

BENCHMARK ENERGY CORP.
Interim Financial Statements
(Unaudited – Prepared by Management)

March 31, 2005

Notice:

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

BENCHMARK ENERGY CORP.
Interim Balance Sheets
(Unaudited – Prepared by Management)

| | March 31, 2005 | June 30, 2004 |
|--|---------------------------|--------------------------|
| | (Unaudited) | |
| Assets | | |
| Current | | |
| Cash | \$ 54,409 | \$ 53,011 |
| GST receivable | 10,557 | 4,658 |
| | \$ 64,966 | \$ 57,669 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 145,778 | \$ 40,091 |
| Due to related parties (note 6) | - | 45,976 |
| | 145,778 | 86,067 |
| Shareholders' Deficit | | |
| Capital Stock (note 5) | 401,531 | 395,281 |
| Subscriptions received (note 5) | 95,250 | - |
| Deficit | (577,593) | (423,679) |
| | (80,812) | (28,398) |
| | \$ 64,966 | \$ 57,669 |

See notes to the unaudited financial statements.

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

Approved on behalf of the Board:

"Chris Cooper"
..... Director
Chris Cooper

"D. Barry Lee"
..... Director
D. Barry Lee

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

For the Three and Nine Months Ended March 31, 2005 and 2004

| | Three Months Ended March 31, 2005 | Three Months Ended March 31, 2004 | Nine Months Ended March 31, 2005 | Nine Months Ended March 31, 2004 |
|---|--|--|---|---|
| Expenses | | | | |
| Rent | \$ 15,000 | \$ 15,700 | \$ 45,000 | \$ 47,800 |
| Management and administrative fees | 7,500 | 7,745 | 22,250 | 23,795 |
| Professional fees | 3,340 | 1,477 | 7,831 | 13,330 |
| Transfer agent and regulatory fees | 9,330 | 7,262 | 19,104 | 12,364 |
| Travel | 40,525 | 207 | 51,685 | 956 |
| Office | 4,873 | 2,018 | 7,653 | 7,986 |
| Interest and bank charges | 260 | 8,096 | 507 | 8,406 |
| | 80,828 | 42,505 | 154,030 | 114,637 |
| Loss before other item | (80,828) | (42,505) | (154,030) | (114,637) |
| Other item | | | | |
| Interest | (43) | (12) | (116) | (60) |
| Write-off of mineral property | - | - | - | 20,000 |
| Loss for the period | (80,785) | (42,493) | (153,914) | (134,577) |
| Deficit, beginning of period | (496,808) | (333,665) | (423,679) | (241,581) |
| Deficit, end of period | (577,593) | \$(376,158) | (577,593) | \$(376,158) |
| Loss per share – basic and diluted | \$ (0.01) | \$ (0.01) | \$ (0.03) | \$ (0.04) |
| Weighted Average Number of - basic and diluted | 5,778,387 | 3,577,187 | 5,772,557 | 3,549,289 |

See notes to the unaudited financial statements.

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

For the Three and Nine Month Periods Ended March 31, 2005 and 2004

| | Three Months Ended March 31, 2005 | Three Months Ended March 31, 2004 | Nine Months Ended March 31, 2005 | Nine Months Ended March 31, 2004 |
|--|--|---|---|--|
| Cash provided by (used in): | | | | |
| Operating activities: | | | | |
| Net loss for period | \$ (80,785) | \$ (42,493) | \$ (153,914) | \$(134,577) |
| Changes in non-cash working capital items: | | | | |
| Stock issued for bonus on loan | - | 8,000 | - | 8,000 |
| GST receivable | (2,420) | (1,041) | (5,899) | (1,041) |
| Accounts payable | 19,232 | 555 | 59,711 | 19,167 |
| | (63,973) | (34,979) | (100,102) | (108,451) |
| Financing activities: | | | | |
| Due to related parties | - | 24,733 | - | 67,546 |
| Advance of loan payable | - | - | - | 40,000 |
| Shares issued for cash | 6,250 | - | 6,250 | - |
| Subscriptions received | 95,250 | - | 95,250 | - |
| | 101,500 | 24,733 | 101,500 | 107,546 |
| Increase (decrease) in cash | 37,527 | (10,246) | 1,398 | (905) |
| Cash, beginning of period | 16,882 | 11,670 | 53,011 | 2,329 |
| Cash, end of period | \$ 54,409 | \$ 1,424 | \$ 54,409 | \$ 1,424 |

See notes to the unaudited financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

Benchmark Energy Corp. (the "Company") is listed on the NEX Board of the TSX Venture Exchange ("TSX"). The Company is currently 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. The Company completed a financing for gross proceeds of \$350,000 in June of 2004.

On February 23, 2005, the Company signed a letter of intent with Cadex Petroleum Limited with respect to the acquisition of a 33.33% interest in Cosmos Concession and a 50% interest in the Yasmin Concession, both are oil and gas properties in Tunisia for the sum of US\$40,000. The Company agreed to proceed with the signing of a formal agreement upon the satisfactory completion of technical and legal due diligence. The acquisition is subject to all necessary regulatory approvals.

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. As at March 31, 2005, the Company has an accumulated deficit of \$577,593 and a working capital deficit of \$80,812. 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

(a) Financial instruments

Except as otherwise disclosed in the financial statements, the fair values of cash, GST receivable, accounts payable and accrued liabilities and due to related parties approximate their carrying values. The Company does not use any derivative financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks.

(b) Foreign currency translation

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 period.

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

(c) Loss per share

Loss per share is calculated based on the weighted average number of common shares outstanding during the period.

(d) Comparative figures

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

(f) Mineral property

Acquisition and exploration costs relating to mineral properties are deferred until the properties are brought into production, at which time the deferred costs are to be amortized on a unit of production basis, or until the properties are abandoned or sold, at which time the deferred costs are written off.

The Company periodically reviews the value of its mineral claims through review of various engineering reports and enquiry of its consultants. Once the decision is made to cease further exploration and a ready market is not available for sale, the acquisition costs and related deferred exploration costs are written off.

The amounts shown as mineral properties and deferred exploration represent unamortized costs to date and do not necessarily reflect present or future values.

(g) Stock-based compensation

Effective July 1, 2003, the Company adopted CICA Handbook Section 3870 “Stock-Based Compensation and Other Stock-Based Payments”, which establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. For fiscal years beginning after January 1, 2004, direct awards of stock and other stock based compensation granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period. The Company has chosen to adopt a prospective application of the new standards whereby it accounts for awards to employees and non-employees based on the fair value method.

No stock options to directors, officers and employees were granted in the current or prior period and therefore no stock based compensation expense has been calculated.

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 was to complete work programs totalling US \$900,000 on the property over four years and make property payments totalling US \$400,000 over eight years. The Company was to also issue 150,000 shares in the capital stock of the Company each year under the Memorandum commencing on TSX approval, until a bankable feasibility study was completed. The Company would 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 year ended June 30, 2004, the Company terminated this option agreement. As a result of the termination, the Company paid \$20,000 and is to issue 50,000 common shares of the Company to JABA. These common shares have yet to be issued.

BENCHMARK ENERGY CORP.
Notes to Interim Financial Statements
March 31, 2005
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5. CAPITAL STOCK

(a) 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

(b) Issued and outstanding

Share capital consists of common shares issued as follows:

| | None Months Ended March 31, 2004 | | Year Ended June 30, 2004 | |
|---|-------------------------------------|------------------|-----------------------------|------------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance, beginning of year | 5,769,706 | \$395,281 | 10,609,475 | \$49,681 |
| Stock consolidation | - | - | (7,072,983) | - |
| Issuance of bonus shares | - | - | 45,714 | 8,000 |
| Private Placement | - | - | 2,187,500 | 350,000 |
| Share issue costs related to private placement | - | - | - | (12,400) |
| Warrants exercised | 31,250 | 6,250 | - | - |
| Balance, end of year | 5,800,956 | \$401,531 | 5,769,706 | \$395,281 |

(ii) Subscriptions received:

During the quarter ended March 31, 2005, the Company announced, subject to regulatory approval, a non-brokered private placement of up to 6,000,000 common shares at a price of \$0.15 per share for total gross proceeds of \$900,000. The shares are subject to a four-month hold period from the date of issue. Finder's fees may be payable in connection with portions of the private placement. At March 31, 2005, the Company had receipted \$95,250 of the proposed private placement.

(iii) Options:

The Company had no options outstanding at March 31, 2005.

(iv) Warrants:

As at March 31, 2005, the following warrants were outstanding:

| Number of Shares | Exercise Price | Expiry Date |
|------------------|----------------|--------------|
| 1,062,500 | \$0.20 | June 9, 2005 |

(v) The Company had 2,778 common shares held in escrow at March 31, 2005 (2004 – 2,778).

6. RELATED PARTY TRANSACTIONS

During the nine months ended March 31, 2005 and 2004, the Company paid or accrued the following amounts to directors or companies controlled by directors of the Company:

| | 2005 | 2004 |
|--|-------------|-------------|
| Management and administrative services | \$ 22,250 | \$23,795 |

Effective July 1, 2004, \$45,976 owing to a company controlled by a former director was reclassified from a related party payable to accounts payable.

7. SUBSEQUENT EVENTS

Subsequent to the quarter ended March 31, 2005, the Company entered into a memorandum of understanding (“MOU”) with an additional co-concession-holder to acquire an additional one-third interest in the Cosmos Oil and Gas Concession located in Tunisia (the “Cosmos Concession”) along with all geological data pertaining to the Cosmos Concession. The terms of the MOU include a payment of US \$100,000 for the one-third interest in the Cosmos Concession and all geological data pertaining to the Cosmos Concession, payment of all outstanding operating costs, license fees and other obligations relative to the one-third interest incurred from January 1, 1999 to the date which will be approximately US \$80,000, and there being no negotiations with any third party concerning the acquisition of the geological data and the one-third interest in the Cosmos Concession for a period of 120 days from the date of the MOU (April 15, 2005). The transfer of these interests in the Cosmos and Yasmine Concessions are subject to the prior approval of the Tunisian government. The MOU and any formal agreement in substitution for the MOU are also subject to the regulatory approval.