

## Company Summary

September 8, 2009

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

**Current Price : \$0.105**

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

#### Highlights:

- working capital of \$0.06 per share, cash of \$0.05 per share and no LT debt
- 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
- 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, Valhalla and Morinville.

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. The company holds 80% ownership of the freehold mineral rights on these lands.

Cobra estimates that 26 potential well locations remain at Viewfield based on current spacing regulations. Several wells are under drilling commitment 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 for proceeds 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 production revenue from Pembina. 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 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%. Once this land acquisition is closed, a location has been identified for winter drilling in 2009. Cobra has also acquired a 40% net working interest in a 5 year crown lease for one section of land at Morinville in Central Alberta.

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 uses the royalties it receives to offset acquisition and deferred costs including drilling, engineering, and geological costs. During the first six months of fiscal 2009, Cobra received royalty revenues of \$136,852 from Viewfield along with \$35,629 in production revenue from Pembina.

Cobra offers good upside if it is successful in its Viewfield project development as well as other planned projects in 2009/2010. The company's activity on multiple projects over the next 12-18 months is expected to significantly increase its cash flow and royalty payments. As at May 31, 2009, Cobra had a strong balance sheet with working capital of \$937,980 or \$0.06 per share and no long-term debt.

## FINANCIAL & OPERATING RESULTS

	3 months ended May 31		6 months ended May 31	
	2009	2008	2009	2008
<b>FINANCIAL</b>				
Revenue	\$ 88,415	\$ 232,840	\$ 172,481	\$ 486,433
Direct Costs	63,262	15,310	89,070	30,620
Gross Profit	25,153	217,530	83,411	455,813
Gain on Sale of Leased Land	-	-	-	330,737
Net Income per share	(181,671) (0.012)	29,590 0.002	(276,842) (0.019)	400,948 0.026

## 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 May 31, 2009)

Current Assets*	\$ 1,006,353
Total Assets	2,545,744
Current Liabilities	68,373
Long-Term Debt	nil
Shareholders' Equity	2,084,433

\* includes cash of \$717,000 or \$0.05 per share

## SHARES OUTSTANDING

(As at July 27, 2009)

Basic	*14,940,750
Fully-diluted	**18,295,750

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

\*\* 1,000,000 warrants and 2,355,000 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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