

YOHO RESOURCES INC.

Management's Discussion and Analysis

Three Months Ended December 31, 2009 and 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A"), dated February 25, 2010, reviews Yoho Resources Inc.'s ("Yoho" or the "Company") activities and results of operations for the three months ended December 31, 2009 and 2008 and should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended December 31, 2009 and 2008 and the audited consolidated financial statements for the years ended September 30, 2009 and 2008.

The accompanying unaudited interim consolidated financial statements of Yoho have been prepared by management and approved by the Company's Audit Committee and Board of Directors. 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.

NON-GAAP FINANCIAL MEASURES

The MD&A contains the term "funds from operations" and "funds from operations per share" which do not have any standardized meaning prescribed by Canadian GAAP. Management uses funds from operations and funds from operations per share to analyze operating performance and leverage and considers funds from operations to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations should not be considered an alternative to, or more meaningful than cash flow from operating activities as determined in accordance with Canadian GAAP as an indicator of the Company's performance. Therefore references to funds from operations or funds from operations per share (basic and diluted) may not be comparable with the calculation of similar measures for other entities. Yoho calculates funds from operations per share using the same method used in the determination of net income per share.

Yoho also uses "operating netbacks" and per boe metrics as key performance indicators. These terms do not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures by other companies. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices. The Company uses this measure to help evaluate its performance.

BOE PRESENTATION

In conformity with National Instrument 51-101, Standards for Disclosure of Oil and Gas Activities ("NI 51-101"), natural gas volumes have been converted to barrels of oil equivalent ("boe") using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers are cautioned that the term "boe" may be misleading, particularly if used in isolation.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements relating to future events. Forward-looking information is information that does not relate strictly to historical or current facts, and can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe", or similar expressions. Such statements represent Yoho's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt, revenues or other expectations, beliefs, plans, objectives, intentions or statements about future events or performance. These statements represent management's best projections, expectations, and estimates as of the date of this document, but undue reliance should not be placed

upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such risks and uncertainties would include, without limitation, risks associated with the oil & natural gas exploration and development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, increased competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada and the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, changes in federal and provincial tax laws and legislation (including the adoption of new royalty regimes), the lack of availability of qualified personnel, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Examples of forward looking information in this document include, but are not limited to the following, each of which is subject to significant risks and uncertainties and is based on a number of assumptions which may prove to be incorrect.

- Plans by Yoho to spend between \$14 and \$15 million in fiscal 2010 are subject to realized commodity prices and funds from operations generated as well as results from drilling operations.
- Yoho's plans to drill, complete and tie-in wells as described in the areas listed is subject to the availability of drilling and related equipment, the effects of inclement weather, unexpected cost increases, the availability of skilled and productive labour, and unexpected changes in regulations. The drilling of some wells may also be predicated on the success of other wells.
- The expectation that the Company can fund ongoing operations and capital programs with funds from operations and will have available credit facilities to manage working capital. Absolute assurance cannot be given that the funds considered necessary to operate will be available.
- The expectation of continued volatility in effective royalty rates. Royalty rates will be subject to the interaction of commodity prices, well production rates, performance and location of new wells drilled, and the applicability of provincial royalty incentive programs.

This forward-looking information represents our views as of the date of this document and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. **There can be no assurance that forward-looking information will prove to be accurate, as results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. While we anticipate that subsequent events and developments may cause our views to change, we do not have an intention to update this forward-looking information, except as required by applicable securities laws.**

This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on February 25, 2010.

Additional information regarding Yoho is available under the Company's profile on SEDAR at www.sedar.com. Information is also accessible on our website at www.yohoresources.ca.

RESULTS OF OPERATIONS

Production

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Natural Gas (mcf/d)	11,358	11,811	11,657
Light Oil and NGL (bbl/d)	243	283	232
Heavy Oil (bbl/d)	100	86	110
Total (boe/d)	2,236	2,337	2,285

Production of natural gas and light oil and natural gas liquids for the quarter ended December 31, 2009 decreased 2% from the quarter ended December 31, 2008 as natural declines offset production added through drilling successes in a limited capital program.

During the three months ended December 31, 2009 one shut-in heavy oil well was brought back on production. Natural declines were offset by this additional production resulting in a 9% decrease in heavy oil production for the three months ended December 31, 2009 compared to the three months ended December 31, 2008.

Revenue

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Petroleum and natural gas sales	\$ 6,333,615	\$ 4,686,718	\$ 8,735,843
Prices received			
Natural Gas (\$/mcf)	4.43	2.89	6.75
Light Oil and NGL (\$/bbl)	52.27	42.03	52.25
Heavy Oil (\$/bbl)	58.64	57.26	37.44

Decreases in petroleum and natural gas sales in the three months ended December 31, 2009 are the result of lower natural gas prices compared to the three months ended December 31, 2008. Petroleum and natural gas sales for the three months ended December 31, 2009 were 27% lower than for the three months ended December 31, 2008 due to a 34% reduction in the natural gas prices realized. The impact of higher heavy oil production and higher realized prices for heavy oil partially offset the impact on revenue from the decrease in the price of natural gas.

Royalties

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Royalties	\$ 917,330	\$ 382,198	\$ 1,798,961
Royalties as a percentage of sales	14%	8%	21%

Lower natural gas prices along with fixed allowances for the Crown's share of allowable cost have contributed to the reduction in both royalties and royalties as a percentage of sales for the three months ended December 31, 2009 compared to the same period in 2008.

Yoho's corporate royalty rates will continue to fluctuate with commodity prices, well production rates, production decline on existing wells, and performance and location of new wells drilled. Effective royalty rates realized may be may also be lowered by short term royalty incentive programs in place in both the provinces of Alberta and British Columbia.

Operating Expenses

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Operating expenses	\$ 1,063,015	\$ 965,560	\$ 1,035,309
Per boe (\$/boe)	\$5.17	\$4.49	\$4.93

Operating expenses for the three months ended December 31, 2009 were relatively consistent with those incurred in the three months ended December 31, 2008. Slightly lower production for the period resulted in a 5% increase in operating expenses per boe. The Company generally experiences higher operating costs over its first two fiscal quarters as a result of winter operations.

Processing Fees

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Processing fees	\$ 838,350	\$ 962,258	\$ 742,843
Per boe (\$/boe)	\$4.08	\$4.47	\$3.53

Yoho pays fees to other operators for processing, gathering and compression of natural gas through third party facilities. The proportion of Yoho's total production that is processed through third party facilities has increased with the Company's successful drilling activities resulting in an increase in processing fees paid. Rate increases set by the third party operators has increased both processing fees and processing fees per boe in the three months ended December 31, 2009 compared to the three months ended December 31, 2008. A reduction in fees paid on the majority of the Company's production in British Columbia starting in November, 2009 has resulted in lower processing fees per boe for the quarter ended December 31, 2009 when compared to the quarter ended September 30, 2009.

General and Administrative Expenses

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
General and administrative expenses	\$ 554,825	\$ 355,056	\$ 574,645
Per boe (\$/boe)	\$2.40	\$1.65	\$2.73
General and administrative expenses capitalized	\$ 322,944	\$ 221,626	\$ 459,193

The general and administrative expenses which are capitalized are those corporate costs which related directly to exploration and development activities. Payments made under the Company's incentive compensation program are responsible for higher general and administrative expenses in the quarters ended December 31, 2009 and 2008. Amounts relating to fiscal 2009 included in the three months ended December 31, 2009 were lower than those included in the three months ended December 31, 2008.

Interest Expense

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Interest expense	\$ 221,949	\$ 307,979	\$ 215,939
Per boe (\$/boe)	\$1.08	\$1.43	\$1.03
Effective interest rate	3.74%	3.26%	4.17%
Closing loan balance	\$ 20,705,886	\$ 24,231,692	\$ 16,281,654

Higher loan balances offset lower realized interest rates resulting in marginally higher interest expense for the three months ended December 31, 2009 compared to the three months ended December 31, 2008.

Financial Derivative Contracts

From time to time the Company will use financial derivative contracts to manage its exposure to fluctuations in commodity prices and to protect cash flow for use on operating and capital expenditures. The volatility in commodity prices can lead to significant changes in the mark-to-market position of these contracts. There were no financial derivative contracts outstanding at any time during the three months ended December 31, 2009. Unrealized losses representing the change in mark-to-market value of the

outstanding financial derivative contracts were \$78,123 for the three months ended December 31, 2008. Realized gains resulting from cash settlements of financial derivative contracts were \$55,122 for the three months ended December 31, 2008.

In February, 2010, the Company entered into a costless collar setting a floor of \$5.00 per GJ and a ceiling of \$5.94 per GJ on 3,000 GJ per day for the term from April 1, 2010 to December 31, 2010.

Stock-based Compensation

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Stock-based compensation expensed	\$ 140,694	\$ 148,559	\$ 102,035
Per boe (\$/boe)	\$0.68	\$0.69	\$0.49
Stock-based compensation capitalized	\$ 107,990	\$ 114,130	\$ 87,231

Lower stock-based compensation associated with fewer unvested options outstanding was offset by additional stock-based compensation associated with the extension of the warrants in May 2009 resulting in higher overall stock-based compensation for the three months ended December 31, 2009 compared to the three months ended December 31, 2008.

Depletion, Depreciation and Accretion

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Depletion, depreciation and accretion	\$ 4,058,027	\$ 4,318,692	\$ 4,045,433
Per boe (\$/boe)	\$19.73	\$20.08	\$19.25

Depletion, depreciation and accretion expenses for the three months ended December 31, 2009 are consistent with those incurred for the three months ended December 31, 2008. Slightly lower production for the three months ended December 31, 2009 have resulted in a slightly higher expense per boe.

The petroleum and natural gas properties are subject to a ceiling test at December 31, 2009. There has been no impairment to the value of the Company's petroleum and natural gas properties.

Taxes

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Future income tax expense (reduction)	\$ (343,723)	\$ (901,048)	\$ 52,231
Capital and other taxes	\$ 3,094	\$ 4,093	\$ 1,906

At December 31, 2009, Yoho had an estimated total of \$65.0 million of tax pools available to reduce future taxable income and corporate income taxes. The net loss recorded for the three months ended December 31, 2009 has resulted in a future income tax reduction compared to the future income tax expense recorded for the three months ended December 31, 2008.

Net Income (Loss) per boe

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec. 31, 2008
Petroleum and natural gas sales	\$30.79	\$21.79	\$41.57
Royalties	(4.46)	(1.78)	(8.56)
Operating expenses	(5.17)	(4.49)	(4.93)
Processing fees	(4.08)	(4.47)	(3.53)
Operating netback	\$17.08	\$11.05	\$24.55
General and administrative	(2.70)	(1.65)	(2.73)
Interest	(1.08)	(1.43)	(1.03)
Realized gain on financial derivative contracts	-	-	0.26
Capital and other taxes	(0.02)	(0.02)	(0.01)
Funds from operations	\$13.28	\$7.95	\$21.04
Depletion, depreciation and accretion	(19.73)	(20.08)	(19.25)
Stock-based compensation	(0.68)	(0.69)	(0.49)
Unrealized loss on financial derivative contracts	-	-	(0.37)
Future income tax (expense) reduction	1.67	4.19	(0.25)
Net income (loss)	\$(5.46)	\$(8.63)	\$0.68

Reduced revenue due to lower commodity prices realized in the three months ended December 31, 2009 resulted in a net loss of \$0.05 per basic and diluted share compared to net income of \$0.01 per basic and diluted share for the three months ended December 31, 2008.

Funds from Operations

	Three Months Ended		
	Dec. 31, 2009	Sep. 30, 2009	Dec 31, 2008
Cash flow from operating activities	\$ 2,004,569	\$ 1,144,328	\$ 4,791,380
Change in non-cash working capital	730,483	565,245	(370,018)
Funds from operations	\$ 2,735,052	\$ 1,709,573	\$ 4,421,362

Funds from operations for the three months ended December 31, 2009 were \$0.13 per basic and diluted share compared to \$0.21 per basic and diluted share for the three months ended December 31, 2008.

Lower realized prices for petroleum and natural gas sales were the primary driver behind the decreases in funds from operations and cash flow from operating activities.

Capital Expenditures

During the three months ended December 31, 2009, Yoho has participated in drilling 1 (0.8 net) gas well.

	Three Months Ended	
	December 31, 2009	December 31, 2008
Land	\$ 365,741	\$ 1,187,480
Seismic	45,449	146,305
Drilling and completion	2,347,949	3,554,494
Equipment and facilities	86,890	306,618
Other assets	322,944	459,193
Exploration and development expenditures	3,168,973	5,654,090
Property dispositions	(150,000)	(266,570)
Asset retirement costs and capitalized stock-based compensation	150,811	192,528
Total capital additions	\$ 3,169,784	\$ 5,580,048

LIQUIDITY AND CAPITAL RESOURCES

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 0.75% to 2.50% per annum based upon the Company's prior quarter debt to cash flow 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. The available lending limits under the bank facilities are subject to periodic review and are based on the bank's interpretation of the Company's reserves and future commodity prices. The next review is to be on or before March 31, 2010. At December 31, 2009, \$20.7 million (September 30, 2009 - \$24.2 million) was outstanding under the Company's bank credit facilities.

In November, 2009, the Company issued 625,000 flow-through common shares at a price of \$2.42 per share for total gross proceeds of \$1.5 million. Certain directors of the Company acquired 216,000 flow-through common shares under this private placement. As of December 31, 2009, the Company had incurred all of the eligible expenditures required under the flow-through share agreements.

The Company actively manages the pace of its capital spending program by monitoring forecasted production and commodity prices and resulting funds generated by operations. Should circumstances affect funds generated from operations, Yoho is capable of adjusting its capital activity levels accordingly. At December 31, 2009, the Company has available undrawn credit facilities of \$11.3 million available to manage its working capital requirements. The Company expects to fund its planned capital expenditures for fiscal 2010 with a combination of funds from operations and equity issues.

Yoho's exploration and development program for the three months ended December 31, 2009 was funded by the proceeds of the flow-through shares issued in November, 2009 along with funds from operations and bank debt.

OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

Yoho has various contractual obligations and commitments arising in the normal course of operations and financing activities. These obligations and commitments have been considered when assessing the cash requirements in the above discussion of future liquidity.

At December 31, 2009, the Company is committed to future payments for operating leases and gas transportation agreements for fiscal years as detailed below:

	2010	2011	2012
Office lease	257,268	330,222	24,318
Gas transportation agreements	123,152	115,640	49,410

The Company does not have any arrangements or obligations that are not reflected in the consolidated financial statements.

OUTSTANDING SHARES

As at February 25, 2010, Yoho had the following equity securities outstanding:

Common shares	21,120,486
Options to purchase common shares	1,860,000
Warrants to purchase common shares	1,090,249

The common shares trade on the TSXV under the symbol "YO".

RELATED PARTY TRANSACTIONS

A company controlled by an officer and director has a one percent overriding royalty on certain lands held by the Company. This arrangement results from consulting work that the company performed on these properties previous to Yoho acquiring these lands in February 2005. The lands to which the overriding royalty is applicable are fixed by defined prospect boundaries and further land acquisitions by Yoho beyond those boundaries will not be subject to this overriding royalty. A total of \$4,071 was incurred under this royalty agreement during the three months ended December 31, 2009.

Yoho also incurred a total of \$25,509 of legal fees to a law firm in which two of the Company's directors are partners. The legal fees related to general corporate matters and share issuances.

The Company's related party transactions are also disclosed in note 9 to the unaudited interim consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February, 2008, the CICA Accounting Standards Board ("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 amendment to IFRS 1 First Time Adoption of International Reporting Standards in July 2009. The amendment allows an entity that used full cost accounting under its previous GAAP to elect, at its time of adoption, to measure exploration and evaluation assets at the amount determined under the entity's previous GAAP and to measure oil and gas assets in the development or production phases by allocating the amount determined under the entity's previous GAAP for those assets to the underlying assets pro rata using reserve volumes or reserve values as of that date. This election is expected to reduce the administrative burden in the transition from the current Canadian Accounting Guideline 16 to IFRS.

The Company has begun its analysis of key differences between current Canadian GAAP and IFRS. This analysis is the first step in a plan that includes:

- A detailed review of IFRS 1, including the application of appropriate elections or exemptions.
- The formulation of ongoing accounting policies compatible with IFRS.
- The review and documentation of impacts on data systems, internal controls over financial reporting, disclosure controls and procedures, and business activities, such as financing and compensation arrangements.
- Training.
- Formulation of draft IFRS financial statements beginning with opening balance sheets on October 1st, 2010.

SUPPLEMENTAL QUARTERLY INFORMATION

The following tables summarize key financial and operating information for the periods indicated.

	Three Months Ended			
	Dec. 31, 2009	Sep. 30, 2009	Jun. 30, 2009	Mar. 31, 2009
Petroleum and natural gas sales	6,333,615	4,686,718	5,642,092	6,642,265
Cash flow from operating activities	2,004,569	1,144,328	1,447,250	3,270,187
Funds from operations	2,735,052	1,709,573	2,474,719	2,590,940
per share (basic)	0.13	0.08	0.12	0.13
per share (diluted)	0.13	0.08	0.12	0.13
Net income (loss)	(1,119,946)	(1,856,629)	(1,818,041)	(1,360,826)
per share (basic)	(0.05)	(0.09)	(0.09)	(0.07)
per share (diluted)	(0.05)	(0.09)	(0.09)	(0.07)
Net capital expenditures	3,169,784	982,347	3,191,874	5,695,449
Acquisition	-	-	55,660	-
Total assets	89,304,835	89,597,800	93,171,731	94,947,050
Production (boe/d)	2,236	2,337	2,682	2,408
Average commodity prices:				
Natural gas (\$/mcf)	4.43	2.89	3.28	4.88
Light oil & NGL (\$/bbl)	52.27	42.03	40.71	43.52
Heavy oil (\$/bbl)	58.64	57.26	51.38	26.33

	Three Months Ended			
	Dec. 31, 2008	Sep. 30, 2008	Jun 30, 2008	Mar. 31, 2008
Petroleum and natural gas sales	8,735,843	12,291,886	12,575,292	8,455,505
Cash flow from operating activities	4,791,380	8,905,184	6,788,949	2,737,367
Funds from operations	4,421,362	6,875,605	7,201,985	4,658,134
per share (basic)	0.21	0.33	0.38	0.26
per share (diluted)	0.21	0.32	0.36	0.25
Net income (loss)	143,540	3,174,337	2,142,389	(11,762)
per share (basic)	0.01	0.15	0.11	-
per share (diluted)	0.01	0.15	0.11	-
Net capital expenditures	5,387,520	4,603,848	3,573,239	6,878,814
Acquisition	-	305,337	7,636,828	-
Total assets	94,639,313	93,579,879	95,197,096	84,713,094
Production (boe/d)	2,285	2,427	2,041	1,840
Average commodity prices:				
Natural gas (\$/mcf)	6.75	8.23	10.63	7.96
Light oil & NGL (\$/bbl)	52.25	94.55	95.08	71.50
Heavy oil (\$/bbl)	37.44	91.15	85.97	57.13

Significant factors and trends that have impacted the Company's results during the eight fiscal quarters include the following:

- Revenue and royalties were significantly impacted by underlying commodity prices.
- Successful drilling activities along with the acquisition of Vision 2000 Exploration Ltd. in fiscal 2008 have contributed to production increases through the quarter ended June 30, 2009.
- In light of reduced funds from operations resulting from lower commodity prices, the Company reduced planned capital expenditures during fiscal 2009. Though successful, the limited capital program has resulted in lower production in the quarters ended September 30, 2009 and December 31, 2009.
- The Company's operating costs and capital expenditures were subject to inflationary pressures brought on by increasing demand for services and supplies within the Canadian oil and gas industry in 2008.

Outlook

Yoho is currently planning a capital program for fiscal 2010 of between \$14 and \$15 million. Funding for this program is expected to come predominately from cash flow. The Company currently has approximately \$10.3 million of its bank credit facility of \$32 million available to manage its working capital requirements through the remainder of the winter drilling season.

In February, 2010 the Company placed on production one horizontal well (0.8 net) at Buick Creek that was drilled during the first fiscal quarter utilizing underbalanced drilling technology. With the success of this well the Company is currently planning additional horizontal locations on our existing lands.

At Mike, Yoho drilled three (3.0) wells targeting the Notikewin formation in February, 2010. These wells are currently cased as potential gas wells with completion operations scheduled for early March, 2010.

Yoho will also commence drilling operations in early March, 2010 at Mike on a deeper test well targeting the Jean Marie formation. Positive results would lead to a horizontal development program utilizing multi-stage acid completion technology within the horizontal section of the wellbore. Yoho has accumulated a total of 26 sections on this unconventional resources play.

In January, 2010 Yoho re-entered a standing vertical wellbore at Two Rivers and has completed and fraced the Montney formation. The Company is currently analyzing all pressure and flow data from the well to determine further activity in the area.

Also in January, 2010 Yoho drilled a Notikewin gas well (0.3 net) at Kaybob. The well has been completed and is currently on production test, with tie-in anticipated during March, 2010. The Company has additional locations in the Kaybob area planned for drilling this summer.