

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

Item 1. Name and Address of Company

New Stratus Energy Inc. (the “**Company**”)
2400, 333 7 Ave SW
Calgary, Alberta T2P 2Z1

Item 2. Date of Material Change

December 5 2022

Item 3. News Release

The news release describing the material change disclosed in this report was disseminated through Newsfile Corp. on December 5, 2022 and subsequently filed on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

On December 5, 2022, the Company announced that the government of Ecuador (the “**Government**”) does not intend to appoint the required negotiations committee for the extension and migration of the service contracts for Blocks 16 and 67 (the “**Service Contracts**”). Therefore, the Service Contracts will expire on December 31, 2022, suspending the further development of Blocks 16 and 67.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that the government of Ecuador (the “**Government**”) does not intend to appoint the required negotiations committee for the extension and migration of the service contracts for Blocks 16 and 67 (the “**Service Contracts**”). Therefore, the Service Contracts will expire on December 31, 2022, suspending the further development of Blocks 16 and 67. As a direct result of the legal, political and other measures taken by the Government, the Company will be pursuing its legal and contractual rights through formal international arbitration.

Corporate Updates

- The Company expects to finish the calendar year with approximately CAD \$0.30 per share in cash and short term receivables.
- The Company’s working interest partners are being notified of this legal non-compliance by the Government.
- The Company will file a legal demand against the Government under International Arbitration. The Company commits to pursue its legal and contractual rights with minimal cash dilution to shareholders.
- The Company commits to be a steward of its remaining capital as it pursues new opportunities.
- The Company maintains a strategic alliance with Baker Hughes which, in the short term, will result in new business opportunities outside of Ecuador

The development of the remaining reserves of Blocks 16 and 67 required both additional investment and technical expertise which the Company is well-positioned to provide. The Company's proposed development plan would have produced significant benefits for Ecuador and the Waorani Nationality by way of revenues, employment and social benefits.

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

None.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Mario Miranda
Chief Financial Officer
mmiranda@newstratus.energy
(416) 363-4900

Item 9. Date of Report

December 15, 2022

Forward-Looking Information

Certain information set forth in this material change report constitutes "forward-looking statements", and "forward-looking information" under applicable securities legislation (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements may be identified by the use of conditional or future tenses or by the use of words such as "will", "expects", "intends", "may", "should", "estimates", "anticipates", "believes", "projects", "plans", and similar expressions, including variations thereof and negative forms. Forward-looking statements in this material change report are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on them.

In respect of the forward-looking statements contained herein, the Company has provided them in reliance on certain assumptions that it believes are reasonable at this time, some or all of which may prove to be incorrect. Accordingly, readers should not place undue reliance on the forward-looking statements contained herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. New Stratus undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits may be derived therefrom.