

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

TORCH OFFSHORE INC
Form 8-K
March 08, 2005

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange
Act of 1934

Date of Report (Date of earliest event reported):
March 8, 2005 (February 25, 2005)

TORCH OFFSHORE, INC.
(Exact Name of Registrant as Specified in its Charter)

000-32855
(Commission File Number)

Delaware 74-2982117
(State or Other Jurisdiction (IRS Employer
of Incorporation) Identification No.)

401 Whitney Avenue, Suite 400
Gretna, Louisiana 70056-2596
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code:
(504) 367-7030

Check the appropriate box below if the Form 8-K filing is
intended to simultaneously satisfy the filing obligation of
the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under
the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under
the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule
14d-2(b) under the Exchange Act (17 CFR
240.14d-2(b))
- Pre-commencement communications pursuant to Rule
13e-4(c) under the Exchange Act (17 CFR
240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

As previously reported, on January 7, 2005, Torch Offshore,
Inc. (the "Company") and its wholly owned subsidiaries,
Torch Offshore, L.L.C. and Torch Express, L.L.C., filed
voluntary petitions for reorganization under Chapter 11 of

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Eastern District of Louisiana (the "Bankruptcy Court") to facilitate a restructuring of their debt. The cases were consolidated for the purpose of joint administration and were assigned case number 05-10137. The Company continues to operate its business as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the U.S. Bankruptcy Code.

On February 25, 2005, the Company and its wholly owned subsidiaries filed their monthly operating reports for the period January 8, 2005 through January 31, 2005 with the Bankruptcy Court (collectively, the "Monthly Operating Reports"). The Monthly Operating Reports are on an unconsolidated basis and therefore not comparable to the Company's previous annual and quarterly reports. A copy of the Monthly Operating Reports is furnished hereunder as Exhibits 99.1, 99.2 and 99.3 to this Form 8-K.

Cautionary Statements Regarding Financial and Operating Data

The Company cautions investors and potential investors not to place undue reliance upon the information contained in the Monthly Operating Reports, as they were not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. The Monthly Operating Reports were not audited or reviewed by independent accountants, are as prescribed by applicable bankruptcy laws, and are subject to future adjustment and reconciliation. There can be no assurance that, from the perspective of an investor or potential investor in the Company's securities, the Monthly Operating Reports are complete.

The Monthly Operating Reports also contain information for periods which are shorter or otherwise different from those required in the Company's reports pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such information might not be indicative of the Company's financial condition or operating results for the period that would be reflected in the Company's financial statements or in its reports pursuant to the Exchange Act. Results set forth in the Monthly Operating Reports should not be viewed as indicative of future results.

Limitation on Incorporation by Reference

In accordance with General Instruction B.2 of Form 8-K, the information in this Form 8-K furnished pursuant to Item 7.01 shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Exhibit Number	Description
99.1	Torch Offshore, Inc. Monthly Operating Report for the period January 8, 2005 through January 31, 2005.
99.2	Torch Offshore, L.L.C. Monthly Operating Report for the period January 8, 2005 through January 31, 2005.
99.3	Torch Express, L.L.C. Monthly Operating Report for the period January 8, 2005 through January 31, 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TORCH OFFSHORE, INC.

By: /s/ ROBERT E. FULTON

Date: March 8, 2005

Robert E. Fulton
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Torch Offshore, Inc. Monthly Operating Report for the period January 8, 2005 through January 31, 2005.
99.2	Torch Offshore, L.L.C. Monthly Operating Report for the period January 8, 2005 through January 31, 2005.
99.3	Torch Express, L.L.C. Monthly Operating Report for the period January 8, 2005 through January 31, 2005.

EXHIBIT 99.1

Monthly Operating Report
Chapter 11

Case Names: Torch Offshore, Inc.(05-10137)

For Period: 1/8/2005 to 1/31/2005

Form Attached	Previously Waived	Required Reports/Documents
(X)	()	Comparative Balance Sheet (Form 2-B)
(X)	()	Profit and Loss Statement (Form 2-C)

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

(X) () Cash Receipts & Disbursements
Statement (Form 2-D)

(X) () Supporting Schedules (Form 2-E)

(X) () Narrative (Form 2-F)

(X) () Copies of Bank Statements and
Reconciliations of Bank Balance to
Book Balance for all Accounts

I declare under penalty of perjury that the following
Monthly Operating Report and any attachments thereto,
are true and correct to the best of my knowledge and belief.

Date: 2/25/2005 By: /s/ Robert E. Fulton

(Robert Fulton -
Chief Financial Officer)

Comparative Balance Sheet

Case Names: Torch Offshore, Inc. (05-10137)

UNCONSOLIDATED AND UNAUDITED

	As of 1/7/2005 -----	As of 1/31/2005 -----
ASSETS		
CURRENT ASSETS:		
Cash	(414,862.65)	(136,944.19)
Due from affiliates	140,610,363.44	141,914,650.59
Accounts receivable-		
Trade, Net	5,996,248.36	5,513,996.30
Other	1,510,412.34	-
Costs and estimated earnings in excess of billings on uncompleted contracts	55,306.00	116,224.74
Prepaid expenses and other	1,823,694.11	1,918,819.48
	-----	-----
Total current assets	149,581,161.60	149,326,746.92
	-----	-----
PROPERTY AND EQUIPMENT, at cost	25,918,255.91	25,951,198.70
Less: Accumulated Depreciation	2,828,709.23	3,006,152.54
	-----	-----
NET PROPERTY AND EQUIPMENT	23,089,546.68	22,945,046.16
	-----	-----
DEFERRED DRYDOCKING CHARGES	-	-
OTHER ASSETS	257,735.15	251,672.17
	-----	-----
Total assets	172,928,443.43	172,523,465.25
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

POST-PETITION LIABILITIES		
Accounts payable - trade	-	85,431.59
Accrued expenses	-	1,024,794.50
Accrued payroll and related taxes	-	838,358.39
Other	-	2,616.45
	-----	-----
TOTAL POST-PETITION LIABILITIES	-	1,951,200.93
	-----	-----
PRE-PETITION LIABILITIES -		
SUBJECT TO COMPROMISE		
Accounts payable - trade	10,265,679.77	10,265,679.77
Accrued expenses	4,819,162.69	4,740,526.71
Accrued payroll and related taxes	314,428.72	-
Financed insurance premiums	-	-
Billings in excess of costs and estimated earnings on unbilled contracts	-	-
Finance Facility	78,480,670.81	78,480,670.81
Long-term debt	14,501,863.55	14,500,840.69
Non-revolving line of credit	4,854,535.00	4,854,535.00
Receivable line of credit	14,591,971.16	14,591,971.16
	-----	-----
Total pre-petition current liabilities	127,828,311.70	127,434,224.14
	-----	-----
PRE-PETITION LIABILITIES -		
SUBJECT TO COMPROMISE		
Long-term debt, less current portion	-	-
Other long-term liabilities	-	-
	-----	-----
Total pre-petition long-term liabilities	-	-
	-----	-----
Total liabilities	127,828,311.70	129,385,425.07
	-----	-----
STOCKHOLDERS' EQUITY:		
Common stock	133,960.56	133,960.56
Preferred stock	-	-
Paid-in-capital	85,617,725.99	85,617,725.99
Treasury stock	(4,258,064.76)	(4,258,064.76)
Deferred compensation	(227,718.45)	(219,128.00)
Retained earnings		
Through filing date	(36,165,771.61)	(36,165,771.61)
Post filing date	-	(1,970,682.00)
	-----	-----
Total stockholders' equity	45,100,131.73	43,138,040.18
	-----	-----
Total liabilities and stockholders' equity	172,928,443.43	172,523,465.25
	=====	=====

Profit and Loss Statement

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Case Names: Torch Offshore, Inc. (05-10137)

UNCONSOLIDATED AND UNAUDITED

	Period of 1/8/05 - 1/31/05 -----
REVENUES	763,379.00
COST OF REVENUES	
Cost of Sales	1,781,558.00 -----
GROSS PROFIT (DEFICIT)	(1,018,179.00)
Depreciation & Amortization	184,828.00
General and Administrative Expenses	266,948.00
Other Operating Cost	- -----
TOTAL COST OF REVENUES	451,776.00 -----
OPERATING INCOME (LOSS)	(1,469,955.00) -----
OTHER INCOME (EXPENSE)	
Interest expense	(500,727.00)
Interest income	- -----
Total other income (expense)	(500,727.00) -----
INCOME (LOSS) BEFORE INCOME TAXES	(1,970,682.00) -----
INCOME TAX EXPENSE	- -----
NET INCOME (LOSS)	(1,970,682.00) =====

Cash Receipts and Disbursements Statement

Case Names: Torch Offshore, Inc. (05-10137)

For Period: 1/8/2005 to 1/31/2005

Cash Reconciliation

1. Beginning Cash Balance		(414,862.65)
2. Cash Receipts	724,687.86	
3. Cash Disbursements	446,769.40	
4. Net Cash Flow		277,918.46 -----

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

5. Ending Cash Balance (136,944.19)
=====

Cash Summary - Ending Balance

Account Name	Account #	Amount	Financial Institution
Payroll Account	41-0508-1335	(153.31)	Regions Bank
Employee Benefit Account	41-0508-2285	(176,790.88)	Regions Bank
Cash Collateral Account	41-0517-6247	-	Regions Bank
Cash Collateral Account	41-0517-6255	-	Regions Bank
Cash Collateral Account	41-0517-6263	-	Regions Bank
Nigeria Account	n/a	40,000.00	n/a
	Total	(136,944.19)	

Quarterly Fee Summary

Case Names: Torch Offshore, Inc. (05-10137)

Payment Date	Cash Disbursements Torch Offshore, Inc. (05-10137)	Check No.	Date
January	446,769.40		
February			
March			
Total 1st Quarter	446,769.40		
Quarterly Fee Due	3,750.00		
April			
May			
June			
Total 2nd Quarter	-		
Quarterly Fee Due			
July			
August			
September			
Total 3rd Quarter	-		
Quarterly Fee Due			

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

October
 November
 December

 Total 4th Quarter -

 Quarterly Fee Due

Cash Receipts and Disbursements Statement

Case Names: Torch Offshore, Inc. (05-10137)

For Period: 1/8/2005 to 1/31/2005

Cash Receipts Journal

Date	Payee	Account	Amount	Description (Source)
-----	-----	-----	-----	-----
1/28/2005	David Gray	Employee Benefit Account	48.47	
1/28/2005	David Gray	Employee Benefit Account	706.46	
1/28/2005	Michael Nelson	Employee Benefit Account	546.90	
1/28/2005	Michael Nelson	Employee Benefit Account	39.09	
1/28/2005	Michael Nelson	Employee Benefit Account	706.46	
1/28/2005	Michael Nelson	Employee Benefit Account	48.47	
1/28/2005	Ronny Wagner	Employee Benefit Account	45.42	
1/28/2005	Donald Breaux	Employee Benefit Account	1412.92	
1/28/2005	Script Care	Employee Benefit Account	741.99	
1/28/2005	Jasper Clark	Employee Benefit Account	116.65	
1/28/2005	Elvie Ronquillo	Employee Benefit Account	232.56	
1/28/2005	Elvie Ronquillo	Employee Benefit Account	27.35	
1/28/2005	L. Buras	Employee Benefit Account	706.46	
1/26/2005	TOL	Employee Benefit Account	253,605.16	Intercompany Transfer
1/14/2005	TOL	Payroll Account	33,521.62	Intercompany Transfer
1/20/2005	TOL	Payroll Account	421,181.88	Intercompany Transfer
1/25/2005	TOL	Payroll Account	11,000.00	Intercompany Transfer

		Total Cash Receipts	724,687.86	
			=====	

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Cash Receipts and Disbursements Statement

Case Names: Torch Offshore, Inc. (05-10137)

For Period: 1/8/2005 to 1/31/2005

Cash Disbursements Journal

Date	Check No.	Payee	Amount	Description (Source)
-----	-----	-----	-----	-----
1/20/2005	Various	Torch Employees Direct Deposits	385,601.41	Torch Payroll Checks via DD
1/10/2005	79240	Torch Employee	124.32	Torch Payroll Check
1/10/2005	29241	Torch Employee	248.65	Torch Payroll Check
1/10/2005	79242	Torch Employee	213.11	Torch Payroll Check
1/10/2005	79243	Torch Employee	277.05	Torch Payroll Check
1/10/2005	79244	Torch Employee	418.41	Torch Payroll Check
1/21/2005	79245	Torch Employee	2,676.96	Torch Payroll Check
1/21/2005	79246	Torch Employee	2,450.63	Torch Payroll Check
1/21/2005	79247	Torch Employee	685.83	Torch Payroll Check
1/21/2005	79248	Torch Employee	1,369.12	Torch Payroll Check
1/21/2005	79249	Torch Employee	244.84	Torch Payroll Check
1/21/2005	79250	Torch Employee	1,557.03	Torch Payroll Check
1/21/2005	79251	Torch Employee	579.72	Torch Payroll Check
1/21/2005	79252	Torch Employee	374.24	Torch Payroll Check
1/21/2005	79253	Torch Employee	783.43	Torch Payroll Check
1/21/2005	79254	Torch Employee	235.84	Torch Payroll Check
1/21/2005	79255	Torch Employee	824.65	Torch Payroll Check
1/21/2005	79256	Torch Employee	2,563.20	Torch Payroll Check
1/21/2005	79257	Torch Employee	757.64	Torch Payroll Check
1/21/2005	79258	Torch Employee	1,228.41	Torch Payroll Check
1/21/2005	79259	Torch Employee	2,479.05	Torch Payroll Check
1/21/2005	79260	Torch Employee	3,301.46	Torch Payroll Check
1/21/2005	79261	Torch Employee	1,488.66	Torch Payroll Check
1/21/2005	79262	Torch Employee	1,638.60	Torch Payroll Check
1/21/2005	79263	Torch Employee	1,145.75	Torch Payroll Check

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

1/21/2005	79264	Torch Employee	1,697.41	Torch Payroll Check
1/21/2005	79265	Torch Employee	1,814.66	Torch Payroll Check
1/21/2005	79266	Torch Employee	509.97	Torch Payroll Check
1/21/2005	79267	Torch Employee	703.16	Torch Payroll Check
1/21/2005	79268	Torch Employee	1,413.80	Torch Payroll Check
1/21/2005	79269	Torch Employee	1,410.42	Torch Payroll Check
1/21/2005	79270	Torch Employee	1,645.99	Torch Payroll Check
1/21/2005	79275	Torch Employee	903.14	Torch Payroll Check
1/21/2005	79276	Torch Employee	921.61	Torch Payroll Check
1/21/2005	79277	Torch Employee	1,290.32	Torch Payroll Check
1/21/2005	79278	Torch Employee	704.15	Torch Payroll Check
1/21/2005	79279	Torch Employee	730.61	Torch Payroll Check
1/21/2005	79280	Torch Employee	1,070.33	Torch Payroll Check
1/21/2005	79281	Torch Employee	867.32	Torch Payroll Check
1/21/2005	79282	Torch Employee	1,304.21	Torch Payroll Check
1/21/2005	79283	Torch Employee	1,304.10	Torch Payroll Check
1/21/2005	79284	Torch Employee	207.21	Torch Payroll Check
1/21/2005	79285	Torch Employee	1,159.51	Torch Payroll Check
1/21/2005	79286	Torch Employee	1,229.41	Torch Payroll Check
1/21/2005	79287	Torch Employee	1,396.40	Torch Payroll Check
1/21/2005	79288	Torch Employee	365.03	Torch Payroll Check
1/18/2005	20483	Children's Clinic of SW LA, Inc	33.16	Employee Benefit Check
1/18/2005	20484	CHMPC 8298	125.84	Employee Benefit Check
1/18/2005	20516	Fleur de Lis OB/GYN	2,048.62	Employee Benefit Check
1/18/2005	20534	Broussard & Company	500.00	Employee Benefit Check
1/21/2005	20538	Internal Medicine Clinic Houma	69.28	Employee Benefit Check
1/25/2005	20554	Carl T. Stirling	31.39	Employee Benefit Check
1/25/2005	20555	Chiropractic Clinic of Gretna	55.15	Employee Benefit Check

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

1/27/2005	20562	Alfredo Botero, MD	25.00	Employee Benefit Check
1/27/2005	20565	Cotton D. Feray, MD	23.25	Employee Benefit Check
1/27/2005	20567	Jose M. Marina, MD	14.04	Employee Benefit Check
1/27/2005	20569	Michael R. Melancon, MD	70.00	Employee Benefit Check
1/27/2005	20571	Quest Daignostics	90.08	Employee Benefit Check
1/27/2005	20572	Ochsner Clinic Slidell	81.00	Employee Benefit Check
1/27/2005	20576	Southeast Neuroscience Center	73.00	Employee Benefit Check
1/27/2005	20577	Stephen D. Goodwin, MD	14.04	Employee Benefit Check
1/27/2005	20583	Melvin Gitlin, MD	332.00	Employee Benefit Check
1/27/2005	20585	Thomas R. Donner	1.00	Employee Benefit Check
1/27/2005	20586	Richard G. Carney	92.00	Employee Benefit Check
1/27/2005	20589	Chandra Higginbotham	2,561.56	Employee Benefit Check
1/31/2005	20590	Anesthesia Conslt of the South	696.15	Employee Benefit Check
1/31/2005	20591	Bruno U. K. Steiner Rehab Clinc	157.50	Employee Benefit Check
1/31/2005	20592	Children's Medical Center	45.82	Employee Benefit Check
1/31/2005	20593	Drs Haydel, Haydel & Spencer	195.30	Employee Benefit Check
1/31/2005	20594	Internal Medicine Assoc. Houma	89.32	Employee Benefit Check
1/31/2005	20595	Stephen D. Goodwin, MD	2,932.84	Employee Benefit Check
1/31/2005	20600	West Jefferson Medical Center	138.24	Employee Benefit Check
1/31/2005	20602	Melvin Gitlin, MD	316.80	Employee Benefit Check
1/31/2005	20603	E. Marie Mendenhall, MD	40.25	Employee Benefit Check

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Total Cash Disbursements 446,769.40
 =====

Supporting Schedules

Case Names: Torch Offshore, Inc. (05-10137)

For Period: 1/8/2005 to 1/31/2005

Post-Petition Accounts Payable Aging Report

Type	0-30	31-60 Over 90	
		61-90	-----
Vendor 003 / A R T CATERING, INC Type: CATERI	9,827.54	-	-
Vendor 028 / BAY TECH EQUIP. RENTALS, INC. Type: RENTAL	10,867.88	-	-
Vendor 083 / DIVERS SUPPLY, INC	76.12	-	-
Vendor 120 / GRAND RENTAL	1,680.00	-	-
Vendor 243 / SAMSON INDUSTRIAL	452.40	-	-
Vendor 256 / SOUTHLAND STEEL & SUPPLY	1,280.60	-	-
Vendor 276 / VACCO MARINE, INC.	2,065.50	-	-
Vendor 907 / DOUSSAN	1,900.97	-	-
Vendor 1065 / SAM BROUSSARD TRUCKING CO.	1,736.42	-	-
Vendor 1101 / HOSE SPECIALTY & SUPPLY CO.	1,459.90	-	-
Vendor 1117 / SEA-TRAC OFFSHORE SERVICE, INC	875.30	-	-
Vendor 1152 / SHIPYARD SUPPLY	8,556.01	-	-
Vendor 1171 / MAINTTECH MAINTENANCE SERVICES,	789.63	-	-
Vendor 1245 / LAWSON AND CO., INC.	387.20	-	-
Vendor 1364 / B & B PUMP & EQUIPMENT RENTALS	1,440.00	-	-
Vendor 1431 / PACIFIC GULF WIRE ROPE, INC.	1,316.72	-	-
Vendor 2317 / GATOR EQUIPMENT RENTALS LLC Type: HILTI	765.00	-	-
Vendor 2427 / STRATOS OFFSHORE SERVICE Type: PHONE	7,661.19	-	-
Vendor 2623 / THOM ANDERSON Type: EMPLOY	1,318.14	-	-
Vendor 2692 / VENTURE TRANSPORT LOGISTICS Type: TRUCK	2,089.38	-	-
Vendor 2697 / WHITCO SUPPLY CO Type: FLANGE	894.88	-	-
Vendor 2726 / BAYOU BLACK ELECTRIC, LLC Type: ELECT	321.97	-	-
Vendor 2947 / DESTREHAN DISCOUNT PHARMACY			

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Type: DRUGS	79.69	-	-	-
Vendor 080 / DICK DILL BUSINESS FORMS	260.37	-	-	-
Vendor 150 / NEWSOUTH COMMUNICATIONS	681.22	-	-	-
Vendor 350 / BELL SOUTH LONG DISTANCE PHONE	Type: 1,763.72	-	-	-
Vendor 351 / UNITED PARCEL SERVICE POSTAG	Type: 32.00	-	-	-
Vendor 363 / UNISHIPPERS	149.21	-	-	-
Vendor 422 / XEROX CORPORATION	664.21	-	-	-
Vendor 639 / PERRY H. BEEBE & ASSO., INC.	1,904.00	-	-	-
Vendor 692 / DHL EXPRESS (USA), INC. POSTAG	Type: 242.66	-	-	-
Vendor 847 / CURTIS LEMONS	1,726.07	-	-	-
Vendor 1005 / SOUTHWESTERN BELL Type: PHONES	1,874.06	-	-	-
Vendor 1347 / KEN WALLACE	1,726.07	-	-	-
Vendor 1656 / SHAREHOLDER.COM	2,385.58	-	-	-
Vendor 1779 / CINGULAR WIRELESS	65.56	-	-	-
Vendor 1810 / BRADLEY LOWE	3,251.00	-	-	-
Vendor 1832 / ANDREW L. MICHEL	1,564.77	-	-	-
Vendor 2011 / EDWARD HOLLAND Type: EMPLOY	414.85	-	-	-
Vendor 2046 / ROBERT E. FULTON Type: EMPLOY	106.08	-	-	-
Vendor 2061 / MARY SCARDINO NASH EMPLOY	Type: 373.45	-	-	-
Vendor 2175 / DANIEL BABIN Type: EMPLOY	334.32	-	-	-
Vendor 2279 / JAMES SINGLETARY	550.55	-	-	-
Vendor 2337 / JOSEPH RAEDEKE Type: EMPLOY	250.00	-	-	-
Vendor 2388 / ASSOCIATED OFFICE SYSTEMS Type: LABELS	342.05	-	-	-
Vendor 2501 / RICHARD J SHOPF Type: BOD	1,726.07	-	-	-
Vendor 2678 / RESTECH Type: SERVIC	281.25	-	-	-
Vendor 2699 / MICHAEL DOHM Type: EMPLOY	164.25	-	-	-
Vendor 2743 / LEE WARREN Type: EMPLOY	583.45	-	-	-
Vendor 2768 / BSFS EQUIPMENT LEASING PHONES	Type: 2,964.49	-	-	-
Vendor 2776 / THOMSON FINANCIAL CORP. GROUP Type: FINANC	498.00	-	-	-
Vendor 2823 / INTEGRATED SOFTWARE SOLUTIONS	42.50	-	-	-
Vendor 2875 / DE LAGE LANDEN FINANCIAL SVCS Type: COPIER	667.34	-	-	-

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

----- -- -- --
 85,431.59 - - -
 ===== == == ==

Supporting Schedules

Case Names: Torch Offshore, Inc. (05-10137)

For Period: 1/8/2005 to 1/31/2005

Accounts Receivable Aging Report

Account Name	0-30	31-60	61-90	Over 90
ENERGY PARTNERS, LTD				
HELIS	1,894,770.13	-	499,736.17	-
SONAT	739,703.04	-	-	-
TARPON OIL	1,140,304.05	-	-	-
WALTER OIL	511,653.84	-	-	-
WILLIAM G HELIS	-	614,388.77	-	30,333.33
Allowance for Doubtful Accounts	205,334.97 (122,228.00)	-	-	-
Total Receivables at 1/31/05	4,369,538.03	614,388.77	499,736.17	30,333.33

Supporting Schedules

Case Names: Torch Offshore, Inc. (05-10137)

For Period: 1/8/2005 to 1/31/2005

Insurance Schedule

Type	Carrier/Agent	Coverage(\$)	Date of Expiration	Premium Paid
Worker's Compensation	LA Workers Comp Corp	\$1,000,000	1/26/06	
General Liability	Steadfast Ins. Co.	\$2,000,000	8/14/05	
Property (Fire, Theft)	LA Insurance Underwriter Association	\$146,000	7/13/05	
Vehicle	American Guarantee and Liability	\$1,000,000	8/14/05	
Excess	XL Specialty Fireman's Fund	\$14,000,000	6/30/05	

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Navigators

Primary Hull	XL Specialty	Various	6/30/05
Excess Hull	GCM Underwriting Pool	Various	6/30/05
Protection & Indemnity	American Steamship Owners Mutual P&I Association, Inc.	\$2,000,000	5/21/05
Pollution Liability	Water Quality Insurance Syndicate	\$5,000,000	4/10/05
Equipment Floater	Commonwealth Insurance Co. of America	\$9,493,579	4/10/05

Case Name: Torch Offshore, Inc.
Case Number: 05-10137

NARRATIVE STATEMENT

For Period January 8, 2005 to January 31, 2005

Please provide a brief description of the significant business and legal action by the debtor, its creditors or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses and purposes of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.

Torch Offshore, Inc. (the "Company") received final approval from the U.S. Bankruptcy Court for the Eastern District of Louisiana (the "Bankruptcy Court") of its debtor-in-possession financing consisting of a \$6.9 million revolving credit facility and a \$2.0 million discretionary letter of credit facility (the "DIP Facility"). Regions Bank and Export Development Canada are providing the DIP Facility. The DIP Financing, combined with the Company's cash from operations will provide funding for the Company's operations during the Chapter 11 process.

Also, as part of the first day motions handed down by the Bankruptcy Court, the Company was given the permission to pay pre-petition wages to all employees up to the \$4,925 limit per employee.

The Company is working on a strategy for its plan of reorganization.

EXHIBIT 99.2

Monthly Operating Report Chapter 11

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Form Attached	Previously Waived	Required Reports/Documents
(X)	()	Comparative Balance Sheet (Form 2-B)
(X)	()	Profit and Loss Statement (Form 2-C)
(X)	()	Cash Receipts & Disbursements Statement (Form 2-D)
(X)	()	Supporting Schedules (Form 2-E)
(X)	()	Narrative (Form 2-F)
(X)	()	Copies of Bank Statements and Reconciliations of Bank Balance to Book Balance for all Accounts

I declare under penalty of perjury that the following Monthly Operating Report and any attachments thereto, are true and correct to the best of my knowledge and belief.

Date: 2/25/2005 By: /s/ Robert E. Fulton

 (Robert Fulton -
 Chief Financial Officer)

Comparative Balance Sheet

Case Names: Torch Offshore, LLC (05-10138)

UNCONSOLIDATED AND UNAUDITED

	As of 1/7/2005	As of 1/31/2005
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash	1,612,526.71	3,502,153.23
Accounts receivable-		
Trade, Net	9,896,148.80	10,974,221.06
Other	52.69	34.33
Costs and estimated earnings in excess of billings on uncompleted contracts	452,872.00	742,626.00
Prepaid expenses and other	1,734,176.80	1,466,160.94
	-----	-----
Total current assets	13,695,777.00	16,685,195.56
	-----	-----
PROPERTY AND EQUIPMENT, at cost	63,396,619.21	63,430,399.07
Less: Accumulated Depreciation	26,869,627.29	27,209,822.76
	-----	-----
NET PROPERTY AND EQUIPMENT	36,526,991.92	36,220,576.31
	-----	-----
DEFERRED DRYDOCKING CHARGES	3,145,193.47	3,060,594.06
OTHER ASSETS	-	-

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

	-----	-----
Total assets	53,367,962.39	55,966,365.93
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
POST-PETITION LIABILITIES		
Accounts payable - trade	-	506,953.19
Due to Torch Offshore, Inc.	-	1,304,287.15
Accrued expenses	-	138,370.27
Other	-	-
	-----	-----
TOTAL POST-PETITION LIABILITIES	-	1,949,610.61
	-----	-----
PRE-PETITION LIABILITIES -		
SUBJECT TO COMPROMISE		
Accounts payable - trade	14,432,523.08	14,432,523.08
Due to Torch Offshore, Inc.	29,751,565.42	29,751,565.42
Accrued expenses	2,315,496.65	2,314,778.15
Accrued payroll and related taxes	-	-
Financed insurance premiums	687,846.01	496,165.34
Capital lease obligation	56,015.00	56,015.00
Billings in excess of costs and estimated earnings on unbilled contracts	-	-
Finance Facility	-	-
Long-term debt	6,124,516.23	6,124,516.23
Non-revolving line of credit	-	-
Receivable line of credit	-	-
	-----	-----
Total pre-petition current liabilities	53,367,962.39	53,175,563.22
	-----	-----
PRE-PETITION LIABILITIES -		
SUBJECT TO COMPROMISE		
Long-term debt, less current portion	-	-
Other long-term liabilities	-	-
	-----	-----
Total pre-petition long- term liabilities	-	-
	-----	-----
Total liabilities	53,367,962.39	53,175,563.22
	-----	-----
STOCKHOLDERS' EQUITY:		
Common stock	-	-
Preferred stock	-	-
Paid-in-capital	-	-
Treasury stock	-	-
Deferred compensation	-	-
Retained earnings		
Through filing date	-	-
Post filing date	-	841,192.10
	-----	-----
Total stockholders' equity	-	841,192.10
	-----	-----
Total liabilities and		

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

stockholders' equity	53,367,962.39	55,966,365.93
	=====	=====

Profit and Loss Statement

Case Names: Torch Offshore, LLC (05-10138)

UNCONSOLIDATED AND UNAUDITED

Period of
1/8/05 - 1/31/05

REVENUES	3,082,294.00
COST OF REVENUES	
Cost of Sales	1,668,574.90

GROSS PROFIT (DEFICIT)	1,413,719.10
Depreciation & Amortization	417,410.00
General and Administrative Expenses	-
Other Operating Cost	-

TOTAL COST OF REVENUES	417,410.00

OPERATING INCOME (LOSS)	996,309.10

OTHER INCOME (EXPENSE)	
Interest expense	(155,125.00)
Interest income	8.00

Total other income (expense)	(155,117.00)

INCOME (LOSS) BEFORE INCOME TAXES	841,192.10

INCOME TAX EXPENSE	-

NET INCOME (LOSS)	841,192.10
	=====

Cash Receipts and Disbursements Statement

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Cash Reconciliation

1. Beginning Cash Balance	1,612,526.71
---------------------------	--------------

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

2. Cash Receipts	4,496,730.26	
3. Cash Disbursements	2,607,103.74	
4. Net Cash Flow		1,889,626.52

5. Ending Cash Balance		3,502,153.23
		=====

Cash Summary - Ending Balance

Account Name	Account #	Amount	Financial Institution
-----	-----	-----	-----
Cash Collateral	41-0507-8431	384,468.00	Regions Bank
Capital Construct- ion Fund	41-0508-1327	6,556.01	Regions Bank
Operating Account	41-0508-1238	3,104,877.73	Regions Bank
Operating Account	41-0514-2105	(2,463.80)	Regions Bank
EG Bank Account	371-506338-01	7,315.29	SGBGE
Dulac Petty Cash	n/a	400.00	TOL
Gretna Petty Cash	n/a	500.00	TOL
Houston Petty Cash	n/a	500.00	TOL

	Total	3,502,153.23	
		=====	

Quarterly Fee Summary

Case Names: Torch Offshore, LLC (05-10138)

	Cash Disbursements	
Payment Date	Torch Offshore, Inc.	Check No. Date
-----	(05-10138)	-----
January	2,607,103.74	
February		
March		

Total 1st Quarter	2,607,103.74	

Quarterly Fee Due	7,500.00	

April		
May		
June		

Total 2nd Quarter	-	

Quarterly Fee Due		

July		

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

August
 September

 Total 3rd Quarter -

 Quarterly Fee Due

 October
 November
 December

 Total 4th Quarter -

 Quarterly Fee Due

Cash Receipts and Disbursements Statement

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Cash Disbursements Journal

Date	Payee	Account	Amount	Description (Source)
1/24/2005	Vintage Petroleum	Cash Collateral	15,510.95	
1/28/2005	Badger Oil Corp.	Cash Collateral	4,368.00	
1/24/2005	Taylor Energy	Cash Collateral	223,119.35	
1/12/2005	Hunt (Aviara)	Cash Collateral	488,292.00	
1/24/2005	Mariner Energy	Cash Collateral	375,905.00	
1/12/2005	Sonat Exploration	Cash Collateral	539,000.00	
1/12/2005	Stone Energy Corp.	Cash Collateral	357,922.00	
1/12/2005	Walter Oil & Gas	Cash Collateral	463,296.25	
1/21/2005	Walter Oil & Gas	Cash Collateral	36,615.75	
1/24/2005	W&T Offshore	Cash Collateral	56,275.00	
1/31/2005	W&T Offshore	Cash Collateral	380,100.00	
1/13/2005	Export Dev. Canada	Operating Account	1,513,948.45	
1/12/2005	Misc.	Operating Account	30.00	
1/24/2005	Misc.	Operating Account	200.00	
1/13/2005	Crosby Tugs	Operating Account	42,140.00	
1/31/2005	Regions Bank	Capital Construction Fund	7.51	
Total Cash Receipts			4,496,730.26	

Cash Receipts and Disbursements Statement

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Cash Disbursements Journal

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Date	Check No.	Payee	Amount	Description (Source)
1/13/2005	463729	ABS AMERICAS	5,317.00	
1/14/2005	463730	DELAWARE SECRETARY OF STATE	64,020.00	
1/14/2005	463737	THE NASDAQ STOCK MARKET, INC.	5,000.00	
1/14/2005	463738	E & E MACHINE SHOP & SERVICES	3,040.00	
1/17/2005	463739	CUMMINS MID-SOUTH, INC.	8,225.42	
1/17/2005	463740	LOUISIANA CEMENT PRODUCTS, INC	2,396.80	
1/18/2005	463776	WELCH EQUIPMENT RENTALS	858.56	
1/18/2005	463777	3PS, INC.	7,570.00	
1/19/2005	463781	AARON OIL COMPANY, INC.	882.50	
1/20/2005	463788	EXPLORATION SUPPLIES	143.20	
1/20/2005	463789	GENERAL MILLS	133.90	
1/20/2005	463790	HEAD & ENGQUIST	1,026.58	
1/20/2005	463791	HERCULES WIRE & ROPE	1,342.77	
1/20/2005	463792	MITCHELL CRANE	584.10	
1/20/2005	463793	SUBMAR, INC.	210.00	
1/20/2005	463794	CHANNEL SIDE LEASING	5,496.75	
1/20/2005	463795	BELL SOUTH	2,242.90	
1/20/2005	463796	WHITNEY AVENUE L.L.C.	14,642.57	
1/20/2005	463797	FUELMAN OF NEW ORLEANS	40.47	
1/20/2005	463798	UNITED PARCEL SERVICE	16.00	
1/20/2005	463799	FEDERAL EXPRESS	102.95	
1/20/2005	463800	COMMUNITY COFFEE CO., L.L.C.	43.00	
1/20/2005	463801	HARVEY JONES VESSEL AGENTS	6,897.12	
1/20/2005	463802	XEROX CORPORATION	645.21	
1/20/2005	463803	LOWER DULAC LEASING INC.	1,548.38	
1/20/2005	463804	PERRY H. BEEBE & ASSO., INC.	2,927.50	
1/20/2005	463805	MATT LOWREY	392.89	* Employee
1/20/2005	463806	REGIS RADIATOR SERVICE	3,550.00	
1/20/2005	463807	DOUSSAN	198.00	
1/20/2005	463808	SOUTHWESTERN BELL		

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

			32.52	
1/20/2005	463809	SAM BROUSSARD TRUCKING CO.	4,062.53	
1/20/2005	463810	DIXIE OFFICE PRODUCTS	683.76	
1/20/2005	463811	LAWSON AND CO., INC.	104.16	
1/20/2005	463812	CT CORPORATION SYSTEM	284.40	
1/20/2005	463813	TOMMY GIBILTERRA	375.00	
1/20/2005	463814	PACIFIC GULF WIRE ROPE, INC.	1,420.80	
1/20/2005	463815	INTL. OFFSHORE CONST., INC.	5,480.00	
1/20/2005	463816	LAQUINTA INNS	68.28	
1/20/2005	463817	SUPERIOR LABOR SERVICES, INC	2,880.00	
1/20/2005	463818	MICHAEL WILLIAMS	26.00	
1/20/2005	463819	DARIN PATRICK	36.83	* Employee
1/20/2005	463820	BILL KIMSEY	187.50	
1/20/2005	463822	A R T CATERING, INC	11,163.93	
1/20/2005	463823	WASTE MGMT. OF SOUTH LOUISIANA	4,000.00	
1/21/2005	463825	BOLAND MARINE	14,000.00	
1/21/2005	463826	JACKSON D.BULLOCK	5,000.00	* Employee
1/21/2005	463827	AARON OIL COMPANY, INC.	973.75	
1/21/2005	463828	JACKSON D.BULLOCK	904.40	* Employee
1/24/2005	463829	CONSOLIDATED HEALTH PLANS	23,835.08	
1/24/2005	463830	U.S. COAST GUARD	50.00	
1/24/2005	463831	AMERITAS	10,146.84	
1/24/2005	463832	PRUDENTIAL	17,213.32	
1/25/2005	463833	BAYOU PIPE MANAGEMENT, INC.	270.00	
1/27/2005	463834	THOMAS PIPE	6,821.80	
1/27/2005	463839	A R T CATERING, INC	5,012.25	
1/27/2005	463840	CENTRAL GULF TOWING, INC	6,160.00	
1/27/2005	463841	EXPLORATION SUPPLIES	410.19	
1/27/2005	463842	GENERAL MILLS	57.00	
1/27/2005	463843	HEAD & ENGQUIST	18,306.70	
1/27/2005	463844	HERCULES WIRE & ROPE	4,032.50	
1/27/2005	463845	NES EQUIPMENT RENTAL LP		

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

			17,680.00	
1/27/2005	463846	SOUTHLAND STEEL & SUPPLY		
			4,583.60	
1/27/2005	463847	BELL SOUTH		
			87.18	
1/27/2005	463848	MUDBUGS SELF STORAGE		
			156.00	
1/27/2005	463849	FUELMAN OF NEW ORLEANS		
			309.39	
1/27/2005	463850	UNITED PARCEL SERVICE		
			16.00	
1/27/2005	463851	AT & T		
			158.64	
1/27/2005	463852	FEDERAL EXPRESS		
			292.34	
1/27/2005	463853	COMMUNITY COFFEE CO., L.L.C.		
			239.91	
1/27/2005	463854	HARVEY JONES VESSEL AGENTS		
			6,218.13	
1/27/2005	463855	SAIA MOTOR FREIGHT INC.		
			605.60	
1/27/2005	463856	WILKENS WEATHER TECHNOLOGIES,		
			619.33	
1/27/2005	463857	DELTA WAVE COMMUNICATIONS,		
		INC	776.00	
1/27/2005	463858	DHL EXPRESS (USA), INC.		
			26.63	
1/27/2005	463859	ARCH PAGING OF HOUMA		
			107.76	
1/27/2005	463860	CURTIS LEMONS		* Director
			500.00	
1/27/2005	463861	REGIS RADIATOR SERVICE		
			375.00	
1/27/2005	463862	DOUSSAN		
			12,342.67	
1/27/2005	463863	PUMP EQUIPMENT, INC.		
			288.05	
1/27/2005	463864	SAM BROUSSARD TRUCKING CO.		
			735.48	
1/27/2005	463865	DIXIE OFFICE PRODUCTS		
			224.37	
1/27/2005	463866	CENTRAL GOVERNMENTAL		
		DEPOSITOR	276.93	
1/27/2005	463867	OCCUPATIONAL MEDICINE CENTER		
			68.00	
1/27/2005	463868	LAWSON AND CO., INC.		
			1,060.18	
1/27/2005	463869	ILLINOIS STATE DISBURSEMENT		
		UN	68.24	
1/27/2005	463870	EMPIRE FUEL & OIL		
			11,577.32	
1/27/2005	463871	KEN WALLACE		* Director
			500.00	
1/27/2005	463872	AT&T WIRELESS		
			63.96	
1/27/2005	463873	ACADIANA CREW CHANGE SERVICE		
			345.00	
1/27/2005	463874	BUSINESS WIRE		
			210.00	
1/27/2005	463875	AIRDYNE		
			1,190.00	
1/27/2005	463876	ANDREW L. MICHEL		* Director

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

			500.00	
1/27/2005	463877	DEPT. OF SOCIAL SERVICES	147.20	
1/27/2005	463878	HAROLD J. BARKLEY, JR.	153.47	
1/27/2005	463879	SUPERIOR LABOR SERVICES, INC	960.00	
1/27/2005	463880	THOMAS ARMSTRONG	374.50	* Employee
1/27/2005	463881	ANGELA D. JOHNSON	189.83	* Employee
1/27/2005	463882	THE KNOX COUNTY CLERKS OFFICE	284.00	
1/27/2005	463883	MISS. DEPT OF HUMAN SERVICES	78.46	
1/27/2005	463884	VERMONT OFFICE	312.50	
1/27/2005	463885	ENERGY CATERING SERVICES, LLC	21,641.82	
1/27/2005	463886	DEPARTMENT OF SOCIAL SERVICES	125.07	
1/27/2005	463887	DAVID RATTRAY	131.62	* Employee
1/27/2005	463888	CHILD SUPPORT PAYMENT CENTER	180.46	
1/27/2005	463889	RIDGWAY'S HOUSTON	54.00	
1/27/2005	463890	RICHARD J SHOPF	500.00	* Director
1/27/2005	463891	MISDU	155.50	
1/27/2005	463892	OFFICE OF THE ATTORNEY GENERAL	138.46	
1/27/2005	463893	DEPT. OF SOCIAL SERVICES	300.00	
1/27/2005	463894	MISS. DEPT. OF HUMAN SERVICES	48.47	
1/27/2005	463895	DEPT OF SOCIAL SERVICES	20.78	
1/27/2005	463896	WHITCO SUPPLY CO	2,127.67	
1/27/2005	463897	OCSE CASE#566952933	269.54	
1/27/2005	463898	BAYOU BLACK ELECTRIC, LLC	1,543.90	
1/27/2005	463899	CHILD SUPPORT ENFORCEMENT	1,117.52	
1/27/2005	463900	HOUR MESSENGER	22.00	
1/27/2005	463901	BRETT BAROUSSE	331.22	* Employee
1/27/2005	463902	DEPT OF SOCIAL SERVICES	304.46	
1/27/2005	463903	DEPT. OF SOCIAL SERVICES	302.02	
1/27/2005	463904	LARRY REID	414.95	
1/27/2005	463905	DEPT. OF SOCIAL SERVICES	99.74	
1/27/2005	463906	BOLAND MARINE	2,520.00	
1/31/2005	463908	RETIF OIL & FUEL		

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

			1,529.00	
1/31/2005	463909	PACIFIC GULF WIRE ROPE, INC.	8,600.00	
1/31/2005	463910	OAKWOOD CORPORATE HOUSING	3,131.00	
1/31/2005	463911	RASMUSSEN EQUIPMENT CO.	6,800.00	
1/13/2005	61745	ASCO	17,000.00	
1/14/2005	61746	ITC Ship Holding	252,796.80	
1/14/2005	61747	USI Southwest Cash Concentration	191,680.67	
1/14/2005	61748	Fugro Chance	29,799.00	
1/21/2005	61749	USI Southwest Cash Concentration	194,017.83	
1/21/2005	61750	USI Southwest Cash Concentration	33,950.00	
1/24/2005	61751	Fugro Chance	30,254.00	
1/25/2005	61752	LWCC Operating Account	168,830.00	
1/26/2005	61753	Jarvis International Freight	6,611.13	
1/26/2005	61754	Texas Mutual Insurance Co.	4,731.00	
1/26/2005	61755	ASCO	20,412.58	
1/27/2005	61756	Quay Marine Associates	22,578.20	
1/27/2005	61757	Retif Oil & Fuel	31,736.25	
1/28/2005	61758	C-Port/Stone	114,400.00	
1/28/2005	61759	Fugro Chance	40,254.00	
1/26/2005	n/a	TOI - Employee Benefit Account	253,605.16	Intercompany Transfer
1/14/2005	n/a	TOI - Payroll Account	33,521.62	Intercompany Transfer
1/20/2005	n/a	TOI - Payroll Account	421,181.88	Intercompany Transfer
1/25/2005	n/a	TOI - Payroll Account	11,000.00	Intercompany Transfer
1/24/2005	n/a	IRS	191,758.17	
1/10/2005	n/a	Louisiana Dept. of Revenue	11,299.32	
1/31/2005	n/a	Regions Morgan Keegan Trust	16,972.46	
1/14/2005	n/a	Regions Bank	76,832.77	
1/19/2005	n/a	Regions Bank	1,265.57	
1/12/2005	463731	NELSON, MIKE	2,500.86	* Employee
1/12/2005	463732	PATRICE CHEMIN	532.55	* Employee
1/12/2005	763733	DONALD BREAUX, III	279.88	* Employee
1/12/2005	763734	ROBERT A. PREVOST		* Employee

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

1/12/2005	763735	THOMAS BUDDE	146.00	* Employee
1/12/2005	763736	DIVINE MOFA	39.50	* Employee
1/12/2005	463741	ELTON JOHNNO	94.90	* Employee
1/12/2005	463742	CENTRAL GOVERNMENT DEPOSITOR	524.66	
1/12/2005	463743	ILLINOIS STATE DISBURSEMENT	276.93	
1/12/2005	463744	KEN BROOKS	68.24	* Employee
1/12/2005	463745	SAM LIRETTE, SR	119.49	* Employee
1/12/2005	463746	BRADLEY LOWE	139.24	* Employee
1/12/2005	463747	DEPT. OF SOCIAL SERVICES	226.89	
1/12/2005	463748	DEPT OF SOCIAL SERVICES	147.20	
1/12/2005	463749	HAROLD J. BARKLEY, JR	61.76	
1/12/2005	463750	ANGELA D. JOHNSON	391.50	* Employee
1/12/2005	463751	THE KNOX COUNTY CLERKS OFFICE	127.51	
1/12/2005	463752	JAMES SINGLETARY	284.00	
1/12/2005	463753	MISS. DEPT OF HUMAN SERVICES	965.55	
1/12/2005	463754	VERMONT OFFICE	78.46	
1/12/2005	463755	MISS. DEPT OF HUMAN SERVICES	312.50	
1/12/2005	463756	ROBERT JAMIE WISE	163.85	* Employee
1/12/2005	463757	CHILD SUPPORT PAYMENT CENTER	656.46	
1/12/2005	463758	MISDU	180.46	
1/12/2005	463759	DEPT. OF SOCIAL SERVICES	155.50	
1/12/2005	463760	ERNEST DAVID ALLEN III	300.00	
1/12/2005	463761	MISS. DEPT. OF HUMAN SERVICES	707.56	
1/12/2005	463762	DEPT OF SOCIAL SERVICES	48.47	
1/12/2005	463763	DEPT. OF SOCIAL SERVICES	54.78	
1/12/2005	463764	ALLEN TOMPKINS	245.34	* Employee
1/12/2005	463765	OCSE CASE#566952933	135.09	
1/12/2005	463766	CLYDE COBB	269.54	* Employee
1/12/2005	463767	CHILD SUPPORT ENFORCEMENT	468.27	
1/12/2005	463768	DEPT OF SOCIAL SERVICES	954.72	
1/12/2005	463769	TEXAS CHILD SUPPORT SDU	162.77	

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

			127.85	
1/12/2005	463770	TEXAS CHILD SUPPORT SDU		
			76.15	
1/12/2005	463771	DEPT. OF SOCIAL SERVICES		
			302.02	
1/12/2005	463772	DEPT. OF SOCIAL SERVICES		
			216.91	
1/12/2005	463773	PETER TEMPLETON		
			362.06	
1/12/2005	463774	24 JUDICIAL DISTRICT, DA'S OFF		
			386.80	
1/12/2005	463775	JOHN LAPEROUSE, JR		
			50.00	
1/12/2005	463782	MISS. DEPT OF HUMAN SERVICES		
			78.46	
1/12/2005	463784	MISS. DEPT OF HUMAN SERVICES		
			327.70	
1/12/2005	463785	MISS. DEPT. OF HUMAN SERVICES		
			48.47	
1/12/2005	463786	CHILD SUPPORT ENFROCEMENT		
			1,025.70	
1/12/2005	463787	24 JUDICIAL DISTRICT, DA'S OFF		
			565.63	
1/12/2005	463824	JACKSON D. BULLOCK		* Employee
			2,040.38	
1/12/2005	463835	MATT LOWREY		* Employee
			144.59	
1/12/2005	463836	JIM MERMIS		* Employee
			786.89	
1/12/2005	463837	DAVID RATTRAY		* Employee
			159.50	
1/12/2005	463838	BRETT BAROUSSE		* Employee
			366.24	
1/12/2005	463907	LA DEPT OF LABOR		
			10,847.57	
Various	n/a	Wire Transfer Fees		
			277.00	

		Total Cash Disbursements	2,607,103.74	
			=====	

Supporting Schedules

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Post-Petition Accounts Payable Aging Report

			31-60	Over 90
	Type	0-30	61-90	
		-----	-----	
Vendor 003 / A R T CATERING, INC	Type: CATERI	18,333.17	- - -	
Vendor 026 / BAKER LYMAN AND CO., INC		32.05	- - -	
Vendor 028 / BAY TECH EQUIP. RENTALS, INC.	Type: RENTAL	11,180.00	- - -	
Vendor 045 / NEFF RENTAL				

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Vendor 046 / BUD'S BOAT RENTAL, INC	1,090.80	-	-	-
Vendor 053 / CENTRAL GULF TOWING, INC	8,345.00	-	-	-
Vendor 062 / COASTLINE CRANE REPAIR	100,850.00	-	-	-
Vendor 087 / DREYFUS-CORTNEY, INC	19,719.76	-	-	-
Vendor 088 / DRINKWATER PRODUCTS	35,044.75	-	-	-
Vendor 100 / EXPLORATION SUPPLIES	1,004.66	-	-	-
Vendor 114 / GENERAL MARINE LEASING	497.26	-	-	-
Vendor 120 / GRAND RENTAL	8,610.00	-	-	-
Vendor 130 / HEAD & ENGQUIST	1,982.40	-	-	-
Vendor 133 / HERCULES WIRE & ROPE	1,081.25	-	-	-
Vendor 149 / INDUSTRIAL WELDING SUPPLY	1,340.00	-	-	-
Vendor 159 / K & S DIESEL	141.70	-	-	-
Vendor 164 / L & H ELECTRIC CO., INC.	4,148.48	-	-	-
Vendor 187 / MCMASTER CARR SUPPLY CO.	145.00	-	-	-
Vendor 236 / RICHARD'S RESTAURANT SUPPLY	1,054.65	-	-	-
Vendor 252 / SHANNON HARDWARE CO. LTD.	905.00	-	-	-
Vendor 256 / SOUTHLAND STEEL & SUPPLY	1,218.75	-	-	-
Vendor 265 / TECH OIL PRODUCTS	4,612.10	-	-	-
Vendor 276 / VACCO MARINE, INC.	314.50	-	-	-
Vendor 379 / LEBLANC & ASSOC.	8,097.00	-	-	-
Vendor 416 / HARVEY JONES VESSEL AGENTS	1,652.82	-	-	-
Vendor 651 / CUMMINS MID-SOUTH, INC.	1,223.40	-	-	-
Vendor 661 / DELTA WAVE COMMUNICATIONS, INC	3,701.57	-	-	-
Vendor 879 / MARINE SPECIALTIES, INC.	1,455.30	-	-	-
Vendor 894 / REGIS RADIATOR SERVICE	880.00	-	-	-
Vendor 898 / MARINE SERVICE AND SUPPLY	2,450.00	-	-	-
Vendor 903 / ALLIED BEARING AND SUPPLY, INC	160.00	-	-	-
Vendor 907 / DOUSSAN	1,258.92	-	-	-
Vendor 926 / CUMMINS SOUTHERN PLAINS, INC.	15,433.10	-	-	-
Vendor 1065 / SAM BROUSSARD TRUCKING CO.	3,701.57	-	-	-
Vendor 1090 / DARCEY'S UPHOLSTERY & GLASS	5,071.58	-	-	-

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

	330.90	-	-	-
Vendor 1107 / DIXIE OFFICE PRODUCTS				
	223.63	-	-	-
Vendor 1117 / SEA-TRAC OFFSHORE SERVICE, INC				
Vendor 1152 / SHIPYARD SUPPLY	1,562.34	-	-	-
	5,600.00	-	-	-
Vendor 1171 / MAINTTECH MAINTENANCE SERVICES,				
Vendor 1214 / CROSS SERVICES, INC.	2,355.74	-	-	-
	13,527.75	-	-	-
Vendor 1245 / LAWSON AND CO., INC.				
	1,053.76	-	-	-
Vendor 1300 / EMPIRE FUEL & OIL				
	190.00	-	-	-
Vendor 1364 / B & B PUMP & EQUIPMENT RENTALS				
Vendor 1423 / F&M MAFCO, INC.	1,620.00	-	-	-
	3,509.00	-	-	-
Vendor 1431 / PACIFIC GULF WIRE ROPE, INC.				
	17,324.63	-	-	-
Vendor 1436 / CROSS RENTALS				
	9,350.00	-	-	-
Vendor 1596 / BATON ROUGE INDUSTRIES, INC				
	416.67	-	-	-
Vendor 1712 / BAYOU PIPE MANAGEMENT, INC.				
	400.00	-	-	-
Vendor 1797 / INTL. OFFSHORE CONST., INC.				
	549.04	-	-	-
Vendor 1826 / AIRDYNE				
	3,900.00	-	-	-
Vendor 1835 / MARSIANIN Type: LABOR				
	5,727.00	-	-	-
Vendor 2077 / SUPERIOR LABOR SERVICES, INC Type: LABOR				
Vendor 2253 / BAY TECH INDUSTRIES, INC.	12,486.00	-	-	-
	526.40	-	-	-
Vendor 2411 / ENERGY CATERING SERVICES, LLC Type: CATERI				
Vendor 2553 / C&D MARINE, LLC Type: CHARTE				
Vendor 2622 / TESLA OFFSHORE, LLC Type: SURVEY				
Vendor 2690 / LARRY A. BARRETT Type: EMPLOY				
Vendor 2692 / VENTURE TRANSPORT LOGISTICS Type: TRUCK				
Vendor 2697 / WHITCO SUPPLY CO Type: FLANGE				
Vendor 2726 / BAYOU BLACK ELECTRIC, LLC Type: ELECT				
Vendor 2829 / SPELL & SPELL OFFSHORE				
	7,843.98	-	-	-
Vendor 2899 / DIXIE MAT & HARDWOOD Type: MATS				
Vendor 2946 / TRI-STAR SUPPLY CO., INC. Type: SUPPLY				
Vendor 2947 / DESTREHAN DISCOUNT PHARMACY Type: DRUGS				
	1,680.00	-	-	-
	112.00	-	-	-
	364.19	-	-	-
Vendor 100 / EXPLORATION SUPPLIES				
	432.76	-	-	-

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Vendor 120 / GRAND RENTAL	1,822.24	-	-	-
Vendor 145 / MAKO TECHNOLOGIES, INC.	284.25	-	-	-
Vendor 149 / INDUSTRIAL WELDING SUPPLY	586.50	-	-	-
Vendor 184 / MARK TOOL & RUBBER CO.	4,105.86	-	-	-
Vendor 256 / SOUTHLAND STEEL & SUPPLY	10,769.03	-	-	-
Vendor 331 / ELTON JOHNNO	279.84	-	-	-
Vendor 347 / FUELMAN OF NEW ORLEANS Type: GAS	304.36	-	-	-
Vendor 355 / WASTE MGMT. OF SOUTH LOUISIANA	1,124.76	-	-	-
Vendor 394 / SOUTH LA. ELECTRIC CORP.	449.96	-	-	-
Vendor 424 / CONSOLIDATED WATERWORKS	233.70	-	-	-
Vendor 452 / TERREBONNE GENERAL MEDICAL	650.50	-	-	-
Vendor 617 / SECON	690.00	-	-	-
Vendor 894 / REGIS RADIATOR SERVICE	201.19	-	-	-
Vendor 907 / DOUSSAN	871.44	-	-	-
Vendor 1065 / SAM BROUSSARD TRUCKING CO.	808.92	-	-	-
Vendor 1107 / DIXIE OFFICE PRODUCTS	632.40	-	-	-
Vendor 1500 / SAM LIRETTE, SR	24.00	-	-	-
Vendor 1542 / AARON OIL COMPANY, INC.	125.00	-	-	-
Vendor 1797 / INTL. OFFSHORE CONST., INC.	11,745.00	-	-	-
Vendor 1914 / IMPERIAL PREMIUM FINANCING INC Type: FINANC	0.00	-	-	-
Vendor 2410 / METALLURGICAL & MATERIALS Type: LEGAL	31.60	-	-	-
Vendor 2427 / STRATOS OFFSHORE SERVICE Type: PHONE	945.73	-	-	-
Vendor 2697 / WHITCO SUPPLY CO Type: FLANGE	7,763.58	-	-	-
Vendor 2726 / BAYOU BLACK ELECTRIC, LLC Type: ELECT	4,050.80	-	-	-
Vendor 2950 / DANIEL FOSTER Type: EMPLOY	383.96	-	-	-
	-----	--	--	--
	506,953.21	-	-	-
	=====	==	==	==

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Supporting Schedules

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Accounts Receivable Aging Report

Account Name	0-30	31-60	61-90	Over 90
DMT	-	-	204,510.03	-
EXXON MOBIL	374,480.39	-	-	-
HELIS	672,865.00	373,870.00	-	-
HUNT	541,257.00	-	-	-
MARATHON	4,063,103.25	963,437.20	-	-
MARINER	48,668.00	-	-	-
MEXSUB	-	-	-	771,650.00
OCEAN/BLUE	-	-	-	715,213.19
PALACE OPERATING COMPANY	1,670,862.00	-	-	-
REMINGTON OIL & GAS	1,301,764.00	-	-	-
SPINNAKER EXPLORATION	328,260.00	144,060.90	250,724.10	-
TAYLOR	149,380.00	-	-	-
WESTPORT	91,489.00	-	-	-
Allowance for Doubtful Accounts	(1,691,373.00)	-	-	-
Total Receivables at 1/31/05	7,550,755.64	1,481,368.10	455,234.13	1,486,863.19

Supporting Schedules

Case Names: Torch Offshore, LLC (05-10138)

For Period: 1/8/2005 to 1/31/2005

Insurance Schedule

Type	Carrier/Agent	Coverage(\$)	Date of Expiration	Premium Paid
Worker's Compensation	LA Workers Comp Corp	\$1,000,000	1/26/06	

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

General Liability	Steadfast Ins. Co.	\$2,000,000	8/14/05
Property (Fire, Theft)	LA Insurance Underwriter Association	\$146,000	7/13/05
Vehicle	American Guarantee and Liability	\$1,000,000	8/14/05
Excess	XL Specialty Fireman's Fund Navigators	\$14,000,000	6/30/05
Primary Hull	XL Specialty	Various	6/30/05
Excess Hull	GCM Underwriting Pool	Various	6/30/05
Protection & Indemnity	American Steamship Owners Mutual P&I Association, Inc.	\$2,000,000	5/21/05
Pollution Liability	Water Quality Insurance Syndicate	\$5,000,000	4/10/05
Equipment Floater	Commonwealth Insurance Co. of America	\$9,493,579	4/10/05

Case Name: Torch Offshore, L.L.C.
Case Number: 05-10138

NARRATIVE STATEMENT

For Period January 8, 2005 to January 31, 2005

Please provide a brief description of the significant business and legal action by the debtor, its creditors or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses and purposes of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.

Torch Offshore, L.L.C. (the "Company") received final approval from the U.S. Bankruptcy Court for the Eastern District of Louisiana (the "Bankruptcy Court") of its debtor-in-possession financing consisting of a \$6.9 million revolving credit facility and a \$2.0 million discretionary letter of credit facility (the "DIP Facility"). Regions Bank and Export Development Canada are providing the DIP Facility. The DIP Financing, combined with the Company's cash from operations will provide funding for the Company's operations during the Chapter 11 process.

The Company is working on a strategy for its plan of reorganization.

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

EXHIBIT 99.3

Monthly Operating Report
Chapter 11

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Form Attached	Previously Waived	Required Reports/Documents
(X)	()	Comparative Balance Sheet (Form 2-B)
(X)	()	Profit and Loss Statement (Form 2-C)
(X)	()	Cash Receipts & Disbursements Statement (Form 2-D)
(X)	()	Supporting Schedules (Form 2-E)
(X)	()	Narrative (Form 2-F)
(X)	()	Copies of Bank Statements and Reconciliations of Bank Balance to Book Balance for all Accounts

I declare under penalty of perjury that the following Monthly Operating Report and any attachments thereto, are true and correct to the best of my knowledge and belief.

Date: 2/25/2005 By: /s/ Robert E. Fulton

 (Robert Fulton -
 Chief Financial Officer)

Comparative Balance Sheet

Case Names: Torch Express, LLC (05-10140)

UNCONSOLIDATED AND UNAUDITED

	As of 1/7/2005	As of 1/31/2005
ASSETS		
CURRENT ASSETS:		
Cash	-	-
Accounts receivable-		
Trade, Net	1,609,199.56	1,609,199.56
Other	-	-
Costs and estimated earnings in excess of billings on uncompleted contracts	-	-
Prepaid expenses and other	569,241.45	426,603.19
Total current assets	2,178,441.01	2,035,802.75

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

	-----	-----
PROPERTY AND EQUIPMENT, at cost	113,029,457.70	113,029,457.70
Less: Accumulated Depreciation	405,958.00	715,820.02
	-----	-----
NET PROPERTY AND EQUIPMENT	112,623,499.70	112,313,637.68
	-----	-----
DEFERRED DRYDOCKING CHARGES	-	-
OTHER ASSETS	-	-
	-----	-----
Total assets	114,801,940.71	114,349,440.43
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
POST-PETITION LIABILITIES		
Accounts payable - trade	-	29,001.82
Other	-	522.00
	-----	-----
TOTAL POST-PETITION LIABILITIES	-	29,523.82
	-----	-----
PRE-PETITION LIABILITIES -		
SUBJECT TO COMPROMISE		
Accounts payable - trade	3,943,142.69	3,943,142.69
Due to Torch Offshore, Inc.	110,858,798.02	110,858,798.02
Accrued expenses	-	-
Accrued payroll and related taxes	-	-
Financed insurance premiums	-	-
Billings in excess of costs and estimated earnings on unbilled contracts	-	-
	-----	-----
Total pre-petition current liabilities	114,801,940.71	114,801,940.71
	-----	-----
PRE-PETITION LIABILITIES -		
SUBJECT TO COMPROMISE		
Long-term debt, less current portion	-	-
Other long-term liabilities	-	-
	-----	-----
Total pre-petition long-term liabilities	-	-
	-----	-----
Total liabilities	114,801,940.71	114,831,464.53
	-----	-----
STOCKHOLDERS' EQUITY:		
Common stock	-	-
Preferred stock	-	-
Paid-in-capital	-	-
Retained earnings		
Through filing date	-	-
Post filing date	-	(482,024.10)
	-----	-----
Total stockholders' equity	-	(482,024.10)

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Total liabilities and stockholders' equity	----- 114,801,940.71 =====	----- 114,349,440.43 =====
---	----------------------------------	----------------------------------

Profit and Loss Statement

Case Names: Torch Express, LLC (05-10140)

UNCONSOLIDATED AND UNAUDITED

Period of
1/8/05 - 1/31/05

REVENUES	-
COST OF REVENUES	
Cost of Sales	172,162.10 -----
GROSS PROFIT (DEFICIT)	(172,162.10)
Depreciation & Amortization	309,862.00
General and Administrative Expenses	-
Other Operating Cost	- -----
TOTAL COST OF REVENUES	309,862.00 -----
OPERATING INCOME (LOSS)	(482,024.10) -----
OTHER INCOME (EXPENSE)	
Interest expense	-
Interest income	- -----
Total other income (expense)	- -----
INCOME (LOSS) BEFORE INCOME TAXES	(482,024.10) -----
INCOME TAX EXPENSE	- -----
NET INCOME (LOSS)	(482,024.10) =====

Cash Receipts and Disbursements Statement

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Cash Reconciliation

1. Beginning Cash Balance		-
2. Cash Receipts	-	
3. Cash Disbursements	-	
4. Net Cash Flow		-
5. Ending Cash Balance		-

Cash Summary - Ending Balance

Account Name	Account #	Amount	Financial Institution
None applicable.			
	Total	-	

Quarterly Fee Summary

Case Names: Torch Express, LLC (05-10140)

Cash Disbursements			
Payment Date	Torch Offshore, Inc.	Check No.	Date
(05-10140)			
January		-	
February			
March			
Total 1st Quarter		-	
Quarterly Fee Due		250.00	
April			
May			
June			
Total 2nd Quarter		-	
Quarterly Fee Due			
July			
August			
September			
Total 3rd Quarter		-	
Quarterly Fee Due			
October			
November			
December			

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

 Total 4th Quarter -

 Quarterly Fee Due

Cash Receipts and Disbursements Statement

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Cash Receipts Journal

Date	Payee	Account	Amount	Description (Source)

None applicable.				

Total Cash Receipts			-	
			=====	

Cash Receipts and Disbursements Statement

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Cash Disbursements Journal

Date	Check No.	Payee	Amount	Description (Source)

None applicable.				

Total Cash Disbursements			-	
			=====	

Supporting Schedules

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Post-Petition Accounts Payable Aging Report

Type	0-30	31-60 Over 90	
		61-90	

Vendor 003 / A R T CATERING, INC Type: CATERI	8,855.82	-	-
Vendor 026 / Baker Lyman and Co., Inc.	132.97	-	-
Vendor 036 / Boland Marine	14,000.00	-	-

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Vendor 355 / Waste Mgmt. of South Louisiana	432.80	-	-	-
Vendor 421 / Saia Motor Freight Inc. Type: FREIGH	604.50	-	-	-
Vendor 1065 / Sam Broussard Trucking Co.	455.76	-	-	-
Vendor 2427 / Stratos Offshore Service Type: PHONE	4,519.97	-	-	-
	-----	--	--	--
	29,001.82	-	-	-
	=====	==	==	==

Supporting Schedules

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Accounts Receivable Aging Report

Account Name	0-30	31-60	61-90	Over 90
-----	-----	-----	-----	-----
ENERGY PARTNERS, LTD	156,327.08	1,452,872.48	-	-
-----	-----	-----	-----	-----
Total Receivables at 1/31/05	156,327.08	1,452,872.48	-	-
	=====	=====	=====	=====

Supporting Schedules

Case Names: Torch Express, LLC (05-10140)

For Period: 1/8/2005 to 1/31/2005

Insurance Schedule

Type	Carrier/Agent	Coverage(\$)	Date of Expiration	Premium Paid
-----	-----	-----	-----	-----
Worker's Compensation	LA Workers Comp Corp	\$1,000,000	1/26/06	
General Liability	Steadfast Ins. Co.	\$2,000,000	8/14/05	
Property (Fire, Theft)	LA Insurance Underwriter Association	\$146,000	7/13/05	
Vehicle	American Guarantee and Liability	\$1,000,000	8/14/05	
Excess	XL Specialty Fireman's Fund Navigators	\$14,000,000	6/30/05	
Primary Hull	XL Specialty	Various	6/30/05	
Excess Hull	GCM Underwriting Pool	Various	6/30/05	

Edgar Filing: TORCH OFFSHORE INC - Form 8-K

Protection & Indemnity	American Steamship Owners Mutual P&I Association, Inc.	\$2,000,000	5/21/05
Pollution Liability	Water Quality Insurance Syndicate	\$5,000,000	4/10/05
Equipment Floater	Commonwealth Insurance Co. of America	\$9,493,579	4/10/05

Case Name: Torch Express, L.L.C.
Case Number: 05-10140

NARRATIVE STATEMENT

For Period January 8, 2005 to January 31, 2005

Please provide a brief description of the significant business and legal action by the debtor, its creditors or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses and purposes of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.

Torch Express, L.L.C. (the "Company") received final approval from the U.S. Bankruptcy Court for the Eastern District of Louisiana (the "Bankruptcy Court") of its debtor-in-possession financing consisting of a \$6.9 million revolving credit facility and a \$2.0 million discretionary letter of credit facility (the "DIP Facility"). Regions Bank and Export Development Canada are providing the DIP Facility. The DIP Financing, combined with the Company's cash from operations will provide funding for the Company's operations during the Chapter 11 process.

The Midnight Express was returned to the Company during the week of January 10, 2005 via a court order. The vessel remains in port at Braithwaite, Louisiana.

The Company is working on a strategy for its plan of reorganization.