

PORTRUSH PETROLEUM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED
SEPTEMBER 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 September 30, 2005.

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

	September 30, 2005	December 31, 2004
		(Audited)
ASSETS		
Current		
Cash	\$ 174,627	\$ 74,543
Receivables	53,140	67,694
Prepaid expenses	-	5,625
	<u>227,767</u>	<u>147,862</u>
Oil and gas properties (Note 3)	<u>1,572,100</u>	<u>1,642,393</u>
	<u>\$ 1,799,867</u>	<u>\$ 1,790,255</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 73,731	\$ 283,110
Due to related parties (Note 8)	<u>18,000</u>	<u>151,602</u>
	91,731	434,712
Future site restoration	<u>6,473</u>	<u>6,473</u>
	<u>98,204</u>	<u>441,185</u>
Stockholders' equity		
Capital stock (Note 4)	13,430,128	12,854,161
Contributed surplus (Note 4)	247,517	352,683
Deficit	<u>(11,975,982)</u>	<u>(11,857,774)</u>
	<u>1,701,663</u>	<u>1,349,070</u>
	<u>\$ 1,799,867</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 September 30, 2005	Three Month Period Ended September 30, 2004	Nine Month Period Ended September 30, 2005	Nine Month Period Ended September 30, 2004
REVENUE				
Oil and gas revenue, net of royalties	\$ 173,355	\$ 94,094	\$ 478,169	\$ 262,698
EXPENSES				
Depletion	\$ 36,108	\$ 121,952	\$ 132,925	\$ 277,913
Operating	52,115	13,105	214,875	54,815
Stock-based compensation (Note 5)	2,876	-	2,876	428,612
General and administrative (Note 6)	84,463	208,284	253,351	401,109
Total expenses	175,562	343,341	604,027	1,162,449
Loss before other items	(2,207)	(249,247)	(125,858)	(899,751)
OTHER ITEMS				
Write-off of accounts payable	-	-	7,650	-
Loss for the period	(2,207)	(249,247)	(118,208)	(899,751)
Deficit, beginning of period	(11,973,775)	(11,741,958)	(11,857,774)	(11,091,454)
Deficit, end of period	\$ (11,975,982)	\$ (11,991,205)	\$ (11,975,982)	\$ (11,991,205)
Basic and diluted loss per share				
	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding	41,498,330	38,653,178	40,921,567	32,917,335

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 September 30, 2005	Three Month Period Ended September 30, 2004	Nine Month Period Ended September 30, 2005	Nine Month Period Ended September 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (2,207)	\$ (249,247)	\$ (118,208)	\$ (899,751)
Items not affecting cash:				
Depletion	36,108	121,952	132,925	277,913
Stock-based compensation	2,876	-	2,876	428,612
Write-off of accounts payable	-	-	(7,650)	-
Changes in non-cash working capital items:				
(Increase) decrease in receivables	(15,457)	1,191	14,554	(1,209)
(Increase) decrease in prepaid expenses	-	-	5,625	(1,625)
Increase (decrease) in accounts payable and accrued liabilities	(94,456)	621	(201,729)	(167,311)
Net cash provided by (used in) operating activities	(73,136)	(125,483)	(171,607)	(363,371)
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to related parties	(172,316)	41,073	(133,602)	84,444
Share subscriptions received in advance	-	(200,000)	-	(115,831)
Net proceeds from issuance of capital stock	371,250	344,000	467,925	1,909,000
Net cash provided by financing activities	198,934	185,073	334,323	1,877,613
CASH FLOWS FROM INVESTING ACTIVITIES				
Oil and gas property expenditures	-	(28,107)	(62,632)	(1,434,015)
Net cash used in investing activities	-	(28,107)	(62,632)	(1,434,015)
Change in cash position during period	125,798	31,483	100,084	80,227
Cash position, beginning of period	48,829	53,725	74,543	4,981
Cash position, end of period	\$ 174,627	\$ 85,208	\$ 174,627	\$ 85,208

Supplemental disclosures with respect to cash flows (Note 7)

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)
SEPTEMBER 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

	September 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>(1,252,587)</u>	<u>(1,119,662)</u>
	<u>\$ 1,572,100</u>	<u>\$ 1,642,393</u>

At September 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
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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	1,194,500		179,175		-
Private placement	2,000,000		300,000		-
Stock-based compensation	-		-		2,876
Contributed surplus on exercise of stock options	-		108,042		(108,042)
Share issue costs	-		(11,250)		-
Balance, September 30, 2005	43,536,917	\$	13,430,128	\$	247,517

During the nine month period ended September 30, 2005, the Company issued 1,194,500 common shares pursuant to the exercise of stock options for proceeds of \$179,175.

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4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

On September 13, 2005, the Company issued 2,000,000 common shares pursuant to 2,000,000 unit non-brokered private placement at \$0.15 per unit for gross proceeds of \$300,000. 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 \$11,250 was paid.

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 September 30, 2005:

Number of Options	Exercise Price	Expiry Date
2,005,500	\$0.15	April 5, 2006
100,000	0.15	August 11, 2007

Warrants

The following share purchase warrants were outstanding at September 30, 2005:

Number of Warrants	Exercise Price	Expiry Date
1,057,059	\$0.24	October 14, 2005 (subsequently expired)
387,500	0.20	June 2, 2006
2,000,000	0.15	September 14, 2007

5. STOCK-BASED COMPENSATION

During the nine month period ended September 30, 2005, the Company granted 100,000 stock options to directors and consultants. The estimated fair value of these options is recorded as \$2,876. This amount has been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' equity.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options and warrants granted during the period:

Risk-free interest rate	3.14%
Expected life of options	2.0 years
Annualized volatility	53.42%
Dividend rate	0.00%

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6. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following:

	2005	2004
Consulting and administration fees	\$ 35,024	\$ 86,420
Investor relations and communications	24,183	117,477
Management fees – related party	54,000	59,000
Office and miscellaneous	9,627	9,935
Professional fees	46,915	477
Rent	21,188	25,500
Shareholder costs	22,981	20,442
Telephone	16,790	26,994
Transfer agent and regulatory fees	22,643	23,533
Travel and promotion	-	31,331
	\$ 253,351	\$ 401,109

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

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

The significant non-cash transaction for the nine month period ended September 30, 2004 included:

- a) The issuance of 225,000 common shares valued at \$45,000 for a finders' fee on the 3,100,000 unit private placement.
- b) The issuance of 93,750 common shares valued at \$18,750 for a finders' fee on the 1,500,000 unit non-brokered private placement.

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$54,000 (2004 - \$59,000) to a director.
- b) Paid \$190,316 (2004 - \$Nil) in related party advances that were due to a director at June 30, 2005.

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.

9. INCOME (LOSS) PER SHARE

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

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10. 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.

11. 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.

12. SUBSEQUENT EVENTS

Subsequent to September 30, 2005, 1,057,059 warrants exercisable at \$0.24 until October 14, 2005, expired unexercised.