COBRA VENTURE CORPORATION

INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

THREE MONTHS ENDED FEBRUARY 28, 2007

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three month period ended February 28, 2007

COBRA VENTURE CORPORATION
BALANCE SHEETS
(Unaudited – Prepared by Management)

	February 28, 2007	November 30, 2006
ASSETS		
Current		
Cash	$ 471,266	$ 610,174
Receivables	117,270	57,088
Prepaid expenses	32,438	29,584
Income tax receivable	221,460	221,460
	842,434	918,306
Equipment (Note 3)	3,538	3,817
Petroleum and natural gas interests (Note 4)	888,037	1,068,737
	$ 1,734,009	$ 1,990,860
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 72,775	$ 282,013
Future income taxes	202,400	202,400
	275,175	484,413
Shareholders' equity		
Capital stock (Note 5)	3,220,127	3,214,127
Contributed surplus (Note 5)	88,549	80,684
Deficit	(1,849,842)	(1,788,364)
	1,458,834	1,506,447
	$ 1,734,009	$ 1,990,860

Nature and continuance of operations (Note 2)
Subsequent events (Note 11)

On behalf of the Board:

"Daniel B. Evans" Director *"David H. Evans"* Director

The accompanying notes are an integral part of these financial statements.

COBRA VENTURE CORPORATION
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three month period ended February 28, 2007	Three month period ended February 28, 2006
ADMINISTRATIVE EXPENSES		
Amortization	$ 279	$ 610
Consulting fees	5,000	200
Corporate services	7,500	7,500
Management fees	25,500	33,000
Mineral rights tax	1,150	-
Office and miscellaneous	7,120	4,529
Professional fees	5,616	10,463
Rent	300	300
Stock-based compensation	7,866	31,461
Transfer agent and regulatory fees	2,460	6,596
Travel and promotion	8,430	1,932
Loss before other items	(71,221)	(96,591)
OTHER ITEMS		
Royalty income net of expenses	-	11,684
Interest income	2,147	2,498
Lease income	7,596	-
	9,743	14,182
Loss for the period	(61,478)	(82,409)
Deficit, beginning of period	(1,788,364)	(1,615,012)
Deficit, end of period	$ (1,849,842)	$ (1,697,421)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	12,773,583	10,094,675

The accompanying notes are an integral part of these financial statements.

COBRA VENTURE CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three month period ended February 28, 2007	Three month period ended February 28, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (61,478)	$ (82,409)
Items not involving cash:		
Amortization	279	610
Stock-based compensation	7,866	31,461
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(60,182)	22,756
Increase in prepaid expenses	(2,854)	(2,732)
Decrease in accounts payable and accrued liabilities	(209,239)	(23,306)
Increase in income taxes receivable	-	(130,000)
Cash used in operating activities	(325,608)	(183,620)
CASH FLOWS FROM INVESTING ACTIVITIES		
Petroleum and natural gas expenditures	-	5,391
Cost recoveries of petroleum and natural gas interests	180,700	-
Cash provided by investing activities	180,700	5,391
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued for cash	6,000	520,000
Cash provided by financing activities	6,000	520,000
Change in cash	(138,908)	341,771
Cash, beginning of period	610,174	1,284,750
Cash, end of period	$ 471,266	$ 1,626,521
Cash, paid for interest	$ -	$ -
Cash, paid for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 8)

The accompanying notes are an integral part of these financial statements.

1. BASIS OF PRESENTATION

The interim period financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporation Act (Alberta) on August 18, 1998 and its principal business activity is the exploration and development of petroleum and natural gas interests.

The Company has yet to earn significant revenues and is considered to be in the development stage.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future.

	February 28, 2007	November 30, 2006
Working capital	$ 567,259	$ 636,293
Deficit	(1,849,842)	(1,788,364)

3. EQUIPMENT

	February 28, 2007			November 30, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer hardware	$ 10,238	$ 6,700	$ 3,538	$ 10,238	$ 6,421	$ 3,817
Computer software	12,270	12,270	-	12,270	12,270	-
Furniture and equipment	684	684	-	684	684	-
	$ 23,192	$ 19,654	$ 3,538	$ 23,192	$ 19,375	$ 3,817

4. PETROLEUM AND NATURAL GAS INTERESTS

	British Columbia	Alberta	Saskatchewan	Total
Balance, November 30, 2005	$ -	$ -	$ 5,391	$ 5,391
Acquisition costs	160,051	15,000		175,051
Deferred costs:				
Drilling	-	838,420	120	838,540
Engineering	-	2,808	-	2,808
Geological and geophysical	-	135,000	-	135,000
Mineral Taxes	-	504	504	1,008
Royalties received	-	-	(89,061)	(89,061)
Balance, November 30, 2006	160,051	991,732	(83,046)	1,068,737
Acquisition costs	-	-	(35,000)	(35,000)
Royalties received	-	-	(145,700)	(145,700)
Additions, February 28, 2007	-	-	(180,700)	$ (180,700)
Balance, February 28, 2007	$ 160,051	$ 991,732	$ (263,746)	$ 888,037

Stoughton Area, Saskatchewan

On October 10, 2002, the Company completed its' agreement for the purchase of petroleum and natural gas assets ("Assets") from Charter Oil Corporation ("Charter"). The petroleum and natural gas assets consisted of an approximate 90% net working interest in 2,880 freehold acres in the Stoughton region of southeast Saskatchewan. In consideration of the acquisition of the Assets from Charter, the Company paid cash consideration of $150,000, issued 400,000 common shares at an agreed value of $240,000 and issued 830,000 Participating Redeemable Series "A" Preferred Shares at an agreed value of $830,000, for total consideration of $1,220,000.

The Company entered into several leases with Mission Oil and Gas Partnership ("Mission") (formerly Bison Resources Ltd.) on portions of the company's fee acreage in the Stoughton area, Saskatchewan totaling approximately 1440 acres. These leases have terms varying from six months to two years. The Company is currently receiving fee simple royalty and rental revenue from wells drilled by Mission.

On May 27, 2005, the Company entered into a sale agreement, for the sale of a non-producing undivided four-fifths 1,440 gross (1,152 net) acres situated in the province of Saskatchewan for a total purchase price of $1.45 million. The transaction closed June 6, 2005, and the Company received the funds on July 15, 2005. The sale of the freehold properties represents approximately 39 percent of the corporation's non-producing Saskatchewan landholdings.

4. PETROLEUM AND NATURAL GAS INTERESTS (cont'd…)

Stoughton Area, Saskatchewan (cont'd…)

During the year ended November 30, 2006, the Company entered into a multi-well farmout with a privately owned, Calgary based oil exploration company Acero Energy Inc. ("Acero"). Under the terms of the agreement, it is contemplated that Acero will drill a minimum of 3 wells to test the Frobisher and Bakken formations. The Company has an average 75% working interest in all of the combined lands in the farmout, and has negotiated a gross overriding royalty of 16% with no deductions on all production achieved on the subject lands.

Cessford Area, Alberta

The Company announced that it had entered into an agreement on October 25, 2005 to acquire an interest in a Fairmount and Participation Agreement to immediately commence an initial four well drilling program in the Cessford area of Alberta. The development properties are held 100% by the operating industry partner and target multiple natural gas prospective zones. The Company has the right to earn 50% working interest before payout and 25% working interest after payout by paying 50% of all costs associated with the drilling program. There is a finder's fee payable on the transaction of 100,000 common shares at a price of $0.15 per share which was recorded in the year ended November 30, 2005 as an obligation to issue shares.

Effective November 14, 2005, the Company will not be proceeding with the four development well program in the Cessford area of Alberta. The finder's fee was expensed as consulting during the year ended November 30, 2005.

Pembina Area, Alberta

On November 14, 2005, the Company entered into a Participation Agreement with an operating industry partner to participate in the drilling of an initial three exploration wells and earn a working interest in seven sections in the Pembina area of Alberta. The Company has the right to earn a 27% working interest by paying 45% of all costs associated with the drilling program and will earn a 40% working interest in the prospect area comprised of seven sections or approximately 4,480 acres on which an additional nine target locations have been identified.

In the summer of 2006, the Company participated in the drilling of two natural gas wells, Pembina 01/05-19-48-8-W5M and Pembina 02/10-24-48-9-W5M. The Company has earned a 27% net interest in each of these two wells.

The Company issued 100,000 shares as finder's fee valued at $15,000 during the year ended November 30, 2006.

Inga Area N.E. British Columbia

Early in the summer of 2006, the Company obtained one section of land in Northeastern British Columbia. The Company's net working interest is 75%.

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

Authorized:

Unlimited number of common voting shares
Unlimited number of preferred shares

Issued:

	February 28, 2007			November 30, 2006		
	Shares	Amounts	Contributed Surplus	Shares	Amounts	Contributed Surplus
Common shares						
Balance, beginning of year	12,746,250	$3,214,127	$ 80,684	9,471,250	$2,759,811	$ 33,590
Issued for:						
Private placements	-	-	-	3,175,000	620,000	-
Agent's warrants	-	-	-	-	-	10,184
Issue costs	-	-	-	-	(35,684)	-
Stock-based compensation	-	-	7,865	-	-	36,910
Warrants exercised	30,000	6,000	-			
Finder's fees	-	-	-	100,000	15,000	-
Future income taxes on exploration expenditures renounced	-	-	-	-	(145,000)	-
Balance, end of period	12,776,250	$3,220,127	$ 88,549	12,746,250	$3,214,127	$ 80,684

Issued

On December 9, 2006, 30,000 common shares were issued on exercise of warrants at $0.20.

6. STOCK OPTIONS AND WARRANTS

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

6. STOCK OPTIONS AND WARRANTS (cont'd…)

As at February 28, 2007, the following incentive stock options and share purchase warrants are outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	360,000	$ 0.15	May 28, 2007
	423,500	0.15	February 5, 2008
	500,000	0.15	October 25, 2010
	300,000	0.20	December 9, 2010
Warrants	1,037,500	0.40	December 9, 2007

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2005	1,283,500	$ 0.15
Options granted	300,000	0.20
Balance, November 30, 2006 and February 28, 2007	1,583,500	$ 0.16
Exercisable	1,508,500	$ 0.15

Stock-based compensation

During the year ended November 30, 2006, the Company granted 300,000 stock options, which were valued at $31,461. A total amount of $7,866 (2006 - $15,731) was recognized as expense during the three month period ended February 28, 2007 for the vested portions of these options.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted or repriced during the year ended November 30, 2006:

	2006
Risk-free interest rate	3.95%
Expected life of options	5 years
Annualized volatility	56.6%
Dividend rate	0%

6. STOCK OPTIONS AND WARRANTS (cont'd…)

Warrants

The following is a summary of warrant transactions during the period:

	Number of Shares		Weighted Average Exercise Price
Outstanding at November 30, 2005	140,000	$	0.35
Granted	1,037,500		0.29
Exercised	(30,000)		(0.35)
Expired	(110,000)		(0.35)
Outstanding at November 30, 2006 and February 28, 2007	1,037,500	$	0.29

7. RELATED PARTY TRANSACTIONS

During the three month period ended February 28, 2007, the Company paid or accrued $7,500 (2006 - $7,500) in corporate service fees, $300 (2006 - $300) in rent and $25,500 (2006 - $33,000) in management fees to companies with common directors and former directors. The Company also paid or accrued $3,000 (2006 - $3,000) in professional fees to partnerships in which a director and an officer are partners.

Included in accounts payable and accrued liabilities at February 28, 2007 is $3,500 (2006 - $ Nil) due to companies with common directors.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the three-month periods ended February 28, 2007, and 2006.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and income taxes receivable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

10. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and development of petroleum and natural gas interests, in Canada.

11. SUBSEQUENT EVENTS

In March 2007, a third and final earning well at Pembina Area, Alberta was drilled and cased and is currently being completed as an Edmonton Sands gas well. Cobra has participated in two previous wells resulting in a producing Belly River gas well and one standing well as a potential Belly River oil well. The Company has earned a 27% net working interest in these three wells and subsequently has earned a 40% working interest in 7 sections where up to 12 drilling locations have been identified. It is anticipated that additional wells will be drilled in the prospect area throughout 2007