

BENCHMARK ENERGY CORP.
(formerly Hedong Energy Inc.)
Interim Financial Statements
(Unaudited – Prepared by Management)

March 31, 2004

Notice:

These interim financial statements have not been reviewed by the Company's independent auditor.

BENCHMARK ENERGY CORP.
 (formerly Hedong Energy Inc.)
 Interim Balance Sheets
 (Unaudited – Prepared by Management)

	March 31, 2004 (Unaudited)	June 30, 2003
Assets		
Current		
Cash	\$ 1,424	\$ 2,329
GST receivable	1,041	-
	\$ 2,465	\$ 2,329
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 79,256	\$ 60,089
Loans payable	97,000	57,000
Due to related parties	144,686	77,140
	320,942	194,229
Shareholders' Equity		
Capital Stock (note 5)	57,681	49,681
Retained Earnings	(376,158)	(241,581)
	(318,477)	(191,900)
	\$ 2,465	\$ 2,329

See notes to the unaudited financial statements.

Going concern (note 2)
 Commitment (note 7)
 Subsequent event (note 8)

Approved on behalf of the Board:

"Chris Cooper"
 Director
 Chris Cooper

"D. Barry Lee"
 Director
 Barry Lee

BENCHMARK ENERGY CORP.
(formerly Hedong Energy Inc.)
Interim Statements of Operations and Deficit
(Unaudited – Prepared by Management)

For the Three and Nine Months Ended March 31, 2004 and 2003

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003	Nine Months Ended March 31, 2004	Nine Months Ended March 31, 2003
Revenue				
Interest	\$ 12	\$ 10	\$ 60	\$ 82
Expenses				
Rent	15,700	15,051	47,800	47,551
Management and administrative fees	7,745	-	23,795	15,538
Professional fees	1,477	1,383	13,330	14,474
Transfer agent and regulatory fees	7,262	3,497	12,364	9,398
Travel	207	576	956	56,652
Office	2,018	1,032	7,986	2,832
Interest and bank charges	8,096	257	8,406	1,122
Foreign exchange loss (gain)	-	(208)	-	(1,799)
Consulting fees	-	11,037	-	27,123
	42,505	32,625	114,637	172,891
Loss before other item	42,493	32,615	114,577	172,809
Other item				
Write-off of mineral property	-	-	20,000	-
Loss for the period	(42,493)	(32,615)	(134,577)	(172,809)
Retained earnings (deficit), beginning of period	(333,665)	(136,312)	(241,581)	3,882
Deficit, end of period	\$(376,158)	\$(168,927)	\$(376,158)	\$(168,927)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.05)
Weighted Average Number of - basic and diluted	3,577,187	3,530,936	3,549,289	3,530,936

See notes to the unaudited financial statements.

BENCHMARK ENERGY CORP.
(formerly Hedong Energy Inc.)
Interim Statements of Cash Flows
(Unaudited – Prepared by Management)

For the Three and Nine Months Ended March 31, 2004 and 2003

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003	Nine Months Ended March 31, 2004	Nine Months Ended March 31, 2003
Net loss for the period	\$(42,493)	\$(32,615)	\$(134,577)	\$(172,809)
Items not involving cash				
Stock issued for bonus on loan	8,000	-	8,000	-
Changes in Operating Assets and Liabilities	(486)	23,171	18,126	83,792
Cash Used in Operating Activities	(34,979)	(9,444)	(108,451)	(89,017)
Financing Activity				
Due to related parties	24,733	11,984	67,546	11,984
Advance of loan payable	-	-	40,000	-
Cash Provided by Financing Activities	24,733	11,984	107,546	11,984
Increase (decrease) in cash	(10,246)	2,540	(905)	(77,033)
Cash, beginning of year	11,670	(25)	2,329	79,548
Cash, end of year	\$ 1,424	\$ 2,515	\$ 1,424	\$ 2,515

See notes to the unaudited financial statements.

BENCHMARK ENERGY CORP.
(formerly Hedong Energy Inc.)
Notes to Interim Financial Statements
(Unaudited – Prepared by Management)

March 31, 2004

1. ORGANIZATION AND NATURE OF OPERATIONS

Benchmark Energy Corp. (the "Company") is listed on the NEX board of the TSX Venture Exchange ("TSX") and has its offices in Vancouver, Canada. The Company currently has no operations and is seeking investment opportunities.

Listed companies on the NEX board are limited to, amongst other items, management fees of \$2,500 per month, raising a maximum of \$350,000 in aggregate through the issuance of shares in any twelve month period, and issuing maximum stock options equal to 10% of the issued and outstanding shares during any twelve month period.

On February 9, 2004, the Company consolidated its share capital on a three old for one new basis and changed its name to Benchmark Energy Corp. Except where and as otherwise stated to the contrary in this quarterly report, all share, price per share and exercise prices have been adjusted to give retroactive effect resulting from the three old for one new share consolidation that took effect February 9, 2004.

2. GOING CONCERN

These financial statements are prepared on a going concern basis, which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business and will be able to establish new business opportunities and be able to raise sufficient funds to develop the new business. The Company has incurred losses and has a deficit of \$376,158 at March 31, 2004, and has a working capital deficit of \$318,477 at March 31, 2004. Accordingly, these financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, establish a new business and obtain sufficient financing to fund development of the new business.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and they follow the same accounting policies and methods of application as the audited financial statements of the Company for the year ended June 30, 2003 except as noted below. These unaudited interim consolidated financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited consolidated financial statements and the notes below.

(a) Foreign currency translation

During the year ended June 30, 2003, as a result of the Company relocating its administration and operations offices to Canada, the Company changed its reporting currency from Australian to Canadian dollars. As a result, prior year's figures have been translated into the reporting currency. Income statement and cash flow statement items have been translated to the reporting currency using the rates in effect at the date of the transactions, and assets and liabilities are translated using the exchange rate at the end of the year. All resulting exchange differences have been included in the statement of operations and deficit.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Foreign currency translation (continued)

Amounts recorded in foreign currency are translated into Canadian dollars as follows

- (i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
- (ii) Non-monetary assets and liabilities are translated at the rate of exchange in effect at the date of the transaction; and,
- (iii) Revenues and expenses, at the average rate of exchange for the year.

Gains and losses arising from the translation of foreign currencies are included in the statement of operations for the period.

(b) Stock-based compensation

Effective July 1, 2002, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to the accounting for stock-based compensation and other stock-based payments. The new recommendations are applied prospectively.

The Company accounts for all stock-based payments to non-employees and employee awards that are direct awards of stock, granted on or after July 1, 2002, using the fair value method. Under the fair value based method, stock-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until counterpart performance is complete and any change therein recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of stock-based payments to non-employees that are fully vested and non-forfeitable at the grant date is measured and recognized at that date.

In respect of stock options granted to directors and employees, the standard requires pro forma disclosure of the net loss or income figures as if these grants were accounted for using the fair value method for options granted after January 1, 2002. The Company accounts for options granted to employees under the settlement method whereby no compensation cost is recorded for options granted to employees. Consideration paid by employees on the exercise of stock options is recorded as share capital.

Since there were no stock options granted during the period and the Company has omitted the effect of employee stock options granted before July 1, 2002 in determining pro forma disclosures, no pro forma disclosures have been provided.

(c) Comparative figures

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Certain comparative figures have been reclassified to conform to the current period's presentation. In addition, prior period figures have been translated from Australian to Canadian dollars as the Company has adopted the Canadian dollar as its reporting currency.

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4. MINERAL PROPERTY

During the year ended June 30, 2003, the Company signed a Memorandum of Understanding (“Memorandum”) with Consolidated JABA Inc. (“JABA”) to secure an option to earn up to an 80% interest in the Providence Claims of the Providence Gold Project in Clarke County, Nevada.

Under the terms of the Memorandum, the Company must complete a work program on the property over the next four years, expending US\$150,000 in year one, US\$200,000 in year two, US\$250,000 in year three and US\$300,000 in year four. In addition, property payments of US\$25,000 per year from year one to year four, US\$50,000 per year for years five and six, and US\$100,000 per year in years seven and eight. The Company will also pay 50,000 shares in the capital stock of the Company each year under the Memorandum commencing on TSX approval, until a bankable feasibility study is completed. The Company will have earned a 70% interest in the claims after completing the work program and an additional 10% totalling 80% by completing a bankable feasibility study.

During the year ended June 30, 2003, the Company paid US\$25,000 for the first year property payment in accordance with this agreement.

During the nine months ended March 31, 2004, the Company terminated this option agreement. As a result of the termination, the Company paid \$20,000 and will issue 50,000 common shares of the Company to JABA, subject to regulatory approval.

5. CAPITAL STOCK

Authorized

- (i) Unlimited number of common shares without par value
- (ii) Unlimited number of 10% cumulative redeemable convertible non-voting Class A preferred shares without par value
- (iii) Unlimited number of non-voting Class B preferred shares without par value

Issued

Share capital consists of common shares issued as follows:

	March 31, 2003		June 30, 2003	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	3,535,492	\$49,681	3,535,492	\$49,681
Shares issued for loan bonus	45,714	8,000	-	-
Balance, end of period	3,581,206	\$57,681	3,535,492	\$49,681

- (a) During the three months ended March 31, 2004, 45,714 common shares were issued to a third

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party as a bonus pursuant to a \$40,000 loan to the Company. The deemed value of the bonus shares is \$8,000.

- (b) The Company had no options outstanding at March 31, 2004.
- (c) The Company had no warrants outstanding at March 31, 2004.
- (d) The Company had 2,777 common shares held in escrow at March 31, 2004 (June 30, 2003 - 2,777).

6. RELATED PARTY TRANSACTIONS

During the nine months ended March 31, 2004, the Company paid or accrued the following amounts to companies controlled by directors of the Company, to a former director of the Company and to a company controlled by a former director of the Company:

	2004	December 31, 2003
Consulting services	\$ -	\$ 7,738
Management and administrative services	23,795	-
Rent	47,800	47,551
Legal services	-	15,031

These services were carried out by related parties on normal commercial terms at economically competitive amounts for the services they provided.

7. COMMITMENT

The Company has agreed to pay a company controlled by a former director and having directors in common with the Company, monthly rent of \$5,000. The agreement expires January 31, 2005.

8. SUBSEQUENT EVENT

Subsequent to the quarter end, the Company announced it will issue up to 2,187,500 units in its capital stock of the Company at a price of \$0.16 per unit for total gross proceeds of \$350,000. Each unit will consist of one common share of the Company and one half of one share purchase warrant, each whole warrant exercisable into one common share at a price of \$0.20 for one year from the date of closing. Finder's fees are payable in connection with portions of the private placement.