

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Altura Energy Inc. ("**Altura**" or the "**Corporation**")
Suite 200, 640 – 5th Avenue SW
Calgary, AB, Canada T2P 3G4

2. Date of Material Change

May 15, 2018

3. News Release

A news release disclosing the nature and substance of the material change was issued on May 15, 2018 through the news wire facilities of Globe Newswire.

4. Summary of Material Change

On May 15, 2018 Altura announced an agreement for the sale of its east central Alberta and Saskatchewan assets (the "**Transaction**"), which includes the Eyehill, Eyehill South, Macklin, Wildmere, Killam and Provost Minor areas (the "**Assets**"), for cash consideration of \$28,375,000, subject to customary post-closing adjustments. The adjustment date of the Transaction is April 1, 2018 and closing is expected to occur on May 31, 2018, subject to the receipt of all necessary regulatory approvals and the satisfaction of other customary closing conditions.

The Assets encompass approximately 56 (44 net) sections of land and (i) total proved and total proved plus probable reserves of approximately 1,873 Mboe and 3,214 Mboe, with future development costs of \$9.2 million and \$18.0 million, respectively, as at December 31, 2017 (based on the evaluation by Altura's independent reserves evaluator, McDaniel & Associates Consultants Ltd. (the "**McDaniel Report**")) and (ii) sales volumes of 668 Boe per day with an operating netback of \$23.33 per Boe for the first quarter of 2018.

Upon closing the Transaction, Altura's lender has indicated the Corporation's credit facility will be amended to approximately \$3 million (the "**New Facility**"), which will be undrawn. This New Facility will amend and replace Altura's existing \$10 million credit facility.

Upon closing the Transaction, Altura forecasts its working capital surplus to be approximately \$20 million, with no debt.

Proceeds from the Transaction will be allocated to the development of the Corporation's Leduc-Woodbend Upper Mannville oil property in the second-half of 2018 and through 2019. The Corporation plans to commence drilling at Leduc-Woodbend with an eight (7.7 net) ERH well program starting mid-June. Additionally, Altura will accelerate the expansion of its multi-well battery at 12-14-

049-26W4 to a processing capacity of 3,000 to 3,500 barrels of oil per day, which was previously planned for 2019. Total forecasted capital expenditures for 2018, excluding dispositions, will increase from \$15 million to \$33 million and production is forecasted to exit 2018 at approximately 1,900 Boe per day.

5. Full Description of Material Change

5.1 Full Description of Material Change

On May 15, 2018 the Corporation announced it has entered into an agreement for the sale of its east central Alberta and Saskatchewan assets, which includes the Eyehill, Eyehill South, Macklin, Wildmere, Killam and Provost Minor areas, for cash consideration of \$28,375,000, subject to customary post-closing adjustments. The adjustment date of the Transaction is April 1, 2018 and closing is expected to occur on May 31, 2018, subject to the receipt of all necessary regulatory approvals and the satisfaction of other customary closing conditions. The board of directors of Altura has unanimously approved the Transaction.

The reserves associated with the Assets as at December 31, 2017, based on the McDaniel Report include:

Category	Crude Oil (Mdbl) ⁽¹⁾	Conventional Natural Gas (MMcf) ⁽¹⁾	Natural Gas Liquids (Mdbl) ⁽¹⁾	Oil Equivalent (Mboe) ⁽¹⁾	Future Development Costs (000)
Total Proved	1,511	2,064	18	1,873	\$9,154
Total Probable	1,197	810	9	1,341	\$8,852
Total Proved + Probable ⁽²⁾	2,707	2,874	27	3,213	\$18,006

(1) Based on McDaniel's January 1, 2018 forecast prices.

(2) Numbers may not add due to rounding.

The Assets encompass approximately 56 (44 net) sections of land and sales volumes of 668 Boe per day (530 Bbls per day of oil, 11 Bbls per day of NGLs and 766 Mcf per day of natural gas) with an operating netback of \$23.33 per Boe for the first quarter of 2018.

Transaction metrics include:

Proceeds on disposition (\$)	\$28,375,000
Annualized production volumes (Boe/d) ⁽¹⁾	668
Annualized operating income (\$) ⁽²⁾	\$5,688,000
\$/flowing Boe per day (\$/Boe/d) ⁽³⁾	\$42,478
Cash flow multiple (times) ⁽⁴⁾	5.0

(1) Actual production volumes produced for the first quarter of 2018.

(2) Annualized operating income equals annualized production volumes times Q1 2018 operating netback times days in the year (668 Boe/d x \$23.33/Boe x 365 days).

(3) \$/flowing Boe per day equals proceeds on disposition divided by annualized production volumes (\$28,375,000/668 Boe/d).

(4) Cash flow multiple equals proceeds on disposition divided by annualized operating income (\$28,375,000/\$5,688,000).

The Assets carry a Liability Management Rating ("LMR") of 7.0 and subsequent to the close of the Transaction Altura is expected to have an LMR of 8.4. The sale of the

Assets "white maps" Altura from east central Alberta and Saskatchewan, allowing the Corporation to concentrate entirely on its large conventional oil pool at Leduc-Woodbend.

REVISED CREDIT FACILITIES

Altura's lender has indicated the Corporation's credit facility will be amended to approximately \$3 million upon the closing of the Transaction, which will be undrawn. This New Facility will amend and replace Altura's existing \$10 million credit facility.

Upon closing the Transaction, Altura forecasts its working capital surplus to be approximately \$20 million, with no debt.

POST-TRANSACTION STRATEGY

Post-closing, Altura will have the financial resources to aggressively develop its prolific Leduc-Woodbend Upper Mannville oil property in the second-half of 2018 and through 2019. Following the Transaction, Altura will have a land base of 66 net sections within the Leduc-Woodbend pool, approximately 550 Boe per day of production (80 percent oil and NGLs), and approximately 1,221 Mboe of proved reserves and approximately 2,140 Mboe of proved plus probable reserves based on the McDaniel Report.

The Corporation plans to commence drilling at Leduc-Woodbend with an eight (7.7 net) ERH well program starting mid-June. Additionally, Altura will accelerate the expansion of its multi-well battery at 12-14-049-26W4 to a processing capacity of 3,000 to 3,500 barrels of oil per day, which was previously planned for 2019. Total forecasted capital expenditures for 2018, excluding dispositions, will increase from \$15 million to \$33 million and production is forecasted to exit 2018 at approximately 1,900 Boe per day.

ADVISORS AND FAIRNESS OPINION

GMP Securities LP ("**GMP FirstEnergy**") is acting as financial advisor to Altura on the Transaction and has provided an opinion to the Altura board of directors to the effect that the consideration to be received by Altura under the Transaction is fair, from a financial point of view, to the Corporation.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, contact David Burghardt, President & CEO by telephone at (403) 984-5195 or Tavis Carlson, Vice President, Finance & CFO by telephone at (403) 984-5196.

9. Date of Report

May 17, 2018

READER ADVISORIES

Forward-looking Information and Statements

This material change report contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "budget", "forecast", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this material change report contains forward-looking information and statements pertaining to:

- the anticipated closing date of the Transaction;
- Altura's expected LMR upon completion of the Transaction;
- the New Facility that will be available to Altura upon completion of the Transaction;
- Altura's working capital surplus following the Transaction;
- Altura's assets and projected production, reserves and land holdings following completion of the Transaction;
- Altura's business plans and strategy following the Transaction, including its 2018 drilling plans and capital expenditure guidance; and
- Altura's forecasted 2018 exit production rate.

Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

The forward-looking information and statements contained in this material change report reflect several material factors and expectations and assumptions of Altura including, without limitation:

- the continued performance of Altura's oil and gas properties in a manner consistent with its past experiences;

- that Altura will continue to conduct its operations in a manner consistent with past operations;
- the general continuance of current industry conditions;
- the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes;
- the accuracy of the estimates of Altura's reserves and resource volumes;
- certain commodity price and other cost assumptions;
- the continued availability of oilfield services; and
- the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

Altura believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. To the extent that any forward-looking information contained herein may be considered future oriented financial information or a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeted and developing future plans and readers are cautioned that the information may not be appropriate for other purposes.

The forward-looking information and statements included in this material change report are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation:

- changes in commodity prices;
- changes in the demand for or supply of Altura's products;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, royalty rates or other regulatory matters;
- changes in development plans of Altura or by third-party operators of Altura's properties,
- increased debt levels or debt service requirements;
- inaccurate estimation of Altura's oil and gas reserve and resource volumes;
- limited, unfavorable or a lack of access to capital markets;
- increased costs;
- a lack of adequate insurance coverage;
- the impact of competitors; and
- certain other risks detailed from time to time in Altura's public documents.

The forward-looking information and statements contained in this material change report speak only as of the date of this material change report, and Altura does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Oil and Gas Advisories

Reserves

McDaniel & Associates Consultants Ltd. is the Corporation's independent "qualified reserve evaluator" as defined in National Instrument 51-101. The McDaniel Report has an effective date of December 31, 2017 and a preparation date of February 21, 2018 and was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") and NI 51-101. The reserve evaluation was based on McDaniel's forecast pricing and foreign exchange rates at January 1, 2018. The Reserves Committee of the Board and the Board of Directors of Altura have reviewed and approved the evaluation prepared by McDaniel.

All reserve references in this material change report are "company share reserves". Company share reserves are the Corporation's total working interest reserves before the deduction of any royalties and including any royalty interests of the Corporation.

It should not be assumed that the present value of estimated future net revenue presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Altura's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

All future net revenues are estimated using forecast prices, arising from the anticipated development and production of our reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Future net revenues have been presented on a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Barrels of Oil Equivalent

The term barrels of oil equivalent ("**Boe**") may be misleading, particularly if used in isolation. Per Boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 Bbl) of crude oil. The Boe conversion ratio of 6 Mcf to 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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Non-GAAP Measures

This material change report contains references to measures used in the oil and natural gas industry such as "operating income" and "operating netback". These measures do not have

standardized meanings prescribed by generally accepted accounting principles ("GAAP") and therefore should not be considered in isolation. These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used, they should be given careful consideration by the reader. These measures have been described and presented in the material change report to provide shareholders and potential investors with additional information regarding the Corporation's liquidity and its ability to generate funds to finance its operations.

Operating income denotes total sales less royalty expenses and operating and transportation costs. Operating netback is operating income calculated on a per Boe basis.