

**FORM 51-102F3**  
**Material Change Report**

**1. Name and Address of Company:**

Marksman Energy Inc. (the “Company” or “Marksman”)  
c/o 368 Sunmills Drive S.E.  
Calgary, Alberta  
T2X 3H6

**2. Date of Material Change(s):**

December 19 and 21, 2018

**3. News Release:**

A news release relating to the material change described herein was released via the facilities of Globe Newswire on December 19 and 21, 2018.

**4. Summary of Material Change(s):**

The Company announced that the Leaman #1 CSH well has been drilled and completed with a 12 stage hydraulic fracturing program. Marksman is awaiting confirmation from the operator of the Leaman #1 CSH well to determine the timing to complete, production test and equip the well with production and surface equipment and then place the well on production.

Marksman also announced that it reached an agreement in principle to complete a non-brokered private placement of a non-convertible secured debenture ("Debenture") for gross proceeds of \$1,250,000. The Debenture is being issued to replace the outstanding \$1,250,000 debenture which expires December 31, 2018, and the terms of the Debenture, other than the maturity date, are the same as the debenture that is being replaced. In conjunction with the private placement of the Debenture, the holder of the Debenture will also receive 1,800,000 share purchase warrants of the Company exercisable for between \$0.22 and \$0.24 per share expiring on December 31, 2019. The subscriber for the Debenture is expected to be a company controlled by Mr. Glenn Walsh, an insider of Marksman.

Marksman also announced the granting of a stock option to purchase 100,000 common shares at \$0.185 per share to a director.

**5. Full Description of Material Change:**

**5.1 Full Description of Material Change**

Marksman Energy Inc. (“Marksman” or the “Company”) is a 60% working interest partner in a Clinton Sandstone Horizontal (“CSH”) well drilled in Hocking County, Ohio. The operator of the well is Hocking Hills Energy and Well Services LLC of Ohio. The Leaman #1 CSH well has been drilled and completed with a 12-stage hydraulic fracturing program.

The remedial work required due to technical difficulties encountered after the hydraulic fracturing program has now been completed in two stages. First, a service rig was used to set a whip-stock system at 3,222 feet and this was completed on November 15, 2018. Then on December 7, 2018 a top drive drilling rig completed milling through the casing and then commenced drilling of a new horizontal/lateral leg paralleling the original well bore. The well reached its total depth at 4,656 ft on December 18, 2018.

Marksman is very pleased that the whip-stock and drilling operations have been completed successfully as follows:

- The new lateral leg was drilled parallel to and within 10 to 20 feet of the original lateral leg.
- The original 12 stage hydraulic fracturing program was confirmed by the fracture systems encountered all along the new lateral leg. This indicates that the new lateral leg has been successfully positioned in the hydraulic fractured Clinton Sandstone formation.
- Cutting samples, taken at regular intervals indicate oil fluorescence and fracture sand and there have been shows of oil to surface.

Marksman is awaiting confirmation from the operator of the Leaman #1 CSH well to determine the timing to complete, production test and equip the well with production and surface equipment and then place the well on production.

By way of its agreement with the operator, the Company has interests in 5,500 acres of additional land with several potential Clinton Sandstone Horizontal well locations. The Company plans an aggressive drilling program in 2019 to fully develop the acreage and drill additional CSH well opportunities, subject to financing. Marksman believes that the Clinton Sandstone has significant potential as a development play that will materially increase its oil production.

Marksman would again like to thank our shareholders for their patience and understanding of the challenges that have been faced and endured by our Ohio team of professionals in drilling the Leaman #1 CSH well.

Marksman Energy Inc. also announces that it has reached an agreement in principle to complete a non-brokered private placement of a non-convertible secured debenture ("Debenture") for gross proceeds of \$1,250,000 (the "Offering") and issue 1,800,000 share purchase warrants of the Company (the "Warrants"). Each whole Warrant entitles the holder thereof to purchase one common share of the Company for \$0.24 per share if the Debenture is paid in full by April 30, 2019 and at \$0.22 thereafter per share expiring on December 31, 2019. The Debenture is being issued to replace the outstanding \$1,250,000 debenture which expires December 31, 2018 and shall bear interest at 12% per annum and shall mature on December 31, 2019. The terms of the Debenture, other than the maturity date, are the same as the debenture that is being replaced.

The subscriber to the Offering is expected to be a company controlled by Mr. Glenn Walsh, an insider of Marksmen and the Offering is expected to close in early January 2019. Completion of the Offering is subject to regulatory approval, including the approval of the TSX Venture Exchange Inc. The securities issued will be subject to a four months hold period from the date of the closing of the Private Placement.

Marksmen also announces the granting of a stock option to purchase 100,000 common shares of the Company to a director subject to regulatory approval. The option was issued with an exercise price of \$0.185 per share, vests as to one third (1/3) immediately and one-third (1/3) on each of the first and second anniversaries of the grant date and has a five year term from the date of issuance.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **6. Reliance on Subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable

### **7. Omitted Information:**

Not applicable

### **8. Executive Officer Knowledgeable of Material Change:**

John McIntyre, Chief Financial Officer  
Marksmen Energy Inc.  
(403) 265-7270

### **9. Date of Report:**

December 21, 2018