

FORM 51-102F3
MATERIAL CHANGE REPORT

PART 1 CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Anglo Canadian Oil Corp.
1050, 633 – 6th Avenue SW
Calgary, Alberta T2P 2Y5

Item 2 Date of Material Change

July 4, 2012

Item 3 News Release

The Press Release with respect to the material change were disseminated through Marketwire on July 4, 2012 and filed on the Sedar website at www.sedar.com.

Item 4 Summary of Material Change

Anglo Canadian Oil Corp. and Tallgrass Energy Corp. Announce Strategic Business Combination and Cardium Light Oil Asset Acquisition.

Item 5 Full Description of Material Change

See attached copy of Press Release dated July 4, 2012

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

For further information please contact the following:
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Item 9 Date of Report

July 6, 2012

**ANGLO CANADIAN OIL CORP. AND TALLGRASS ENERGY CORP. ANNOUNCE
STRATEGIC BUSINESS COMBINATION AND CARDIUM LIGHT OIL ASSET ACQUISITION**

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FOR: ANGLO CANADIAN OIL CORP.

TSX-V SYMBOL: ACG

JULY 4, 2012

**Anglo Canadian Oil Corp. and Tallgrass Energy Corp. Announce Strategic Business
Combination and Cardium Light Oil Asset Acquisition**

CALGARY, ALBERTA--(Marketwire - July 4, 2012) -

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Anglo Canadian Oil Corp. ("**Anglo**" or the "**Company**") (TSX-V:ACG) is pleased to announce the following developments:

- ❖ Anglo has entered into a letter of intent agreement (the "**Letter Agreement**") with Tallgrass Energy Corp. ("**Tallgrass**"), a private Alberta-based oil and gas exploration company, to effect a strategic business combination (the "**Transaction**"); and
- ❖ Tallgrass has entered into a purchase and sale agreement (the "**Purchase Agreement**") with a Canadian oil and gas exploration and development company (the "**Vendor**") to acquire producing Cardium light oil assets and 10.25 undeveloped Cardium sections in central Alberta (the "**Cardium Acquisition**") which is expected to close July 31, 2012 and is subject to the approval of the Vendor's primary lender under its credit facility.

STRATEGIC BUSINESS COMBINATION

Anglo has signed a Letter Agreement with Tallgrass committing the parties to enter into good faith negotiation and finalization of a definitive arrangement agreement (the "**Arrangement Agreement**") to effect a strategic business combination. The Letter Agreement contemplates that the Transaction will be completed by way of a Plan of Arrangement (the "**Arrangement**") whereby Tallgrass shareholders will exchange all of their issued and outstanding common shares (the "**Tallgrass Common Shares**") for common shares of Anglo (the "**Anglo Common Shares**"). Each of the companies involved in the business combination is at arm's length with the other.

Under the terms of the Letter Agreement, Tallgrass shareholders shall receive, for each Tallgrass share held, 14.4887 Anglo Common Shares. Following the Transaction, the former holders of Anglo Common Shares will hold approximately 60% of the issued and outstanding shares of the pro forma company. The Boards of Directors of Anglo and Tallgrass have unanimously

determined that the Transaction is in the best interests of their respective shareholders and has recommended that its shareholders approve the Arrangement. Under the terms of the Letter Agreement, if the Arrangement does not occur by reasons related to one of the parties, then the offending party shall pay to the other a break fee in the liquidated amount of \$1,000,000.

Jim Ehret, the President of Anglo, says "the Tallgrass management team and board of directors bring a re-newed energy to the Anglo assets that we believe will translate well to the marketplace. In addition, the Cardium Acquisition provides cash flow and a secure foundation from which the new company may access additional growth prospects".

PI Financial Corp. is acting as exclusive financial advisor to Anglo. Completion of the Arrangement is subject to a number of conditions including Anglo and Tallgrass entering into the Arrangement Agreement, TSX Venture Exchange ("TSX-V") acceptance, approval by the Court of Queen's Bench of Alberta, and approval of the respective shareholders of Anglo and Tallgrass. The Arrangement is not conditional upon the closing of the Cardium Acquisition. There can be no assurance that the Arrangement will be completed as proposed or at all.

CARDIUM ASSET ACQUISITION

Through the Cardium Acquisition, Anglo and Tallgrass are acquiring long life, high quality light oil assets, located in central Alberta and focused on the Cardium formation. The acquired assets are adjacent to existing Cardium production and have significant growth and upside potential through 40 identified potential drilling locations. The Cardium Acquisition has the following characteristics and metrics:

Total Transaction Price:	\$17.0 million
Current Production ⁽¹⁾ :	450 boepd (73% oil and NGLs)
Proved Reserves ⁽²⁾ :	1.7 mmboe
2P Reserves ⁽²⁾ :	2.1 mmboe
Net Undeveloped Land:	6,560 acres (10.25 sections)
Price / Production:	\$37,778/boepd
Price / Proved Reserves:	\$10.15/boe
Price / 2P Reserves:	\$8.11/boe

(1) based on the last three months of production ended May 31, 2012

(2) based on an independent engineering report effective December 31, 2011

Pursuant to the terms of the Purchase Agreement, Tallgrass made a \$2 million non-refundable deposit which was funded by means of a limited recourse loan from Anglo. The loan is non-interest bearing and matures on the earlier of June 28, 2013 or 90 days following the closing date of the Cardium Acquisition.

In the event that the Arrangement does not close for reasons attributable:

- (a) to Tallgrass, the principal amount under the loan shall be promptly repaid in full by Tallgrass;
- (b) to Anglo, then seventy percent (70%) of the principal amount under the loan shall be repaid by way of forty percent (40%) cash and thirty percent (30%) in common shares of Tallgrass issued from treasury at the deemed price per share equal to that contemplated by the Arrangement (the "**Tallgrass Shares**"), with the remaining thirty percent (30%) of the principal amount under the loan being forgiven by Anglo;
- (c) to neither Anglo nor Tallgrass, and the Cardium Acquisition does not close but the deposit has been forfeited by Tallgrass under the terms of the Purchase Agreement, then forty percent (40%) of the principal amount under the loan shall

- be repaid by way of twenty-five percent (25%) cash and fifteen percent (15%) Tallgrass Shares, with the remaining sixty percent (60%) of the principal amount under the loan being forgiven by Anglo; or
- (d) to neither Anglo nor Tallgrass, and the Cardium Acquisition closes, then the principal amount under the loan shall be repaid in full by Tallgrass by way of (a) cash; (b) Tallgrass Shares; or (c) the assignment to the Lender of a ten percent (10%) working interest in the assets acquired under the Cardium Acquisition, at the discretion of Tallgrass.

PRO FORMA COMPANY

Upon the successful completion of the Transaction and the Cardium Acquisition, the pro forma company will be renamed "Tallgrass Energy Corp." and will be led by Tallgrass' existing management team. Tallgrass will be established as an oil-focused, growth-oriented junior exploration and production company with the following key pro forma metrics:

✓	Production:	610 boe/d (73% oil and NGLs)
✓	Proved Reserves:	2.5 mmboe
✓	2P Reserves:	3.4 mmboe
✓	Proved Reserves Value, PV10:	\$35.4 million
✓	2P Reserves Value, PV10:	\$48.0 million
✓	Net Undeveloped Land:	299,355 acres (468 sections)
✓	Seismic:	567 km of 2D and 65 km ² of 3D
✓	Potential Drilling Locations:	40 Cardium / 11 Viking / 2 Bakken / 15 Ellerslie (Dina)
✓	Anglo Shares Outstanding:	202.0 million
	Shares to be Issued for Tallgrass:	134.7 million ⁽¹⁾
	Pro Forma Shares Outstanding:	336.7 million ⁽²⁾
✓	Net Cash:	approximately \$1.0 million

(1) Based on an exchange ratio of 14.4887 Anglo shares per Tallgrass share.

(2) The Company intends to consolidate, on a 14.5:1.0 ratio, the issued and outstanding shares concurrently with the completion of the Arrangement.

John McAdam, the President & CEO of Tallgrass, and the incoming President and CEO of the resulting entity, states "the combined entity is a classic case of combining the strengths of two entities to create a dynamic renewed public junior oil and gas company. The prospect of our new Cardium play alone should be very exciting to Tallgrass and Anglo shareholders alike. The Tallgrass team is energized about getting engaged and active as soon as possible."

FINANCING

To facilitate the closing of the Cardium Acquisition, Tallgrass is currently reviewing and evaluating various financing alternatives including debt and equity considerations. To this end, Tallgrass

has received several indicative term sheets and is currently in the process of assessing the merits of each one. PI Financial Corp. has been retained as financial advisor to assist in this matter.

STRATEGIC RATIONALE

The boards of directors of both Anglo and Tallgrass believe that this business combination will accelerate the future growth of both companies by creating a larger, stronger company with synergistic benefits by combining G&A and assets. The proposed business combination will bring together synergistic components including Anglo's substantial land base of 281,915 net acres (440 sections) with development potential across several emerging and existing oil resource plays including the Nordegg, Duvernay and Viking as well as conventional heavy oil production in southwest Saskatchewan along with Tallgrass' existing production, and assuming the completion of the Cardium Acquisition, of approximately 610 boepd with near term development and exploration upside from 40 potential Cardium drilling locations, all led by Tallgrass experienced and proven management team.

NEW MANAGEMENT TEAM AND BOARD OF DIRECTORS

The resulting entity will be led by Tallgrass' existing management team and board of directors:

John H. McAdam, PEng, ICD.D – President & CEO

- ✓ 33 years of experience in the geological and executive domains: public and private
- ✓ international resource executive, former investment analyst and successful business owner
- ✓ field geologist, Mutual Life (analyst), Kidd Creek, Opal Energy (formerly McAdam and Boulder), Paleon Oil & Gas, Waterra

Gregory E. Weild, PEng – VP, Exploitation & Engineering

- ✓ 30 years of diversified exploitation, operations, production engineering experience, horizontal wells
- ✓ reserves, operating and capital budgets, A & D evaluations, field development plans
- ✓ Petro-Canada, Penn West Petroleum, Startech Energy, Anderson Exploration / Devon Energy, West Energy

Graeme Bloy, MSc, PGeol – Senior Geoscience Consultant

- ✓ over 35 years of experience in petroleum geosciences, extensive experience in exploration and development projects, drilling horizontal wells, throughout the WSCB and internationally
- ✓ extensive experience in small caps private/public, A&D, developing successful strategic drilling programs, land acquisition
- ✓ Canada Capital Energy, West Energy, Anderson Exploration / Devon Energy, Startech, Chauvco

David J. Martin, CMA – Controller

- ✓ 30 years of full spectrum operations accounting experience
- ✓ accomplished professional accountant and manager
- ✓ Dome Petroleum, Canadian Occidental, Canadian Forest Oil, Esprit Energy and Pengrowth Energy

Dean S. Jenkins, CET – Manager, Operations

- ✓ 18 years of progressive production and operations experience
- ✓ key member of group that managed 23,000 boepd and annual budget of \$35 million
- ✓ Samson Canada, Bountiful Resources

The board of directors of post-Transaction Tallgrass is expected to be comprised of:

Jonathan A. Lexier, PEng, MBA – Chair, Reserves Committee

- ✓ 30 years of diverse and progressive petroleum experience primarily in Western Canada
- ✓ President, CEO and Director of Terrex Energy (TER-V), Director of Silk Road Energy (SLK.P-V), and President and Director of Drakkar Energy (private).
- ✓ former President, CEO & Director of Highpine Oil & Gas, Chief Operating Officer of NAL
- ✓ Mobil, NAL, Highpine, Member of the Board of Governors of the Small Explorers and Producers Association of Canada (SEPAC).

Jim R. Screaton, CA – Chair, Audit Committee

- ✓ 30 years of extensive financial, accounting, CFO and board experience
- ✓ recent focus on assisting start ups; former Chairman now Board and Committee member SEPAC; Petroleum Advisory Committee to Alberta Securities Commission, Distinguished Service Award
- ✓ Ernst & Young, Numac Energy, Sifton Energy, Sentra Resources, Strategic Oil & Gas

John H. McAdam, PEng, ICD.D – President & CEO

Gregory E. Weild, PEng – VP, Exploitation & Engineering

Messrs. Lexier and Screaton are currently independent directors of Tallgrass and are financially literate within the meaning of National Instrument 52-110. Tallgrass is considering an additional independent board member. For more detailed biographies on the new management team and board of directors, please go to www.tallgrassenergy.ca.

About Anglo: Anglo is a Calgary, Alberta based corporation engaged in the exploration, development and production of petroleum. Anglo owns rights to 173,776 net acres (272 net sections) of potential Nordegg oil bearing lands in West Central Alberta as well as 90,658 acres (142 sections) of potential oil bearing lands in Central Alberta, with multi-stacked formation potential. Anglo has identified 30 potential drilling locations in the Nordegg. In addition, Anglo holds rights to 17,481 acres (27 sections) of potential Bakken and Mannville oil bearing lands in Southwest Saskatchewan. In the vast majority of these lands, the Corporation holds a 100% working interest. The Common Shares are listed on the TSX-V under the trading symbol "ACG".

About Tallgrass: Tallgrass is a private junior oil and gas company. Its primary exploration and production focus has been in east central Alberta where it has over 10,880 net acres (17 sections) of land and approximately 150 boepd of production.

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Note Regarding Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of Anglo and Tallgrass' anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities, expected production, cash flow, operating netbacks, debt ratios, our capital expenditure program, drilling and development plans and the timing thereof. In addition, and without limiting the generality of the foregoing, this press release contains forward looking information regarding the proposed Transactions including the impact of the Letter Agreement on Anglo and Tallgrass and Anglo and Tallgrass' results and development plans, the timing and anticipated closing date for the Transactions. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by Anglo and Tallgrass' management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to market oil and natural gas successfully, Anglo and Tallgrass' ability to access capital and obtaining all necessary Anglo shareholder and Tallgrass shareholder and warrant holder approvals and the approvals of regulatory authorities, including the TSX-V.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Anglo and Tallgrass can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the 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 so, what benefits that the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide shareholders with a more complete perspective on Anglo and Tallgrass' future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our 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).

These forward-looking statements are made as of the date of this press release and Anglo and Tallgrass disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Note: "BOE" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil as compared to natural

gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.