COBRA VENTURE CORPORATION

INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

THREE MONTH PERIOD ENDED FEBRUARY 29, 2008

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 29, 2008.

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

	February 29, 2008	November 30, 2007
ASSETS		
Current		
Cash	$ 2,213,142	$ 878,075
Receivables	174,984	112,800
Prepaid expenses	26,060	24,872
Income tax receivable	15,528	-
	2,429,714	1,015,747
Equipment (Note 4)	5,910	6,489
Petroleum and natural gas interests (Note 5)	263,445	521,992
	$ 2,699,069	$ 1,544,228
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 83,101	$ 67,740
Income taxes payable	170,000	63,192
	253,101	130,932
Future income taxes	10,000	80,000
	263,101	210,932
Shareholders' equity		
Capital stock (Note 6)	3,758,027	3,240,052
Subscription received in advance (Note 6)	-	25,000
Contributed surplus (Note 6)	148,435	112,076
Deficit	(1,470,494)	(2,043,832)
	2,435,968	1,333,296
	$ 2,699,069	$ 1,544,228

Basis of presentation (Note 1)
Nature and continuance of operations (Note 2)

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 29, 2008	Three month period ended February 28, 2007
ADMINISTRATIVE EXPENSES		
Amortization	$ 579	$ 279
Consulting fees	18,478	5,000
Corporate services	10,500	7,500
Management fees	36,000	25,500
Media and website	12,553	-
Mineral rights tax	1,150	1,150
Office and miscellaneous	11,886	7,120
Professional fees	24,605	5,616
Rent	300	300
Stock-based compensation (Note 7)	36,359	7,866
Transfer agent and regulatory fees	5,735	2,460
Travel and promotion	4,086	8,430
Loss before other items	(162,229)	(71,221)
OTHER ITEMS		
Gain on sale of leased land (Note 5)	771,000	-
Lease income	50,680	7,596
Interest income	13,887	2,147
	835,567	9,743
Income (loss) before income taxes	673,338	(61,478)
Provision for income tax	100,000	-
Income (loss) and comprehensive loss for the period	573,338	(61,478)
Deficit, beginning of period	(2,043,832)	(1,788,364)
Deficit, end of period	$ (1,470,494)	$ (1,849,842)
Basic and diluted loss per common share	$ (0.04)	$ (0.01)
Weighted average number of common shares outstanding	14,471,893	12,773,583

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 29, 2008	Three month period ended February 28, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	$ 573,338	$ (61,478)
Items not involving cash:		
Amortization	579	279
Stock-based compensation	36,359	7,866
Gain from sale of leased land	(771,000)	-
Future income tax expense	(70,000)	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	10,237	(60,182)
(Increase) decrease in prepaid expenses	(1,188)	(2,854)
Increase (decrease) in accounts payable and accrued liabilities	30,553	(209,239)
Increase in income tax payable	106,808	-
Increase in income tax receivable	(15,528)	-
Cash used in operating activities	(99,842)	(325,608)
CASH FLOWS FROM INVESTING ACTIVITIES		
Petroleum and natural gas expenditures	(29,238)	-
Royalties received from oil and natural gas interests	181,172	180,700
Proceeds from sale of leased land	790,000	-
Cash provided by investing activities	941,934	180,700
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued for cash	492,975	6,000
Cash provided by financing activities	492,975	6,000
Change in cash	1,335,067	(138,908)
Cash, beginning of period	878,075	610,174
Cash, end of period	$ 2,213,142	$ 471,266
Cash paid for interest	$ -	$ -
Cash paid for income taxes	-	-

Supplemental disclosure with respect to cash flows (Note 9)

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 except as disclosed in Note 2. 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. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

	February 29, 2008	November 30, 2007
Working capital	$ 2,176,613	$ 884,815
Deficit	(1,470,494)	(2,043,832)

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting Changes

Effective December 1, 2007, the Company implemented the new CICA Handbook Section 1506 “accounting changes”. Under these new recommendations, voluntary changes in accounting policy are permitted only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and requires enhanced disclosures about the effects of change in accounting policies, estimates and error on the financial statements.

These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued that the company has not adopted because there are not yet in effect.

The adoption of this new section is not expected to have an impact on the Company’s financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Capital Disclosures

Effective December 1, 2007, the Company implemented the new CICA Handbook Section 1535 "Capital disclosures" The section specifies the disclosure of (i) an enitity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with an capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This new Section relates to disclosures and did not have an impact on the Company's financial results.

Financial Instruments

Effective December 1, 2007, the Company implemented the new CICA Handbook Section 3862, *Financial Instruments – Disclosures,* which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement,* Section 3863, *Financial Instruments – Presentation,* and Section 3865, *Hedges.* This new Section relates to disclosures and did not have an impact on the Company's financial results.

Effective December 1, 2007, the Company implemented the new CICA Handbook Section 3863, *Financial Instruments – Presentation,* which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This new Section relates to disclosures and did not have an impact on the Company's financial results.

Recent accounting pronouncements

Assessing Going Concern

The AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. This new Section relates to disclosures and will not have an impact on the Company's financial results.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Adoption of Section 3064 is not expected to have a significant impact on the Company's financial results.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued…)

Recent accounting pronouncements (Continued…)

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

4. EQUIPMENT

	February 29, 2008			November 30, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer hardware	$ 13,636	$ 8,121	$ 5,515	$ 13,636	$ 7,674	$ 5,962
Computer software	12,860	12,465	395	12,860	12,333	527
Furniture and equipment	684	684	-	684	684	-
	$ 27,180	$ 21,270	$ 5,910	$ 27,180	$ 20,691	$ 6,489

5. PETROLEUM AND NATURAL GAS INTERESTS

	British Columbia	Alberta	Saskatchewan	Total
Balance, November 30, 2006	160,051	991,732	(83,046)	1,068,737
Acquisition costs	-	111,328	-	111,328
Mineral leases	-	-	64	64
Deferred costs:				
Engineering and consulting	-	346	-	346
Drilling	-	163,888	-	163,888
Geological fees	-	8,604	-	8,604
Geochemical services	-	-	-	-
Surface location costs	-	1,500	-	1,500
Cost recoveries	-	(17,598)	-	(17,598)
Royalties received	-	(6,329)	(808,548)	(814,877)
Balance, November 30, 2007	$ 160,051	$ 1,253,471	$ (891,530)	$ 521,992
Acquisition costs	-	-	-	-
Sale of leased land	-	-	(19,000)	(19,000)
Deferred costs:				
Abandonment costs	9,655	-	-	9,655
Engineering and consulting	-	1,385	-	1,385
Drilling	-	-	-	-
Geological fees	-	3,006	-	3,006
Geochemical services	-	-	-	-
Surface location costs	-	-	-	-
Cost recoveries	-	-	-	-
Royalties received	-	(23,892)	(229,701)	(253,593)
Balance, February 29, 2008	$ 169,706	$ 1,233,970	$ (1,140,231)	$ 263,445

Viewfield Area, Saskatchewan

On October 10, 2002, the Company completed an 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 Viewfield 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 on portions of the Company’s freehold acreage in the Viewfield area, Saskatchewan totaling approximately 1,440 acres. These leases have terms varying from six months to two years. The Company is currently receiving fee simple royalty and rental revenue from 3 wells drilled in 2004.

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

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 Company's non-producing Saskatchewan landholdings.

During the year ended November 30, 2007, the Company entered into a multi-well farmout with a privately owned, Calgary based oil exploration company Acero Energy Inc. ("Acero"). 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.

During the three month period ended February 29, 2008, the Company received $229,701 in royalties from production on Company lands in Southeast Saskatchewan.

During the three month period ended February 29, 2008, the Company sold 480 acres of 640 acres in the Province of Saskatchewan for a total purchase price of $790,000, resulting in a gain of $771,000.

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 (3) exploration wells and earn a working interest in the Pembina area of Alberta. The Company had the right to earn a 27% net working interest by paying 45% of all costs associated with the drilling program to earn a 40% net working interest in the prospect area comprised of seven (7) sections or approximately 4,480 acres.

In the summer of 2006, the Company participated in the drilling of two natural gas wells. These wells encountered multiple natural gas zones, one (1) has subsequently been abandoned in 2007, and one (1) remains standing pending recompletion.

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

In March 2007, the third (3^{rd}) and final earning well at Pembina Area, Alberta was drilled, completed and tied in as a producing Edmonton Sands gas well.

The Company has earned a 27% working interest in two (2) natural gas wells and is receiving production revenue from one (1) well and one (1) remains standing pending recompletion. The Company subsequently has earned a 40% net working interest in 4,200 acres where an additional 10-12 drill targets have been identified and are being evaluated for future development.

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

Alderson Area, Alberta

During the year ended November 30, 2007, the Company obtained a 50% net working interest in 320 acres of land in Central Alberta for $77,215.

Willesden Green Area, Alberta

During the year ended November 30, 2007, the Company obtained a 40% net working interest in 160 acres of land in Central Alberta for $18,570.

Iosegun Area, Alberta

During the year ended November 30, 2007, the Company obtained a 20% net working interest in 160 acres of land in Central Alberta for $15,543.

Inga Area N.E. British Columbia

During the year ended November 30, 2006, the Company obtained a 5 year crown lease of one section of land in Northeastern British Columbia for annual rental fees. The Company's net working interest is 75%.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

Authorized:

Unlimited number of common voting shares

Unlimited number of preferred shares, issuable in series

Issued:

	February 29, 2008			November 30, 2007		
	Shares	Amounts	Contributed Surplus	Shares	Amounts	Contributed Surplus
Common shares						
Balance, beginning of period	13,135,750	$3,240,052	$ 112,076	12,746,250	$3,214,127	$ 80,684
Issued for:						
Private placements	1,000,000	300,000	-	-	-	-
Warrants exercised	386,500	154,600	-	30,000	6,000	-
Stock options exercised	418,500	63,375	-	359,500	53,925	-
Stock-based compensation	-	-	36,359	-	-	31,392
Future income taxes on exploration expenditures renounced	-	-	-	-	(34,000)	-
Balance, end of period	14,940,750	$3,758,027	$ 148,435	13,135,750	$3,240,052	$ 112,076

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

During the three month period ended February 29, 2008, the Company:

a) issued 386,500 common shares on exercise of warrants for gross proceeds of $154,600, $25,000 of which was received prior to the three month period ended February 29, 2008;

b) issued 418,500 common shares on exercise of stock options for gross proceeds of $63,375; and

c) issued 1,000,000 common shares pursuant to a non-brokered private placement for gross proceeds of $300,000.

During the year ended November 30, 2007, the Company:

a) issued 30,000 common shares on exercise of warrants for gross proceeds of $6,000;

b) received $25,000 in advance for 62,500 warrants exercised subsequent to year end at $0.40;

c) issued 359,500 common shares on exercise of stock options at a price of $0.15 per share for gross proceeds of $53,925; and

d) renounced $100,000 of property expenditures to flow-through share subscriptions resulting in a future tax liability of $34,000.

7. 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. Options vest as determined by the board of directors. The options can be granted for a maximum term of 5 years.

As at February 29, 2008, the following incentive stock options and share purchase warrants are outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	500,000	0.15	October 25, 2010
	300,000	0.20	December 9, 2010
	100,000	0.23	May 15, 2009
	5,000	0.27	June 19, 2012
	500,000	0.34	December 18, 2012
Warrants	1,000,000	0.35	December 13, 2009

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

	Number of Options		Weighted Average Exercise Price
Balance, November 30, 2006	1,583,500		0.16
Options granted	110,000		0.23
Options exercised	(359,500)		0.15
Options expired	(500)		0.15
Balance, November 30, 2007	1,333,500	$	0.17
Options granted	500,000		0.23
Options exercised	(418,500)		0.15
Options expired	(10,000)		0.15
Balance, February 29, 2008	1,405,000	$	0.17
Exercisable	1,000,000	$	0.17

Stock-based compensation

During the three month period ended February 29, 2008, the Company granted 500,000 stock options, which were valued at $128,603 using the Black-Scholes option pricing model. A total amount of $32,151 (2006 - $Nil) was recognized as expense during the three month period ended February 29, 2008.

During the year ended November 30, 2007, the Company granted 110,000 stock options, which were valued at $9,899 using the Black-Scholes option pricing model. A total amount of $4,208 (2007 – $Nil) was recognized as expense during the three month period ended February 29, 2008 for the vested portions of these options.

During the year ended November 30, 2006, the Company granted 300,000 stock options, which were valued at $31,461. The Company also issued Agent's Warrants to acquire 140,000 common shares at a price of $0.20 per share which were valued at $10,184 using the Black-Scholes option pricing model. A total amount of $7,866 was recognized as expense during the three month period ended February 28, 2007 for the vested portions of these options.

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

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted or re-priced during the:

	Three month period ended February 29, 2008	Year ended November 30, 2007
Risk-free interest rate	3.86%	4.57%
Expected life of options	5 years	2.27 years
Annualized volatility	78.76%	61.09%
Dividend rate	0%	0%

Warrants

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

	Number of Shares	Weighted Average Exercise Price
Outstanding at November 30, 2006	1,177,500	0.29
Exercised	(30,000)	0.35
Expired	(110,000)	0.35
Outstanding at November 30, 2007	1,037,500	$ 0.40
Issued	1,000,000	0.35
Exercised	(386,500)	0.40
Expired	(651,000)	0.35
Outstanding at February 29, 2008	1,000,000	$ 0.35

8. RELATED PARTY TRANSACTIONS

During the three month period ended February 29, 2008, the Company paid or accrued $300 (2006 - $300) in rent and $36,000 (2006 - $25,500) in management fees to companies with common directors. The Company also paid or accrued $8,425 (2006 - $2,616) in professional fees to partnerships in which a director and an officer are partners.

Included in accounts payable and accrued liabilities at February 29, 2008 is $Nil (2006 - $3,500) 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.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three month period ended February 29, 2008, the Company:

a) included in accounts receivable at February 29, 2008 were $167,069 (2007 - $Nil) related to oil and natural gas royalty revenue; and

b) included in accrued liabilities at February 29, 2008 were $17,142 (2007 - $Nil) of oil and natural gas costs.

c) allocated $25,000 subscriptions received in advance to capital stock.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. 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.

11. SEGMENTED INFORMATION

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

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (ie share capital and retained earnings).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.