MILLER PETROLEUM INC
Form 10KSB/A
February 15, 2005

U. S. Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-KSB/A-1

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2004

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 033-02249-FW

MILLER PETROLEUM, INC.
(Name of Small Business Issuer in its Charter)

TENNESSEE	62-1028629
State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

3651 Baker Highway
Huntsville, Tennessee 37756
(Address of Principal Executive Offices)

Issuer's Telephone Number: (423) 663-9457

N/A
(Former Name or Former Address, if changed since last Report)

Securities Registered under Section 12(b) of the Exchange Act: None.

Securities Registered under Section 12(g) of the Exchange Act: None.

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No (2) Yes X No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State Issuer's revenues for its most recent fiscal year:

April 30, 2004 - $1,966,795.

State the aggregate market value of the common voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days.

February 15, 2005 - $1,731,598. There are approximately 4,947,422 shares of common voting stock of the Registrant held by non-affiliates. On February 15, 2005 the average bid and asked price was $0.35.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PAST FIVE YEARS)

Not Applicable.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

February 15, 2005

9,466,856

DOCUMENTS INCORPORATED BY REFERENCE

A description of "Documents Incorporated by Reference" is contained in Item 13 of this Report.

Transitional Small Business Issuer Format Yes X No

PART I

Item 1. Description of Business.

Business Development

The predecessor of Miller Petroleum, Inc. (the "Company") was founded in 1967 by Deloy Miller, as a sole proprietorship. On January 22, 1978, the Company was incorporated under the laws of the State of Tennessee. For the Company's early business development, see Form 10KSB for the fiscal year ended April 30, 2000, which was filed with the Securities and Exchange Commission on August 14, 2001, and subsequently amended. These filings are available on the Commission's web site: www.sec.gov.

During the past seven years, the Company concentrated on oil and gas development, exploration and production. The Company has oil and/or gas production in six Tennessee counties: Campbell, Fentress, Hancock, Morgan, Overton and Scott.

Pursuant to a Purchase and Sale Agreement that we entered into with NAMI Resources Company, LLC, a Kentucky limited liability company, on August 31, 2000, we sold to NAMI resources our interest in certain oil and gas wells, leases covering about 40,000 acres in Kentucky, inventory and related equipment located in Kentucky. The sale closed on September 6, 2000. NAMI

Resources Company, LLC paid the Company $2,000,000 and assumed a production payment to Cabot Oil and Gas, Inc. of $102,237 and received our interest in certain oil and gas wells, oil and gas leases, inventory and related equipment plus a production receivable from Southern Gas of $123,832. The net to the Company was $1,978,405.

We sold these assets because they were located approximately two to three hours from our present principal operations in East Tennessee. Our Board of Directors believed that the cost, expense and manpower involved in managing the assets at this distance was too high and interfered with our principal focus in East Tennessee.

We had previously sold to NAMI Resources gas that was produced from oil and gas wells that were among these assets. NAMI Resources had no other material relationship with us, and the NAMI Resources agreement was negotiated at "arms length."

We used about $1,780,000 of the purchase price to pay a note that we owed to Bank One. The remaining amount has been allocated to working capital.

Currently, the Company has more than 42,000 acres under lease in Tennessee and continues to seek the acquisition of additional strategic acreage. Miller uses the latest technology, utilizing computer graphics, seismic and other analytical tools for geologic exploration, drilling and development. In addition to geology, engineering and lease inventory, Miller has the equipment to take a program from site development to completion. The company has work over rigs for completions, dozers for site development, roustabout crews and equipment to set pumping units and tanks as well as lay flow lines, winch trucks and trailers for traveling support as well as backhoes, ditchers, fusion machines and welders for pipeline and compression installation. This attribute keeps jobs on schedule with quality control and without dependence on other contractors.

The Company objective is to focus on the development, drilling and production of natural gas and crude oil in east Tennessee's Appalachian Basin. The Company is currently developing both its "Koppers North and South Fields" with a recent addition of the Carden Tract to form a 32,000 acre block in Campbell County, Tennessee with more than one hundred and fifty possible developmental locations. Additionally, the company is continuing to develop the Lindsay Field with an additional twenty five possible developmental locations. Miller's Harriman Prospect has recently been defined by a seismic study and Miller plans to drill at least one well on this prospect this year.

All officers and directors were reappointed for the fiscal year that began May 1, 2003 with the exception of Mr. Lawrence LaRue, the Company's CFO. Mr. LaRue passed away in October 2003. Mr. LaRue has been replaced by Mr. Charles M. Stivers.

Business

The Company's operations include the operation of oil and gas wells, acquisition and development of oil and gas leases, rebuilding and sales of oil field equipment and the organization of joint venture drilling programs with industry partners.

Miller's current drilling program calls for 50 developmental Devonian(Chattanooga)Shale gas wells in the Koppers North Field, five only wells in the Koppers South Field, ten developmental in the Lindsay Field and one exploratory well on the Harriman Prospect.

The Company has acquired and operates the following properties:

(1)Koppers Lease or "ARCO/GULF Farmout".

The largest acreage block owned by the Company is in Campbell County, Tennessee. This acreage was acquired through a farmout agreement with ARCO/Gulf. The Company owns a 100% working interest of 27,000 acres, more or less. This lease provides for a landowner royalty of 12.5% and an overriding royalty interest of 7.5% with an 80% net royalty interest. The lease is split into two parcels. An 8,000 acre northern parcel borders the Kentucky state line and a 19,000 acre parcel has its southern edge under the city of LaFollette, Tennessee. Currently, there are eleven producing oil wells on the southern tract of this lease. The eleven wells have produced 153,899 barrels of oil from the Big Lime Formation through April 30, 2004. This lease is being held by production.

The Company has leased and is currently leasing smaller tracts of 50 to 1,000 acres adjacent to or near the its southern Koppers acreage.

(2) Carden Et Al

This lease includes 4,200 acres in which the company has 100% working interest of a 81.25% net royalty interest. This tract joins the Koppers North parcel of 8,000 acres to form a 12,200 contiguous block in the North. This lease is proven by previous drilling and production by others.

(3) Delta Producers, Inc. joint venture.

The Company continues its joint venture with Delta Producers, Inc. of Greenville, Mississippi ("Delta Producers"). Currently, the parties are jointly producing twelve gas wells in the Jellico, Tennessee area northwest of the Pine Mountain Thrust Fault. Miller Petroleum has a 25% working interest in the above gas wells. The twelve wells are located upon several oil and gas leases consisting of 2,000 acres more or less (collectively the "Delta leases"). All of these leases are subject to a 12.5% landowner's royalty.

As of April 30, 2004, Miller Petroleum and Delta Producers have drilled seven wells , the Lindsay Land Company #9, #10, #11, #12, #13, #14 and #15 on the 4,000 acre Lindsay Land Company lease in Campbell County, Tennessee near Caryville, Tennessee. The #11 is awaiting completion and the remaining wells are producing and selling gas into the Powell Clinch Utility. Miller and Delta purchased and built more than four miles of three-inch and four-inch gathering lines to carry the gas to market. They began selling natural gas from the #9 and #12 wells in March of 2002 and the #10 well began selling gas in January of 2003. The Lindsay #13 and #14 began selling in August of 2003 and the #15 began selling in November of 2003. As of April 30 of 2004, the Lindsay #9 has sold 62,949 Mcf, the Lindsay #10 has sold 12,842 Mcf, the Lindsay #12 has sold 163,117 Mcf, the Lindsay #13 has sold 21,986 Mcf, Lindsay #14 has sold 11,864 Mcf and #15 has sold 8,242 Mcf. This production is from the Big Lime Formation. Shut-in pressure for the field is approximately 780 psi. Miller has a 50% working interest in the Lindsay Land Company lease. This lease provides for a landowner's royalty of 12.5%.

(4)Harriman Prospect, joint venture.

This prospect contains several small leases in Roane County, Tennessee to total 3500 acres. The net royalty interest is 87.5% with the landowners receiving a 12.5% royalty. Miller has a 50% working interest in the parcels. Wells are being planned here on a large structure that has been confirmed by seismic. The Trenton, Stones River, and upper Knox formations will be tested. Knox wells in the Overthrust have reserves in excess of two Bcf gas per well.

(5) Miscellaneous oil and gas leases and wells.

The Company has several small leases in Campbell, Fentress, Morgan and Overton Counties, Tennessee totaling approximately 2,500 acres. Each of these leases is subject to a 12.5% to 20% landowner's royalty. There are eight producing oil wells and thirteen producing natural gas wells on these miscellaneous leases.

(6) Tengasco Farmout and nearby area.

The Company acquired a farmout from Tengasco, Inc. in September of 1999. The farmout locations are adjacent to or in the much-publicized Swan Creek field in Hancock County, Tennessee.

The Company has drilled three successful Knox Dolomite wells in the Swan Creek field proper. A fourth Knox well drilled on this farmout by Miller has resulted in a new field discovery on a separate structure from Swan Creek.

In August of 2000, Miller Petroleum, Inc. drilled its first oil well under the Tengasco Farmout. The Dewey Sutton #1 well has sold more than 14 thousand barrels and is currently producing about 200 barrels of oil per month from the Trenton Formation. The R.D. Helton #2, Jeff Johnson #3 had good shows of oil in the Stones River Formation and are scheduled for completion.

Tengasco completed its pipeline and began buying natural gas on March 8, 2001. Miller's first sales to Tengasco were from the Worlie Purkey #1 well in April of 2001. In May, the Worlie Purkey #3 began selling to Tengasco. During the latter part of June, we began selling from the Jeff Johnson #1 well.

Principal Products or Services and Markets

The Company drills, produces and markets natural gas and oil. The demand for these products continues to increase as population and industry conversions expand. Direct statewide purchasers of oil at the well site are by South Kentucky Purchasing Company, a refinery located in Somerset, Kentucky.

Natural gas has multiple markets throughout the eastern United States through gas transmission lines. Access to these markets is presently provided by four companies in north eastern Tennessee. Cumberland Valley Resources, of Lexington, Kentucky, purchases the Company's natural gas that is produced from the "Delta Leases". Nami Resources Company, of London, Kentucky, purchases our gas from our Jellico field. Local markets are served by Citizens Gas Utility District and Powell-Clinch Utility District with surplus gas being placed in storage facilities or transported to East Tennessee Natural Gas serving Tennessee and Virginia.

Reserve Analysis

Glover Petroleum Consultants of Crossville, Tennessee performed a reserve analysis on the Company's leases as of April 30, 2004. Based on the data and parameters provided, the wells evaluated should recover approximately 612,711 barrels ("Bbls") of oil and 14,774,736 thousand cubic feet ("Mcf") of natural gas. Of this gross production, the interests appraised will recover 350,937 Bbls of oil and 8,696,519 Mcf of natural gas. Of these amounts, a total of 7,596,069 Mcf of natural gas reserves were proved but undeveloped. The net reserves should yield an undiscounted future net income of $57,596,176 after royalties, operating costs, development costs and severance and advalorem taxes, but before Federal and State income taxes. The present value of this future net income is $33,550,647 when discounted 10%. The reserves

presented in this report were evaluated according to the standards recommended by the Securities and Exchange Commission. The report assumes constant oil and gas pricing and the use of a 10% discount factor to estimate present value of the future net income.

Reserve analysis are at best speculative, especially when based upon limited production and limited access to production records; no assurance can be given that the reserves attribute to these leases exist or will be economically recoverable. See the Risk Factor entitled "Uncertainty of Reserve Estimates," herein.

It is the opinion of Glover that the above-described reserve and revenue estimates are in the aggregate reasonable and were prepared in accordance with generally accepted petroleum engineering and evaluation principles. Glover does not own any direct or indirect financial interest in Miller Petroleum, Inc. and its oil and gas properties and interest. Glover's fee is not contingent upon its work or report.

Distribution Methods of Products or Services.

Crude oil is contained in tanks at the well site until the purchaser retrieves it by truck. Natural gas is delivered to the purchaser via gathering lines into the main gas transmission line. Gas purchasers in the area include Tengasco, Inc.; Delta Natural Gas Company, Inc.; NAMI Resources Company, LLC; Powell-Clinch Utility District; CNR and Citizens Gas Utility District. Crude oil is purchased by South Kentucky Purchasing Company of Somerset, Kentucky. Management anticipates that the Company's products will be sold to one of these companies, however, no assurance can be given that the Company will be able to make such sales or that if it does, it will be able to receive a price that is sufficient to make its operations profitable.

Status of Any Publicly Announced New Product or Service

The Company does not have any publicly announced new product or service; nor does it anticipate any in the foreseeable future.

Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition
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The Company's oil and gas exploration activities in the State of Tennessee will be undertaken in a highly competitive and speculative business. In seeking any other suitable oil and gas properties for acquisition, the Company will be competing with a number of other companies located in the State of Tennessee and elsewhere, including large oil and gas companies and other independent operators with greater financial resources.

At the local level, the Company has several competitors in the area of its acreage blocks in the State of Tennessee, three of which may be deemed to be significant. These are Consol Energy, Inc., CNR, Champ Oil, John Henry Oil and Tengasco, Inc. Given the Company's relatively large acreage holdings in the area and the estimated proven undeveloped reserves, management believes that the Company could increase substantially the amount of hydrocarbons it sells in the immediate area; however, the Company's operations will be subject to numerous risk factors and no assurance of this can be given. See the caption "Risk Factors" of this Report.

Management does not foresee any difficulties in procuring logging, cementing and well treatment services in the area of its operations. The

experience of management has been that, in most instances, logging equipment will be available with less than a one-day waiting period. Cementing services generally have the same waiting period. Well treatment services may have a waiting period of 7 to fourteen days. However, several factors, including increased competition in the area, may limit the availability of logging equipment, cementing and well treatment services; such an event may have a significant adverse impact on the profitability of the Company's operations.

The company has work over rigs for completions, dozers for site development, roustabout crews and equipment to set pumping units and tanks as well as lay flow lines, winch trucks and trailers for traveling support as well as backhoes, ditchers, fusion machines and welders for pipeline and compression installation. This attribute keeps jobs on schedule with quality control and without dependence on other contractors.

The prices of the Company's products are controlled by the world oil market and the United States natural gas market; thus, competitive pricing behaviors in this regard are considered unlikely; however, competition in the oil and gas exploration industry exists in the form of competition to acquire the most promising acreage blocks and obtaining the most favorable prices for transporting the product. Management believes that the Company is well positioned in these areas because of the transmission lines that run through and adjacent to the properties that it leases and because it holds relatively large acreage blocks in what management believes are promising areas.

Sources and Availability of Raw Materials and Names of Principal Suppliers

The Company's operations are not dependent on the acquisition of any raw materials. See the caption "Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition," above.

Dependence on One or a Few Major Customers

The Company will be dependent on local purchasers of hydrocarbons in the areas where its properties are located for sales of its products. The eight purchasers in the areas of the Company's operations are Citizens Gas Utility District, Cumberland Valley Resources, Powell-Clinch Utility District, Delta Natural Gas, CNR, NAMI Resources, Tengasco and South Kentucky. The loss of one or more purchasers with whom the Company may contract may have a substantial adverse impact on the Company's sales and on its ability to operate profitably.

Currently, we are selling natural gas to the following purchasers:

(1) Citizens Gas Utility District is purchasing natural gas from Miller's wells in Scott County, Tennessee. Citizens is paying the Inside FERC Tn Zone 1 (Louisiana) monthly index less transportation costs. Sales to Citizens are less than 1% of our total natural gas sales.

(2) Nami Resources Company is purchasing our gas from the Jellico Field. The sales price is $4.02 per Mcf. Sales to Nami Resources Company at the present time are approximately 25% of total natural gas sales.

(3) Tengasco, Inc. purchases natural gas from wells in the Swan Creek Field. Tengasco, Inc. is paying the New York Mercantile Exchange first of the month posting plus $0.05 less transportation charges. Sales to Tengasco are about 10 % of total natural gas sales.

(4) Cumberland Valley Resources purchases the gas produced from the joint venture with Delta Producers, Inc near Jellico, Tennessee. The sales price is

Appalachian Index minus Columbia transportation and fuel. Cumberland Valley Resources purchases approximately 20% of total natural gas sales.

(5) Powell-Clinch Utility District purchases the gas from the Lindsay Land Company lease which is another joint venture with Delta Producers. The sales price is Inside FERC Tn Zone 1 (Louisiana) monthly index less transportation costs. About 44% of our gas sales are to the Powell-Clinch Utility District.

The Company sells all of its crude oil to South Kentucky Purchasing Company of Somerset, Kentucky. South Kentucky's purchase price is based on postings for the Illinois Basin.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts, including Duration

Royalty agreements relating to oil and gas production are standard in the industry. The amount of the Company's royalty payments varies from lease to lease. See the caption "Business," above. The amounts of the royalties on each of the Company's leases are listed on the attached Lease Schedules. See the Exhibit Index, Item 13 of this Report.

Need for Governmental Approval of Principal Products or Services

None of the principal products or services offered by the Company require governmental approval; however, permits are required for drilling oil or gas wells. See the caption "Effect of Existing or Probable Governmental Regulations on Business," below.

Effect of Existing or Probable Governmental Regulations on Business

Exploration and production activities relating to oil and gas leases are subject to numerous environmental laws, rules and regulations. The federal Clean Water Act requires the Company to construct a fresh water containment barrier between the surface of each drilling site and the underlying water table. This involves the insertion of a seven-inch diameter steel casing into each well, with cement on the outside of the casing. The cost of compliance with this environmental regulation is approximately $10,000 per well.

The State of Tennessee also requires oil and gas drillers to obtain a permit for their activities and to post with the Tennessee Gas and Oil Board bonds to ensure that each well is reclaimed and properly plugged when it is abandoned. The Reclamation Bonds cost $1,500 per well. Cost for the Plugging Bonds are $2,000 per well or $10,000 for ten wells. Currently, the Company has several of the $10,000 plugging bonds. For most of the reclamation bonds, the Company has deposited a $1,500 Certificate of Deposit with the Oil and Gas Board.

The Company's operations are also subject to laws and regulations requiring removal and cleanup of environmental damages under certain circumstances. Laws and regulations protecting the environment have generally become more stringent in recent years, and may in certain circumstances impose "strict liability," rendering a corporation liable for environmental damages without regard to negligence or fault on the part of such corporation. Such laws and regulations may expose the Company to liability for the conduct of operations or conditions caused by others, or for acts of the Company which were in compliance with all applicable laws at the time such acts were performed. The modification of existing laws or regulations or the adoption of new laws or regulations relating to environmental matters could have a material adverse effect on the Company's operations. In addition, the

Company's existing and proposed operations could result in liability for fires, blowouts, oil spills, discharge of hazardous materials into surface and subsurface aquifers and other environmental damage, any one of which could result in personal injury, loss of life, property damage or destruction or suspension of operations.

The Company has in place an Emergency Action and Environmental Response Policy Program. This program details the appropriate response to any emergency that management believes to be possible in the Company's area of operations.

The Company believes it is presently in compliance with all applicable federal, state and local environmental laws, rules and regulations; however, continued compliance (or failure to comply) and future legislation may have an adverse impact on the Company's present and contemplated business operations.

The foregoing is only a brief summary of some of the existing environmental laws, rules and regulations to which the Company's business operations are subject, and there are many others, the effects of which could have an adverse impact on the Company. Future legislation in this area will no doubt be enacted and revisions will be made in current laws. No assurance can be given as to what effect these present and future laws, rules and regulations will have on the Company's current future operations.

Research and Development

With the exception of the payment to Glover Petroleum Consultants for its engineering study, the Company has not expended any material amount in research and development activities during the last fiscal year. Research done in conjunction with its exploration activities consists primarily of conducting geological research. This work falls under the job description of the Company's geologist and will not cost anything more than his standard salary.

Cost and Effects of Compliance with Environmental Laws

See the caption "Effect of Existing or Probable Governmental Regulations on Business" of this Report.

Number of Total Employees and Number of Full-Time Employees

The Company presently has 8 full-time employees and 1 part-time employee. When it commences its full-scale drilling program as discussed under the heading "Management's Discussion and Analysis or Plan of Operation," the Company plans to have up to 24 full-time employees, including officers, and 1 part-time employee.

Risk Factors

Our present and intended business operations are highly speculative and involve substantial risks. Only investors who can bear the risk of losing their entire investment should consider buying our shares. You should consider and be aware of the following risks:

General Risks Related To Our Business.

It will be harder for us to develop oil and gas reserves if we do not raise additional money.

We will require additional funding to realize our future goals of conducting the oil and gas exploration operations on properties under lease and acquiring additional oil and gas properties for development. Our additional funding will come from the sale of fractional working interests to investors participating in our oil and gas partnerships and to raise funding through equity or debt financing, which may be very difficult for our highly speculative enterprise. We can not assure you that any additional funding will be available to us, or if it is available, that the terms of the funding will be satisfactory to us. If we fail in these efforts, our business may also fail.

Our business may fail if we do not succeed in our efforts to develop and replace oil and gas reserves.

Management believes that our future success will depend upon our ability to find, acquire and develop additional economically recoverable oil and gas reserves. Our proved reserves will generally decline as they are produced, except to the extent that we conduct revitalization activities, or acquire properties containing proved reserves, or both. To increase reserves and production, we must continue our development drilling and re-completion programs, identify and produce previously overlooked or bypassed zones in shut-in wells, acquire additional properties or undertake other replacement activities. Our current strategy is to increase our reserve base, production and cash flow through the development of our existing oil and gas fields and selective acquisitions of other promising properties where we can use new, existing technology. Despite our efforts, our planned revitalization, development and acquisition activities may not result in significant additional reserves, and we may not be able to discover and produce reserves at economical exploration and development costs.

Our revenues may be less than expected if our oil and gas reserve estimates are inaccurate.

Oil and gas reserve estimates and the present values attributed to these estimates are based on many engineering, geological characteristics and operational assumptions that generally are derived from limited data. Common assumptions include such matters as the anticipated future production from existing and future wells, future development and production costs and the ultimate hydrocarbon recovery percentage. As a result, oil and gas reserve estimates and present value estimates are frequently revised to reflect production data obtained after the date of the original estimate. If reserve estimates are inaccurate, production rates may decline more rapidly than anticipated, and future production revenues may be less than estimated. In addition, significant downward revisions of reserve estimates may hinder our ability to borrow funds in the future, or may hinder other financing arrangements that we may consider.

In addition, any estimates of future net revenues and their present value are based on period ending prices and on cost assumptions that only represent our best estimate. If these estimates of quantities, prices and costs prove inaccurate and we are unsuccessful in expanding our oil and gas reserves base, or if oil and gas prices decline or become unstable, we may have to write down the capitalized costs associated with our oil and gas assets. We will also largely rely on reserve estimates when we acquire producing properties. If we overestimate the potential oil and gas reserves of a property to be acquired, or if our subsequent operations on the property

are not successful, the acquisition of the property could result in substantial losses.

Our future success will depend on the price of oil and gas.

Our revenues come from the sale of oil and gas. If oil and gas prices go below our costs and expenses of operating our company, we will lose money. Sustained financial losses would probably force us to cease operations.

Oil and gas operations involve many physical hazards.

Natural hazards, such as excessive underground pressures, may cause costly and dangerous blowouts or make further operations on a particular well financially or physically impractical. Similarly, the testing and re-completion of oil and gas wells involves a high degree of risk arising from operational failures, such as blowouts, fires, pollution, collapsed casing, loss of equipment and numerous other mechanical and technical problems. Any of these hazards may result in substantial losses to us or liabilities to third parties. These could include claims for bodily injuries, reservoir damage, loss of reserves, environmental damage and other damages to people or property. Any successful claim against us would probably require us to spend large amounts on legal fees and any successful claim may make us liable for substantial damages.

Our dependence on outside equipment and service providers may hurt our profitability.

We need to obtain logging equipment and cementing and well treatment services in the area of our operations. Several factors, including increased competition in the area, may limit their availability. Longer waits and higher prices for equipment and services may reduce our profitability.

You will not be able to elect our directors or officers.

Deloy Miller, our President and CEO, currently owns 48% of our outstanding common stock. He can effectively elect all of our directors, who in turn elect all of our executive officers, without regard to the votes of other stockholders. If the warrant holders exercise all of the outstanding warrants and retain voting control of the shares underlying these warrants, Mr. Miller would own about 39% of the then-outstanding shares. Although he would not have absolute voting control, he would still be in a position to exert substantial influence on the election of all directors, who in turn elect all of the officers. You will have little or no ability to influence the direction of Miller Petroleum.

The intense competition in our industry will make it harder for us to succeed.

Our oil and gas exploration activities are centered in a highly competitive industry. We will be competing in every facet of our intended business with other companies that may include multinational oil and gas companies and other large independent operators with much greater financial resources than we have. Management does not believe that our competitive position in the oil and gas industry will be significant.

If we lose the services of Deloy Miller, our operations may suffer.

We are substantially dependent upon the continued services of Deloy Miller, our CEO and a director. Mr. Miller has been with us since our inception. The relationships that he has formed in our industry and in the local area where our principal operations are conducted are invaluable, and could be lost to us without his services. Mr. Miller is in good health; however, his retirement, disability or death would seriously hurt our business operations. If his services become unavailable, we will have to retain other qualified personnel. We may not be able to recruit and hire another qualified person on acceptable terms. We do not have an employment contract with Mr. Miller.

Similarly, the oil and gas exploration industry requires the use of personnel with substantial technical expertise. If our current technical personnel become unavailable, we will need to hire qualified personnel to take their place. If we are not able to recruit and hire new people on mutually acceptable terms, our operations will suffer.

Compliance with governmental regulations can be costly and can limit our planned operations.

We face many state and federal laws, rules and regulations covering the safety of our operations, environmental conditions and other facets of our business. These laws, rules and regulations can be expensive and may seriously limit our ability to conduct our intended business operations. See the heading "Effect of Existing or Probable Governmental Regulations on Business" under the caption "Description of Business."

Risks Related To Our Common Stock.

The sale of already outstanding shares of our common stock could hurt our common stock market price.

All of our outstanding common stock is eligible for public sale under Rule 144 of the Securities Act of 1933. On January 17, 2001, the Company filed Form SB2 with the Securities and Exchange Commission, (subsequently amended on June 19, 2001) to register 2,761,152 previously issued common shares and shares underlying warrants. The selling stockholders may sale the shares of common stock being registered for resale under our prospectus. Any of these sales could significantly decrease the market price of our common stock. These sales could also severely limit our ability to obtain the necessary debt or equity funding for our current and intended business operations.

The limited trading volume in our common stock, and general market volatility, may depress our stock price.

The public market and trading volume for our common stock are limited and volatile. Where the volume is limited, any unusual increase in the volume is likely to decrease the market price of our common stock. The common stock that we are registering and that the selling stockholders will offer and sell under our prospectus will greatly increase the number of shares available for public trading. This alone could significantly decrease the current market price for our common stock.

In addition, the stock markets have had extreme price and volume fluctuations. These broad market fluctuations, as well as general economic and political conditions, may also reduce the market price of our common stock.

Indemnification of Directors, Officers, Employees and Agents. Section 48-18-502 of the Tennessee Business Corporation Act allows a corporation to indemnify any director in any civil or criminal proceeding (other than a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation or any other proceeding in which he or she was adjudged liable on the basis that he or she improperly received a personal benefit) by reason of service as a director if the person to be indemnified conducted himself or herself in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. Section 48-18-507 extends certain indemnification rights to officers, employees and agents of a corporation as well. The foregoing is only a brief summary of the right of indemnification allowed a corporation under the Tennessee Business Corporation Act, and is modified in its entirety by this reference. The Board of Directors of the Company has adopted these provisions to indemnify its directors, executive officers and agents.

Item 2. Description of Property.

The Company owns an office and yard on 14 acres situated in Huntsville, Tennessee. An additional 1,600 square feet of office space was added during 1998.

For a description of the Company's oil and gas leases, see the section captioned "Business".

Item 3. Legal Proceedings.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

On March 19, 2004, a majority of the Company's security holders voted to retain the present directors for another year and to retain the present auditor, Butch Grubb CPA of London, Kentucky.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

Market Information

The Company's common stock is traded on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. ("NASD"); however, the market for shares of the Company's common stock is extremely limited. No assurance can be given that the present market for the Company's common stock will continue or will be maintained, and the sale of the Company's unregistered" and "restricted" common stock pursuant to Rule 144 as outlined under the caption "Recent Sales of Unregistered Securities" of this Report may have a substantial adverse impact on any such public market. See the Risk Factor entitled "Future Sales of Common Stock," herein.

The Company's common stock is quoted on the OTC Bulletin Board. The high and low bid prices for these shares of common stock of the Company during the past three years are as follows:

	Bid	
Quarter ending:	High	Low
July 31, 2001	$1.75	$0.90
October 31, 2001	$1.05	$0.65
January 31, 2002	$1.01	$0.75
April 30, 2002	$0.75	$0.38
July 31, 2002	$0.35	$0.35
October 31, 2002	$0.35	$0.35
January 31, 2003	$0.24	$0.24
April 30, 2003	$0.35	$0.35
July 31, 2003	$0.55	$0.55
October 31, 2003	$0.68	$0.45
January 31, 2004	$0.45	$0.35
April 30, 2004	$0.91	$0.59

These bid prices were obtained from the National Quotation Bureau, Inc. ("NQB") and do not necessarily reflect actual transactions, retail markups, mark downs or commissions.

Holders

The number of record holders of the Company's common stock as of April 30, 2004, was 282; this number does not include an indeterminate number of stockholders whose shares are held by brokers in street name.

Dividends

There are no present material restrictions that limit the ability of the Company to pay dividends on common stock or that are likely to do so in the future. The Company has not paid any dividends with respect to its common stock, and does not intend to pay dividends in the foreseeable future.

Recent Sales of Unregistered Securities.

We have sold the following "restricted securities" since May 1, 2002:

Common Stock.

Name or Group	Number of Shares	Date	Aggregate Consideration

Ratliff Farms, Inc.	200,000	04/02/04	$50,000.00

(1) Issued on various dates during our fiscal year ended April 30, 1998.

(2) The Company issued warrants to purchase up to 903,084 shares of common stock, as partial consideration for a loan in the amount of $860,000. See the caption "Certain Relationships and Related Transactions."

(3) Issued on various dates during our fiscal year ended April 30, 1999.

(4) Our Board of Director's consent accepting subscriptions was signed December 12, 2000, but the Subscription Agreements were signed over a period of three months.

We issued all of these securities to persons who were either "accredited investors," or "sophisticated investors" who, by reason of relationship to us, education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities was exempt from the registration requirements of the Securities Act of 1933, pursuant to Sections 4(2) and 4(6) thereof, and Regulation D thereof and from various similar state exemptions.

We have taken the following factors into account in determining the valuations of these shares: (i) the fact that the shares are "restricted"; (ii) the limited market for our common stock on the OTC Bulletin Board of the NASD; (iii) the low book value per share ($0.91 at April 30, 2004); and (iv) our history of financial losses ($46,160 and ($424,429) during the fiscal years ended April 30, 2004, and 2003, respectively).

Warrants.

Herman Gettelfinger	50,495	12/2/98	(1)
Basic Investors, Inc.	100,000	12/08/00	(2)
Sherri Ann Parker Lee	1,110,000	08/13/03	(3)
William Parker Lee	250,000	08/13/03	(3)

(1) These warrants were granted to Mr. Gettelfinger as partial consideration for a subordinated loan of $50,000. These warrants are exercisable at a price of $1.25 per share, and expire on December 2, 2005. The number of shares that can be purchased is variable due to a provision in the Warrant Agreement that allows Mr. Gettelfinger to purchase up to 0.47 percent of the shares of common stock outstanding.

(2) Granted to Basic Investors for its service as a business consultant from December 8, 2000, until February 1, 2001. The warrants are exercisable

for a period of three years, commencing December 8, 2000, at a price of $2.00 per share and may be called if Miller Petroleum's common stock trades at 150% of the exercise price for five consecutive days.

(3) These warrants were granted to Sherri Ann Parker Lee and William Parker Lee as partial consideration for a subordinated loan of $1,360,000. These warrants are exercisable at a price of $0.80 per share, and expire on January 1, 2005.

We issued all of these securities to persons who were either "accredited investors," or "sophisticated investors" who, by reason of relationship to us, education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities was exempt from the registration requirements of the Securities Act of 1933, pursuant to Sections 4(2) and 4(6) thereof, and Regulation D of the Securities Exchange Act of 1934 and from various similar state exemptions.

Options.

Roy Greenwood	50,000	01/29/97	(1)
Lawrence LaRue	100,000	01/29/97	(1)
Deloy Miller	100,000	01/29/97	(1)
Teresa Cotton	20,000	01/29/97	(1)
Herbert J. White	100,000	01/29/97	(1)
Gary Bible	40,000	09/15/97	(2)
Lawrence LaRue	20,177	07/30/97	(3)
Roger Butler	30,000	09/24/01	(4)
Gary Bible	40,000	09/24/01	(4)
Teresa Cotton	10,000	09/24/01	(4)
Lawrence LaRue	100,000	09/24/01	(4)
Ernest F. Payne	75,000	09/24/01	(4)
David Wright	25,000	01/21/02	(5)
Teresa Cotton	15,000	03/20/02	(6)
Ernest F. Payne	50,000	03/20/02	(6)
Lawrence LaRue	50,000	03/20/02	(6)
Charles M. Stivers	100,000	03/19/04	(7)

(1) These options were granted pursuant to an Incentive Stock Option Plan for employees and directors with an effective date of January 29, 1997. These options are exercisable at a price of $0.575 per share, and expire on January 29, 2005.

(2) These options were granted to Dr. Gary G. Bible pursuant to an Employee Stock Option dated September 15, 1997. These options are exercisable at a price of $1.75 per share, and expire on September 15, 2005.

(3) These options were granted to Lawrence L. LaRue pursuant to an Employee Stock Option dated July 30, 1997. These options are exercisable at a price of $1.50 per share, and expire on July 30, 2005.

(4) These options were granted to five employees pursuant to an Employee Stock Option dated September 24, 2001. These options are exercisable at a price of $0.805 per share, and expire on September 24, 2009.

(5) These options were granted to David Wright pursuant to an Employee Stock Option dated 01/21/02. These Options are exercisable at a price of $0.8625, and expire on January 21, 2010.

(6) These options were granted to three employees pursuant to an Employee Stock Option dated March 20, 2002. These options are exercisable at a price of $0.46, and expire on March 20, 2010.

(7) These options were granted to Charles M. Stivers pursuant to an Employee Stock Option dated March 19, 2004. These options are exercisable at a price of $0.50 and expire on March 19, 2006.

Item 6. Management's Discussion and Analysis or Plan of Operation.

Miller Petroleum has more than 45,000 acres under lease in Tennessee. About 90% of these leases are held by production. Most of its current oil and gas production is from the Big Lime Formation. However, there are more than 100 development drilling locations that target the Devonian (Chattanooga Shale) as well as the Big Lime Formation.

Currently, Miller is offering ten to twenty well drilling programs to "accredited investors" or "sophisticated investors" to spread the risk and facilitate investor returns. The Company will sell up to a 75% working interest to investors while retaining a 25% working interest. Each program will be made up of eight to fifteen Chattanooga Shale wells on its Koppers North acreage, three to 5 wells on its Koppers South gas cap and one exploratory well on the Harriman Prospect.

In June of 2001, the Company made a conventional Big Lime gas discovery, on the Lindsay Land Company lease jointly owned by Delta Producers, Inc. and Miller. Currently there are six producing wells on the property. There are at a minimum twenty five additional drill sites on this 4,000 acres lease which is situated near Caryville, Tennessee.

Miller is continuing its leasing efforts in the East Tennessee portion of the Eastern Overthrust Belt. Acreage is being leased on selected large structures.

Results of Operations

In fiscal 2004, Miller Petroleum increased its capitalized costs of oil and gas properties from $2,116,026 to $2,638,005. Its development costs for oil and gas properties increased from $61,007 to $565,779.

Proved reserves of oil decreased from 364,587 barrels to 350,937 and proved reserves of natural gas decreased from 9,114,831 Mcf to 8,696,519 Mcf. Proved developed producing reserves of oil decreased to 62,106 barrels from 75,756 barrels and proved developed producing reserves of natural gas increased to 1,035,850 Mcf from 918,930 Mcf.

During fiscal 2004, future cash flows discounted 10% after income taxes from proved reserves increased from $13,165,412 to $23,149,947. Management believes that this increase was significant.

Our oil and gas revenue was $773,033 for fiscal 2004, up from $741,212 for fiscal 2003. Volatile changes in the price of natural gas brought about this increase.

During fiscal 2004, service and drilling revenue was $1,186,823, up from $1,099,079 due to an increase in drilling activity.

Retail sales decreased from $10,200 in fiscal 2003, to $6,939 in fiscal 2004 primarily due to the decline in drilling activities in this section of the oilfield.

In fiscal 2004, the Company sold equipment for a gain of $42,897 down from $73,703 in fiscal 2003.

Gross revenue for fiscal 2004 was $1,966,795, compared to $1,850,491 in fiscal 2003. The increase was due to the Company's service and drilling activity.

Costs for oil and gas sales increased in fiscal 2004 from $415,435 to $457,436 due to an increase in production costs.

Selling, general and administrative expenses were $591,870, up from $529,775 in fiscal 2003. The reason for this increase was increased costs.

Salaries and wages decreased from $784,281 to $511,786 for fiscal 2003. The decrease was due to cost savings by management.

Depreciation, depletion and amortization decreased from $360,706 to $265,950. Depletion of oil and gas properties was the major component of this decrease.

Income from operations for fiscal 2004 was $139,753, up from a loss of ($239,706) in fiscal 2003 because of the above stated reasons.

Interest expense increased from $194,528 in fiscal 2003 to $195,919 in the current year. The primary reason for the increase was additional borrowing during the current year.

Miller's Net loss was ($11,351), up from a net loss of ($424,429) in fiscal 2003. The reason was management's savings on salaries and decreases in Depreciation, Depletion and Amortization.

During fiscal 2003, Miller Petroleum produced 98,149 million British Thermal Units of natural gas, with an average price of $3.001 per million BTU's. Production decreased to 48,880 million BTU's in fiscal 2004, and the average price per million BTU's was $6.25. The following tables reflect our production figures for the fiscal years ended April 30, 2002, 2003 and 2004:

	AVERAGE	NET	AVERAGE

FISCAL YEAR	NET MBTU/GAS	SALES PRICE	BARRELS/OIL	PRICE OIL
2002	79,983	$2.55/MMBTU	11,667	$20.08
2003	98,149	$3.81/MMBTU	10,414	$24.85
2004	48,880	$6.25/MMBTU	10,400	$32.75

Average production cost per barrel of oil for 2002 was $4.80, $4.85 for 2003, and $4.87 for 2004. The average production cost per MCF was $0.67 for 2002, $0.65 for 2003 and $0.68 for 2004

	2002	2003	2004
Net Productive Wells	39.40	22.60	20.20
Developed Acreage	1,989	1,480	1,480
Undeveloped Acreage	46,524	49,601	40,520
Net Productive Exploratory Wells	0	0	0
Net Dry Exploratory Wells	0.48	0.24	.30
Net Productive Developmental Wells	5.28625	1.408	1.20
Net Dry Developmental Wells	0	0	0

Liquidity.

During the fiscal years ended April 30, 2003, and 2004, our principal sources of liquidity were revenue from the production of oil and gas and the sale of approximately 50% of the working interests in the wells we drill. Private placements of our common stock have been our principal external sources of liquidity.

On August 13, 2003, we executed two promissory notes, for $1,110,000 and $250,000. The notes are in favor of Sherri Ann Parker Lee and William Parker Lee, respectively. The notes are due December 1, 2004, and bear interest at the rate of 9%. Interest only is paid quarterly, beginning September 1, 2003 with the entire principal becoming due December 1, 2004. Any amounts not paid when due will bear interest after maturity at the lesser of 20% per annum or the maximum rate allowable under applicable law. The notes are secured by five gas wells in the Swan Creek field, twelve oil wells in the Koppers field, and one gas well in the Lindsay field.

We estimate that we will be able to adequately fund our development and production plans, with the exception of the acquisition of additional properties, for the next 12 months. Sources of funds for us will be revenue from operations, in particular sales of working interests in wells that we drill; receipts from the private placement of our securities; and loans.

Cash and cash equivalents at April 30, 2004, was $2,416 down from $3,364 in fiscal 2003.

We believe that our current cash flow will be sufficient to support our cash requirements for development and production over the next 12 months.

Item 7. Financial Statements.

MILLER PETROLEUM, INC.

CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2004 and 2003

INDEPENDENT AUDITORS' REPORT

Board of Directors
Miller Petroleum, Inc.
Huntsville, Tennessee

We have audited the accompanying consolidated balance sheet of Miller Petroleum, Inc. and Subsidiaries as of April 30, 2004 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated financial statements of Miller Petroleum, Inc. as of and for the year ended April 30, 2003 (as restated see Note 2) were audited by other auditors whose report dated August 12, 2003 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Miller Petroleum, Inc. and Subsidiaries as of April 30, 2004, and the consolidated results of their operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/Rodefer Moss & Co, PLLC
Knoxville, Tennessee
February 3, 2005

Miller Petroleum, Inc.
Consolidated Balance Sheets

	As Restated April 30 2004	As Restated April 30 2003
ASSETS		
CURRENT ASSETS		
Cash	$ 2,416	$ 3,364
Investments	-	12,812
Accounts receivable	117,167	108,273
Current portion of note receivable	18,875	14,201
Inventory	50,911	37,819
Deferred offering costs	88,842	-
Prepaid expenses	66,590	29,410
Total Current Assets	344,801	205,879
FIXED ASSETS		
Machines and Equipment	1,036,802	1,416,709
Vehicles	385,465	408,801
Buildings	313,335	313,335
Office equipment	72,549	74,379
Less:accumulated depreciation	(905,531)	(954,163)
Total Fixed Assets	902,620	1,259,061
OIL AND GAS PROPERTIES (On the basis of successful efforts accounting)	2,638,005	2,116,026
PIPELINE FACILITIES	218,637	235,104
OTHER ASSETS		
Land	511,500	511,500
Investments	500	500
Equipment held for sale	443,942	496,441
Long-term notes receivable - Meyers	56,338	75,213
Cash - restricted	71,000	74,000
Total Other Assets	1,083,280	1,157,654
TOTAL ASSETS	$ 5,187,343	$ 4,973,724

See notes to consolidated financial statements.

Miller Petroleum, Inc.
Consolidated Balance Sheets

	As Restated April 30 2004	As Restated April 30 2003
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	$ 335,556	$ 464,515
Accrued expenses	116,011	84,191
Current portion of notes payable -		
Related parties	1,360,000	9,087
Other	176,624	511,824
Total Current Liabilities	1,988,191	1,069,617

LONG-TERM LIABILITIES		
Notes payable-Related parties	269,230	1,375,230
Other	616,739	377,478
Total Long-Term Liabilities	885,969	1,752,708
Total Liabilities	2,874,160	2,822,325
STOCKHOLDERS' EQUITY		
Common Stock: 500,000,000 shares authorized at 0.0001 par value, 8,378,856 and 8,293,856 shares issued and outstanding	838	830
Additional paid-in capital	4,173,998	4,000,871
Retained earnings	(1,861,653)	(1,850,302)
Total Stockholders' Equity	2,313,183	2,151,399
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,187,343	$ 4,973,724

See notes to consolidated financial statements

MILLER PETROLEUM, INC.
Consolidated Statements of Operations

	As restated For the Years Ended April 30, 2004	For the Years Ended April 30, 2003
REVENUES		
Oil and gas revenue	$ 773,033	$ 741,212
Service and drilling revenue	1,186,823	1,099,079
Retail sales	6,939	10,200
Total Revenue	1,966,795	1,850,491
COSTS AND EXPENSES		
Cost of oil and gas sales	457,436	415,435
Selling, general and administrative	591,870	529,775
Salaries and wages	511,786	784,281
Depreciation, depletion and amortization	265,950	360,706
Total Costs and Expenses	1,827,042	2,090,197
INCOME (LOSS) FROM OPERATIONS	139,753	(239,706)
OTHER INCOME (EXPENSE)		
Interest income	1,918	1,618
Gain on Sale of Equipment	42,897	73,703
Interest expense	(195,919)	(194,528)
Unrealized stock loss	-	(65,516)
Total Other Income (Expense)	(151,104)	(184,723)

INCOME TAXES	-	-
NET LOSS	$ (11,351)	$ (424,429)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	$ (0.00)	$ (0.05)
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	8,350,048	8,217,261

See notes to consolidated financial statements

MILLER PETROLEUM, INC.
Consolidated Statements of Stockholders' Equity

	Common Shares	Shares Amount	Additional Paid-in Capital	Retained Earnings	Total
Balance, April 30,2002 as previously stated	8,578,856	$858	$3,884,144	$(1,188,418)	$ 2,696,584
Effect of restatement	(450,000)	(45)		(237,455)	(237,500)
Restated balance, April 30, 2002	8,128,856	813	3,884,144	(1,425,873)	2,459,084
Issuance of shares for cash	85,000	9	47,491	-	47,500
Issuance of shares for consulting	80,000	8	69,236	-	69,244
Net loss for the year ended April 30, 2003	-	-	-	(424,429)	(424,429)
Restated balance, April 30, 2003	8,293,856	830	4,000,871	(1,850,302)	2,151,399
Issuance of shares in connection with deferred offering	85,000	8	88,834	-	88,842
Issuance of warrants as prepayment of financing costs	-	-	59,293	-	59,293
Issuance of options for services	-	-	25,000	-	25,000
Net income for the year ended April 30, 2004	-	-	-	(11,351)	(11,351)
Restated balance, April 30, 2004	8,378,856	$ 838	$4,173,998	$(1,861,653)	$ 2,313,183

See notes to consolidated financial statements

Miller Petroleum, Inc.
Consolidated Statements of Cash Flows

	As Restated April 30 2004	April 30 2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (Loss)	$ (11,351)	$ (424,429)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation, depletion and amortization	265,950	360,706
Write down of investments	-	65,516
Gain on sale of equipment	(42,897)	(73,703)
Common stock issued in exchange for services	-	69,244
Options issued in exchange for services	25,000	-
Changes in Operating Assets and Liabilities:		
Decrease (increase) in accounts receivable	(8,894)	(34,520)
Decrease (increase) in inventory	(13,092)	4,262
Decrease (increase) in equipment held for sale	52,499	28,765
Decrease (increase) in prepaid expenses	(10,398)	902
Increase (decrease) in accounts payable	121,729	77,884
Increase (decrease) in accrued expenses	31,820	7,338
Net Cash Provided by Operating Activities	410,366	81,965
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	12,812	-
Purchase of equipment	(113,834)	(209,160)
Purchase of oil and gas properties	(565,779)	(61,007)
Proceeds from sale of equipment	340,000	173,203
Decrease in restricted cash	3,000	(2,000)
Lending on note receivable	-	(89,414)
Collection of note receivable	14,201	-
Net Cash Used by Investing Activities	(309,600)	(188,378)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares for cash	-	47,500
Payments on Notes Payables	(502,376)	(371,165)
Proceeds from borrowings	400,662	429,048
Net Cash Provided (Used) by Financing Activities	(101,714)	105,383
NET INCREASE (DECREASE) IN CASH	(948)	(1,030)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,364	4,394
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,416	$ 3,364

See notes to consolidated financial statements.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The financial statements presented are those of Miller Petroleum, Inc. (formerly Triple Chip Systems, Inc.) (the Company). The Company was incorporated in the State of Delaware on November 12, 1985 for the purpose of searching out a business acquisition. On January 10, 1997, Triple Chip Systems, Inc. changed its name to Miller Petroleum, Inc. in conjunction with the merger with Miller Petroleum, Inc.

The Subsidiaries

Miller Petroleum, Inc. (pre-merger) (Miller) was incorporated under the laws of the State of Tennessee on January 24, 1978, for the purpose of acquiring gas and oil contracts.

Miller Services, Inc. (Services) was incorporated under the laws of the State of Tennessee on October 16, 1987, for the purpose of drilling and servicing oil and gas wells.

Energy Cell, Inc. (Cell) was incorporated under the laws of the State of Tennessee on October 20, 1987, for the purpose of searching out and acquiring or participating in a business or business opportunity.

On May 1, 1996, Services and Cell were merged into Miller in a business combination accounted for as a pooling of interests.

On January 10, 1997, Triple Chip Systems, Inc. and Miller Petroleum completed an Agreement and Plan of Reorganization whereby the Company issued 5,582,535 shares of its common stock in exchange for all of the outstanding common stock of Miller. Immediately prior to the Agreement and Plan of Reorganization, the Company had 167,465 shares of common stock issued and outstanding.

The acquisition was accounted for as a recapitalization of Miller because the shareholders of Miller controlled the Company after the acquisition. Therefore, Miller is treated as the acquiring entity. There were no adjustments to the carrying value of the assets or liabilities of Miller in the exchange. The Company is the acquiring entity for legal purposes and Miller is the surviving entity for accounting purposes. On May 6, 1996, the shareholders of the Company authorized a reverse stock split of 1 for 200.

All references to shares of common stock have been retroactively restated.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The successful efforts method of accounting is used for oil and gas property acquisitions, exploration and production activities as defined by the Securities and Exchange Commission, whereby all costs incurred in connection with the properties, productive, are capitalized. Capitalized costs related to proved properties and estimated future costs to be incurred in the development of proved reserves is amortized using the unit-of- production method. Capitalized costs are annually subjected to a test of recoverability by comparison to the present value of future net revenues from proved reserves. Any capitalized costs in excess of the present value of future net revenues from proved reserves, adjusted for the cost of certain unproved

properties, are expensed in the year in which such an excess occurs. The Company has elected an April 30 year end.

c. Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of.

Management believes that none of its long-lived assets are impaired, and the accompanying financial statements reflect no charges or allowances for impairment.

d. Earnings Per Share.

Basic earnings per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding. Diluted earnings per common share include the dilutive effect of stock warrants using the treasury stock method. Due to the nominal earnings and the fractional nature of per share amounts, basis and diluted earnings per share are presented as the same amount for the year ended April 30,2004. Potentially dilutive shares for the year ended December 31, 2003, were not included in the diluted per share calculation because their effect would be anti-dilutive.

e. Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

f. Principles of Consolidation

The consolidated financial statements include the accounts of the Company, and its wholly-owned subsidiaries, Miller Petroleum, Inc., Miller Services, Inc., Energy Cell, Inc., and MPC, Inc. All significant intercompany transactions have been eliminated.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g. Fixed Assets

Fixed assets are stated at cost. Depreciation and amortization are computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. The estimated useful lives are as follows:

Class	Lives (Years)
Building	40
Machinery and equipment	5-20
Vehicles	5-7
Office equipment	5

Depreciation expense for the years ended April 30, 2004 and 2003 was $182,047 and $263,266 respectively.

h. Revenue Recognition

Revenues are recognized when the gas products are delivered to customers. In

the movement of natural gas, it is common for differences to arise between volumes of gas contracted or nominated, and volume of gas actually received or delivered. These solutions are the result of certain attributes of the natural gas commodity and the industry itself. Consequently, the credit given to the Company by a pipeline for volumes received from producers may be different from volumes actually delivered by a pipeline. When all necessary information, such as the final pipeline statement for receipts and deliveries are available, these differences are resolved by the Company.

The Company records imbalances based on amounts received and classifies the imbalances as adjustments to the trade accounts receivable or trade accounts payable, as appropriate.

i. Accounts receivable -

Accounts receivable arise from sales of gas and oil, equipment and services. Credit is extended based on the evaluation of the customer's creditworthiness, and generally collateral is not required. Accounts receivable more than 45 days old are considered past due. The Company does not accrue late fees or interest income on past due accounts. Management uses the aging of accounts receivable to establish an allowance for doubtful accounts. Credit losses are written off to the allowance at the time they are deemed not to be collectible. Credit losses have historically been minimal and within management's expectations. The allowance for doubtful accounts was $8,684 at April 30, 2004 and 2003. Accounts receivable more than 90 days old were $22,722 at April 30, 2004 and $ 19,350 at April 30, 2003.

i. Investment securities

Investment securities available for sale are reported at fair value, with unrealized gains and losses, when material, reported as a gain or loss on the statement of operations for the year.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

j. Inventory

Inventory consists primarily of crude oil in tanks and is carried at market value.

k. Equipment Held for Sale

Used equipment is acquired by the Company for resale. When used equipment is acquired by the Company in basket purchases, the cost is applied only to the marketable portion of the equipment.

l. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liability at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

m. Reclassifications

Certain amounts and balances pertaining to the April 30, 2003 financial statements have been reclassified to conform with the April 30, 2004 financial statement presentations.

n. Stock Warrants

The Company measures its equity transactions with non-employees using the fair value based method of accounting prescribed by Statement of Financial Accounting Standards No. 123. The Company continues to use the intrinsic value approach as prescribed by APB Opinion No. 25 in measuring equity transactions with employees. Accordingly, no compensation cost has been recognized for the stock option plan with employees.

o. Income Taxes

The Company accounts for income taxes using the "asset and liability method." Accordingly, deferred tax liabilities and assets are determined based on the temporary differences between the financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets arise primarily from net operating loss carryforwards. Management evaluates the likelihood of realization of such assets at year-end reserving any such amounts not likely to be recovered in future periods.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

p. New Accounting Pronouncements

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective January 1, 2001. SFAS No. 133 (as amended by SFAS 137 AND SFAS 138) requires a company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivatives is a fair value hedge, changes in the fair value of the hedged assets, liabilities or firm commitments are recognized through earnings. If the derivative is a cash flow hedge the effective portion of changes in the fair value of the derivative are recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. The adoption of SFAS No. 133, as amended, did not have a material impact on the Company's consolidated financial statements.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination and SFAS No. 142 addresses the initial recognition and measurement of intangible assets acquired outside of a business combination whether acquired individually or with a group of other assets. These standards require all future business combinations to be accounted for using the purchase method of accounting. Goodwill will no longer be amortized but instead will be subject to impairment tests at least annually. The Company would have been required to adopt SFAS No. 141 on July 1, 2001, and to adopt SFAS 142 on a prospective basis as of January 1, 2002. The Company has not effected a business combination and carries no goodwill on its balance sheet; accordingly, the adoption of these standards is not

expected to have an effect on the Company's financial position or results of operations.

In 2001, the Financial Accounting Standards Board approved the issuance of SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement requires companies to record the present value of obligations associated with the retirement of tangible long-lived assets in the period in which it is incurred. The liability is capitalized as part of the related long-lived asset's carrying amount. Over time, accretion of the liability is recognized as an operating expense and the capitalized cost is depreciated over the expected useful life of the related asset. The Company's asset retirement obligations relate primarily to the plugging, dismantlement, removal, site reclamation and similar activities of its oil and gas properties. Prior to adoption of this statement, such obligations were accrued ratably over the productive lives of the assets through its liability for such amounts. The Company adopted SFAS 143 beginning on May 1, 2003 and recorded a cumulative loss from adoption of this statement of approximately ($7,592). During 2003 the Company recorded $395 in accretion cost (using a 12% accretion factor) on the asset retirement obligation. These accretion costs are included in interest expense at April 30, 2004.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

p. New Accounting Pronouncements (Cont.)

SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, addresses accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and expands on the guidance provided by SFAS No. 121 with respect to cash flow estimations. SFAS No. 144 becomes effective for the Company's fiscal year beginning January 1, 2003. There will be no current impact of adoption on its financial position or results of operations. The FASB issued Statement No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections, on April 30, 2002. SFAS No. 145 will be effective for fiscal years beginning after May 15, 2002. This statement rescinds SFAS No. 4, Reporting Gains and Losses From Extinguishment of Debt, and requires that all gains and losses from extinguishment of debt should be classified as extraordinary items only if they meet the criteria in APB No. 30. Applying APB No. 30 will distinguish transactions that are part of an entity's recurring operations from those that are unusual or infrequent or that meet the criteria for classification as an extraordinary item. Any gain or loss on extinguishment of debt that was classified, as an extraordinary item in prior periods presented that does not meet the criteria in APB No. 30 for classification as an extraordinary item must be reclassified. There is no current impact of adoption on the Company's financial position or result of operations.

The FASB issued Statement No. 146. Accounting for Costs Associated with Exit or Disposal Activities, in June 2002. SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs incurred in a Restructuring). SFAS No. 146 applies to

costs incurred in an "exit activity", which includes, but is not limited to, a restructuring, or a "disposal activity" covered by SFAS No. 144. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Previously, under Issue 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. Statement No. 146 also establishes that fair value is the objective for initial measurement of the liability. The provisions of SFAS No. 146 are effective for exit or disposal activities that are initiated after December 31, 2002. Management does not expect that adoption of this standard will have a material effect on the Company's financial position or results of operations.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirement for Guarantees, Including Indirect Guarantees of Indebtedness to Others, an interpretation of FASB Statements No. 5, 57 and 107 and a rescission of FASB Interpretation No. 34. This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

p. New Accounting Pronouncements (Cont.)

The interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002. The Company has not guaranteed the debts of others, therefore, this interpretation is not expected to have a material effect on the financial statements.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock- Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123. This Statement amends FASB Statement No. 123, Accounting for Stock-Based compensation, to provide alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement No. 123 to require prominent disclosures in both annual and interim financial statements. Management has adopted certain of the disclosure modifications required for fiscal years ending after December 15, 2002.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51. Interpretation No. 46 requires a company to consolidate a variable interest entity if the company has a variable interest (or combination of variable interests) that will absorb a majority of the entity's expected losses if they occur, or both. A direct or indirect ability to make decisions that significantly affect the results of the activities of a variable interest entity is a strong indication that a company has one or both of the characteristics that would require consolidation of the variable interest entity. Interpretation no. 46 also requires additional disclosures regarding variable interest entities. The new interpretation is effective immediately for variable interest entities created after January 31, 2003, and is effective in the first interim or annual period beginning after June 15, 2003, for variable interest entities in which a company holds a variable interest that it acquired before February 1, 2003. Management does not expect that

adoption of the interpretation will have a material effect on the Company's financial position or results of operations.

q. Major Customers

Miller Petroleum Inc. depends upon local purchasers of hydrocarbon in the areas where their properties are located. They have three major customers. The loss of one or more purchasers may substantially reduce their sales and ability to operate profitably. These major customers are:

Delta Producers, Inc. accounted for $420,298 of Miller's total revenue which was 20.9136% of Miller's total revenue.

Nami Resources, LLC accounted for $237,962 of Miller's total revenue which was 11.8407% of Miller's total revenue.

South Kentucky Purchasing Co. - South Kentucky accounted for $230,415 of Miller's total revenue which was 11.4652% of Miller's total revenue. South Kentucky purchases all of Miller's crude oil.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 2 RESTATEMENT OF FINANCIAL STATEMENTS

The Company previously issued its financial statements as of and for the year ended April 30, 2004, which were included in its Form 10KSB filed on July 29, 2004. The filing included a report, dated July 20, 2004, which expressed an unqualified opinion on those statements by independent accountants who had not registered with the Public Companies Accounting Oversight Board (PCAOB). Additionally, the report, failed to note the conduct of the audit in accordance with the standards of the PCAOB. Because of these failures, the Company's financial reporting was not in compliance with rules established by the Securities Exchange Commission, and accordingly, the Company engaged other auditors to conduct a PCAOB-compliant audit of its April 30, 2004 financial statements.

In connection with the PCAOB-compliant audit of the 2004 financial statements, management identified errors in amounts previously reported in the Company's financial statements for the years ended April 30, 2002, 2003 and 2004. The Company made an error in failing to record, in total, bad debt expense of approximately $237,500 in relation to the non-payment of a stockholder receivable in 2002, resulting in a misstatement of retained earnings in 2002, 2003 and 2004. In 2004 the Company's previously issued financial statements failed to include compensation and interest expense of approximately $57,000 in connection with issuances of options and warrants. The Company, therefore, is restating its financial statements beginning with financial position at April 30, 2002 and including its annual financial statements for 2003 and 2004.

NOTE 3 STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURE

CASH PAID FOR:		
Interest	$(195,919)	$(194,528)
Income Taxes	-	-
NON-CASH FINANCING ACTIVITIES:		
Common stock issued for services	$ -	$ 69,244
Financing costs from issuance of warrants	59,293	-
Common stock issued for deferred offering costs	88,842	-

Options issued for services	25,000	-
Conversion of account to note payable	250,689	-

NOTE 4 DEFERRED OFFERING COST

Through April 30, 2004, the Company issued 85,000 shares of its common stock valued at approximately $89,000 in connection with a proposed public offering of its common stock. In June, 2004, the Company postponed its proposed public offering due to market conditions. If the proposed offering were to be permanently abandoned, the costs incurred would be charged to expense in the period the decision is made. If the proposed offering is successful, the contribution to shareholders' equity will be reduced by these costs.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 5 - OIL AND GAS PROPERTIES - PIPELINE FACILITIES

The Company uses the successful efforts method of accounting for oil and gas producing activities. Costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory wells that find proved reserves, and to drill and equip development wells are capitalized. Costs to drill exploratory wells that do not find proved reserves, geological and geophysical costs, and costs carrying and retaining unproved properties are expensed. The Company amortizes the oil and gas properties using the unit-of-production method based on total proved reserves. The Company capitalized $565,779 of oil and gas properties for the year ended April 30, 2004 and recorded $43,800 and $97,440 of amortization expense for the years ended April 30, 2004 and 2003, respectively.

NOTE 6 - LONG-TERM DEBT

The Company had the following debt obligations at April 30, 2004:

Note payable to Home Federal Bank secured by equipment bearing interest at 9.75% due in monthly payments with final payment due in August 2005.	$ 7,001
Note payable to First National Bank of Oneida secured by stock and equipment bearing interests at 7.00% due on January 14, 2005.	136,650
Note payable to American Fidelity Bank secured by equipment bearing interest at 4.00% due in monthly payments of $2,272 with final payment due in August 2008.	366,724
Note payable to General Motors Acceptance Corporation secured by a pickup bearing 0.00% interest due in monthly payments of $721 with final payment due in October 2004.	5,768
Note payable to General Motors Acceptance Corporation secured by a Suburban bearing 0.00% interest due in monthly payments of $894 with final payment due in October 2004.	7,152
Line of credit payable to First National Bank of the Cumberlands secured by equipment and accounts receivable bearing interest at 7.934% due on demand on August 12, 2004.	19,380
Note payable to supplier. Secured by assignment of royalty	

income from five gas wells in Campbell County, Tennessee.
Interest at prime. 250,688

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 6 - LONG-TERM DEBT (Continued)

Note payable to related party unsecured at 7.00% with payments due yearly with the principle due in May of 2005.	$ 15,230
Note payable to related party secured by twelve oil and gas wells bearing interest at 9.00% and requiring interest payments quarterly with Principle due in December 2004.	1,110,000
Note payable to related party bearing interest at 8.00% with principle due in December 2005.	254,000
Note payable to related party secured by twelve oil and gas wells bearing interest at 9.00% and requiring interest payments quarterly with principle due in December 2004.	250,000
Total notes payable	2,422,593
Less current maturities	1,536,624
Notes payable - long-term	$ 885,969

Year Ending April 30,	Amount
2005	$1,536,624
2006	419,867
2007	130,868
2008	33,613
2009 and thereafter	301,621
	$2,422,593

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company has a note payable to Sharon Miller (wife of Deloy Miller, a majority stockholder) for $15,230 at April 30, 2004. The note is payable with a principle payment of $15,230 due in May 2005. The note is the balance remaining on the original purchase of the property that houses the offices.

The Company issued a note payable of $1,110,000 and $250,000 on August 13, 2003 at 9% with a one year term to Sherri Ann Parker Lee and William Parker Lee respectively. This note payable was issued to raise working capital. The related party notes are due to members of the Company's board of directors or their immediate families.

NOTE 8 - ASSET RETIREMENT OBLIGATION

Effective May 1, 2003, the Company implemented the requirements of SFAS 143. Among other things, SFAS 143 requires entities to record a liability and corresponding increase in long-lived assets for the present value of material obligations associated with the retirement of tangible long-lived assets. Over the passage of time, accretion of the liability is recognized as an operation expense and the capitalized cost is depleted over the estimated useful life of the related asset. Additionally, SFAS No. 143 requires that upon initial application of these standards, the Company must recognize a cumulative effect of a change in accounting principle corresponding to the accumulated accretion and depletion expense that would have been recognized had this standard been applied at the time the long-lived assets were acquired or constructed. The Company's asset retirement obligations relate primarily to the plugging, dismantling and removal of wells drilled to date.

Using a credit-adjusted risk fee rate of 12%, an estimated useful life of wells ranging from 20-40 years, and estimated plugging and abandonment cost of $1,000 per well. Oil and gas properties were increased by $7,479, which represents the present value of all future obligations to retire the wells at January 1, 2003, net of accumulated depletion on this cost through that date. A corresponding obligation totaling $13,216 has also been recorded as of January 1, 2003.

For the period ended April 30, 2004, the Company recorded accretion and depletion expenses of $395 associated with this liability and its corresponding asset. These expenses are included in interest expense in the consolidated statements of loss.

NOTE 10 - INCOME TAXES

The Company provides deferred income tax assets and liabilities using the liability method for temporary differences between book and taxable income.

A reconciliation of the statutory U. S. Federal income tax and the income tax provision included in the accompanying consolidated statements of loss is as follows:

April 30,	2004	2003
Statutory rate	34%	34%
Tax benefit at statutory rate	(13,000)	(91,000)
State income tax benefit	(2,800)	(19,000)
Other		
Increase in deferred tax asset and valuation allowance	$15,800	$110,000

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

April 30,	2004	2003
Net operating loss carryforward	4,007,000	3,960,000
	4,007,000	3,960,000
Valuation allowance	-4,007,000	-3,960,000
Net deferred taxes	0	0

The Company recorded a valuation allowance at April 30, 2004, and 2003 equal to the excess of deferred tax assets over deferred tax liabilities, as management is unable to determine that these tax benefits are more likely than not to be realized.

The Company had available, to offset taxable income, cumulative net operating loss carryforwards arising from the periods since the year ended April 30, 1989 of approximately $ 4,000,000 at April 30, 2004. The carryforwards begin expiring in 2005.

NOTE 11 STOCKHOLDERS' EQUITY

During the year ended April 30, 2003, the Company issued 85,000 shares of its common stock for total proceeds of $47,500 and issued 80,000 shares of common stock in exchange for consulting services valued at $69,244.

During the year ended April 30, 2003, the Company issued 85,000 shares for services in connection with a planned offering. The Company recorded $88,842 in deferred offering costs on its balance sheet in connection with the transaction.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

NOTE 11 STOCKHOLDERS' EQUITY (Continued)

In August 2003, Company issued 1,110,000 warrants to Sherri Ann Parker Lee and 250,000 warrants to William Parker Lee. The warrants were issued along with the note payable to them dated August 13, 2003 and can be exercised for $0.80 per share, and expire on January 1, 2005. The warrants were recorded as $59,293 of prepaid financing costs and will be amortized to interest expense over the term of the loan. Interest expense connected with the warrants was $32,511 for the year ended April 30, 2004

In March 2004, the Company issued 100,000 options in exchange for services. The warrants can be exercised for $0.50 per share, and expire in March, 2006. In connection with the transaction the Company recorded an expense of $25,000.

Additionally, the Company has warrants and options outstanding from prior periods. All warrants must be adjusted in the event of any forward or reverse split of outstanding common stock. The warrants have no voting rights or liquidation preferences, unless exercised in accordance with the particular warrant.

Information regarding the warrants for 2004 and 2003 is as follows:

	2004		2003	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding, beginning of year	1,902,256	$ 1.06	1,787,256	$ 1.09
Options canceled	926,584	1.24	-	n/a
Options exercised	-	n/a	-	n/a
Options granted	1,460,000	0.78	115,000	$ 0.46

Options outstanding, end of year	2,435,672	$ 0.80	1,902,256	$ 1.06
Options exercisable, end of year	2,435,672	$ 0.80	1,902,256	$ 1.06
Option price range, end of year	$0.46 to 1.25		$0.46 to 2.00	
Option price range, exercised shares	n/a		n/a	
Options available for grant at end of year	0		0	
Weighted average fair value of options granted during the year	$0.05		$0.06	

NOTE 12 - S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Unaudited)

Capitalized Costs Relating to Oil and Gas Producing Activities

	April 30, 2004	2003	
Proved oil and gas properties and related lease equipment			
Developed	$ 3,362,316	$ 2,825,277	
Non-developed	31,053	31,053	
	3,393,369	2,856,330	
Accumulated depreciation and depletion	(755,364)	(740,304)	
Net Capitalized Costs	$ 2,638,005	$ 2,116,026	(1)

NOTE 12 - S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Unaudited)

(2) Costs Incurred in Oil and Gas Property Acquisition, Exploration, and Development Activities

	April 30, 2004	2003
Acquisition of Properties Proved and Unproved	$ 0	$ 0
Exploration Costs	-	-
Development Costs	565,779	61,007
Total	$ 565,779	$ 61,007

(3) Results of Operations for Producing Activities

	April 30, 2004	2003

Production revenues	$1,959,856	$1,840,291
Production costs	799,978	819,507
Depreciation and depletion	43,800	97,440
Results of operations for producing activities (excluding corporate overhead and interest costs)	$1,116,078	$ 923,344

(4) Reserve Quantity Information

The following schedule estimates proved oil and natural gas reserves attributable to the Company. Proved reserves are estimated quantities of oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved - developed reserves are those which are expected to be recovered through existing wells with existing equipment and operating methods. Reserves are stated in barrels of oil (Bbls) and thousands of cubic feet of natural gas (Mcf). Geological and engineering estimates of proved oil and natural gas reserves at one point in time are highly interpretive, inherently imprecise and subject to ongoing revisions that may be substantial in an amount. Although every reasonable effort is made to ensure that the reserve estimates reported represent the most accurate assessments possible, these estimates are by their nature generally less precise that other estimates presented in connection with financial statement disclosures.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

	Oil (Bbls)	Gas (Mcf)
Proved reserves		
Balance, April 30, 2002	593,231	9,391,325
Discoveries and extensions	2,196	16,792
Revisions of previous estimates	(220,426)	(195,137)
Productions	(10,414)	(98,149)
Balance, April 30, 2003	364,587	9,114,831
Discoveries and extensions	120,300	1,220,100
Revisions of previous estimates	138,224	4,488,685
Production	(10,400)	(48,880)
Balance, April 30, 2004	612,711	14,774,736
Proved developed producing reserves at April 30, 2004	62,106	1,035,850
Proved developed producing reserves at April 30, 2003	75,756	918,930

In addition to the proved developed producing oil and gas reserves reported in

the geological and engineering reports, the Company holds ownership interests in various proved - undeveloped properties. The reserve and engineering reports performed for the Company were by Glover Petroleum Consultants of Crossville, Tennessee for the year ended April 30, 2004 and April 30, 2003. Although wells have been drilled and completed in each of these four properties, certain production and pipeline facilities must be installed before actual gas production will be able to commence. The most recent development plan for these properties indicates that facilities installation and commencement of production will be in the summer of 2005. However, such timing as well as the actual financing arrangements that will be secured by the Company are uncertain at this time. Therefore, these proven undeveloped reserves are not being included in the presentation of the oil and gas reserves at April 30, 2004, nor are such reserves being considered in calculating depreciation, depletion and amortization expense for the year based on the April 30, 2004 balance of the proven developed producing reserves set forth above.

The following schedule presents the standardized measure of estimated discounted future net cash flows from the Company's proved developed reserves for the years ended April 30, 2004 and 2003. Estimated future cash flows were based on independent reserves evaluation from Glover Petroleum Consultants for the years ended April 30, 2004 and April 30, 2003, respectively. Because the standardized measure of future net cash flows was prepared using the prevailing economic conditions existing at April 30, 2004 and 2003, it should be emphasized that such conditions continually change. Accordingly, such information should not serve as a basis in making any judgment on the potential value of the Company's recoverable reserves or in estimating future results of operations.

Estimated future net cash flows represent an estimate of future net revenues from the production of proved reserves using current sales prices, along with estimates of the operating costs, production taxes and future development and abandonment costs (less salvage value) necessary to produce such reserves. The average prices used at April 30, 2004 and 2003 were $32.75 and $21.00 per barrel of oil and $6.25 and $5.24 per Mcf gas, respectively. No deduction has been made for depreciation, depletion or any indirect costs such as general corporate overhead or interest expense.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2004 and 2003

Operating costs and production taxes are estimated based on current costs with respect to producing gas properties. Future development costs are based on the best estimate of such costs assuming current economic and operating conditions.

Income tax expense is computed based on applying the appropriate statutory tax rate to the excess of future cash inflows less future production and development costs over the current tax basis of the properties involved, less applicable carry forwards, for both regular and alternative minimum tax.

The future net revenue information assumes no escalation of costs or prices, except for gas sales made under terms of contracts which include fixed and determinable escalation. Future costs and prices could significantly vary from current amounts and, accordingly, revisions in the future could be significant.

Standardized measures of discounted future net cash flows:

	April 30, 2004	April 30, 2003
Future cash flows	$ 65,105,641	$ 47,595,637
Future production costs and taxes	(2,769,464)	(2,259,240)
Future development costs	(4,740,000)	(4,740,000)
Future income tax expense	(17,854,815)	(12,584,883)
Future cash flows before income taxes	39,741,362	28,011,514
Discount at 10% for timing of cash flows	(16,591,415)	(14,846,102)
Discounted future net cash flows from proved reserves	$ 23,149,947	$ 13,165,412

Of the Company's total proved reserves as of April 30, 2004 and 2003, approximately 7% and 12%, respectively, were classified as proved developed producing, 4% and 4%, respectively, were classified as proved developed non-producing and 89% and 84%, respectively, were classified as proved undeveloped. All of the Company's reserves are located in the continental United States.

The following table sets forth the changes in the standardized measure of discounted future net cash flows from proved reserves for April 30, 2004 and 2003.

	April 30, 2004	April 30, 2003
Balance, beginning of year	$13,165,412	$15,812,991
Sales, Net of production costs and taxes	16,999,780	(4,650)
Discoveries and extensions	14,596	1,860
Changes in prices and production costs	2,027,173	4,216,240
Revisions of quantity estimates	(4,350,461)	(4,460,402)
Development costs incurred	565,779	61,007
Net changes in income taxes	(5,269,932)	(729,234)
Changes in future development costs	0	(1,730,000)
Changes in production rates and other	(2,400)	(2,400)
Balances, end of year	$23,149,947	$13,165,412

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Butch Grubb, Certified Public Accountant, of London, Kentucky, was engaged on or about March 19, 2004, by the Board of Directors of the Company to audit the financial statements of the Company.

Item 8(a). Controls and Procedures.

As of the end of the 90 day period at the end of this Annual Report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the

effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic reports that are filed with the Securities and Exchange Commission. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. In addition, we reviewed our internal controls, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers

The following table sets forth the names of all current directors and executive officers of the Company. These persons will serve until the next annual meeting of stockholders (to be held at such time as the Board of Directors shall determine) or until their successors are elected or appointed and qualified, or their prior resignation or termination.

Name	Positions Held	Date of Election or Designation	Date of Termination or Designation
Deloy Miller 815 Southlake Drive Oneida, TN 37841	Director, President CEO	12/96 12/99 12/97	* * *
Charles M. Stivers 420 Richmond Road Manchester, KY 40962	CFO	3/04	*
Herbert J. White P.O. Box 1868 Fairfield Glade, TN 38557	Director and Vice President	4/97 4/97	* *
Herman Gettelfinger 641 Atlantic Ave. Knoxville, TN 37917	Director	4/97	*
Gary G. Bible 232 West Seneca Circle Oneida, TN 37841	Vice President	9/97	*
Ernest F. Payne 446 Southlake Drive Oneida, TN 37841	Vice President President	5/01 3/03	8/03 *
Teresa Cotton	Secretary and	12/01	*

1228 Cherry Fork Helenwood, TN 37755	Treasurer		
Wm. Parker Lee 3024 Duncan Road Lenoir City, TN 37772	Director	12/01	*

* These persons presently serve in the capacities indicated opposite their respective names.

Term of Office

The term of office of the current directors shall continue until the annual meeting of stockholders, which is to be held at such time as the Board of Directors shall determine. The annual meeting of the Board of Directors immediately follows the annual meeting of stockholders, at which officers for the coming year are elected.

Business Experience

Deloy Miller. Mr. Miller is 56 years of age. Mr. Miller, Chairman and CEO, is a seasoned gas and oil professional with more than 30 years of experience in the drilling and production business in the Appalachian basin. During his years as a drilling contractor, he acquired extensive geological knowledge of Tennessee and Kentucky and received training in the reading of well logs. A native Tennessean, Miller is credited with being the leader in converting the Appalachian Basin from cable tool drilling to air drilling, using the Ingersoll-Rand T3 Drillmaster rigs. The introduction of air drilling sparked the 1969 drilling boom and Miller soon became a successful drilling contractor in the southern Appalachian basin. He served two terms as president of the Tennessee Oil & Gas Association and in 1978 the organization named Miller the Tennessee Oil Man of the Year. He continues to serve on the board of that organization. Mr. Miller was appointed by the Governor of Tennessee to be the petroleum industry's representative on the Tennessee Oil & Gas Board, the state agency that regulates gas and oil operations in the state.

Charles M. Stivers. Mr. Stivers has over 18 years accounting experience and over 12 years of experience within the energy industry. He owns and operates Charles M. Stivers, C.P.A., which specializes in the oil and gas industry and has clients located in eight different states. His responsibilities include all forms of SEC audit work, SEC quarterly financial statement filings, oil and gas consulting work, and income tax work. Mr. Stivers served as Treasurer and CFO for Clay Resource Company and Senior Tax and Audit Specialist for Gallaher and Company. He received a Bachelor of Science degree in accounting from Eastern Kentucky University.

Herbert J. White. Mr. White, age 77, is Development Engineer for the company has 44 years of petroleum related experience. After earning his BS degree from North Texas University, he became an engineer with Halliburton, handling Louisiana Gulf Coast and offshore operations and serving in Australia. In 1975 he joined Petroleum Development Corporation, a West Virginia-based public company, supervising engineering and operations in Southern Appalachian basin. He also has experience in Devonian Shale production, enhanced recovery and coal degasification. Miller Petroleum and its predecessor corporation have employed Mr. White as a Petroleum Engineer since July of 1985. In April, 1997, he became a director and Vice President of Development Engineering for Miller Petroleum.

Herman Gettelfinger. Mr. Gettelfinger, age 70, is member of our Board of Directors, Herman Gettelfinger is a co-owner of Kelso Oil Company, Knoxville Tennessee and has been the President of Kelso since 1960. Kelso is one of eastern Tennessee's largest distributors of motor oils, fuels and lubricants to the industrial and commercial market. Mr. Gettelfinger has been active in the gas and oil drilling and exploration business for more than 35 years and has been associated with Miller Petroleum for more than 25 years.

Dr. Gary Bible was appointed Vice President of Geology on September 15, 1997. Dr. Bible is 53 years of age. Dr. Bible came from Alamco, where he had served since May of 1991 as Manager of Geology and Senior Geologist. Dr. Bible earned his BS Degree in Geology from Kent State University and his MSc. and PhD. Degrees in Geology from Iowa State University. He is a proven hydrocarbon finder who drilled his first successful wildcat as a Trainee Geologist. Dr. Bible brings to the Company 20 years experience as a Petroleum Geologist. In addition, Dr. Bible has spent more than 10 years in the Appalachian Basin in the exploration and development of reserves in the Big Lime, Devonian Shale and in deeper horizons. He is credited with managing a drilling program at Alamco that kept its finding cost the lowest in the nation.

Ernest F. Payne. Mr. Payne, age 56, was appointed Vice President of Field Operations on May 21, 2001. Mr. Payne rejoined the Miller Team after serving as Project Manager and Superintendent for Youngquist Brothers of Fort Myers, Florida from early 1994 through May of 2001. Mr. Payne has 20 years experience in oil and gas well design and stimulations as well as supervising the operation of drilling and workover rigs. He earned a B.S. in engineering at Tennessee Technological University. He originally joined Miller in the early 70's and was the general manager for 17 years. He directed the operation of 18 drilling and workover rigs. In the mid 1980's he formed his own company and managed large drilling jobs in Florida and Puerto Rico until joining Youngquist.

Teresa Cotton, Ms. Cotton, age 40, joined the Miller Team in August, 1996. She was appointed Secretary/Treasurer on December 1, 2001. Prior to joining the Miller Team, she was employed by Halliburton Services. Teresa has more than twenty years experience in the oil and gas industry. Mrs. Cotton, a Tennessee native, earned a A.S. in Business Administration at Roane State Community College in Huntsville, Tennessee and is now pursuing her B.S. in Business Administration.

Wm. Parker Lee, Mr. Lee, age 29, is a member of the Board of Directors. For the past three years, Parker has managed Lee Investments, which has holding in various corporations. He graduated from Montana State University in May of 1997. During 1998, prior to attending law school, Parker worked with the family business in Knoxville, Tennessee. In May of 2001, W. Parker Lee earned a J. D. degree from Willamette University. Mr. Lee is a native of Knoxville, Tennessee

Committees

The Company does have an Audit Committee.

Code of Ethics

We have adopted a Code of Ethics and it is attached to this Report as Exhibit 14. See Part III, Item 13.

Family Relationships

There are no family relationships between any director or

executive officer of the Company or any person nominated to become such.

Involvement in Certain Legal Proceedings

Except as indicated below and to the knowledge of management, during the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

(1) Was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;

(2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting, the following activities:

(i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

(4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;

(5) Was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated; or

(6) Was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Compliance with Section 16(a) of the Exchange Act

The Company has no securities registered under Section 12 of the

Securities Exchange Act of 1934, as amended (the "Exchange Act"); it files reports under Section 15(d) thereof. Accordingly, the Company's directors, executive officers and 10% stockholders are not required to file statements of beneficial ownership of securities under Section 16(a) of the Exchange Act.

Item 10. Executive Compensation.

Cash Compensation

The following table sets forth a summary of all compensation awarded to, earned or paid to, the Company's Chief Executive Officer during fiscal years ended April 30, 2004, April 30, 2003 and April 30, 2002. None of the Company's other executive officers earned compensation in excess of $100,000 per annum for services rendered to the Company in any capacity during those periods.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation: Awards		Long Term Compensation: Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year Ended April 30	Salary ($)	Bonus ($)	Other Annual Compen-sation	Rest-ricted Stock	Secur-ities Under-lying Options	LTIP Pay-outs	All Other Comp-ensat'n
Deloy Miller, Chief Executive Officer	2002	155,769	0	0	0	0	0	0
	2003	180,000	0	0	0	0	0	0
	2004	183,462	0	0	0	0	0	0

Compensation of Directors

The Board of Directors has resolved to compensate the members of the Board of Directors for attendance at meetings at the rate of $500 per day.

Employment Contracts

There are presently no employment contracts relating to any member of management; however, depending upon the Company's operations and requirements, the Company may offer long term contracts to directors, executive officers or key employees in the future.

Termination of Employment and Change of Control Arrangement

None.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

Security Ownership of Certain Beneficial Owners

The following tables set forth the share holdings of the Company's directors and executive officers and those persons who own more than 5% of the Company's common stock as of the date hereof, with these computations being based upon 8,578,856 shares of common stock being outstanding.

Directors and Executive Officers

Name and Address(1)	Title	Number of Shares Beneficially Owned	Percent of Class
Deloy Miller 815 South Lake Drive Oneida, TN 37841	Director, and CEO	4,090,343 (1)	48%
The Estate of LaRue L. LaRue 432 Brewstertown Road Sunbright, TN 37872	CFO, Director	84,438 (2)	1%
Herbert J. White P.O. Box 1868 Fairfield Glade, TN 38557	Vice President/Director	300 (3)	-0-
Herman Gettelfinger 641 Atlantic Ave. Knoxville, TN 37917	Director	306,537	4%
Gary Bible 323 Seneca Circle Oneida, TN 37841	Vice President	6,516 (4)	-0-
Teresa Cotton	Secretary/Treasurer	1,300 (5)	-0-
Ernest F. Payne	Vice President	30,000 (6)	-0-
All executive officers and directors as a group		4,519,434	53%

(1) Does not include options for 100,000 shares.
(2) Does not include options for 270,177 shares and warrants for 12,500 shares.
(3) Does not include options for 100,000 shares.
(4) Does not include options for 80,000 shares and warrants for 6,000 shares.
(5) Does not include options for 45,000 shares and warrants for 5,000 shares
(6) Does not include options for 125,000 shares.

Each of these persons presently serves in the capacities indicated.

Five Percent Stockholders

Name and Address	Title	Number of Shares Beneficially Owned	Percent of Class
Deloy Miller 815 South Lake Drive Oneida, TN 37841	Director and CEO	4,090,343 (1)	48%

(1) Does not include options for 100,000 shares.

(2) Does not include warrants for 1,000,000 shares.

Changes in Control

Except as indicated below, to the knowledge of the Company's management, there are no present arrangements or pledges of the Company's securities which may result in a change in control of the Company. See the foregoing tables regarding "Directors and Executive Officers" and "Five Percent Stockholders."

Item 12. Certain Relationships and Related Transactions.

Transactions with Management and Others

The Company has a note payable to Sharon Miller (Deloy Miller's wife a majority stockholder), for $15,230 at April 30, 200. The note is payable with interest in May 2005.

The note is the balance remaining on the original purchase of the property that houses the offices.

The Company issued a note receivable of $1,110,000 on August 13, 2003 at 9% with a one year term to Sherri Ann Parker Lee, of Knoxville, Tennessee.

The Company issued a note receivable of $250,000 on August 13, 2003 at 9% with a one year term to William Parker Lee, a member of the Board of Directors.

Certain Business Relationships

Other than the transactions disclosed in the previous section, there have been no material transactions, series of similar transactions or currently proposed transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $60,000 and in which any director or executive officer or any security holder who is known to the Company to own of record or beneficially more than 5% of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had a material interest.

Indebtedness of Management

Other than the transactions disclosed in the previous section, there have been no material transactions, series of similar transactions or currently proposed transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $60,000 and in which any director or executive officer or any security holder who is known to the Company to own of record or beneficially more than 5%of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had a material interest.

Parents of the Issuer

Except to the extent that Deloy Miller may be deemed to be a parent of the Company by virtue of his ownership of a majority of its issued and outstanding shares, the Company has no parents.

Transactions with Promoters

Other than the Note, there have been no material transactions, series of similar transactions, currently proposed transactions, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $60,000 and in which any promoter or founder or any member of the immediate family of any of the foregoing persons, had a material interest.

Item 13. Exhibits and Reports on Form 8-K.

Reports on Form 8-K*

None.

Exhibits*	Exhibit Number
(i)	
Subsidiaries of the Company	**
Koppers Lease Schedule	**
Delta Leases Schedule	**
Code of Ethics	14
302 Certification of Deloy Miller	31.1
302 Certification of Lawrence LaRue	31.2
906 Certification	32

(ii)	Where Incorporated In This Report
None.	

*A summary of any Exhibit is modified in its entirety by reference to the actual Exhibit.

**These documents and related exhibits have previously been filed with the Securities and Exchange Commission and are incorporated herein by this reference.

Item 14. Principal Accountant Fees and Services

The following is a summary of the fees billed to Miller by it principal accountants during the fiscal years ended March 31, 2004, and March 31, 2003:

Fee category	2004	2003
Audit fees	$10,000	$12,000
Audit-related fees	$ 0	$ 0
Tax fees	$	$ 1,910
All other fees	$ 0	$ 0
Total fees	$10,000	$13,910

Audit fees. Consists of fees for professional services rendered by our principal accountants for the audit of our annual financial statements and the review of financial statements included in our Forms 10-QSB or services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-related fees. Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit fees."

Tax fees. Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All other fees. Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees" and "Tax fees" above. The fees disclosed in this category include due diligence, preparation of pro forma financial statements as a discussion piece for a Board member, and preparation of letters in connection with the filing of Current Reports on Form 8-K.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MILLER PETROLEUM, INC.

Date: 2/15/05

By/s/Deloy Miller
Deloy Miller, CEO and Director

In accordance with the Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

MILLER PETROLEUM, INC.

Date: 2/15/05

By/s/Deloy Miller
Deloy Miller, CEO and Director

Date: 2/15/05

By/s/Charles M. Stivers
Charles M. Stivers, CFO and Director

Date: 2/15/05

By/s/Herman Gettelfinger
Herman Gettelfinger, Director