



PILGRIM PETROLEUM CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2008

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

CERTIFIED PUBLIC ACCOUNTANTS

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Bulloch, DuPertuis, Seger & Company, PC
Certified Public Accountants
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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, 2008 and the related statements of income, stockholders' equity, and cash flows for the three 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, 2008

PILGRIM PETROLEUM CORPORATION
BALANCE SHEET
MARCH 31, 2008

ASSETS

CURRENT ASSETS:

Cash & cash equivalents	\$ 221,478
Accounts Receivable	24,644
Other current assets	11,031
Other receivable	\$ 44,551
TOTAL CURRENT ASSETS	<u>301,704</u>

FIXED ASSETS:

Transportation equipment	77,109
Computer equipment	17,667
Field equipment	59,786
Office equipment	6,241
	<u>160,803</u>
Less Accumulated depreciation	(43,188)
TOTAL FIXED ASSETS	<u>117,615</u>

OTHER ASSETS

Deposits	35,249
Investments - other	41,727,591
Investments - Working Interest (net)	54,858
TOTAL OTHER ASSETS	<u>41,817,698</u>

TOTAL ASSETS \$42,237,017

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 49,793
Accrued liabilities	147,288
Related party payable	3,920
TOTAL CURRENT LIABILITIES	<u>201,001</u>

OTHER LIABILITIES

Accrued liabilities - deferred	5,972,162
TOTAL OTHER LIABILITIES	<u>5,972,162</u>

TOTAL LIABILITIES 6,173,163

STOCKHOLDERS' EQUITY

Common Stock, \$0.0001 par value, 1,000,000,000 shares authorized and 844,236,923 shares issued and outstanding	84,424
Additional paid in capital	2,096,257
Retained earnings	<u>33,883,173</u>

TOTAL STOCKHOLDERS' EQUITY 36,063,854

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$42,237,017

See accountants' report and accompanying notes

PILGRIM PETROLEUM CORPORATION
INCOME STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2008

Revenue - net	\$ <u>74,555</u>
Cost of Production:	
Lease operating expenses	13,970
Subcontract expenses	<u>3,450</u>
Total cost of production	17,420
Gross Profit	<u>57,135</u>
Expenses:	
Administrative (See Sch. on page 6)	83,883
Depreciation	<u>8,457</u>
Total Expenses	<u>92,340</u>
Operating Income	<u>(35,205)</u>
Other income/(loss)	
Income taxes - current benefit	<u>4,012</u>
Total other income/(loss)	4,012
Net Income	<u><u>\$ (31,193)</u></u>

See accountants' report and accompanying notes

PILGRIM PETROLEUM CORPORATION
SUPPLEMENTAL SCHEDULE - ADMINISTRATIVE EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2008

Administrative Expenses:

Advertising	\$ 575
Auto & truck	6,394
Automobile lease	1,161
Bank fees	465
Consulting fees	2,500
Contract labor	899
Dues & subscriptions	7,130
Fuel & lubrication	4,100
Insurance	2,889
License & permits	300
Office expense	2,667
Office supplies	1,840
Payroll expenses	2,880
Postage	861
Professional fees	11,630
Promotional expense	6,900
Rent	4,500
Rent - equipment	11,610
Rent - storage	1,525
Repairs & maintenance	261
Seminars/conferences	400
Taxes	4,414
Telephone/internet	2,435
Utilities	<u>5,547</u>
 TOTAL	 <u><u>\$ 83,883</u></u>

See accountants' report and accompanying notes

PILGRIM PETROLEUM CORPORATION
STATEMENT OF CASH FLOWS
MARCH 31, 2008

Cash Flows From Operating Activities:

Net Income/(Loss)	\$ (31,193)
Adjustments to reconcile net income to net cash provided by operations:	
Depreciation	8,457
Net changes in certain working capital items	<u>34,737</u>
Net cash provided by/(used) In operating activities:	<u>12,001</u>

Investment Activities:

Fixed asset purchases	<u>(11,071)</u>
Net cash used in investment activities:	<u>(11,071)</u>

Financing Activities:

Common Stock Issuance	<u>198,000</u>
Net cash realized in financing activities:	<u>198,000</u>

Increase/(decrease) in cash	198,930
Cash, beginning of period 01-01-08 and year 01-01-08	<u>22,548</u>
Cash, end of period 03-31-08	<u><u>\$ 221,478</u></u>

See accountants' report and accompanying notes

**PILGRIM PETROLEUM CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY
MARCH 31, 2008**

	<u>Common Stock</u>	Additional <u>Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances at beginning of year	\$ 56,568	\$1,896,113	\$33,914,366	\$35,867,047
Common Stock issuance	27,856	200,144		228,000
Net income			(31,193)	(31,193)
Balances at end of year	<u>\$ 84,424</u>	<u>\$2,096,257</u>	<u>\$33,883,173</u>	<u>\$36,063,854</u>

See accountants' report and accompanying notes

PILGRIM PETROLEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

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, 2008 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 March 31, 2008 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, 2008**

C. Stock Issuance

The company issued 48,170,475 shares of common stock in Jan, 2008, and 170,386,029 shares of common stock in February, 2008 pursuant to a Reg 504 (d) offering.

The company issued 60,000,000 shares of common stock in January, 2008 pursuant to a Section 144 in payment of accounts payable.



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 Leslie D Haines, Finance Director of Pilgrim Petroleum Corporation

PILGRIM PETROLEUM CORPORATION
April 28, 2008
Certified By_/s/Rafael Pinedo
Rafael Pinedo, President
Certified By_/s/ Leslie D Haines
Leslie D Haines, Finance Director

