MATERIAL CHANGE REPORT

1. **Reporting Issuer:**

Tuscany Energy Ltd. ("**Tuscany**")
1800, 633 Sixth Avenue S.W.
Calgary, Alberta T2P 2Y5

2. **Date of Material Change:**

March 25, 2011

3. **News Release**

A joint press release announcing the material change was issued by Tuscany and Sharon Energy Ltd. ("**Sharon**") on March 28, 2011 and disseminated through the facilities of a recognized newswire service.

4. **Summary of Material Change:**

On March 28, 2011 Tuscany and Sharon announced that they had entered into an agreement in principle (the "**Agreement in Principle**") pursuant to which Tuscany will acquire all of the issued and outstanding shares of Sharon ("**Sharon Shares**").

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

5.1 Full Description of Material Change

Acquisition of Sharon

On March 28, 2011 Tuscany and Sharon announced that they had entered into the Agreement in Principle pursuant to which Tuscany will acquire, subject to certain conditions, all of the issued and outstanding Sharon Shares pursuant to a plan of arrangement (the "**Transaction**") on the basis of 0.84 common shares of Tuscany ("**Tuscany Share**") for each one (1) Sharon Share.

Following completion of the Transaction, Tuscany will have approximately 124.9 million common shares outstanding, of which approximately 50% will be held by current shareholders of Tuscany and approximately 50% of which will be held by former shareholders of Sharon. The combined entity will have total proved plus probable reserves of approximately 1,345,000 barrels of oil equivalent ("**BOE**"), current estimated production of 250 BOE per day ("**BOE/d**"), approximately 17,000 net acres of undeveloped land and marketable securities with a current value of approximately $4.0 million. The combined entity will also have working capital of approximately $4.2 million and an unused bank line of $4.6 million.

The Transaction is subject to the parties entering into a definitive arrangement agreement. Closing is expected to occur by the end of May 2011, subject to satisfaction of certain conditions including standard stock exchange, court and regulatory approvals and the requisite two-thirds majority and the majority of minority approvals of both Tuscany's and Sharon's shareholders. It is anticipated that the definitive agreement will be negotiated and entered into within the next two weeks, with an information circular, prepared jointly by the parties, to subsequently be mailed to shareholders of both Tuscany and Sharon in connection with the shareholder meeting of each company expected to be held in May 2011 to consider and approve the Transaction.

Board Recommendations

The Board of Directors of each of Tuscany and Sharon established a Special Committee comprised of independent directors with a mandate, among other things, to consider the Transaction and to make a recommendation to the respective Board of Directors in respect thereof. The Special Committee of the Board of Directors of each of Tuscany and Sharon recommended that their respective Boards of Directors approve the Transaction. Based on the recommendation of their respective Special Committee, the Board of Directors of each of Tuscany and Sharon unanimously approved the Transaction and has concluded that the Transaction is in the best interest of its shareholders and company and has unanimously resolved to recommend that its shareholders vote their shares in favour of the Transaction.

Emerging Equities Inc. ("**EEI**") was engaged to act as Sharon's exclusive financial advisor with respect to the Transaction. EEI has advised the Board of Directors of Sharon that, in its opinion, subject to review of final documentation, the consideration to be received by Sharon shareholders pursuant to the Transaction is fair, from a financial point of view, to Sharon shareholders.

Certain shareholders, including the directors and members of senior management of each of Tuscany and Sharon, who beneficially own or exercise control or direction over approximately 42% of the Tuscany Shares and 31% of the Sharon Shares, have indicated that they intend to vote their Tuscany and Sharon shares, as the case may be, in favour of the Transaction and will enter into support agreements relating thereto.

Benefits of the Transaction

The management of both Tuscany and Sharon believe the business combination will have synergistic benefits for the future growth of the combined company. Tuscany's major property, the Dina pool on its Evesham, Saskatchewan lands, has been assigned proved and probable reserves to 14 additional horizontal drilling locations in the independent engineering evaluation prepared for the company. In a Contingent Resource Evaluation Report it was estimated that Tuscany could drill up to 59 additional wells on the property. As the development of this property will require further funding, the addition of the working capital that Sharon brings to the business combination will allow the development of the property to be significantly accelerated. In addition, both companies share working interests in other oil prospects in Alberta and Saskatchewan that are in various stages of development which may also be accelerated as a result of the transaction.

Corporate Governance

Following completion of the Transaction, Tuscany's management team will be led by Robert Lamond, as President and Chief Executive Officer, and include Don Clark, Marshall Kis, John McLeod and Tony Teare, each as Vice President, and Brad Perry, as Chief Financial Officer.

Subject to approval of Tuscany's shareholders, Mr. Lamond will also continue to lead Tuscany's board of directors as Chairman, with the other board nominees being David Bennington, Don Clark, Roger Hume, John McLeod, Glen Phillips, John Steinhauser and Tony Teare.

Related Party Transaction

The Transaction constitutes a related party transaction for Tuscany and a business combination for Sharon under the policies of the TSX Venture Exchange ("**TSXV**"), which incorporates by reference Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Under MI 61-101, the Transaction is a related party transaction because Tuscany is acquiring Sharon, and Sharon and Tuscany are related parties due to Robert Lamond, the chairman of both Tuscany and Sharon, being a control person of each of Tuscany and Sharon.

The following related parties of Tuscany will receive an aggregate of 18,896,780 Tuscany Shares in exchange for the 22,496,167 Sharon Shares they currently hold: Mr. Lamond will receive, directly and indirectly,18,512,060 Tuscany Shares in exchange for 22,038,167 Sharon Shares held, directly or indirectly (17,499,301 of the Tuscany Shares will be issued to Humboldt Capital Corporation ("**Humboldt**"), a company of which Mr. Lamond owns or controls, directly or indirectly, 71% of the outstanding shares); Charles A. Teare, a director and officer of both Tuscany and Sharon, will receive 300,720 Tuscany Shares in exchange for 358,000 Sharon Shares currently held; and Donald Clark , an officer of both Tuscany and Sharon and a director of Tuscany, will receive 84,000 Tuscany Shares in exchange for 100,000 Sharon Shares currently held.

Following the completion of the Transaction, Messrs. Lamond, Teare and Clark will hold, directly or indirectly, an aggregate of 43,522,494, 1,430,720 and 84,000 Tuscany Shares, respectively, representing approximately 34.9%, 1.1% and 0.1% of the outstanding Tuscany Shares, respectively.

The Transaction is exempt from the formal valuation requirements of MI 61-101 as the Tuscany Shares are listed on the TSXV.

BOEs

*Barrels of oil equivalent ("**BOE**") may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel and is based on an energy equivalent conversion method applicable at the burner tip and does not represent an economic value equivalency at the wellhead.*

Forward Looking Statements

This material change report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this material change report contains forward looking statements and information concerning the combined company's working capital and bank facility, reserves, undeveloped landholdings and anticipated benefits from the Transaction. The forward-looking statements and information are based on certain key expectations and assumptions made by Tuscany and Sharon, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates and reserve volumes; the timing of receipt of regulatory and shareholder approvals, the performance of existing wells; the success obtained in drilling new wells; and the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although Tuscany and Sharon believe that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Tuscany and Sharon can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. There are risks also inherent in the nature of the proposed Transaction, including failure to realize anticipated synergies or cost savings; risks regarding the integration of the two entities; incorrect assessments of the values of the other entity; and failure to obtain the required shareholder, court, regulatory and other third party approvals.

This material change report also contains forward-looking statements and information concerning the anticipated completion of the proposed Transaction and the anticipated timing for completion of the Transaction. Tuscany and Sharon have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at *this time, including assumptions as to the time required and the ability of the companies to successfully negotiate and enter into a definitive agreement with respect to the Transaction, the time required to prepare meeting materials for mailing, the timing of receipt of the necessary regulatory and court approvals and the time necessary to satisfy the conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in negotiating and entering into a definitive agreement, preparing meeting materials, inability to secure necessary regulatory or court approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward looking statements and information contained in this material change report concerning these times. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Tuscany's, Sharon's or the combined company's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), in the case of Tuscany, at Tuscany's website (www.tuscanyenergy.com), and in the case of Sharon, at Sharon's website (www.sharonenergy.com). The forward-looking statements and information contained in this material change report are made as of the date hereof and Tuscany and Sharon undertake no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

5.2 Disclosure of Restructuring Transactions

Not applicable.

6. **Reliance on Confidentiality Provisions:**

Not Applicable

7. **Omitted Information:**

Not Applicable

8. **Executive Officer:**

Charles A. Teare
Executive Vice President
(403) 269-9889

9. **Date of Report:**

March 31, 2011