

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1 Name and Address of Company

Tenth Avenue Petroleum Corporation (the "Corporation")
2003, 188 - 15th Avenue SW
Calgary, Alberta T2R 1S4

ITEM 2 Date of Material Change:

September 30, 2022

ITEM 3 News Release:

A press release was issued in respect of the material change and was disseminated and filed on SEDAR on September 30, 2022.

ITEM 4 Summary of Material Change:

The Corporation announced that it closed the acquisition of a light oil, high netback asset in Southern Alberta producing approximately 38 boe/d (69% oil and natural gas liquids) from Danzig Resources Ltd.

ITEM 5 Full Description of Material Change:

Reference is made to the press release attached hereto.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

ITEM 7 Omitted Information:

No material information has been omitted from this Report.

ITEM 8 Executive Officer:

For further information, please contact:

Tenth Avenue Petroleum Corp.
Cameron Macdonald, Chief Executive Officer and a Director
Telephone: (403) 585-9875
Email: cmacdonald@tenthavenuepetroleum.com

ITEM 9 Date of Report:

Dated as of September 30, 2022.

The foregoing accurately discloses the material change referred to in this report.

TENTH AVENUE PETROLEUM ANNOUNCES CLOSING OF LIGHT OIL ACQUISITION

NOT FOR DISTRIBUTION IN THE UNITED STATES OR DISSEMINATION IN THE UNITED STATES

Calgary, Alberta (September 30, 2022) – Tenth Avenue Petroleum Corp. (“TPC” or the “Company”) (TSXV:TPC) is pleased to announce that the Company has closed the acquisition of a light oil, high netback asset in Southern Alberta from Danzig Resources Ltd. (the “Acquisition” or “Acquired Assets”).

SUMMARY ACQUISITION HIGHLIGHTS

- Production of 38 boe/d⁽¹⁾ (69% oil and natural gas liquids), including 26 bbls/d of light oil;
- Operating netback of \$66.90/boe⁽²⁾;
- Estimated run-rate of approximately \$698,000⁽³⁾ net operating income;
- Attractive purchase price of approximately 1.1x run rate cash flow⁽³⁾ or approximately \$20,000/flowing boe;
- Acquisition is accretive on a per share basis: 3.76% of additional shares issued, increasing production by 21%;
- Danzig Resources Ltd. will retain a three percent (3%) gross overriding royalty on production from a natural gas well located at 102/6-11-015-26W4/00, which is awaiting tie-in;
- Post Acquisition, the Company will have 39,844,100 issued and outstanding shares, on an undiluted basis.

Notes

1. Disclosure of production on a per boe basis in this press release consists of the constituent product types and their respective quantities disclosed elsewhere in this press release. Refer to Barrel of Oil Equivalency and Production and Product Type Information in this press release for additional disclosure.
2. Also referred to as "operating netback" for the period June 2022. Operating netback is a non-GAAP financial measure. Refer to Oil & Gas Advisories in this press release for additional disclosure and assumptions.
3. Disclosure of Net Operating Income is based on June 2022 actual production, prices, royalties and operating costs. Refer to Oil & Gas Advisories in this press release for additional disclosure and assumptions.

Consideration for the Acquisition was \$760,000 subject to normal closing adjustments, payable with \$400,000 cash and the issuance of 1,500,000 common shares of the Company (“**Consideration Shares**”) at an ascribed price of \$0.24 per share, which was the share price at closing.

The Acquisition strengthens the Company’s business model of acquiring high quality, operated, light and medium gravity crude oil reservoirs that contain large original oil in place (“**OOIP**”) with low recovery factors. The Acquisition increases the Company’s current production base by 21% to approximately 182 boe/d (88% oil and natural gas liquids) from the Q2/22 average of 143 boe/d and expands the Company’s existing core area in Southern Alberta.

THE ACQUISITION

The Acquisition has an effective date of September 1, 2022 and consists of a 100% working interest in 5 wells, a 100% owned multi well oil facility (05-21-015-25W4M) and a 35% ownership in a potential gas well awaiting tie-in. The current conventional production is from the Sunburst zone, located in the Vulcan area of Alberta. This asset generates high operating netbacks and has additional revenue streams from

custom treating, water disposal and gas handling. Much like the Murray Lake asset that the Company purchased in Q1/22, the Acquired Assets show potential upside to implement an Enhanced Oil Recovery (“EOR”) with waterflood to increase production and recovery factors. The existing Sunburst pool has recovered less than 10% to date and under an EOR waterflood program could achieve upwards of +20% recovery factor with an estimated 3.5MMbbl OOIP per section.

The Acquisition is consistent with the Company’s strategy to assemble under capitalized, undervalued opportunities to enhance the quality of the Company’s business model and asset base throughout various commodity price cycles. Based on the Company’s base production historical decline rate, it is expected that minimal capital will be required to maintain existing production levels on the Acquires, providing the Company with a strong platform for future cash flow and sustainability. The Acquisition is accretive on key valuation metrics and is expected to improve the Company’s operating netbacks and exposure to additional drilling inventory, EOR waterflood opportunities and further strengthens the Company’s disciplined growth strategy. Closing of the Acquisition is subject to certain customary conditions and regulatory and other approvals, including all necessary approvals of the TSX Venture Exchange.

Lock-Up Period

The Consideration Shares (representing approximately 3.76% of the issued and outstanding common shares of the Company, on a non-diluted basis, post-Acquisition) will be subject to a lockup such that 50% of the Consideration Shares will be subject to a six-month escrow period and remaining 50% of the Consideration Shares will be subject to a twelve-month escrow period.

For further information please contact:

Tenth Avenue Petroleum Corp.
Cameron MacDonald, President & CEO
Phone: (403) 585-9875
Email: cmacdonald@tenthavenuepetroleum.com
www.tenthavenuepetroleum.com

About Tenth Avenue Petroleum Corp.

Tenth Avenue Petroleum Corp. is a junior oil and gas exploration and production company with operations in Alberta.

Forward-looking Information and Statements

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the impact of the COVID-19 pandemic on the Company's business and operations (and the duration of the impacts thereof), the inability of the Company to meet its commitments on its lands or on the lands it may acquire, the impact of general economic conditions; 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; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves, changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The forward-

looking statements in this news release are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements. Investors are encouraged to review and consider the additional risk factors set forth in the Company's continuous disclosure documents which are available on SEDAR at www.sedar.com.

Oil and Gas Advisories

Meaning of Boe

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

Original Oil in Place

Original Oil in Place ("OOIP") means Discovered Petroleum Initially In Place ("DPIIP"). DPIIP is derived by TPC's internal Qualified Reserve Evaluators ("QRE") and prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluations Handbook ("COGEH"). DPIIP, as defined in COGEH, is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and Resources Other Than Reserves (ROTR). OOIP/DPIIP and potential recovery rate estimates are based on current recovery technologies. There is significant uncertainty as to the ultimate recoverability and commercial viability of any of the resource associated with OOIP/DPIIP, and as such a recovery project cannot be defined for a volume of OOIP/DPIIP at this time. "Internally estimated" means an estimate that is derived by TPC's internal QRE's and prepared in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

Non-GAAP Measurements

The Company utilizes certain measurements that do not have a standardized meaning or definition as prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other entities, including but not limited to operating netback, cash flow and working capital. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Company's continuous disclosure documents. Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales, less royalties and operating costs.

Net Operating Income

Net operating income is calculated as petroleum and natural gas revenue less royalties, net operating expenses and transportation expenses. Net operating income multiple is calculated as purchase price of the acquisition divided by the annual net operating income related to the acquisition. Management uses this metric as an indication of the cost of the acquisition in relation to the net operating income from the acquired business.

Cash Flow & Adjusted Funds Flow

Cash flow is defined as cash from operating activities before changes in non-cash working capital. The Company further adjusts cash flow from operating activities in calculating adjusted funds flow for changes in decommissioning expenditures and transaction and other costs. Management believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and as such may not be useful for evaluating TPC's cash flows. Changes in non-cash working capital are a result of the timing of cash flows related to accounts receivable and accounts payable, which management believes reduces comparability between periods. Management views decommissioning expenditures predominately as a discretionary allocation of capital, with flexibility to determine the size and timing of decommissioning programs to achieve greater capital efficiencies and as such, costs may vary between periods. Transaction and other costs represent expenditures associated with acquisitions, which management believes do not reflect the ongoing cash flows of the business, and as such reduces comparability. Each of these expenditures, due to their nature, are not considered principal business activities and vary between periods, which management believes reduces comparability.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.