UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549
FORM 10-KSB

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the fiscal year ended **December 31, 2004**
[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the transition period from __________ to __________

Commission File Number: **000-31390**

ALLIED RESOURCES, INC.
(Name of Small Business Issuer As Specified In Its Charter)

Nevada	**55-0608764**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

1403 East 900 South, Salt Lake City, Utah 84105
(Address of principal executive offices) (Zip Code)

(801) 582-9609
(Issuer's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Name of Exchange On Which Registered
Common Stock ($0.001 par value)	None

Check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 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 requirement for the past 90 days. YES __✓__ NO _____

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and that 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. [ ]

Registrant's revenues for its most recent fiscal year were $748,113.

The aggregate market value of the registrant’s common stock (the only class of voting stock), held by non-affiliates was approximately $1,435,667 based on the average closing bid and ask price for the common stock on March 30, 2005.

As of March 30, 2005 there were 5,666,691 shares outstanding of the registrant’s common stock.

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PART I

Item 1. DESCRIPTION OF BUSINESS

Corporate Organization

As used herein the term Allied refers to Allied Resources, Inc. and its predecessors, unless the context indicates otherwise. Allied was incorporated as "General Allied Oil and Gas Co" on April 15, 1979 in the State of West Virginia. The company's name was amended to "Allied Resources, Inc." on August 12, 1998. On February 26, 2002 Allied incorporated "Allied Resources, Inc." in the State of Nevada for the purpose of merging the West Virginia corporation with the Nevada corporation. The transaction resulted in the Nevada corporation surviving the merger as the sole remaining entity. The purpose of the transaction was to remove Allied's domicile to a jurisdiction with tested corporate legislation and to reduce corporate maintenance costs. The merger was completed on April 5, 2002. Pursuant to the merger, shareholders of the West Virginia corporation received one share of the Nevada corporation for each share held in the West Virginia corporation.

Allied's principal place of business is located at 1403 East 900 South, Salt Lake City, Utah 84105 and its telephone number is (801) 582-9609. Allied's registered statutory office is located at 920 Sierra Vista Drive, Las Vegas, Nevada 89109. Allied is engaged in the exploration, development and production of oil and gas properties in West Virginia.

Allied currently trades on the Toronto Venture Exchange under the symbol "TSX.ALO". Allied's reports under the British Columbia Securities Act can be viewed on the internet at www.sedar.com or requested from the company.

Description of Business

Allied is an independent oil and natural gas producer involved in the exploration, development, production and sale of oil and gas derived from properties located in Calhoun and Ritchie counties, West Virginia.

Allied currently realizes production from a total of 145 oil and gas wells with working interests ranging from 18.75 to 75%. Depth of the producing intervals varies from 1,730 ft to 5,472 ft. The most recently drilled well Anna Gill # 3, was completed in June 2002 at a depth of 5,400 ft. All the wells in which Allied has an interest are situated on developed acreage spread over 3,400 acres in Ritchie and Calhoun counties. Allied prefers operating in West Virginia due to relatively inexpensive drilling and completion operations, and the absence of poisonous gas often associated with oil and gas production. Many of Allied's wells, on the same leases, share production equipment in order to minimize lease operating costs. Recovery from producing wells is consistently evaluated, and cost-efficient work-over methods are often considered to improve the performance of the wells or in the alternative to sell limited producers in order to reduce operating costs.

Allied's interests in its wells are maintained and operated by Allstate Energy Corporation ("Allstate"), a local operator, under the terms of an Operating Agreement. Allstate maintains a varying interest in each of Allied's wells.

The terms of the Operating Agreement, as amended, grant to Allstate the exclusive right to conduct operations in respect to Allied's interests in its wells in exchange for a monthly operating fee for each well and any other costs incurred in normal operation of the wells. Title to all machinery, equipment or other property attached to the wells under the Operating Agreement, as amended, belongs to each party in proportion to its interest in each well, as does any amount recovered as the result of salvaging machinery or equipment from the wells. Under the Operating Agreement, as amended, Allstate is permitted to make capital expenditures on the wells up to $5,000 without notifying Allied of the expense. However, notice of amounts to be spent over $5,000 must be provided to Allied prior to expenditure for Allied's approval if it owns a majority interest in the specific well. Likewise, the abandonment of wells must be approved by the party holding a majority interest in the specific well to be abandoned. Allstate is entitled pursuant to the Operating Agreement, as amended, to establish an escrow account to withhold up to 25% of the net income on any particular well up to $5,000 to be used for capital improvement of the wells or if necessary plugging the wells. The Operating Agreement, as amended, prohibits Allied from selecting an operator of the wells other than Allstate unless it is prepared to purchase Allstate's interest in each specific well at fair market value. The surrender of leases under the Operating Agreement, as amended, can only be accomplished in the event that both Allied and Allstate consent to such surrender. Finally, Allied cannot sell its interest in any of the wells unless it first offers to sell such interests to Allstate on the same terms as are proposed for a third party purchaser.

Allied's interests in oil and gas properties are the direct result of its relationship with Allstate. The majority of Allied's oil and gas interests, approximately 90 wells, were acquired as part of the Ashland Properties acquisition. Allstate prepared a bid package that was presented to Ashland Exploration, Inc. the seller of the wells for consideration in competition with several other bidders for the properties. Allstate submitted the bid under the pretext that should it be successful in its bid, that Allied would participate in a shared interest in the acquisition. Allied's other interests in wells outside of the Ashland Properties were the result of agreeing to a percentage interest through Allstate farm out arrangements, individual well/lease assignments and drilling agreements spanning the time period from 1981 to 2002. Allied was not furnished with any engineering reports prior to purchasing interests its oil and gas properties.

Prior to drilling new wells a geological review of the prospective area is made by Allied in cooperation with Allstate to determine the potential for oil and gas. Allied's consultants then review available geophysical data (generally seismic and gravity data) to further evaluate the area. After the evaluation of the geophysical data, if the target appears to contain significant accumulations of oil and gas, Allied then considers the economic feasibility of drilling the target whole. Significant accumulations or oil and gas cannot guarantee economic recovery because it depends on many factors such as how much it costs to drill and complete wells in a certain area, how close the wells are to pipelines and pipeline pressure, what the price of oil or gas is, how accessible the area is, whether the project is a developmental or wildcat prospect.

Allied's working interest, is defined as interest in oil and gas that includes responsibility for all drilling, developing, and operating costs varying from 18.75% to 75%. Allied's net revenue interest, is defined as that portion of oil and gas production revenue after deduction of royalties, varying from 18.05% to 65.625%.

Allied owns varying interests in a total of 145 wells on several leases. Some leases contain multiple wells. Distribution of Allied's interests in West Virginia oil and gas leases are detailed below:

Well Name	Working Interest	Net Revenue Interest
Anderson	75	63.5742
Batson	51.5625	45.1172
Britton	75	63.28125
B. Rutherford	75	65.625
Cokely 582	75	63.5742
Cokely 633-654	75	60.9375
Conrad	75	61.5234
Deem	75	63.5742
E. Goff	75	58.8867
Jay Goff	65.625	55.3709
John Goff	60.9375	51.416
Fire Snyder	75	61.5732
GT Sommerville	75	65.625
Gus Bee	75	63.5742
Foster	70.3125	52.7344
Kennedy	75	63.5742
Law	75	63.5742
Leeson	75	65.625
Mullenix	33.984	27.12
Wellings	75	61.5234
Wellings 1A	63.9637	55.9682
Patton	75	63.5942
Riddle	75	65.625
Richards	75	63.5742
A. J. Scott	37.5	32.8125
Spurgeon	75	63.5742
Stanley 2 & 3	18.75	15.00
Stanley 583	75	63.5742
Summers 2	75	63.28125
Sutton	72.6562	55.0593
Taylor Carr	70.3125	54.9316
Toothman	75	65.625
Vincent 20 C	75	65.625
Vincent 25 C	75	65.625
Vincent 35 C	75	65.625
Vincent 41 C	75	65.625
V. Zinn	75	65.625
Baker Baughman	75	65.625
Baker Baughman 81	75	65.625
Bollinger	75	60.9375
Gill	75	65.625
Gill 3	50	43.75
Haddox	75	65.625
Mills	75	65.625
Sweet 1 & 2	75	65.625
Sweet 3	50	43.75
Watson	75	65.625
Watson 85	75	65.625
Watson 86	75	65.625
Watson 6-87	75	65.625
Wolfe	75	56.25
Browne 1	75	65.625

Competition

The oil and gas business in West Virginia is highly competitive. Allied competes against over 500 independent companies, many with greater financial resources and larger staffs than those available to Allied. West Virginia hosts approximately 40 significant independent operators including NiSource, Equitable, Energy Corporation of America, Cabot Oil and Gas and Dominion Appalachian with over 450 smaller operations with no single producer dominating the area. Major operators such as Exxon, Phillips Petroleum, Shell Oil, Conoco and others considered major players in the oil and gas industry no longer operate any significant interests in West Virginia. Allied believes it can successfully compete against the independent companies by focusing its efforts on the efficient development of its leases in West Virginia by maximizing its production without a significant increase in operating costs.

Marketability

The products sold by Allied, natural gas and crude oil, are commodities purchased by many distribution and retail companies. Crude oil can be easily sold whenever it is produced subject to transportation cost. The crude oil produced on Allied's behalf is transported by truck from the collection points to the purchaser. Natural gas on the other hand can be more difficult to sell since transportation from point of production to the purchaser requires a pipeline. One hundred percent of Allied's current gas production interest is transported by pipelines owned by the purchasers of its production.

The information provided in this disclosure defines one (1) MCFE as equivalent to one thousand cubic feet of gas, which has been calculated as a heating value of six thousand (6,000) cubic feet of gas for each BOE.

Allstate sells Allied's gas production interest to three main purchasers, Dominion Field Services, Equitable Resources, and Allegheny Energy. The gas is sold utilizing two different forms of contracts. One, characterized as a fixed contract that determines a certain prices for gas over a fixed period of time, usually 90 days and a spot price contract, which markets the production to the purchaser willing to pay the highest price for the production on a month to month basis at prices ranging from $4.40 MCF to $7.60 MCF during the year ended 2004. Any gas production not sold according to fixed gas purchase agreements is sold on the spot price market. Allstate had fixed contracts with Dominion Field Services to sell 15,000 MCF per month averaging 500 MCF's a day from November 1, 2004 through October 31, 2005 at $6.00 per MCF and up to an additional 7,000 MCF sold at $7.60 over the term of the contract with any additional volume sold at market price. Allstate sells Allied's oil production interest to West Virginia Oil Gathering at the market price on the day of pick up.

The sales prices for Allied's oil production interests during 2002, 2003 and 2004 varied significantly between $28.46 and $48.80 a barrel over the respective periods. The sale prices for Allied's gas production interests also varied significantly over the same periods. The gas prices fluctuated between $ 1.75 and $7.53 per MCF in 2004, between $1.75 per MCF and $8.73 per MCF in 2003, and between $1.686 per MCF and $3.950 per MCF in 2002.

Government Regulation of Exploration and Production

Allied's oil and gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal and state agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases Allied's cost of doing business and affects its profitability. Because such rules and regulations are frequently amended or interpreted differently by regulatory agencies, Allied is unable to accurately predict the future cost or impact of complying with such laws.

Allied's oil and gas exploration and production operations are affected by state and federal regulation of oil and gas production, federal regulation of gas sold in interstate and intrastate commerce, state and federal regulations governing environmental quality and pollution control, state limits on allowable rates of production by a well or pro-ration unit and the amount of oil and gas available for sale, state and federal regulations governing the availability of adequate pipeline and other transportation and processing facilities, and state and federal regulation governing the marketing of competitive fuels. For example, a productive gas well may be "shut-in" because of an over-supply of gas or lack of an available gas pipeline in the areas in which Allied may conduct operations. State and federal regulations generally are intended to prevent waste of oil and gas, protect rights to produce oil and gas between owners in a common reservoir, control the amount of oil and gas produced by assigning allowable rates of production and control contamination of the environment. Pipelines are subject to the jurisdiction of various federal, state and local agencies.

Many state authorities require permits for drilling operations, drilling bonds and reports concerning operations and impose other requirements relating to the exploration and production of oil and gas. Such states also have ordinances, statutes or regulations addressing conservation matters, including provisions for the unitization or pooling of oil and gas properties, the regulation of spacing, plugging and abandonment of such wells, and limitations establishing maximum rates of production from oil and gas wells. However, no West Virginia regulations provide such production limitations with respect to the Allied’s operations.

Environmental Regulation

The recent trend in environmental legislation and regulation has been generally toward stricter standards, and this trend will likely continue. Allied does not presently anticipate that it will be required to expend amounts relating to its oil and gas production operations that are material in relation to its total capital expenditure program by reason of environmental laws and regulations, but because such laws and regulations are subject to interpretation by enforcement agencies and are frequently changed by legislative bodies, Allied is unable to accurately predict the ultimate cost of such compliance for 2005.

Allied is subject to numerous laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. These laws and regulations may require the acquisition of a permit before drilling commences, restrict the types, quantities and concentration of various substances that can be released into the environment in connection with drilling and production activities, limit or prohibit drilling activities on certain lands lying within wilderness, wetlands, and areas containing threatened and endangered plant and wildlife species, and impose substantial liabilities for unauthorized pollution resulting from Allied's operations.

The following environmental laws and regulatory programs appeared to be the most significant to Allied's operations in 2004, and are expected to continue to be significant in 2005:

Clean Water and Oil Pollution Regulatory Programs.

The federal Clean Water Act ("CWA") regulates discharges of pollutants to surface waters. The discharge of crude oil and petroleum products to surface waters also is precluded by the Oil Pollution Act ("OPA"). Allied's operations are inherently subject to accidental spills and releases of crude oil and drilling fluids that may give rise to liability to governmental entities or private parties under federal, state or local environmental laws, as well as under common law. Minor spills occur from time to time during the normal course of Allied's production operations. Allied maintains spill prevention control and countermeasure plans ("SPCC plans") for facilities that store large quantities of crude oil or petroleum products to prevent the accidental discharge of these potential pollutants to surface waters. As of December 31, 2004, Allied had undertaken all investigative or remedial work required by governmental agencies to address potential contamination by accidental spills or discharges of crude oil or drilling fluids.

Clean Air Regulatory Programs.

Allied's operations are subject to the federal Clean Air Act ("CAA"), and state implementing regulations. Among other things, the CAA requires all major sources of hazardous air pollutants, as well as major sources of certain other criteria pollutants, to obtain operating permits, and in some cases, construction permits. The permits must contain applicable Federal and state emission limitations and standards as well as satisfy other statutory and regulatory requirements. The 1990 Amendments to the CAA also established new monitoring, reporting, and recordkeeping requirements to provide a reasonable assurance of compliance with emission limitations and standards. Allied currently obtains construction and operating permits for its compressor engines, and is not presently aware of any potential adverse claims in this regard.

Waste Disposal Regulatory Programs.

Allied's operations generate and result in the transportation and disposal of large quantities of produced water and other wastes classified by EPA as "non-hazardous solid wastes". The EPA is currently considering the adoption of stricter disposal and clean-up standards for non-hazardous solid wastes under the Resource Conservation and Recovery Act ("RCRA"). In some instances, EPA has already required the clean up of certain non-hazardous solid waste reclamation and disposal sites under standards similar to those typically found only for hazardous waste disposal sites. It also is possible that wastes that are currently classified as "non-hazardous" by EPA, including some wastes generated during Allied’s drilling and production operations, may in the future be reclassified as "hazardous wastes". Because hazardous wastes require much more rigorous and costly treatment, storage, transportation and disposal requirements, such changes in the interpretation and enforcement of the current waste disposal regulations would result in significant increases in waste disposal expenditures by Allied.

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA").

CERCLA, also known as the "Superfund" law, imposes liability, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to have caused or contributed to the release or threatened release of a "hazardous substance" into the environment. These persons include the current or past owner or operator of the disposal site or sites where the release occurred and companies that transported disposed or arranged for the disposal of the hazardous substances under CERCLA. These persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources. Allied is not presently aware of any potential adverse claims in this regard.

West Virginia Division of Environmental Protection Office of Oil and Gas.

The State of West Virginia has promulgated certain legislative rules pertaining to exploration, development and production of oil and gas that are administered by the West Virginia Division of Environmental Protection Office of Oil and Gas. The rules govern permitting for new drilling, inspection of wells, fiscal responsibility of operators, bonding wells, the disposal of solid waste, water discharge, spill prevention, liquid injection, waste disposal wells, schedules that determine the procedures for plugging and abandonment of wells, reclamation, annual reports and compliance with state and federal environmental protection laws. Allied believes that all wells in which it has an interest are operated by Allstate in a manner that is in compliance with these rules.

Health and Safety Regulatory Programs.

Allied's operations also are subject to regulations promulgated by the Occupational Safety and Health Administration ("OSHA") regarding worker and work place safety. Allied is assured that Allstate currently provides health and safety training and equipment to its employees and is adopting additional corporate policies and procedures to comply with OSHA's workplace safety standards.

Employees

Allied employs its chief executive officer, Ruairidh Campbell and one other part time support person, on a part time basis. Mr. Campbell spends approximately 10 hours a week managing Allied as Allstate, operates its oil and gas operations. Management uses oil and gas consultants, attorneys and accountants as necessary and does not plan to engage any full-time employees in the near future.

Reports to Security Holders

Allied is required to deliver an annual report to its security holders. Allied's annual report contains audited financial statements. Allied files all required disclosure with the Commission. The public may read and copy any materials that are filed by Allied at the Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The statements and forms filed by Allied are filed electronically and are available for viewing or copying on the Internet site maintained by the Commission. The Internet site contains reports, proxies, information statements, and other information regarding registrants. The Internet address for this site is www.sec.gov.

ITEM 2. DESCRIPTION OF PROPERTY

Allied maintains limited office space in an office owned by Ruairidh Campbell, Allied's chief executive officer, for which Allied pays $750 per month on a month to month basis. This address is 1403 East 900 South, Salt Lake City, Utah 84105 and the phone number is (801) 582-9609. Allied believes that its current office space will be adequate for the foreseeable future.

Allied currently realizes production from a total of 145 oil and gas wells with working interests ranging from 18.75% to 75%, producing a combination of varying amounts of oil and gas but predominately gas.

Annual oil and gas production amounted to 139,272 MCF of gas and 2,209 STB of oil in 2004 and 153,689 MCF of gas and 774 STB of oil in 2003. The average sales prices over these periods were $4.83 per MCFE in 2004 and $3.61 per MCFE in 2003. Allied's average production costs, which include lifting costs, maintenance costs and severance taxes were $1.95 per MCFE in 2004 and $1.73 per MCFE in 2003. Allied owned 145 gross wells and 101 net wells in 2004. The wells are located on 3,400 gross acres, located in Ritchie and Calhoun counties, West Virginia. The acreage is approximately 2,377 net acres. Allied has no plans at this time to drill additional wells.

ITEM 3. LEGAL PROCEEDINGS

Allied is currently not a party to any pending legal proceeding.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of the security holders, through the solicitation of proxies or otherwise, during the fourth quarter ended December 31, 2004.

PART II

ITEM 5. MARKET FOR COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Allied's common stock is quoted on the Toronto Venture Exchange, a service maintained by the Toronto Stock Exchange under the symbol, "TSX.ALO". Trading in the common stock has been limited and sporadic and the quotations set forth below are not necessarily indicative of actual market conditions. Further, these prices reflect inter-dealer prices without retail mark-up, mark-down, or commission, and may not necessarily reflect actual transactions. All quotes provided are reflected in Canadian dollars.

YEAR	QUARTER ENDING	HIGH	LOW
2004	December 31	$0.21	$0.12
	September 30	$0.21	$0.21
	June 30	$0.21	$0.21
	March 31	$0.27	$0.19
2003	December 31	$0.23	$0.11
	September 30	$0.18	$0.10
	June 30	$0.11	$0.10
	March 31	$0.11	$0.10

Record Holders

As of March 30, 2005, there were approximately 113 shareholders of record holding a total of 5,666,691 shares of common stock. However, Allied’s board of directors believes that the number of beneficial owners is substantially greater than the number of record holders because a portion of our outstanding common stock is held in broker “street names” for the benefit of individual investors. The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Dividends

Allied has not declared any cash dividends since inception and does not anticipate paying any dividends in the foreseeable future. The payment of dividends is within the discretion of the board of directors and will depend on Allied's earnings, capital requirements, financial condition, and other relevant factors. There are no restrictions that currently limit the Allied's ability to pay dividends on its common stock other than those generally imposed by applicable state law.

ITEM 6. MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Financial Statements and accompanying notes and the other financial information appearing elsewhere in this report. Allied’s fiscal year end is December 31.

Allied’s short term strategy is to maintain a positive net cash flow from operations and to use this net cash flow to further increase production by implementing improved production practices and recovery techniques. Allied believes that it can achieve production growth through the improved exploitation of its existing inventory of wells in West Virginia through the disposition of non-productive wells and the enhancement of producing wells. Once Allied believes that it has optimized production from its existing inventory of wells, its long term strategy is to pursue selective acquisitions of additional oil or gas properties or exploration projects. Allied will consider opportunities located in proximity to its current operations as well as other projects in North America.

However, historically Allied has not been able to generate sufficient cash flow from operations to sustain operations and fund necessary exploration or development costs. Therefore, there can be no assurance that the wells currently producing will provide sufficient cash flows to continue to sustain operations. Should Allied be unable to continue to generate sufficient cash flow from existing properties, Allied may have to sell certain properties or interests in such properties or seek financing through alternative sources such as the sale of its common stock. Allied can provide no assurance that such efforts, if necessary, would be successful.

Allied’s business development strategy is prone to significant risks and uncertainties certain of which can have an immediate impact on its efforts to realize positive net cash flow and deter future prospects of production growth.

Allied's financial condition, results of operations and the carrying value of its oil and natural gas properties depends primarily upon the prices it receives for oil and natural gas production and the quantity of that production. Oil and natural gas prices historically have been volatile and are likely to continue to be volatile in the future. This price volatility can immediately affect Allied's available cash flow which can in turn impact the availability of net cash flow for future capital expenditures. A drop in oil and natural gas prices could also incur a write down of the carrying value of our properties as can a decrease in production. Allied's future success will depend on the level of oil and natural gas prices and the quantity of its production. Since production leads to the depletion of oil and gas reserves, Allied's ability to develop or acquire additional economically recoverable oil and gas reserves is vital to its future success. Unless Allied can obtain additional reserves, its current production will decline which will lead to a significant reduction in revenue.

Results of Operations

During the period from January 1, 2004 through December 31, 2004, Allied was engaged in evaluating acquisition opportunities, drilling an additional well, evaluating the operating efficiencies of existing wells, disposing of non-productive wells and overseeing the operation of its oil and gas assets by an independent operator, Allstate. The operation and maintenance of Allied's oil and gas operations is wholly dependent on the services provided by Allstate. While the services provided by Allstate have proven adequate, the fact that Allied is dependent on the operations of a third party to maintain its operations and produce revenue can restrict its ability to realize a net profit.

For the fiscal year ended December 31, 2004 Allied realized a net profit from operations as a result of an increase in gas production and oil and gas prices as compared to the prior year. General and administrative costs remained relatively consistent over the comparative periods. Allied believes that the immediate key to its ability to remain profitable is that oil and gas prices remain stable at current levels and an ongoing commitment to reduce general and administrative and production expenses. Should oil and gas prices remain stable and expenses decrease Allied believes that it will most likely continue to operate at a net profit in future periods.

TWELVE MONTHS ENDED DEC. 31		2004		2003	CHANGE	% CHANGE
AVERAGE DAILY PRODUCTION						
Oil (bbls/day)		6		2	4	200%
Natural gas (mcf/day)		382		421	(39)	-9%
Barrels of oil equivalent (boe/day)		70		72	(3)	-3%
PROFITABILITY						
Petroleum and natural gas revenue	$	748,113	$	572,339	175,774	31%
Net Revenue		748,113		572,339	175,774	31%
Production and operating costs		297,581		274,536	23,045	8%
Field netback		450,532		297,803	152,729	51%
G&A		120,840		118,848	1,992	2%
Net cash flow from operations		329,692		178,955	150,737	84%
Depletion, depreciation and other charges		83,633		101,014	(17,381)	-17%
Future income taxes		-		-	-	0%
Net earnings from operations	$	246,059	$	77,941	168,118	216%
PROFITABILITY PER MCFE						
Oil and gas revenue (average selling price)		29.42		21.73	7.69	35%
Production and operating costs		11.70		10.42	1.28	12%
Field netback ($/boe)		17.72		11.31	6.41	57%
Net earnings ($/boe)		9.68		3.07	6.61	216%
Cash flow from operations ($/boe)		12.97		6.79	6.17	91%

Years ended December 31, 2004 and 2003

Gross Revenue

Gross revenue for the twelve month period ended December 31, 2004 increased to $748,113 from $572,339 for the comparable period ended December 31, 2003, an increase of 31%. While production of oil over the comparative periods increased, production of gas decreased. Gross production of oil for the twelve month period ended December 31, 2004 increased to 2,029 bbls from 774 bbls for the twelve month period ended December 31, 2003, an increase of 162%. Gross production of gas for twelve month period ended December 31, 2004 decreased to 139,272 MCF from 153,689 MCF for the twelve month period ended December 31, 2003, a decrease of 9%. The increase in oil and natural gas prices realized from $3.61 per MCFE in 2003 to $4.83 per MCFE in 2004 in combination with an increase in oil production resulted in an increase in gross revenue over the periods. Allied anticipates that gross revenue will increase as oil and gas prices remain at all time highs.

Net Income

Net income for the twelve month period ended December 31, 2004 was $588,143 as compared to $77,983 for the comparable period ended December 31, 2003, an increase of 654%. The increase in net operating income is due to the increase in oil production in combination with the increases in oil and gas prices as compared to the prior period. Allied expects to realize net income in future periods.

Expenses

General and administrative expenses for the twelve month period ended December 31, 2004 increased to $120,840 from $118,848 for the comparable period ended December 31, 2003, an increase of 2%. The increase in general administrative expenses is primarily attributed to an increase in consulting fees and audit fees. Allied anticipates that general and administrative expenses will remain relatively consistent over future periods.

Depletion expenses for the annual periods ended December 31, 2004, and December 31, 2003 were $83,633 and $101,014 respectively.

Direct production expenses for the annual periods ended December 31, 2004, and December 31, 2003 were $297,581 and $274,536 respectively. Direct production expenses include the cost of maintaining the wells, a severance tax of 5% on gross production imposed by the State of West Virginia, miscellaneous expenses for soap, solvent, gasoline or electricity and expenses such as those incurred in swabbing, dozer work or rig time. The increase in direct production costs can be attributed to minimal expenses incurred to improve production of the wells and the increase in oil production over the comparative periods. Allied expects that direct production expenses will remain relatively consistent with gross production over future periods.

Income Tax Expense (Benefit)

Allied has an income tax benefit resulting from net operating losses that offsets operating profits.

Impact of Inflation

Allied believes that inflation has had a negligible effect on operations over the past three years. Allied believes that it can offset inflationary increases in maintenance costs by increasing revenue and improving operating efficiencies.

Liquidity and Capital Resources

Cash flow provided by operations for the twelve month period ended December 31, 2004 was $162,714 as compared to cash flow provided by operations of $108,121 for the comparable period ended December 31, 2003. The increase in cash flow provided by operations can be primarily attributed to the significant increase in net income over the comparative periods. Allied expects to maintain cash flow provided by operations in future periods and believes that the results of operations for the year ended 2004 are indicative of future expectations of cash flow.

Cash flow used in investing activities for the twelve month period ended December 31, 2004 was $0 as compared to $0 for the year ended December 31, 2003. Allied expects that cash flow used in investing activities may increase in future periods as the company evaluates existing wells and identifies exploration opportunities.

Cash flow provided by financing was $0 for the year ended December 31, 2004 as compared to $0 for the year ended December 31, 2003.

Allied has a working capital surplus of $631,582 as of December 31, 2004 and has funded its cash needs since inception with revenues generated from operations, debt instruments and private placements. Existing working capital and anticipated cash flow are expected to be sufficient to fund operations in 2005, however there can be no assurance that Allied will generate sufficient cash flows to fund operations. Allied had no lines of credit or other bank financing arrangements as of December 31, 2004. Since any earnings, if realized, are anticipated to be reinvested in operations, cash dividends are not expected to be paid in the foreseeable future. Commitments for future capital expenditures were not material at year-end. Allied has no defined benefit plan or contractual commitment with any of its officers or directors.

Allied has no current plans for the purchase or sale of any plant or equipment.

Allied has no current plans to make any changes in the number of employees.

Critical Accounting Policies and Estimates

Accounting for Oil and Gas Property Costs. As more fully discussed in Note 1 to the Financial Statements, Allied (i) follows the successful efforts method of accounting for the costs of its oil and gas properties, (ii) amortizes such costs using the units of production method and (iii) evaluates its proven properties for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. Adverse changes in conditions (primarily gas price declines) could result in permanent write-downs in the carrying value of oil and gas properties as well as non-cash charges to operations that would not affect cash flows.

Estimates of Proved Oil and Gas Reserves. An independent petroleum engineer annually estimates Allied's proven reserves. Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof. In addition, subsequent physical and economic factors such as the results of drilling, testing, production and product prices may justify revision of such estimates. Therefore, actual quantities, production timing, and the value of reserves may differ substantially from estimates. A reduction in proved reserves would result in an increase in depreciation, depletion and amortization expense.

Estimates of Asset Retirement Obligations. In accordance with SFAS No 143, Allied makes estimates of future costs and the timing thereof in connection with recording its future obligations to plug and abandon wells. Estimated abandonment dates will be revised in the future based on changes to related economic lives, which vary with product prices and production costs. Estimated plugging costs may also be adjusted to reflect changing industry experience. Increases in operating costs and decreases in product prices would increase the estimated amount of the obligation and increase depreciation, depletion and amortization expense. Cash flows would not be affected until costs to plug and abandon were actually incurred.

Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS 123 (revised 2004), "Accounting for Stock Based Compensation." This statement supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." This revised statement establishes standards for the accounting of transactions in which an entity exchanges its equity instruments for goods and services, including the grant of stock options to employees and directors. The Statement is effective for periods beginning after June 15, 2005, and will require Allied to recognize compensation cost based on the grant date fair value of the equity instruments its awards. Allied currently accounts for those instruments under the recognition and measurement principles of APB Opinion 25, including the disclosure-only provisions of the original SFAS 123. Accordingly, no compensation cost from issuing equity instruments has been recognized in Allied's financial statements. Allied estimates that the required adoption of SFAS 123 (R) will not have a negative impact on its financial statements.

In March 2004, the FASB issued EITF No. 03-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments* ("EITF 03-1"). The objective of EITF 03-1 is to provide guidance for identifying impaired investments. EITF 03-1 also provides new disclosure requirements for investments that are deemed to be temporarily impaired. In October 2004, the FASB delayed the recognition and measurement provisions of EITF 03-1 until implementation guidance is issued. The disclosure requirements are effective for annual periods ending after June 15, 2004, and remain in effect. Management believes that the adoption of EITF 03-1 will not have a material impact on Allied's financial condition or results of operations.

In December 2003, the FASB issued Interpretation No. 46 ("FIN 46R") (revised December 2003), Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51 ("ARB 51"), which addresses how a business enterprise should evaluate whether it has a controlling interest in an entity though means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation No. 46 (FIN 46), which was issued in January 2003. Before concluding that it is appropriate to apply ARB 51 voting interest consolidation model to an entity, an enterprise must first determine that the entity is not a variable interest entity (VIE). As of the effective date of FIN 46R, an enterprise must evaluate its involvement with all entities or legal structures created before February 1, 2003, to determine whether consolidation requirements of FIN 46R apply to those entities. There is no grandfathering of existing entities. Public companies must apply either FIN 46 or FIN 46R immediately to entities created after January 31, 2003 and no later than the end of the first reporting period that ends after March 15, 2004. The adoption of FIN 46 had no effect on Allied's financial position, results of operations or cash flows.

In December 2003, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition. SAB 104 revises or rescinds portions of the interpretive guidance included in Topic 13 of the codification of staff accounting bulletins in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The adoption of SAB 104 did not have a material effect on Allied's results of operations or financial condition

In May 2003, the FASB issued SFAS 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity. SFAS 150 clarifies the accounting for certain financial instruments with characteristics of both liabilities and equity and requires that those instruments be classified as liabilities in statements of financial position. Previously, many of those financial instruments were classified as equity. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. On November 7, 2003, FASB Staff Position 150-3 was issued, which indefinitely deferred the effective date of SFAS 150 for certain mandatory redeemable non-controlling interests. As Allied does not have any of these financial instruments, the adoption of SFAS 150 did not have any impact on the Allied's financial statements.

In April 2003, FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133, Accounting for Derivatives and Hedging Activities. SFAS 149 is generally effective for derivative instruments, including derivative instruments embedded in certain contracts, entered into or modified after June 30, 2003. The adoption of SFAS 149 did not have a material impact on the operating results or financial condition of Allied.

<u>Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995</u>

This Form 10-KSB includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements included in this Form 10-KSB, other than statements of historical facts, address matters that Allied reasonably expects, believes or anticipates will or may occur in the future. Such statements are subject to various assumptions, risks and uncertainties, many of which are beyond the control of Allied. These forward looking statements may relate to such matters as anticipated financial performance, future revenue or earnings, business prospects, projected ventures, new products and services, anticipated market performance and similar matters. When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," and similar expressions are intended to identify forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1034 regarding events, conditions, and financial trends that may affect Allied's future plans of operations, business strategy, operating results and financial position. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. To comply with the terms of the safe harbor, we caution readers that a variety of factors could cause our actual results to differ materially from the anticipated results or other matters expressed in our forward-looking statements.

These risks and uncertainties, many of which are beyond our control, include (i) the sufficiency of existing capital resources to fund cash requirements for future operations; (ii) uncertainties related to production volumes of oil and gas; (iii) uncertainties related to future oil and gas prices; (iv) volatility of the stock market; and (v) general economic conditions. Although Allied believes the expectations reflected in these forward-looking statements are reasonable, such expectations may prove to be incorrect.

ITEM 7. FINANCIAL STATEMENTS

Allied's financial statements for the fiscal year ended December 31, 2004 are attached hereto as pages F-1 through F-18.

ALLIED RESOURCES, INC.

FINANCIAL STATEMENTS

December 31, 2004 and 2003

INDEX

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders' of Allied Resources, Inc.

We have audited the accompanying balance sheets of Allied Resources, Inc. as of December 31, 2004 and 2003, and the related statements of income, stockholders' equity, and cash flows for the years 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.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing 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 financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 financial position of Allied Resources, Inc. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

JONES SIMKINS, P.C.
Logan, Utah
March 14, 2005

ALLIED RESOURCES, INC.
BALANCE SHEETS
December 31, 2004 and 2003

ASSETS

		2004	2003
Current assets:			
Cash	$	518,092	355,905
Accounts receivable		87,490	30,722
Current portion of deferred tax asset		26,000	-
Total current assets		631,582	386,627
Oil and gas properties (proven), net (successful efforts method)		670,780	754,413
Deposits		315,295	198,940
Deferred tax asset		314,000	-
Total assets	$	1,931,657	1,339,980

LIABILITIES AND STOCKHOLDERS' EQUITY

		2004	2003
Current liabilities:			
Accounts payable	$	-	2,394
Total current liabilities		-	2,394
Asset retirement obligation		135,563	129,108
Commitments and contingencies			
Stockholders' equity:			
Common stock, $.001 par value; 50,000,000 shares authorized, 5,666,691 issued and outstanding		5,667	5,667
Additional paid-in-capital		9,717,288	9,717,288
Accumulated other comprehensive income (loss)		(84)	443
Accumulated deficit		(7,926,777)	(8,514,920)
Total stockholders' equity		1,796,094	1,208,478
Total liabilities and stockholders' equity	$	1,931,657	1,339,980

See accompanying notes to financial statements

ALLIED RESOURCES, INC

STATEMENTS OF INCOME

Years Ended December 31, 2004 and 2003

		2004	2003
Oil and gas revenues	$	748,113	572,339
Operating expenses:			
Production costs		297,581	274,536
Depletion		83,633	101,014
General and administrative expenses		120,840	118,848
		502,054	494,398
Income from operations		246,059	77,941
Interest income		2,084	42
Income before provision for income taxes		248,143	77,983
(Benefit) provision for income taxes		(340,000)	-
Net income	$	588,143	77,983
Income per common share - basic and diluted	$	.10	.01
Weighted average common shares - basic and diluted		5,667,000	5,667,000

See accompanying notes to financial statements

ALLIED RESOURCES, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2004 and 2003

	Common Stock		Additional	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Paid-In-Capital	Income (Loss)	Deficit	Equity
Balance at January 1, 2003	5,666,691	$ 5,667	$ 9,717,288	$ 503	$ (8,592,903)	$ 1,130,555
Comprehensive income:						
Net income	-	-	-	-	77,983	77,983
Other comprehensive income - foreign currency translation adjustment	-	-	-	(60)	-	(60)
Total comprehensive income						77,923
Balance at December 31, 2003	5,666,691	5,667	9,717,288	443	(8,514,920)	1,208,478
Comprehensive income:						
Net income	-	-	-	-	588,143	588,143
Other comprehensive loss - foreign currency translation adjustment	-	-	-	(527)	-	(527)
Total comprehensive income						587,616
Balance at December 31, 2004	5,666,691	$ 5,667	$ 9,717,288	$ (84)	$ (7,926,777)	$ 1,796,094

See accompanying notes to financial statements

ALLIED RESOURCES, INC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2004 and 2003

		2004	2003
Cash flows from operating activities:			
Net income	$	588,143	77,983
Adjustments to reconcile net income to net cash provided by operating activities:			
Depletion and amortization		83,633	101,014
Accretion expense		6,455	6,148
Deferred tax asset		(340,000)	-
(Increase) decrease in:			
Accounts receivable		(56,768)	4,736
Prepaid expenses		-	5,800
Deposits		(116,355)	(82,523)
Increase (decrease) in:			
Accounts payable		(2,394)	(5,037)
Net cash provided by operating activities		162,714	108,121
Cash flows from investing activities:		-	-
Cash flows from financing activities:		-	-
Change in accumulated other comprehensive income		(527)	(60)
Net increase in cash		162,187	108,061
Cash, beginning of year		355,905	247,844
Cash, end of year	$	518,092	355,905

See accompanying notes to financial statements

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Allied Resources, Inc. (the Company) was incorporated under the laws of the State of Nevada on February 26, 2002, and was merged with Allied Resources, Inc., a West Virginia corporation, on April 5, 2002. The purpose of the merger was to change the state of incorporation to Nevada. The Company had no assets or liabilities prior to the merger. The Company is primarily engaged in the business of acquiring, developing, producing and selling oil and gas properties to companies located in the continental United States.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are amounts due on oil and gas sales and are unsecured. Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest although a finance charge may be applied to such receivables that are more than thirty days past due. Accounts receivable are periodically evaluated for collectibility based on past credit history with clients. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance and current economic conditions.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Oil and Gas Producing Activities

The Company utilizes the successful efforts method of accounting for its oil and gas producing activities. Under this method, all costs associated with productive exploratory wells and productive or nonproductive development wells are capitalized while the costs of nonproductive exploratory wells are expensed.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Oil and Gas Producing Activities (continued)

If an exploratory well finds oil and gas reserves, but a determination that such reserves can be classified as proved is not made after one year following completion of drilling, the costs of drilling are charged to operations. Indirect exploratory expenditures, including geophysical costs and annual lease rentals are expensed as incurred. Unproved oil and gas properties that are individually significant are periodically assessed for impairment of value and a loss is recognized at the time of impairment by providing an impairment allowance. Other unproved properties are amortized based on the Company's experience of successful drillings and average holding period. Capitalized costs of producing oil and gas properties, after considering estimated dismantlement and abandonment costs and estimated salvage values, are depreciated and depleted by the units-of-production method. Support equipment and other property and equipment are depreciated over their estimated useful lives.

On the sale or retirement of a complete unit of a proved property, the cost and related accumulated depreciation, depletion and amortization are eliminated from the property accounts, and the resultant gain or loss is recognized. On the retirement or sale of a partial unit of proved property, the cost is charged to accumulated depreciation, depletion and amortization with a resulting gain or loss recognized in income.

On the sale of an entire interest in an unproved property for cash or cash equivalent, gain or loss on the sale is recognized, taking into consideration the amount of any recorded impairment if the property has been assessed individually. If a partial interest in an unproved property is sold, the amount received is treated as a reduction of the cost of the interest retained.

The continued carrying value of the Company's oil and natural gas properties depends primarily upon the estimated reserves and the prices it receives for oil and natural gas production. Oil and natural gas prices historically have been volatile and are likely to continue to be volatile in the future. The Company's production quantities of oil and natural gas are in decline. Any decrease in oil and natural gas prices without an offsetting increase in reserve quantities could result in an impairment of the Company's assets.

Current accounting standards may require companies involved in the oil and gas industry to reclassify oil and gas contract based drilling rights from tangible to intangible assets and to provide the related intangible assets disclosures under SFAS 142. Since the Company does not have any contract based oil and gas drilling rights, any disclosure related to this possible requirement would not have an affect on the Company's financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

Deferred income taxes arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or noncurrent, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which the temporary differences are expected to reverse. Temporary differences result primarily from net operating loss carryforwards, intangible drilling costs and depletion.

Earnings Per Share

The computation of basic earnings per common share is based on the weighted average number of shares outstanding during each year.

The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the year plus the common stock equivalents which would arise from the exercise of stock options and warrants outstanding using the treasury stock method and the average market price per share during the year. Common stock equivalents are not included in the diluted earnings per share calculation when their effect is antidilutive.

Revenue Recognition

Revenue is recognized from oil sales at such time as the oil is delivered to the buyer. Revenue is recognized from gas sales when the gas passes through the pipeline at the well head. The Company believes that both oil and gas revenues should be recognized at these times because ownership of the oil and gas generally passes to the customer at these times. Management believes that this policy meets the criteria of *Staff Accounting Bulletin 101* in that there is persuasive evidence of an existing contract or arrangement, delivery has occurred, the price is fixed and determinable and the collectibility is reasonably assured.

The Company does not have any gas balancing arrangements.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Stock Based Compensation

Statement of Financial Accounting Standards No.123, "Accounting for Stock-Based Compensation" (SFAS 123) gives entities the choice between adopting a fair value method or continuing to use the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25 with footnote disclosures of the pro forma effect if the fair value method had been adopted. The Company has opted for the latter approach. Had compensation expense for the Company's stock warrants been determined based on the fair value consistent with the provisions of SFAS No. 123, the Company's results of operations for the years ended December 31, 2004 and 2003 would not have changed from the amounts reported on the statements of operations.

The Company granted no stock options or warrants as stock based compensation during the years ended December 31, 2004 and 2003.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions primarily related to oil and gas property reserves and prices, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

Note 2 – Oil and Gas Properties

Oil and gas properties consists of the following at December 31:

	2004	2003
Oil and gas properties (successful efforts method)	$ 7,678,346	7,678,346
Capitalized costs related to asset retirement obligation	89,499	89,499
	7,767,845	7,767,845
Less accumulated depreciation, depletion and amortization	(7,097,065)	(7,013,432)
	$ 670,780	754,413

Note 3 – Deposits

The Company has an operating agreement with the operator of the Company's oil and gas wells. Terms of the agreement allow the operator to withhold a portion of the Company's share of revenue for possible future costs associated with the wells. The terms of the agreement require that these funds be held in escrow. As of December 31, 2004 and 2003 amounts on deposit was approximately $315,000 and $199,000, respectively.

Note 4 – Asset Retirement Obligation

The Department of Environment of the State of West Virginia requires that when oil and gas wells are abandoned, the owners must comply with regulations implemented by the State to protect the environment. Accordingly, a liability has been established equal to the present value of the Company's estimated prorata share of the obligation. The Company has no assets that are legally restricted for the purpose of settling this obligation.

Following is a reconciliation of the aggregate retirement liability associated with the Company's obligation to plug and abandon its oil and gas properties as of December 31:

		2004	2003
Balance at beginning of year	$	129,108	122,960
Initial amount recorded for ARO		-	-
Cumulative effect of accounting change		-	-
Additional obligations incurred		-	-
Revisions of estimate		-	-
Accretion expense		6,455	6,148
Balance at end of year	$	135,563	129,108

Note 6 – Income Taxes

The provision (benefit) for income taxes differs from the amount computed at federal statutory rates for the years ended December 31 as follows:

		2004	2003
Income tax expense (benefit) at statutory rate	$	84,000	27,000
Expiration of deferred tax assets		258,000	-
Change in valuation allowance		(682,000)	(27,000)
	$	(340,000)	-

Note 6 – Income Taxes (continued)

Deferred tax assets are comprised of the following at December 31:

	2004	2003
Net operating loss carryforwards	$ 1,285,000	1,407,000
Asset retirement obligation	26,000	22,000
Depletion and amortization	7,000	231,000
	1,318,000	1,660,000
Valuation allowance	(978,000)	(1,660,000)
	$ 340,000	-

A valuation allowance has been recorded for a portion of the deferred tax asset because it is more likely than not that the entire amount of the deferred tax asset will not be realized.

As of December 31, 2004, the Company had net operating loss (NOL) carryforwards of approximately $3,780,000. If substantial changes in the Company's ownership should occur there would be an annual limitation of the amount of NOL carryforward, which could be utilized. Also, the ultimate realization of these carryforwards is due, in part, on the tax law in effect at the time and future events, which cannot be determined.

The Company's NOL amounts and related years of expiration are as follows:

Year Generated	Amount	Year of Expiration
1991	$ 120,000	2006
1992	288,000	2007
1993	70,000	2008
1994	272,000	2009
1995	696,000	2010
1996	162,000	2011
1998	110,000	2018
1999	1,980,000	2019
2001	4,000	2021
2002	78,000	2022
	$ 3,780,000	

Note 7 – Related Party Transactions

During the years ended December 31, 2004 and 2003, the Company incurred fees and production expenses totaling approximately $288,000 and $268,000, respectively, to Allstate Energy Corporation which is the operator of the Company's oil and gas wells.

Note 8 – Supplemental Disclosures of Cash Flow Information

No amounts were paid for interest and income taxes during the years ended December 31, 2004 and 2003.

Note 9 – Stock Warrants

The Company had warrants outstanding to purchase shares of the Company's common stock. A schedule of the warrants at December 31, 2004 and 2003 is as follows:

	Number of Warrants	Exercise Price Per Share
Outstanding at January 1, 2003	1,525,000	$ .10
Expired	(1,525,000)	.10
Outstanding at December 31, 2004 and 2003	-	$ -

Note 10 – Commitments and Contingencies

Advisory Agreements

In July 2004, the Company entered into an advisory agreement with Michael Redford (an unrelated party). The agreement is for a term of one year and requires the Company to make monthly payments of $2,500 in exchange for general business advisory services.

Litigation

The Company may become or is subject to investigations, claims or lawsuits ensuing out of the conduct of its business, including those related to environmental safety and health, commercial transactions, etc. The Company is currently not aware of any such item which it believes could have a material adverse affect on its financial position.

Note 11 - Risks and Uncertainties

The Company's oil and gas reserves are continually declining, which will eventually result in a reduction of the amount of oil and gas produced, oil and gas revenues and cash flows. The Company has historically replaced reserves through both drilling and acquisitions, however, there is no assurance that oil and gas reserves can be located through drilling or acquisition or that even if reserves are located, that such reserves will allow the recovery of all or part of the investment made by the Company to obtain these reserves.

The Company's carrying cost of its oil and gas properties are subject to possible future impairment based on the estimated future cash flows of these properties. These estimated future cash flows are in turn subject to oil and gas prices that are subject to fluctuations and, as a consequence, no assurance can be given that oil and gas prices will decrease, increase or remain stable.

Note 12 - Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables and payables. The carrying amount of cash, receivables and payables approximates fair value because of the short-term nature of these items.

Note 13 – Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS 123 (revised 2004), "Accounting for Stock Based Compensation." This statement supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." This revised statement establishes standards for the accounting of transactions in which an entity exchanges its equity instruments for goods and services, including the grant of stock options to employees and directors. The Statement is effective for periods beginning after June 15, 2005, and will require the Company to recognize compensation cost based on the grant date fair value of the equity instruments its awards. The Company currently accounts for those instruments under the recognition and measurement principles of APB Opinion 25, including the disclosure-only provisions of the original SFAS 123. Accordingly, no compensation cost from issuing equity instruments has been recognized in the Company's financial statements. The Company estimates that the required adoption of SFAS 123 (R) will not have a negative impact on its financial statements.

ALLIED RESOURCES, INC.
SCHEDULE OF SUPPLEMENTARY INFORMATION
ON OIL AND GAS OPERATIONS
December 31, 2004 and 2003

Capitalized Costs Relating to Oil and Gas Producing Activities

	December 31, 2004	2003
Proved oil and gas properties and related equipment	$ 7,678,346	7,678,346
Unproved oil and gas properties	-	-
Asset retirement obligation	89,499	89,499
Subtotal	7,767,845	7,767,845
Accumulated depreciation, depletion and amortization and valuation allowances	(7,097,065)	(7,013,432)
	$ 670,780	754,413

Costs Incurred in Oil and Gas Acquisition, Exploration and Development Activities

	December 31, 2004	2003
Acquisition of properties:		
Proved	$ -	-
Unproved	$ -	-
Exploration costs	$ -	-
Development costs	$ -	-

ALLIED RESOURCES, INC.
SCHEDULE OF SUPPLEMENTARY INFORMATION
ON OIL AND GAS OPERATIONS
December 31, 2004 and 2003

Results of Operations for Producing Activities

		Years Ended December 31, 2004	Years Ended December 31, 2003
Oil and gas – sales	$	748,113	572,339
Production costs net of reimbursements		(297,581)	(274,536)
Exploration costs		-	-
Depreciation, depletion and amortization and valuation provisions		(83,633)	(101,014)
Net income before income taxes		366,899	196,789
Income tax provision		(125,000)	(67,000)
Results of operations from producing activities (excluding corporate overhead and interest costs)	$	241,899	129,789

Reserve Quantity Information (Unaudited)

The estimated quantities of proved oil and gas reserves disclosed in the table below are based upon on appraisal of the proved developed properties by Sure Engineering, LLC. Such estimates are inherently imprecise and may be subject to substantial revisions.

All quantities shown in the table are proved developed reserves and are located within the United States.

	Years Ended December 31, 2004		2003	
	Oil (bbls)	Gas (mcf)	Oil (bbls)	Gas (mcf)
Proved developed and undeveloped reserves:				
Beginning of year	-	1,278,874	1,322	1,607,628
Revision in previous estimates	4,907	146,830	(548)	(175,065)
Discoveries and extension	-	-	-	-
Purchase in place	-	-	-	-
Production	(2,029)	(139,272)	(774)	(153,689)
Sales in place	-	-	-	-
End of year	2,878	1,286,432	-	1,278,874

All of the Company's reserves are proved developed reserves.

ALLIED RESOURCES, INC.
SCHEDULE OF SUPPLEMENTARY INFORMATION
ON OIL AND GAS OPERATIONS
December 31, 2004 and 2003

Standardized Measure of Discounted Future Net Cash Flows and Changes Therein Relating to Proved Oil and Gas reserves (Unaudited)

	Years Ended December 31, 2004	Years Ended December 31, 2003
Future cash inflows	$ 8,049,000	6,507,000
Future production and development costs	(3,797,000)	(3,118,000)
Future income tax expenses	(1,446,000)	(1,152,000)
	2,806,000	2,237,000
10% annual discount for estimated timing of cash flows	(1,488,000)	(1,179,000)
Standardized measure of discounted future net cash flows	$ 1,318,000	1,058,000

The preceding table sets forth the estimated future net cash flows and related present value, discounted at a 10% annual rate, from the Company's proved reserves of oil, condense and gas. The estimated future net revenue is computed by applying the year end prices of oil and gas (including price changes that are fixed and determinable) and current costs of development production to estimated future production assuming continuation of existing economic conditions. The values expressed are estimates only, without actual long-term production to base the production flows, and may not reflect realizable values or fair market values of the oil and gas ultimately extracted and recovered. The ultimate year of realization is also subject to accessibility of petroleum reserves and the ability of the Company to market the products.

ALLIED RESOURCES, INC.
SCHEDULE OF SUPPLEMENTARY INFORMATION
ON OIL AND GAS OPERATIONS
December 31, 2004 and 2003

Changes in the Standardized Measure of
Discounted Future Cash Flows (Unaudited)

	Years Ended December 31, 2004	2003
Balance, beginning of year	$ 1,058,000	881,000
Sales of oil and gas produced net of production costs	(487,000)	(413,000)
Net changes in prices and production costs	(273,000)	1,519,000
Extensions and discoveries, less related costs	-	-
Purchase and sales of minerals in place	-	-
Revisions of estimated development costs	-	-
Revisions of previous quantity estimate	1,052,000	(898,000)
Accretion of discount	106,000	88,000
Net changes in income taxes	(138,000)	(119,000)
Balance, end of year	$ 1,318,000	1,058,000

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Allied has had no changes in or disagreements with its accountants, as to accounting or financial disclosure over the two most recent fiscal years.

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ITEM 8A. CONTROLS AND PROCEDURES

Allied's president acts both as Allied's chief executive officer and chief financial officer and is responsible for establishing and maintaining disclosure controls and procedures for Allied.

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, acting as our principal executive officer and principal financial officer, he evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"), as of December 31, 2004. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and adequately designed to ensure that the information required to be disclosed by us in the reports we submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms and that such information was accumulated and communicated to our chief executive officer and chief financial officer, in a manner that allowed for timely decisions regarding required disclosure.

(b) Changes in Internal Controls

During the period ended December 31, 2004, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.

Allied's officers and directors as of March 30, 2005, who will serve until our next annual meeting, or until their successors are elected or appointed and qualified, are as follows:

NAME	AGE	POSITION
Ruairidh Campbell	41	President/Chief Executive Officer, Chief Financial Officer/Director
Ed Haidenthaller	41	Director
Paul Crow	58	Director
Yvonne Cole	44	Corporate Secretary

Officers hold their positions at the pleasure of the board of directors, absent any employment agreement.

Ruairidh Campbell

On June 6, 1998, Mr. Campbell was first elected as a director and subsequently appointed as an officer of Allied. Mr. Campbell estimates that he spends approximately 10 hours per week on Allied's business. He also has significant responsibilities with other companies, as detailed in the following paragraph. He will serve until the next annual meeting of Allied's shareholders and his successor is elected and qualified. Directors are appointed for one-year terms at the annual shareholders meeting.

Mr. Campbell graduated from the University of Texas at Austin with a Bachelor of Arts in History and then from the University of Utah College of Law with a Juris Doctorate with an emphasis in corporate law, including securities and taxation. Over the past five years he has been an officer and director of several public companies: InvestNet, Inc. a mineral resource exploration company from February 2000 to March 2004 (president, chief financial officer until December 2003, director until March 2004), Montana Mining Corp. a mineral resource exploration company from December 1999 to present (president, chief financial officer, director), Star Energy Corporation a gas production company from December 1999 to present (chief financial officer, director), NovaMed, Inc. formerly a manufacturer of medical devices from 1995 to August 2003 (president, chief financial officer, director), EnterNet, Inc. formerly an internet vitamin retailer from February 2000 to July 2001 (president, chief financial officer, director) and Bren-Mar Resources, Ltd. a mineral resource development company from 1995 to May 2001 (president, chief financial officer, director).

Ed Haidenthaller

On September 23, 2004, Mr. Haidenthaller was first elected as a director of Allied. Mr. Haidenthaller estimates that he spends approximately 1 hour per week on Allied's business. He also has significant responsibilities with other companies, as detailed in the following paragraph. He will serve until the next annual meeting of Allied's shareholders and his successor is elected and qualified.

Mr. Haidenthaller graduated from Weber State University with a Bachelor of Science in Finance and then from the University of Utah with a Masters of Business Administration. He is actively involved in the financial services industry. Mr. Haidenthaller worked as the comptroller for Transportation Specialists Insurance Agency (a division of Flying J, Inc.) from October 2002 until June 2003, as the chief financial officer of Axia Group, Inc., a public company involved in business consulting and real estate from May of 2000 until September of 2003 and as assistant controller of the brokerage division of Wells Fargo Bank from May 1999 until April of 2000. Currently, Mr. Haidenthaller operates his own consulting organization, Strategic Funding Consultants, LLC. working with start up and small businesses to develop business strategies, assist in obtaining funding and providing general consulting services related to Sarbanes-Oxley compliance and other Securities and Exchange Commission matters. Over the past five years, Mr. Haidenthaller has acted as the chief financial officer of one public company: Axia Group, Inc. from May of 2000 until September of 2003.

Paul Crow

On January 17, 2005, Mr. Paul Crow was appointed as a director of Allied in response to the resignation of Dr. Stewart Jackson from the board of directors. Mr. Crow estimates that he spends approximately 1 hour per week on Allied's business. He also has significant responsibilities with other companies, as detailed in the following paragraph. He will serve until the next annual meeting of Allied's shareholders and his successor is elected and qualified.

Mr. Crow graduated from the University of Utah with a Bachelor of Science in Accounting. Mr. Crow's prior experience includes work as a business consultant to Axia Group, Inc., a public company involved in business consulting and real estate from April 2002 until September 2003 and as a library supervisor with the University of Utah from March 1996 until March of 2002. Currently, Mr. Crow operates his own Edgar preparation and filing business working with private and public businesses to provide general consulting services related to Sarbanes-Oxley compliance and other Securities and Exchange Commission disclosure requirements.

Yvonne Cole

On August 29, 2003, Yvonne Cole was elected as a director of Allied and subsequently declined to stand for re-election in 2004. Ms. Cole serves as Allied's corporate secretary and estimates that she spends approximately 1 hour per week on Allied's business. She also has significant responsibilities with other companies, as detailed in the following paragraph. Ms. Cole serves at the discretion of Allied's board of directors.

Ms. Cole has served as Allied's corporate secretary since June of 1998 and in such capacity has been actively involved in Allied's operations. Ms. Cole also acted briefly as a director of Allied in 1998 and in 2003. Ms. Cole has consulted for public and private companies as an administrator, for over eight years and is well acquainted with the requirements of maintaining a public company in good standing with regulatory and governmental authorities. Over the past five years, Ms. Cole has also acted as an officer of Crosshair Exploration and Mining Corp. a mineral exploration company from February 2005 (secretary) to present and as an officer and director of Canadian Metals Exploration Ltd. a mineral exploration company, from 1997 to February 2004 (secretary and director).

Code of Ethics

Allied has adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-B of the Securities Exchange Act of 1934. The Code of Ethics applies to directors and senior officers, such as the principal executive officer, principal financial officer, controller, and persons performing similar functions. Allied has incorporated a copy of its Code of Ethics as Exhibit 14 to this Form 10-KSB. Further, Allied's Code of Ethics is available in print, at no charge, to any security holder who requests such information by contacting Allied.

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of Forms 3, 4 and 5 furnished to Allied, Allied is aware of the following persons who during the fiscal year ended December 31, 2004 were directors, officers, or beneficial owners of more than ten percent of the common stock of Allied, and who failed to file, on a timely basis, reports required by Section 16(a) of the Securities Exchange Act of 1934 during such fiscal year.

Ruairidh Campbell failed to file a Form 3 or Form 5 despite being an officer and director of Allied.

Dr. Stewart Jackson failed to file a Form 3 or Form 5 despite being a former director of Allied.

Ed Haidenthaller failed to file a Form 3 or Form 5 despite being a director of Allied.

Yvonne Cole failed to file a Form 3 or Form 5 despite being a former director of Allied.

ITEM 10. EXECUTIVE COMPENSATION

<u>Executive Compensation</u>

Except as set forth below, no compensation in excess of $100,000 was awarded to, earned by, or paid to any executive officer of Allied during the years 2004, 2003, and 2002. The following table and the accompanying notes provide summary information for each of the last three fiscal years concerning cash and non-cash compensation paid or accrued by Allied's chief executive officer.

	Annual Compensation				Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Award(s) ($)	Securities Underlying Options SARs(#)	LTIP payouts ($)	All Other Compensation ($)
Ruairidh Campbell, President, Chief Financial Officer and Director	2004 2003 2002	36,000 24,000 24,000	- - -	- - -	- - -	- - -	- - -	- - -

Compensation of Directors

Allied's independent directors are currently compensated at an annual rate of $3,000 for their services as directors. Directors are reimbursed for out-of-pocket costs incurred in attending meetings.

Board of Directors Committees

<u>Audit Committee</u>

Allied has formed an audit committee to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to the shareholders and others; reviewing the systems of internal controls which management and the board of directors have established; appointing, retaining and overseeing the performance of independent accountants; and overseeing Allied's accounting and financial reporting processes and the audits of the Allied's financial statements.

<u>Compensation Committee</u>

Allied has not yet formed a compensation committee.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the stock of Allied as of March 30, 2005, by each shareholder who is known by Allied to beneficially own more than 5% of the outstanding common stock, by each director, and by all executive officers and directors as a group. Allied has 5,666,691 shares issued and outstanding as of March 30, 2005.

Title of Class	Name and Address of Beneficial Ownership	Amount and nature of Beneficial Ownership	Percent of Class %
Common Stock	Ruairidh Campbell 600 Westwood Terrace Austin, Texas 78746	455,000*	8.0
Common Stock	Ed Haidenthaller 1193 East 800 North, Layton, Utah 84040	0	0.0
Common Stock	Paul Crow 1185 East 5840 South, Salt Lake City, Utah 84121	0	0.0
Common Stock	Yvonne Cole 2255 Lloyd Avenue N. Vancouver, B.C. V7P2P3	10,000**	<0.01
Common Stock	All Executive Officers and Directors as a Group	465,000	8.0

* The 455,000 common shares attributable to Mr. Campbell include 355,000 shares held in escrow by Allied's transfer agent.

** The 10,000 common shares attributable to Yvonne Cole are held in escrow by Allied's transfer agent

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

On January 1, 2003, Allied entered into a month to month leasing arrangement with a company owned by Mr. Campbell, Allied's chief executive officer, for the use of office space. Allied pay's the related company $750 per month on a month to month basis pursuant to this arrangement.

ITEM 13. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits beginning on page 23 of this Form 10-KSB, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

Jones Simkins, P.C. provided audit services to the Company in connection with its annual report for the fiscal years ended December 31, 2004 and 2003. The aggregate fees billed by Jones Simkins, P.C. for the audit of the Company's annual financial statements and a review of the Company's quarterly financial statements was approximately $19,000 and $18,000 respectively.

Audit Related Fees

Jones Simkins, P.C. billed to the Company no fees in each of 2004 and 2003 for professional services that are reasonably related to the audit or review of the Company's financial statements that are not disclosed in "Audit Fees" above.

Tax Fees

Jones Simkins, P.C. billed to the Company fees of $3,000 in 2003 and $800 in 2002 for professional services rendered in connection with the preparation of the Company's tax returns for the respective periods.

All Other Fees

Jones Simkins, P.C. billed to the Company no fees in each of 2004 and 2003 for other professional services rendered or any other services not disclosed above.

Audit Committee Pre-Approval

All services provided to the Company by Jones Simkins, P.C. as detailed above, were pre-approved by the Company's audit committee. Jones Simkins, P.C. performed all work only with their permanent full time employees.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this 30th day of March, 2005.

ALLIED RESOURCES, INC.

/s/ Ruairidh Campbell
Ruairidh Campbell, Chief Executive Officer, Chief Financial Officer and Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ruairidh Campbell Ruairidh Campbell	Director/Chief Executive Officer/ Chief Financial Officer	March 30, 2005
/s/ Ed Haidenthaller Ed Haidenthaller	Director	March 30, 2005
/s/ Paul Crow Paul Crow	Director	March 30, 2005

INDEX TO EXHIBITS

EXHIBIT NO.	PAGE NO.	DESCRIPTION
3(i)	*	Articles of Incorporation dated February 12, 2002 (incorporated by reference to the Form 10-SB/A filed on April 21, 2003.
3(ii)	*	Bylaws (incorporated by reference to the Form 10-SB/A filed on April 21, 2003).
10(i)	*	Oil and Gas Well Operating Agreement between Allied and Allstate Energy Corporation dated May 1, 1996 (incorporated by reference to the Form 10SB/A filed on April 21, 2003).
10(ii)	*	Amendments to Operating Agreements between Allied and Allstate Energy Corporation dated May 10, 1996 (incorporated by reference to the Form 10SB/A filed on April 21, 2003).
10(iii)	*	Drilling Agreement between Allied and Allstate Energy Corporation dated March 4, 2002 (incorporated by reference to the Form 10SB/A filed on April 21, 2003).
10(iv)	*	Escrow Agreement between Ruairidh Campbell, Dr. Stewart Jackson, Yvonne Cole and Allied dated June 18, 1999 (incorporated by reference to the Form 10SB/A filed on April 21, 2003).
10(v)	*	Form Gas Purchase Agreement (incorporated by reference to the Form 10SB/A filed on April 21, 2003).
10(vi)	*	Gas Contract between Allstate Energy Corporation and Dominion dated January 1, 2002 (incorporated by reference to the Form 10SB/A filed on April 21, 2003).
14	*	Code of Ethics adopted May 3, 2004 (incorporated by reference to the Form 10-KSB filed on May 26, 2004).
31	25	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	26	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ruairidh Campbell, chief executive officer and chief financial officer of Allied Resources, Inc., ("Registrant") certify that:

1. I have reviewed this Annual Report on Form 10-KSB ("Report") of Registrant;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the period presented in this Report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Report is being prepared;

b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

c) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: March 30, 2005

/s/ Ruairidh Campbell
Ruairidh Campbell, Chief Executive Officer and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-KSB of Allied Resources, Inc. (“Registrant”) for the annual period ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (“Report”), I, Ruairidh Campbell, chief executive officer and chief financial officer, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) This Report complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in this Report fairly represents, in all material respects, the financial condition of Registrant at the end of the period covered by this Report and results of operations of Registrant for the period covered by this Report.

/s/ Ruairidh Campbell
Ruairidh Campbell
Chief Executive Officer and Chief Financial Officer
March 30, 2005

This certification accompanies this Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.