FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Stylus Energy Inc.
530, 400 – 5th Avenue S.W.
Calgary, AB T2P 0L6

2. Date of Material Change:

June 16, 2005

3. News Release:

A press release dated June 16, 2006 was issued by Stylus on June 16, 2006 and disseminated through CanadaNewswire.

4. Summary of Material Change:

Stylus Energy Inc. ("Stylus" or the "Company") announced that it had entered into a financing agreement with an underwriting syndicate led by Peters & Co. Limited and including Acumen Capital Finance Partners Limited, Canaccord Capital Corporation and Sprott Securities Inc. Stylus will issue, on a private placement, bought deal basis 2,106,000 flow-through common shares at a price of $4.75 per flow-through common share for total gross proceeds of approximately $10 million.

5. Full Description of Material Change:

Stylus announced that it had entered into a financing agreement with an underwriting syndicate led by Peters & Co. Limited and including Acumen Capital Finance Partners Limited, Canaccord Capital Corporation and Sprott Securities Inc. Stylus will issue, on a private placement, bought deal basis 2,106,000 flow-through common shares at a price of $4.75 per flow-through common share for total gross proceeds of approximately $10 million.

The private placement financing is scheduled to close on June 30, 2006 and is subject to customary conditions including regulatory approval.

Proceeds from the issuance of the flow-through common shares will be used to incur Canadian exploration expenses on continued exploration of Stylus' oil and natural gas properties prior to December 31, 2007 and will be renounced to subscribers of the flow through common shares effective December 31, 2006.

Stylus is a Calgary-based junior oil and natural gas company with operations in Alberta. The common shares of Stylus are listed on the Toronto Stock Exchange and trade under the symbol "STY".

Forward Looking Statements - Certain information regarding Stylus set forth in this document, including management's assessment of the Company's future plans and operations, contains forward- looking statements that involve known and unknown risks and uncertainties including the anticipated closing of the financing and the use of proceeds from the financing. These *forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the Company's control. Actual results could differ from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom.*

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

N/A

7. Omitted Information:

N/A

8. Executive Officer:

For further information, please contact

Paul Evans
President and Chief Executive Officer
Telephone: (403) 517-8791
Fax: (403) 517-8798

9. Date of Report:

June 16, 2006