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PETROLEUM & RESOURCES CORP

Form N-Q

April 30, 2007

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-02736

PETROLEUM & RESOURCES CORPORATION

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

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

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

Date of fiscal year end: December 31, 2007

Date of reporting period: March 31, 2007

Item 1: SCHEDULE OF INVESTMENTS.

SCHEDULE OF INVESTMENTS

March 31, 2007
(unaudited)

Shares Value (A)

Stocks And Convertible Securities --95.5%

Energy --88.5%

Integrated --37.4%

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BP plc ADR	180,000	\$ 11,655,000
Chevron Corp.	635,000	46,964,600
ConocoPhillips	556,891	38,063,500
Exxon Mobil Corp.	1,245,000	93,935,250
Hess Corp. (B)	195,000	10,816,650
Holly Corp.	360,000	21,348,000
Marathon Oil Co.	120,000	11,859,600
Murphy Oil Corp.	216,500	11,561,100
Royal Dutch Shell plc ADR	265,000	17,569,500
Suncor Energy	100,000	7,635,000
Total S.A. ADR	220,000	15,351,600
Valero Energy Corp.	435,000	28,053,150

314,812,950

Exploration & Production --15.6%

Apache Corp.	158,200	11,184,740
Devon Energy Corp.	330,000	22,842,600
EOG Resources, Inc.	310,000	22,115,400
Forest Oil Corp (C)	37,000	1,234,690
Newfield Exploration Co. (C)	175,000	7,299,250
Noble Energy, Inc.	430,000	25,649,500
Occidental Petroleum Corp.	400,000	19,724,000
XTO Energy Inc.	390,000	21,375,900

131,426,080

Services --21.0%

Baker Hughes, Inc.	205,000	13,556,650
BJ Services Co.	420,000	11,718,000
Bronco Drilling Co., Inc. (C)	4,600	76,222
ENSCO International, Inc.	209,150	11,377,760
GlobalSantaFe Corp.	290,000	17,887,200
Grant Prideco Inc. (C)	308,000	15,350,720
Hercules Offshore, Inc. (B)	250,000	6,565,000
Nabors Industries Ltd. (C)	520,000	15,428,400
Noble Corp.	200,000	15,736,000
Schlumberger Ltd.	560,000	38,696,000
TODCO (C)	200,000	8,066,000
Weatherford International, Ltd. (C)	493,560	22,259,556

176,717,508

Shares Value (A)

Utilities --14.5%

AGL Resources Inc.	170,000	\$ 7,262,400
Duke Energy Corp.	217,624	4,415,591
Energen Corp.	400,000	20,356,000
Equitable Resources Inc.	450,000	21,744,000
MDU Resources Group, Inc.	375,000	10,777,500
National Fuel Gas Co. (B)	200,000	8,652,000
New Jersey Resources Corp.	200,000	10,010,000
Questar Corp.	200,000	17,842,000
SEMCO Energy, Inc.	670,300	5,107,686
Spectra Energy Corp.	108,812	2,858,491

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Williams Companies, Inc.	450,000	12,807,000

		121,832,668

Basic Industries --7.0%		
Basic Materials & Other --7.0%		
Air Products and Chemicals, Inc.	125,000	9,236,250
Aqua America, Inc.	352,000	7,902,400
du Pont (E.I.) de Nemours and Co.	157,500	7,785,225
Florida Rock Industries Inc.	105,000	7,065,450
General Electric Co.	454,800	16,081,728
Martin Marietta Materials, Inc.	5,000	676,000
Rohm & Haas Co.	200,000	10,344,000

		59,091,053

Total Stocks And Convertible Securities		
(Cost \$321,568,840) (D)		\$803,880,259

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SCHEDULE OF INVESTMENTS (continued)

March 31, 2007
(unaudited)

	Prin. Amt.	Value (A)
	-----	-----
Short-Term Investments --4.7%		
U.S. Government Obligations --1.1%		
U.S. Treasury Bills,		
5.00%, due 5/17/07	\$9,000,000	\$8,932,917

Time Deposit --0.1%		
Citibank, N.A.,		
4.69%, due 4/2/07		461,982

Commercial Paper --3.5%		
American General Finance, Inc.,		
5.25%, due 4/19/07	2,800,000	2,792,650
AIG Funding, Inc.,		
5.24%, due 4/3/07	3,600,000	3,598,953
Chevron Funding Corp.,		
5.20-5.22%, due 4/5/07-4/19/07	7,000,000	6,990,063
General Electric Capital Corp.,		
5.22%, due 4/26/07	600,000	597,825
General Electric Capital Services		
Corp.,		
5.22%, due 4/12/07	6,400,000	6,389,792

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	Prin. Amt.	Value (A)
-	-----	-----
Nestle Capital Co., 5.22%, due 4/17/07	\$ 2,400,000	\$ 2,394,432
Toyota Motor Credit Corp., 5.22%, due 4/5/07-4/18/07	7,000,000	6,988,965

		29,752,680

Total Short-Term Investments (Cost \$39,147,579)		39,147,579

Total Securities Lending Collateral --2.2% (Cost \$18,753,210)		
Brown Brothers Investment Trust, 5.26%, due 4/2/07		18,753,210

Total Investments --102.4% (Cost \$379,469,629)		861,781,048
Cash, receivables, prepaid expenses and other assets, less liabilities --(2.4)%		(20,124,026)

Net Assets -- 100.0%		\$841,657,022
		=====

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ.
- (B) Some of the shares of this company are on loan. See note 8 to financial statements.
- (C) Presently non-dividend paying.
- (D) The aggregate market value of stocks held in escrow at March 31, 2007 covering open call option contracts written was \$15,049,600. In addition, the aggregate market value of securities segregated by the Corporation's custodian required to collateralize open put option contracts written was \$2,587,500.

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SCHEDULE OF OUTSTANDING OPTION CONTRACTS

March 31, 2007
(unaudited)

Contracts

Contract

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(100 shares each)	Security	Strike Price	Expiration Date	Appreciation/ (Depreciation)
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COVERED CALLS

100	Air Products and Chemicals, Inc.	\$ 80	Jun 07	\$ 2,700
100	BP plc ADR.....	70	Oct 07	(4,800)
150	Devon Energy Corp.....	75	Apr 07	16,799
150	EOG Resources, Inc.....	75	Apr 07	8,674
100	Holly Corp.....	60	Jun 07	(10,301)
100	Marathon Oil Co.....	105	Apr 07	14,724
50	Martin Marietta Materials, Inc..	130	Apr 07	(25,764)
100	Noble Energy, Inc.....	70	Aug 07	200
200	Occidental Petroleum Corp.....	55	Aug 07	(9,601)
200	Questar Corp.....	85	Apr 07	(58,101)
200	Questar Corp.....	90	Apr 07	61,317
200	Questar Corp.....	90	Jul 07	(69,601)
200	Suncor Energy.....	100	Sep 07	6,899
100	Valero Energy Corp.....	70	Jun 07	(5,300)
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1,950				(72,155)
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COLLATERALIZED PUTS

250	Bronco Drilling Co., Inc.....	12.50	Apr 07	16,250
250	ENSCO International, Inc.....	40	Jun 07	37,999
150	Exxon Mobil Corp.....	65	Jul 07	9,149
75	Florida Rock Industries Inc.....	40	Jun 07	4,275
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725				67,673
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				\$ (4,482)
				=====

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(SELECTED) NOTES TO FINANCIAL STATEMENTS (Unaudited)

Petroleum & Resources Corporation (the Corporation) is registered under the Investment Company Act of 1940 as a non-diversified investment company. The Corporation is an internally-managed fund emphasizing petroleum and other natural resource investments. The investment objectives of the Corporation are preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

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

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For federal income tax purposes, the identified cost of securities at March 31, 2007 was \$379,439,805 and net unrealized appreciation aggregated \$482,341,243, of which the related gross unrealized appreciation and depreciation were \$483,421,998 and \$1,080,755, respectively.

8. PORTFOLIO SECURITIES LOANED

The Corporation makes loans of securities to brokers, secured by cash deposits, U.S. Government securities, or bank letters of credit. The Corporation accounts for securities lending transactions as secured financing and receives compensation in the form of fees or retains a portion of interest on the investment of any cash received as collateral. The Corporation also continues to receive interest or dividends on the securities loaned. The loans are secured at all times by collateral of at least 102% of the fair value of the securities loaned plus accrued interest. Gain or loss in the fair value of securities loaned that may occur during the term of the loan will be for the account of the Corporation. At March 31, 2007, the Corporation had securities on loan of \$18,102,026 and held collateral of \$18,753,210, consisting of an investment trust fund which may invest in money market instruments, commercial paper, repurchase agreements, U.S. Treasury Bills, and U.S. agency obligations.

Item 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures:

(a) As of April 30, 2007, an evaluation was performed under the supervision and with the participation of the officers of Petroleum & Resources Corporation (the "Corporation"), including the principal executive officer ("PEO") and principal financial officer ("PFO"), of the effectiveness of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's officers, including the PEO and PFO, concluded that, as of April 30, 2007, the Corporation's disclosure controls and procedures were reasonably designed so as to ensure: (1) that information required to be disclosed by the Corporation on Form N-Q is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Corporation is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

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

Item 3. EXHIBITS.

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

SIGNATURES

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

PETROLEUM & RESOURCES CORPORATION

BY: /s/ Douglas G. Ober

Douglas G. Ober
Chief Executive Officer

Date: April 30, 2007

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

BY: /s/ Douglas G. Ober

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

Date: April 30, 2007

BY: /s/ Maureen A. Jones

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

Date: April 30, 2007