Vesta Capital Corp.

(expressed in Canadian dollars)

Financial Statements

December 31, 2009 and 2008

Deloitte.

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Auditors' Report

To the Shareholders of
Vesta Capital Corp.

We have audited the balance sheets of Vesta Capital Corp. (the "Company") as at December 31, 2009 and 2008, and the statements of operations, comprehensive loss and deficit, and cash flows for the year ended December 31, 2009 and the period from February 22, 2008 (date of incorporation) to December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008, and the results of its operations and its cash flows for the year ended December 31, 2009 and for the period from February 22, 2008 to December 31, 2008 in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 29, 2010

Vesta Capital Corp.
Balance Sheets
(expressed in Canadian dollars)

	As at December 31, 2009 $	2008 $
Assets		
Current		
Cash	80,249	134,221
Cash, qualifying transaction funds	40,793	610,900
Sundry assets	6,774	-
Deposit	25,000	-
Deferred costs	90,707	189,392
	243,523	934,513
Liabilities		
Current		
Accounts payable and accrued liabilities	125,870	122,817
Shareholders' equity		
Share capital (note 4)	831,548	831,548
Warrants (note 4)	21,420	21,420
Contributed surplus (note 4	57,642	57,642
	910,610	910,610
Deficit	(792,957)	(98,914)
	117,653	811,696
	243,523	934,513

Commitment (notes 1 and 8)

Approved by the Board:

Harold Wolkin
Director

Frank Bellotti
Director

See accompanying notes to financial statements

Vesta Capital Corp.
Statements of Operations, Comprehensive Loss and Deficit
(expressed in Canadian dollars)

	Year ended December 31, 2009 $	2008 $ (note 1)	Period from February 22, 2008 (date of incorporation) to December 31, 2009 $ (note 1)
Expenses			
Professional fees	36,275	10,000	46,275
Consulting fees	18,500	13,125	31,625
Directors fees, stock-based compensation	-	57,642	57,642
Office and general	280	1,754	2,034
Public company costs	17,418	14,293	31,711
Investor relations	-	2,100	2,100
	72,473	98,914	171,387
Loss before the undernoted	(72,473)	(98,914)	(171,387)
Writedown of loan to 3G Solar, Ltd. (note 3)	(225,000)	-	(225,000)
Writedown of deferred costs (note 3)	(396,570)	-	(396,570)
Loss and comprehensive loss for the period	(694,043)	(98,914)	(792,957)
Deficit, beginning of period	(98,914)	-	-
Deficit, end of period	(792,957)	(98,914)	(792,957)
Basic and diluted loss per share	(0.11)	(0.02)	
Weighted average number of shares outstanding - basic and diluted	6,303,000	5,547,377	

See accompanying notes to financial statements

Vesta Capital Corp.
Statements of Cash Flows
(expressed in Canadian dollars)

	Year ended December 31, 2009 $	2008 $ (note 1)	Period from February 22, 2008 (date of incorporation) to December 31, 2009 $ (note 1)
Cash flow from operating activities			
Loss for the period	(694,043)	(98,914)	(792,957)
Items not affecting cash			
Directors fees, stock-based compensation	-	57,642	57,642
Writedown of loan to 3G Solar, Ltd.	225,000	-	225,000
Writedown of deferred costs	396,570	-	396,570
Changes in non-cash working capital			
Sundry assets	(6,774)	-	(6,774)
Deposit	(25,000)	-	(25,000)
	(104,247)	(41,272)	(145,519)
Cash flow from financing activities			
Accounts payable and accrued liabilities	3,053	122,817	125,870
Issue of common shares	-	1,080,600	1,080,600
Share issue costs	-	(227,632)	(227,632)
Deferred costs	(297,885)	(189,392)	(487,277)
	(294,832)	786,393	491,561
Cash flow from investing activities			
Qualifying transaction funds	570,107	(610,900)	(40,793)
Loan to 3G Solar, Ltd.	(225,000)	-	(225,000)
	345,107	(610,900)	(265,793)
Net change in cash for the period	(53,972)	134,221	80,249
Cash, beginning of period	134,221	-	-
Cash, end of period	80,249	134,221	80,249
Supplementary information			
Interest paid	-	-	
Income taxes paid	-	-	

See accompanying notes to financial statements

1. Nature of operations

Vesta Capital Corp. (the "Company") was incorporated under the Business Corporations Act of Ontario on February 22, 2008 and is classified as a capital pool company as defined in Policy 2.4 of TSX Venture Exchange Inc. ("TSX-V").

Qualifying Transaction – subsequent to year-end

On April 1, 2010, the Company received conditional approval from the TSX Venture Exchange ("TSX-V") for the qualifying transaction outlined below. On April 23, 2010, the Company acquired a 65% indirect Membership Interest in Excelaron, LLC ("Excelaron"), a development stage company based in San Luis Obispo, California, engaged primarily in the business of oil and gas resource management and development ("Qualifying Transaction"). The Qualifying Transaction is subject to final approval by the TSX-V.

The Company, a wholly-owned subsidiary of the Company ("Subsidiary") and United Hydrocarbon Corporation ("UHC") completed a three-cornered amalgamation, whereby Subsidiary amalgamated with UHC and the Company issued 1.7754 common shares for each outstanding UHC common share and 1.33 common shares for each outstanding UHC Class A common share.

Prior to the closing of the Qualifying Transaction, UHC increased its Membership Interest in Excelaron from 21% to 65%. UHC acquired an additional 4% Membership Interest in Excelaron in exchange for 1,902,896 common shares valued at $0.20 per common share for total consideration of $380,579. UHC acquired an additional 40% Membership Interest in Excelaron for $1,000,000, a capital contribution to Excelaron of US$1,075,000 and a commitment to pay US$800,000 at such time as Excelaron secures its conditional use permits for its planned operations on its oil and gas properties. In the event that Excelaron does not secure such permits or the Company does not pay the US$800,000, the 40% Membership Interest will be reduced to a 15% Membership Interest in Excelaron. The Company has also agreed to pay a shareholder of UHC a 5% assignable gross overriding royalty on all amounts received, directly or indirectly, by the Company that can be attributed to its 65% Membership Interest in Excelaron.

Concurrent with the closing of the Qualifying Transaction, UHC completed a private placement of 45,000,000 units of UHC at a price of $0.20 per unit for gross proceeds of $9,000,000 ("Private Placement") Each unit consisted of one UHC Class A common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one UHC Class A common share at a price of $0.40 per UHC Class A share until April 23, 2012 ("UHC Warrant"). In the event that the UHC Class A common shares trade at or above $0.80 for more than 20 consecutive days, the warrants must be exercised after written notice is provided by UHC or they will expire. In respect of the private placement, UHC paid a commission of $720,000 equal to 8% of gross proceeds of the Private Placement; issued 3,600,000 warrants equal to 8% of the number of common shares issued entitling the holder to purchase one Class A common share at a price of $0.20 per Class A common share until April 23, 2012; issued 5,746,999 common shares to a shareholder of UHC in respect of a financing consulting fee; paid the agent's legal fees and out-of-pocket expenses of $85,000.

Going concern and basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent upon obtaining additional financing and achieving profitable operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Summary of significant accounting policies

Deferred costs

Costs related directly to the Qualifying Transaction and Private Placement have been deferred. Upon completion of the Qualifying Transaction, these costs will be accounted for as a transaction cost. The costs of the Private Placement will be charged against share capital. In the event that the Qualifying Transaction and Private Placement are abandoned, the costs will be charged to operations.

Use of estimates
The presentation of financial statements in conformity with Canadian generally accepted accounting principles 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 reporting period. Stock-based compensation and the recoverability of deferred cost are significant areas requiring the use of management estimates.

Income taxes
The Company accounts for and measures future tax assets and liabilities in accordance with the asset and liability method. Under this method, future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

Earnings (loss) per share
Earnings (loss) per share is calculated using the weighted average number of shares outstanding. Diluted earnings per share is calculated using the treasury stock method. In order to determine diluted earnings per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation.

Stock-based compensation
The Company uses the fair value method to account for options that are granted to employees, directors and officers. All options and similar instruments that are granted to non-employees are also accounted for at fair value.

Financial instruments
Financial instruments are measured at fair value on initial recognition and valued in subsequent periods based upon their classification as held-for-trading, available for sale, held-to-maturity, loans and receivables or other liabilities. Financial assets and liabilities classified as held-for-trading are valued at fair value with unrealized gains and losses recognized in income. Financial assets classified as available-for-sale are valued at fair value with unrealized gains and losses recognized in other comprehensive income. Financial assets classified as held-to-maturity and loans and receivables and financial liabilities classified as other liabilities are valued at amortized cost using the effective interest method. The Company has classified its cash, qualifying transaction funds and sundry assets as held-for-trading and accounts payable and accrued liabilities as other financial liabilities.

Recently adopted accounting policies

Goodwill and Intangible Assets
On January 1, 2009, the Company adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" which replaced Section 3062. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, "Revenues and Expenses During the Pre-operating Period". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

Financial Statement Concepts
On January 1, 2009, the Company adopted CICA Handbook Section 1000, "Financial Statement Concepts". This amended section removes references to the recognition of assets and liabilities solely on the basis of matching net income items and clarifies the timing of expense recognition and the creation of an asset.

Credit Risk and Fair Value of Financial Assets and Liabilities
On January 20, 2009, the CICA's Emerging Issue Committee ("EIC") issued abstract EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities," which requires entities to take both counterparty credit risk and their own credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives.

Financial Instruments
On December 31, 2009, the Company adopted the changes made to the CICA Handbook Section 3862, "Financial Instruments – Disclosures" whereby an entity shall classify and disclose fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The fair value of cash and qualifying transaction funds are classified as "Level 1" financial instruments valued using quoted prices in active markets for identical assets. All other financial assets are carried at amortized cost; their carrying value approximates fair value as they are short term in nature.

The adoption of these new standards did not have an effect on the Company's financial statements.

Future accounting changes

Harmonization of Canadian and International Standards
In February 2008, the Accounting Standards Board ("AcSB") of the CICA confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards ("IFRS") effective in the calendar year 2011 and will require restatement of the comparative figures. The conversion to IFRS will be required, for the Company, for interim and annual financial statements beginning on January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosures.

Business Combinations
In January 2009, the CICA issued new Handbook Section 1582, 'Business Combinations". Section 1582 will be converged with IFRS 3, "Business Combinations" and replaces Handbook Section 1581, "Business Combinations". Section 1582 establishes the standards for the measurement of a business combination and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This Section is effective for business combinations for which the acquisition date is on or after January 1, 2011. The Company may elect to early adopt this Section and if so, will be required to early adopt Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-controlling Interests".

Consolidated Financial Statements
In January 2009, The CICA issued Handbook Section 1601, "Consolidated Financial Statements", which replaces Handbook Section 1600, "Consolidated Financial Statements" other than the standards relating to non-controlling interest. The Section establishes the standards for preparing consolidated financial statements and is effective for fiscal years beginning on or after January 1, 2011. The Company may elect to early adopt this Section, and if so, will be required to early adopt Section 1582, "Business Combinations" and Section 1602, "Non-controlling Interests".

Non-controlling Interests
In January 2009, the CICA issued new Handbook Section1602, "Non-controlling interests", which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of financial statements subsequent to a business combination. This standard is effective for fiscal years beginning on or after January 1, 2011. The Company may elect to early adopt this Section, and if so, will be required to early adopt Section 1582, "Business Combinations" and Section 1602, "Consolidated Financial Statements".

3. 3G Solar, Ltd.

On October 30, 2008, the Company entered into a letter of intent with 3G Solar, Ltd. ("3G"), an Israeli company engaged in the development of dye solar cell photovoltaic modules ("Transaction"). On January 6, 2009, the Company and 3G amended the letter of intent to restructure the Transaction from a share sale to a three cornered amalgamation. To satisfy the minimum listing requirements of the TSX-V, on October 31, 2008, the Company signed an engagement letter for a public offering of a minimum of 10,000,000 common shares and maximum of 15,000,000 common shares at a price of $0.40 per common share for gross proceeds of between $4,000,000 and $6,000,000 (the "Offering").

On April 8, 2009, the Company advanced a demand loan in the amount of $225,000 to 3G which bears interest at the rate of 5% per annum and is secured by a fixed and floating charge over all of 3G's personal property, including its intellectual property ("Loan").

On May 26, 2009, 3G terminated the Transaction and therefore, the Company wrote off deferred costs of $396,570, representing costs incurred in respect of the Transaction and Offering. Although the Company is continuing to take steps to recover the Loan, the Company wrote off the balance of $225,000. No interest was charged on the Loan

4. Share capital

Authorized
Unlimited number of common shares, no par value.

Unlimited number of preference shares, issuable in series. The preference shares are issuable in series and may be issued in one or more series, from time to time, by the directors of the Company. The directors of the Company are authorized to fix, among other things, the designation, preferences, rights and restrictions attaching to each series of preference shares, in addition to the entitlement of each series of preference shares to receive the assets of the Company available on a liquidation, dissolution or winding-up of the Company. The preference shares are entitled to preference over the common shares and any other shares ranking junior to the such preference shares with respect to, among other things, payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company. Unless the rights attaching to the preference shares state otherwise, each preference share carries one vote at all meetings of shareholders, other than at meetings of the holders of the common shares meeting separately as a class.

Issued and outstanding
Share capital consists of the following issued and outstanding common shares:

	Number of shares	Amount $
Balance, February 22, 2008	–	–
Issued for cash		
February 22, 2008	1,800,000	180,000
July 25, 2008	2,000,000	400,000
September 11, 2008	2,503,000	500,600
Fair value of warrants issued	–	(21,420)
Share issue costs	–	(227,632)
Balance, December 31, 2008 and 2009	6,303,000	831,548

There are no preference shares outstanding.

On February 22, 2008, the Company issued 1,800,000 common shares at a price of $0.10 per common share for gross proceeds of $180,000.

On July 25, 2008, the Company completed an initial public offering of 2,000,000 common shares at a price of $0.20 per common share for gross proceeds of $400,000. In respect of the offering, the Company paid a work fee of $10,000, a commission of $40,000 representing a fee of 10% of the gross proceeds of the offering, out-of-pocket expenses of the agent of $13,500 and issued 200,000 warrants entitling the holder to purchase one common share at a price of $0.20 per common share until July 29, 2010.

On September 11, 2008, the Company completed a non-brokered private placement offering of 2,503,000 common shares of the Company at a price of $0.20 per common share for gross proceeds to the $500,600. In respect of the offering, the Company paid a finder's fee of $50,060 representing 10% of the gross proceeds of the offering. Of the offering, 2,000,000 common shares were purchased by an arm's length party who became a control person of the Company as its holding constituted approximately 32% of the issued and outstanding common shares of the Company subsequent to the offering. The Company obtained shareholders approval for the issuance of the common shares by way of written consent from shareholders owning approximately 53% of the issued and outstanding common shares of the Company prior to completion of the offering.

In respect of financings, the Company incurred other share issue costs of $114,072,

Warrants

The fair value of the warrants of $21,420 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.14%
Expected volatility	100%
Expected life of warrants	2 years
Expected dividend yield	Nil

A summary of the Company's issued and outstanding warrants is presented below:

	Number of warrants	$	Weighted-average exercise price $	Expiry date
Balance, February 22, 2008	–	–	–	
Granted	200,000	21,420	0.20	July 29, 2010
Balance, December 31, 2008 and 2009	200,000	21,420	0.20	
Warrants exercisable	200,000			

Stock options

Under its stock option plan, the Company may grant options to its directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares at the time of the grant. As at December 31, 2009, there were 630,300 common shares available for issuance under the stock option plan. The exercise price of each option shall be determined by the Board of Directors on the date of grant and the option period for each option shall not exceed 5 years.

On July 25, 2008, the Company granted 380,000 stock options entitling the holder to purchase one common share at a price of $0.20 per common share until July 25, 2013. The fair value of the stock options issued of $57,642, approximately $0.15 per stock option, was determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.42%
Expected volatility	100%
Expected life of options	5 years
Expected dividend yield	0%

A summary of the Company's issued and outstanding stock options is presented below:

	Number of options	Weighted-average exercise price $	Expiry date
Balance, February 22, 2008	–	–	
Granted	380,000	0.20	July 25, 2013
Balance, December 31, 2008 and 2009	380,000	0.20	
Options exercisable	380,000	0.20	

Contributed surplus

	$
Balance, February 22, 2008	–
Stock-based compensation	57,642
Balance, December 31, 2008 and 2009	57,642

5. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the federal and provincial statutory rate of 31% (2009 - 33.5%) to the pre-tax net loss for the period. The reasons for the difference are as follows:

	2009 $	2008 $
Income tax recovery based on statutory rate	214,000	33,000
Stock-based compensation	-	(19,000)
Effect of writedown of loan to 3G Solar, Ltd.	(35,000)	-
Effect of rate change	(33,000)	(1,000)
Unrecorded tax benefit of losses	(125,000)	(25,000)
Other	(21,000)	12,000
Income tax loss (recovery)	-	-

Future income tax assets

The Company's future income tax assets computed by applying a future federal and provincial statutory rate of 25% (2008 - 29%) were as follows:

	2009 $	2008 $
Non-capital loss carryforward	150,000	25,000
Share issue costs	34,000	53,000
Unrecognized tax loss on loan receivable	28,000	-
	212,000	78,000
Valuation allowance	(212,000)	(78,000)
	-	-

Due to losses incurred since inception and expected future operating results, management determined that it is more likely than not that the future income tax assets will not be realized, and accordingly, a valuation allowance has been recorded for the future income tax assets.

Losses carried forward
At December 31, 2009, the Company had non-capital loss carryforwards which expire as follows:

	$
2028	87,000
2029	514,000
	601,000

6. Capital disclosures

The Company defines capital as shareholders' equity which totals $127,653 as at December 31, 2009.

The Company manages its capital structure and makes adjustments to it based on available funds to the Company. Capital levels for capital pool companies are regulated pursuant to guidelines issued by the TSX-V.

Until the completion of a qualifying transaction, the gross proceeds realized from sale of all securities issued by a capital pool company may only be used to identify and evaluate assets or businesses for and obtain shareholder approval for a proposed qualifying transaction, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by a capital pool company and $210,000 may be used to cover prescribed costs of issuing securities and administrative and general expenses.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

7. Financial instruments

Fair value
Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest rate risk. It is management's opinion that the Company is not exposed to significant currency, credit or interest rate.

Currency risk
As the majority of the Company's expenditures are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk
Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to cash. The Company limits its exposure to credit risk on cash by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. As at December 31, 2009, the Company had aggregate cash of $121,042 (including qualifying transaction funds of $40,793) to settle accounts payable and accrued liabilities of $125,870.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

8. Subsequent event
As described in note 1, the Company acquired a 65% indirect interest in Excelaron LLC on April 23, 2010, subject to final approval by the TSX-V. The Company is committed to pay US$800,000 at such time as Excelaron secures its conditional use permits for its planned operations onits oil and gas properties.