

BENEM VENTURES INC.

**FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)**

**SIX MONTH PERIOD ENDED
DECEMBER 31, 2007**

Reader's Note: These interim financial statements of Benem Ventures Inc. for the six month period ended December 31, 2007 have been prepared by the Company's management and have not been subject to review by the Company's auditors.

BENEM VENTURES INC.
BALANCE SHEETS
(Unaudited – Prepared by Management)

| | December 31, 2007 | June 30, 2007 (Audited) |
|--|----------------------|-------------------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 387 | \$ 17,351 |
| Short-term investments | 60,000 | 150,000 |
| Accounts receivable | 7,636 | 4,676 |
| Prepaid expenses | <u>19,470</u> | <u>1,250</u> |
| | 87,493 | 173,277 |
| Deferred acquisition costs (Note 4) | <u>20,000</u> | <u>-</u> |
| | <u>\$ 107,493</u> | <u>\$ 173,277</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|--|-------------------|-------------------|
| Current | | |
| Accounts payable and accrued liabilities | <u>\$ 5,628</u> | <u>\$ 15,015</u> |
| Shareholders' equity | | |
| Capital stock | 708,867 | 708,867 |
| Deficit | <u>(607,002)</u> | <u>(550,605)</u> |
| | <u>101,865</u> | <u>158,262</u> |
| | <u>\$ 107,493</u> | <u>\$ 173,277</u> |

On behalf of the Board:

“David J. Bowes” Director “D. Barry Lee” Director

The accompanying notes are an integral part of these financial statements.

BENEM VENTURES INC.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

| | Three Month Period Ended December 31, 2007 | Three Month Period Ended December 31, 2006 | Six Month Period Ended December 31, 2007 | Six Month Period Ended December 31, 2006 |
|---|---|---|---|---|
| ADMINISTRATION EXPENSES | | | | |
| Accounting and audit | \$ 6,200 | \$ 999 | \$ 6,760 | \$ 5,749 |
| Bank charges and interest | 80 | 54 | 130 | 130 |
| Consulting | - | 270 | 578 | 849 |
| Filing and transfer agent fees | 3,178 | 4,385 | 7,641 | 5,097 |
| Legal | 1,796 | 8,380 | 8,546 | 16,405 |
| Office and administration | 2,999 | 1,230 | 6,724 | 2,436 |
| Office rent | 12,000 | 15,000 | 24,000 | 30,000 |
| Shareholder costs | 1,019 | - | 1,276 | - |
| Telephone | 914 | - | 1,352 | - |
| Travel and related | 619 | 7,067 | 619 | 7,067 |
| Loss before other item | (28,805) | (37,385) | (57,626) | (67,733) |
| OTHER ITEM | | | | |
| Interest income | 396 | 2,137 | 1,229 | 4,055 |
| Income (loss) for the period | (28,409) | (35,248) | (56,397) | (63,678) |
| Deficit, beginning of period | (578,593) | (395,841) | (550,605) | (367,411) |
| Deficit, end of period | \$ (607,002) | \$ (431,089) | \$ (607,002) | \$ (431,089) |
| Earnings (loss) per share | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| Weighted average number of common shares outstanding | 4,300,000 | 4,300,000 | 4,300,000 | 4,300,000 |

The accompanying notes are an integral part of these financial statements.

BENEM VENTURES INC.
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

| | Three Month Period Ended December 31, 2007 | Three Month Period Ended December 31, 2006 | Six Month Period Ended December 31, 2007 | Six Month Period Ended December 31, 2006 |
|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Income (loss) for the period | \$ (28,409) | \$ (35,248) | \$ (56,397) | \$ (63,678) |
| Changes in non-cash working capital items: | | | | |
| (Increase) decrease in accounts receivable | (543) | 39 | (2,960) | (245) |
| (Increase) decrease in prepaid expenses | (19,470) | 5,000 | (18,220) | 5,000 |
| Increase (decrease) in accounts payable and accrued liabilities | <u>(5,921)</u> | <u>(6,851)</u> | <u>(9,387)</u> | <u>(1,458)</u> |
| Net cash used in operating activities | <u>(54,343)</u> | <u>(37,060)</u> | <u>(86,964)</u> | <u>(59,891)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from share subscriptions receivable | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,000</u> |
| Net cash provided by financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,000</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Deferred acquisition costs | (20,000) | - | (20,000) | - |
| Redemption of short-term investments | <u>72,000</u> | <u>-</u> | <u>90,000</u> | <u>-</u> |
| Net cash provided by investing activities | <u>52,000</u> | <u>-</u> | <u>70,000</u> | <u>-</u> |
| Change in cash for the period | (2,343) | (37,060) | (16,964) | (44,891) |
| Cash, beginning of period | <u>2,730</u> | <u>324,196</u> | <u>17,351</u> | <u>332,027</u> |
| Cash, end of period | \$ 387 | \$ 287,136 | \$ 387 | \$ 287,136 |
| Supplemental disclosure for non-cash operating, investing and financing activities | \$ - | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

1. BASIS OF PRESENTATION

The financial statements contained herein include the accounts of Benem Ventures Inc. (the "Company").

The interim period financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain inform and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report for the year ended June 30, 2007. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE OF OPERATIONS

The Company was incorporated under the laws of the province of Alberta and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4. The principal business of the Company is to identify and evaluate opportunities for the acquisition or participation within 18 months of listing on the TSX Venture Exchange. The Company may not have sufficient funds to complete the acquisition and may be required to raise additional equity or debt financing.

On October 1, 2001, the Company received final receipt from the securities regulators in British Columbia and Alberta on its prospectus dated September 28, 2001.

The Company was listed on the TSXV on March 4, 2002 and the Company was required to complete a Qualifying Transaction by September 2, 2003.

On July 12, 2004, the Company's shares were listed for trading on the NEX board of the TSX.

On May 30, 2006, the Company's trading status was halted pending regulatory review of the proposed Qualifying Transaction as outlined in Note 4.

3. INCOME (LOSS) PER SHARE

Income (loss) per share is calculated using the weighted average number of shares outstanding during the period.

4. ACQUISITION AGREEMENT

The Company's Letter of Intent ("LOI") with First West Petroleum Inc. ("First West") dated August 16, 2006 was terminated on August 29, 2007.

Concurrent with the above, the Company announced that it had executed an acquisition agreement (the "Acquisition Agreement") with Velocity Resources Canada Ltd. ("Velocity") of Edmonton, Alberta, as its Qualifying Transaction (the "Velocity Acquisition"). Pursuant to the terms of the Acquisition Agreement, the Company will acquire certain mineral claims in the province of British Columbia owned by Velocity in exchange for a cash payment of \$75,000 (\$20,000 paid) plus 12,000,000 shares in the capital stock of the Company, along with a commitment to raise up to \$2,000,000 in working capital by way of a private placement of shares in the Company.

BENEM VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
DECEMBER 31, 2007

4. ACQUISITION AGREEMENT (cont'd...)

Closing is anticipated to occur upon receipt of regulatory, corporate and shareholder approval, with a target closing date of November 30, 2007, and a drop-dead date of March 1, 2008, for receipt of all approvals. The Company will apply to the TSXV for an exemption from the sponsorship requirements of Exchange policies with respect to the Velocity Acquisition as its Qualifying Transaction, although there is no certainty that any such exemption will be granted. Trading in the Company's shares remain halted, and is expected to resume upon receipt of the sponsorship exemption or the appointment of a sponsor, along with the issuance of a comprehensive press release following Exchange and sponsor review of the Velocity Acquisition, including title to the properties, applicable agreements and accompanying documentation.

5. SHARE CAPITAL

| | Number of Shares | Capital Stock |
|--|---------------------|------------------|
| Authorized | | |
| Unlimited common shares without par value | | |
| Unlimited preferred shares without par value | | |
| Issued | | |
| Balance at June 30, 2007 and December 31, 2007 | 4,300,000 | \$ 708,867 |

The Company does not have stock options and warrants outstanding at December 31, 2007.

6. RELATED PARTY TRANSACTIONS

Paid or accrued \$6,750 (2006 - \$16,405) for legal fees to a law firm associated with a former director.

Included in accounts payable is \$Nil (June 30, 2007 - \$6,500) for legal fees due to a law firm that is associated with a former director of the Company.

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.

7. SEGMENT INFORMATION

The Company currently conducts all of its operations in Canada.

8. SUBSEQUENT EVENTS

Subsequent to December 31, 2007, the drop-dead date for termination of the Velocity Acquisition was extended to March 31, 2008.

Subsequent to December 31, 2007, the Company paid \$5,500 to Velocity which will comprise of the \$75,000 in cash that Velocity will receive pursuant to the terms of the Velocity Acquisition.