STEALTH VENTURES LTD.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2008

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements they must be accompanies by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements.

STEALTH VENTURES LTD.

BALANCE SHEET AS AT MARCH 31, 2008

	March 31 2008 (Unaudited)	December 31 2007 (Audited)
ASSETS		
CURRENT		
Cash and term deposits	$ 1,597,501	$ 6,789,878
Accounts receivable	1,037,089	1,468,605
Prepaid expenses	501,510	458,149
	3,136,100	8,716,632
PROPERTY AND EQUIPMENT – Note 4	34,337,196	30,962,921
INVESTMENTS – Note 5	1,963,000	2,678,000
TOTAL ASSETS	**$ 39,436,296**	**$ 42,357,553**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 1,231,358	$ 3,141,200
LONG TERM		
Asset retirement obligation – Note 6	997,522	870,842
SHAREHOLDERS' EQUITY		
SHARE CAPITAL – Note 7	51,894,826	49,919,481
SHARE PURCHASE WARRANTS – Note 7	2,868,180	4,838,400
CONTRIBUTED SURPLUS – Note 7	3,986,700	3,888,200
DEFICIT	(21,542,290)	(20,300,570)
	37,207,416	38,345,511
TOTAL LIABILITIES AND EQUITY	**$ 39,436,296**	**$ 42,357,553**

See accompanying notes to financial statements

On behalf of the Board:

"*W. Robert Bell*"
Chief Executive Officer and Director

"*Ian McMurtrie*"
Director

STEALTH VENTURES LTD.

STATEMENT OF OPERATIONS AND DEFICIT

FOR THE THREE MONTHS ENDED MARCH 31, 2008

(UNAUDITED)

	2008	2007
REVENUE		
Net oil and gas sales	$ 962,340	$ 314,941
Interest and other income	38,397	76,857
	1,000,737	391,798
EXPENSES		
Oil and gas operating	212,621	57,599
Administrative	762,947	572,531
Unrealized loss in value of investments	715,000	-
Share based compensation	98,500	544,873
Depletion, depreciation and accretion	453,389	289,555
	2,242,457	1,464,558
LOSS FOR THE PERIOD	(1,241,720)	(1,072,760)
DEFICIT – Beginning of the period	(20,300,570)	(6,572,373)
DEFICIT – End of the period	**$ (21,542,290)**	**$ (7,645,133)**
Loss per share, basic and diluted	$ (0.02)	$ (0.02)

STEALTH VENTURES LTD.

STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2008

(UNAUDITED)

	2008	2007
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the period	$ (1,241,720)	$ (1,072,760)
Add items not affecting cash		
Unrealized loss in value of investments	715,000	-
Depletion, depreciation and accretion	453,389	289,555
Share based compensation	98,500	544,873
	25,169	(238,332)
Changes in non-cash working capital items	(1,521,687)	(307,342)
	(1,496,518)	(545,674)
FINANCING ACTIVITY		
Issuance of capital stock	5,125	-
INVESTING ACTIVITY		
Purchase of property and equipment	(3,700,984)	(2,839,971)
INCREASE (DECREASE) IN CASH	(5,192,377)	(3,385,645)
CASH - Beginning of the period	6,789,878	9,056,798
CASH - End of the period	**$ 1,597,501**	**$ 5,671,153**

NOTE 1 **NATURE AND CONTINUANCE OF OPERATIONS**

The Company is engaged primarily in exploration for, and production of, petroleum and natural gas reserves in Western Canada and Nova Scotia.

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES**

The interim unaudited financial statements of Stealth Ventures Ltd. ("the Company") have been prepared by management in accordance with accounting policies generally accepted in Canada. The interim unaudited financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended December 31, 2007, except as described in Note 3. The interim financial statements should be read in conjunction with the financial statements and the notes thereto in the Company's annual report for the year ended December 31, 2007.

NOTE 3 **RECENT ACCOUNTING PRONOUNCEMENTS**

(a) Change in accounting policies

Effective January 1, 2008 the Company adopted the following new accounting standards issued by the Canadian Institutes of Chartered Accountants (CICA):

- Capital disclosures

  CICA Section 1535, "Capital Disclosures", established guidelines for the disclosure of information on an entity's capital and how it is managed. This enhanced disclosure enables users to evaluate the entity's objectives, policies and processes for managing capital. This new requirement is for disclosure purposes only and upon adoption did not impact the financial results of the Company. See note 8, Capital Management, for further disclosure.

- Financial instruments – disclosure and presentation

  CICA section 3862, "Financial Instruments – Disclosure", and section 3863, "Financial Instruments – Presentation", replace the existing Section 3861, "Financial Instruments – Disclosure and Presentation". Section 3862 requires enhanced disclosure on the nature and extent of financial instrument risks and how an entity manages those risks. Section 3863 carries forward the existing presentation requirement and provides additional guidance for the classification of financial instruments. This new requirement is for disclosure purposes only and upon adoption did not impact the financial results of the Company. See note 9, Financial Instruments and Risk Management, for further disclosure.

NOTE 3 **RECENT ACCOUNTING PRONOUNCEMENTS – CONTINUED**

(b) Future accounting policies
International Financial Reporting Standards

In January 2006, the Canadian Accounting Standards Board (AcSB) announced its decision to replace Canadian GAAP with IFRS for all Canadian Publicly Accountable Enterprises (PAE). On February 13, 2008, the AcSB confirmed January 1, 2011 as the official changeover date for PAEs to commence reporting under IFRS. Although IFRS is principles-based and uses a conceptual framework similar to Canadian GAAP, there are significant differences and choices in accounting policies, as well as increased disclosure requirements under IFRS. The Company is currently in the process of assessing the impact of IFRS on its financial statements.

NOTE 4 **PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	March 2008 Net Book Value
Computer equipment	$ 325,644	$ 131,964	$ 193,680
Leasehold improvements	53,947	7,312	46,635
Automobile	84,296	51,885	32,411
Petroleum & natural gas properties	44,022,245	9,957,775	34,064,470
	$44,486,132	**$ 10,148,936**	**$34,337,196**

	Cost	Accumulated Amortization	December 2007 Net Book Value
Computer equipment	$ 312,424	$ 118,156	$ 194,268
Leasehold improvements	46,788	4,679	42,109
Automobile	84,296	49,187	35,109
Petroleum & natural gas properties	40,234,210	9,542,775	30,691,435
	$40,677,718	**$ 9,714,797**	**$ 30,962,921**

At March 31, 2008 petroleum and natural gas properties included $14,583,725 (2007 - $27,571,459) relating to unproved properties which have been excluded from the depletion calculation. No general and administrative costs were capitalized during the three month period (2007 - $nil).

The Company applied the ceiling test to its capitalized assets at March 31, 2008.

NOTE 5 INVESTMENTS

During 2007 the Company exchanged its interest in certain Saskatchewan properties for 13 million common shares of Panterra Resources Corp ("Panterra") valued at a cost of $0.25 per share. The Company's holding represents approximately 19.5% of the outstanding common shares of Panterra. At March 31, 2008 these shares were revalued to their quoted market price of $0.145 per share resulting in the recognition of an unrealized loss on investment of $715,000. Also during 2007 the Company acquired 6 million shares of a foreign unlisted private company Golden Hill International Holdings Limited ("Golden Hill") valued at a cost of $78,000. The Company accounts for its investment in Golden Hill International Holdings Ltd. at cost since the shares do not have a quoted price in an active market.

NOTE 6 ASSET RETIREMENT OBLIGATION

Changes to the asset retirement obligation for the three months ended March 31, 2008 are as follows:

Asset retirement obligation at the beginning of the period	$ 870,842
Liabilities incurred during the period	107,430
Accretion	19,250
Asset retirement obligation at end of period	**$ 997,522**

NOTE 7 SHARE CAPITAL

Authorized:
Unlimited common shares without par value

	Number Of shares	Amount
Issued:		
Balance December 31, 2006	48,674,587	$ 37,538,747
Private placement at $1.25 per unit	13,280,000	14,096,720
Warrants expired	-	1,330,445
Share issue costs	-	(1,596,431)
Tax effect of flow through shares	-	(1,450,000)
Balance December 31, 2007	61,954,587	49,919,481
Warrants expired	-	1,970,220
Subscription received	-	5,125
Balance March 31, 2008	61,954,587	$ 51,894,826

Contributed surplus

Balance December 31, 2007	$ 3,888,200
Share based compensation	98,500
Balance March 31, 2008	$ 3,986,700

Per share Amounts

Per share amounts were calculated using the weighted average number of common shares outstanding of 61,954,587 (2007 – 48,674,587). The stock options were not included in the diluted earnings per share calculation because to do so would be anti-dilutive.

NOTE 7 SHARE CAPITAL – CONTINUED

Stock Options

Stock option activity with respect to the Company's stock option plan is as follows:

	Number of Shares	Weighted Avg. Exercise Price
Balance December 31, 2006	4,268,000	$ 1.49
Granted in 2007	100,000	1.50
Granted in 2007	560,000	0.80
Granted in 2007	300,000	1.32
Balance December 31, 2007	5,228,000	1.49
Cancelled in 2008	(10,000)	0.80
Granted in 2008	100,000	0.80
Balance March 31, 2008	5,318,000	$ 1.40

Share purchase warrants

At March 31, 2008 there were 7,436,800 share purchase warrants outstanding as follows:

	Number	Exercise Price	Expiry Date	Amount
Balance December 31, 2006	7,528,030			$ 3,300,665
Private placement	6,640,000	$ 1.50	October 2008	2,503,280
Finders fees	796,800	1.25	October 2008	364,900
Warrants expired	(3,010,174)	1.50	October 2007	(1,059,531)
Warrants expired	(667,276)	1.25	October 2007	
(270,914)				
Balance December 31, 2007	11,287,380			4,838,400
Warrants expired	(3,281,258)	2.30	March 2008	(1,595,720)
Warrants expired	(569,322)	1.60	March 2008	(374,500)
Balance March 31, 2008	7,436,800			$ 2,868,180

NOTE 8 CAPITAL MANAGEMENT

Stealth defines capital as debt and shareholders' equity comprised of retained earnings and share capital. Stealth's primary capital management objective is to maintain a strong balance sheet affording the company financial flexibility to achieve goals of continued growth and access to capital. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment.

The Company manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust capital spending, issue new shares, issue new debt or repay existing debt. Stealth does not currently have any material long-term debt, capital leases or any off-balance-sheet obligations, and because it does not anticipate any such debt during 2008 it is not providing guidance on debt within the capital structure.

NOTE 8 CAPITAL MANAGEMENT - CONTINUED

The Company monitors working capital, cash flow per share and total shareholders' equity on a monthly basis and makes adjustments to its business plan and capital budget accordingly.

No dividends have been paid or declared on any of the Company's shares since the date of incorporation. This policy is based on operational results, financial policy and financing requirements and is continuously reviewed by the Company.

The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2008.

NOTE 9 FINANCIAL INSTRUMENTS AND RISK MANANGEMENT

The Company's financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments and accounts payable. Cash and cash equivalents and investments are classified as held-for-trading financial assets. Accounts receivable are classified as loans and receivables and accounts payable are classified as other financial liabilities. The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet as at March 31, 2008 are as follows:

	Carrying amount	Fair value
Cash and cash equivalents	$ 1,597,501	$ 1,597,501
Accounts receivable	1,037,089	1,037,089
Investments	1,963,000	1,963,000
Accounts payable	(1,231,358)	(1,231,358)
	$ 3,366,232	$ 3,366,232

The fair values of financial instruments are calculated on the basis of information available on the balance sheet date using the following methods:

- the fair value of cash and cash equivalents, accounts receivable and accounts payable approximate their carrying amounts due to the short term nature of the instruments;
- the fair value of the Company's Investments is determined by reference to their quoted bid price at the balance sheet date.

The Company is exposed to market, credit and liquidity risks associated with its financial instruments. Overall, the Company's board of directors has responsibility for the establishment and approval of the Company's risk management policies. Management performs a risk assessment on a continual basis to ensure that all significant risks related to the Company and its operations have been reviewed and assessed to reflect changes in market conditions and the Company's operating activities.

NOTE 9 **FINANCIAL INSTRUMENTS AND RISK MANANGEMENT - CONTINUED**

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not, at this time, use any financial instruments to reduce exposure to market risk.

Credit risk is the risk of financial loss to the Company if a customer fails to meet its payment obligations and arises principally from the Company's accounts receivable from customers and joint venture partners. Management of the Company has established a credit policy under which each new customer or joint venture partner is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The Company's review includes external ratings, where available, and in some cases bank references. Credit limits are established for each customer or joint venture partner and these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. Most of the Company's customers and partners have been transacting with the Company for a number of years and losses have occurred very infrequently and have been immaterial. The Company has not needed to establish an allowance for doubtful accounts in its accounting records.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company usually maintains a very strong liquidity position and maintains sufficient financial resources to meet its obligations on a timely basis. Typically the Company ensures that it has sufficient cash on hand to meet expected operational expenses for a period of at least 60 days.

The Company is not currently exposed to any material exchange rate risk.

NOTE 10 **SUBSEQUENT EVENT**

On April 14 the Company announced that subject to regulatory acceptance, it retained a syndicate of agents led by D&D Securities Company and SMH Capital Inc. and including Union Securities Ltd. to offer a brokered private placement, on a reasonable best efforts basis, of up to $20 Million in Units at a subscription price of $0.80 per Unit. This price was subsequently amended to $0.75 per Unit. Each Unit will consist of one common share and one-half (1/2) of one common share purchase warrant, with each whole warrant to entitle the holder to purchase an additional common share at an exercise price of $1.00 (amended to $0.85) for the period of eighteen months (amended to two years, with a third year added to the warrants upon Stealth receiving Tier One status on the TSX Venture Exchange or upon listing its shares on the TSX) from closing. All securities issued pursuant to this private placement; including any securities issued in payment of commissions or finders' fees, will be subject to a four month hold period in Canada, commencing at closing. The proceeds from this private placement will be used, primarily to fund and accelerate ongoing development activities on Stealth's Colorado Group shale gas properties. The financing is scheduled to close on or before May 30, 2008.