

SECURITIES ACT

MATERIAL CHANGE REPORT

Item 1 Name and address of Company

Halio Energy Inc.  
2300-1177 West Hastings Street  
Vancouver BC V6E 2K3

Item 2 Date of Material Change

January 20, 2017

Item 3 Press Release

News Release, dated January 20, 2017, disseminated via TheNewsWire under section 7.1 of National Instrument 51-102

Item 4 Summary of Material Change

See attached copy of the January 20, 2017 news release.

Item 5 Full Description of Material Change

See attached copy of the January 20, 2017 news release.

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 Senior Officers

Charles Ross, CFO of the Issuer, is knowledgeable about the material change and this report. His business telephone number is (604) 638-5817

Item 9 Date of Report

January 20, 2017

“Charles E. Ross”  
Director

## Halio Signs Letter of Intent

**January 20, 2017** – Halio Energy Inc. (“Halio” or the “Company”) (TSXV – HOIL) is pleased to announce that it has entered into a letter of intent with an arm’s length third party dated January 20, 2017 (the “**LOI**”), whereby, subject to entry into a definitive farm-in agreement (the “**Definitive Agreement**”), Halio has the right to farm-in to a 25% participating interest located in the Central North Sea. In consideration for the transfer of the 25% interest, Halio is required to pay 33% of the costs of a proposed exploration well and a cash reimbursement of US\$175,000. Once the interest is earned, Halio will be responsible for 25% of the farm-in well costs which will be governed by a joint operating agreement. Pursuant to the terms of the LOI, the parties have agreed to an exclusivity period ending March 15, 2017 for Halio to conduct due diligence and sign the Definitive Agreement.

“We are very pleased with the opportunity to participate in this North Sea project which is in line with our stated development objectives.” By: Joseph E Casabona CEO

### ABOUT HALIO ENERGY:

Halio Energy Inc. (TSX-V: HOIL) plans to invest in North Sea, North and South American-based oil and gas upstream and producing properties, and intends to procure direct working interests on a non-operated basis as well as limited partnership, joint venture, and MLP interests. Our proposed acquire-and-exploit strategy is focused on properties that show significant opportunities for future scalability, growth and consolidation, targeting assets that provide long-life, high-quality production with relatively predictable decline curves, as well as low-risk development opportunities.

### ON BEHALF OF THE BOARD OF DIRECTORS OF HALIO ENERGY INC.

Per: Misha L. Andric, Director

### For further information, please contact:

Halio Energy Inc.  
Telephone: 604-638-5817

*This press release contains forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as statements that the Company intends to: (i) negotiate and enter into the Definitive Agreement; (ii) invest in conventional and unconventional oil and gas upstream and producing properties; and (iii) procure direct working interests on a non-operated basis as well as limited partnership, joint venture and MLP interests. There are numerous risks and uncertainties that could cause actual results and the Company’s plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) adverse market conditions; (ii) risks inherent in the oil and gas industry in general; (iii) the inability of the Company to finance its growth; or (iv) the inability to identify and acquire suitable property interests. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*