

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Tenaz Energy Corp. (“**Tenaz**” or the “**Company**”)
Suite 2500, 605 – 5th Avenue SW
Calgary, Alberta, Canada T2P 3H5

Item 2 Date of Material Changes

December 17 and 23, 2021.

Item 3 News Release

A news release disclosing the nature and the substance of the material changes was issued on December 17, 2021 through the news wire facilities of CNW Group.

Item 4 Summary of Material Changes

On December 17, 2021, the Company completed its previously announced offering (the “**Rights Offering**”) of rights of the Company (the “**Rights**”), which expired at 4:00 p.m. (Calgary time) on December 13, 2021. Under the Rights Offering, holders of Rights purchased an aggregate of 10,179,840 common shares of the Company (“**Common Shares**”) at a subscription price of \$0.18 per Common Share for aggregate gross proceeds of approximately \$1.8 million.

On December 23, 2021, the Company completed its previously announced consolidation (the “**Share Consolidation**”) of its outstanding Common Shares on the basis of one new Common Share for every ten existing Common Shares (the “**Consolidation Ratio**”). The Common Shares commenced trading on the TSX Venture Exchange (the “**TSXV**”) on a post-consolidation basis on December 23, 2021.

Item 5 Full Description of Material Change

5.1 - Full Description of Material Change

Rights Offering

On December 17, 2021, the Company completed its previously announced Rights Offering, which expired at 4:00 p.m. (Calgary time) on December 13, 2021.

Under the Rights Offering, holders of Rights purchased an aggregate of 10,179,840 Common Shares at a subscription price of \$0.18 per Common Share for aggregate gross proceeds of approximately \$1.8 million. The net proceeds of the Rights Offering will be used by Tenaz for general corporate purposes, capital expenditures and the acquisition of global oil and gas assets.

To the knowledge of Tenaz, insiders of Tenaz (being John Chambers, David Burghardt and Travis Stephenson) subscribed for and received an aggregate of 218,425 Common Shares pursuant to the Rights Offering. All other Rights holders, as a group, subscribed for 9,961,415 Common Shares pursuant to the Rights Offering. There was no additional subscription

privilege or stand-by commitment under the Rights Offering. To the knowledge of Tenaz, no person became an insider as a result of the Rights Offering.

Upon closing of the Rights Offering, a total of 283,980,814 Common Shares were issued and outstanding. No fees or commission were paid in connection with the Rights Offering, however, Tenaz incurred approximately \$0.1 million of expenses in connection with the Rights Offering.

Share Consolidation

On December 23, 2021, the Company completed the Share Consolidation on the basis of the Consolidation Ratio. The Consolidation Ratio was determined by the Company's board of directors in accordance with the parameters authorized by the Company's shareholders at the special meeting of shareholders held on October 7, 2021. The Common Shares commenced trading on the TSXV on a post-consolidation basis on December 23, 2021.

Following the Share Consolidation, the number of outstanding Common Shares was reduced from 283,980,814 outstanding Common Shares to 28,398,074 outstanding Common Shares. The Common Shares continue to be listed on the TSXV under the symbol "TNZ". Following the Share Consolidation, the new freely tradeable CUSIP and ISIN numbers for the Common Shares are 88034V304 and CA88034V3048, respectively.

No fractional Common Shares were issued as a result of the Share Consolidation. Any fractional interest in Common Shares that would have otherwise resulted from the Share Consolidation was rounded down to the next whole Common Share.

The number and exercise prices of the Company's outstanding warrants and stock options were adjusted to reflect the Share Consolidation.

The Company's transfer agent, Odyssey Trust Company ("**Odyssey**"), is acting as the exchange agent for the Share Consolidation. Letters of transmittal were mailed to the Company's registered shareholders upon completion of the Share Consolidation. Registered shareholders are requested to submit their share certificates or DRS statements, together with their completed letters of transmittal, to Odyssey. Until surrendered, each share certificate or DRS statement representing pre-consolidation Common Shares will be deemed to represent the number of whole post-consolidation Common Shares to which the shareholder is entitled as a result of the Share Consolidation.

Beneficial shareholders who hold their Common Shares through intermediaries (securities brokers, dealers, banks, financial institutions, etc.) and who have questions regarding how the Share Consolidation will be processed should contact their intermediaries.

5.2 - Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Bradley Bennett
Chief Financial Officer
Direct: (587) 330-1714

Item 9 Date of Report

December 23, 2021.

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 use of the net proceeds of the Rights Offering; and the Company’s business strategy.

The forward-looking information and statements contained in this material change report reflect several material factors and expectations and assumptions of the Company including, without limitation: the continued performance of the Company’s oil and gas properties in a manner consistent with its past experiences; that the Company 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 the Company’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. The Company 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.

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 the Company’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 the Company or by third party operators of the Company’s properties, increased debt levels or debt service requirements; inaccurate estimation of the Company’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 the Company’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 the Company 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.