

FORM 51-102F3
MATERIAL CHANGE REPORT

Name and Address of Company

1. Tanager Energy Inc. (“**Tanager**” or the “**Corporation**”)
3056 - 40 Ave. S.
Lethbridge, Alberta T1K 6Z9

Date of Material Change

2. June 8, 2016

News Release

3. A press release was disseminated on June 8, 2016 via Marketwired.

Summary of Material Change

4. Tanager provides update on proposed acquisition of an undivided 50% interest in a producing well and certain lease holdings and a 50% participation right in certain wells to be drilled to the prolific woodbine formation on those leases, in Polk County and Tyler County, Texas.

Full Description of Material Change

5. **5.1 Full Description of Material Change**

Trading will resume in the common shares of Tanager on the TSX Venture Exchange commencing at the opening of trading on Thursday, June 9, 2016.

Tanager intends to close the proposed acquisition of an undivided 50% interest in a producing well and certain lease holdings and a 50% participation right in certain wells to be drilled to the prolific woodbine formation on those leases, in Polk County and Tyler County, Texas (the “**Proposed Transaction**”) following the annual general and special shareholders meeting (the “**Meeting**”) on June 27, 2016.

Tanager believes this key strategic acquisition located in the heart of a recent major oil and gas discovery is significant for the Corporation’s short and long term reserve growth potential and market capitalization value as evidenced by its 2P reserve report. Tanager’s major competitor in the area (Pantheon Resources LLC (PANR London AIM) has recently spudded its second well in the field area and has announced plans for a 3rd well.

As part of Tanager’s overall strategy for rapid growth in the US markets, it has recruited world class executive leadership to its board to lead it through these exciting times and as such following the re-election of the current directors of Tanager at the Meeting, three of the current directors, namely Hugh Loney, Patrick Acham and David W. Pryce, will resign upon the closing of the Proposed Transaction to create vacancies to allow for the appointment of the three nominees of the sellers, as required under the applicable purchase agreement. Upon closing of the Proposed Transaction, the Board of Directors of Tanager will be comprised of John Squarek, a current director of Tanager, and the three nominees of the sellers namely, Roland Oberlin, Craig Davis, and Thomas M. Crain Jr.

Mr. Oberlin is a Managing Director/Petroleum Engineer in the Houston Oil & Gas Group of the Commercial and Investment Banking Division of Societe' Generale, a position he has held since joining the firm in August 2003. Mr. Oberlin received a Bachelor's Degree in Chemical Engineering from the University of Wisconsin in 1973. His experience includes two years with Atlantic Richfield Company, seven years as an independent consultant and more than 30 years’ experience with four (4) different regional and international financial institutions. During his lengthy career, he has reviewed a large number of oil and gas development projects and producing fields on every continent where there is commercial oil and gas production. His upstream expertise and advice has been relied upon by numerous producers, investors and financial institutions over

the years. Immediately prior to joining Societe' Generale, Mr. Oberlin was an Executive Director for 15 years with Canadian Imperial Bank of Commerce in Houston, where he provided technical engineering expertise for commercial lending and capital markets transactions to the oil and gas industry, both domestically and internationally. Mr. Oberlin is a registered Professional Engineer in the State of Texas and holds Series 79 and Series 63 Securities Licenses from FINRA.

Mr. Davis co-founded Interactive Exploration Solutions Inc., (INEXS) in 1990 to provide premium quality geoscience, and engineering consulting services to the worldwide oil and gas industry. He is actively involved with the management of many of the company's projects, and is responsible for most of the large projects for major oil companies that include field evaluations, packaging and selling producing assets and major acquisitions. Throughout the years, Craig has led exploration teams on various field development and exploration projects for clients in Venezuela, Turkey, the UK, Indonesia, Eritrea, Norway, India, The Netherlands, and numerous locations in Texas, Louisiana and the Gulf of Mexico. He has also managed multiple projects of varying size, while one of the largest projects objective was to review, interpret, package and sell the exploration upside potential for 108 producing fields in the Gulf of Mexico for Unocal. Craig began his career in 1980 when he graduated from Indiana University with a BSc in Geology, and began working the mid-continent of the U.S. for Texaco in Tulsa. His career path has included companies such as Mondanto Oil Company, Tri-D, and Landmark Graphics, as well as projects in such places as the deep water flexure trend and the Green Canyon 18 field, the Ivanhoe and Rob Roy field developments in the North Sea, regional projects in Norway, and of course the Gulf of Mexico.

Mr. Crain is currently Vice President and Chief Operating Officer of Everest Resource Company and its affiliates, with his primary responsibilities being to supervise all land acquisitions, oversee all lease brokers, market oil and gas prospects, negotiate joint venture agreements, seismic acquisitions, acquire and maintain oil and gas leaseholds, oversee and participate in investor relations, raise investor funds, and other landowner/mineral owner communications and related documentation. Mr. Crain has been employed with Everest Resource Company since February 1992. Mr. Crain graduated from Texas Christian University with a degree in Business in 1977.

The information provided below relates to Tanager's net share of the Proposed Transaction, and the reserves and Net Present Values are specific to this transaction and do not include any of Tanager's other properties.

The tables below set forth selected information presented in the report prepared by Mr. Rex D. Morris at the request of Tanager, which report has been reviewed by Deloitte LLP, the Corporation's independent qualified reserves auditor. The effective date of the report is April 1, 2016.

Summary of Oil and Gas Reserves as of Forecast Prices and Costs as of April 1, 2016

	Light and Medium Oil		Conventional Natural Gas	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)
Proved				
Developed Producing	0.00	0.00	0.00	0.00
Developed Non-Producing	112.48	42.18	1,381.69	518.13
Undeveloped	426.05	124.64	5,233.65	1,531.04
Total Proved	538.53	166.82	6,615.34	2,049.17
Probable	2,099.33	461.49	54,091.31	12,080.17
Total Proved Plus Probable	2,637.86	628.31	60,706.65	14,129.34

**Summary of Net Present Values of Future Net Revenue as of April 1, 2016
Forecast Prices and Costs**

	<u>Remaining Reserves</u>				
	<u>Gross</u>	<u>Company</u>		<u>@ 0%</u>	<u>@ 5%</u>
	<u>100%</u>	<u>Gross</u>	<u>Net</u>		
<u>Grand Total (Mboe) -</u>					
<u>Before Tax</u>					
Proved Developed					
Producing	0.00	0.00	0.00	0.00	0.00
Proved Developed Non-					
Producing	430.29	342.76	128.54	3,006.0	1,618.7
Proved Undeveloped	<u>1,298.33</u>	<u>1,298.33</u>	<u>379.81</u>	<u>5,871.9</u>	<u>3,662.8</u>
Total Proved	1,728.61	1,641.09	508.35	8,877.9	5,741.2
 Total Probable	 11,114.55	 11,114.55	 2,474.85	 60,340.7	 43,995.0
 Total Proved + Probable⁽¹⁾⁽²⁾	 12,843.16	 12,755.64	 2,983.20	 69,218.6	 49,736.2

Notes:

- (1) Forecast pricing used is based on a forward looking averaged NYMEX Spot price in US dollars as of April 1, 2016.
- (2) It should not be assumed that the estimates of the present value of future net revenues before tax presented in the above tables represent the fair market value of the reserves. There can be no assurance that the forecast price and cost assumptions contained in the report will be consistent with actual prices and costs and variances could be material.
- (3) All US dollar amounts in the report have been converted to Canadian dollars based on the closing price of the Bank of Canada on June 7, 2016, being 1.2771.

The reserves evaluation was conducted by Mr. Morris in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) relying on the Canadian Oil and Gas Evaluation Handbook (COGEH).

Mr. Squarek, Tanager’s President, believes that the completion of the Proposed Transaction is an exciting step in Tanager’s move to a goal of at least 2000 bbls/day of oil equivalent within 12 to 18 months, a goal it plans to achieve in part by expanding its activities to the United States.

Forward-Looking Information: This material change report contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this material change report contains forward-looking information regarding: the Proposed Transaction and completion of the Proposed Transaction. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Tanager’s current beliefs and is based on information currently available to Tanager and on assumptions Tanager believes are reasonable. These assumptions include, but are not limited to: TSXV acceptance of Proposed Transaction; satisfaction of the conditions to the completion of the Proposed Transaction; market acceptance and approvals, including TSXV acceptance; and the

anticipated closing date for the Proposed Acquisition.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Tanager to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; geological, technical, drilling and processing problems; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future operations; competition; changes in legislation, including environmental legislation, affecting Tanager; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals. A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Tanager's disclosure documents on the SEDAR website at www.sedar.com. Although Tanager has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this material change report is expressly qualified by this cautionary statement. The forward-looking information contained in this material change report represents the expectations of Tanager as of the date of this material change report and, accordingly, is subject to change after such date. However, Tanager expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

BOE Presentation. References herein to "boe" mean barrels of oil equivalent derived by converting gas to oil in the ratio of six thousand cubic feet (Mcf) of gas to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them

capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

5.2 Disclosure for Restructuring Transactions

Not Applicable

6. Reliance on Section 7.1(2) of National Instrument 51-102

Not Applicable

7. Omitted Information

Not Applicable

8. Executive Officer

The name and business number of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

John Squarek, President and CEO

Phone: 403 388-0969

E-mail: john@tanagerenergy.com

9. Date of Report

June 9, 2016