

PORTRUSH PETROLEUM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

THREE MONTH PERIOD ENDED
MARCH 31, 2005

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, 2005.

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

| | March 31, 2005 | December 31, 2004 (Audited) |
|--|---------------------|-----------------------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 63,294 | \$ 74,543 |
| Receivables | 96,344 | 67,694 |
| Prepaid expenses | <u>-</u> | <u>5,625</u> |
| | 159,638 | 147,862 |
| Oil and gas properties (Note 3) | <u>1,641,833</u> | <u>1,642,393</u> |
| | <u>\$ 1,801,471</u> | <u>\$ 1,790,255</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|---------------------|---------------------|
| Current | | |
| Accounts payable and accrued liabilities | \$ 268,704 | \$ 283,110 |
| Due to related parties | <u>168,399</u> | <u>151,602</u> |
| | 437,103 | 434,712 |
| Future site restoration | <u>6,473</u> | <u>6,473</u> |
| | <u>443,576</u> | <u>441,185</u> |
| Stockholders' equity | | |
| Capital stock | 12,875,152 | 12,854,161 |
| Contributed surplus | 342,942 | 352,683 |
| Deficit | <u>(11,860,199)</u> | <u>(11,857,774)</u> |
| | <u>1,357,895</u> | <u>1,349,070</u> |
| | <u>\$ 1,801,471</u> | <u>\$ 1,790,255</u> |

On behalf of the Board:

“Martin Cotter” Director “Neil 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

| | 2005 | 2004 |
|---|----------------|----------------|
| REVENUE | | |
| Oil and gas revenue, net of royalties | \$ 157,958 | \$ 79,187 |
| EXPENSES | | |
| Depletion | \$ 50,778 | \$ 25,850 |
| Operating | 47,671 | 19,581 |
| General and administrative (Note 5) | 61,934 | 82,990 |
| Total expenses | 160,383 | 125,421 |
| Loss for the period | (2,425) | (49,234) |
| Deficit, beginning of period | (11,857,774) | (11,091,454) |
| Deficit, end of period | \$(11,860,199) | \$(11,140,688) |
| Basic and diluted loss per share | \$ (0.01) | \$ (0.01) |
| Weighted average number of common shares outstanding | 40,356,584 | 27,326,304 |

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

| | 2005 | 2004 |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the period | \$ (2,425) | \$ (49,234) |
| Items not affecting cash: | | |
| Depletion | 50,778 | 25,850 |
| Changes in non-cash working capital items: | | |
| (Increase) decrease in receivables | (28,650) | (380) |
| (Increase) decrease in prepaid expenses | 5,625 | - |
| Increase (decrease) in accounts payable and accrued liabilities | <u>(14,406)</u> | <u>(64,945)</u> |
| Net cash provided by (used in) operating activities | <u>10,922</u> | <u>(88,709)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Due to related parties | 16,797 | 30,361 |
| Share subscriptions received in advance | - | 98,500 |
| Net proceeds from issuance of capital stock | <u>11,250</u> | <u>101,000</u> |
| Net cash provided by financing activities | <u>28,047</u> | <u>229,861</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Oil and gas property expenditures | <u>(50,218)</u> | <u>(133,989)</u> |
| Net cash used in investing activities | <u>(50,218)</u> | <u>(133,989)</u> |
| Change in cash position during period | (11,249) | 7,163 |
| Cash position, beginning of period | <u>74,543</u> | <u>4,981</u> |
| Cash position, end of period | <u>\$ 63,294</u> | <u>\$ 12,144</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, 2005

1. BASIS OF PRESENTATION

The consolidated financial statements contained herein include the accounts of the Company and its wholly-owned subsidiaries, Texas Dome Petroleum Corporation and Portrush Petroleum (US) Corporation (collectively "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 for the year ended December 31, 2004. 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 two properties located in the United States. It has a 22.5% working interest in a prospect located in Michigan, U.S.A. and a 10% working interest in certain oil and gas leases located in Texas, U.S.A.

3. OIL AND GAS PROPERTIES

| | March 31, 2005 | December 31, 2004 |
|-----------------------------|---------------------|-------------------------|
| Oil and gas properties: | | |
| U.S.A., proved | \$ 2,662,713 | \$ 2,612,295 |
| Canada, unproved | <u>149,560</u> | <u>149,560</u> |
| | 2,812,273 | 2,762,055 |
| Less: Accumulated depletion | <u>(1,170,440)</u> | <u>(1,119,662)</u> |
| | <u>\$ 1,641,833</u> | <u>\$ 1,642,393</u> |

At March 31, 2005, the oil and gas properties include \$149,560 (2004 - \$149,560) relating to unproved properties that have been excluded from the depletion calculation.

PORTRUSH PETROLEUM CORPORATION
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3. OIL AND GAS PROPERTIES (cont'd...)

Alberta prospects, Canada

The Company had working interests in certain prospects ranging from 16.67% to 20.83% located in Alberta, Canada. During the year ended December 31, 2002, the prospects located in Alberta were abandoned and all related costs of \$1,441,793 were written-off.

Ontario prospects, Canada

The Company entered into an agreement to acquire a 5% working interest in a prospect located in Ontario, Canada in exchange for funding 50% of the project costs. The Company will receive a payout of all costs incurred plus a 5% working interest in the prospect.

Michigan and Wyoming, U.S.A.

The Company has a 22.5% working interest in a prospect located in Michigan, U.S.A. The Company also had a 25% working interest in a prospect located in Wyoming, U.S.A. However, during the year ended December 31, 2002, the prospect was abandoned. 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.

Texas, U.S.A.

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 made staged payments totaling USD\$1,044,000.

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, 2004 | 40,342,417 | \$ | 12,854,161 | \$ | 352,683 |
| Exercise of stock options | 75,000 | | 11,250 | | - |
| Contributed surplus on exercise of stock options | - | | 9,741 | | (9,741) |
| Balance, March 31, 2004 | 40,417,417 | \$ | 12,875,152 | \$ | 342,942 |

During the three month period ended March 31, 2005, the Company issued 75,000 common shares pursuant to the exercise of stock options for proceeds of \$11,250.

PORTRUSH PETROLEUM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Included in issued capital stock are 103,125 common shares held in escrow that may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Stock options

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

| Number of Options | Exercise Price | Expiry Date |
|-------------------|----------------|--------------------|
| 200,000 | \$0.15 | September 15, 2005 |
| 2,925,000 | 0.15 | April 5, 2006 |

Warrants

The following share purchase warrants were outstanding at March 31, 2005:

| Number of Warrants | Exercise Price | Expiry Date |
|--------------------|----------------|------------------|
| 1,057,059 | \$0.24 | October 14, 2005 |
| 387,500 | 0.20 | June 2, 2006 |

5. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following:

| | 2005 | 2004 |
|------------------------------------|------------------|------------------|
| Consulting and administration fees | \$ 13,000 | \$ 13,000 |
| Investor relations | 4,369 | - |
| Management fees – related party | 18,000 | 23,000 |
| Office and miscellaneous | 2,085 | 5,089 |
| Professional fees | 1,500 | 2,328 |
| Rent | 9,000 | 7,500 |
| Shareholder costs | 1,836 | 1,977 |
| Telephone | 9,000 | 7,500 |
| Transfer agent and regulatory fees | 3,144 | 5,684 |
| Travel and promotion | - | 16,912 |
| | <u>\$ 61,934</u> | <u>\$ 82,990</u> |

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MARCH 31, 2005

6. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$18,000 (2004 - \$23,000) to two directors.

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.

7. INCOME (LOSS) PER SHARE

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

8. 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.

9. 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 properties located in North America.