FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Strategic Oil & Gas Ltd. ("**Strategic**")
1800, 510 5th Street SW
Calgary, Alberta
T2P 3S2

2. Date of Material Change:

December 1, 2010

3. News Release:

A press release reporting the material change was issued on December 1, 2010 via Marketwire.

4. Summary of Material Change:

The Corporation announced it has entered into an arms-length agreement to acquire (the "Acquisition") the shares of a private company, ("Privco"), for $10.5 million plus the assumption of $3.5 million in debt. By offering Privco shareholders the choice of cash or Strategic shares, they will have an opportunity to participate in the expected growth of Strategic through the development of Strategic's light oil resource play at Maxhamish, northeast British Columbia, its southern Alberta properties and now Privco's properties. Privco is a company with light oil production and lands situated entirely in northwest Alberta.

5. Full Description of Material Changes:

The Corporation announced it has entered into an arms-length agreement to acquire (the "Acquisition") the shares of a private company, ("Privco"), for $10.5 million plus the assumption of $3.5 million in debt. By offering Privco shareholders the choice of cash or Strategic shares, they will have an opportunity to participate in the expected growth of Strategic through the development of Strategic's light oil resource play at Maxhamish, northeast British Columbia, its southern Alberta properties and now Privco's properties. Privco is a company with light oil production and lands situated entirely in northwest Alberta.

Summary of the Acquisition

Through the acquisition, Strategic is acquiring high quality light oil assets, with a substantial land base and facilities, focused entirely in northwest Alberta, for total consideration of approximately $10.5 million in cash and/or Strategic common shares. Privco's primary asset is an owned and operated light oil field, producing from the Keg River zone. Privco is the primary operator in the area with over 110 sections of undeveloped land, oil and natural gas facilities and other infrastructure. This area has been under-exploited to date with minimal seismic or drilling activity.

In August, 2010, Privco experienced a pipeline break that shut in production until the repairs can be made upon winter freeze-up. Current production is approximately 250 boe/d with in excess of 250 bbls/d of light oil (34 degree API) shut-in as a result of the pipeline break. The production is expected to be back on stream in the first quarter of 2011, at which time this Acquisition will add an incremental 500 boe/d of production to Strategic, of which greater than 2/3 is light oil. There is some uncertainty as to the timing of the pipeline repair and reinstatement of production. This Acquisition will take Strategic's production to over 800 boe/d, not including planned additions from the Maxhamish field in northeast British Columbia.

The purchase price will be approximately $10.5 million to acquire 100% of the outstanding shares of Privco. On closing, after change of control and transaction costs, Privco is anticipated to have a net working capital deficit of $3.5 million, primarily represented by secured debentures that have a 5% interest rate and mature in November, 2011. The enterprise value is $14.0 million.

Key statistics of Privco

Current production	250 boe/d
Additional shut in production	250 + boe/d
Expected production in Q1, 2011	500 + boe/d (2/3 light oil)
Undeveloped land	110 net sections
Tax pools	Greater than $100 million $40 million non-capital losses
Facilities Oil Natural gas	Capable of producing 2,000 bbl/d of oil Modern facility that can process 30 MMcf/d of natural gas

Acquisition Metric

Based on an estimated enterprise value of $14.0 million, assuming no value for undeveloped land, seismic, tax pools and facilities the transaction metric is as follows:

Production (1) $28,000/flowing barrel

(1) Based on 500 boe/d

Benefits of the Acquisition to Strategic

1. Provides a low cost acquisition of 500 boe/d production at $28,000/flowing barrel. This acquisition will take Strategic's total production to more than 800 boe/d.;

2. Ability to turn into all year round access area with minimal capital;

3. Strategic will pay a relatively low price for production. In addition, the transaction provides Strategic with the following without any additional cost:

    a. more than 110 sections of undeveloped land;

    b. more than $100 million of high quality tax pools;

    c. A well-maintained natural gas facility with capacity in excess of 30 MMcf/d, and an estimated replacement cost of in excess of $35 million;

4. Additional optimization/workover opportunities for short term production growth;

5. Long term natural gas potential in a prolific Slave Point/Sulphur Point producing area;

6. Strategic will own all petroleum and natural gas rights on the lands, providing for the potential for other high impact hydrocarbon opportunities upon further technical review.

Future Development Plans

Based on the technical work to date, the current plan for the winter of 2011 would consist of:

i. Ensuring light oil is back on production in Q1, 2011;

ii. Shooting an extensive 3-D program on the property;

iii. Optimizing facilities/production; and

iv. Develop all year round access to the property.

This program will allow Strategic time to assess the geology, geophysics and reservoir engineering to put together a more comprehensive development plan, including a multi-well drilling program. Strategic is considering a preliminary 2011 capital program of approximately $10 million for the Privco properties.

"We are extremely pleased to be able to make this acquisition as it is a low cost addition into an area where we see tremendous upside. This acquisition is accretive to all primary metrics of Strategic, including cash flow per share, net asset value per share and production on a flowing barrel." said Arn Schoch, President and CEO of the Corporation.

Plan of Arrangement

Strategic and Privco have entered into an agreement (the “Arrangement Agreement”) pursuant to which Strategic and Privco have agreed that the Acquisition will be conducted by means of a plan of arrangement under the Business Corporations Act (Alberta). Strategic will offer to pay approximately $10.5 million in either cash, common shares of Strategic at a deemed price of $0.90 or a combination thereof in exchange for all of the approximately 34.5 million shares of Privco outstanding. The Privco shares outstanding are comprised of Class A special shares, Class B special shares, Class X incentive shares and common shares.. The offer is $0.30 per share in cash or 0.33 shares of Strategic for each share of Privco. If the Priveco shareholders chose to accept all Strategic shares for the purchase price, approximately 11,667,00 Strategic shares will be issued pursuant to the Arrangement. The Arrangement Agreement provides that completion of the Acquisition is subject to certain conditions, including the approval of the TSX Venture Exchange, the approval of the shareholders of Privco, voting by class, and the approval of the Court of Queen’s Bench of Alberta.

Holders of in excess of 51% of the Class A special shares and the common shares, 33% of the Class B special shares, and 100% of the Class X incentive shares have entered into agreements with Strategic pursuant to which they have agreed to vote their shares in favour of the Acquisition. The Board of Directors of Privco, who have received an independent fairness opinion, has unanimously approved the Acquisition and has recommended that the shareholders of Privco vote in favour of the Acquisition.

The Arrangement Agreement, among other things, provides for a non-completion fee to Strategic of up to $500,000 in the event the Acquisition is not completed in certain circumstances. The Acquisition is anticipated to close on December 22, 2010.

An information circular regarding the Arrangement Agreement is expected to be mailed to security holders of Privco on November 30, 2010, with a special meeting scheduled to be held on December 22, 2010.

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

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

For further information, please contact:

Arn Schoch, President (403)718-0183 ext. 242

9. Date of Report:

December 1, 2010