

FORM 51-102F3
Material Change Report

1. Name and Address of Company

Redcliffe Exploration Ltd. ("**Redcliffe**")
900, 736-6th Avenue S.W.
Calgary, Alberta T2P 1T7

2. Date of Material Change

November 20, 2006

3. News Release

A news release relating to the material change described herein was released by CCN Matthews on November 21, 2006.

4. Summary of Material Change

Redcliffe Exploration Ltd. announced that it entered into an amalgamation agreement, dated November 20, 2006, with Stallion Energy Ltd. ("**Stallion**"), pursuant to which the parties will proceed with a business combination (the "**Combination**") upon the satisfaction of certain conditions, including applicable regulatory and shareholder approval.

5. Full Description of Material Change

Please see the news release attached as Schedule "A" hereto.

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

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

Daryl H. Connolly
President and Chief Executive Officer
Redcliffe Exploration Ltd.
Tel: (403) 539-8440

9. Date of Report

November 27, 2006

REDCLIFFE EXPLORATION LTD. AND STALLION ENERGY LTD. ANNOUNCE STRATEGIC BUSINESS COMBINATION

November 21, 2006 – Calgary, Alberta – REDCLIFFE EXPLORATION LTD. (TSXV: "REL-A" and "REL-B") ("Redcliffe") and STALLION ENERGY LTD. ("Stallion") are pleased to announce that Redcliffe and Stallion have entered into an amalgamation agreement dated November 20, 2006 (the "Agreement") pursuant to which, subject to satisfaction of certain conditions, the parties will proceed with a business combination (the "Combination"). The resulting combined company will enjoy a strengthened asset base, expanded drilling opportunities, significant tax pools and financial strength. Both Redcliffe and Stallion bring focused exploration and development opportunities that are anticipated to increase production and cash flows in 2007.

In connection with the Combination, Stallion shareholders will be asked to approve the following: (i) Stallion changing its name to Redcliffe Exploration Inc. ("REI" or the "Company"); (ii) Stallion consolidating its issued and outstanding share capital on a 0.54054054 of a new common share for every one (1) presently issued common share basis; and (iii) Stallion reclassifying its authorized share capital, such that all common shares of Stallion will be converted into Class A shares ("REI Class A Shares") and a new class of shares, known as Class B shares ("REI Class B Shares") will be created, in each case having the same attributes as the existing Class A Shares and Class B Shares of Redcliffe.

Redcliffe shareholders will also be asked to approve the Combination, pursuant to which each Redcliffe Class A shareholder will receive one (1) REI Class A Share for every one (1) Redcliffe Class A Share, and each Redcliffe Class B shareholder will receive one (1) REI Class B Share for every one (1) Redcliffe Class B Share. Additionally, all options to purchase Class A Shares of Redcliffe will be exchanged for equivalent options of REI, such that Redcliffe optionholders will hold an identical number of options to purchase REI Class A Shares as they did in Redcliffe prior to the Combination.

Pursuant to the Combination, former shareholders of Stallion will receive an aggregate of 12,819,051 REI Class A Shares. Upon completion of the Combination, REI will have 23,119,051 REI Class A Shares and 1,102,500 Class B Shares outstanding, with former shareholders of Redcliffe holding approximately 44.6% of the REI Class A Shares and 100% of the REI Class B Shares, and former shareholders of Stallion holding approximately 55.4% of the REI Class A Shares and no REI Class B Shares.

The Board of Directors of REI will be comprised of Daryl Connolly, Uldis Upitis, Donald Cowie, James Rawls, W.C. (Mike) Seth, Harley Winger and Glenn Hockley. Management of REI will remain the same as the current management of Redcliffe.

REI intends to apply for a substitutional listing of the REI Class A Shares and REI Class B Shares on the TSX Venture Exchange ("TSXV") in conjunction with the completion of the transaction. A more detailed news release will be issued shortly and the Redcliffe Class A shares and Class B shares will remain halted until such time as the TSXV has reviewed the applicable financial information and National Instrument 51-101 reserve report and a sponsorship exemption or sponsor approval has been obtained.

Strategic Rationale

The transaction combines two companies with a similar geological and operational focus. Stallion has concentrated its efforts in the west central basins of Alberta and currently has producing properties at Gilby, Pine Creek and Leaman. Their recent success in the Gold Creek area of northwestern Alberta provides exposure to high impact oil and gas reserves and production. Redcliffe, which completed its Initial Public Offering on August 31, 2006, has focused its operations in the Pembina/Whitecourt area of west central Alberta as well as in the Wapiti area of northwestern Alberta. Since becoming public, Redcliffe has participated in the drilling of 8 gross (1.955 net) wells resulting in 6 gross (1.55 net) potential gas wells, 1 gross (0.225 net) potential oil wells, and has recently elected not to participate in the casing of 1 gross (0.18 net) exploration well in the Albright area of northwestern Alberta. This transaction provides enhanced value for both Stallion and Redcliffe shareholders by consolidating complementary asset bases with increased financial strength, no debt, significant tax pools and an experienced management team to execute the business plan.

Daryl Connolly, Chairman and Chief Executive Officer of Redcliffe, and Randy Harrison, President and Chief Executive Officer of Stallion jointly commented: "This transaction accelerates the growth potential of REI while providing immediate cash flows and tax pools that will facilitate future corporate growth transactions. It also provides Stallion shareholders with liquidity and the financial resources to pursue development of the Gold Creek property potential and access to a large prospect inventory assembled by Redcliffe through its joint venture programs. The deal combines financial strength with opportunity at a time of pricing uncertainty in the industry. Redcliffe and Stallion are debt free companies with drilling prospects containing a balance between risk and reward. This combination increases our ability to execute on plans to develop REI into a successful junior explorer and provide the critical mass to compete for the services and opportunities within the oil and gas industry. We are targeting production rates of 1,000 boepd during 2007 and this is our first major step. The tax pools will provide considerable advantages both financially and competitively during 2007 and beyond."

Capital Spending and Production Targets

REI currently anticipates drilling approximately 15 wells on existing owned or controlled properties of Redcliffe and Stallion during 2007. This 2007 capital program has been preliminarily established at \$15 million and does not include follow-up wells to Redcliffe's or Stallion's drilling programs since October 2006. Both companies have drilled during 2006 a total of 15 wells for an 80% success rate. Additionally, the strength of the pro forma balance sheet and cash flows provides REI with the capacity to exploit successful wells and new opportunities generated by the exploration team in 2007. REI has targeted to reach 1,000 boepd in 2007 through these drilling opportunities.

Management and Board of Directors

Following the Combination, Redcliffe Exploration Inc. will be led by Daryl Connolly, Chairman and CEO, and the existing management team of Redcliffe, including: John Andersen, Vice President, Exploration; Brent Dube, Vice President, Operations; George Gramatke, Vice President, Finance and Chief Financial Officer; and Bruce Hall, Vice President, Land, all of Calgary, Alberta.

The Board of Directors of Redcliffe Exploration Inc. will be comprised of Daryl Connolly, Uldis Upitis, Donald Cowie, James Rawls, W.C. (Mike) Seth, Harley Winger and Glenn Hockley upon closing of the transaction, all of Calgary, Alberta other than Mr. Rawls who resides in Mississippi, U.S.A.

Agreements

The Board of Directors of Redcliffe has agreed to recommend shareholder approval of the proposed transaction and certain shareholders, including management, consultants and directors of Redcliffe holding approximately 49% of the issued and outstanding Class A Shares, have agreed to vote their shares in favour of the Combination.

The Board of Directors of Stallion has agreed to recommend shareholder approval of the transactions required to complete the Combination and certain shareholders, including management, employees and directors of Stallion holding approximately 36% of the issued and outstanding common shares of Stallion, have agreed to vote their common shares in favour of the transactions required to complete the Combination.

The Agreement provides that the parties shall not, directly or indirectly, solicit or invite any inquiries, discussion or negotiations with any third party with respect to any takeover proposal and each party agrees to pay an \$800,000 break fee under certain circumstances.

Conditions to Completion

The completion of the Combination is subject to a number of conditions including the approval of the TSXV and shareholder approval from each of Stallion and Redcliffe. The Combination cannot close until the required approvals are obtained. There can be no assurance that the Combination will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in publicly disseminated press releases of either Redcliffe or Stallion or the Redcliffe and Stallion information circulars to be prepared in connection with the Combination, any information released or received with respect to the proposed transaction may not be accurate or complete and

should not be relied upon. Trading in the securities of Redcliffe and Stallion should be considered speculative at this time based on the information contained herein.

The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this news release.

Redcliffe and Stallion plan on holding special meetings of their respective shareholders in early 2007 to consider and approve the proposed transaction.

Financial Adviser

GMP Securities L.P. acted as the financial adviser to Redcliffe in respect of this transaction.

About the Parties

Redcliffe is a Calgary based publicly traded junior oil and gas company incorporated under the laws of the Province of Alberta, engaged in the exploration, development and production of oil and natural gas in the Western Canadian Sedimentary Basin.

Stallion is a Calgary based private junior oil and gas company continued under the laws of the Province of Alberta, also engaged in the exploration, development and production of oil and natural gas in the Western Canadian Sedimentary Basin.

For further information, please contact:

Redcliffe Exploration Ltd.
Suite 900, 736 - 6th Avenue S.W.
Calgary, Alberta
T2S 3T7

Attention: Daryl Connolly
President and CEO

Telephone: (403) 539-8440

Stallion Energy Ltd.
Suite 1900, 555 - 4th Avenue S.W.
Calgary, Alberta
T2P 3E7

Attention: Randy Harrison
President and CEO

Telephone: (403) 263-9732

Cautionary Statements

Disclosure provided herein in respect of boe units may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Certain information set forth in this document, including managements' assessments of future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these party's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, and accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived there from. Each disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities legislation.

The TSX Venture Exchange, Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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