

PORTRUSH PETROLEUM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

SIX MONTH PERIOD ENDED
JUNE 30, 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 June 30, 2005.

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

	June 30, 2005	December 31, 2004 (Audited)
ASSETS		
Current		
Cash	\$ 48,829	\$ 74,543
Receivables	37,683	67,694
Prepaid expenses	<u>-</u>	<u>5,625</u>
	86,512	147,862
Oil and gas properties (Note 3)	<u>1,608,208</u>	<u>1,642,393</u>
	<u>\$ 1,694,720</u>	<u>\$ 1,790,255</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 168,187	\$ 283,110
Due to related parties (Note 7)	<u>190,316</u>	<u>151,602</u>
	358,503	434,712
Future site restoration	<u>6,473</u>	<u>6,473</u>
	<u>364,976</u>	<u>441,185</u>
Stockholders' equity		
Capital stock (Note 4)	13,009,131	12,854,161
Contributed surplus (Note 4)	294,388	352,683
Deficit	<u>(11,973,775)</u>	<u>(11,857,774)</u>
	<u>1,329,744</u>	<u>1,349,070</u>
	<u>\$ 1,694,720</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 June 30, 2005	Three Month Period Ended June 30, 2004	Six Month Period Ended June 30, 2005	Six Month Period Ended June 30, 2004
REVENUE				
Oil and gas revenue, net of royalties	\$ 146,856	\$ 89,417	\$ 304,814	\$ 168,604
EXPENSES				
Depletion	\$ 46,039	\$ 130,111	\$ 96,817	\$ 155,961
Operating	115,089	22,129	162,760	41,710
General and administrative (Note 5)	106,954	538,447	168,888	621,437
Total expenses	268,082	690,687	428,465	819,108
Loss before other items	(121,226)	(601,270)	(123,651)	(650,504)
OTHER ITEMS				
Write-off of accounts payable	7,650	-	7,650	-
Loss for the period	(113,576)	(601,270)	(116,001)	(650,504)
Deficit, beginning of period	(11,860,199)	(11,140,688)	(11,857,774)	(11,091,454)
Deficit, end of period	\$ (11,973,775)	\$ (11,741,958)	\$ (11,973,775)	\$ (11,741,958)
Basic and diluted loss per share				
	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding	40,897,241	32,709,491	40,628,406	30,017,898

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 June 30, 2005	Three Month Period Ended June 30, 2004	Six Month Period Ended June 30, 2005	Six Month Period Ended June 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (113,576)	\$ (601,270)	\$ (116,001)	\$ (650,504)
Items not affecting cash:				
Depletion	46,039	130,111	96,817	155,961
Stock-based compensation	-	428,612	-	428,612
Write-off of accounts payable	(7,650)	-	(7,650)	-
Changes in non-cash working capital items:				
(Increase) decrease in receivables	58,661	(2,020)	30,011	(2,400)
(Increase) decrease in prepaid expenses	-	(1,625)	5,625	(1,625)
Increase (decrease) in accounts payable and accrued liabilities	(92,867)	(102,987)	(107,273)	(167,932)
Net cash provided by (used in) operating activities	<u>(109,393)</u>	<u>(149,179)</u>	<u>(98,471)</u>	<u>(237,888)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to related parties	21,917	13,009	38,714	43,371
Share subscriptions received in advance	-	(14,330)	-	84,169
Net proceeds from issuance of capital stock	<u>85,425</u>	<u>1,464,000</u>	<u>96,675</u>	<u>1,565,000</u>
Net cash provided by financing activities	<u>107,342</u>	<u>1,462,679</u>	<u>135,389</u>	<u>1,692,540</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Oil and gas property expenditures	<u>(12,414)</u>	<u>(1,271,919)</u>	<u>(62,632)</u>	<u>(1,405,908)</u>
Net cash used in investing activities	<u>(12,414)</u>	<u>(1,271,919)</u>	<u>(62,632)</u>	<u>(1,405,908)</u>
Change in cash position during period	(14,465)	41,581	(25,714)	48,744
Cash position, beginning of period	<u>63,294</u>	<u>12,144</u>	<u>74,543</u>	<u>4,981</u>
Cash position, end of period	<u>\$ 48,829</u>	<u>\$ 53,725</u>	<u>\$ 48,829</u>	<u>\$ 53,725</u>

Supplemental disclosures with respect to cash flows (Note 6)

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)
JUNE 30, 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"). Significant inter-company transactions have been eliminated on consolidation.

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. Certain comparative figures have been reclassified to conform with the current year's presentation. 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

	June 30, 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>
	2,824,687	2,762,055
Less: Accumulated depletion	<u>(1,216,479)</u>	<u>(1,119,662)</u>
	<u>\$ 1,608,208</u>	<u>\$ 1,642,393</u>

At June 30, 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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	644,500		96,675		-
Contributed surplus on exercise of stock options	-		58,295		(58,295)
Balance, June 30, 2005	40,986,917	\$	13,009,131	\$	294,388

During the six month period ended June 30, 2005, the Company issued 644,500 common shares pursuant to the exercise of stock options for proceeds of \$96,675.

PORTRUSH PETROLEUM CORPORATION
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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 June 30, 2005:

Number of Options	Exercise Price	Expiry Date
200,000	\$0.15	September 15, 2005
2,355,500	0.15	April 5, 2006

Warrants

The following share purchase warrants were outstanding at June 30, 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	\$ 34,500	\$ 24,420
Investor relations	17,867	24,314
Management fees – related party	36,000	41,000
Office and miscellaneous	7,291	8,329
Professional fees (recovery)	5,166	(1,888)
Rent	16,188	16,500
Shareholder costs	16,301	20,237
Stock-based compensation	-	428,612
Telephone	16,188	16,882
Transfer agent and regulatory fees	19,387	16,322
Travel and promotion	-	26,709
	<u>\$ 168,888</u>	<u>\$ 621,437</u>

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6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions for the six month period ended June 30, 2005.

The significant non-cash transaction for the six month period ended June 30, 2004 was the issuance of 225,000 common shares valued at \$45,000 for a finders' fee on the 3,100,000 unit private placement.

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$36,000 (2004 - \$41,000) 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.

8. INCOME (LOSS) PER SHARE

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

9. 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.

10. 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.

11. SUBSEQUENT EVENTS

Subsequent to June 30, 2005, the Company completed a 700,000 unit non-brokered private placement at \$0.15 per unit for gross proceeds of \$105,000. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 per share for two years. A finder's fee of \$7,875 is payable.