Kabe Exploration Inc.
Form 10-Q
August 14, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x	**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the quarterly period ended June 30, 2009
o	**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the transition period from to

Commission file number 333-141690

KABE EXPLORATION INC.

(Name registrant as specified in its charter)

NEVADA	**39-2052145**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5050 Avenida Encinas, Suite 270, Carlsbad, CA	**92008**

(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: **(760) 931-1048**

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of *large accelerated filer* , *accelerated filer* and *smaller reporting company* in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o (do not check if smaller reporting company)	Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes x No o

Number of shares of the registrant s common stock outstanding as of August 13, 2009: 37,325,000 shares of Common Stock

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PART I

Item 1. Financial Statements.

KABE EXPLORATION, INC.

(A Development Stage Company)

Balance Sheet

	June 30, 2009 (Unaudited)		December 31, 2008	
ASSETS				
Current Assets				
	$		$	
Total Assets	$		$	
LIABILITIES AND SHAREHOLDERS DEFICIENCY				
Current Liabilities				
Bank Overdraft		97		
Accounts Payable	$	16,509	$	16,509
Chapman Industries Loan		5,546		5,546
Loan Payable - EPS		5,812		4,612
		27,964		26,667
Stockholders Deficiancy				
Common Stock, $0.001 par value; authorized 75,000,000 shares 37,325,000 issued and outstanding at June 30, 2009 36,875,000 issued and outstanding at December 31, 2008		37,325		3,688
Additional Paid-In Capital		71,675		58,562
Accumulated other comprehensive loss		(50)		
Deficit accumulated during the development stage		(136,914)		(88,917)
Total Stockholders Deficiancy		(27,964)		(26,667)
Total Liabilities and Stockholders Deficiancy	$		$	

The accompanying notes are an integral part of these financial statements

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KABE EXPLORATION, INC.

(A Development Stage Company)

Statement of Operations and Comprehensive Loss

(Unaudited)

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	For the six months ended June 30, 2009	For the six months ended June 30, 2008	For the Period of Inception from Jan. 1, 2006 through June 30, 2009
Revenue	$	$	$	$	$
Cost of Sales					
Operating Income					
General and Administrative Expenses:					
Mineral Lease Fees					6,713
Professional Fees	1,900	21,939	2,300	41,178	74,573
Consulting	45,000		45,000		45,000
Other Administrative Expenses	14	(9)	697	5,069	5,637
Loss on abandonment of Mineral Leases					5,000
Total General and Adminstrative Expenses	46,914	21,930	47,997	46,247	136,923
Other Income					
Interest Income					22
Interest Expense					(13)
					9
Net Loss	$ (46,914)	$ (21,930)	$ (47,997)	$ (46,247)	$ (136,914)
Currency translation adjustment			(50)		(50)
Comprehensive income (loss)	(46,914)	(21,930)	(48,047)	(46,247)	(136,964)
Income/Loss Per Common Share:					
Basic and Diluted	$ (0.001)	$ (0.001)	$ (0.001)	$ (0.001)	
Weighted Average Shares Outstanding					
Basic and Diluted:	37,260,714	33,875,000	37,069,923	35,177,750	

The accompanying notes are an integral part of these financial statements

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KABE EXPLORATION, INC.

(A Development Stage Company)

Statement of Cash Flows

(Unaudited)

	For the three months ended June 30 2009	2008	For the six months ended June 30 2009	2008	For the Period of Inception from Jan. 1, 2006 through June 30, 2009
Cash flows from operating activities:					
Net loss	$ (46,914)	$ (21,930)	$ (47,997)	$ (46,247)	$ (135,000)
Adjustments to reconcile net loss to net cash used by operating activities:					
Common stock issued for services	45,000		45,000		45,000
Change in operating assets and liabilities:					
Accounts Payable		6,509		16,509	16,509
Net cash (used by) operating activities	(1,914)	(15,421)	(2,997)	(29,738)	(73,491)
Cash flows from investing activities					
Abandonment of mining leases				5,000	
Net cash (used by) investing activities				5,000	
Cash flows from financing activities:					
Common stock issued for cash		12,000		12,000	62,250
Contribution of Capital			1,750		1,750
Proceeds (repayment) of loans	1,900	8,000	1,200	10,046	9,458
Bank Overdraft	97		97		83
Net cash (used) provided by financiang activities	1,997	20,000	3,047	22,046	73,541
Effect of exchange rates on cash			(50)		(50)
Net increase (decrease) in cash	83	4,579		(2,692)	
Cash, beginning of the period	(83)			7,271	
Cash, end of the period	$	$ 4,579	$	$ 4,579	$
Supplemental cash flow disclosure:					
Interest paid	$	$	$	$	$ 13
Taxes paid	$	$	$	$	$

The accompanying notes are an integral part of these financial statements

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KABE EXPLORATION, INC.

(A Development Stage Company)

Statement of Changes in Stockholders Deficiancy

(Unaudited)

	Common Stock Number of Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Deficit Accumulated during the Development Stage	Total Shareholders Equity (Deficit)
Inception, January 1, 2006		$	$	$	$	$
Common stock issued for cash, Jan. 16, 2006	1,500,000	1,500	13500			15,000
Common stock issued for cash, Aug.23, 2006	250,000	250	2250			2,500
Common stock issued for cash, Sep. 21, 2006	575,000	575	10925			11,500
Common stock issued for cash, Oct. 31, 2006	800,000	800	15200			16,000
Common stock issued for cash, Nov.30, 2006	262,500	263	4987			5,250
Net loss for the year ended December 31, 2006					(226)	(226)
Balances, December 31, 2006	3,387,500	$ 3,388	$ 46,862		$ (226)	$ 50,024
Net loss for the year ended December 31, 2007					(37,753)	(37,753)
Balances, December 31, 2007	3,387,500	$ 3,388	$ 46,862		$ (37,979)	$ 12,271
Common stock issued for cash, Apr. 15, 2008 at $0.04 per share	300,000	300	11,700			12,000
Net loss for the year ended Dec. 31, 2008					(50,938)	(50,938)
Balances, December 31, 2008	3,687,500	$ 3,688	$ 58,562		$ (88,917)	$ (26,667)
10-for-1 stock split Janury 13, 2009	33,187,500	33,187	(33,187)			
Balances after stock split	36,875,000	36,875	25,375		(88,917)	(26,667)
Common stock issued for services Apr 13, 2009 @ $0.01 per share	450,000	450	44,550			45,000
Additional Paid-in Capital January 2009			1,750			1,750
Net loss for the 6 months.ended June 30, 2009					(47,997)	(47,997)
Currency translation adjustment				(50)		(50)

Balances, June 30, 2009	37,325,000	$ 37,325	$ 71,675	$ (50)	$ (136,914)	$ (27,964)

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Kabe Exploration, Inc.

(A Developmental Stage Company)

Notes to Financial Statements

June 30, 2009

1. Basis of Presentation and Nature of Operations

The interim financial statements as of and for the six months ended June 30, 2009 reflect all adjustments which, in the opinion of management, are necessary to fairly state the Company s financial position and the results of its operations for the periods presented.

These interim financial statements should be read in conjunction with the Company s financial statements and notes thereto included in the Company s December 31, 2008 report. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the six month period ended June 30, 2009 are not necessarily indicative of results for the entire year ending December 31, 2009.

Organization

Kabe Exploration, Inc. (the Company) was incorporated under the laws of the State of Nevada December 16, 2005. The company was originally formed for mineral exploration in the United States. The Company abandoned its Mineral Leases in 2008 and is seeking new business opportunities.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and

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reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates. Significant estimates made by management are, among others, realizability of long-lived assets and deferred taxes.

Income Taxes

The Company utilizes SFAS No. 109, Accounting for Income Taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The Company generated a deferred tax credit through net operating loss carryforward. However, a valuation allowance of 100% has been established, as the realization of the deferred tax credits is not reasonably certain, based on going concern considerations outlined as follows.

Going Concern

The Company s financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease development of operations.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish its plans to seek out new business opportunities described in the initial paragraph, or engage a working interest partner, in order to eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount and classifications or liabilities or other adjustments that might be necessary should the Company be unable to continue as a going concern.

Development-Stage Company

The Company is considered a development-stage company, with limited operating revenues during the periods presented, as defined by Statement of Financial Accounting Standards (SFAS) No. 7. SFAS. No. 7 requires companies to report their operations, shareholders deficit and cash flows since inception through the date that revenues are generated from management s intended operations, among other things. Management has defined inception as January 1, 2006. Since inception, the Company has incurred an operating loss of $136,914. The Company s working capital has been generated through the sales of common stock and contributed capital. Management has provided financial data since January 1, 2006, Inception in the financial statements, as a means to provide readers of the Company s financial information to make informed investment decisions.

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Basic and Diluted Net Loss Per Share

Net loss per share is calculated in accordance with SFAS 128, Earnings Per Share for the period presented. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilative convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby we used to purchase common stock at the average market price during the period.

The Company has no potentially dilutive securities outstanding as of June 30, 2009.

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations for the six months ended June 30, 2009 and 2008.

		2009		2008
Numerator:				
Basic and diluted net loss per share:				
Net Loss	$	(48,047)	$	(46,247)
Denominator				
Basic and diluted weighted average number of shares outstanding		37,069,923		35,177,750
Basic and Diluted Net Loss Per Share	$	(0.001)	$	(0.001)

3. Capital Structure

During the period from inception through June 30, 2008, the Company entered into the following equity transactions:

January 16, 2006: Sold 1,500,000 shares of common stock at $.01 per share for $15,000.

August 23, 2006: Sold 250,000 shares of common stock at $.01 per share for $5,000.

September 1, 2006: Sold 575,000 shares of common stock at $0.02 per share, realizing $11,500

October 31, 2006: Sold 800,000 shares of common stock at $0.02 per share, realizing 16,000

November 30, 2006: Sold 262,500 shares of common stock at $0.02 per share, realizing $5,250

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April 15, 2008	Sold 300,000 shares of common stock at $0.04 per share, realizing $12,000.
January, 2009	Additional Paid-in Capital in cash $1,750.
April 13, 2009	10-for-1 common stock forward stock split
April 13, 2009	Issued 450,000 shares of common stock for services at $ 0.01 per share

As of June 30, 2009 the Company has authorized 75,000,000 of $0.001 par common stock, of which 37,325,000 shares were issued and outstanding.

4. Commitments

On March 1, 2006 the Company entered into a lease agreement with the owner of a mining claim situated in Storey County, Nevada in terrain noted for gold and silver mining. The agreement required a royalty of 3 ½ % of net smelter returns, as defined in the agreement, paid quarterly, and lease payments. One lease payment of $5,000 was made in 2007. The lease was abandoned on January 28, 2008 and the capitalized lease payment written off.

5. Contigencies, Litigation

There were no loss contingencies or legal proceedings against the Company with respect to matters arising in the ordinary course of business. Neither the Company nor any of its officers or directors is involved in any other litigation either as plaintiffs or defendants, and have no knowledge of any threatened or pending litigation against them or any of the officers or directors.

6. Change in Control

On February 14, 2008, Anthony Claydon, President, Chief Financial Officer and Secretary of the Company and Rory Moss, Director of the Company, sold an aggregate of 1,750,000 shares of the Company s common stock to Erik Ulsteen for $50,000, paid in cash. Mr. Claydon resigned his offices and Mr. Ulsteen was appointed President, Chief Financial Officer and Secretary of the Company.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations.

Except as otherwise required by the context, all references in this prospectus to we , us , our , or Company refer to the operations of Kabe Exploration Inc., a Nevada corporation.

Forward-Looking Statements and Associated Risks

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for certain forward-looking statements. Some of the statements contained in this annual report of the Company discuss future expectations, contain projections of our operations or financial

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condition or state other forward-looking information. Some statements contained in this annual report on Form 10-Q that are not historical facts (including without limitation statements to the effect that we believe, expect, anticipate, plan, intend, foresee, or other similar expressions) and are forward-looking statements. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those anticipated by us. All comments concerning our expectations for future revenue and operating results are based on our forecasts of our plan of operation and do not include the potential impact of any future acquisitions or operations. These forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements.

Overview

We are a shell company defined in Rule 405 under the Securities Act of 1933 and Rule 12b-2 under the Securities Exchange Act of 1934, since we have only conducted nominal operations and have only nominal assets.

During 2007, we were an exploration stage company engaged in the acquisition and exploration of mineral properties. We entered into a lease agreement with George J. Eliopulos effective March 31, 2006, granting us the exclusive right to explore, develop, and mine the property for gold, silver, copper and other valuable minerals. The property consisted of one unpatented mining claim located in section 12, Township 16 North, Range 20 East, Mt. Diablo Baseline & Meridian, Storey County, Nevada, USA, owned by Mr. Eliopulos.

On December 18, 2007, Erik Ulsteen entered into an agreement with Antony Claydon, our former President and a director and Rory Moss, a director, to purchase 1,500,000 and 250,000 shares of common stock, respectively, for an aggregate purchase price of $50,000. The transaction closed on February 14, 2008 at which time, Mr. Claydon resigned as President, Chief Financial Officer and Secretary and Mr. Ulsteen was appointed President, Chief Financial Officer, Secretary and director. On January 28, 2008, we terminated our lease agreement with Mr. Eliopulos.

On October 14, 2008, we entered into an Agreement and Plan of Merger with Emission & Power Solutions, Inc. (EPS) pursuant to which EPS will merge into a newly formed wholly-owned subsidiary. Pursuant to the agreement, EPS shareholders will receive 1 share of our common stock in exchange for 5 shares of EPS common stock. Closing of the merger is subject to, among other things, stockholder approval of the EPS shareholders.

The following factors raise substantial doubt regarding the ability of our business to continue as a going concern: (i) the losses we have incurred since our inception; (ii) our failure to generate revenues since our inception; and (iiI) our dependence on the sale of our equity securities and on the receipt of capital from outside sources to continue our operations. Our auditors have issued a going concern opinion regarding our business. The financial statements do not include any

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adjustments that might result from the uncertainty about our ability to continue in business. As such we may have to cease operations and you could lose your investment.

Plan of Operation

We have redirected our focus towards identifying and pursuing options regarding the development of a new business plan and direction. We are exploring various business opportunities that have the potential to generate positive revenue, profits and cash flow in order to financially accommodate the costs of being a publicly held company.

As stated above, on October 14, 2008, we entered into an Agreement and Plan of Merger with EPS pursuant to which EPS will merge into a newly formed wholly-owned subsidiary. EPS licenses, acquires, develops, deploys, and transfers technologies dedicated to improving fuel economy while reducing environmentally harmful exhaust emissions. Using advanced fuel treatment devices, EPS has incorporated a proprietary multi phase process utilizing engineered flow patterns in order to restructure fuel hydrocarbons, increasing the fuel efficiency and producing a cleaner burn during the combustion cycle of an engine.

It is anticipated that any securities issued in the EPS merger will be issued in reliance upon exemption from registration under applicable federal and state securities laws. The issuance of additional securities and their potential sale into any trading market which may develop in our securities may depress the market value of our securities in the future if such a market develops, of which there is no assurance.

Closing of the merger is subject to, among other things, stockholder approval of the EPS shareholders. There can be no assurance that EPS shareholders will approve the merger or that the merger will close. In the event that the merger does not close, we will continue to identify and pursue various business opportunities that have the potential to generate positive revenue, profits and cash flow.

We expect that we will require additional funding in connection with the closing of the merger and development of a new business plan and direction. We anticipate that such funding will be in the form of equity financing from the sale of our common stock or loans from our principal stockholder. However we cannot provide investors with any assurance that we will be able to obtain sufficient funding to fund our operations or any work related to the development of a new business plan. We do not have any arrangements in place for any future financing.

Results of Operations

Three Months Ended June 30, 2009 Compared to Three Months Ended June 30, 2008

Revenues

We have generated no operating revenues from operations from our inception.

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Costs and Expenses

From our inception through June 30, 2009, we have incurred cumulative losses of $136,914. Professional fees decreased from $21,939 for the three months ended June 30, 2008 to $1,900 for the three months ended June 30, 2009 primarily as a result of cutbacks in our business in order to conserve cash.

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2008

Revenues

We have generated no operating revenues from operations from our inception.

Costs and Expenses

Professional fees decreased from $41,178 for the three months ended June 30, 2008 to $2,300 for the three months ended June 30, 2009 primarily as a result of cutbacks in our business in order to conserve cash.

Liquidity and Capital Resources

As of June 30, 2009, we had a working capital deficit of $27,964 as compared to a working capital deficit of $26,667 as of December 31, 2008. Our cash position was $0 as of June 30, 2009 compared to $0 as of December 31, 2008. We have financed our company principally through the private placement of our common stock. As of June 30, 2009, we have no long term debt.

Summary of Significant Accounting Policies

Basis of Presentation

Our financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and

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assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates. Significant estimates made by management are, among others, realizability of long-lived assets, deferred taxes and stock option valuation.

The financial statements have, in management s opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting.

Income Taxes

We utilize SFAS No. 109, Accounting for Income Taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. We generated a deferred tax credit through net operating loss carryforward. However, a valuation allowance of 100% has been established, as the realization of the deferred tax credits is not reasonably certain, based on going concern considerations outlined as follows.

Going Concern

Our financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have not yet established an ongoing source of revenues sufficient to cover our operating costs and to allow us to continue as a going concern. Our ability to continue as a going concern is dependent on us obtaining adequate capital to fund operating losses until we become profitable. If we are unable to obtain adequate capital, we could be forced to cease operations.

Our ability to continue as a going concern is dependent upon our ability to successfully accomplish our plan to develop a new business plan, or merger candidate in order to eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount and classifications or liabilities or other adjustments that might be necessary should we be unable to continue as a going concern.

Development-Stage Company

We are considered a development-stage company, with limited operating revenues during the periods presented, as defined by Statement of Financial Accounting Standards (SFAS) No. 7. SFAS. No. 7 requires companies to report their operations, shareholders deficit and cash flows since inception through the date that revenues are generated from management s intended operations, among other things. Management has defined inception as January 1, 2006. Since

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inception until June 30, 2009, we have incurred an operating loss of $91,914. Our working capital has been generated through sales of common stock. Management has provided financial data since January 1, 2006, Inception in the financial statements, as a means to provide readers of our financial information to make informed investment decisions.

Basic and Diluted Net Loss Per Share

Net loss per share is calculated in accordance with SFAS 128, Earnings Per Share for the period presented. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilative convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby we used to purchase common stock at the average market price during the period.

We had no potentially dilutive securities outstanding as of June 30, 2009.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our stockholders.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

N/A

Item 4(T) Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our President, Chief Financial Officer and Secretary, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act)) as of the end of the period covered by this report. Based upon that evaluation, our President, Chief Financial Officer and Secretary concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and (ii) accumulated and communicated to our management to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

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Changes in Internal Control Over Financial Reporting. During the most recent quarter ended June 30, 2009, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act)) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business.

Item 1A. Risk Factors.

N/A

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On April 13, 2009, we issued 450,000 for consulting services to certain consultants. Such shares were issued in reliance on Section 4(2) of the Securities Act of 1933 for transactions by us not involving a public offering.

Item 3. Defaults Upon Senior Securities.

N/A

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Title of Document
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KABE EXPLORATION, INC.

By:	/s/ Erik Ulsteen Erik Ulsteen President, Chief Financial Officer, Secretary
Date:	August 13, 2009