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## Company Summary

December 23, 2008

### Cobra Venture Corporation (CBV : TSX-V)

**Current Price : \$0.12**

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

#### Highlights:

- Trading below cash value and at a significant discount to NAV
- multiple light oil wells planned for drilling in Viewfield, SK
- carried interests with no drilling costs
- natural gas pool discovery at Pembina in 2006 - four wells drilled to date with up to 12 additional locations identified
- very 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 continued production growth over the next few years. The company has properties in Viewfield, SK; Pembina, AB; and Inga, B.C. Lands have also been leased in other areas of Alberta including Willesden Green, Iosegun, Alderson and Westlock.

At Viewfield, Cobra has a multi-well farm-out agreement in place with Acero Energy Inc., 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.

Cobra estimates that 26 potential well locations remain at Viewfield based on current spacing regulations. Several wells are under drilling commitment for 2008/2009 with Acero and a large energy trust targeting the Frobisher and Bakken formations on Cobra lands. Additional wells are anticipated, but will be dependent upon the success of the initial wells. Management 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 two 1-mile horizontal Bakken wells subject to gross overriding royalties of 20% payable to Cobra. In January 2008, Cobra sold some leased lands in Saskatchewan that resulted in a gain of \$790,000.

At Pembina, under a third party joint venture agreement, 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 was 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 with another well planned for recompletion. Up to 12 additional locations have been identified.

In Alberta, 800 acres have been leased in Alderson, Willesden Green, and Iosegun where Cobra owns varying interests ranging from 20-80%. The company has successfully drilled the first of two Cardium wells at Willesden Green and tie-in is anticipated once further testing is completed. At Iosegun, a Nisku recompletion program is planned with the first re-entry expected to contribute 20-30 bopd if successful. Cobra has a 20% working interest at Iosegun. A 3D seismic program has been completed at Alderson at no cost to Cobra (25% working interest). Evaluation of the 3D seismic data indicates a large anomaly that has the potential for a new oil pool. At Westlock, Alberta, Cobra is earning a 20% interest in some land by conducting a 3D seismic program. This program has been delayed until early 2009. At Valhalla, Alberta, the company has entered into an agreement to acquire a 20% interest in some land prospective for natural gas with an option to increase the working interest to 50%.

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. The company may continue to acquire land at Inga and will likely enter into a farm-out or joint venture agreement.

Cobra presently uses the royalties it receives to offset acquisition and deferred costs including drilling, engineering, and geological costs. Royalties of \$558,684 were received during the first nine months of fiscal 2008. The company's royalties have now completely offset its petroleum and natural gas interests (see note 6 on Q3 financial statements) and revenues have begun to be recognized including \$96,003 during the second and third quarters.

Cobra offers tremendous upside if it is successful in its Viewfield project development as well as other planned projects in 2009. The company's activity on multiple projects during the year is expected to significantly increase its cash flow. As at August 31, 2008, Cobra had a strong balance sheet with working capital of \$1.67 million or \$0.11 per share and no long-term debt.

## FINANCIAL & OPERATING RESULTS

	3 months ended Aug. 31		9 months ended Aug. 31	
	2008	2007	2008	2007
<b>FINANCIAL</b>				
Revenues	\$ 41,655	\$ -	\$ 96,003	\$ -
Royalties Received	117,856	-	558,684	-
Cash Recoveries of O&G Interests	-	200,214	-	523,939
Net Income per share	(157,458)	(63,465)	*153,821	(176,973)
	(0.011)	(0.005)	0.010	(0.014)

\* includes one time gain on sale of leased land in the amount of \$790,000

## CORE AREA REVIEW

### Viewfield, Saskatchewan

- multi-well farm-out agreement in place with Acero Energy (former Bison Resources management team)
- 8 producing light oil wells from the Frobisher and Bakken formations with 2 wells under drilling commitment and 2 additional development wells currently planned
- further Bakken/Frobisher wells are anticipated dependent on current success - potential for up to 26 additional wells
- over 2,000 acres under development with large reserve potential

### Pembina, Alberta

- 3 well earn-in drilling program completed in 2007 to earn 40% working interest in 7 sections of land
- 1 multi-zone gas well pending recompletion
- 10-12 drilling locations being evaluated that target Belly River and Edmonton Sands natural gas zones

### Inga, B.C.

- 75% net 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

## BALANCE SHEET

(as at August 31, 2008)

Current Assets*	\$ 2,160,184
Total Assets**	2,414,937
Current Liabilities	494,581
Long-Term Debt	nil
Shareholders' Equity	1,897,356

\* includes cash of \$2.04 million or \$0.14 per share

\*\* balance sheet value of oil and gas interests has declined to nil as royalties received are used to reduce these amounts

## SHARES OUTSTANDING

(As at August 31, 2008)

Basic	*14,940,750
Fully-diluted	**17,345,750

\* management and directors hold approximately 27% of the outstanding shares

\*\* 1,000,000 warrants and 1,405,000 stock options are included in the fully-diluted share figure

## MANAGEMENT:

**Dan Evans**, President & CEO, Director

**Murray Rodgers, P. Geo**, Director

**Cyrus Driver, CA**, Director

**Dave Evans**, Director

**Richard Mellis**, Landman

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