

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Angle Energy Inc.  
Suite 700, 324 – 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2Z2

**Item 2 Date of Material Change**

February 13, 2012

**Item 3 News Release**

Angle Energy Inc. (“**Angle**” or the “**Company**”) issued a press release on February 13, 2012, which was disseminated through the facilities of Marketwire and subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

On February 13, 2012, Angle disclosed information on its reserves as at December 31, 2011, as evaluated by the Company’s independent reserve engineering firm GLJ Petroleum Consultants (“**GLJ**”). The evaluation was conducted pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”) and the Canadian Oil and Gas Evaluation Handbook (“**COGEH**”) reserves definitions.

**Item 5 Full Description of Material Change**

**Reserves Update**

On February 13, 2012, Angle disclosed information on its reserves as at December 31, 2011, as evaluated by its independent reserve engineering firm, GLJ. The evaluation of Angle’s petroleum and natural gas reserves was conducted pursuant to NI 51-101 and the COGEH reserves definitions. The December 31, 2011 Angle reserve report assessment yielded the following results:

- Total proved plus probable reserves of 73.8 million barrels of oil equivalent (“**boe**”), representing a 24% increase in Angle’s reserves as at December 31, 2010 of 59.7 million boe. The most significant change was related to light crude oil reserves which increased by 93%, NGLs increased by 30% and natural gas reserves increased by 15%.
- Total proved reserves of 38.1 million boe, an increase of 19% as compared to 31.9 million boe at year end 2010.
- Proved plus probable reserves replacement of 393% and total proved reserves replacement of 229% (based on 2011 average production of approximately 13,200 boe/d). These reserve replacement ratios were calculated using 2011 production of approximately 4,818,000 boe, which was divided into the increase or change in reserves between December 31, 2010 and 2011.

Further information on Angle's reserves is as follows:

| <b>December 31, 2011 Reserves Summary</b> (Company interest before royalties) |                    |                  |               |                       |
|---|--------------------|------------------|---------------|-----------------------|
| (January 1, 2012 escalated price forecast)                                    | <u>Natural Gas</u> | <u>Crude Oil</u> | <u>NGLs</u>   | <u>Oil Equivalent</u> |
|   | (Bcf)              | (Mbbls)          | (Mbbls)       | (Mboe) (6:1)          |
| Proved developed producing  | 76.82              | 1,368            | 7,561         | 21,731                |
| Proved developed non-producing  | 5.84               | 75               | 263           | 1,310                 |
| Proved undeveloped  | <u>51.98</u>       | <u>1,116</u>     | <u>5,324</u>  | <u>15,102</u>         |
| Total Proved  | 134.63             | 2,558            | 13,148        | 38,143                |
| Probable  | <u>124.9</u>       | <u>2,660</u>     | <u>12,187</u> | <u>35,666</u>         |
| <b>Total Proved plus Probable</b>   | <b>259.54</b>      | <b>5,218</b>     | <b>25,334</b> | <b>73,810</b>         |

(Columns may not add due to rounding)

| <b>December 31, 2011 Net Present Values ("NPV") Summary</b> (Company interest before royalties) |  |                  |                  |
|---|--|------------------|------------------|
| (January 1, 2012 escalated price forecast)  | <b>Present value of cash flows before-tax (\$000s)</b> |                  |                  |
|   | <u>0%</u>  | <u>10%</u>       | <u>15%</u>       |
| Proved developed producing  | \$499,750  | \$333,304        | \$288,032        |
| Proved developed non-producing  | 24,905   | 16,027           | 13,396           |
| Proved undeveloped  | <u>227,811</u>   | <u>94,198</u>    | <u>60,477</u>    |
| Total Proved  | 752,466  | 443,529          | 361,906          |
| Probable  | <u>750,797</u>   | <u>285,002</u>   | <u>193,499</u>   |
| <b>Total Proved plus Probable</b>   | <b>\$1,503,263</b>                                     | <b>\$728,531</b> | <b>\$555,405</b> |

(Columns may not add due to rounding)

Additional highlights include the following, as calculated using the Company's estimated and unaudited financial results of 2011:

- Reserve life index of approximately 15.3 years on a proved plus probable basis and 7.9 years on a proved basis (based on 2011 average production of approximately 13,200 boe/d).
- Finding, development and acquisition costs, including future development capital, of \$19.30 per boe on proved plus probable reserve additions (2010 - \$14.50 per boe) and \$22.74 per boe on total proved reserve additions (2010 - \$20.78 per boe) resulting in recycle ratios of 1.3 and 1.1, respectively. Excluding the change in future development capital of \$203.4 million (proved plus probable) and \$89.5 million (proved), finding, development and acquisition costs would be \$8.55 per boe and \$14.64 per boe, respectively. The average finding, development and acquisition costs, including future development capital, for the three financial years ended December 31, 2011 is \$15.60 per boe on proved plus probable reserve additions (2010 - \$14.23 per boe) and \$21.41 per boe on total proved reserve additions (2010 - \$19.99 per boe). Finding, development and acquisition cost calculations have been conducted in compliance with the requirements of NI 51-101. Specifically, finding, development and acquisition costs relating to proved reserves were calculated by adding the cost of exploration, development and the annual change in estimated future reserves development costs and dividing that sum by annual additions to proved reserves. Finding and development costs for proved and probable reserves was similarly calculated, but used the proved plus probable reserves figure rather than the proved reserves figure.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

The executive officer of Angle who is knowledgeable about this material change and this report is Stuart C. Symon, Vice President Finance, Chief Financial Officer & Corporate Secretary.

Phone: (403) 648-4799

**Item 9 Date of Report**

February 22, 2012.

***Basis of Presentation***

*Production information is commonly reported in units of barrel of oil equivalent (“boe”). For purposes of computing such units, natural gas is converted to equivalent barrels of crude oil using a conversion factor of six thousand cubic feet of gas to one barrel of oil. This conversion ratio of 6Mcf:1bbl is based on an energy equivalency conversion for the individual products primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Such disclosure of boes may be misleading, particularly if used in isolation.*

*The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.*

*In this material change report the following abbreviations have the following meanings:*

*boe/d means barrels of oil equivalent per day;*

*bbl means one barrel, where a barrel equals 34.972 Imperial gallons or 42 U.S. gallons;*

*bbl/d means barrels per day;*

*MMcf means million cubic feet;*

*MMcf/d means million cubic feet per day;*

*Bbl/MMcf means barrels per million cubic feet; and*

*NGL means natural gas liquids, consisting of any one or more of ethane, propane, butane and condensate.*

***Future Outlook and Forward-Looking Information***

*Certain information contained in this material change report, including information and statements which may contain words such as “could”, “plans”, “should”, “anticipates”, “expects”, “believes”, “will” and similar expressions and statements relating to matters that are not historical facts, are*

*forward-looking statements including, but not limited to reserves estimates. These forward-looking statements are based on assumptions and analyses made by Angle as of February 13, 2012, based on its experience, current conditions and expected future development in the areas in which it is currently active and other factors it believes are relevant. The material assumptions for reserves estimates are itemized above and other forward-looking statements are made based on assumptions relating to past experiences in the specific areas and with production rates and completion and tie-in information from past operations. By their nature, these forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Angle's control, including general economic conditions; industry conditions; volatility of commodity prices; currency fluctuations; imprecision of reserves 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; mechanical failures or inability to access production facilities; the unanticipated encroachment of water or other fluids into the producing formation; and the inability to drill, complete and tie-in wells on schedule due to a lack of oilfield services being available on a cost efficient basis, poor weather, the inability to negotiate surface access or regulatory delays. The drilling plans and expected costs of drilling are subject to all the aforementioned risks and uncertainties, as well as those risk factors identified by Angle's management's discussion and analysis and its Annual Information Form dated March 25, 2011 for the year ended December 31, 2010, all of which may be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com). Such risk factors include the impact of general economic conditions, industry conditions, volatility of commodity prices, environmental risks, competition from other industry participants, stock market volatility and ability to access sufficient capital from internal and external sources.*

*Readers are cautioned that the assumptions and factors discussed in this material change report are not exhaustive and 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. Angle's 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 that Angle will derive there from. Unless required by law, Angle disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward looking statements are expressly qualified by these cautionary statements.*