

FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102

1. **Name and Address**

Horizon Petroleum Ltd.
Suite 1500, 700 4th Ave S.W.
Calgary, AB
T2P 3J4
(the "**Corporation**" or "**Horizon**")

2. **Date of Material Change**

October 15, 2018

3. **News Release**

The news releases disseminated in connection with this material change were disseminated on October 2, 2018 and October 17, 2018.

4. **Summary of Material Change**

The Corporation closed two tranches of its private placement by issuing an aggregate of 22,080,000 common shares ("**Common Shares**") at a price of \$0.05 per Common Share for aggregate gross proceeds of \$1,104,000 (the "**Offering**"). In addition, the Corporation signed an amendment to the definitive agreement to acquire concessions in Poland, extending the long stop date to December 21, 2018.

5. **Full Description of Material Change**

The Corporation closed the first tranche of the Offering on September 26, 2018, issuing 19,120,000 Common Shares at a price of \$0.05 per Common Share, for proceeds of \$956,000. In connection with the closing of the first tranche, the Corporation paid, in the aggregate, a cash commission of \$54,360 and issued 1,087,200 brokers warrants to a registered dealer. Management subscribed, directly or indirectly, for 2,500,000 Common Shares for proceeds of \$125,000.

The Corporation closed the second and final tranche of the Offering on October 15, 2018, issuing 2,960,000 Common Shares at a price of \$0.05 per share, for proceeds of \$148,000. Management subscribed, directly or indirectly, for all 2,960,000 Common Shares issued under the second tranche. The Corporation issued a total of 22,080,000 Common Shares under the Offering for aggregate gross proceeds of \$1,104,000.

Horizon entered into a new engagement agreement with Canopus Capital AG, a Liechtenstein based energy-focused financial advisory firm to expand its base of European investors. In addition, Horizon is working with Gneiss Energy Limited in its efforts to raise funds from European investors.

Horizon signed an amendment to the definitive agreements to acquire concessions in Poland, extending the long stop date to December 21, 2018. The parties further agreed that no funds will be payable upon closing the acquisition until the licences are successfully transferred to Horizon. This agreement, combined with the joint venture announced in Horizon's press release dated August 10, 2018, significantly reduced the Company's near term capital requirements.

Horizon continues to work with the Polish authorities on its pre-qualification process, which is the first step to closing the acquisition of concessions in Poland by Horizon, which was previously announced by press release on September 19, 2017. Horizon now expects to receive pre-qualification in late 2018 or early 2019, and will move to close the acquisition directly afterwards.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

None.

8. **Executive Officer**

For further information please contact Dr. David Winter, Chief Executive Officer of the Company, at (403) 619-2957

9. **Date of Report**

October 25, 2018