Kabe Exploration Inc.
Form 10-Q
May 14, 2010
Table of Contents

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 March 31, 2010

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 May 14, 2010: 38,647,250 shares of Common Stock

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I

Item 1. Financial Statements.

KABE EXPLORATION, INC.

(A Development Stage Company)

Balance Sheet

as at

	March 31, 2010 (Unaudited)	December 31, 2009
ASSETS		
Current Assets		
Cash	$ 6	$ 28
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current Liabilities		
Accounts Payable	$ 16,509	$ 16,509
Chapman Industries Loan	6,516	6,066
Loan Payable - EPS	10,232	8,487
Total Liabilities	33,257	31,062
Stockholders Equity (Deficit)		
Common Stock, $0.001 par value; authorized 75,000,000 shares; issued and outstanding:		
38,647,250 as at March 31, 2009		
38,647,250 as at December 31, 2009	38,647	38,647
Additional Paid-In Capital	202,578	202,578
Deficit accumulated during the development stage	(274,476)	(272,259)
Total Shareholders Equity	(33,251)	(31,034)
Total Liabilities and Shareholders Equity	$ 6	$ 28

Table of Contents

KABE EXPLORATION, INC.

(A Development Stage Company)

Statement of Operations

(Unaudited)

	For the Three Months Ended March 31, 2010	2009	For the Period of Inception from Jan. 1, 2006 through Mar. 31, 2010
Revenue	$	$	$
Cost of Sales			
Operating Income			
General and Administrative Expenses:			
Mineral Lease Fees			6,713
Professional Fees	1,725	400	180,598
Consultant Fees			50,000
Other Administrative Expenses	492	733	32,174
Loss on abandonment of Mineral Leases			5,000
Total General and Adminstrative Expenses	2,217	1,133	274,485
Other Inocme			
Interest Income			22
Interest Expense			(13)
			9
Net Income (Loss)	$ (2,217)	$ (1,133)	$ (274,476)
Income/Loss Per Common Share:			
Basic and Diluted	$ (0.001)	$ (0.000)	
Weighted Average Shares Outstanding Basic and Diluted:	3,719,444	3,687,500	

Table of Contents

KABE EXPLORATION, INC.

(A Development Stage Company)

Statement of Cash Flows

(Unaudited)

	For The Three Months Ended March 31, 2010	For The Three Months Ended March 31, 2009	For the Period of Inception from Jan. 1, 2006 through Mar. 31, 2010
Cash flows from operating activities:			
Net loss	$ (2,217)	$ (1,133)	$ (274,476)
Adjustments to reconcile net loss to net cash used by operating activities:			
Stock issued for services			177,225
Change in operating assets and liabilities:			
Accounts Payable			16,509
Net cash (used by) operating activities	(2,217)	(1,133)	(80,742)
Cash flows from investing activities			
Abandonment of mining leases			
Net cash (used by) investing activities			
Cash flows from financing activities:			
Common stock issued for cash			62,250
Proceeds (repayment) of loans	2,195	(700)	16,748
Contibution of capital		1,750	1,750
Net cash (used) provided by financing activities	2,195	1,050	80,748
Net increase (decrease) in cash	(22)	(83)	6
Cash, beginning of the period	28		
Cash, end of the period	$ 6	$ (83)	$ 6
Supplemental cash flow disclosure:			
Interest paid	$	$	$ 13
Taxes paid	$	$	$

Table of Contents

KABE EXPLORATION, INC.

(A Development Stage Company)

Statement of Shareholders Equity

For the period from inception, January 1, 2006, to March 31, 2009

(Unaudited)

	Common Stock Number of Shares		Common Stock Amount		Additional Paid-In Capital		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)
Balances restated for 10-for-1 forward stock split, April 13, 2009	36,875,000	$	36,875	$	25,375	$	(88,917)	$	(26,667)
Additional Paid-in Capital January 2009					1,750				1,750
Common stock issued for services Apr. 13, 2009, @ $0.10 per share	450,000		450		44,550				45,000
Common stock issued for services Apr. 13, 2009, @ $0.10 per share	256,000		256		25,344				25,600
Common stock issued for services Apr. 13, 2009, @ $0.10 per share	50,000		50		4,950				5,000
Common stock issued for services Apr. 13, 2009, @ $0.10 per share	1,016,250		1,016		100,609				101,625
Net loss for the year ended Dec. 31, 2009						$	(183,342)	$	(183,342)
Balances, December 31, 2009	38,647,250	$	38,647	$	202,578	$	(272,259)	$	(31,034)
Net loss for the 3 mo. ended Mar. 31, 2010							(2,217)		(2,217)

38,647,250	$	38,647	$	202,578	$	(274,476)	$	(33,251)

Table of Contents

Kabe Exploration, Inc.

(A Development Stage Company)

Notes to Financial Statements

March 31, 2010

(Unaudited)

1. Basis of Presentation and Nature of Operations

The interim financial statements as of and for the three ended March 31, 2010 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, 2009 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 three month period ended March 31, 2010 are not necessarily indicative of results for the entire year ending December 31, 2010.

2. 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.

3. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Company 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 assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and

Table of Contents

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

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 Company incurred a net loss of $2,217 in the three months ended March 31, 2010 and has a cumulative net loss of $274,476 since inception. 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 exploit or lease mining claims, 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 $272,259. The

Company s working capital has been generated through the 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 the Company s financial information to make informed investment decisions.

Table of Contents

Recent Accounting Pronouncements

In May, 2009, the FASB issued SFAS No. 165, Subsequent Events, which established general accounting standards and disclosure for subsequent events. In accordance with SFAS No. 165, the Company has evaluated subsequent events through the date the financial statements were filed.

In June, 2009, the FASB issued SFAS No. 168 The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162. SFAS 168 establishes the FASB Accounting Standards Codification as the single source of authoritative US generally accepted accounting principles recognized by the FASB to be applied to nongovernmental entities. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of SFAS 168 will not have an impact on the Company s financial position, results of operations or cash flows.

Fair Value of Financial Instruments

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 107, Disclosures About Fair Value of Financial Instruments. SFAS No. 107 requires disclosure of fair value information about financial instruments when it is practicable to estimate that value. The carrying amounts of the Company s financial instruments as of March 31, 2009 approximate their respective fair values because of the short-term nature of these instruments. Such instruments consist of cash, accounts payable and accrued expenses, and loans payable.

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 March 31, 2010.

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations for the three months ended March 31, 2010 and 2009:

		2010		2009
Numerator:				
Basic and diluted net loss per share:				
Net Loss	$	(2,217)	$	(1,133)
Denominator				
Basic and diluted weighted average number of shares outstanding		3,719,444		3,687,500
Basic and Diluted Net Loss Per Share	$	(0.001)	$	(0.000)

Table of Contents

4. Capital Structure

As of March 31, 2010 the Company has authorized 75,000,000 of $ 0.001 par common stock, of which 38,647,250 shares were issued and outstanding.

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. Subsequent Events

On May 5, 2010, the Company entered into a Share Exchange Agreement with Centiuum Holdings Inc. and its stockholders whereby Centiuum s stockholders will exchange all of their shares of common stock of Centiuum for 10,000,000 newly issued shares of the Company s common stock. In addition, the Company s principal stockholder, Erik Ulsteen has agreed to deposit all of the shares of common stock owned by him aggregating 17,646,000 shares (the Escrow Shares) into escrow upon closing of the exchange. At any time within 120 days after execution of the escrow agreement, the Escrow Shares will be released to Centiuum upon a cash investment of a minimum of $500,000 invested in the Company or the Company enters into executed contracts aggregating a minimum of $500,000 in cash flow to it. The closing of the transactions are subject to customary closing conditions including due diligence. Centiuum Holdings is a provider of consulting services, environmental engineering, clean development mechanism and project management services worldwide.

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 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

10

Table of Contents

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 May 5, 2010, we entered into a Share Exchange Agreement with Centiuum Holdings Inc. and its stockholders whereby Centiuum s stockholders will exchange all of their shares of common stock of Centiuum for 10,000,000 newly issued shares of our common stock. In addition, our principal stockholder, Erik Ulsteen has agreed to deposit all of the shares of our common stock owned by him aggregating 17,646,000 shares (the Escrow Shares) into escrow upon closing of the exchange. At any time within 120 days after execution of the escrow agreement, the Escrow Shares will be released to Centiuum upon a cash investment of a minimum of $500,000 invested in Kabe or Kabe enters into executed contracts aggregating a minimum of $500,000 in cash flow to Kabe. The closing of the transactions are subject to customary closing conditions including due diligence. Centiuum Holdings is a provider of consulting services, environmental engineering, clean development mechanism and project management services worldwide.

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

Table of Contents

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 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 May 5, 2010, we entered into an Share Exchange Agreement with Centiuum pursuant to which Centiuum s stockholders will exchange all of their shares of common stock of Centiuum for 10,000,000 newly issued shares of our common stock. Centiuum is a provider of consulting services, environmental engineering, clean development mechanism and project management services worldwide.

It is anticipated that any securities issued in the exchange 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 exchange is subject to, among other things, customary closing conditions including due diligence. There can be no assurance that the exchange will close. In the event that the exchange 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.

Results of Operations

Three Months Ended March 31, 2010 Compared to Three Months Ended March 31, 2009

Revenues

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

Costs and Expenses

From our inception through March 31, 2010, we have incurred cumulative losses of $274,476. Professional fees increased to $1,725 for the three months ended March 31, 2010 from $400 for the three months ended March 31, 2009.

Table of Contents

Liquidity and Capital Resources

As of March 31, 2010, we had a working capital deficit of $33,251 as compared to a working capital deficit of $31,034 as of December 31, 2009. Our cash position was $6 as of March 31, 2010 compared to $28 as of December 31, 2009. We have financed our company principally through the private placement of our common stock. As of March 31, 2010, 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 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

Table of Contents

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 inception until March 31, 2010, we have incurred an operating loss of $274,476. 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 March 31, 2010.

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.

14

Table of Contents

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.

Changes in Internal Control Over Financial Reporting. During the most recent quarter ended March 31, 2010, 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.

Table of Contents

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

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:	May 14, 2010