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PETROLEUM & RESOURCES CORP
Form N-Q
May 25, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-02736

PETROLEUM & RESOURCES CORPORATION

(Exact name of registrant as specified in charter)

7 Saint Paul Street, Suite 1140, Baltimore, Maryland 21202

(Address of principal executive offices) (Zip code)

Lawrence L. Hooper, Jr.
Petroleum & Resources Corporation
7 Saint Paul Street
Suite 1140
Baltimore, Maryland 21202

Registrant's telephone number, including area code: 410-752-5900

Date of fiscal year end: December 31, 2005

Date of reporting period: March 31, 2005

Item 1: SCHEDULE OF INVESTMENTS.

SCHEDULE OF INVESTMENTS

March 31, 2005
(unaudited)

	Prin. Amt. or Shares	Value (A)

Stocks And Convertible Securities -- 91.6%		
Energy -- 81.2%		
Internationals -- 26.1%		
BP plc ADR	600,000	\$ 37,440,000
ChevronTexaco Corp.	635,000	37,026,850

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Exxon Mobil Corp.	1,120,000	66,752,000
Royal Dutch Petroleum Co. ADR	385,000	23,115,400
Total S.A. ADR	120,000	14,067,600

		178,401,850

Domestics -- 11.1%		
Amerada Hess Corp.	85,000	8,177,850
ConocoPhillips	280,000	30,195,200
Holly Corp.	155,100	5,780,577
Kerr McGee Corp.	177,153	13,876,394
Murphy Oil Corp.	182,700	18,037,972

		76,067,993

Producers -- 16.5%		
Apache Corp.	190,000	11,633,700
Burlington Resources Inc.	246,800	12,357,276
Devon Energy Corp.	397,440	18,977,760
EOG Resources, Inc.	360,000	17,546,400
Noble Energy, Inc.	215,000	14,624,300
Occidental Petroleum Corp.	200,000	14,234,000
Pioneer Natural Resources Co.	291,000	12,431,520
XTO Energy Inc.	333,333	10,946,656

		112,751,612

Distributors -- 13.0%		
AGL Resources Inc.	250,000	8,732,500
Duke Energy Corp.	217,624	6,095,648
Energen Corp.	200,000	13,320,000
Equitable Resources Inc.	225,000	12,924,000
Keyspan Corp.	70,000	2,727,900
MDU Resources Group, Inc.	250,000	6,905,000
National Fuel Gas Co.	200,000	5,718,000
New Jersey Resources Corp.	277,500	12,079,575
Questar Corp.	200,000	11,850,000
Williams Companies, Inc.	450,000	8,464,500

		88,817,123

	Prin. Amt.	
	or Shares	Value (A)

Services -- 14.5%		
Baker Hughes, Inc.	130,000	\$ 5,783,700
BJ Services Co.	370,000	19,195,600
GlobalSantaFe Corp.	255,000	9,445,200
Grant Prideco Inc. (B)	308,000	7,441,280
Nabors Industries Ltd. (B)	215,000	12,715,100
Noble Corp. (B)	185,000	10,398,850
Precision Drilling Corp. (B)	32,000	2,389,120
Schlumberger Ltd.	280,000	19,734,400
Weatherford International, Ltd. (B)	205,000	11,877,700

		98,980,950

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Basic Industries -- 10.4%		
Basic Materials & Other -- 9.7%		
Air Products and Chemicals, Inc.	125,000	7,911,250
Aqua America, Inc.	315,000	7,670,250
Arch Coal Inc.	100,000	4,301,000
Consol Energy Inc.	158,700	7,462,074
du Pont (E.I.) de Nemours and Co.	175,000	8,967,000
General Electric Co.	454,800	16,400,088
Martin Marietta Materials, Inc.	70,400	3,936,768
Rohm & Haas Co.	200,000	9,600,000

		66,248,430

Paper and Forest Products -- 0.7%		
Smurfit-Stone Container Corp. (B)	300,000	4,641,000

		4,641,000

Total Stocks And Convertible Securities (Cost \$285,530,742) (C)		\$625,908,958

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SCHEDULE OF INVESTMENTS (continued)

March 31, 2005
(unaudited)

	Prin. Amt.	Value (A)
	-----	-----
Short-Term Investments --7.2%		
U.S. Government Obligations --2.2%		
U.S. Treasury Bills, 2.50%, due 5/19/05	\$15,000,000	\$14,950,000

Commercial Paper -- 5.0%		
AIG Funding Inc., 2.74%, due 4/21/05	1,825,000	1,822,222
ChevronTexaco Funding Corp., 2.65-2.74%, due 4/14/05- 4/26/05	7,000,000	6,989,612
Coca-Cola Enterprises Inc., 2.62-2.65%, due 4/5/05- 4/12/05	6,100,000	6,095,528
General Electric Capital Corp., 2.54-2.76%, due 4/7/05- 4/28/05	6,905,000	6,894,912
GMAC MINT, 2.73%, due 4/14/05	2,300,000	2,297,733

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	Prin. Amt.	Value (A)
	-----	-----
GMAC New Center Asset Trust, 2.75%, due 4/21/05	\$4,700,000	\$ 4,692,819
Toyota Motor Credit Corp., 2.52-2.75%, due 4/5/05-4/21/05	5,525,000	5,522,174

		34,315,000

Total Short-Term Investments (Cost \$49,265,000)		49,265,000

Total Investments -- 98.8% (Cost \$334,795,742)		675,173,958
Cash, receivables and other assets, less liabilities -- 1.2%		8,500,816

Net Assets -- 100.0%		\$683,674,774
		=====

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ.
- (B) Presently non-dividend paying.
- (C) The aggregate market value of stocks held in escrow at March 31, 2005 covering open call option contracts written was \$11,023,840. In addition, the aggregate market value of securities segregated by the Corporation's custodian required to collateralize open put option contracts written was \$8,475,000.

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SCHEDULE OF OUTSTANDING OPTION CONTRACTS

March 31, 2005
(unaudited)

Contracts (100 shares each)	Security	Strike Price	Contract Expiration Date	Appreciation/ Depreciation)

COVERED CALLS

100	Amerada Hess Corp.....	\$ 105	May	05	\$ (3,800)
100	Amerada Hess Corp.....	110	Aug	05	(7,801)
100	Arch Coal Inc.....	40	Apr	05	(28,300)
100	Arch Coal Inc.....	40	Jul	05	(35,401)
200	ConocoPhillips.....	130	Aug	05	(2,501)
100	Kerr McGee Corp.....	75	Apr	05	(37,800)

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100	Kerr McGee Corp.....	85	Apr	05	14,199
200	Kerr McGee Corp.....	95	Oct	05	1,959
180	Murphy Oil Corp.....	110	Jul	05	(24,495)
100	Total S.A.....	135	Aug	05	4,800

1,280					(119,140)

COLLATERALIZED PUTS

150	Consol Energy Inc.....	35	Apr	05	12,349
250	Exxon Mobil Corp.....	55	Jul	05	(7,001)
100	GlobalSantaFe Corp.....	25	Apr	05	9,200
150	Holly Corp.....	35	May	05	(4,201)
90	Holly Corp.....	25	Jun	05	3,330
60	Holly Corp.....	30	Sep	05	(780)
85	Martin Marietta Materials, Inc.....	45	Apr	05	6,120
100	Martin Marietta Materials, Inc.....	45	Jul	05	8,978
150	Murphy Oil Corp.....	70	Jul	05	15,626
100	Precision Drilling Corp.....	70	May	05	(351)
150	Precision Drilling Corp.....	55	Jun	05	8,549
150	Precision Drilling Corp.....	60	Jun	05	12,299
100	Precision Drilling Corp.....	65	Jun	05	(2,800)
250	Williams Companies, Inc.....	17.50	May	05	11,749

1,885					73,067

					\$ (46,073)
					=====

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(SELECTED) NOTES TO FINANCIAL STATEMENTS (Unaudited)

Petroleum & Resources Corporation (the Corporation) is registered under the Investment Company Act of 1940 as a non-diversified investment company. The Corporation's investment objectives as well as the nature and risk of its investment transactions are set forth in the Corporation's registration statement.

Security Valuation-Investments in securities traded on national security exchanges are valued at the last reported sale price on the day of valuation. Over-the-counter and listed securities for which a sale price is not available are valued at the last quoted bid price. Short-term investments (excluding purchased options) are valued at amortized cost. Purchased and written options are valued at the last quoted asked price.

Item 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures:

(a) As of May 25, 2005, an evaluation was performed under the supervision and with the participation of the officers of Petroleum & Resources Corporation (the Corporation),

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including the principal executive officer (PEO) and principal financial officer ("PFO"), of the effectiveness of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's officers, including the PEO and PFO, concluded that, as of May 25, 2005, the Corporation's disclosure controls and procedures were reasonably designed so as to ensure: (1) that information required to be disclosed by the Corporation on Form N-Q is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Corporation is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no significant changes in the Corporation's internal control over financial reporting (as defined in Rule 30 a-3(d) under the Investment Company Act of 1940 (17 CFR 270.30a-3(d)) that occurred during the Corporation's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Item 3. EXHIBITS.

The certifications of the principal executive officer and principal financial officer pursuant to Rule 30 a-2(a) under the Investment Company Act of 1940 are attached hereto as Form N-Q Certifications.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PETROLEUM & RESOURCES CORPORATION

BY: /s/ Douglas G. Ober

Douglas G. Ober
Chief Executive Officer

Date: May 25, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

BY: /s/ Douglas G. Ober

Douglas G. Ober
Chief Executive Officer
(Principal Executive Officer)

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Date: May 25, 2005

BY: /s/ Maureen A. Jones

Maureen A. Jones
Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: May 25, 2005