



WELWYN RESOURCES LTD.

2005 FIRST QUARTER REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2005

PRESIDENT'S MESSAGE

Throughout the first quarter of 2005, the executive team of Pan Orient Energy Ltd. ("Pan Orient") worked closely with Welwyn's previous management to complete a series of transition steps. This process culminated on April 15, 2005, with the executive team of Pan Orient assuming all key management positions at Welwyn and re-constituting Welwyn's board of directors. Formal TSX Venture Exchange approval of the reverse takeover allowed shares of the newly reorganized Welwyn to commence trading under the trading symbol "POE" on April 18, 2005.

Our newly reorganized Welwyn is primarily focused on acquiring positions in low cost, high impact projects in Asia. To properly reflect this focus we intend to change our name to Pan Orient Energy Corp. at the upcoming annual meeting. Our focus on Asia is motivated by a desire to position our company with assets in the world's largest energy demand growth region. In doing so we expect to produce significant, sustainable growth in shareholder value.

Our major corporate accomplishments to May 30, 2005, are as follows :

- Closed the reverse takeover of Pan Orient Energy Ltd.
- Appointed a new Calgary-based management team with an exceptional record of international and domestic success
- Appointed an accomplished new Board of Directors including some of the most highly successful names in international exploration
- Completed \$12.5 million of financings to position the Company with sufficient cash to pursue multiple project opportunities within the Asia region
- Executed a takeover agreement with the Board of Directors of Tiger Petroleum Inc. (a TSX Venture Exchange listed company) whereby Welwyn is to acquire all of the outstanding shares of Tiger on a share exchange basis (1 Welwyn share for each 4.25 Tiger shares). The Boards of Directors of each of Welwyn and Tiger have approved the transaction
- Prepared and submitted bids for the May 31, 2005 NELP-V bid round in India
- Prepared for the mid 2005 drilling of the Company's first Sawn Lake well in northern Alberta. The Company owns a 10% interest in 63 contiguous sections in this heavy oil project. Third party engineering evaluations have credited the property with 1.2 billion barrels of oil in place.

Acquisition of Tiger

On April 28, 2005 Welwyn announced an acquisition agreement had been executed with the Board of Directors of Tiger Petroleum Inc. ("Tiger"). The acquisition consideration consists of one (1) common share of Welwyn for each four and one quarter (4.25) common shares of Tiger and is subject to certain conditions, including the deposit of not less than 66 2/3% of the outstanding Tiger shares, receipt of all required regulatory approvals and other customary conditions. The agreement also includes a corresponding offer to Tiger convertible debenture holders. We currently anticipate mailing the offer and the accompanying takeover bid circular to Tiger security holders in June 2005, immediately following completion of required securities commission compliance matters by Tiger.

Key attributes that make the Tiger acquisition attractive for Welwyn are as follows:

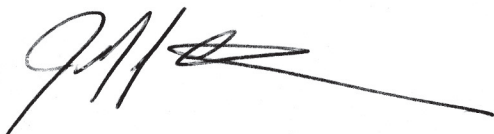
- The acquisition allows us to establish a meaningful asset base in Asia at a reasonable cost – total consideration paid by Welwyn expected to be approximately 4.6 million Welwyn shares
- The acquisition allows us to secure an operated, majority interest position in approximately 2 million acres of exploration and production licenses in an under-explored basin onshore Thailand
- Tiger has an established reserve base with current net production of approximately 100 bbl/d
- The license acreage holds material exploration upside on existing and newly identified prospects which can be explored using low cost drilling techniques
- The existing developed area has ample available operated infrastructure to accommodate new production
- The acquisition positions Welwyn as an ‘existing international operator’ that will be recognized by international governments, further enhancing access to new opportunities particularly through new license and concession bids in the Asia region
- The acquisition provides a sound central Asia base for building on other Asia region opportunities that Welwyn is currently exploring

After closing of the Tiger acquisition, Welwyn will have approximately 28.1 million shares outstanding, over \$10 million in available uncommitted cash and zero debt.

OUTLOOK

Our new management, with the active support of the board, has already embarked on a strategy to aggressively, yet prudently, position the Company for significant growth. Our focus on low cost drilling opportunities with material upside is expected to produce significant, sustainable growth in shareholder value over the near term and beyond. Our activities on our Sawn Lake prospect and our Tiger acquisition of Thailand licenses are just the first steps in moving aggressively to achieve our growth objectives. At this time we are also utilizing our existing network of contacts to actively pursue land and production acquisitions in India, China and Indonesia. We are focused on remaining well capitalized, with ample cash on hand to pursue new projects as they arise and expeditiously develop our existing asset base.

Respectfully submitted on behalf of the Management and the Board of Directors



Jeff Chisholm

President and Chief Executive Officer

May 30, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim financial statements and notes thereto for the three months ended March 31, 2005, and the audited financial statements and MD&A for the year ended December 31, 2004. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

The acquisition of Pan Orient Energy Inc. ("Pan Orient") did not close until April 15, 2005, and as such the financial statements for March 31, 2005, as presented, do not include the effect of the acquisition.

The acquisition of Pan Orient, which resulted in a reverse takeover within the meaning of Policy 5.2 of the TSX Venture Exchange, resulted in a significant restructuring of Welwyn. As at May 30, 2005 Welwyn has 23,548,787 shares outstanding and approximately \$10,500,000 of positive working capital (largely cash deposits) as a result of its recent financings.

On April 28, 2005, the Boards of Directors of both Welwyn and Tiger Petroleum Inc. ("Tiger") announced they had reached an agreement whereby Welwyn will acquire all of the issued and outstanding common shares of Tiger for consideration consisting of one (1) common share of Welwyn for each four and one quarter (4.25) common shares of Tiger. Welwyn also made a share offer to all of the \$1,265,000 convertible debenture holders of Tiger. The offer and accompanying take-over bid circular are expected to be mailed to Tiger security holders in June 2005. The offer will be subject to certain conditions, including the deposit of not less than 66 2/3% of the outstanding Tiger Shares, receipt of all required regulatory approvals and other customary conditions. In the event that all of Tiger's convertible debenture holders choose to receive common shares of Welwyn in exchange for tendering their convertible debentures to the offer and all Tiger stock options are exercised, the total consideration paid by Welwyn for all of Tiger will be approximately 4.6 million shares of Welwyn. Tiger has no debt, other than the convertible debentures, and has no material working capital.

Following a successful Tiger transaction Welwyn will have approximately 28.1 million shares outstanding, approximately \$10,500,000 in positive working capital (largely cash deposits) and zero debt.

Management believes it has sufficient cash on hand (over \$10,000,000) to fund a robust seismic and exploration program on Tiger's Thailand assets, fund a multi-well drilling program on Welwyn's Sawn Lake prospect as well as fund entrance and drilling opportunities in other Asian counties. Welwyn is actively pursuing land and production acquisition opportunities in India, China and Indonesia.

SUMMARY OF QUARTERLY RESULTS – MARCH 31, 2005

	For the three month period ended			
	March 31 2005	Dec. 31 2004	Sept. 30 2004	June 30 2004
Net sales/total revenues	\$ -	2,406	17,372	38,394
Loss before discontinued operations and extraordinary items	\$ (54,292)	(36,171)	(32,241)	(55,627)
Loss per share before discontinued operations and extraordinary items	\$ (0.05)	(0.03)	(0.03)	(0.05)
Net loss	\$ (54,292)	(36,171)	(17,217)	(55,627)
Loss per share	\$ (0.05)	(0.03)	(0.02)	(0.05)

	For the three month period ended			
	March 31 2004	Dec. 31 2003	Sept. 30 2003	June 30 2003
Net sales/total revenues	\$ 26,997	40,381	22,671	3,736
Loss before discontinued operations and extraordinary items	\$ (24,744)	(67,146)	(64,714)	(39,148)
Loss per share before discontinued operations and extraordinary items	\$ (0.02)	(0.06)	(0.06)	(0.04)
Net loss	\$ (24,744)	(67,146)	(64,714)	(39,148)
Loss per share	\$ (0.02)	(0.06)	(0.06)	(0.04)

The Company sold its Provost property, which was the Company's only oil and gas asset, in September, 2004. As a result, there were no oil and gas revenues in 2005, as compared to \$26,997 of net revenues in the first quarter of 2004. The Company had zero oil and gas operating expenses or depletion and amortization charges in 2005, as compared to \$32,555 and \$8,750, respectively, in 2004.

General and administrative expenses totaled \$48,076 for the first three months of 2005, up sharply from \$4,726 in the same period of 2004. These 2005 expenses result from increased administrative activity relating to the acquisition of Pan Orient.

The Company recorded \$6,216 of interest on convertible debentures in the first quarter of 2005, as compared to \$5,710 in the same period of 2004.

As a result of the increased G&A activities, the Company posted a net loss for the first quarter of 2005 of \$54,292, compared with a loss of \$24,744 in the first quarter of 2004. The loss of \$54,292 was entirely funded by the Company's working capital position, which at March 31, 2005, stood in a deficit balance of \$429,620.

During the first quarter of 2005, Welwyn paid to its directors and officers, either directly, or indirectly to companies controlled by them, \$17,100 for management and consulting services. During the first three months of 2005 the Company received a \$7,600 advance to finance ongoing working capital requirements. At March 31, 2005, the amount owing to companies controlled by directors and officers was \$136,672.

SUBSEQUENT EVENT – PAN ORIENT ENERGY LTD. ACQUISITION

On April 15, 2005, Welwyn completed the acquisition of Pan Orient Energy Ltd. (“Pan Orient”) for the acquisition of all the issued and outstanding Class “A” Common Shares of Pan Orient. The reverse takeover of Pan Orient resulted in a change of control of Welwyn including the resignation of all the officers and directors of Welwyn and the appointment of all Pan Orient’s officers and directors to the corresponding positions of Welwyn. On April 18, 2005 Welwyn’s common shares resumed trading under the new trading symbol “POE”.

In connection with the completion of the acquisition, Welwyn completed two financings totaling \$4,500,000: (a) a fully subscribed Private Placement financing for the issuance of 3,333,334 Welwyn Common Shares, which included the agents fully exercising their 25% over allotment option, at a price of \$0.75 per share for gross proceeds of \$2,500,000 and (b) a fully subscribed Short Form Offering Document financing for the issuance of 2,666,667 Welwyn Common Shares at a price of \$0.75 per share for gross proceeds of \$2,000,000. Both financings were subject to a 7% cash agent’s commission. Pan Orient had completed a financing under similar terms in February 2005 for gross proceeds of \$8,000,000.

Additionally, in connection with the completion of the acquisition, the following amounts were converted into Welwyn Common Shares, at a price of \$0.75 per share: (a) \$27,500 of convertible debentures payable and (b) \$100,000 of amounts due to related parties.

On April 11, 2005, the Company received a loan from Pan Orient Energy Ltd. (“Pan Orient”) in the amount of \$304,522 which was used for the payment of accounts payable (\$31,752), to payout the remaining balance of amounts due to related parties (\$36,672) and to payout the remaining balance of the convertible debentures with accrued interest (\$236,098).

Following the reverse takeover of Pan Orient, and the above transactions, Welwyn has 23,548,787 shares outstanding.

ADDITIONAL INFORMATION

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.

NOTICE TO READER

Management has compiled the unaudited interim financial information of Welwyn Resources Ltd. consisting of the interim Balance Sheet at March 31, 2005 and the interim Statements of Loss and Deficit and interim Statements of Cash Flows for the three months ended March 31, 2005 and 2004. Please note the interim financial statements have not been reviewed or audited by external auditors.

WELWYN RESOURCES LTD.
INTERIM BALANCE SHEET

	March 31, 2005	December 31, 2004
	(Unaudited)	(Audited)
<u>ASSETS</u>		
CURRENT		
Cash	\$ 407	168
Accounts receivable	5,913	11,775
	\$ 6,320	11,943
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 44,268	21,496
Due to related parties (Note 2)	136,672	110,775
Current portion of convertible debentures payable (Note 3)	255,000	255,000
	435,940	387,271
<u>SHAREHOLDER'S EQUITY</u>		
SHARE CAPITAL (Note 4)	785,708	785,708
DEFICIT	(1,215,328)	(1,161,036)
	(429,620)	(375,328)
	\$ 6,320	11,943

See accompanying notes to interim financial statements

WELWYN RESOURCES LTD.**INTERIM STATEMENTS OF LOSS AND DEFICIT (UNAUDITED)**

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
REVENUES		
Oil and gas sales	\$ -	29,708
Less royalties, net of ARTC	-	2,711
	-	26,997
EXPENSES		
General and administration	48,076	4,726
Interest on convertible debentures	6,216	5,710
Oil and gas operating	-	32,555
Depletion and amortization	-	8,750
	54,292	51,741
NET LOSS FOR THE PERIOD	(54,292)	(24,744)
DEFICIT, BEGINNING OF PERIOD	(1,161,036)	(1,027,277)
DEFICIT, END OF PERIOD	\$ (1,215,328)	(1,052,021)
LOSS PER SHARE – Basic and Diluted	\$ (0.05)	(0.02)

See accompanying notes to interim financial statements

WELWYN RESOURCES LTD.**INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the period	\$ (54,292)	(24,744)
Item not affecting cash		
Depletion and amortization	-	8,750
	<hr/>	<hr/>
	(54,292)	(15,994)
Change in non-cash working capital balances		
Accounts receivable	5,862	7,916
Accounts payable and accrued liabilities	22,772	19,036
Advances from related parties	25,897	1,500
	<hr/>	<hr/>
	239	12,458
INVESTING ACTIVITIES		
Proceeds from sale of petroleum and natural gas properties	-	3,063
Acquisition of petroleum and natural gas properties	-	(14,492)
	<hr/>	<hr/>
	-	(11,429)
INCREASE IN CASH	<hr/>	<hr/>
	239	1,029
CASH, BEGINNING OF PERIOD	<hr/>	<hr/>
	168	142
CASH, END OF PERIOD	<hr/>	<hr/>
	\$ 407	1,171
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to interim financial statements

WELWYN RESOURCES LTD.**NOTES TO INTERIM FINANCIAL STATEMENTS MARCH 31, 2005 (UNAUDITED)****1) SIGNIFICANT ACCOUNTING POLICIES**

The unaudited interim financial statements of Welwyn Resources Ltd. (the "Company") have been prepared by management in accordance with Canadian generally accepted accounting principles. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the year ended December 31, 2004. The disclosures included below are incremental to those included with the annual financial statements. The interim financial statements should be read in conjunction with the Company's financial statements and notes thereto for the year ended December 31, 2004.

2) RELATED PARTY TRANSACTIONS

During the first quarter of 2005, Welwyn entered into the following transactions with related parties:

- a) The Company paid to its directors, either directly, or indirectly to companies controlled by them, the following amounts:

For management services	\$ 6,000
For consulting services	\$11,100

The above transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

- b) During the first three months of 2005 the company received a \$7,600 advance to finance ongoing working capital requirements. In September 2004, the Company repaid \$110,000 in advances to companies controlled by directors and officers. At March 31, 2005, the amount owing to companies controlled by directors and officers was \$136,672.

In April 2005 the amounts owing to related parties were paid. See Subsequent Events (note 5).

3) CONVERTIBLE DEBENTURES PAYABLE

	March 31 , 2005	Dec. 31, 2004
10% unsecured convertible debentures, matured on December 31, 2004	\$ 20,000	20,000
9% unsecured convertible debentures maturing December 31, 2005. Convertible into common shares on a basis \$ 0.75 per share if converted before June 24, 2005	235,000	235,000
	<hr/> 255,000	<hr/> 255,000
Less current portion	(255,000)	(255,000)
	<hr/> <hr/> \$ -	<hr/> <hr/> -

In April 2005 the outstanding convertible debentures were paid. See Subsequent Events (note 5).

WELWYN RESOURCES LTD.**NOTES TO INTERIM FINANCIAL STATEMENTS MARCH 31, 2005 (UNAUDITED)****4) CAPITAL STOCK**

a) Authorized:

Unlimited number of common voting shares

Unlimited number of preferred shares

	Number of shares	\$
b) Issued and outstanding common shares		
Balance, December 31, 2004 and March 31, 2005	1,108,000	785,708
c) Options to purchase common shares		
	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2004	53,000	\$0.50
Forfeited	-	-
Exercised	-	-
Granted	-	-
Balance, March 31, 2005	53,000	\$0.50

In April 2005, the Company granted 2,350,000 options at 0.75 to purchase common shares.

5) SUBSEQUENT EVENTSPan Orient Energy Inc. Acquisition

On April 15, 2005, Welwyn completed the acquisition of Pan Orient Energy Ltd. ("Pan Orient") for the acquisition of all the issued and outstanding Class "A" Common Shares of Pan Orient. The reverse takeover of Pan Orient resulted in a change of control of Welwyn including the resignation of all the officers and directors of Welwyn and the appointment of all Pan Orient's officers and directors to the corresponding positions of Welwyn. On April 18, 2005 Welwyn's common shares resumed trading under the new trading symbol "POE".

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Pan Orient had completed a financing under similar terms in February 2005 for gross proceeds of \$8,000,000.

Additionally, in connection with the completion of the acquisition, the following amounts were converted into Welwyn Common Shares, at a price of \$0.75 per share: (a) \$27,500 of convertible debentures payable and (b) \$100,000 of amounts due to related parties.

WELWYN RESOURCES LTD.

NOTES TO INTERIM FINANCIAL STATEMENTS MARCH 31, 2005 (UNAUDITED)

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Following the reverse takeover of Pan Orient, and the above transactions, Welwyn has 23,548,787 shares outstanding.

Tiger Petroleum Inc. Acquisition

On April 28, 2005, the Boards of Directors of both Welwyn and Tiger Petroleum Inc. ("Tiger") announced they had reached an agreement whereby Welwyn will acquire all of the issued and outstanding common shares of Tiger for consideration consisting of one (1) common share of Welwyn for each four and one quarter (4.25) common shares of Tiger. Welwyn also made a share offer to all of the \$1,265,000 convertible debenture holders of Tiger. The offer and accompanying take-over bid circular are expected to be mailed to Tiger security holders in June 2005. The offer will be subject to certain conditions, including the deposit of not less than 66 2/3% of the outstanding Tiger Shares, receipt of all required regulatory approvals and other customary conditions.