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:

February 25, 2013

3. News Release:

A press release reporting the material change was issued on February 25, 2013 via Marketwire.

4. Summary of Material Change:

The Corporation announced its year-end reserves and provide an update on its first quarter drilling program.

In accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), the Company's oil, natural gas and natural gas liquids ("NGL") reserves were evaluated by an independent engineering firm, McDaniel and Associates Consultants Ltd. ("McDaniel") as at December 31, 2012. Gross reserves included in this release are Strategic's working interest reserves before royalty burdens. Complete NI 51-101 reserves disclosure will be included in Strategic's annual NI 51-101 filings which will be filed prior to April 30, 2013.

HIGHLIGHTS

- Strategic added 3.7 MMBoe of proved and probable reserves in 2012, excluding production, for a reserve replacement ratio of 479 percent.
- After production of 0.8 MMBoe, proved and probable reserves increased 2.9 MMBoe (55 percent) from 5.3 MMBoe at year-end 2011 to 8.2 MMBoe (78% oil) at December 31, 2012. Proved reserves increased 25 percent to 4.0 MMBoe (85% oil) from 3.2 MMBoe at year-end 2011.
- Pre-tax net asset value of the Company's reserves, using McDaniel's forecast pricing and discounted at 10%, increased to $90 million for proved reserves and $139 million for proved and probable reserves at December 31, 2012 from $68 million for proved reserves and $96 million for proved and probable reserves at December 31, 2011.
- Strategic realized finding and development costs ("F&D"), including future development capital ("FDC"), of $26.23 per Boe for 2012 based on capital expenditures of $63.2 million.
- Including the previously-announced acquisition of Steen River assets in December 2012, finding, development and acquisition costs ("FD&A"), including changes in FDC, were $29.58 per Boe on a proved and probable basis.

OPERATIONAL UPDATE

During 2012, Strategic undertook to expand its land holdings at Steen. Strategic was very successful, acquiring approximately 100,000 hectares at an average cost of $16 per hectare, well below the 2012 Alberta average cost of $360 per hectare. Strategic's undeveloped land position has now grown to 155,984 net hectares.

Keg River

In late 2012 Strategic drilled two vertical keg river wells, 02/11-28 was drilled into the existing keg river pool and 02-13 as a step out well to test a potential new keg river structure. The well 02/11-28, producing at an oil rate of over 200 Boe/d is outperforming the keg river type curve. Vertical step out well 02-13 resulted in a new keg river pool discovery on the eastern side of the rim. The vertical well has intersected a lower permeability keg river reservoir which has been mapped to extend over 5 square km with an estimated original oil in place of 40 million barrels. The vertical well is currently producing at 50 Boe/d. This new keg river pool will be an ideal candidate for horizontal development.

In 2013, Strategic drilled 3 step out vertical wells at Steen River. Two of the three vertical wells were targeting new pools with the third well extending an existing keg river pool. All three wells have been cased with promising shows while drilling and on logs. The three wells are currently being flow tested to a temporary battery and are expected to be tied in during March.

Muskeg Stack

Strategic completed its first multistage frac well 03/12-18 into the muskeg formation in the fourth quarter of 2012. Due to limited fluid handling capability at the West Marlowe field, the horizontal well has been flowing into a pipeline against a back pressure of 4000-5000 kpa, which limits the drawdown on the well. The well is currently producing 180 Boed (45% light oil) with limited drawdown. Strategic is planning to tie the well into the newly acquired facility and optimize the drawdown in March 2013.

In 2013 Strategic drilled a muskeg stack horizontal well 14-18, following up on the success of the horizontal well 03/12-18. A second muskeg horizontal well is currently underway from the same pad and completion operations will commence on both wells once the second drilling operation is completed.

In order to prove up the muskeg stack fairway, Strategic completed a vertical well 07-28 in the muskeg stack. This well is located approximately 15 km east of the first muskeg stack horizontal well. This well is currently producing at 75 Boe/d. A third muskeg stack horizontal well has been spudded at 13-28, keying off of a successful vertical test of the Muskeg Stack in that region of the field. Strategic will be tying in the three new muskeg stack horizontal wells in March 2012.

In addition, Strategic has undertaken four recompletions in existing wellbores to confirm the resource potential of several zones as well as testing completion techniques to improve the initial production potential of the wells. The results have been very encouraging and these wells are being placed on production to ascertain the longer term performance of these wells.

Strategic's current corporate production is 3,100 Boe/d (91% oil). The current production does not include any new production from the wells drilled to date in 2013. The new wells will be tied into Strategic's facility at Steen River starting in March 2013. Approximately 50% of Strategic's current light oil production is transported by rail. The rail option gives Strategic exposure to Brent and WTI pricing for its crude. The Company reaffirms its earlier production guidance of an average of 4,000 Boe/d for 2013.

5. Full Description of Material Changes:

The Corporation announced its year-end reserves and provide an update on its first quarter drilling program.

RESERVES

In accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), the Company's oil, natural gas and natural gas liquids ("NGL") reserves were evaluated by an independent engineering firm, McDaniel and Associates Consultants Ltd. ("McDaniel") as at December 31, 2012. Gross reserves included in this release are Strategic's working interest reserves before royalty burdens. Complete NI 51-101 reserves disclosure will be included in Strategic's annual NI 51-101 filings which will be filed prior to April 30, 2013.

The Company's aggregate proved and probable reserves are reported in barrels of oil equivalent (Boe). Boe may be misleading, particularly if used in isolation. A Boe conversion ratio for natural gas of 6 Mcf: 1 Boe has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

HIGHLIGHTS

- Strategic added 3.7 MMBoe of proved and probable reserves in 2012, excluding production, for a reserve replacement ratio of 479 percent.
- After production of 0.8 MMBoe, proved and probable reserves increased 2.9 MMBoe (55 percent) from 5.3 MMBoe at year-end 2011 to 8.2 MMBoe (78% oil) at December 31, 2012. Proved reserves increased 25 percent to 4.0 MMBoe (85% oil) from 3.2 MMBoe at year-end 2011.
- Pre-tax net asset value of the Company's reserves, using McDaniel's forecast pricing and discounted at 10%, increased to $90 million for proved reserves and $139 million for proved and probable reserves at December 31, 2012 from $68 million for proved reserves and $96 million for proved and probable reserves at December 31, 2011.
- Strategic realized finding and development costs ("F&D"), including future development capital ("FDC"), of $26.23 per Boe for 2012 based on capital expenditures of $63.2 million.
- Including the previously-announced acquisition of Steen River assets in December 2012, finding, development and acquisition costs ("FD&A"), including changes in FDC, were $29.58 per Boe on a proved and probable basis.

Strategic's reserves at December 31, 2012 are summarized below.

Gross Reserves[1]	**Light and Medium Crude Oil (Mbbl)**	**Heavy Oil (Mbbl)**	**Natural Gas (MMcf)**	**Natural Gas Liquids (Mbbl)**	**Oil Equivalent (MBoe)**
Proved Producing	2,669	137	2,604	40	3,279
Proved Non-Producing	405	0	809	1	541
Proved Undeveloped	193	0	20	0	197
Total Proved	**3,268**	**137**	**3,433**	**41**	**4,017**
Total Probable	**2,905**	**78**	**6,895**	**34**	**4,167**
Total Proved and Probable	**6,173**	**215**	**10,328**	**75**	**8,184**

[1] Gross Corporate reserves are the Company's total working interest share before the deduction of any royalties and without including any royalty interests of the Company. The December 31, 2012 reserves report has been prepared in accordance with the definitions, procedures and standards contained in the Canadian Oil and Gas Evaluation Handbook and NI 51-101- Standards of Disclosure for Oil and Gas Activities.

Proved and probable producing reserves represent 55 percent of total proved and probable reserves. 87 percent of the Company's total reserves are located in the Steen River core area.

McDaniel estimates the FDC required to convert undeveloped and non-producing reserves to producing reserves at $50.1 million.

A reconciliation of the Company's reserves at December 31, 2012 to the previous year-end is as follows.

Thousand Barrels of Oil Equivalent (MBoe)	**Proved**	**Probable**	**Proved and Probable**
Opening Balance December 31, 2011	3,217	2,054	5,271
Discoveries and Extensions	1,101	2,534	3,635
Technical Revisions	289	(475)	(186)
Acquisitions	316	122	439
Economic Factors	(138)	(68)	(206)
Production[(1)]	(769)	0	(769)
Closing Balance December 31, 2012	**4,017**	**4,167**	**8,184**

[(1)] Production information is from Strategic's preliminary unaudited consolidated financial statements for the year ended December 31, 2012.

Strategic's light and medium oil, natural gas and NGL reserves were evaluated by McDaniel using McDaniel's product price forecasts effective January 1, 2013 prior to provision for financial risk management contracts, income taxes, interest, debt service charges and general and administrative expenses. The following table summarizes the net present value from recognized reserves at December 31, 2012, assuming various discount rates, and incorporating future development costs and abandonment liabilities. **It should not be assumed that the discounted future net revenues estimated by McDaniel represent the fair market value of the Company's assets or future production from the assets.**

Summary of Before Tax Net Present Value of Future Net Revenue (Forecast Pricing[(1)]) [(2)]

		Discounted at		
($ thousands)	**Undiscounted**	**5%**	**10%**	**15%**
Proved Producing	95,561	81,823	72,034	64,755
Proved Non-Producing	16,693	14,770	13,267	12,064
Proved Undeveloped	6,613	5,657	4,901	4,293
Total Proved	**118,867**	**102,250**	**90,202**	**81,111**
Total Probable	**99,020**	**68,127**	**48,853**	**35,991**
Total Proved and Probable	**217,887**	**170,377**	**139,055**	**117,103**

[(1)] Based on McDaniel's January 1, 2013 escalated price forecast.
[(2)] Tables may not add due to rounding. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Strategic's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

Strategic incurred capital expenditures of $87 million in 2012, of which $59 million was spent on exploration and development, $4 million was spent on land and seismic and $24 million was spent on acquisitions. The following table summarizes Strategic's F&D costs as well as FD&A costs, both before and after the inclusion of changes in FDC.

2012 F&D and FD&A Costs

($ thousands (unaudited), except as noted)	Proved	Proved & Probable
F&D Costs, Excluding FDC		
Exploration and Development Expenditures[1]	63,206	63,206
Reserve Additions, Including Revisions - MBoe	1,253	3,244
F&D Costs - $/Boe	**50.44**	**19.49**
F&D Costs, Including FDC		
Exploration and Development Expenditures[1]	63,206	63,206
Total Change in FDC	(8,721)	21,865
Total F&D Capital, Including Change in FDC	54,485	85,071
Reserve Additions, Including Revisions - MBoe	1,253	3,244
F&D Costs- $/Boe	**43.48**	**26.23**
FD&A Costs, Excluding FDC		
Exploration and Development Capital Expenditures[1]	63,206	63,206
Net Acquisitions	23,835	23,835
FD&A Capital Expenditures, Including Net Acquisitions	87,041	87,041
Reserve Additions, Including Net Acquisitions - MBoe	1,919	3,682
FD&A Costs - $/Boe	**45.36**	**23.64**
FD&A Costs, Including FDC		
FD&A Capital Expenditures, Including Net Acquisitions[1]	87,041	87,041
Total Change in FDC	(8,721)	21,865
Total FD&A Capital, Including Change in FDC	78,320	108,906
Reserve Additions, Including Net Acquisitions - MBoe	1,919	3,682
FD&A Costs, Including FDC - $/Boe	**40.82**	**29.58**

[1] Financial information is from Strategic's preliminary unaudited consolidated financial statements for the year ended December 31, 2012.

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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:

Gurpreet Sawhney, President (403)767-2949

9. Date of Report:

February 25, 2013