

Form 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF COMPANY

Pennant Energy Inc.
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Vancouver, BC
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Telephone: 604 689 1799
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ITEM 2. DATE OF MATERIAL CHANGE

October 19, 2011

ITEM 3. NEWS RELEASE

The press release was issued on October 19, 2011 to the TSX Venture Exchange and through various other public media (Canada Stockwatch, Market News Inc.) and filed on SEDAR– all in accordance with the policies of the regulatory authorities.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Vancouver, B.C., October 19, 2011 – Thomas Yingling, President of Pennant Energy Inc. (**TSX.V-PEN**) is pleased to announce, pursuant to our September 28 press release it has been informed by the operator, Donnybrook Energy Inc. (Donnybrook) of Calgary that the Bigstone, Montney Formation horizontal well, Donnybrook HZ Bigstone 14-29-60-22W5, has been successfully completed and flow tested. On October 12th, a 240 ton, 12 stage continuous fracture treatment along the 1254 meter lateral leg of the well (horizontal portion) was carried out over a 6 hour period. Immediately after, the well was flowed for cleanup and subsequently flow tested for approximately 4 days and is currently shut-in for built up. The well, after clean-up, produced gas and condensate over the last 24 hours of the test at approximately 4.3 million cubic feet per day (mmcf/day) and 295 barrels per day (bbls/day) of condensate (1011 barrels of oil equivalent per day, boe/day).

The 14-29-60-22w5 well has tested at comparable or better rates to a well located approximately 5 miles to the south which was drilled and completed in a similar manner (1200 meter lateral with 12 stage frac) and tested rates of (3.5 mmcf/day and 225 bbls/day of condensates; 808 boe/d). The operator of that well has offset the initial test with 2 longer horizontal wells with 2000 and 2538 meter laterals at locations about 4 miles south of (1 mile closer to) the Bigstone 14-29 well. The 2000 meter lateral section tested at rates of 13.1 mmcf/day and 655 bbls/day of condensate (2,840) boe/day). The 2538 meter lateral section tested at 15mmcf/day and 600-900 bbls of condensates. (3100-3400 boe/d).

The Donnybrook HZ Bigstone 14-29-60-22w5 well confirms the Montney formation at Bigstone is at least comparable or possibly better in reservoir quality to the Montney that has been drilled at Fir 4 miles to the south. Accordingly, longer 2000-2600m lateral sections at Bigstone should produce a similar increase in results with test rates anticipated to be 3 to 4 times higher than the 14-29-60-22w5 well has achieved.

Thomas Yingling President of Pennant Energy Inc. stated, “the Bigstone well has clearly exceeded our expectations. The Bigstone/Fir Montney area resource development potential has attracted a significant amount of attention in recent months, not only reflected in the current and planned drilling activity in the area, but also in the high land prices paid (\$2,500/ha) at recent Crown sales Pennant’s 25% W.I. in 1792 ha of contiguous lands at Bigstone represents a potential drilling inventory of 13-27 development locations depending on the length of the horizontal leg of each well. We are looking forward to developing this exciting project with our partners”.

Based on the reported production performance of longer lateral wells to the south at Fir and the quality of the Montney reservoir section encountered at Bigstone, Donnybrook has informed Pennant that it is planning to drill a longer 2000-2200m lateral as the next well in the project.

To view a brief video detailing the horizontal frac process please visit our web site at www.pennantenergy.com and for further information on any of our projects please feel free to contact the company at 604-689-1799.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 Full Description of Material Change

Vancouver, B.C., October 19, 2011 – Thomas Yingling, President of Pennant Energy Inc. (TSX.V-PEN) is pleased to announce, pursuant to our September 28 press release it has been informed by the operator, Donnybrook Energy Inc. (Donnybrook) of Calgary that the Bigstone, Montney Formation horizontal well, Donnybrook HZ Bigstone 14-29-60-22W5, has been successfully completed and flow tested. On October 12th, a 240 ton, 12 stage continuous fracture treatment along the 1254 meter lateral leg of the well (horizontal portion) was carried out over a 6 hour period. Immediately after, the well was flowed for cleanup and subsequently flow tested for approximately 4 days and is currently shut-in for built up. The well, after clean-up, produced gas and condensate over the last 24 hours of the test at approximately 4.3 million cubic feet per day (mmcf/day) and 295 barrels per day (bbls/day) of condensate (1011 barrels of oil equivalent per day, boe/day).

The 14-29-60-22w5 well has tested at comparable or better rates to a well located approximately 5 miles to the south which was drilled and completed in a similar manner (1200 meter lateral with 12 stage frac) and tested rates of (3.5 mmcf/day and 225 bbls/day of condensates; 808 boe/d). The operator of that well has offset the initial test with 2 longer horizontal wells with 2000 and 2538 meter laterals at locations about 4 miles south of (1 mile closer to) the Bigstone 14-29 well. The 2000 meter lateral section tested at rates of 13.1 mmcf/day and 655 bbls/day of condensate (2,840) boe/day). The 2538 meter lateral section tested at 15mmcf/day and 600-900 bbls of condensates. (3100-3400 boe/d).

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5.2 Disclosure for Restructuring Transactions

N/A

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

N/A

ITEM 7. OMITTED INFORMATION

N/A

ITEM 8. EXECUTIVE OFFICER

To obtain further information contact Mr. Thomas Yingling, the President of the Issuer, at (604) 689 1799.

ITEM 9. DATE OF REPORT

Dated at Vancouver, BC, this 19th day of October, 2011.

:signed "Thomas Yingling"

THOMAS YINGLING, PRESIDENT