

**NOTICE OF ANNUAL AND SPECIAL MEETING**

**AND**

**MANAGEMENT PROXY CIRCULAR**

**WITH RESPECT TO THE**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON FEBRUARY 10, 2009**

**MANAGEMENT PROXY CIRCULAR  
DATED JANUARY 2, 2009**

*The TSX Venture Exchange has not in any way passed upon the merits  
of the information contained herein and any representation to the contrary is an offence.*

**YOHO RESOURCES INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS TO BE HELD  
FEBRUARY 10, 2009**

**TO THE HOLDERS OF COMMON SHARES**

Notice is hereby given that an Annual and Special Meeting (the "**Meeting**") of the holders of voting common shares (the "**Common Shares**") of Yoho Resources Inc. ("**Yoho**" or the "**Corporation**") will be held in the Cardium Room of the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, on February 10, 2009 at 3:00 p.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended September 30, 2008 and the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at seven (7) members;
3. to consider and, if thought appropriate, to pass an ordinary resolution electing seven (7) directors of the Corporation;
4. to consider and, if thought appropriate, to pass an ordinary resolution appointing the auditors of the Corporation and authorizing the directors to fix their remuneration as such;
5. to consider and if thought appropriate, to pass, with or without variation, an ordinary resolution approving the Corporation's option plan, all as more particularly described in the accompanying Information Circular - Management Proxy Statement of the Corporation dated January 2, 2009 (the "**Information Circular**");
6. to consider and, if thought appropriate, to pass, with or without variation, a special resolution (the "**Reorganization Resolution**") to reorganize the Corporation's share capital by changing the issued and outstanding class C non-voting shares (the "**Class C Non Voting Shares**") into Common Shares on the basis that each one (1) Class C Non Voting Share shall be changed into one (1) Common Share and changing the maximum number of Class C Non-Voting Shares to zero and deleting the Class C Non-Voting Shares as an authorized class of shares entirely; and
7. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be put to the Meeting are described in further detail in the accompanying Information Circular.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is January 2, 2009 (the "**Record Date**"). Shareholders of Yoho whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a shareholder transfers the ownership of any of his shares after such date and the transferee of those shares establishes that he owns the shares and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the President of Yoho c/o the Corporation's Transfer Agent and Registrar, Valiant Trust Company, Proxy Department, Suite 310, 606 – 4<sup>th</sup> Street S.W., Calgary, AB T2P 1T1 or by fax at (403) 233-2857, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of Yoho. Each shareholder has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Yoho shareholder should be delivered by facsimile to Valiant Trust Company at (403) 233-2857.

DATED at Calgary, Alberta this 2nd day of January, 2009.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Brian McLachlan"*

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Brian McLachlan

President, Chief Executive Officer and a Director

**YOHO RESOURCES INC.**

**INFORMATION CIRCULAR - MANAGEMENT PROXY STATEMENT**

**for the Annual and Special Meeting of Shareholders to be held  
February 10, 2009**

**INTRODUCTION AND GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

This Information Circular - Management Proxy Statement (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Yoho for use at the annual and special meeting of the shareholders ("**Shareholders**") of the Corporation (the "**Meeting**") to be held in the in the Cardium Room of the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, on February 10, 2009 at 3:00 p.m. (Calgary time), and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at January 2, 2009.

No person has been authorized by Yoho to give any information or make any representations in connection with the transactions herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Yoho.

Each outstanding voting common share (a "**Common Share**") is entitled to one vote on each resolution voted on at the Meeting. The board of directors of Yoho (the "**Board of Directors**") has fixed the record date for the Meeting at the close of business on January 2, 2009 (the "**Record Date**"). Yoho will prepare, as of the Record Date, a list of Shareholders entitled to receive the Notice of Meeting and showing the number of Common Shares held by each such Shareholder. Each Yoho Shareholder named in the list is entitled to vote the Common Shares shown opposite such Shareholder's name at the Meeting except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting, by 4:30 p.m. (Calgary time) not later than 10 days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

A quorum for the transaction of business at the Meeting shall be present if two (2) Shareholders holding in the aggregate five percent (5%) of the Common Shares entitled to vote at the Meeting are present in person or represented by proxy.

**Appointment of Proxies**

Those Shareholders who desire to be represented at the Meeting by proxy must deposit their proxy with the President c/o the Corporation's Transfer Agent and Registrar, Valiant Trust Company, Proxy Department, Suite 310, 606 – 4<sup>th</sup> Street S.W., Calgary, AB T2P 1T1 or by fax at (403) 233-2857, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the day of the Meeting, or adjournment or adjournments thereof. A proxy must be executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, under its seal by an officer or attorney thereof duly authorized.

The persons named in the accompanying proxy are directors and officers of Yoho. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on such Shareholder's behalf at the Meeting other than the persons named in the proxy. To exercise this right, the Shareholder must strike out the name of the persons named in the proxy and insert the name of his or her nominee in the space provided or complete another appropriate form of proxy and, in either case, deposit the proxy with Yoho at the place and within the time specified above for the deposit of proxies.

### **Persons Making the Solicitation**

**The solicitation is made on behalf of the management of Yoho.** The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Meeting and this Information Circular will be borne by Yoho. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or by other means of communication and by directors and officers of Yoho, who will not be specifically remunerated therefor. While no arrangements have been made to date by Yoho, Yoho may contract for the distribution and solicitation of proxies for the Meeting. The costs incurred by Yoho in soliciting proxies will be paid by Yoho.

### **Exercise of Discretion by Proxy**

The Common Shares represented by the Instrument of Proxy enclosed with this Notice of Meeting and this Information Circular will be voted for or against in accordance with the instructions of the Shareholder, but if no specification is made, they will be voted in favour of the matters set forth in the proxy. If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Information Circular, management of Yoho knows of no such amendments or variations or other matters to come before the Meeting.

### **Revocation of Proxies**

A Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy attends personally at the Meeting at which the proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or his attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and signed by a duly authorized officer or attorney for the corporation, and deposited at the registered office of Yoho at any time up to and including the last day (other than Saturdays, Sundays and holidays) preceding the day of the Meeting at which the proxy is to be used, or any adjournment or adjournments thereof, or with the chairman of the Meeting on the day of the Meeting, or on the day of any adjournment thereof, prior to the commencement of the Meeting.

### **Advice to Beneficial Holders of Securities**

The information set forth in this section is of significant importance to many public shareholders of Yoho, as a substantial number of the public shareholders of Yoho do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Yoho as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's

name on the records of Yoho. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of Yoho do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

#### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of class C non-voting common shares (the "**Class C Non-Voting Shares**"). As at January 2, 2009, there were 18,689,113 Common Shares and 1,871,275 Class C Non-Voting Shares issued and outstanding. The Common Shares are the only issued and outstanding voting securities of the Corporation and the holders thereof are entitled to one vote for each Common Share held.

Except for as disclosed below, to the best of the Corporation's knowledge and based on existing information, as at January 2, 2009, there are no persons who own, of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of the outstanding Common Shares.

Name	Number of Common Shares	% of Issued and Outstanding Common Shares
Hesperian Capital Management Ltd. (as fund manager for Norrep II Class of Norrep Opportunities Corp. and Norrep Fund)	2,099,925	11.2%
Gary Perron	2,472,341	13.2%

***Common Shares***

The holders of Common Shares are entitled to dividends as and when declared by the Board of Directors of the Corporation, to one vote per share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares, to be shared rateably with the holders of the non-voting shares. All of the Common Shares issued and outstanding have been issued as fully paid and non-assessable.

***Class C Non-Voting Common Shares***

The holders of Class C Non-Voting Shares are entitled to dividends as and when declared by the Board of Directors of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Class C Non-Voting Shares, to be shared rateably with the holders of the Common Shares. All of the Class C Non-Voting Shares issued and outstanding have been issued as fully paid and non-assessable. The holders of Class C Non-Voting Shares are entitled to receive notice of and to attend any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation, other than the Class C Non-Voting Shares as such) provided that, except as required by law, the holders of Class C Non-Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of the Corporation.

**FIXING NUMBER OF DIRECTORS**

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual general meeting of the Corporation or until their successors are elected or appointed, subject to the articles (the "**Articles**") of incorporation or by-laws of the Corporation, be set at seven (7). There are presently seven (7) directors of Yoho, each of whom will retire from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at seven (7).

**ELECTION OF DIRECTORS**

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors for the ensuing year the seven (7) nominees hereinafter set forth:

Gary Perron  
 Kevin Olson  
 Terry Svarich  
 Peter Kurceba  
 Bruce Allford  
 Brian McLachlan  
 John Brussa

The names and municipalities and countries of residence of the persons either nominated for or presently holding office as directors, the number of Common Shares beneficially owned, directly or indirectly, or over which each exercises control or direction, the period served as a director and the principal occupation during the last five years of each are as follows:

<b>Name and Province and Jurisdiction of Residence</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned</b>	<b>Principal Occupation</b>
Gary Perron Calgary, Canada	December 20, 2004	2,472,341	Mr. Perron is the Managing Director and Senior Vice President of BMO Nesbitt Burns Inc.
Kevin Olson Calgary, Canada	December 20, 2004	624,975	Mr. Olson is the President of EnergyX Equity Inc., being the manager of two private investment funds, and has held this position since October, 2001. Prior thereto Mr. Olson was the Vice President, Corporate Development of Northrock Resources Ltd.
Terry Svarich Calgary, Canada	February 17, 2005	145,000	Mr. Svarich is currently the President of DevSun Ltd., a private investment company. Mr Svarich is also currently a director of ProEx Energy Ltd., a TSX listed company. Mr. Svarich was a director of Progress Energy Ltd. from 2001 through 2004.
Peter Kurceba Calgary, Canada	February 9, 2006	142,000	Mr. Kurceba is an oil and gas industry advisor at J.F. Mackie & Company Ltd., an independent equity investment firm. Prior thereto, from August 2004 to October 2005, Mr. Kurceba was an oil and gas industry consultant. From 2000 to August 2004, Mr. Kurceba was a founder and the Vice President, Exploration of Profico Energy Management Ltd.
Bruce Allford Calgary, Canada	December 20, 2004	64,052	Mr. Allford is a partner with the Calgary law firm, Burnet, Duckworth & Palmer LLP.
Brian McLachlan Calgary, Canada	January 5, 2005	747,404	Mr. McLachlan has been the President and Chief Executive Officer of the Issuer since January of 2005. Mr. McLachlan has been consulting in the oil and gas industry since December of 2003. Mr. McLachlan was the President and Chief Executive Officer of Taurus Exploration Ltd. from October of 1998 to December of 2003. Prior thereto Mr. McLachlan was the President and Chief Executive Officer of Paragon Petroleum Ltd.
John Brussa Calgary, Canada	March 11, 2008	52,500	Mr. Brussa is a partner (since 1987) of Calgary law firm, Burnet, Duckworth & Palmer LLP, specialising in taxation. Mr. Brussa is also a director of several energy and energy-related corporations and income funds.

## Notes:

- (1) The members of the Corporation's Audit Committee are, as at the date hereof, Messrs. Gary Perron, Kevin Olson and Terry Svarich.
- (2) The members of the Corporation's Compensation Committee are, as at the date hereof, Messrs. Peter Kurceba, Kevin Olson and Bruce Allford
- (3) The members of the Corporation's Reserve Committee are, as at the date hereof, Messrs. Terry Svarich and Peter Kurceba.

The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon the information furnished to Yoho by the respective nominees. As at the date hereof, the directors and officers of the Corporation, and their associates and affiliates, as a group own or control, directly or indirectly, 4,783,424 Common Shares or 25.6% of the issued and outstanding Common Shares.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as set forth below, no proposed director, within 10 years before the date of this Information Circular, has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Allford was (and remains) a director and the Corporate Secretary of Indo Pacific Resources Ltd. (a non-operating, internationally based mining exploration company) at the time this company became the subject of a cease trade order issued (in July, 2000) by the Alberta and British Columbia Securities Commissions by reason of that company's failure to file financial statements, which cease trade orders remain in effect. Indo Pacific Resources Ltd. was delisted from the CDNX in July, 2000. Mr. Allford was also the Corporate Secretary of Merit Energy Ltd. and Nevada Bob's Golf Inc. Both of these companies sought and received creditor protection under the *Companies Creditors Arrangement Act* (Canada) ("CCAA"), subsequent to which both companies were the subject of receivership proceedings. Mr. Allford resigned as Corporate Secretary of both companies prior to creditor protection being sought.

Furthermore, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority nor has any proposed director ever been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **EXECUTIVE COMPENSATION**

### **Compensation of Executive Officers**

Securities legislation requires the disclosure of the compensation of certain executive officers, including the Chief Executive Officer, Chief Financial Officer ("**Named Executive Officers**") and the other officers whose total salary and bonus exceeded Cdn \$150,000 per year, and any individual who would have been included except for the fact that such individual was not serving as an officer of the Corporation at the end of the most recently completed financial year. The following table sets out all

compensation awarded to, earned by or paid to the Named Executive Officers for the last three fiscal years.

### Summary Compensation Table

Name and Principal Position	Year Ended September 30	Annual Compensation			Long-Term Compensation			All other Compensation (Cdn\$)
		Salary (Cdn\$)	Bonus (Cdn\$)	Other Annual Compensation (Cdn\$)	Securities under options/SARs Granted	Restricted Shares or Restricted Share Units (Cdn\$)	LTIP Payouts (Cdn\$)	
Brian McLachlan <sup>(1)</sup> President and Chief Executive Officer	2008	132,300	100,000	nil	nil	nil	nil	nil
	2007	126,000	15,000	nil	nil	nil	nil	nil
	2006	120,000	nil	nil	nil	nil	nil	nil
Wendy Woolsey <sup>(2)</sup> Vice-President, Finance and Chief Financial Officer	2008	132,300	102,750	nil	nil	nil	nil	nil
	2007	126,000	15,000	nil	nil	nil	nil	nil
	2006	120,000	36,000	nil	nil	nil	nil	nil
Barry Stobo <sup>(1)</sup> Vice-President, Engineering and Chief Operating Officer	2008	132,300	79,250	nil	nil	nil	nil	nil
	2007	126,000	15,000	nil	nil	nil	nil	nil
	2006	120,000	14,500	nil	nil	nil	nil	nil
Clark Drader <sup>(2)</sup> Vice-President, Land	2008	132,300	68,000	nil	nil	nil	nil	nil
	2007	126,000	12,000	nil	nil	nil	nil	nil
	2006	120,000	12,000	nil	nil	nil	nil	nil

Notes:

- (1) Perquisites and other personal benefits did not exceed the lesser of \$50,000 and 10% of the total annual salary and bonus.

### Incentive Stock Options

Directors, officers, employees and consultants are eligible to participate in the Corporation's stock option plan ("**Option Plan**"). Awards of stock options are made from time to time to participants at varying levels which are generally consistent with the individual's level of responsibility within the Corporation. Under the Option Plan, the Corporation has reserved for issuance a total of a "rolling" 10% of the issued and outstanding Common Shares and Non-Voting Shares of the Corporation. The criteria used to determine eligibility for granting of options, the number of Commons Shares covered by each option, the term of each option and the vesting of each option is at the discretion of the board of directors and the exercise price is determined by the directors based on the market price of the shares on the date of the grant. The exercise price may not be less than the discounted market price prescribed by the policies of the TSX Venture Exchange (the "**Exchange**"). The term of an option may not be for more than five years from the date on which it is granted. All options are non-transferable. The maximum number of Common Shares reserved for issuance to any one individual on the exercise of options held by that one individual may not exceed five per cent (5%) of the issued and outstanding Common Shares. The officers, directors, employees and consultants of the Corporation hold 1,820,000 options as of the date of this Information Circular.

### Options Granted During the Year Ended September 30, 2008

The following table sets forth, with respect to the Named Executive Officers, the number of Common Shares under options granted in the year ended September 30, 2008, percentage of the total options granted to all employees, officers and directors in the year ended September 30, 2008, the exercise price of such options, the market price of the Common Shares on the date of the grant and the expiry date of such options.

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Brian McLachlan	50,000	12.3	2.78	2.78	August 25, 2013
Wendy Woolsey	50,000	12.3	2.78	2.78	August 25, 2013
Barry Stobo	50,000	12.3	2.78	2.78	August 25, 2013
Clark Drader	50,000	12.3	2.78	2.78	August 25, 2013

### Aggregated Option Exercises During the Year Ended September 30, 2008 and Option Values as at September 30, 2008

The following table set forth all Options exercised by the Named Executive Officers during the financial year ended September 30, 2008 and the financial year end values for Options granted to the Named Executive Officers.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options Exercisable/Unexercisable (#)	Value of Unexercised in-the-Money Options (\$) Exercisable/ Unexercisable (\$)
Brian McLachlan	nil	N/A	200,000/50,000	70,000/nil
Wendy Woolsey	nil	N/A	150,000/50,000	52,500/nil
Barry Stobo	nil	N/A	200,000/50,000	70,000/nil
Clark Drader	nil	N/A	120,000/50,000	42,000/nil

### Termination of Employment, Change in Responsibilities and Employment Contracts

Pursuant to employment agreements between the Corporation and each Named Executive Officer, each Named Executive Officer earned an annual salary of \$132,300 during fiscal 2008 in addition to being eligible to participate in the Corporation's bonus and stock option plans. Pursuant to the agreements, which are for an indefinite term, if any Named Executive Officer is terminated without just cause, or elects to resign within 180 days after a change of control of the Corporation, that officer would receive a retiring allowance equal to four (4) months of the Named Executive Officer's annual base salary for each full year of employment with the Corporation, up to a maximum of twelve (12) months.

### Composition of Compensation Committee

The Compensation Committee (the "**Compensation Committee**") of the board of directors of the Corporation is presently composed of Messrs. Kevin Olson, Bruce Allford and Peter Kurceba, the majority of whom are independent directors. The following is a report of the Compensation Committee:

## Report on Executive Compensation

The Compensation Committee is responsible for assisting the Board of Directors in determining the compensation strategies for the Corporation, evaluating the performance of employees and officers, reviewing and assisting management with succession planning and professional development for officers of the Corporation, based on what the Compensation Committee determines is appropriate or comparable in the industry, and taking into consideration a number of factors including the individual's performance and the financial performance of the Corporation.

The Compensation Committee has the ability to subscribe to independent compensation reports. The total direct compensation package is comprised of three main elements; a fixed component (base salary), a variable component (annual bonus) and Options granted pursuant to the Option Plan. Base salaries are set for the year with principal reference to the median salary levels for comparable executive positions at similar sized corporations in the same business as the Corporation. Annual cash bonuses are based principally upon a recognition of the overall performance of the Corporation as well as team and individual performance for the year. The initial grant of Options is typically made at the time of hiring and is reviewed annually.

The policy of the Compensation Committee with respect to compensation for the Named Executive Officers is to set the Named Executive Officers' base salary at less than the median salary level for comparable positions at similar sized corporations in the same business as the Corporation and similar complexity, based on competitive data from industry surveys. The participation by the Named Executive Officers in the Corporation's bonus and stock option plans allow for the Named Executive Officers total compensation to be competitive within the industry. The Named Executive Officers salary, bonus and Options are based on the Corporation's overall operating and financial performance.

## Compensation of Directors

During the year ended September 30, 2008, none of the directors of the Corporation were paid in their capacities as such. However, the directors are reimbursed for miscellaneous out-of-pocket expenses in carrying out their duties as directors. In addition, the directors of the Corporation are eligible to participate in the Corporation's Option Plan.

## Securities Authorized for Issuance Under Equity Compensation Plans

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	1,820,000 Common Shares	\$2.42	236,039 Common Shares
Equity compensation plans not approved by securityholders	Nil Common Shares	\$Nil	Nil Common Shares
Total	1,820,000 Common Shares	\$2.42	236,039 Common Shares

### **Indebtedness of Directors and Executive Officers**

None of the directors and officers of the Corporation or the proposed directors of the Corporation, nor any of their associates or affiliates is now or has been indebted to the Corporation since incorporation, other than for routine indebtedness, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

### **Interests of Informed Persons in Material Transactions**

There are no material interests, direct or indirect, of directors and senior officers of Yoho, nominees for director, any shareholder who beneficially owns more than 10% of the Common Shares of Yoho, or any known associate or affiliate of such persons in any transactions since the commencement of Yoho's last completed financial year or in any proposed transaction which has or will materially affected or would materially affect the Corporation.

## **APPOINTMENT OF AUDITORS**

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of KPMG LLP, Chartered Accountants, of Calgary, Alberta, to serve as auditors of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP have served as independent auditors for the Corporation since December 23, 2004.

## **AUDIT COMMITTEE INFORMATION**

### **Audit Committee Mandate and Terms of Reference**

The mandate and responsibilities of the audit committee (the "**Mandate**") of the Corporation (the "**Audit Committee**") of the Board of Directors is attached hereto as Schedule "A".

### **Composition of the Audit Committee**

The members of the Audit Committee, being Messrs. Gary Perron, Kevin Olson and Terry Svarich, are independent (in accordance with National Instrument 52-110 *Audit Committees*) and are financially literate.

Mr. Gary Perron is a Managing Director and Vice President with BMO Nesbitt Burns where he has provided investment advisory services for more than 20 years. He holds a Bachelor of Commerce Degree (Honours) and holds the Chartered Financial Analyst designation. Mr. Perron has served as a director of several public companies including as an audit committee member.

Mr. Terry Svarich has been President of Devsun Ltd., a private investment company, for the past five years. For ten years prior to this Mr. Svarich was the President of a number of oil and gas companies in Calgary and has over 30 years of experience in the oil and gas industry. Mr. Svarich has a Bachelor of Science (Engineering) Degree. Mr. Svarich has served as a director of several public companies including as an audit committee member.

Mr. Olson is the President of EnergyX Equity Inc., being the manager of a private investment fund, and has held this position since October 2001. From 2000 to 2001 Mr. Olson served as Vice-President,

Corporate Development of Northrock Resources Ltd. Prior thereto, Mr. Olson was Vice-President, Corporate Finance at FirstEnergy Capital Corp.

### **Pre-Approval of Policies and Procedures**

The Audit Committee shall review and pre-approve all non-audit services to be provided to Yoho by its external auditors.

### **External Auditor Service Fees**

#### *Audit Fees*

The aggregate fees billed by the Corporation's external auditor in the last fiscal year for audit services were \$55,000 (\$46,000 in the fiscal year 2007).

#### *Audit-Related Fees*

The aggregate fees billed in the last fiscal year for assurance related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements that are not reported under "Audit Fees" above was \$106,400 (\$20,000 for the fiscal year 2007). Services included in those figures are quarterly reviews, preparation of business acquisition reports and information circular reviews.

#### *Tax Fees*

The aggregate fees billed in the last fiscal year for professional services rendered by the Corporation's external auditor for tax return preparation was \$15,610 (\$1,100 for the fiscal year 2007).

#### *All Other Fees*

The aggregate fees billed in the last fiscal year for products and services provided by the Corporation's auditors other than services reported above was \$nil (\$25,700 for the fiscal year 2007).

### **Exemption**

As the Corporation is listed on the Exchange, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

## **APPROVAL OF THE OPTION PLAN**

Pursuant to Exchange Policy 4.4 (the "**Option Policy**") the Corporation is permitted to maintain a "rolling" stock option plan reserving a maximum of 10% of the issued and outstanding Common Shares and Non-Voting Shares for issuance pursuant to stock options. In accordance with the Option Policy, rolling option plans must receive shareholder approval yearly at the Corporation's annual meeting.

Shareholders will therefore be asked at the Meeting to consider and, if thought advisable, to ratify and approve the existing Option Plan (the "**Option Plan Resolution**"). The Option Plan was initially approved by the shareholders of the Corporation on December 23, 2004. The Corporation currently has 1,820,000 outstanding options to purchase Common Shares, at the exercise prices ranging from \$2.00 to \$5.20.

The Option Plan provides for the granting of options to purchase Common Shares of the Corporation ("**Options**") to directors, officers, employees and consultants (as permitted by applicable law). The Option Plan is administered by the Board of Directors, or a committee of the Board of Directors appointed from time to time for such purpose. Options may be granted at the discretion of the Board of Directors or a committee thereof, in such number that may be determined at the time of grant, subject to the limits set out in the Option Plan. The number of Common Shares issuable upon exercise of the options granted under the Option Plan is not more than 10% of the number of Common Shares and Non-Voting Shares that are issued and outstanding. The number of Common Shares issuable upon the exercise of the Options granted to any one individual, within a one-year period, cannot exceed 5% of the number of Common Shares and Non-Voting Shares issued and outstanding.

The exercise price of options granted under the Option Plan will be fixed by the Board of Directors, or a committee thereof, at the time of grant, provided that such exercise price may not be less than the Discounted Market Price of the Common Shares, or such other prices as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Reorganization. The options granted under the Option Plan will vest on a basis, and will be exercisable for a period not exceeding five years, as determined by the Board of Directors, or a committee thereof, at the time of grant. In the absence of any determination by the Board of Directors as to vesting, vesting shall be as to one third on each of the first, second and third anniversaries of the date of grant.

The foregoing summary is subject to the specific provisions of the Option Plan, a copy of which is attached as Schedule "B" to this Information Circular.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution in the following form:

"BE IT RESOLVED as an ordinary resolution of the Shareholders of the Corporation that:

1. the Option Plan (the "**Option Plan**") of the Corporation, on the terms described in the accompanying management proxy circular of the Corporation be and the same is hereby ratified, confirmed and approved;
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the adoption of the proposed share option plan of the Corporation is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

It is the intention of management to vote the proxies in the accompanying form in favour of the Option Plan Resolution.

## APPROVAL OF THE REORGANIZATION

At the Meeting the disinterested shareholders ("**Disinterested Shareholders**"), being Shareholders who do not beneficially hold any Class C Non-Voting Shares, will be asked to approve a special resolution (the "**Reorganization Resolution**") authorizing a reorganization of the Corporation's share capital (the "**Reorganization**") whereby the issued and outstanding Class C Non-Voting Shares of the Corporation will be changed into Common Shares on the basis that each one (1) Class C Non-Voting Share shall be changed into one (1) Common Share and changing the maximum number of Class C Non-Voting Shares that can be issued to zero and deleting the Class C Non-Voting Shares, as an authorized class of shares of the Corporation, entirely. At the Meeting, the Corporation's transfer agent and registrar will be directed to exclude votes on the Reorganization Resolution of all shareholders holding Class C Non-Voting Shares.

Pursuant to the Reorganization, the following will occur:

1. the Corporation's Articles will be amended by changing the issued and outstanding Class C Non-Voting Shares into Common Shares on the basis of one (1) Common Share for every one (1) Class C Non-Voting Shares issued and outstanding; and
2. the Corporation's Articles will be amended by reducing the maximum number of Class C Non-Voting Shares which the Corporation is authorized to issue to zero so that the Corporation is no longer authorized to issue Class C Non-Voting Shares and the Class C Non-Voting Shares will be, thereby, deleted in their entirety.

As at January 2, 2009, there were 18,689,113 Common Shares and 1,871,275 Class C Non-Voting Shares issued and outstanding. After effecting the Reorganization, the Corporation will have 20,560,388 Common Shares issued and outstanding.

All of the outstanding Class C Non-Voting Shares were issued pursuant to a reorganization of the Corporation's articles as approved by the shareholders of the Corporation on March 8, 2008 whereby the Corporation's share capital was changed by creating the Class C Non-Voting Shares, converting all of the then issued and outstanding Class B non voting common shares (the "**Class B Non Voting Shares**") into Class C Non Voting Shares and Common Shares on the basis that each one (1) Class B Non Voting Share into 0.5 of a Common Share and 0.5 of a Class C Non-Voting Share and changing the maximum number of Class B Non-Voting Shares to zero and deleting the Class B Non-Voting Shares as an authorized class of shares entirely.

Of the 1,871,275 Class C Non-Voting Shares which are presently outstanding, directors and officers, as a group, beneficially own, directly or indirectly, or exercise control over 377,947 Class C Non-Voting Shares or approximately 20.2% of the issued and outstanding Class C Non-Voting Shares. The remaining Class C Non-Voting Shares are held by third party investors.

At the Meeting Shareholders will be asked to consider and, if thought fit, pass a special resolution as follows:

"BE IT RESOLVED as a special resolution of the Shareholders of the Corporation that:

1. pursuant to Sections 173(1)(f) and 173(1)(h) of the *Business Corporations Act* (Alberta), the Articles of the Corporation be amended by:

- a. changing the issued and outstanding Class C Non-Voting Shares of the Corporation into Common Shares on the basis of one (1) Common Share for every one (1) Class C Non-Voting Share presently issued and outstanding; and
- b. reducing the maximum number of Class C Non-Voting Shares the Corporation is authorized to issue to zero, so that the Corporation is no longer authorized to issue Class C Non-Voting Common Shares and the said shares be and they are hereby deleted in their entirety;

(collectively, the "**Reorganization**");

2. any one director or officer of the Corporation be authorized for and on behalf of the Corporation to make all such arrangements, do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing; and
3. the directors of the Corporation may, pursuant to Section 173(2) of the *Business Corporations Act* (Alberta), revoke this special resolution before it is acted upon without further approval of the shareholders."

The special resolution is required to be approved by at least 66⅔% of the votes cast by Disinterested Shareholders present in person or by proxy at the Meeting.

It is the intention of management to vote the proxies in the accompanying form in favour of the Reorganization. The completion of the Reorganization is subject to the receipt of all regulatory approvals including, without limitation, approval of the Exchange. Application has been made or is intended to be made to such authorities prior to the meeting in order to obtain all approvals required with respect to the Amendment and the Reorganization.

Pursuant to Section 176(1) of the ABCA, the holders of the Class C Non-Voting Shares are entitled to vote, as a separate class, on the Reorganization. Accordingly, the completion of the Reorganization is also subject to the approval of a special resolution approving the Reorganization by the holders of the Class C Non-Voting Shares.

Provided (i) the Reorganization Resolution has been approved by the Disinterested Shareholders at the Meeting; (ii) the Reorganization is approved by holders of the Class C Non-Voting Shares; and (iii) all regulatory approvals have been received in respect of the Reorganization, the Corporation will file articles of amendment of the Corporation with the Registrar under the ABCA to effect the same.

### **CORPORATE GOVERNANCE DISCLOSURE**

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices". The requirements of Form 58-101F2 are set out below in italics:

## 1. Board of Directors

*Disclose the identity of directors who are independent.*

The Board of Directors of the Corporation has determined that the following four (4) directors of the Corporation are independent:

Gary Perron  
Terry Svarich  
Kevin Olson  
Peter Kurceba

*Disclose the identity of directors who are not independent, and describe the basis for that determination.*

The Board of Directors of the Corporation has determined that the following three (3) directors of the Corporation are not independent:

Brian McLachlan  
Bruce Allford  
John Brussa

Brian McLachlan is not considered to be independent as Mr. McLachlan is the President and Chief Executive Officer of the Corporation.

Bruce Allford and John Brussa are not considered to be independent as Mr. Allford and Mr. Brussa are partners of Burnet, Duckworth & Palmer LLP, which firm provides legal services to the Corporation.

## 2. Directorships

*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name of Director</u>	<u>Names of Other Issuers</u>
Gary Perron	ProEx Energy Ltd. Progress Energy Trust Parkbridge Lifestyles Communities Inc. Realex Properties Corp. Trafalgar Energy Ltd.
Terry Svarich	ProEx Energy Ltd.
Brian McLachlan	ProEx Energy Ltd.
Peter Kurceba	Kereco Energy Ltd. Watch Resources Ltd.
Bruce Allford	Western Energy Services Corp. Indo Pacific Resources Ltd. Ketchum Capital Corporation

John Brussa

Baytex Energy Ltd. (Baytex Energy Trust)  
 BlackWatch Energy Services Operating Corp.  
 (BlackWatch Energy Services Trust)  
 Cirrus Energy Corporation  
 Crew Energy Inc.  
 Divestco Inc.  
 Enseco Energy Services Corp.  
 Galleon Energy Inc.  
 Harvest Operations Corp. (Harvest Energy Trust)  
 Highpine Oil & Gas Limited  
 Monterey Exploration Ltd.  
 North American Energy Partners Inc.  
 Ontario Energy Savings Corp. (Energy Savings  
 Income Fund)  
 Orleans Energy Ltd.  
 Penn West Petroleum Ltd. (Penn West Energy  
 Trust)  
 Progress Energy Ltd. (Progress Energy Trust)  
 Storm Exploration Inc.  
 Strategic Energy Fund  
 Trafalgar Energy Ltd.

### 3. **Orientation and Continuing Education**

*Briefly describe what measures the board takes to orient new directors and briefly describe what measures, if any, the board takes to provide continuing education for its directors.*

Due to the size of the Corporation's Board of Directors, no formal program currently exists for the orientation of new directors and existing directors provide orientation and education to new members on an informal and *ad hoc* basis. In addition, new directors of the Corporation will be given a copy of the mandate of each of the Board of Directors and each of the Audit Committee and Compensation Committee and a presentation will be made by management to new directors respecting the nature and operations of the Corporation's business.

No formal continuing education program currently exists for the directors of the Corporation; however, the Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

### 4. **Ethical Business Conduct**

*Describe what steps the board takes to encourage and promote a culture of ethical business conduct.*

The Board of Directors has adopted a code of ethics applicable to all members of the Corporation, including directors, officers and employees. Each director, officer and employee of the Corporation has been provided with a copy of the code of ethics.

The Board of Directors has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Corporation are provided with a mechanism by which they can raise concerns in a confidential, anonymous process.

## 5. **Nomination of Directors**

*Describe the process by which the board identifies new candidates for board nomination.*

Pursuant to the mandate of the Board of Directors, the Board of Directors has responsibility for selecting nominees for election to the Board. At present, the Board of Directors does not have a process by which the Board identifies new candidates for Board nomination but rather the identification of new candidates is done on an informal and *ad hoc* basis.

## 6. **Compensation**

*Describe the process by which the board determines the compensation for the issuer's directors and officers.*

Our compensation policies are founded on the principle that executive and employee compensation should be consistent with shareholders' interests and therefore the compensation strategy is significantly weighted towards a stock ownership compensation strategy. The objectives of the program are to attract and retain a high quality management and employee team and to motivate performance by tying a significant portion of the compensation to enhancement in share value and to encourage all employees to become significant shareholders. Any director, who is also an executive officer, is excused from the compensation committee and directors' meetings during any discussion of his compensation. For the year ended September 30, 2008, the executive officers, including the President and Chief Executive officer, agreed to receive salaries which are below industry standards for companies similar in size to ours operating in the oil and gas industry. We do not have a pension plan or other form of formal retirement compensation. Our compensation plan consists of the following items:

- base salary
- short term incentive compensation – bonuses
- long term incentive compensation – stock options

The compensation of all our employees, including executive officers, is consistent with the above policies. A description of the criteria used in each element of compensation is set forth below. Compensation is weighted more heavily towards long term incentive compensation by way of the grant of stock options in order to align the interests of our executive officers and employees with the performance of the Corporation and the interests of our shareholders. In addition, the Corporation has received Shareholder approval for and has implemented an employee share purchase plan whereby for each \$1.00 contributed to the plan by an eligible person, the Corporation will match such contribution by up to \$1.00 for the purpose of acquiring Common Shares for the account of such person. Participants to the plan may contribute up to 5% of their annual base salary to the plan under the terms of the plan, Yoho will match each participants contribution up to a maximum of 5% to each participants annual base salary.

### *Base Salaries*

Our policy is that salaries for our executive officers and professionals shall be in the lower range of salaries paid among industry peer companies of similar size. For the remainder of employees, salaries are competitive within our industry and generally at the median salary level among companies our size.

In early 2008, the base salaries for 2008 for our senior executive officers were reviewed and established at \$132,300. Base salaries paid to our senior officers of the Corporation, including the Chief Executive Officer, are in the lower range of the comparative salaries of positions for the Corporation's peer group, using such criteria as revenue, production, cash flow and number of employees. Salaries of our executive officers, including that of the Chief Executive Officer, are reviewed annually.

#### *Short Term Incentive Compensation - Bonuses*

In 2005, at the recommendation of the Compensation Committee, the board of directors adopted a bonus plan, which the board of directors believes aligns the interest of our employees with our shareholders. All full time employees, including executive officers, are eligible to receive a bonus. The size of the bonus pool is based on the recommendation of the Compensation Committee and cannot exceed 50% of the salaries paid in the fiscal year. In determining the bonus pool size, the Compensation Committee considers:

- cost control effectiveness;
- finding, development and acquisition costs;
- growth in reserves per share;
- growth in production and cash flow per share, and
- growth in net asset value per share.

The allocation of the bonus pool into individual bonus payments is determined, in the case of employees, by senior management and approved by the Compensation Committee. Bonus awards to senior executive officers are established by the Compensation Committee. In the case of non-executive employees, bonuses are based on the employee's contribution in adding value per share and reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers, including the Chief Executive Officer, allocations of the bonus pool are discretionary and there are no specified targets or criteria set out, although matters such as contributions to the factors set forth above are considered.

Establishment and payment of bonuses is subject to approval of the board of directors and the board of directors has the right to amend or suspend the bonus plan at its discretion.

#### *Long Term Incentive Compensation - Stock Options*

Stock options are granted under our stock option plan to our directors, officers, employees and certain consultants upon their commencement of service. Additional grants are made periodically to recognize the exemplary performance of, or the special contribution by eligible individuals. An annual grant may be made to eligible individuals based on individual performance and our performance during the most recently completed financial year in relation to performance expected.

The share option plan is designed to motivate all employees to focus on the long term interests of Yoho and its shareholders. Stock option grants are determined by factors including the number of eligible individuals currently under the option plan, the number of shares to be acquired under existing options relative to the issued and outstanding common shares and our future hiring plans.

### **1. Other Board Committees**

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

In addition to the Audit Committee and the Compensation Committee, the Corporation has also created a Reserves Committee to which the Board of Directors has delegated the responsibility for the following matters:

- (i) reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- (ii) reviewing the Corporation's procedures for providing information to the independent evaluator;
- (iii) meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in National Instrument 51-101) (the "**Reserves Data**") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);
- (iv) reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
- (v) providing a recommendation to the Board of Directors as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;
- (vi) reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities; and
- (vii) generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

## 2. **Assessments**

*Disclose what steps, if any, the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.*

As part of its mandate, the Board of Directors is responsible for reviewing annually the composition of the board and its committees and assessing the performance of the directors on an ongoing basis.

## **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

### ADDITIONAL INFORMATION

On September 17, 2008 Yoho announced that it had received the requisite regulatory approval to proceed with a normal course issuer bid (the "**Bid**") to purchase, for cancellation, Common Shares through the facilities of the Exchange. On October 15, 2008 Yoho announced it had received the requisite regulatory approval to amend the Bid to increase the number of Common Shares subject to the Bid. Pursuant to the Bid, as amended, Yoho may purchase, for cancellation, up to a maximum of 600,000 Common Shares. The maximum number of Common Shares to be purchased pursuant to the Bid represents approximately 4.7% of the "public float" of the Common Shares outstanding as at the date of the commencement of the Bid. Pursuant to the Bid all purchases of Common Shares will be made on the open market and through the facilities of the Exchange. Additionally, the price which Yoho will pay for any Common Shares purchased by it will be the prevailing market price of the Common Shares on the Exchange at the time of such purchase. A copy of the notice the Corporation provided to the Exchange respecting the Bid can be obtained, at no charge, by contacting the Corporation at the address provided below.

Additional information regarding Yoho is available on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, securityholders may contact Yoho directly to request copies of Yoho's financial statements and MD&A from Yoho's head office at 750, 736 - 6th Avenue S.W., Calgary, Alberta T2P 3T7. Financial Information is provided in Yoho's comparative financial statements and MD&A for the year ended September 30, 2008.

**SCHEDULE "A" TO THE  
INFORMATION CIRCULAR - MANAGEMENT PROXY STATEMENT  
OF YOHO RESOURCES INC. DATED JANUARY 2, 2009**

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**YOHO RESOURCES INC.  
MANDATE AND RESPONSIBILITIES OF  
THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
March 2005**

**Role and Objective**

The Audit committee (the "**Committee**") is a committee of the board of directors of Yoho Resources Inc. ("**Yoho**") to which the board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for board of director approval, the audited financial statements and other mandatory disclosure releases containing financial information, and review of the annual reserves. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Yoho and related matters;
2. To provide better communication between directors and external auditors;
3. To enhance the external auditor's independence;
4. To increase the credibility and objectivity of financial reports;
5. To strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors;
6. The Audit Committee shall, in the exercise of its powers, authorities and discretion so authorized, conform to any regulations or restrictions that may from time to time be made or imposed upon it by the Board of Directors or the legislation, policy or regulation governing the Corporation and its business.

**Membership of Committee**

The Committee shall be comprised of at least three (3) directors of Yoho, none of whom are members of management of Yoho and all of whom are "unrelated directors" (as such term is used in the Report of the Toronto Stock Exchange on Corporate governance in Canada) and "independent" (as such term is used in Multilateral Instrument 52-110 – Audit Committees ("**MI 52-110**").

1. The Board of Directors shall have the power to appoint the Committee Chairman, who shall be an unrelated director.

2. All of the members of the Committee shall be "financial literate" as defined in NI 52-110. The Board of Directors of Yoho has adopted the definition for "financial literacy" and the definition of "audit committee financial expert" used in MI 52-110.
3. Unless otherwise ordered by the Board of Directors, each member of the Audit Committee shall continue to be a member thereof until the expiration of his term of offices as director;
4. The Board of Directors may from time to time modify, dissolve or reconstitute the Audit Committee and may make such regulations with respect to and impose such restrictions upon the exercise of the power, authorities and discretion of the Audit Committee as the Board of directors considers expedient;
5. The members of the Audit Committee as such shall be entitled to such remuneration for their services as Chairman and members of the Audit Committee as may be fixed by the Board of Directors.

### **Meetings**

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken.
4. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the board.
5. The Committee shall meet with the external auditor at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
6. The Audit Committee may invite such directors, officers and employees of the Corporation and the external auditors of the Corporation as it may see fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Audit Committee.
7. The meetings of the Audit Committee shall be convened at the direction of any member thereof or the Chairman, President or Vice President, Finance of the Corporation, the Board of Directors or the external auditors.
8. No business shall be transacted by the Audit Committee except at a meeting of its members at which a quorum is present in person or by telephone or by a resolution in writing signed by all of the members of the Audit Committee; and
9. The meetings and proceedings of the Audit Committee shall be governed by the provisions of the by-laws of the Corporation that regulate meetings and proceedings of the Board of Directors insofar as the same are applicable thereto and are not superseded by any regulations or

restrictions made or imposed by the Board of Directors, and provided that it is confirmed that the Chairman of the Audit Committee shall not have a second or casting vote.

### **Mandate and Responsibilities of Committee**

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting. The external auditors shall report directly to the Committee.
2. It is the responsibility of the Committee to satisfy itself on behalf of the board with respect to Yoho's Internal Control Systems:
  - (a) identifying, monitoring and mitigating business risks; and
  - (b) ensuring compliance with legal, ethical and regulatory requirements.
3. It is a primary responsibility of the Committee to review the annual financial statements of Yoho prior to their submission to the board of directors for approval. The process should include but not be limited to:
  - (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
  - (b) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
  - (c) reviewing accounting treatment of unusual or non-recurring transactions;
  - (d) ascertaining compliance with covenants under loan agreements;
  - (e) reviewing disclosure requirements for commitments and contingencies;
  - (f) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - (g) reviewing unresolved differences between management and the external auditors;
  - (h) obtain explanations of significant variances with comparative reporting periods;
  - (i) review of business systems changes and implications;
  - (j) review of authority and approval limits;
  - (k) review of internal controls;
  - (l) review of tax policy issues; and
  - (m) review of emerging accounting issues that could have an impact on the Corporation
4. The Committee is to review the financial statements (and make a recommendation to the board of directors with respect to their approval), interim financial statements, prospectuses, management discussion and analysis (MD&A), annual information forms (AIF) and all public disclosure

containing audited or unaudited financial information before release and prior to board approval. The Committee must be satisfied that adequate procedures are in place for the review of Yoho's disclosure of all other financial information and shall periodically access the accuracy of those procedures.

5. With respect to the appointment of external auditors by the board, the Committee shall:
  - (a) recommend to the board the appointment of the external auditors;
  - (b) recommend to the board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee; and
  - (c) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
6. Review with external auditors (and internal auditor if one is appointed by Yoho) their assessment of the internal controls of Yoho, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and upon completion of the audit, their reports upon the financial statements of Yoho and its subsidiaries.
7. The Committee must pre-approve all non-audit services to be provided to Yoho or its subsidiaries by the external auditors. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.
8. The Committee shall review risk management policies and procedures of Yoho (i.e. hedging, litigation and insurance), including the annual review of insurance coverage.
9. The Committee shall establish a procedure for:
  - (a) The receipt, retention and treatment of complaints received by Yoho regarding accounting, internal accounting controls or auditing matters; and
  - (b) The confidential, anonymous submission by employees of Yoho of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve Yoho's hiring policies regarding employees and former employees of the present and former external auditors of Yoho.
11. The Committee shall have the authority to investigate any financial activity of Yoho. All employees of Yoho are to cooperate as requested by the Committee.
12. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of Yoho without any further approval of the board.

13. The responsibilities, practices and duties outlined herein are not intended to be comprehensive. The Board of Directors shall consider from time to time any additional areas, which may require review when determining the responsibilities, practices and duties to be assigned to the Audit Committee.

It is confirmed that the Audit Committee shall periodically report the results of reviews undertaken and any associated recommendations to the Board of Directors.

**SCHEDULE "B" TO THE  
INFORMATION CIRCULAR - MANAGEMENT PROXY STATEMENT  
OF YOHO RESOURCES INC. DATED JANUARY 2, 2009**

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**1. Purpose Of Plan**

The purpose of this plan (the "**Yoho Resources Option Plan**") is to develop the interest of Directors, Employees, Management Company Employees, and Consultants of Yoho Resources Inc. and its subsidiaries (collectively, the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

**2. Administration**

The Yoho Resources Option Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of Directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Directors.

**3. Granting Of Options**

The Committee may from time to time designate bona fide Directors, Employees, Management Company Employees and Consultants of the Corporation (or in each case their personal holding companies) (collectively, the "**Optionees**"), to whom options ("**Options**") to purchase voting common shares ("**Common Shares**") of the Corporation may be granted, and the number of Common Shares to be optioned to each, provided that:

- (a) the total number of Common Shares issuable pursuant to the Yoho Resources Option Plan shall not exceed 10% of the aggregate number of common shares (of all classes) of the Corporation outstanding (the "**Outstanding Common Shares**"), subject to adjustment as set forth herein, and further subject to the applicable rules and regulations of all regulatory authorities to which the corporation is subject, including the TSX Venture Exchange (the "**TSXV**");
- (b) the number of Common Shares reserved for issuance on exercise of options, within a one-year period, to any one optionee shall not exceed 5% of the Outstanding Common Shares;
- (c) the aggregate number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to any one Consultant of the Corporation may not exceed 2% of the Outstanding Common Shares;
- (d) the aggregate number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to persons employed to provide conducting investor relations activities may not exceed 2% of the Outstanding Common Shares; and
- (e) the maximum number of Common Shares reserved for issuance on exercise of Options granted to Insiders at any time may not exceed 10% of the number of Outstanding Common Shares;

- (f) the maximum number of Common Shares issuable on exercise of Options granted to Insiders within a twelve month period, shall not exceed 10% of the number of Outstanding Common Shares; and
- (g) the maximum number of Common Shares which may be issued on exercise of Options to any one optionee and the associates of such insider, within a 12 month period, may not exceed 5% of the number of Outstanding Common Shares;

provided that for the purposes of paragraphs (e), (f) and (g) above, an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of Common Shares issuable to Insiders. The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this Yoho Resources Option Plan that are cancelled, terminated or expired in accordance with terms of the Yoho Resources Option Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Yoho Resources Option Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

#### 4. **Vesting**

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting. In the absence of any determination by the Committee as to vesting, vesting shall be as to one third on the date of grant and one third on each of the second and third anniversaries of the date of grant.

#### 5. **Exercise Price**

The exercise price (the "**Exercise Price**") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price of the Common Shares, or such other price as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSXV.

In the event that the Corporation proposes to reduce the Exercise Price of Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, said amendment shall not be effective until disinterested shareholder approval has been obtained in respect of said Exercise Price reduction.

#### 6. **Option Terms**

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant, but subject to the rules of any stock exchange or other regulatory body having jurisdiction (presently restricted to five years). Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable or transferable. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall terminate on the date of death, unless the Optionee was a Director, Employee, Management Company Employee or Consultant of the Corporation or a subsidiary of the Corporation at least one year following the date of grant of the Options in question, in which case the options shall terminate on the date that is six months following the date of death of the optionee (the "Termination Date");

- (b) if the Optionee shall no longer be a Director of, be in the employ of, or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period (the "**Termination Date**") not in excess of 90 days prescribed by the Committee at the time of grant, following the date that the optionee ceases to be a Director or Employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be; and
- (c) if the Option is granted to an Optionee who is engaged in Investor Relations Activities on behalf of the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period (the "**Termination Date**") not in excess of 30 days prescribed by the Committee at the time of grant, following the date that the Optionee ceases to provide ongoing investor relations activities;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Director or Employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

#### 7. **Exercise Of Option**

Subject to the provisions of the Yoho Resources Option Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office, or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased.

#### 8. **Mergers, Amalgamation And Sale**

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated within or with another corporation or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation, the Corporation shall, subject to this Section 8, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of shares of the continuing successor corporation in such merger or amalgamation or the securities or shares of the purchasing corporation as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

#### 9. **Termination Of Option In The Event Of Take-Over Bid**

In the event a take-over bid (as defined in the Securities Act (Alberta), which is not exempt from the take-over bid requirements of Part 14 of the Securities Act (Alberta) (or its replacement or successor provisions) shall be made for the Common Shares of the Corporation, the Corporation may in the agreement providing for the grant of Options herein provide that the Corporation may require the disposition of the Optionee and the termination of any obligations of the Corporation to the Optionee in

respect of any Options granted by paying to the Optionee in cash the difference between the exercise price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee, subject to approval by the stock exchanges upon which the Common Shares are then listed, if required by such exchanges. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

#### 10. **Alterations In Shares**

Appropriate adjustments in the number of Common Shares optioned and in the Exercise Price, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Common Shares of the Corporation resulting subsequent to the approval of the Yoho Resources Option Plan by the Committee from subdivisions, consolidations or reclassifications of the Common Shares of the Corporation, the payment of stock dividends by the Corporation, or other relevant changes in the capital of the Corporation.

#### 11. **Option Agreements**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting (if applicable) and expiry, and any other terms approved by the Committee, all in accordance with the provisions of this Yoho Resources Option Plan. The agreement will be in such form as the Committee may from time to time approve, or authorize the officers of the Corporation to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this Yoho Resources Option Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

#### 12. **Regulatory Authorities Approvals**

The Yoho Resources Option Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given, and no such Options may be exercised unless such approval, if required, is given.

#### 13. **Amendment or Discontinuance of the Yoho Resources Option Plan**

The Committee may amend or discontinue the Yoho Resources Option Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Yoho Resources Option Plan, and provided further that any amendment to the Yoho Resources Option Plan will require the prior consent of the TSXV, or such other or additional stock exchange on which the Common Shares are listed for trading.

#### 14. **Hold Period**

In addition to any resale restrictions imposed under applicable securities laws, if required by the TSXV or any other regulatory authority, Options granted under the Yoho Resources Option Plan and Common Shares issued on exercise of such Options may be required to be legended evidencing that the Options

and the Common Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the TSXV or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

**15. Common Shares Duly Issued**

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Common Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

**16. Prior Plans**

This Yoho Resources Option Plan shall come into force and effect on ratification approval by shareholders of the Corporation and approval of the TSXV and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

**17. Definitions**

- (a) in this Yoho Resources Option Plan, capitalized terms used herein that are not otherwise defined herein shall have the meaning ascribed thereto in the Corporate Finance Manual of the TSXV, and in particular, in policies 1.1 and 4.4 of said Corporate Finance Manual.
- (b) "Outstanding Common Shares" at the time of any share issuance or grant of Options means the aggregate number of common shares (of all classes) that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the corporation is subject, including the TSXV.

**18. Effective Date**

This Yoho Resources Option Plan is effective on December 23, 2004.