FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Gran Tierra Energy Inc. ("**Gran Tierra**")
300, 611 – 10th Avenue N.W.
Calgary, Alberta T2R 0B2

2. Date of Material Change:

July 28, 2008

3. News Release:

A press release disclosing the material summarized in this material change report was disseminated through the facilities of the CNW Group on July 29, 2008 and would have been received by the securities commissions where Gran Tierra is a "reporting issuer" and the stock exchanges on which the securities of Gran Tierra are listed and posted for trading in the normal course of their dissemination.

4. Summary of Material Change:

Gran Tierra, Gran Tierra Exchangeco Inc. ("**Exchangeco**") and Solana Resources Limited ("**Solana**") entered into an arrangement agreement dated July 28, 2008 (the "**Arrangement Agreement**") with respect to the proposed business combination of Solana and Gran Tierra. Pursuant to the Arrangement Agreement, Exchangeco will acquire all of the issued and outstanding common shares of Solana ("**Solana Shares**") under an arrangement (the "**Arrangement**") to be completed pursuant to the terms and conditions of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**ABCA**"). Upon completion of the transaction, Solana will become an indirect, wholly-owned subsidiary of Gran Tierra.

5. Full Description of Material Change:

5.1 Full Description of Material Change

The Transaction

Gran Tierra, Exchangeco and Solana have entered into the Arrangement Agreement pursuant to which Exchangeco will acquire all of the issued and outstanding Solana Shares under the Arrangement to be completed pursuant to the terms and conditions of a plan of arrangement under the ABCA. Upon completion of the transaction, Solana will become an indirect, wholly-owned subsidiary of Gran Tierra.

Under the terms of the Arrangement Agreement, holders of Solana Shares ("**Solana Shareholders**") will receive either (i) 0.9527918 of a share of Gran Tierra common stock or; (ii) 0.9527918 of a common share of Exchangeco for each Solana Share held. The common shares of Exchangeco (i) will have the same voting rights, dividend entitlements and other attributes as Gran Tierra common stock; (ii) will be exchangeable, at each shareholder's option, on a one-for-one basis, into Gran Tierra common stock; and (iii) subject to compliance with the listing requirements of the Toronto Stock Exchange, will be listed on the Toronto Stock Exchange. The common shares of Exchangeco will automatically be exchanged for Gran Tierra common stock five years from closing, and in certain other events.

The Arrangement will be accomplished on a tax deferred basis in Canada, but may be a taxable transaction for non-Canadian holders of Solana Shares. On a fully diluted basis, upon the closing of the Arrangement, Solana Shareholders will own approximately 49% of the combined company and Gran Tierra stockholders will own approximately 51% of the combined company.

Following completion of the transaction, Mr. Dana Coffield, President and Chief Executive Officer of Gran Tierra, will continue as the President and Chief Executive Officer of the combined company, while Mr. J. Scott Price, President and Chief Executive Officer of Solana, will join the board of directors of the combined company. The board of directors will be comprised of seven members including the current directors of Gran Tierra: Jeffrey Scott, Walter Dawson, Verne Johnson, Nick Kirton, and Dana Coffield, as well as Scott Price, and the current Chairman of the Solana board of directors, Mr. Ray Antony. Mr. Scott, Chairman of the Gran Tierra board of directors, will maintain his position as Chairman.

The Arrangement will require of the approval of at least 66 2/3% of the votes cast by Solana Securityholders (as defined in the Arrangement Agreement) who vote in person or by proxy at a meeting of Solana Securityholders which will be called to approve the Arrangement (the "**Solana Meeting**"). The Arrangement will also require the satisfaction of a number of conditions contained in the Arrangement Agreement, including the approval of the issuance of such number of shares of Gran Tierra stock as are necessary to consummate the Arrangement by the holders of Gran Tierra common stock ("**Gran Tierra Stockholders**"), the approval of the Court of Queen's Bench in Alberta and receipt of any necessary stock exchange and regulatory approvals.

A joint proxy statement and management information circular detailing the Arrangement is anticipated to be mailed to Solana Securityholders and Gran Tierra Stockholders in September, 2008 for their respective meetings which are expected to take place by late October, 2008.

A copy of the Arrangement Agreement has been filed concurrently with this report as a "material document" by Gran Tierra on SEDAR (www.sedar.com).

Following the offer becoming or being declared unconditional in all respects and as soon as it is able to do so (subject to any applicable requirements of the AIM Rules), Gran Tierra will procure that Solana will apply to the London Stock Exchange for the cancellation of the admission of Solana Shares to trading on AIM. A notice period of not less than 20 business days prior to the cancellation of trading will take effect upon the offer becoming or being declared unconditional in all respects. Cancellation of admission to trading on AIM is likely to reduce significantly the liquidity and marketability of any Solana Shares in respect of which the offer has not been accepted. Gran Tierra will also seek to have the Solana Shares delisted from the TSX Venture Exchange and to cease Solana being a reporting issuer under applicable Canadian securities laws.

Board Approvals

The board of directors of Solana has unanimously endorsed the Arrangement and approved the Arrangement Agreement, and has unanimously determined that the proposed Arrangement is in the best interests of Solana and the Solana Securityholders, and has, based upon the opinion of its financial advisors, unanimously determined that the consideration in respect of the Arrangement is fair, from a financial point of view, to Solana Securityholders and has resolved unanimously to recommend the approval of the Arrangement by Solana Securityholders.

The board of directors of Gran Tierra has unanimously endorsed the Arrangement and approved the Arrangement Agreement, and has unanimously determined that the proposed Arrangement is in the best interests of Gran Tierra and the Gran Tierra Stockholders, and has, based upon the opinion of its financial advisors, unanimously determined that the consideration to be offered by Gran Tierra in respect of the Arrangement is fair, from a financial point of view, to Gran Tierra Stockholders and has unanimously resolved to recommend the approval of the issuance of such number of shares of Gran Tierra common stock as are necessary to consummate the Arrangement by Gran Tierra Stockholders.

Advisors

Blackmont Capital Inc. is acting as exclusive financial advisor to Gran Tierra with respect to the Arrangement and has verbally advised the board of directors of Gran Tierra that it is of the opinion, as of the date of the Arrangement Agreement, that the consideration to be offered by Gran Tierra pursuant to the proposed combination is fair, from a financial point of view, to Gran Tierra Stockholders.

Tristone Capital Inc. is acting as exclusive financial advisor to Solana with respect to the Arrangement and has verbally advised the board of directors of Solana that it is of the opinion, as of the date of the Arrangement Agreement, that the consideration to be received by Solana Securityholders is fair, from a financial point of view, to Solana Securityholders.

Non-Solicitation Provisions in the Arrangement Agreement

Pursuant to the Arrangement Agreement, Solana has agreed to immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any of its officers, directors, employees, advisors, representatives and agents ("**Solana Representatives**") on its behalf), if any, with any other person initiated before the date of the Arrangement Agreement with respect to any Acquisition Proposal (as hereinafter defined) and shall immediately request the return or destruction of all information provided to any third parties which have entered into a confidentiality agreement with Solana relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.

Pursuant to the Arrangement Agreement, Solana has agreed not to, directly or indirectly, do or authorize or permit any of the Solana Representatives to do, any of the following:

i. solicit, facilitate, initiate or encourage or take any action to solicit, facilitate or encourage any Acquisition Proposal;

ii. enter into or participate in any negotiations or initiate any discussion regarding an Acquisition Proposal, or furnish to any other person any information with respect to its business, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;

iii. waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including, without limitation, any "standstill provisions" thereunder; or

iv. accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, Solana and the Solana Representatives may, except in the case of paragraph (vi) below, Solana and the Solana Representatives shall:

v. enter into or participate in any negotiations or discussions with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of the Arrangement Agreement, by Solana or any of the Solana Representatives) seeks to engage in such negotiations or discussions and, subject to execution of a confidentiality agreement and standstill agreement having terms and provisions substantially similar to the confidentiality agreement between Gran Tierra and Solana dated July 26, 2007 (the "**Confidentiality Agreement**") (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Gran Tierra as set out below), may furnish to such third party information concerning Solana and its business, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written *bona fide* Acquisition Proposal which the Solana board of directors determines in good faith: (i) is funded, in that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available; (ii) after consultation with its financial advisor would, if consummated in accordance with its terms, result in a transaction financially superior for the Solana Securityholders than the Arrangement (in its then current form) and can be carried out in a reasonable timeframe; and (iii) after receiving the advice of outside counsel, as reflected in minutes of the Solana board of directors that the taking of such action is necessary for the Solana board of directors to discharge its fiduciary duties under applicable law (a "**Superior Proposal**") (and for the purposes of the Arrangement Agreement, a Acquisition Proposal may include an Acquisition Proposal made to Solana by a third party who has entered into an agreement with Solana that contains "standstill provisions", provided that such Acquisition Proposal has not been solicited, initiated or encouraged by Solana); and

(B) prior to furnishing such information to or entering into or participating in any such negotiations or discussions with such third party, Solana provides prompt notice to Gran Tierra to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with an executed copy of the confidentiality agreement referenced above, and if not previously provided to Gran Tierra, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that, Solana shall notify Gran Tierra orally and in writing of any inquiries, offers or proposals with respect to an Acquisition Proposal (which written notice shall include, without limitation, a copy of such proposal (and any amendments or supplements thereto), the identity of the person making it, if not previously provided to Gran Tierra, copies of all information provided to such third party and all other information reasonably requested by Gran Tierra), within 24 hours of the receipt thereof, shall keep

Gran Tierra informed of the status and details of any such inquiry, offer or proposal and answer any questions of Gran Tierra with respect thereto;

vi. comply with Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* and similar provisions under applicable Canadian securities laws; and

vii. accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the Solana board of directors shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of the Arrangement Agreement as contemplated by the paragraph below and after receiving the advice of outside counsel as reflected in the minutes of the board of directors of Solana, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under applicable law and Solana complies with its obligations set forth in the paragraph (iii) under the definition of "Acquisition Proposal" below and terminates the Arrangement Agreement in accordance with the termination provisions in the Arrangement Agreement and concurrently therewith pay the fee to Gran Tierra as contemplated therein.

Following receipt of a Superior Proposal, Solana shall give Gran Tierra, orally and in writing, at least 72 hours advance notice of any decision by the Solana board of directors to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall include a summary of the details of the Superior Proposal, including the identity of the third party making the Superior Proposal. During such 72 hour period, Solana agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release any the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hour period, Solana shall and shall cause its financial and legal advisors to, negotiate in good faith with Gran Tierra and its financial and legal advisors to make such adjustments in the terms and conditions of the Arrangement Agreement and the Arrangement as would enable Solana to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Gran Tierra proposes to amend the Arrangement Agreement and the Arrangement to provide that the Solana Securityholders shall receive a value per Solana Share equal to or greater than the value per Solana Share provided in the Superior Proposal and so advises the Solana board of directors prior to the expiry of such 72 hour period, the Solana board of directors shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement.

"**Acquisition Proposal**" means, with respect to Solana, the making of any proposal or offer in writing to Solana or the Solana Securityholders from any person or group of persons "acting jointly or in concert" (within the meaning of the *Securities Act* (Alberta)) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from Solana or the Solana Securityholders of 50% or more of the voting securities of Solana; (ii) any acquisition of substantially all of the assets of Solana; (iii) an amalgamation, arrangement, merger or consolidation involving Solana; (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization, business combination or similar transaction involving Solana; or (v) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by the Arrangement Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Gran Tierra under the Arrangement Agreement or the Arrangement.

Termination

The Arrangement Agreement may be terminated at any time prior to the effective date of the Arrangement whether before or after approval of the transactions contemplated therein by the securityholders entitled to vote of Gran Tierra or Solana, as follows:

a. by mutual agreement of Solana and Gran Tierra;

b. by Solana, if Gran Tierra is in breach of any of the representations and warranties made in the Arrangement Agreement (without giving effect to any materiality qualifiers contained therein) except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change (as such term is defined in the Arrangement Agreement) in respect of Gran Tierra or would not, or would reasonably be expected to, materially impede completion of the Arrangement;

c. by Gran Tierra, if Solana is in breach of any of the representations and warranties made in the Arrangement Agreement (without giving effect to any materiality qualifiers contained therein) except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change (as such term is defined in the Arrangement Agreement) in respect of Solana or would not, or would reasonably be expected to, materially impede completion of the Arrangement;

d. by either party, if all the conditions for closing the Arrangement for the benefit of such party shall not have been satisfied or waived on or before 5:00 p.m., Calgary, Alberta time on November 15, 2008;

e. by either party: (i) if the securityholders of Solana do not approve the Arrangement (and the other matters to be approved at such meeting as provided for in the Arrangement Agreement) at the Solana Securityholders Meeting (as defined in the Arrangement Agreement) or (ii) if the stockholders of Gran Tierra do not approve at the Gran Tierra Stockholders Meeting (as defined in the Arrangement Agreement) the issuance of Gran Tierra common stock issuable as contemplated by the Arrangement at the Gran Tierra Stockholders Meeting;

f. by either party if a final and non-appealable order shall have been entered in any action or proceeding before any governmental entity that prevents or makes illegal the consummation of the Arrangement;

g. by Solana if the Gran Tierra board of directors or any committee of the Gran Tierra board of directors shall withdraw or modify in any adverse manner its approval or recommendation of the Arrangement Agreement, the Arrangement and the other transactions contemplated therein;

h. by Gran Tierra if the Solana board of directors or any committee of the Solana board of directors shall (i) withdraw or modify in any adverse manner its approval or recommendation in respect of the Arrangement Agreement, the Arrangement and the other transactions contemplated therein or (ii) fails to reaffirm its approval or recommendation upon request, from time to time, by Gran Tierra to do so or upon an Acquisition Proposal in respect of Solana being publicly announced or is proposed, offered or made to the Solana Securityholders or to Solana (such reaffirmation to be made within 10 days of such request being made or such Acquisition Proposal being publicly announced, proposed, offered or made or immediately prior to the meeting of Solana Securityholders, whichever occurs first); and

i. by Solana, prior to the approval of the Arrangement Agreement and the Arrangement and the other transactions contemplated therein by the Solana Securityholders if, as a result of a Superior Proposal by a party other than Gran Tierra or any of its affiliates, Solana's board of directors determines in accordance with the Arrangement Agreement to accept, recommend, approve or implement such Superior Proposal and has otherwise complied with the applicable provisions of the Arrangement Agreement.

In the event of termination of the Arrangement Agreement by either Solana or Gran Tierra in the circumstances set out in paragraph (a) through (i) above, the Arrangement Agreement shall forthwith become void and have no effect, and there shall be no liability or obligation on the part of Gran Tierra or Solana or their respective officers or directors, except that: (i) the provisions set out under "Termination Fee", below, shall survive such termination; (ii) the provisions of the Confidentiality Agreement, shall survive any such termination; and (iii) no party shall be released or relieved from any liability arising from the breach by such party of any of its representations, warranties, covenants or agreements as set forth in the Arrangement Agreement.

Termination Fee

a. If the Arrangement Agreement is terminated by Solana pursuant to paragraph (b) above, then Gran Tierra shall pay to Solana a cash termination fee equal to Solana's transaction costs (including the fees and costs of professional advisors) incurred in connection with negotiation and performance of the Arrangement and related transactions, subject to a maximum expense reimbursement of $1.5 million, at the time of such termination.

b. If the Arrangement Agreement is terminated by Gran Tierra pursuant to paragraph (c) above, then Solana shall pay to Gran Tierra a cash termination fee equal to the Gran Tierra's transaction costs (including the fees and costs of professional advisors) incurred in connection with negotiation and performance of the Arrangement and related transactions, subject to a maximum expense reimbursement of $1.5 million, at the time of such termination.

c. If the Arrangement Agreement is terminated by Solana pursuant to paragraph (i) above, or by Gran Tierra pursuant to paragraph (h) above, then Solana shall pay to Gran Tierra a cash termination fee of $21 million, payable immediately upon written notice of termination of the Arrangement Agreement being provided.

d. If the Arrangement Agreement is terminated by Solana pursuant to paragraph (g) above, then Gran Tierra shall pay to Solana a cash termination fee of $21 million, payable immediately upon written notice of termination of the Arrangement Agreement being provided.

e. Gran Tierra and Solana each agree that the agreements contained in paragraph (a) through (d) are an integral part of the transactions contemplated by the Arrangement Agreement. If either party fails to promptly pay the other party any fee due under paragraphs (a) through (d), it shall pay the other party's costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the amount of any unpaid fee at the publicly announced prime rate of Canadian Imperial Bank of Commerce from the date such fee was first due.

Each of Solana and Gran Tierra acknowledges and agrees that all of the payment amounts set out under the section "Termination Fee" are payments of liquidated damages which are a genuine pre-estimate of the damages that the other party will suffer or incur as a result of the event giving rise to such damages and resultant termination of the Arrangement Agreement and are not penalties. Each party irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. For greater certainty, each of the parties agrees that the payment of the applicable amount pursuant to paragraph (a), (b), (c) or (d) under "Termination Fee" is the sole monetary remedy of each party under the Arrangement Agreement. Nothing herein shall preclude a party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in the Arrangement Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith. For clarity, if a party is required to pay a termination fee pursuant to paragraph (c) or (d) under "Termination Fee", no party shall be obligated to pay more than $21 million (and any additional amounts required under paragraph (e) under "Termination Fee".

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

For further information, contact Martin Eden, Chief Financial Officer of Gran Tierra by telephone at (403) 265-3221 x 230.

9. Date of Report:

August 6, 2008

Advisory Regarding Forward-Looking Statements

This material change report includes "forward-looking statements" within the meaning of the U.S. federal and Canadian securities laws, including Canadian Securities Administrators' National Instrument 51-102 Continuous Disclosure Obligations and the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by such terms and phrases as "would", "may", "will", "anticipates", "expects" or "expected to" and other terms with similar meaning indicating possible future events or actions or potential impact on the businesses or shareholders of Gran Tierra Energy Inc. and Solana Resources Limited. Such statements include, but are not limited to, statements about the anticipated benefits, savings and synergies of the plan of arrangement, including future financial and operating results, the plans, objectives, expectations and intentions of the combined company, the future development of the combined company's business, and the contingencies and uncertainties to which Gran Tierra and Solana may be subject prior to closing the transaction and other statements that are not historical facts. There is no assurance that the proposed transaction contemplated in this material change report will be completed at all, or completed upon the same terms and conditions described.

The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements: the ability to obtain required approvals of the plan of arrangement on the proposed terms and schedule; the failure of the securityholders of Solana to approve the plan of arrangement or the stockholders of Gran Tierra to approve the issuance of the Gran Tierra common stock to the holders of Solana securities in the proposed transaction; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any revenue synergies from the plan of arrangement may not be fully realized or may take longer to realize than expected; and disruption from the transaction making it more difficult to maintain relationships with regulatory agencies, employees or suppliers. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the periodic reports filed by Gran Tierra with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site www.sec.gov and on SEDAR at www.sedar.com, as well as Solana's continuous disclosure documents filed on Solana's SEDAR profile at www.sedar.com.

All forward-looking statements in this material change report are expressly qualified by information contained in each company's filings with regulatory authorities and subject to their obligations under applicable securities laws, neither company undertakes to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.