forms of employee stock-based compensation, including stock options. During fiscal 2002, the Company disclosed the effects of accounting for stock-based compensation to directors and employees as compensation expense, using the fair-value based method, as pro-forma information in the share capital note.

Site Restoration

The Company has adopted the recently issued CICA Handbook Section 3110 “Asset Retirement Obligations”. This standard focuses on the recognition and measurement of liabilities related to legal obligations associated with the retirement of property, plant and equipment. Under this standard, these obligations are initially measured at fair value and subsequently adjusted for any changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The asset retirement cost is to be capitalized to the related asset and amortized into earnings over time.

Subsequent Events

Subsequent to December 31, 2006, the Company issued 500,000 common shares for gross proceeds of $75,000 pursuant to the exercise of stock options.