FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Canadian Energy Exploration Inc. (“**Canadian Energy**”)
Suite #500 441 - 5th Avenue, S.W.
Calgary, Alberta T2P 2V1

Item 2 Date of Material Change

August 17, 2012

Item 3 News Release

A press release was disseminated prior to the opening of the markets on August 20, 2012 via Marketwire.

Item 4 Summary of Material Change

Canadian Energy and Standard Exploration Ltd. ("**Standard**") have entered into an Arrangement Agreement (the “**Transaction**”) whereby, subject to certain conditions, Standard will acquire all of the issued and outstanding common shares of Canadian Energy in exchange for common shares of Standard.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Under the terms of the Transaction, Canadian Energy shareholders will receive one common share in the capital of Standard (each, a "**Standard Share**") for every 7.15 common shares of Canadian Energy ("**Canadian Energy Shares**") held. The Transaction will be undertaken by means of a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta). Standard will issue approximately 18.9 million Standard Shares to Canadian Energy shareholders. The Arrangement Agreement contemplates that Canadian Energy will hold a meeting of its shareholders on or prior to October 19, 2012 (the "**Canadian Energy Meeting**") to permit shareholders to vote on the Arrangement.

The board of directors of Canadian Energy unanimously supports the Transaction, has determined that the Transaction is in the best interest of Canadian Energy and recommends that the shareholders of Canadian Energy vote in favour of the Transaction. All of the senior officers and directors of Canadian Energy, who collectively hold approximately 1.1% of the issued and outstanding common shares of Canadian Energy, have agreed to vote their shares in favour of the Transaction at the Canadian Energy Meeting.

The Arrangement Agreement includes non-solicitation covenants (subject to the fiduciary obligations of the board of directors of Canadian Energy and the right of Standard to match any Superior Proposal, as defined in the Arrangement Agreement). The Arrangement Agreement, among other things, provides for non-completion fees of up to $150,000 payable by Canadian Energy to Standard in the event the Transaction is not completed or is terminated by either party in certain circumstances. The Arrangement Agreement provides that completion of the

Transaction is subject to certain conditions, including the receipt of all required regulatory approvals (including the approval of the TSX Venture Exchange), the approval of the shareholders of Canadian Energy and the approval of the Court of Queen's Bench of Alberta. The Transaction is anticipated to close on October 19, 2012.

Sayers Energy Advisors is acting as exclusive financial advisor to Canadian Energy with respect to the Transaction and has provided the board of directors of Canadian Energy with a verbal opinion that, subject to its review of the final form of documents effecting the Transaction, the consideration to be received by Canadian Energy shareholders is fair, from a financial point of view, to the Canadian Energy shareholders.

The executive management group of Standard, led by Mr. Ronald Wiebe as President and Chief Executive Officer, will manage the combined enterprise. The board of directors of Standard will be unchanged after completion of the Transaction, with the exception of the addition of John McGilvary who is currently on Canadian Energy's board of directors.

Complete details of the terms of the Transaction are set out in the Arrangement Agreement, which will be filed by each of Canadian Energy and Standard on SEDAR and will be available for viewing under each of Canadian Energy and Standard’s profiles at www.sedar.com.

5.2 Disclosure for Restructuring Transactions

Not Applicable

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

For further information, please contact:

Canadian Energy Exploration Ltd.
Lawrence B. Buzan
President & Chief Executive Officer
(403) 229-2800

Item 9 Date of Report

August 27, 2012