

**TG WORLD ENERGY CORP.
INTERIM CONSOLIDATED BALANCE SHEETS**

All amounts in C\$	March 31, 2005	December 31, 2004
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 139,091	\$ 248,289
Accounts receivable	13,748	6,590
Due from related parties	-	-
	<u>152,839</u>	<u>254,879</u>
Capital Assets	-	-
	<u>\$ 152,839</u>	<u>\$ 254,879</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 480,907	\$ 415,256
Due to related parties (note 2)	113,705	137,818
Current portion of convertible debentures (note 6)	543,958	775,864
	<u>1,138,570</u>	<u>1,328,938</u>
Shareholders' equity		
Share capital (note 3)	3,335,208	2,845,568
Contributed surplus (note 4 & 5)	125,675	103,900
Convertible debentures (note 6)	118,949	164,227
Deficit	(4,565,562)	(4,187,754)
	<u>(985,730)</u>	<u>(1,074,059)</u>
Financial assets and liabilities (note 8)		
	<u>\$ 152,839</u>	<u>\$ 254,879</u>

**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(unaudited)**

All amounts in C\$	Three months ended March 31	
	2005	2004
Expenses		
General and administrative	\$ 323,254	\$ 225,292
Amortization of debenture discount	32,459	18,059
Interest expense	23,099	30,030
Interest income	(888)	(440)
Foreign exchange (gain) loss	(116)	506
	<u>377,808</u>	<u>273,447</u>
Net loss for the year before cost recovery	377,808	273,447
Cost recovery	-	-
Net (gain) loss for the year	<u>377,808</u>	<u>273,447</u>
Deficit, beginning of year	4,187,754	3,737,721
Deficit, end of period	<u>\$ 4,565,562</u>	<u>\$ 4,011,168</u>
Net loss per share (note 7)		
– basic and diluted	<u>\$ 0.0145</u>	<u>\$ 0.0135</u>

See notes to the Financial Statements

TG WORLD ENERGY CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

All amounts in C\$	Three months ended March 31	
	2005	2004
Cash provided by (used for):		
Operating		
Net loss for the period	\$ (377,808)	\$ (273,448)
Add items not involving cash		
Write-down of capital assets	-	-
Stock based compensation expense	21,775	4,877
Amortization of debenture discount	32,459	18,060
	<u>(323,574)</u>	<u>(250,511)</u>
Debenture interest accrued	21,883	30,000
Changes in non-cash working capital	36,608	(44,974)
	<u>(265,084)</u>	<u>(265,485)</u>
Financing		
Due to/from related parties	(24,113)	85,958
Convertible debentures	-	-
Shares issued for convertible debentures and warrants	179,999	-
	<u>155,886</u>	<u>85,958</u>
Increase (decrease) in cash	(109,198)	(179,527)
Cash at beginning of period	<u>248,289</u>	<u>248,383</u>
Cash at end of period	<u>\$ 139,091</u>	<u>\$ 68,856</u>

Notes to the Financial Statements
(unaudited)

The Interim Consolidated Financial Statements of TG World Energy Corp. ("TG World" or the "Company") have been prepared by management in accordance with Canadian generally accepted accounting principles. Certain information and disclosures normally required to be included in notes to annual consolidated financial statements have been condensed or omitted. The Interim Consolidated Financial Statements should be read in conjunction with the audited Annual Consolidated Financial Statements and the notes thereto in TG World's Annual Report for the year ended December 31, 2004.

1. Significant accounting policies:

The Interim Consolidated Financial Statements have been prepared following the same accounting policies and methods of computation as the Consolidated Financial Statements for the year ended December 31, 2004.

2. Related party transactions:

The following table sets out the services that were provided by related parties and are recorded at exchange amount, which is the amount of consideration agreed to between the related parties:

	Quarter Ended March	
	2005	2004
Management, secretarial and administrative services	\$ 140,000	\$ 15,000
Rent charged by TVI Pacific Inc.	7,155	6,147
Management services provided by Global Solutions Ltd.	32,500	7,500

Management, secretarial and administrative services provided by Seajay Management Enterprises Ltd. ("Seajay") devoted to the affairs and business of the Company are charged at \$5,000/month and charged to general and administrative expenses. In the first quarter, the Board of Directors, based on the recommendation of the compensation committee of the board, awarded Seajay a management bonus of \$125,000 for its efforts in successfully negotiating the arrangement with CNPC and the Niger government. Seajay is a company controlled by an officer and director of the Company.

Rent paid to TVI Pacific Inc. ("TVI") is for office space occupied by the Company on TVI's premises. An officer and director of the Company, is President, CEO, Chairman and a director of TVI. Rent costs are charged to general and administrative expenses.

Project and operations management services provided by Global Solutions Ltd. ("Global Solutions"), a company controlled by a member of the Company's executive team, are covered by a Services Supply Contract approved by the Board of Directors. This contract provides for a flat monthly fee plus contingencies. In the first quarter, the Board of Directors, based on the recommendation of the compensation committee of the Board, awarded Global Solutions a management bonus of \$25,000 for its participation in the effort to successfully negotiate the arrangement with CNPC and the Niger government.

Travel and other reimbursable costs related to the business of the Company are charged at cost by Seajay and amounted to \$7,041 (2004 - \$8,555).

As at March 31, 2005, amounts due to related parties primarily represent amounts due to Seajay Management (\$43,221.41), Global Solutions (\$54,500) and TVI Pacific (\$11,342.79) for services received by the Company.

3. Share Capital:

TG World's authorized share capital consists of an unlimited number of common shares.

Continuity of common shares (year to-date)	2005	
	Shares	Amount
Balance at December 31, 2004	24,175,913	\$ 2,845,568
Shares issued on conversion of debentures	2,616,661	309,641
Shares issued on exercise of warrants	1,533,327	179,999
Balance at March 31	28,325,901	\$ 3,335,208

4. Stock Options

Continuity of stock options (year to-date)	2005	
	Number of options	Average Exercise price
Outstanding at January 1	4,005,000	\$ 0.28
Granted during the period	50,000	0.60
Exercised	-	-
Cancelled/expire/forfeited	-	-
Outstanding, end of period	4,055,000	0.28
Exercisable, end of period	3,006,666	\$ 0.33

5. Stock-based compensation and contributed surplus:

Continuity of contributed surplus (year to-date)	2005
Balance at January 1	\$ 103,900
Stock-based compensation expense January/March	21,775
Balance at March 31	\$ 125,675

Effective January 1, 2004, the Company has adopted, with retroactive effect to share options granted since January 1, 2002, new standards for "stock-based compensation and other stock-based payments" that now require the Company to record the fair value of all share options granted since January 1, 2002.

The following table sets out the assumptions used in applying the Black-Scholes model:

	2005	2004
Risk-free interest rate - average	3.0%	3.0%
Expected life (in years)	5	5
Expected volatility	196%	176%
Dividend yield	0%	0%

The weighted average fair value of stock options granted in 2004 is \$0.095 per share. The weighted average fair value of stock options granted in 2005 is \$0.5844 per share.

The effect of the restatement is to increase previously reported deficits for the year ended December 31, 2002 by \$3,915 and 2003 by \$8,988, respectively; and to increase contributed surplus at December 31, 2003 by \$12,903. The compensation expense is being amortized over the vesting period of the options issued. In the first quarter of 2005, \$21,775 of stock-based compensation has been charged to the statement of operations.

6. Warrants and Convertible Debentures

Warrants

At December 31, 2004 and March 31, 2005 the Company had the following warrants outstanding:

	March 31, 2005		December 31, 2004	
	Number of common shares reserved	Exercise price	Number of common shares reserved	Exercise price
Expiring March 31, 2005 (exercisable at two warrants per common share)	-	\$ 0.12	625,000	\$ 0.12
Expiring June 20, 2005 (exercisable at two warrants per common share)	333,333	0.12	1,041,662	0.12
Expiring September 30, 2005 (exercisable at one warrant per common share)	5,700,000	0.10	5,900,000	0.10
	6,033,333		7,566,662	

	March 31, 2005	December 31, 2004
Convertible debentures:		
Balance, beginning of year	\$ 775,864	\$ 855,528
Issued during the year	-	-
Less: equity component	-	-
	775,864	855,528
Add: amortization of debenture discount	33,352	75,971
Less: amount converted to share capital	(264,365)	(155,635)
	543,958	775,864
Less: classified as current	(543,958)	(775,864)
Balance, end of period	\$ -	\$ -

.If all the issued convertible debentures, including any already converted, are converted to common shares, the following additional shares would be issued as of March 31, 2005:

	Number of shares	Conversion price
Debenture expiring March 31, 2005 (converted subsequent to year-end)	1,250,000	\$ 0.12
Debenture expiring June 20, 2005	2,083,333	\$ 0.12
Debenture expiring September 30, 2005	12,000,000	\$ 0.05
	15,333,333	

At March 31, 2005 the total number of shares converted was 6,416,661.

7. Per share amounts:

The basic weighted average number of common shares outstanding during the quarter ended March 31, 2005 was 26,056,741 (2004 – 20,275,913). No addition is made to the basic weighted average number of shares when calculating diluted weighted average number of shares as diluted per share amounts are anti dilutive.

8. Financial assets and liabilities:

(a) Fair values:

The fair values of cash, accounts receivable and current liabilities approximate their carrying values.

(b) Exchange rate risks:

TG World is exposed to exchange rate fluctuations in relation to amounts due to the government of Niger for annual fees and for services it must purchase in foreign currencies. Management believes this exposure is not material to its overall operations.