

MATERIAL CHANGE REPORT
Form 51-102F3

Item 1 **Name and Address of Company**

Twoco Petroleum Ltd. (“**Twoco**” or the “**Company**”)
1050, 1122 – 4th Street S.W.
Calgary, Alberta T2R 1M1

Item 2 **Date of Material Change**

The material changes occurred effective November 8, 2012.

Item 3 **News Release**

A press release relating to the material changes described herein was disseminated on November 8, 2012 via Marketwire.

Item 4 **Summary of Material Changes**

The Company announced an update of its overall oil and natural gas reserve base from December 31, 2011 to September 30, 2012, as evaluated by Sproule Associates Limited (“**Sproule**”) in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. The reserves and cash flow runs represent a computer recalculation to September 30, 2012 of the evaluation of the natural gas reserve base of the Company as of December 31, 2011 for all properties with the exception of the Warspite oil property. The Warspite oil property was updated by Sproule as of July 31, 2012 with cash flows recalculated to September 30, 2012.

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

For a full description of the material changes, please refer to the press release of the Company dated November 8, 2012 attached hereto as Schedule “A”.

5.2 **Disclosure for Restructuring Transactions**

Not applicable.

Item 6 **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

Not applicable.

Item 8 **Executive Officer**

For further information, please contact:

Wayne A. Malinowski
President and Chief Executive Officer
Telephone: (403) 231-8653
Fax: (403) 237-6048

Item 9 **Date of Report**

This report is November 19, 2012.

SCHEDULE "A"

TWOCO PETROLEUMS LTD. RESERVES UPDATE

November 8, 2012

Calgary, Alberta – Twoco Petroleum Ltd. ("**Twoco**" or the "**Company**") (TSX Venture – TWO) announces an update of its overall oil and natural gas reserve base from December 31, 2011 to September 30, 2012, as evaluated by Sproule Associates Limited ("**Sproule**") in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. The reserves and cash flow runs represent a computer recalculation to September 30, 2012 of the evaluation of the natural gas reserve base of the Company as of December 31, 2011 for all properties with the exception of the Warspite oil property. The Warspite oil property was updated by Sproule as of July 31, 2012 with cash flows recalculated to September 30, 2012.

A summary of the Company's reserves volumes according to reserve category as at September 30, 2012 is as provided in the following table. Unless otherwise stated, the reserves information included in this news release is stated on a "company interest" basis, which represents Twoco's working interest (operated and non-operated) share of remaining reserves before deduction of royalties and including any royalty interests. Numbers presented in table may not add exactly due to rounding.

Reserves Category	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Solution Gas (MMcf)	Natural Gas (MMcf)	Total Oil Equivalent (Mboe)
Proved					
Producing	0	164.8	172	1,059	369.9
Non-Producing	0	0	0	364	60.7
Undeveloped	0	769.2	796	0	901.8
Total Proved	0	934.0	967	1,423	1,332.4
Probable	0	1,734.2	2,365	1,138	2,318.0
Total Proved plus Probable	0	2,668.2	3,333	2,561	3,650.4

A summary of the Company's estimated future net revenues associated with Twoco's reserves as at September 30, 2012 based on the Sproule September 30, 2012 price forecast is provided in the following table. It should not be assumed that the net present values estimated by Sproule represent the fair market value of the reserves. Numbers presented in table may not add exactly due to rounding.

Reserves Category	Before Income Taxes Discounted at (%/year)				
	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved					
Producing	7,694	6,731	5,981	5,386	4,907
Non-Producing	353	307	268	236	208
Undeveloped	18,853	14,699	11,567	9,153	7,251
Total Proved	26,900	21,737	17,816	14,774	12,365
Probable	59,275	43,023	32,188	24,637	19,160
Total Proved plus Probable	86,174	64,760	50,004	39,411	31,526

The decline in overall reserve values from December 31, 2011 is primarily due to a significant reduction in the price forecast used by Sproule on September 30, 2012 versus December 31, 2011 as well as a decline in overall reserve quantities. The change in reserve quantities is related to revised recovery assumptions based on additional production history from the Company's producing heavy oil wells.

Relevant portions of the Sproule September 30, 2012 price forecast used in the Company's evaluation are as follows:

Year	WTI at Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40 Deg API (\$Cdn/bbl)	Hardisty Bow River 24.9 Deg API (\$Cdn/bbl)	Hardisty Heavy 12 Deg API (\$Cdn/bbl)	Alberta AECO Average Price (\$Cdn/mcf)	US/Cdn Exchange Rate (\$US/\$Cdn)
2012	96.34	91.97	79.09	64.38	2.76	0.994
2013	97.02	97.64	83.97	74.21	3.25	0.994
2014	93.63	94.24	81.05	71.62	3.67	0.994
2015	92.33	92.93	79.92	70.63	4.31	0.994
2016	99.37	100.01	86.01	76.01	5.80	0.994
2017	101.35	102.01	87.73	77.53	5.92	0.994
2018	103.38	104.05	89.43	79.08	6.05	0.994
2019	105.45	106.13	91.27	80.66	6.18	0.994
2020	107.56	108.25	93.10	82.27	6.31	0.994
2021	109.71	110.42	94.96	83.92	6.44	0.994
2022	111.90	112.63	96.86	85.60	6.57	0.994
Thereafter	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year	0.994

Twoco is an oil and gas company engaged in the exploration for, and the acquisition, development and production of, oil and natural gas reserves primarily in the Province of Alberta.

In this news release the calculation of barrels of oil equivalent (boe) is calculated at a conversion rate of six thousand cubic feet (Mcf) of natural gas for one barrel (Bbl) of oil based on an energy equivalency conversion method. Boes may be misleading particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1Bbl is based on an energy equivalency conversion method primarily applicable to the burner tip and does not represent a value equivalency at the wellhead.

Forward-Looking Statements:

Certain information set forth in this news release contains forward-looking statements or information (“**forward-looking statements**”). By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Twoco's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, operational risks in exploration and development, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. Although Twoco believes that the expectations in our forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements, including whether the Company has the ability to raise or generate sufficient capital in order to develop its undeveloped and probable reserves on a timetable assumed by Sproule in its report. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available at www.sedar.com. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Twoco does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

This news release shall not constitute an offer to sell or the solicitation of any offer to buy securities in any jurisdiction.

For further information, please contact Wayne A. Malinowski, President and Chief Executive Officer.

Telephone: (403) 231-8653

Fax: (403) 237-6048

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