



**PILGRIM PETROLEUM CORPORATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2010**

**BULLOCH, DUPERTUIS, SEGER & COMPANY, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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*Bulloch, DuPertuis, Seger & Company, PC*  
**Certified Public Accountants**  
**17101 Preston Road**  
**Suite 210**  
**Dallas, TX 75248**

To the shareholders  
Pilgrim Petroleum Corporation  
Dallas, Texas

We have compiled the accompanying balance sheet of Pilgrim Petroleum Corporation (an Delaware Corporation) as of March 31, 2010 and the related statements of income, stockholders' equity, and cash flows for the three and twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The information in the accompanying supplemental schedule; Administrative Expenses are presented only for supplementary analysis purposes.

**BULLOCH, DUPERTUIS, SEGER & COMPANY, PC**  
Dallas, Texas  
**April 27, 2010**

**PILGRIM PETROLEUM CORPORATION**

**BALANCE SHEET**

**MARCH 31, 2010**

ASSETS

CURRENT ASSETS:

Cash & cash equivalents	\$ 4,622
Accounts Receivable	52,394
Other current assets	331,421
Other receivable	<u>\$ 91,738</u>
TOTAL CURRENT ASSETS	480,175

FIXED ASSETS:

Transportation equipment	77,109
Computer equipment	17,667
Field equipment	59,786
Office equipment	<u>6,241</u>
	160,803
Less Accumulated depreciation	<u>( 102,405)</u>
TOTAL FIXED ASSETS	58,398

OTHER ASSETS

Deposits	35,249
Investments - other	<u>45,647,121</u>
TOTAL OTHER ASSETS	<u>45,682,370</u>

TOTAL ASSETS \$46,220,943

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 178,567
Accrued liabilities	<u>304,089</u>
TOTAL CURRENT LIABILITIES	482,656

OTHER LIABILITIES

Accrued liabilities - deferred	6,412,709
Notes Payable	<u>808,028</u>
TOTAL OTHER LIABILITIES	<u>7,218,737</u>

TOTAL LIABILITIES 7,705,911

STOCKHOLDERS' EQUITY

Common Stock, \$0.0001 par value, 2,000,000,000	
shares authorized and 1,152,459,514 shares	
issued and outstanding	115,246
Additional paid in capital	2,532,299
Retained earnings	<u>35,872,005</u>

TOTAL STOCKHOLDERS' EQUITY	<u>38,519,550</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$46,220,943</u>

See accountants' report and accompanying notes

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**PILGRIM PETROLEUM CORPORATION**  
**INCOME STATEMENT**  
**FOR THE**  
**THREE MONTHS ENDED MARCH 31, 2010**

Revenue - net	<u>\$ 18,976</u>
Cost of Production:	
Lease operating expenses	18,976
Subcontract expenses	<u>0</u>
Total cost of production	18,976
Gross Profit	<u>0</u>
Expenses:	
Administrative (See Sch. on page 6)	32,876
Depreciation	<u>8,457</u>
Total Expenses	<u>41,333</u>
Operating Income	<u>(41,333)</u>
Other income/(loss)	
Gain on sale of assets	0
Income taxes - current	0
Income taxes - deferred	0
Interest Income	0
Other Income	0
Total other income/(loss)	0
Net Income	<u><u>\$ ( 41,333)</u></u>

See accountants' report and accompanying notes

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**PILGRIM PETROLEUM CORPORATION**  
**SUPPLEMENTAL SCHEDULE - ADMINISTRATIVE EXPENSES**  
**FOR THE**  
**THREE MONTHS ENDED MARCH 31, 2010**

Administrative Expenses:

Advertising	\$ 0
Auto & truck	0
Auto Leases	0
Bank fees	0
Consulting fees	0
Contract labor	0
Dues & subscriptions	0
Employee training	0
Fuel & Aviation Svc	8,292
Insurance	2,441
License & permits	0
Meals & entertainment	1,774
Office expense	75
Office supplies	137
Payroll expenses	1,110
Penalties & fines	0
Postage	0
Printing	0
Professional fees	0
Promotional expense	0
Rent	5,594
Rent - equipment	11,055
Rent - storage	0
Repairs & maintenance	0
Seminars/Conferences	0
Taxes	0
Telephone/internet	2,398
Travel	0
Utilities	0
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TOTAL	<u>\$ 32,876</u>

See accountants' report and accompanying notes

**PILGRIM PETROLEUM CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**MARCH 31, 2010**

Cash Flows From Operating Activities:

Net Income/(Loss)	\$ ( 8,457)
Adjustments to reconcile net income to net cash provided by operations:	

Depreciation	8,457
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Net changes in certain working capital items	<u>\$ 0</u>
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Net cash provided by/(used) In operating activities:	<u>0</u>
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Investment Activities:

Fixed asset purchases	<u>0</u>
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Net cash used in investment activities:	<u>0</u>
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Financing Activities:

Common Stock Issuance	<u>0</u>
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Net cash realized in financing Activities:	<u>0</u>
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Increase/(decrease) in cash	( 0)
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Cash, beginning of period 01-01-10 and year	<u>4,622</u>
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Cash, end of period 03-31-10	<u><u>\$ 4,622</u></u>
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See accountants' report and accompanying notes

**PILGRIM PETROLEUM CORPORATION**  
**STATEMENT OF STOCKHOLDERS' EQUITY**  
**MARCH 31, 2010**

	<u>Common Stock</u>	Additional <u>Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances at beginning of year	\$115,246	\$2,532,299	\$35,905,833	\$38,553,378
Common Stock issuance				
Net income			(33,828)	(33,828)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balances at end of year	<u>\$115,246</u>	<u>\$2,532,299</u>	<u>\$35,872,005</u>	<u>\$38,519,550</u>

See accountants' report and accompanying notes



**PILGRIM PETROLEUM CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2010**

**A. Nature of Business**

Pilgrim Petroleum Corporation (the "Company") is a Delaware corporation incorporated in 1998. The Company will invest in working interests and oil and gas leases throughout the United States.

**B. Accounting Policies**

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

**Basis of Accounting**

The accounts are maintained and the financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At March 31, 2010 the Company had no such investments included in cash and cash equivalents.

**Revenue Recognition**

The Company generally recognizes revenue upon performance of services for its customers.

## **Reserves**

The company as of December 31, 2009 had a NPV of \$6,000,000 in estimated net remaining proved undeveloped reserves of 800,000 barrels valued at \$60.00 per barrel less an estimated \$2,000,000 cost to recover.

**PILGRIM PETROLEUM CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010**



The financial statements present fairly, in all material aspects, the financial position of the company and the results of its operation and cash flow for the period presented, in conformity with accounting principals generally accepted in the United States, consistently applied and hereby certified by Rafael Pinedo, President and Leisle D Haines, Finance Director of Pilgrim Petroleum Corporation

**PILGRIM PETROLEUM CORPORATION**  
April 27, 2010  
Certified By\_/s/Rafael Pinedo  
Rafael Pinedo, President