

Company Summary

Cobra Venture Corporation (CBV : TSX-V)

Current Price : \$0.42

Coverage Initiated:
\$0.205 (May 22, 2007)

Highlights:

- three core areas in western Canada with diverse production mix
- multiple light oil wells planned for drilling in Viewfield, SK in 2008
- carried interest with no drilling costs
- new natural gas pool discovery at Pembina in 2006 - four wells drilled to date with up to 12 additional locations identified
- strong balance sheet with significant production growth potential

DISCUSSION:

Cobra Venture Corporation is engaged in the exploration and development of petroleum and natural gas in western Canada. The company has assembled varying interests in three core areas that hold significant potential. Cobra has established a strong foundation of initial production and is forecasting significant production growth in 2008. The company has properties in Viewfield, SK; Pembina, AB; and Inga, B.C. Some land has also recently been leased in other areas of Alberta.

At Viewfield, Cobra has a multi-well farm-out agreement in place with Acero Energy, a private Calgary-based company with members from the former management of Bison Resources Ltd. (formerly BIS.A:TSX-V prior to being taken over). The light oil formations in this area, Bakken and Frobisher, are known for their large reserve potential. During 2007, four horizontal Frobisher wells were drilled and each is producing approximately 200 bopd (25 bopd net). In July 2007, a horizontal Bakken well was drilled and completed for light oil production. In total, there are 8 successful royalty paying wells producing at Viewfield. Cobra doesn't pay any drilling or maintenance costs in the area while receiving approximately 16% of gross revenues through gross overriding royalty (GORR) arrangements.

Within the 40 acres allowable spacing provisions at Viewfield, Cobra estimates that 26 potential well locations remain on the company's existing land base. Acero has recently spudded a new well into the Frobisher and Bakken formations on Cobra's lands. The company has also been advised by a large energy trust that a license has been approved on Cobra lands for an additional well to be drilled. Cobra has also entered into a multi-well farm-out with a junior oil and gas company on 640 (480 net) acres with a commitment to drill a one mile horizontal Bakken well subject to gross overriding royalties of 20% payable to Cobra. Additional wells are expected to be drilled throughout 2008.

At Pembina, the company reported a new natural gas pool discovery in 2006. A \$7.5 million capital expenditure program has since been planned for the property with approximately \$2.5 million spent to date. A three well earn-in drilling program has been conducted at Pembina in 2007 to earn a 40% working interest in 7 sections of land. The company has drilled a total of four wells on this property and is currently receiving revenue from two natural gas wells. Up to 12 additional locations have been identified. The operator of the property is West Isle Energy Inc. (WEI:TSX-V).

In Alberta, 800 acres have been leased in Alderson, Willesden Green, and Iosegun where Cobra owns varying interests ranging from 25-50%. 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. Cobra has a 50% working interest in the drilling operations. There has been a 3D seismic program completed on Alderson by a third party and is now being evaluated.

Cobra has a lease on 640 acres of land at Inga, B.C. (75% working interest) expiring in 2011 and management believes that this area has significant natural gas reserve potential based on a high impact, multi-zone gas bearing structure from 2D seismic. A \$2.5 million capital program has been planned for Inga consisting of two high-impact gas wells. The company will likely enter into a farm-out or joint venture agreement at Inga.

On December 14, 2007, Cobra announced the completion of a non-brokered \$300,000 private placement through the issuance of one million units at a price of \$0.30 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.35 for a period of 24 months. The company received an additional \$790,000 in January 2008 through the sale of crown leased lands. These proceeds will be used for drilling, land acquisition and working capital.

Cobra presently uses the royalties it receives to offset acquisition and deferred costs from prior years including drilling, engineering, and geological costs. Royalties of \$572,988 were received during the first three quarters of fiscal 2007.

Cobra offers tremendous upside if it is successful in its Viewfield project development as well as other planned projects in 2008. After the current round of drilling is complete, Cobra could be generating cash flow in the range of \$150,000 - \$200,000 per month or \$2 million (\$0.15 per share) on an annualized basis. In total, 10-12 wells are targeted for drilling in 2008, which is expected to significantly increase cash flow by year-end. As at August 31, 2007, Cobra had a strong balance sheet with working capital of almost \$757,000 or \$0.06 per share and no long-term debt. Furthermore, after the recent financing and land sale, Cobra now has over \$2 million (\$0.15 per share) of unallocated cash on hand.

FINANCIAL & OPERATING RESULTS

3 months ended Aug. 31 9 months ended Aug. 31

	2007	2006	2007	2006
FINANCIAL				
Revenues	\$ -	\$ -	\$ -	\$ -
Cash Flow	(51,058)	(79,108)	(219,465)	(223,794)
per share	(0.004)	(0.006)	(0.017)	(0.018)
Net Income	(63,465)	(73,534)	(176,973)	(194,181)
per share	(0.005)	(0.006)	(0.014)	(0.016)
PRODUCTION				
Oil & NGLs (bpd)	-	-	-	-
Natural Gas (mcf/d)	-	-	-	-
Boepd (6:1)	-	-	-	-

CORE AREA REVIEW

Viewfield, Saskatchewan

- farm-outs in place with Acero Energy (former Bison Resources management team)
- 8 producing light oil wells from the Frobisher and Bakken formations
- multi-well drilling program targeting Bakken and Frobisher zones

Pembina, Alberta

- 40% working interest in 7 sections of land
- 4 wells drilled with 2 wells producing gas, 1 potential oil well cased, and 1 gas well now being tied in
- up to 12 additional well locations identified

Inga, B.C.

- 75% working interest with plans to JV or farm-out
- 640 acres held under lease expiring in 2011
- multi-zone gas potential with long reserve life
- plans to acquire more land in the area

BALANCE SHEET

(as at August 31, 2007)

Current Assets	\$ 773,682
Total Assets	1,565,580
Current Liabilities	16,920
Long-Term Debt	nil
Shareholders' Equity	1,409,337

SHARES OUTSTANDING

(As at October 15, 2007)

Basic	*13,135,750
Fully-diluted	**15,366,750

* management and directors hold approximately 18% of the basic shares issued and outstanding

** 1,007,500 warrants and 1,223,500 stock options are included in the fully-diluted share figure

MANAGEMENT:

Dan Evans, President & CEO, Director
Murray Rodgers, Director
Cyrus Driver, Director
Dave Evans, Director
Richard Mellis, Landman

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