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:

May 31, 2011

3. News Release:

A press release reporting the material change was issued on May 31, 2011 via Marketwire.

4. Summary of Material Change:

The Corporation announced the expansion of its credit facilities. The Corporation announced that its primary lender, Alberta Treasury Branches ("ATB) has approved an increase to its available revolving operating line of credit from $5,000,000 to $21,000,000 effective May 31, 2011.

5. Full Description of Material Changes:

The Corporation announced the expansion of its credit facilities. The Corporation announced that its primary lender, Alberta Treasury Branches ("ATB) has approved an increase to its available revolving operating line of credit from $5,000,000 to $21,000,000 effective May 31, 2011. The terms are similar to previous terms with the most notable change being that the interest rate has been decreased to prime plus 1.25% to reflect current market conditions for a credit facility of this nature. The increase in value of the facility is primarily attributed to the oil and gas properties acquired in the acquisition of Steen River Oil & Gas Ltd. ("Steen River").

The increased revolving operating line of credit will be available for future capital expenditures in Canada or for general corporate purposes. Strategic should not need to utilize this additional line during the next nine months for current projects as the drilling programs at Maxhamish and the drilling/optimization programs at Steen River are anticipated to be funded from current cash and cash flow.

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:

May 31, 2011