

YOHO RESOURCES INC.

Consolidated Financial Statements

Three Months Ended December 31, 2008 and 2007

Yoho Resources Inc.
Consolidated Balance Sheets
(Unaudited)

	December 31, 2008	September 30, 2008
Assets		
Current assets		
Accounts receivable	\$ 6,263,697	\$ 6,721,803
Financial derivative contracts (note 9)	-	78,123
	<u>6,263,697</u>	<u>6,799,926</u>
Petroleum and natural gas properties (note 3)	88,375,616	86,779,953
	<u>\$ 94,639,313</u>	<u>\$ 93,579,879</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,972,301	\$ 10,153,651
Bank loan (note 4)	16,281,654	15,930,709
Future income taxes	-	22,871
	<u>27,253,955</u>	<u>26,107,231</u>
Asset retirement obligations (note 5)	2,853,576	2,718,974
Future income taxes	7,125,461	7,018,616
Shareholders' Equity		
Share capital (note 6)	52,086,780	53,155,158
Contributed surplus (notes 6 and 7)	2,883,425	2,287,324
Retained earnings	2,436,116	2,292,576
	<u>57,406,321</u>	<u>57,735,058</u>
	<u>\$ 94,639,313</u>	<u>\$ 93,579,879</u>

Commitments (note 12)
Subsequent event (note 6)
See accompanying notes to the consolidated financial statements.

Yoho Resources Inc.
Consolidated Statements of Operations and Retained Earnings (Deficit)
Three Months Ended December 31, 2008 and 2007

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007
Revenue		
Petroleum and natural gas sales	\$ 8,735,843	\$ 6,730,222
Royalties	(1,798,961)	(1,283,396)
Gain (loss) on financial derivative contracts (note 9)	(23,001)	971
	<u>6,913,881</u>	<u>5,447,797</u>
Expenses		
Operating	1,035,309	897,510
Processing fees	742,843	635,397
General and administrative	574,645	345,328
Interest	215,939	400,106
Stock-based compensation (notes 6 and 7)	102,035	71,012
Depletion, depreciation and accretion	4,045,433	3,565,130
	<u>6,716,204</u>	<u>5,914,483</u>
Income (loss) before income taxes	<u>197,677</u>	<u>(466,686)</u>
Taxes		
Capital and other taxes	1,906	16,072
Future income taxes	52,231	(388,256)
	<u>54,137</u>	<u>(372,184)</u>
Net income (loss) and comprehensive income (loss)	143,540	(94,502)
Retained earnings (deficit), beginning of period	<u>2,292,576</u>	<u>(2,917,886)</u>
Retained earnings (deficit), end of period	<u>\$ 2,436,116</u>	<u>\$ (3,012,388)</u>
Net income (loss) per share (note 8)		
Basic	\$ 0.01	\$ (0.01)
Diluted	\$ 0.01	\$ (0.01)

See accompanying notes to the consolidated financial statements.

Yoho Resources Inc.
Consolidated Statements of Cash Flows
Three Months Ended December 31, 2008 and 2007

Cash provided by (used in):	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007
Operating activities		
Net income (loss)	\$ 143,540	\$ (94,502)
Items not affecting cash:		
Stock-based compensation	102,035	71,012
Unrealized loss on financial derivative contracts	78,123	115,595
Depletion, depreciation and accretion	4,045,433	3,565,130
Future tax	52,231	(388,256)
Change in non-cash working capital (note 11)	370,018	155,117
	<u>4,791,380</u>	<u>3,424,096</u>
Financing activities		
Issuance of share capital for cash, net of issue costs	-	2,264,424
Purchase of common shares (note 6)	(661,543)	-
Bank loan	350,945	(1,547,272)
Subordinated loan facility	-	(1,000,000)
	<u>(310,598)</u>	<u>(282,848)</u>
Investing activities		
Petroleum and natural gas property expenditures	(5,654,090)	(3,109,351)
Dispositions	266,570	-
Change in non-cash working capital (note 11)	906,738	(31,897)
	<u>(4,480,782)</u>	<u>(3,141,248)</u>
Change in cash during the period	-	-
Cash, beginning of period	-	-
Cash, end of period	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.
Supplemental cash flow information (note 11)

Yoho Resources Inc.
Notes to the Consolidated Financial Statements
Three Months Ended December 31, 2008 and 2007

1. BASIS OF PRESENTATION

Yoho Resources Inc. ("Yoho" or the "Company") is incorporated under the laws of the province of Alberta and is engaged in petroleum and natural gas exploration and development activities in western Canada.

The interim consolidated financial statements of Yoho have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of the Company for the year ended September 30, 2008. The interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended September 30, 2008.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

2. ADOPTION OF NEW ACCOUNTING POLICIES

In January 2009, the CICA Accounting Standards Board ("AcSB") issued Section 1582, *Business Combinations*, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combinations and related disclosures. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011 with earlier application permitted. We do not expect the adoption of this standard to have a material impact on our results of operations or financial position.

In January 2009, the AcSB issued Sections 1601, *Consolidated Financial Statements*, and 1602, *Non-controlling Interests*, which replaces the existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period beginning on or after January 1, 2011 with earlier application permitted. We do not expect the adoption of these standards to have a material impact on our results of operations or financial position.

International Financial Reporting Standards

In February, 2008, the AcSB confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for publicly accountable enterprises' interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Yoho will be required to begin reporting under IFRS for its fiscal year beginning October 1, 2011. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The International Accounting Standards Board issued an exposure draft on September 25, 2008, relating to certain amendments and exemptions to IFRS 1. One such exemption relating to full cost oil and gas accounting is expected to reduce the administrative burden in the transition from the current Canadian Accounting Guideline 16 to IFRS. It is anticipated that this exposure draft will not result in an amended IFRS 1 standard until late 2009. The amendment may permit the Company to

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utilize current reserves in order to allocate the Company's full cost pool to the appropriate assets, with the requirement that an impairment test, under IFRS, be conducted at the transition date.

The Company is progressing with its evaluation of the impact of the changeover to IFRS and is developing a changeover plan. This plan, when finalized, will include an analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Company anticipates completing its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities, such as financing and compensation arrangements, by September 30, 2009.

3. PETROLEUM AND NATURAL GAS PROPERTIES

	<u>December 31, 2008</u>	<u>September 30, 2008</u>
Petroleum and natural gas properties	\$ 124,633,828	\$ 119,053,780
Accumulated depletion and depreciation	(36,258,212)	(32,273,827)
	<u>\$ 88,375,616</u>	<u>\$ 86,779,953</u>

In calculating the depletion and depreciation provision for the three months ended December 31, 2008, \$13.2 million of costs (2007 - \$12.6 million) relating to undeveloped properties were excluded from costs subject to depletion and depreciation. The calculation of 2008 depletion and depreciation included an estimated \$3.1 million (2007 - \$1.9 million) for future development capital associated with the proved undeveloped reserves. During the three months ended December 31, 2008, a total of \$0.6 million (2007 - \$0.3 million) of corporate expenses relating to exploration and development activities were capitalized.

The petroleum and natural gas properties are subject to a ceiling test, which was calculated at December 31, 2008 using the following benchmark reference prices for the years 2009 to 2017 adjusted for commodity differentials and transportation costs specific to the Company:

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Edmonton (\$Cdn/bbl)	99.10	99.10	99.10	99.10	99.10	100.45	102.48	104.55	106.66
Heavy crude (12API) at Hardisty (\$Cdn/bbl)	65.94	64.87	64.65	64.65	64.65	65.55	66.89	68.26	69.66
Alberta Plant Gate (\$Cdn/mmbtu)	7.28	7.42	7.77	8.02	8.26	8.76	9.34	9.54	9.76

The prices and costs subsequent to 2017 have been adjusted for inflation at an annual rate of two percent. At December 31, 2008 there has been no impairment to the value of the Company's petroleum and natural gas properties.

4. BANK CREDIT FACILITIES

The Company has in place bank credit facilities which allow borrowings up to \$32 million under a revolving operating demand loan for general corporate purposes including capital expenditures. The advances are due on demand and bear interest at the bank's prime rate plus a margin ranging from 0.25% to 2.50% per annum based upon the Company's prior quarter debt to cashflow ratio. The Company also has a Treasury Risk Line up to a maximum of \$1.3 million available for interest rate, foreign exchange and commodity price risk management. This obligation is to be settled based on contract maturities, payable from corporate cash flow. The credit facilities are secured by a \$75 million debenture with a floating charge over all assets and a negative pledge and undertaking to provide fixed charges on the Company's major producing petroleum and natural gas reserves. At December 31, 2008, \$16.3 million (September 30, 2008 - \$15.9 million) was outstanding under the Company's bank credit facilities. The credit facilities are subject to periodic review by the bank, with the next review to be before April 30, 2009.

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5. ASSET RETIREMENT OBLIGATIONS

	December 31, 2008	September 30, 2008
Balance, beginning of period	\$ 2,718,974	\$ 1,878,177
Liabilities incurred	95,731	317,178
Liabilities acquired (disposed)	(15,242)	286,077
Liabilities settled	-	(49,593)
Change in estimate	(6,935)	94,321
Accretion	61,048	192,814
Balance, end of period	<u>\$ 2,853,576</u>	<u>\$ 2,718,974</u>

The Company's asset retirement obligations are based on the Company's net ownership in wells and facilities. Management estimates the costs to abandon and reclaim the wells and the facilities and the estimated time period during which these costs will be incurred in the future. These costs are expected to be incurred over the next 20 years, with the majority of the costs incurred between 2010 and 2014. The undiscounted amount of estimated costs required to settle the retirement obligations at December 31, 2008 is \$5.2 million (September 30, 2008 - \$5.0 million). The inflation rate used in the calculation was two percent for 2008 and 2007. The estimated costs have been discounted at a credit-adjusted risk free rate of nine percent.

6. SHARE CAPITAL

On February 28, 2007, the Company's shareholders approved the creation of a new class of non-voting shares, namely Class B non-voting shares and approved the conversion of the Company's outstanding non-voting shares into voting common shares and Class B non-voting shares on the basis of 0.4 of a voting common share and 0.6 of a Class B non-voting share for every one non-voting share and approved the cancellation of the outstanding non-voting shares as authorized share capital.

On March 11, 2008, the Company's shareholders approved the creation of a new class of non-voting shares, namely Class C non-voting shares and approved the conversion of the Company's outstanding Class B non-voting shares into voting common shares and Class C non-voting shares on the basis of 0.5 of a voting common share and 0.5 of a Class C non-voting share for every one Class B non-voting share and approved the cancellation of the outstanding Class B non-voting shares as authorized share capital.

On February 10, 2009, the Company's shareholders approved the conversion of the Company's outstanding Class C non-voting shares into voting common shares and approved the cancellation of the outstanding Class C non-voting shares as authorized share capital.

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Authorized

An unlimited number of voting common shares and an unlimited number of Class C non-voting shares.

Issued and outstanding

Voting Common Shares:	Number of shares	Amount
Balance, September 30, 2007	13,637,104	\$ 37,143,925
Flow-through shares issued for cash	850,000	2,295,000
Issued on acquisition of Vision 2000 Exploration Ltd.	2,273,237	5,830,853
Issued on exercise of warrants	500,000	1,375,000
Share issue costs, net of tax of \$41,501	-	(99,736)
Tax effect of flow-through share renouncements	-	(906,750)
Fair value of warrants transferred on exercise	-	65,000
Conversion of Class B non-voting shares	1,871,272	3,742,554
Purchased under normal course issuer bid	(7,300)	(18,834)
Balance, September 30, 2008	19,124,313	\$ 49,427,012
Purchased under normal course issuer bid	(414,100)	(1,068,378)
Balance, December 31, 2008	<u>18,710,213</u>	<u>\$ 48,358,634</u>

Class B Non-Voting Shares:	Number of shares	Amount
Balance, September 30, 2007	3,742,550	7,470,700
Conversion of Class B non-voting shares to voting common shares	(1,871,277)	(3,742,554)
Conversion of Class B non-voting shares to Class C non-voting shares	(1,871,273)	(3,728,146)
Balance, September 30, 2008 and December 31, 2008	<u>-</u>	<u>\$ -</u>

Class C Non-Voting Shares:	Number of shares	Amount
Balance, September 30, 2007	-	\$ -
Conversion of Class B non-voting shares to Class C non-voting shares	1,871,273	3,728,146
Balance, September 30, 2008 and December 31, 2008	<u>1,871,273</u>	<u>\$ 3,728,146</u>

Total Common Shares:	Number of shares	Amount
Balance, December 31, 2008	<u>20,581,486</u>	<u>\$ 52,086,780</u>

In December, 2007, the Company issued 850,000 flow-through common shares at the price of \$2.70 per share for total gross proceeds of \$2,295,000 to be incurred on eligible expenditures prior to December 31, 2008. Certain officers and directors of the Company acquired 145,000 flow-through common shares under this private placement. As of September 30, 2008, the Company had incurred all of the eligible expenditures required under the flow-through share agreements.

In February, 2008, the Company renounced the qualifying expenditures under the 2007 flow-through share agreements. The income tax impact of this renouncement was \$0.9 million, which was recorded as a reduction of share capital.

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In June, 2008, the Company issued 2,273,237 common shares in conjunction with the acquisition of Vision 2000 Exploration Ltd. (note 13).

In June, 2008, the Company issued 500,000 flow-through common shares at the price of \$2.75 per share for total gross proceeds of \$1,375,000 in conjunction with the exercise of the warrants issued with the extension of the subordinated loan. These expenditures will be renounced to the flow-through investor effective December 31, 2008. As of December 31, 2008, the Company had incurred all of the eligible expenditures required under the flow-through share agreements.

Normal Course Issuer Bid

In September, 2008, the Company announced a normal course issuer bid allowing the Company to purchase and cancel up to 180,000 common shares. The issuer bid will terminate on September 18, 2009.

In October, 2008, the Company amended the terms of its normal course issuer bid in order to increase the maximum number of common shares that may be purchased pursuant to the bid by 420,000 common shares to a maximum of 600,000 common shares.

During the year ended September 30, 2008, the Company purchased 7,300 common shares for total consideration of \$17,487. The excess of stated value over the cost of re-acquisition of \$1,347 was credited to contributed surplus.

In the three months ended December 31, 2008, the Company has purchased 414,100 common shares under the normal course issuer bid for total consideration of \$661,543. The excess of stated value over the cost of re-acquisition of \$406,835 was credited to contributed surplus.

<i>Contributed Surplus</i>	December 31, 2008	September 30, 2008
Balance, beginning of period	\$ 2,287,324	\$ 1,732,666
Stock-based compensation	189,266	553,311
Excess of book value over market value of shares purchased	406,835	1,347
Balance, end of period	<u>\$ 2,883,425</u>	<u>\$ 2,287,324</u>

Warrants

<i>Warrants</i>	Number of warrants	Weighted average exercise price	Weighted average remaining term
Balance, September 30, 2007	1,092,226	\$ 2.50	1.2 years
Issued	500,000	\$ 2.75	
Exercised	<u>(500,000)</u>	\$ 2.75	
Balance, September 30, 2008 and December 31, 2008	<u>1,092,226</u>	\$ 2.50	0.5 years
Number Exercisable at September 30, 2008 and December 31, 2008	<u>-</u>	\$ -	-

In January, 2008, the Company had entered into an agreement to extend the expiry date of the Subordinated Loan Facility to January 3, 2009. In conjunction with the extension, the Company issued 500,000 warrants to the lender which have been valued at \$65,000. Each warrant was exercisable at a price of \$2.75 into one flow-through common share of the Company up to June 30, 2008. As of June 30, 2008 all of the warrants had been exercised.

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In December, 2007, the expiry dates of the 1,000,000 outstanding warrants issued as part of the May, 2005 private placement financing with employees were extended from December 13, 2007 to June 13, 2009. Also in December, 2007, the expiry dates of the 92,226 outstanding warrants issued as part of the October, 2005 private placement financing with employees were extended from May 7, 2008 to November 7, 2009. All of the warrants are exercisable for a period of 60 days prior to expiry.

Employee Stock Savings Plan

Effective July 1, 2008, the Company initiated an Employee Stock Savings Plan (“ESSP”). Employees may contribute up to 5% of their base salaries towards the purchase of Company shares and the Company matches these contributions. The Company’s matching contribution for the three months ended December 31, 2008 was \$16,524 and is included in general and administrative expenses.

Share Option Plan

Under the Company’s Share Option Plan, a committee appointed by the Board of Directors may from time to time designate bona fide directors, employees and consultants of the Company and its subsidiaries to whom options to purchase voting common shares of the Company may be granted and the number of voting common shares to be optioned to each. Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options may not exceed 10% of the issued and outstanding shares on a non-diluted basis at any time. The options granted have a term of five years from date of grant and vest as to one-third on each of the first, second, and third anniversaries of the date of grant.

Share Options	Number of options	Weighted average exercise price
Balance September 30, 2007	1,425,000	\$ 2.32
Granted	405,000	\$ 2.75
Expired	(10,000)	\$ 2.00
Balance, September 30, 2008 and December 31, 2008	<u>1,820,000</u>	\$ 2.42
Number Exercisable at December 31, 2008	<u>1,321,667</u>	\$ 2.16

No share options were exercised during the three months ended December 31, 2008.

The following table summarizes share options outstanding and exercisable under the plan at December 31, 2008.

	Options outstanding			Options exercisable	
	Number outstanding at year end	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at period end	Weighted average exercise price
Exercise price					
\$2.00 to \$3.10	1,680,000	2.2 years	\$ 2.20	1,255,000	\$ 2.01
\$4.90 to \$5.20	140,000	2.9 years	\$ 5.07	66,667	\$ 5.02
	<u>1,820,000</u>	2.2 years	<u>\$ 2.42</u>	<u>1,321,667</u>	<u>\$ 2.16</u>

7. STOCK-BASED COMPENSATION

The Company has recorded stock-based compensation for all share options and warrants granted.

The compensation expense is calculated based upon the fair value of share options and warrants on the date of the grant using the Black-Scholes option pricing model. Additional compensation expense has been recorded in conjunction with the extension of the warrants. This additional compensation

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expense is based upon the difference between the fair value of the modified warrants and the value of the warrants immediately before its terms were modified based upon its remaining expected life.

No new options were granted during the three months ended December 31, 2008 or the three months ended December 31, 2007.

The compensation expense is recognized over the vesting period of the share options and warrants. During the three months ended December 31, 2008, \$102,035 (2007 - \$71,012) was recognized as stock-based compensation expense and \$87,231 (2007 - \$36,402) of stock-based compensation relating to exploration and development activities was capitalized, each with a corresponding increase to contributed surplus.

8. NET INCOME (LOSS) PER SHARE

The Company applies the treasury stock method to assess the dilutive effect of outstanding share options and warrants on net income (loss) per share. Basic net income (loss) per share is calculated using net income and the weighted average number of common shares outstanding. Diluted net income (loss) per share is calculated using net income and the weighted average number of diluted common shares outstanding.

	<u>Three months ended December 31, 2008</u>	<u>Three months ended December 31, 2007</u>
Weighted average number of common shares outstanding	20,711,563	17,416,611
Dilutive effect of share options and warrants	-	-
Weighted average number of diluted common shares outstanding	<u>20,711,563</u>	<u>17,416,611</u>

The dilutive effect of the share options and warrants was nil for the three months ended December 31, 2008 as the exercise prices of all the outstanding share options and warrants were below the market price for the period. For the three months ended December 31, 2007, 1,425,000 options and 1,092,226 warrants were not included in the diluted share calculation because they were anti-dilutive.

9. FINANCIAL INSTRUMENTS

Commodity price risk

From time to time the Company will use financial derivative contracts to manage its exposure to fluctuations in commodity prices. At December 31, 2008, the Company had no financial derivative contracts outstanding.

The use of financial derivative contracts exposes the Company to the risk that fluctuations in commodity prices can give rise to large changes in the fair value of these contracts resulting in correspondingly large impacts to net income. The Company uses financial derivative contracts to protect cash flow for use on operating and capital expenditures and views the risk to changes in fair value as an acceptable trade off. All such transactions are conducted in accordance with the Company's risk management policy that has been approved by the Board of Directors.

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The Company has incurred the following realized and unrealized gains and losses on its financial derivative contracts

	Three months ended December 31, 2008	Three months ended December 31, 2007
Unrealized gains (losses)	\$ (78,123)	\$ (115,595)
Realized gains (losses)	55,122	116,566
Total	<u>\$ (23,001)</u>	<u>\$ 971</u>

For the three months ended December 31, 2008, a positive 10% change to the realized and expected future market price per GJ of natural gas would have reduced net income by \$0.1 million while a negative 10% change to the realized and expected future market price per GJ of natural gas would have increased net income by \$0.1 million.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the bank debt is based on a floating rate of interest. The interest charged is based upon the bank prime rate plus a fixed premium. Assuming average outstanding balances for the three months ended December 31, 2008 of \$16.1 million for the bank debt, a 0.5% change in bank prime rates would change net income by \$0.1 million.

Fair value of financial instruments

The fair values of accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short terms to maturities. The Company's bank debt bears interest at a floating market rate and accordingly the fair market value approximates the carrying value. The fair values of the financial derivative contracts is determined by discounting the difference between the contracted price and the published forward price curves as at the balance sheet date using the remaining contracted natural gas volumes.

10. RELATED PARTY TRANSACTIONS

The Company enters into various transactions with related parties. These transactions are entered into in the normal course of business and are measured at the exchange amount established and agreed to by the related parties. During the three months ended December 31, 2008, the Company had the following related party transactions:

The Company had entered into a short-term loan facility with a private lender, controlled by a director, for the principal amount of \$6 million. As at September 30, 2008 the entire principal amount had been repaid. During the three months ended December 31, 2007, a total of \$123,438 in interest and \$1.0 million of principal was paid.

During the three months ended December 31, 2008 a total of \$24,564 (2007 – \$28,632) of legal fees related general legal matters, share issuances and acquisitions were incurred to a law firm in which two of the Company's directors are partners.

During the three months ended December 31, 2008 a total of \$6,892 (2007 - \$7,890) was incurred to a company controlled by an officer and director in payment of a gross overriding royalty on certain Company lands.

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11. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital:	Three months ended December 31, 2008	Three months ended December 31, 2007
Accounts receivable	\$ 458,106	\$ (566,193)
Accounts payable and accrued liabilities	818,650	689,413
	\$ 1,276,756	\$ 123,220
Operating activities	\$ 370,018	\$ 155,117
Investing activities	906,738	(31,897)
	\$ 1,276,756	\$ 123,220

During the period the Company made the following cash outlays in respect of interest expense and taxes.

	Three months ended December 31, 2008	Three months ended December 31, 2008
Interest	\$ 178,429	\$ 365,536
Taxes	\$ -	\$ 11,894

12. COMMITMENTS

At December 31, 2008, the Company is committed to future payments for operating leases and gas transportation agreements for fiscal years as detailed below:

	2009	2010	2011	2012
Office lease	295,960	396,510	370,336	24,318
Gas transportation agreements	82,297	51,016	-	-

Under the flow-through share agreements entered into in July 2007 and December 2007, the Company is required to incur eligible expenditures of \$3.3 million prior to December 31, 2008. As at December 31, 2008 the Company had incurred all of the eligible expenditures.

In June, 2008, the Company issued 500,000 flow-through common shares at the price of \$2.75 per share for total gross proceeds of \$1,375,000 in conjunction with the exercise of the warrants issued with the extension of the subordinated loan. These expenditures will be renounced to the flow-through investor effective December 31, 2008. As of December 31, 2008, the Company had incurred all of the eligible expenditures required under the flow-through share agreements.

13. ACQUISITION OF VISION 2000 EXPLORATION LTD.

On March 31, 2008, the Company entered into an agreement pursuant to which it made an offer to acquire all of the issued and outstanding common shares of Vision 2000 Exploration Ltd ("Vision") on the basis of 0.24 of a common share of Yoho or \$0.65 cash (to a maximum of \$3 million) for each common share of Vision or a combination thereof.

On June 3, 2008, the Company closed its acquisition of Vision for a total acquisition cost, including debt, of approximately \$7.9 million, funded through the issuance of 2.3 million common shares, calculated based on an adjusted volume weighted average trading price of the shares around the date of the announcement of \$2.57 and \$81,380 cash. The acquisition was accounted for by the purchase method and results of operations have been included in the consolidated statement of

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operations from the date of acquisition. An estimate of the allocation of the consideration paid to the fair value of the identifiable assets and liabilities follows, and is subject to change upon the final determination of the fair values.

Petroleum and natural gas properties	\$	7,942,165
Working capital deficiency		(1,028,975)
Office lease		(300,215)
Future income tax liabilities		(372,726)
Asset retirement obligations		(286,077)
Total net assets acquired	\$	<u>5,954,172</u>
Consideration:		
Shares issued (2,273,237 common shares)	\$	5,830,853
Cash		81,380
Costs associated with acquisition		41,939
Total purchase price	\$	<u>5,954,172</u>