

COBRA VENTURE CORPORATION

MANAGEMENT'S INTERIM DISCUSSION AND ANALYSIS

THREE MONTH PERIOD ENDED FEBRUARY 29, 2008

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and analysis, prepared as of April 25, 2008, should be read together with the unaudited interim financial statements for the three month period ended February 29, 2008 and the audited annual financial statements for the year ended November 30, 2007 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

Cobra Venture Corporation (the "Company") is an emerging energy company focused on the acquisition and development of strategic oil and natural gas reserves in Western Canada.

The Company is in the process of exploring and developing its petroleum and natural gas interests (see discussion below in "Results of Operations"). The recoverability of the amounts shown for petroleum and natural gas interests are dependant upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production. The Company trades on the TSX Venture Exchange under the symbol CBV.

Performance Summary

The following is a summary of the significant events and transactions that occurred during the three month period ended February 29, 2008:

- a) Completed a private placement of 1,000,000 flow-through units for proceeds of \$300,000. Each unit consists of one flow-through common shares and one non-flow through share purchase warrant. Each share purchase warrant is exercisable at \$0.35 per share for a period of 24 months.
- b) Issued 62,500 common shares pursuant to the exercise of 62,500 share purchase warrants for subscriptions received in advance of \$25,000.
- c) Issued 324,000 common shares pursuant to the exercise of 324,000 share purchase warrants at an exercise price of \$0.40 per share.
- d) The balance of warrants outstanding at November 30, 2007 that were not exercised, 651,000, expired unexercised on December 9, 2007.
- e) Granted 500,000 stock options to directors, officers, and consultants of the Company. The options allow the holder to purchase one common share of the Company at an exercise price of \$0.34 per option on or before December 18, 2012.
- f) Entered into an agreement to pay minimum consulting fees of \$288,000 to Kennedy Hill Financial group (which is controlled by Daniel B. Evans, a director of the Company), \$144,000 per annum, starting January 1, 2008 and terminating December 31, 2009.
- g) Sold 480 gross, 240 net acres of crown leased lands in Viewfield Area of Saskatchewan for \$790,000 to a junior oil and natural gas company.
- h) Entered into a multi-well farm out of one of its oil and natural gas interest to a junior oil and natural gas company on 640 gross acres, 480 net acres in the Viewfield Area of Saskatchewan, with a commitment to drill 2 one mile horizontal Bakken wells subject to a gross overriding royalty of 20%.

**COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008**

- i) Issued 423,500 common shares pursuant to the exercise of 423,500 incentive stock options for gross proceeds of \$63,375. 10,000 incentive stock options expired unexercised.

Results of Operations for the three month period ended February 29, 2008

The following discussion addresses the operating results and financial results and financial condition of the Company for the three month period ended February 29, 2008 and year ended November 30, 2007. The Management's Discussion and Analysis should be read in conjunction with the Company's unaudited interim financial statements for the three month period ended February 29, 2008, as well as the audited annual financial statements and the accompanying notes for the years ended November 30, 2007 and 2006.

For the three month period ended February 29, 2008 compared with the three month period ended February 29, 2007.

Revenues

Revenue consists of interest on cash balances of \$13,887 (2007 - \$2,147), lease income of \$50,680 (2007 - \$7,596) and gain on sale of leased land of \$771,000 (2007 - \$Nil). Interest income has increased due to a higher cash balance during the period.

Operating Expenses / Net Loss

Operating expenses of \$162,229 (2006 - \$71,221) are primarily comprised of management fees, professional fees, consulting fees, stock-based compensation, and general office expenses. The increase of \$91,008 from 2007 is due to an increase in activities requiring increased management fees, professional fees, transfer agent and regulatory fees, and stock-based compensation.

In comparison to the three month period ended February 29, 2007:

- Management fees of \$36,000 (2007 - \$25,500) have remained consistent.
- Professional fees of \$24,605 (2007 - \$5,616) increased due to legal fees paid for private placements, stock option granting and exercising.
- Consulting fees of \$18,478 (2007 - \$5,000) have increased due to increased activity in possible land purchases.
- Corporate services of \$10,500 (2007 - \$7,500) have increased slightly.
- Stock-based compensation of \$36,359 (2007 - \$7,866) has increased due to stock option granting.

Petroleum and Natural Gas Interests

Viewfield 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 Viewfield area 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.

During the year ended November 30, 2003, the Company entered into two participation and option agreements with Celtic Exploration Ltd. ("Celtic") on the Company's acreage in the Viewfield area, Saskatchewan. The agreements provided Celtic with the option to earn an interest in the lands by drilling up to three exploration wells.

The Company retained an entitlement to participate directly in the drilling of the exploration wells as to a 25% net working interest, with Celtic paying the balance of the drilling and completion costs. Following completion of each exploration well,

COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008

Celtic will have earned a 50% interest in designated lands of the Company. In addition, the agreements provided for a regional area of mutual interest between the Company and Celtic on a 50/50 basis.

The Company paid \$26,570 for its share of the acquisition costs for the joint leased crown lands. The Company exercised its right to participate in the drilling of the first exploration well as per the terms of the agreement and paid \$130,000 for its 50% share of the drilling costs. The well was subsequently abandoned. Celtic did not elect to drill on the Company's optioned land and subsequently did not earn the 50% working interest in the Viewfield lands under the terms of the agreement and the option expired.

In 2004, the Company entered into several leases on portions of the Company's free acreage in the Viewfield area, of southeast Saskatchewan totaling approximately 1,440 acres. These leases had terms varying from six months to two years.

On May 27, 2005, the Company entered into a definitive sale agreement for the sale of a non-producing undivided four-fifths 1,440 gross (1,152 net) acres situated in the Viewfield area, of southeast 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 these freehold properties represented approximately 39 per cent of the Company's non-producing Saskatchewan landholdings.

On October 19, 2006 the Company announced that it had entered into a multi-well farmout with Acero Energy Inc. ("Acero") of Calgary, Alberta, covering the Company's lands located in the Viewfield area of southeast Saskatchewan. Acero is a privately owned Calgary based oil exploration company with operations in the Viewfield area of Saskatchewan operated by the former principals of Bison Resources Ltd. By applying unconventional geological interpretations and utilizing modern drilling techniques, the Bison group discovered the Bakken light, sweet oil play in the greater Viewfield area leading to the further expansion of the play throughout SE Saskatchewan. Relying exclusively on geology and maintaining a hands-on approach to business, the team built that company to its eventual sale value in January 2006 of approximately \$113.4 MM.

Under the terms of the Company/Acero agreement, Acero will drill a minimum of 3 wells to test the Frobisher and Bakken light oil formations. In December 2006, the first well was drilled horizontally on a structural feature and the results from the well suggest that a second well can be located on the adjacent spacing unit on Company land. The initiation of a second well would be subject to further reservoir evaluation over the next three months. The single horizontal leg well encountered approximately 400 meters of high quality limestone porosity and initial production has yielded a sweet 30.3 degree API gravity oil with a very low water cut. Production rates for the well have been as high as 240 barrels of oil per day since completion of the well in the early part of December, but the operator anticipates reducing the rate of production to approximately 200 barrels of oil per day while the reservoir is being evaluated.

In early February 2007, the second well of a three well drilling program in the Viewfield Area of South East Saskatchewan, was drilled and completed as a producing oil well. Production rates for the well, completed in early February, have averaged approximately 250 barrels per day, of sweet 30.3 degree API gravity oil with negligible water. The Company owns 25% of the freehold mineral rights on the lands and has retained a non-convertible sixteen percent (16%) gross overriding royalty net of crown obligations.

In July 2007, the third well of the program was drilled and completed as a horizontal Bakken formation, light oil well on the southwest quarter of 640 gross, 320 net acres of crown leased land where the Company holds a 50% ownership of the mineral rights and has retained a Non-convertible sixteen percent (16%) gross overriding royalty.

In September 2007, the Company announced that it had entered into a second farm out arrangement with Acero, whereby Acero agreed to drill a test well on Company held lands in the Viewfield area, to test the Frobisher/Bakken formations on or before December 1, 2007. In addition, Acero had advised Company of its intention to drill 2 new development wells on Company lands where the first 2 wells of the program were successfully drilled and completed. Under the terms of the agreement with Acero, the Company receives 16% gross override, no deduction royalty, on all production from Company lands. The Company looks forward to increased production revenues, as additional wells are drilled and brought on stream throughout 2008. Within the 40 acres allowable spacing provisions, the Company believes there are over 26 potential well locations remaining on the existing land base, which is now fully under development. The Company has an ongoing geological assessment program underway to evaluate new opportunities at crown land sales and by farm in to increase drill target inventory in the area.

COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008

The Company's southeast Saskatchewan lands continue to produce monthly revenue on a royalty basis from 8 wells (3 existing wells drilled in 2004-2005). The Company owns 80% of the freehold mineral rights on these lands and has retained a non-convertible sixteen percent (16%) gross overriding royalty held under the terms of a previous lease agreement.

The Company has achieved 100% drilling success in the first 5 wells in the Viewfield area thru the terms of the farm-out agreement with Acero Energy Inc.

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.

Cessford Area, Alberta

The Company announced that it had entered into an agreement on October 25, 2005 to acquire an interest in a Farmout 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 a 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 has been recorded in the financial statements 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 fees, and recovered in 2006.

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.

In March 2007, the third (3rd) 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.

During 2007, a third party industry partner drilled and completed a fourth (4th) natural gas well on Company lands, thru a farm in arrangement. It is currently a standing natural gas well and it is anticipated it will be tied in to produce.

Central Alberta

In Central Alberta, the Company has been successful in acquiring varying interests between 25-50% in 320 acres at Alderson, 160 acres at Willesden Green, and 160 acres in the Iosegun areas of Alberta. License applications are currently underway to drill up to 2 Cardium wells at Willesden Green and a Nisku recompletion program is planned for the Iosegun lands. A 3D seismic farm-in program has been completed by a third party on the Alderson lands and is currently being evaluated. The Company is actively evaluating new opportunities in Alberta to increase its land position and drilling inventory of light oil targets.

Alderson Area, Alberta

In the fall of 2007, the Company obtained a 50% net working interest in 320 acres of land in Central Alberta for \$77,215.

COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008

Willesden Green Area, Alberta

In the fall of 2007, the Company obtained a 40% net working interest in 160 acres of land in Central Alberta for \$18,570.

Iosegun Area, Alberta

In the fall of 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

Early in the summer of 2006, having reviewed seismic data, the Company obtained 640 gross, 480 net acres of crown leased land underlying a significant structure in Northeastern British Columbia. The Company's net working interest is 75%, and additional seismic structures are being reviewed with the intent to accumulate a larger land position in the prospect area.

The Company is continuing on a strategy of participating in large multi-well drilling programs as a non-operating participant and negotiating large net working interests. The Company employs a land acquisition strategy to build a meaningful land base for joint venture, farm-out or drilling participation.

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 mineral leases	-	-	(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

COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008

LIQUIDITY AND CAPITAL RESOURCES

The Company's oil and gas exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its oil and gas operations.

As at February 29, 2008, the Company had working capital of \$2,176,613 compared to working capital of \$884,815 as at November 30, 2007. As at February 29, 2008, the Company had cash of \$2,213,142 compared to cash of \$878,075 as at November 30, 2007.

Net cash used in operating activities for the three month period ended February 29, 2008 was \$99,842 (2007 -\$325,608) consisting primarily of the operating loss, and the change in non-cash items.

Net cash provided by investing activities for the three month period ended February 29, 2008 was \$941,934 (2007 -\$180,700) consisting of the petroleum and natural gas expenditures.

Net cash provided by financing activities for the three month period ended February 29, 2008 was \$492,975 (2007 -\$6,000) consisting of the issuance of common shares for cash.

SUMMARY OF QUARTERLY RESULTS

	February 29, 2008	November 30, 2007	August 31, 2007	May 31, 2007
Total assets	\$ 2,699,069	\$ 1,544,228	\$ 1,565,580	\$ 1,673,324
Petroleum and natural gas interests	263,445	521,992	636,405	722,962
Working capital	2,176,613	884,815	756,762	870,941
Shareholders' equity	2,435,968	1,333,296	1,409,337	1,397,330
Other income	64,567	11,320	20,315	926
Operating expenses	162,229	119,946	83,780	116,356
Gain on sale on leased land	771,000	-	-	-
Income tax recovery	-	93,531	-	-
Net income (loss)	573,338	(15,095)	(63,465)	(115,430)
Basic and diluted income (loss) per share	(0.04)	(0.02)	(0.01)	(0.01)

	February 28, 2007	November 30, 2006	August 31, 2006	May 31, 2006
Total assets	\$ 1,734,009	\$ 1,990,860	\$ 1,582,221	\$ 1,665,462
Petroleum and natural gas interests	888,037	1,068,737	812,982	219,058
Working capital	567,259	636,292	715,628	1,337,061
Shareholders' equity	1,458,834	1,506,447	1,417,484	1,464,861
Other income	9,743	(10,107)	20,889	2,963
Operating expenses	71,221	31,524	111,623	109,001
Income tax recovery	-	(62,460)	(17,200)	(67,800)
Net income (loss)	(61,478)	20,829	(73,534)	(38,238)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

RELATED PARTY TRANSACTIONS

During the three month period ended February 29, 2008, the Company paid or accrued \$300 (2007 - \$300) in rent to Sureway Metal Systems (a company controlled by a common director, namely David H. Evans) and \$36,000 (2007 - \$25,500) in management fees to Kennedy Hill Financial Group (a company controlled by a common director, namely Daniel

**COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008**

B. Evans). The Company also paid or accrued \$8,425 (2007 - \$2,616) in legal fees to Borden Ladner Gervais LLP (a partnership in which a director and an officer are a partner, namely Michael Perkins).

Included in accounts payable and accrued liabilities at February 29, 2008 is \$Nil (2007 - \$3,500) due to a 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.

NEW ACCOUNTING POLICIES

On November 1, 2006, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Handbook Section 1530, *Comprehensive Income*, Handbook Section 3855, Financial Instruments – Recognition and Measurement, Section 3251, Equity, and Section 3861, *Financial Instruments – Recognition and Measurement*. These standards were adopted prospectively and accordingly, comparative amounts for prior periods have not been restated.

Comprehensive Income

Section 1530 introduces other comprehensive income (“OCI”). OCI represents changes in shareholders’ equity arising from unrealized gains and losses on financial assets classified as available-for-sale.

Financial Instruments – Recognition and Measurement

Section 3855 requires that all financial assets and financial liabilities (including derivatives) be measured at fair value on initial recognition except for certain related party transaction. Measurement in subsequent periods depends on whether the financial asset or liability has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

Financial instruments classified as held-for-trading are measured at fair value and unrealized gains and losses are included in net income in the period in which they arise. Available-for-sale assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as held-for-trading, held-to-maturity, or loans and receivables. Available-for-sale assets are measured at fair value with unrealized gains and losses recorded in other comprehensive income until realized, at which time they will be recognized in net income. The Company does not have any financial assets classified as available-for-sale.

Other accounting implications arising upon the adoption of Section 3855 include the use of the effective interest method (“EIM”) for any transaction costs or financing fees earned or incurred for financial instruments measured at amortized cost, and the recognition of the fair value of the obligation undertaken in issuing a guarantee that meets the definition of a guarantee pursuant to Accounting Guidelines 14, Disclosure of Guarantees (AcG 14). No subsequent re-measurement at fair value is required unless financial guarantee qualifies as a derivative. If the financial guarantee meets the definition of a derivative, it is re-measured at fair value at each balance sheet date.

Financial Instruments – disclosure and presentation

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated.

On adopting of these new standards, the Company designated its cash as held-for-trading, which is measured at fair value. Receivables are classified under loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

COBRA VENTURE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2008

Transition

On December 1, 2006, the Company recognized all of its financial assets and financial liabilities in the balance sheet according to their classification under the new standards. There was no significant effect on the financial statements as a result of adopting these policies.

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 or currency risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

A substantial portion of the Company's receivables are with customers in the oil and gas industry and are subject to normal industry credit risks.

OUTSTANDING SHARE DATA

As at April 25, 2008:

- a) Authorized: unlimited common shares without par value
unlimited preferred shares
- b) Issued and outstanding: 14,940,750 common shares with a stated value of \$3,758,027.
- c) Outstanding incentive stock options:

	Number of Shares	Exercise Price	Expiry Date
Stock 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

- d) During the three month period ended February 29, 2008, warrants were issued to purchase 1,000,000 common shares at \$0.35 per share until December 13, 2009.

	Number of warrants	Exercise Price	Expiry Date
	1,000,000	\$ 0.35	December 13, 2009

- e) Shares in escrow or pooling agreements: Nil.