

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company:

Bayshore Petroleum Corp. ("**Bayshore**" or the "**Corporation**")
Suite 14, 3515 27th Street N.E.
Calgary, Alberta
T1Y 5E4

2. Date of Material Change:

December 7, 2015

3. News Release:

A news release disclosing the nature and substance of the material change was issued by the Corporation on December 9, 2015 through the news wire services of Marketwire.

4. Summary of Material Change:

On December 9, 2015, the Corporation announced that Bayshore and private oilsands company E-T Energy Ltd executed a binding letter of intent to merge and jointly develop E-T Energy Ltd's Athabasca oilsands property, and to produce diesel using new technologies.

5. Full Description of Material Change:

Attached to this material change report is the Bayshore press release dated December 8, 2015.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

Inquiries in respect of the material change referred to herein may be made to:

Peter Ho, President and Chief Executive Officer - (403) 265-8820

9. Date of Report:

December 10, 2015

PRESS RELEASE

**BAYSHORE PETROLEUM CORP ANNOUNCES BINDING LETTER OF INTENT
TO MERGE AND JOINTLY DEVELOP ATHABASCA OILSANDS PROPERTY
PRODUCE COMMERCIAL DIESEL USING NEW TECHNOLOGIES**

/NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

CALGARY, December 8, 2015 – Bayshore Petroleum Corp. (“Bayshore” or the “Company”) (BSH/TSX Venture Exchange) announces it has entered into an arms-length Binding Letter of Intent (the “BLOI”) dated December 7, 2015, with E-T Energy Ltd. (“ET”) a private Alberta corporation with oil sands leases and past production in the Poplar Creek, Fort McMurray area of Alberta.

Under the BLOI, Bayshore and ET (together the “Parties”) intend to raise capital and enter into a transaction pursuant to which the Parties will combine their businesses and operations and continue as Bayshore. The Parties will conduct due diligence prior to entering into a definitive agreement (the “Definitive Agreement”) to conclude the combination of the companies. Under the terms of the BLOI, the shareholders of ET will be offered common shares of Bayshore (“Bayshore Shares”) at an exchange ratio of approximately 2.42 Bayshore Shares for each common share and preferred share of ET (“ET Shares”). This shall result in a maximum of 175,000,000 new Bayshore Shares at a deemed price of \$0.20 per Bayshore Share, or a total acquisition price of \$35 million. The transaction will be structured by way of a plan of arrangement, amalgamation, takeover bid, reorganization or other similar form of transaction, as determined following a review of all relevant legal, regulatory and tax matters. In conjunction with the BLOI, ET shareholders holding in excess of 50% of the ET Shares have agreed to tender their shares to the transaction. In addition, ET’s major debt holder, who holds a note with an approximate face value including accrued interest of \$28 million CAD, will be required to extend its facility, waive its right to object under change of control or other provisions, and surrender its convertible securities for cancellation under the terms of the deal. The note holder is supportive of the transaction and its cooperation is expected. All convertible securities of the Parties including options, warrants, convertible debentures, etc. are to be cancelled as a term of the transaction. All holders of anti-dilution rights have or are expected to waive these rights.

The Parties have been discussing cooperation and joint action for a number of months, with the goal of combining new technologies to dramatically reduce energy and greenhouse gas emissions required to produce the Athabasca Oilsands resource. These technologies are also expected by management to dramatically reduce both the capital and operating cost required to produce the end product, which is not bitumen. The Parties intend to produce ultra-low sulphur (“ULS”) diesel from production at Poplar Creek. This means that instead of receiving revenue from diluted bitumen, or “DILBIT” (WCS currently priced at approximately \$32/barrel), Bayshore shall produce ULS diesel for use in the local Canadian market (currently priced wholesale or “rack” at approximately \$90/barrel). This is a marked departure from the traditional approach to bitumen production in the Athabasca Oilsands.

Subject to raising the required financing, the Parties shall implement a construction and operations program to accomplish two objectives:

1. During the second half of 2016, restart bitumen production at Poplar Creek using ET's proprietary electro-thermal dynamic stripping process ("ET-DSP™") technology and Bayshore's catalyst-based in-situ Cold Catalytic Cracking ("CCC") upgrading technology and ultrasonic technology. ET and Bayshore believe that combining these technologies will produce in-situ improvements in bitumen viscosity and density, allowing partially upgraded bitumen to flow to surface. It is intended that this technology combination will moderate or solve operational challenges which previously impeded full production at the Poplar Creek property.
2. Construct a Bayshore CCC upgrader (and associated desulphurization equipment) designed to convert bitumen directly into ULS diesel fuel. The CCC upgrader does not use water, hydrogen, pressure/vacuum, or temperatures above 450° Celsius. The process is operational in a 50 barrel/day pilot now, and Bayshore believes it is fully scalable up to 50,000 b/d. The produced diesel is intended for sale in local Canadian fuel markets.

To fund this program the Parties shall seek financing for up to \$150 million CAD. Bayshore has recently announced a \$1.5 million CAD equity financing, which shall now be completely devoted to expenses related to the closing of this merger and the \$150 million financing to come. Each of the Parties possessing sufficient financial resources to meet their obligations and fund working capital in connection with the transaction are conditions of the closing of the contemplated transaction.

ET and Bayshore have conducted due diligence on each other's technology during September to November 2015, and each party is satisfied with the results. In summary, the Parties expect that the ET-DSP™ technology used at Poplar Creek will heat and extract bitumen using less energy, and emitting less greenhouse gas than SAGD, and that the CCC catalytic partial upgrade technology deployed downhole will further lower the heat/energy required to produce bitumen to surface. Once at surface, the partially upgraded bitumen can be transformed to ULS diesel using CCC, which does not require high heat, hydrogen, water, pressures above ambient, or any exotic additives. Compared with SAGD, ET-DSP™ and CCC catalyst technology deployed downhole does not require temperatures in excess of 180 degrees. Produced Diesel is anticipated to meet all the North America specifications of transportation diesel fuel. The BLOI contemplates the execution of one or more formal agreements customary in such a commercial transaction. In a transaction of this type, Bayshore must also seek either a Sponsor for the transaction, which should be a Participating Organization as described by TSX Venture Exchange Policy 2.2, or, it must seek an exemption from Policy 2.2. There is no assurance that any exemption sought will be granted by the TSX Venture Exchange. Bayshore will issue, in due course, a comprehensive news release incorporating more detail of the project and transaction. Bayshore will also issue a filing statement or information circular in due course that provides all of the information required for shareholder review. One or more aspects of the final agreement may be subject to regulatory review and approval, and the transaction in total is subject to TSX Venture Exchange acceptance. Bayshore shares are halted from trading currently, and shall remain halted from trading pending receipt of applicable documentation by the TSX Venture Exchange.

About Bayshore Petroleum Corp.

Bayshore is a Calgary, Alberta based corporation focused on the exploitation of technology that increases the productivity and profitability of heavy oil and bitumen. Cold catalytic Cracking (CCC) enables the upgrading of heavy crude oil and bitumen directly into diesel. This technology, and other technologies such as desulphurization using ultrasonic oxidation, increase the sales price quality adjustment, reduce the need for diluent and other costs in the transportation of heavy oil or dilbit, and expedite the end to end process of delivering fuels to the downstream user.

About E-T Energy Ltd.

ET is a private, Calgary-based company focused on bitumen extraction from the oil sands and heavy oil recovery through the use of a patented, proprietary, efficient, and environmentally friendly extraction process called "The Electro-Dynamic Stripping Process" ("ET-DSP™"). This process uses electricity to heat and mobilize the oil present in oil sands and heavy oil reservoirs so that it can be produced quickly, cost effectively and efficiently. ET-DSP™ offers several advantages that ET believes will make it the technology of choice for a significant quantity of bitumen and shallow heavy oil resources that currently do not have a suitable extraction method, including an established technology, minimal water use, rapid recovery of affected lands, lower energy use, and substantially reduced greenhouse gas emissions.

ET owns 3,200 hectares of bitumen rights in the Athabasca Oil Sands at Poplar Creek, Alberta, where it has field-tested its ET-DSP™ technology to May 2013. ET's third party engineering report estimates that, as of October 1st, 2011, ET's Poplar Creek property contained approximately 607 million barrels of bitumen in-place. ET currently holds Alberta Energy Regulator approval to produce 1,000 bbls/d of bitumen from its leases using ET-DSP™ and has the exclusive world-wide, royalty free right to use ET-DSP™ for the production of heavy oil and bitumen, as well as the exclusive right to sub-license the technology for use by third parties in this application. ET is controlled by its CEO Dr. Bruce C.W. McGee, who holds in excess of 20% of the common shares of ET, and is expected to be a new control person of Bayshore after the closing of this transaction.

On behalf of the Board of Directors

BAYSHORE PETROLEUM CORP.

"Peter Ho"

President and CEO

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This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of the Company in the United States. The Company's securities have not been and will

not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Cautionary Statements

Statements in this press release may contain forward-looking information including expectations of future production, operating costs, commodity prices, administrative costs, commodity price risk management activity, acquisitions and dispositions, capital spending, access to credit facilities, income taxes, regulatory changes, and other components of cash flow and earnings. This press release may also contain forward-looking or subjective information regarding technology, processes, and the oil and gas industry. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the company. These risks include, but are not limited to, the risks associated with the mining and oil and gas industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, technology and technology implementation, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on this forward-looking information.

Completion of the transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Bayshore should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.