

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

Item 1. Name and Address

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

Item 2. Date of Material Change

July 12, 2023

Item 3. News Release

The news release describing the material change disclosed in this report was disseminated through Newsfile Corp. on July 12, 2023 and subsequently filed on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

During the period of negotiations between Petrolia S.A. (“Petrolia”), a wholly-owned subsidiary of the Company, and the Government of Ecuador, specifically the Ministry of Energy and Mines (“MEM”), because of the Notice of Controversy submitted by Petrolia in November 2022 in accordance with Clause 33 of the Petroleum Contracts for Blocks 16 and 67, the Consortium Block 16 has been notified of a final and definitive ruling by the Tax Court of Ecuador regarding a previous year tax claim, which granted the Consortium the right to obtain a tax credit for approximately C\$20 million.

Item 5. Full Description of Material Change

5.1 *Full Description of Material Change*

During the period of negotiations between Petrolia and the Government of Ecuador, specifically the MEM, because of the Notice of Controversy submitted by Petrolia in November 2022 in accordance with Clause 33 of the Petroleum Contracts for Blocks 16 and 67, the Consortium Block 16 has been notified of a final and definitive ruling by the Tax Court of Ecuador regarding a previous year tax claim, which granted the Consortium the right to obtain a tax credit for approximately C\$20 million.

Petrolia has notified each member of the Consortium and in compliance with the provisions of this ruling has made these tax credit notes available effective immediately.

Due to the allocation mechanism among the partners in the Consortium, Petrolia is the sole beneficiary of the tax credit refund. The refund will not have an income statement impact on Petrolia’s financial statements; however, it will have a positive impact on the Company’s working capital figures in the amount of approximately C\$20 million. This working capital increase is in addition to the adjusted working capital value disclosed in the Company’s First Quarter press release on May 30, 2023. Further information will be provided in the release of the Company’s Second Quarter 2023 Financial Statements, due not later than August 29, 2023.

Although the Company continues to pursue its legal demand against the Government of Ecuador under International Arbitration, it has a strong commitment to reach, in the shortest time possible, a direct amicable solution to the existing controversies. At the same time, on July 11, 2023, the MEM announced the official tender process for Blocks 16 and 67 in Ecuador, formerly operated by Petrolia. The Company intends to review the data package when available and make a decision to participate within the context of the ongoing arbitration.

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

No information has been omitted in respect of this material change.

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

July 19, 2023