PINE CLIFF ENERGY LTD.

MATERIAL CHANGE REPORT

FORM 51-102F3

Item 1. Name and Address of Company

Pine Cliff Energy Ltd. (the "**Company**" or "**Pine Cliff**")
901, 1015 – 4th Street S.W.
Calgary, Alberta
T2R 1J4

Item 2. Date of Material Change

The material changes occurred on November 9, 2012, November 12, 2012 and November 19, 2012.

Item 3 New Releases

The Company issued a press release on November 12, 2012, which release was disseminated through the facilities of Marketwire and would have been received by the securities commissions in the jurisdictions in which Pine Cliff is a reporting issuer in the normal course of its dissemination, and is available on SEDAR at www.sedar.com.

The Company issued a joint press release with Skope Energy Partners ("**Skope**" or the "**Debtor**") on November 20, 2012, which release was disseminated through the facilities of Marketwire and would have been received by the securities commissions in the jurisdictions in which Pine Cliff is a reporting issuer in the normal course of its dissemination, and is available on SEDAR at www.sedar.com.

Item 4. Summary of Material Changes

Purchase of Debt

On November 9, 2012, the Company completed the purchase from a Canadian financial institution of all the outstanding indebtedness and liabilities owing to the institution by Skope and all of the security documents granted by the Debtor to it (the "**Debt Purchase**"). The total purchase price was $28 million.

Private Placement Financing

On November 12, 2012, and in connection with the Debt Purchase, the Company entered into an engagement letter (the "**Engagement Letter**") with Macquarie Private Wealth Inc. (the "**Agent**") for a brokered private placement (the "**Offering**") of up to 8,900,000 common shares of the Company (the "**Shares**") at a price of $0.73 per Share for gross proceeds of approximately $6,500,000. The proceeds from the Offering will be used by the Company to completely pay down its credit facility that was partially used to fund a portion of the purchase price of the Debt Purchase.

Settlement and Forbearance Agreements

On November 19, 2012, the Company, Skope Energy Inc. (“**Skope Energy**”), Skope Energy International Inc. (“**Skope International**”), Skope and Skope’s manager, Full Cycle Energy Investment Management (“**Full Cycle**”) entered into a settlement agreement (“**Settlement Agreement**”) pursuant to which the parties agreed to enter in to the Forbearance Agreement described below and to cooperate to enable Skope to file an application under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).

Also on November 19, 2012, the Company, Skope Energy, Skope International and Skope (collectively, the “**Skope Entities**”) entered into a Forbearance Agreement (“**Forbearance Agreement**”) pursuant to which the parties acknowledged certain events and rights, and the Company agreed to forbear from further exercising its rights and remedies against the Skope Entities on certain conditions.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Purchase of Debt

On November 9, 2012 the Company completed the purchase from a Canadian financial institution of all the outstanding indebtedness and liabilities owing to the institution by Skope and all of the security documents granted by the Debtor to it. The total purchase price was $28 million.

Skope’s assets include an 80% working interest in a package of high quality, long-term, low decline producing shallow gas assets, located in southeast Alberta and southwest Saskatchewan. The properties are currently producing approximately 3,500 barrels of oil equivalent (boe) per day, weighted 100% towards natural gas. Total proved plus probable reserves associated with the properties were estimated by McDaniel and Associates to be approximately 10.5 million boe effective March 31, 2012. In addition to its oil and gas assets, as at June 30, 2012, Skope had positive working capital (excluding the debt being purchased) and significant tax pools.

Pine Cliff announced on November 9, 2012 that it intended to make an application to the court to appoint a receiver to realize on its security, however, it was not known at that time if a receiver would be appointed or if Pine Cliff would be successful in realizing on its security.

Private Placement Financing

On November 12, 2012, and in connection with the Debt Purchase, Pine Cliff entered into the Engagement Letter with the Agent for a brokered private placement of up to 8,900,000 Shares at a price of $0.73 per Share for gross proceeds of approximately $6,500,000. The Agent agreed to offer the Shares on a commercially reasonable basis and is made available by way of private placement exemptions in Canada under National Instrument 45-106 – *Prospectus and Registration Exemptions*. The Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the TSX Venture Exchange, as well as the negotiation and execution of certain documentation, including an agency agreement between the Agent and Pine Cliff.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus one day from the date of completion of the Offering, in accordance with applicable securities legislation. The proceeds from the Offering will be used by Pine Cliff to completely pay down its credit facility that was partially used to fund a portion of the purchase price of the Debt Purchase. Accordingly, the Company would be debt free with a successful conclusion of the Offering.

Settlement and Forbearance Agreements

On November 19, 2012, the Company, the Skope Entities and Skope's manager, Full Cycle, entered into the Settlement Agreement. Pursuant to the terms of the Settlement Agreement, the Company, the Skope Entities and Full Cycle agreed to cooperate to enable Skope to file an application under the CCAA for proceedings aimed at maximizing the value of Skope's assets and enabling Pine Cliff to realize on the Debt. The Company and Skope also agreed to enter into the Forbearance Agreement. In addition, the parties agreed to certain amendments and terminations relating to employment and management agreements. Skope further agreed to provide specified information and documentation to the Company. The application is expected to be heard on or about November 27, 2012.

Also on November 19, 2012, the Company and Skope entered into the Forbearance Agreement pursuant to which the parties acknowledged certain events and rights, and the Company agreed to forbear from further exercising its rights and remedies against the Skope Entities on certain conditions.

Specifically, the Skope Entities acknowledged, amongst other things: the amount of indebtedness outstanding; that the underlying Credit Agreement has matured; that the Company was entitled to exercise its rights and remedies under the Credit Agreement; and that subject to the terms of the Forbearance Agreement, the Company was entitled to exercise and enforce all of its rights under the Credit Agreement and related security. Subject to certain conditions, the Company agreed to forbear from taking specified steps to exercise and enforce its rights and remedies under its security and under the Forbearance Agreement until the happening of certain events, including: an order being issued terminating the CCAA proceedings; and an event of a Forbearance Default (as defined in the Forbearance Agreement). The Skope Entities further undertook, amongst other things, to not transfer any property or grant any security without the prior consent of the Company. The Skope Entities also undertook to provide notice of specific proceedings. It was an additional provision of the Forbearance Agreement that the Skope Entities grant certain consent orders which the Company is entitled to use on the occurrence of certain events.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

Not Applicable.

Item 8 Executive Officer

Philip B. Hodge, President and Chief Executive Officer of Pine Cliff Energy Ltd., is knowledgeable about the material change and may be reached by telephone at (403) 269-2289 or email at info@pinecliffenergy.com.

Item 9 Date of Report

November 26, 2012.

Advisory

This material change report does not constitute an offer to sell, or the solicitation of an offer to buy securities in any jurisdiction, including the United States, absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities law of such state. The Common Shares offered pursuant to the Offering will not be and have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person, absent registration or an applicable exemption therefrom.

Forward-Looking Information

Certain statements contained in this material change report include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this material change report includes, but is not limited to: management's current expectations regarding the ability of Pine Cliff to realize on the debt and security purchased from the financial institution, the completion of the Offering and the use of proceeds therefrom, the parties plans to cooperate to enable Skope to file an application under CCAA and the timing and results of the proposed application. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained in this material change report is expressly qualified by this cautionary statement.

This material change report contains the term boe which has been calculated on the basis of six thousand cubic feet of gas to one barrel of oil. This conversion ratio is based on energy equivalence primarily at the burner tip and does not represent a value equivalency at the wellhead. The term boe may be misleading, particularly if used in isolation.