

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 23, 2017

Item 3 Press Release

News Release, dated January 23, 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 23, 2017 news release.

Item 5 Full Description of Material Change

See attached copy of the January 23, 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 23, 2017

"Charles E. Ross"
Director

**NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICES OR FOR DISSEMINATION
IN THE UNITED STATES**

NON-BROKERED PRIVATE PLACEMENT

January 23, 2017 – Halio Energy Inc. (“Halio” or the “Company”) (TSXV – HOIL) is pleased to announce that it has arranged, subject to regulatory approval, a non-brokered private placement (the “Offering”) of 555,000 Common Shares (the “Shares”) at a price of \$1.20 per share for a gross proceeds of \$666,000.

Closing of the Offering is subject to the receipt of all necessary corporate and regulatory approvals, including the TSX Venture Exchange. Proceeds from the Offering will be used by the Company for general working capital. 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 the applicable securities legislation.

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.