

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

**1. Name and Address of the Issuer**

CGX Energy Inc. (“**CGX**” or the “**Company**”)  
333 Bay St., Suite 1100  
Toronto, Ontario  
M5H 2R2

**2. Date of Material Change**

April 26, 2017.

**3. News Release**

A news release with respect to the material change was disseminated by the Company on May 1, 2017 through CNW News Group.

**4. Summary of Material Change**

On April 26, 2017, the Company entered into an secured bridge loan facility (the “**Bridge Loan**”) with Pacific Exploration & Production Corporation (the “**Lender**”) pursuant to which the Company may borrow up to the principal amount of U.S.\$3.1 million.

**5. Full Description of Material Change**

On April 26, 2017, the Company entered into the Bridge Loan with the Lender pursuant to which the Company may borrow up to the principal amount of U.S.\$3.1 million. The Bridge Loan is a non-revolving term facility. The Bridge Loan bears an interest of 5% per year and will mature in April 2018. The Company may draw all or part of the Bridge Loan in one or more advances on a date or dates agreed to by both parties. The Bridge Loan is secured by all the present and after-acquired personal property of the Company and its subsidiaries.

The proceeds from the Bridge Loan will be used to cover the day to day operations of the Company and to pay for any outstanding licence and training fees associated with the Company’s various petroleum prospecting licences.

The Lender is a “related party” of the Company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company will rely upon the formal valuation exemption under Section 5.5(b) of MI 61-101 and upon the minority approval exemption under section 5.7(e) of MI 61-101.

In approving the Bridge Loan, the independent members of the board of directors of the Company determined that the Bridge Loan was in the best interest of the Company and that the terms and conditions contained therein were consistent with similar transactions completed at arm’s length. No special committee was established in connection with the Bridge Loan and no materially contrary opinion or abstention was expressed or made by any director.

The Company did not file a material change report more than 21 days before the closing of the Bridge Loan as required by MI 61-101 as the details of the Bridge Loan were settled only recently.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

No information has been omitted.

8. **Executive Officer**

Peter Volk, General Counsel of the Company, is knowledgeable about the material change and this report and can be reached at (416) 364-5569.

9. **Date of Report**

Dated at Toronto, Ontario, this 8<sup>th</sup> day of May, 2017.