FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Zodiac Exploration Inc. ("**Zodiac**")
Suite 400, 1324 - 17th Avenue S.W.
Calgary, Alberta T2T 5S8

2. Date of Material Change:

June 6, 2011

3. News Release:

Press release issued on June 6, 2011 by Zodiac and disseminated through Filing Services Canada.

4. Summary of Material Change:

Zodiac announced that it received a notice of exercise in respect of 31,175,000 of its outstanding warrants.

5. Full Description of Material Change:

Zodiac announced that it received a notice of exercise in respect of 31,175,000 of its outstanding warrants. Each warrant is exercisable at an exercise price of approximately $1.034 per warrant and entitles the holder thereof to acquire 1.0 common share of Zodiac for each warrant held. The exercise of the warrants will provide total proceeds of approximately $32,250,000 to Zodiac. After giving effect to this exercise of warrants, there are now 14,500,000 warrants outstanding of the same class.

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

N/A

7. Omitted Information:

N/A

8. Executive Officer:

For further information, please contact

Randy Neely
Chief Financial Officer

Zodiac Exploration Corp.
Telephone: 403-444-7848

9. Date of Report:

June 7, 2011

Forward-Looking Statements

This material change report contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", “intends”, "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this material change report contains forward-looking statements with respect to the number of common shares to be issued pursuant to the exercise of the warrants and the approximate proceeds to be received pursuant to the exercise of the warrants.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors (many of which are beyond the control of Zodiac) that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally, the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited to: operational risks in exploration, development and production; delays or changes in plans; competition for and/or inability to retain drilling rigs and other services; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and supplies; risks associated to the uncertainty of reserve estimates; governmental regulation of the oil and gas industry, including environmental regulation; geological, technical, drilling and processing problems and other operational difficulties; the uncertainty of estimates and projections of costs and expenses; unanticipated operating events or performance which can delay exploration plans; incorrect assessments of the value of acquisitions; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; access to capital; and other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

In addition to other factors and assumptions which may be identified in this material change report, assumptions have been made regarding, among other things: currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Zodiac operates and the general stability of the economic and political environment in which Zodiac operates. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking information contained in this material change report is expressly qualified by this cautionary statement. Zodiac does not undertake any obligation to update or revise any forward-looking statements to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.