



A&B Geoscience Corporation

***Quarterly Report to Shareholders for the Three Months ended
31st March, 2003***

BC FORM 51-901F (previously Form 61)

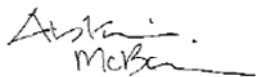
Quarterly Report

ISSUER DETAILS

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CONTACT'S POSITION:	President and Chief Executive Officer
DATE OF REPORT:	27 th May, 2003
FOR QUARTER ENDED:	31 st March, 2003
CURRENCY:	U.S. Dollars

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.



Alastair D. McBain
27th May, 2003



Roland J. Favre
27th May, 2003

SCHEDULE "A" – FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (Expressed in U.S. Dollars)

Unaudited – prepared by management

	31 st March, 2003	31 st Dec, 2002
ASSETS		
Current		
Cash and equivalents	1,402,432	1,479,702
Accounts receivable and prepayments	2,189,282	2,281,110
	3,591,714	3,760,812
Fixed		
Investments	525,063	525,063
	4,116,777	4,285,875
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	430,337	380,813
	430,337	380,813
Shareholders' equity		
Capital stock	16,660,006	16,660,006
Deficit	(12,973,566)	(12,754,944)
	3,686,440	3,905,062
	4,116,777	4,285,875

The accompanying notes are an integral part of these consolidated financial statements.

SCHEDULE "A" – FINANCIAL STATEMENTS (continued)**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**THREE MONTHS ENDED 31st MARCH, 2003 (Expressed in U.S. Dollars)

Unaudited – prepared by management

	3 Months to 31 st March, 2003	3 Months to 31 st March, 2002
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortisation	—	235
Office and miscellaneous	10,801	4,321
Professional fees	100,990	140,143
Rent	15,168	5,836
Transfer agent and filing fees	4,174	4,039
Travel	3,885	22,555
Wages	79,418	74,860
	(214,436)	(251,989)
Gain on deemed disposal of interest in subsidiary	—	24,963
Foreign exchange (loss) gain	(6,633)	8,100
Net interest and other income	2,447	(859)
Loss from continuing operations	(218,622)	(219,785)
Loss from discontinued operations	—	(980)
Loss for the period	(218,622)	(220,765)
Deficit, beginning of period	(12,754,944)	(11,634,144)
Deficit, end of period	(12,973,566)	(11,854,909)
Loss per share from continuing operations	(0.003)	(0.005)
Loss per share from discontinued operations	0.000	0.000
Loss per share	(0.003)	(0.005)
Weighted average number of shares outstanding	71,946,558	44,257,391

The accompanying notes are an integral part of these consolidated financial statements.

SCHEDULE "A" – FINANCIAL STATEMENTS (continued)**CONSOLIDATED STATEMENTS OF CASH FLOWS**THREE MONTHS ENDED 31st MARCH, 2003 (Expressed in U.S. Dollars)

Unaudited – prepared by management

	3 Months to 31 st March, 2003	3 Months to 31 st March, 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from continuing operations	(218,622)	(244,748)
Items not affecting cash		
Amortisation	—	235
Changes in non-cash working capital items		
Decrease/(increase) in accounts receivable	91,828	(46,672)
Increase in accounts payable	49,524	1,820,824
Cash (used in) provided by operating activities	(77,270)	1,529,639
Cash used in discontinued operations	—	(980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital stock issued and subscriptions received	—	1,006,125
Cash provided by financing activities	—	1,006,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of interest in subsidiaries	—	(543,535)
Oil and gas property costs	—	(1,547,695)
Cash used in investing activities	—	(2,091,230)
Net change in cash and equivalents during period	(77,270)	443,554
Cash and equivalents, beginning of period	1,479,702	90,129
Cash and equivalents, end of period	1,402,432	533,683

The accompanying notes are an integral part of these consolidated financial statements.

SCHEDULE "A" – FINANCIAL STATEMENTS (continued)**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**THREE MONTHS ENDED 31st MARCH, 2003 (Expressed in U.S. Dollars)

Unaudited – prepared by management

1. Basis of presentation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Commonwealth Oil & Gas Company Limited (also incorporated under the laws of Anguilla, British West Indies) and Addison & Baxter Limited (incorporated under the laws of the United Kingdom). Significant inter-company balances and transactions are eliminated on consolidation.

On 28th March, 2002, Commonwealth Gobustan Limited ("CGL") issued common shares totaling 62.83% of its issued and outstanding capital stock to Rosco S.A.. The Company's interest in CGL was diluted so that the Company now has a 37.17% interest in CGL and an indirect 37.17% interest in Gobustan Operating Company Ltd. ("GOCL"). An affiliate of the State Oil Company of the Azerbaijan Republic ("SOCAR") holds a 20% carried interest in the Exploration, Development and Production Sharing Agreement for the Southwest Gobustan oil and gas fields in the Azerbaijan Republic ("EDPSA"). CGL holds the remaining 80% interest, which means the Company's interest in the EDPSA is now 29.74%. Subsequent to the share issue CGL and GOCL have been deconsolidated and are now treated as associated companies in these financial statements. As a result the carrying value of oil and gas property costs as at 28th March, 2002 have been deconsolidated.

The consolidated statement of cash flows in the comparative period includes the movements in cash of CGL and GOCL during the period from 1st January, 2002 to 28th March, 2002. After deconsolidation of both of these companies' assets and liabilities, all group cash movements relate specifically to A&B Geoscience Corporation, Commonwealth Oil & Gas Company Limited and Addison & Baxter Limited.

The three month period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to represent a fair statement of the results of the interim periods presented.

2. Nature of operations

The Company's principal business activity is acquiring and developing oil and gas properties.

3. Segmented information

The Company operates in one industry segment, the exploration and development of oil and gas properties in the Azerbaijan Republic.

SCHEDULE "B" – SUPPLEMENTARY INFORMATION

(Expressed in U.S. Dollars)

1. Oil and Gas Properties

During the three months ended 31st March, 2003, and as at 31st December, 2002, the Company capitalised no exploration and development costs.

2. Associated Companies

Commonwealth Oil & Gas Company Limited held a 37.17% interest in Commonwealth Gobustan Limited ("CGL") with effect from 28th March, 2002. CGL held a 100% interest in Gobustan Operating Company Ltd. ("GOCL") with effect from 28th March, 2002.

The summarised operating results of these associated companies during the three months ended 31st March, 2003 were as follows:

	CGL	GOCL
Turnover	—	—
Profit for the period	—	—

The summarised balance sheets as at 31st March, 2003 were as follows:

	CGL	GOCL
Capital assets, investments and oil and gas properties	3,905,943	5,282,776
Current assets	7,420,322	2,164,162
	11,326,265	7,446,938
Current liabilities	9,913,665	7,438,938
Shareholders' equity	1,412,600	8,000
	11,326,265	7,446,938

3. Professional Fees

During the three months ended 31st March, 2003, the following was paid as professional fees:

	3 Months to 31 st March, 2003
Audit	15,475
Legal	21,536
Directors' consultancy	62,500
Other	1,479

4. Expenditures to Parties not at Arm's Length

During the three months ended 31st March, 2003, the following was paid or accrued in respect of salaries and travel expenses to executive officers:

	3 Months to 31 st March, 2003
Salaries	111,000
Travel expenses	792

SCHEDULE "B" – SUPPLEMENTARY INFORMATION (continued)

(Expressed in U.S. Dollars)

5. Securities Issued and Options Granted

- (a) During the three months ended 31st March, 2003, no new common shares were issued.
- (b) On 21st January, 2003, options to acquire an aggregate of 1,800,000 common shares at C\$0.22 per share were granted to directors, officers, and consultants.

6. Authorised and Issued Share CapitalAs at 31st March, 2003, the share capital consisted of the following:

Authorised	100,000,000 common shares, without par value	
Issued and Outstanding		Amount
72,491,908		16,971,206
Treasury Shares		
(545,350)		(311,200)

7. Options, Warrants and Convertible Securities

On 5th May, 2003, a new incentive stock option plan as described in the information circular issued with the Notice of Annual and Special Meeting of Shareholders was adopted, with such modifications as the President and Chief Financial Officer may deem appropriate.

As at 31st March, 2003, options were outstanding to purchase an aggregate of 1,080,000 common shares at an exercise price of CDN\$0.16 each at any time up to 21st June, 2004, and an aggregate of 1,800,000 common shares at an exercise price of CDN\$0.22.

As at 31st March, 2003, 1,296,050 share purchase warrants were outstanding and exercisable as follows:

- i) 1,296,050 at CDN\$0.40 per share to 12th April, 2003;
- ii) 1,296,050 at CDN\$0.50 per share to 12th October, 2003;

8. Shares in Escrow or Subject to a Pooling Agreement

As at 31st March, 2003, there were no shares in escrow or subject to a pooling agreement.

9. Directors

As at 31st March, 2003 the following were directors:

Nicholas Baxter	Graham Crabtree
Donald R. Curtis	Roland J. Favre
Malcolm C. Hope-Ross	Jeremy C.A. Little
Alastair D. McBain	

SCHEDULE "C" – MANAGEMENT DISCUSSION AND ANALYSIS

(Expressed in U.S. Dollars)

1. Description of Business

A&B Geoscience Corporation (the "Company") acquires and develops oil and gas properties. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "ABG".

The Company and its active subsidiaries are incorporated in Anguilla, British West Indies, except for Addison & Baxter Limited, which is incorporated in the United Kingdom. The Company also has eight inactive subsidiaries, the businesses of which were discontinued in past fiscal years. As detailed in the Company's last four Annual Reports, the assets and liabilities of these subsidiaries are not consolidated in the Company's financial statements. These subsidiaries are in various stages of being wound up or liquidated.

2. Discussion of Operations and Financial Condition

Accounts receivable decreased from \$2,281,110 as at 31st December, 2002 to \$2,189,282 as at 31st March, 2003 as a result of the repayment of an intercompany loan by Gobustan Operating Company Ltd..

Investments of \$525,063 represent the Company's share of the net assets of its associated companies Commonwealth Gobustan Limited and Gobustan Operating Company Ltd..

Accounts payable and accrued liabilities increased from \$380,813 as at 31st December, 2002 to \$430,337 as at 31st March, 2003 due to an accrued amount for officers' salaries as yet unpaid.

An analysis of professional fees is set out in Note 3 to Schedule "B".

An analysis of transactions with related parties is set out in Note 4 to Schedule "B".

The Company is not party to any legal proceedings. The Company is not in default under any debt or other contractual obligations. The Company is not in breach of any corporate, securities or other laws or of its listings agreement with the TSX Venture Exchange.

The Company has no pending material transactions which would require regulatory approval.

In the three months to 31st March, 2003, there were no changes in management. On 23rd April, 2003, the appointment of Mr Xin Junhe as President of Commonwealth Gobustan Limited ("CGL") was announced. Mr John Scott, the previous President, has joined the Board of Directors of CGL and will remain actively involved in Baku, Azerbaijan as General Manager of Commonwealth Oil & Gas Company Limited.

Investor relations is currently managed internally. Shareholders and prospective investors who wish to receive news releases and corporate information from the Company should e-mail their contact details to alastair.mcbain@abgexp.com for inclusion in the Company's investor relations database. News releases and corporate information are also available via the Company's website at www.abgexp.com.

SCHEDULE "C" – MANAGEMENT DISCUSSION AND ANALYSIS (continued)

(Expressed in U.S. Dollars)

At the Annual and Special Meeting on 5th May, 2003, shareholders approved a special resolution to increase the authorised capital of the company from 100,000,000 common shares to an unlimited number of common shares.

Also at the Annual and Special Meeting on 5th May, 2003, shareholders approved a special resolution enabling the name of the Company to be changed to Arawak Energy Corporation or such other name as the Board of Directors may approve.

3. Material Events since the Latest Fiscal Year End**(a) Events in First Quarter 2003**

On 21st January, 2003, options to acquire an aggregate of 1,800,000 common shares at CDN\$0.22 per share were granted to directors, officers and consultants.

On 28th January, 2003, it was announced that Rosco S.A. ("Rosco") sold its 62.83% interest in Commonwealth Gobustan Limited to two affiliates of China National Petroleum Corporation ("CNPC"). CNPC will also take over Rosco's commitment to provide a \$20 million non-recourse development loan and continue the obligation to carry the Company through to the completion of the Minimum Obligatory Work Program ("MOWP").

In the first quarter of 2003, the Company's UK administration office was moved from Milton Keynes to Bowater House East, Fourth Floor, 68 Knightsbridge, London, SW1X 7LT.

On 18th March, 2003, CGL announced the spudding of its first development well in connection with the EDPSA. The new well, which is being drilled in the Dashgil field and has oil as its primary objective, was started on 12th March, 2003. This represented a significant milestone as it marked the commencement of development drilling operations under the EDPSA. The location of the second well, which is also being drilled in the Dashgil field, has already been determined and work related to obtaining permits has begun. Under the terms of the MOWP in the EDPSA, CGL is obliged to complete 6 development wells and an exploration well by 27th November, 2003.

CGL also announced that three workovers had been completed in the Duvanny field, three in the Solokhay field and one in the Dashgil field. A fourth workover in the Duvanny field was then under way. This was to be followed by a second workover in the Dashgil field which would then result in completion of the MOWP obligation with respect to workovers.

At the time of CGL's announcement, the remaining MOWP obligation, being the shooting of new 2D seismic, was already under way. The 2D seismic survey was taking place in the northernmost of the three blocks which comprise the South-West Gobustan contract area, where no previous seismic data was available despite the existence of numerous old oil and gas discovery wells. It was expected that the result of the survey would reveal locations for new development and exploration wells.

SCHEDULE "C" – MANAGEMENT DISCUSSION AND ANALYSIS (continued)

(Expressed in U.S. Dollars)

(b) Subsequent Events

Subsequent to the period end, on 23rd April, 2003, the appointment of Mr Xin Junhe as President of CGL was announced. Mr Xin's appointment followed the acquisition of an aggregate of 62.83% interest in CGL by members of CNPC group of companies. Mr John Scott, the previous President, has joined the board of directors of CGL and will remain actively involved in Baku, Azerbaijan Republic as General Manager of Commonwealth Oil & Gas Company Limited.

The Company's Annual General Meeting was held on 5th May, 2003 in Anguilla, British West Indies, which is the Company's jurisdiction of incorporation. Six shareholders were present in person and a further twenty shareholders were present by proxy together holding an aggregate of 41,612,988 common shares of the Company. This represents 57.4% of the 72,491,908 issued and outstanding common shares at the record date, 5th April, 2003. No request was made for a count of proxies and all resolutions were passed by a show of hands. The following resolutions were approved by shareholders:

- (1) The report of the directors as set out in the 2002 Annual Report was approved as presented;
- (2) The audited financial statements of the Company for the year ended 31st December, 2002 and the auditors' report thereon were approved;
- (3) The board of directors was decreased from seven to six;
- (4) James H. Coleman, Donald R. Curtis, Roland J. Favre, Malcolm C. Hope-Ross, Jeremy C.A. Little and Alastair D. McBain were elected as directors;
- (5) Ernst & Young LLP were appointed auditors of the Company at a remuneration to be determined by the board of directors;
- (6) A new incentive stock option plan was adopted with such modifications as the President and Chief Financial Officer may deem appropriate;
- (7) A special resolution was passed to increase the authorised capital of the Company from 100,000,000 common shares to an unlimited number of common shares; and
- (8) A special resolution was passed enabling the name of the Company to be changed to Arawak Energy Corporation or such other name as the Board of Directors may approve.

On 8th May, 2003, results were disclosed of the workover well Duvanny 77, which has been completed as a gas producer. Tests have confirmed stable production of 15,000 cubic metres of natural gas per day. Together with Duvanny 70, a nearby well which was worked over earlier and which has also been retested, this provides a natural gas deliverability of close to 30,000 cubic metres (one million cubic feet) per day. CGL will seek natural gas sales contracts. The Azerbaijan Republic is a net importer of natural gas and it is expected that the gas will therefore be sold domestically. The service rig has been relocated to perform a workover in Dashgil field.

SCHEDULE "C" – MANAGEMENT DISCUSSION AND ANALYSIS (continued)

(Expressed in U.S. Dollars)

On 13th May, 2003 the 545,350 treasury shares held by the Company were cancelled, after which there were 71,946,558 common shares issued and outstanding.

On 16th May, 2003, GOCL awarded tenders for a 2500m drilling rig and an advanced technology service rig. Eight companies were invited to participate in the tender and the tender was awarded to the China based drilling company, Great Wall Drilling. It is anticipated that the new rigs will be on site and operational by mid July of this year.

The new drilling rig will supplement the existing rig, enabling the Company to undertake a two rig program to facilitate timely completion of the MOWP. The Company's first development well, Dashgil 91, is close to completion and the rig will then move on to drill the second development well, Dashgil 92.

The new service rig will supplement the existing service rig for deep and more complicated completion and workover activities. The new service rig is also equipped to drill shallow wells (less than 1000m) and will be used for re-entering and side tracking existing infield wells. The service rig now in place is currently working over Dashgil well 71, which is the last well required to complete the MOWP.

4. Financings, Principal Purposes and Milestones

The proceeds of the three private placements to Rosco, the proceeds from Rosco's subscription for shares of Commonwealth Gobustan Limited, the retirement by Rosco of Commonwealth's long-term debt and the exercise by Rosco of its warrants, which amount in total to \$7 million, have retired all the Company's long term debt and overdue current liabilities and together with the \$20 million non-recourse development loan to CGL have provided the Company with working capital through to the completion of the MOWP.

5. Liquidity and Solvency

The Company is in a position to meet its ongoing obligations as they become due.