

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and address of Company

Athabasca Oil Sands Corp. (“AOSC” or the “Company”)
2000, 250 – 6th Avenue S.W.
Calgary, Alberta T2P 2H7

2. Date of Material Change

June 23, 2011

3. News Release

On June 24, 2011 AOSC issued a news release through Canada Newswire (CNW) in respect of the material change described in this report.

4. Summary of Material Change

AOSC announced the results of its updated independent reserve and resource evaluation reports each dated effective April 30, 2011 prepared by GLJ Petroleum Consultants Ltd. (“GLJ”) and DeGolyer and MacNaughton Canada Limited (“D&M”) for AOSC’s oil sands properties in the Athabasca region of north eastern Alberta (the “GLJ Report” and the “D&M Report”, respectively). The independent reports incorporate the results of AOSC’s 2010-2011 winter drilling program and reflect an increase in AOSC’s contingent resources (best estimate) of approximately 9.8% to 9.672 billion barrels.

5. Full Description of Material Change

On June 24, 2011, AOSC announced the results of the GLJ Report and the D&M Report. The estimates were prepared by GLJ and D&M and incorporate the results of AOSC’s 2010-2011 [89] well winter drilling program at its Hangingstone, Birch, Dover West and Grosmont properties in north eastern Alberta. AOSC increased its contingent resource volumes (best estimate) by approximately 9.8% to 9.672 billion barrels, and its probable reserves by 15% to 288.87 million barrels, in each case compared to the estimates set out in AOSC’s AIF for the year ended December 31, 2010 (the “AIF”). Additional information with respect to AOSC and its properties is contained in the AIF.

Reserves:

The tables below summarize the Company's bitumen reserves and associated future net revenues as at April 30, 2011, as evaluated by GLJ in the GLJ Report and by D&M in the D&M Report. AOSC’s bitumen reserves are located in the Hangingstone, MacKay and Dover areas in the Athabasca region of northeastern Alberta. Probable and Possible Reserves have been assigned by D&M to the 12,000 bbls/d project at Hangingstone, and by GLJ to Phase 1 of the MacKay Oil Sands Project and Phase 1 of the Dover Oil Sands Project, for which regulatory applications have been made for development. All evaluations of future revenue are after the deduction of royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenues contained in the following tables do not

necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and cost assumptions contained in the GLJ and D&M Reports will be realized and variances could be material. The recovery and reserves estimates are estimates only. The actual reserves may be greater or less than those calculated.

Hangingsstone Project, MacKay Phase 1 and Dover Phase 1 Reserves Based on Forecast Prices and Costs⁽⁴⁾⁽⁵⁾⁽⁶⁾

RESERVES CATEGORY	RESERVES SUMMARY			
	BITUMEN		TOTAL OIL EQUIVALENT	
	Company Gross ⁽¹⁾ (mbbl)	Company Net ⁽¹⁾ (mbbl)	Company Gross ⁽¹⁾ (mbbl)	Company Net ⁽¹⁾ (mbbl)
PROBABLE				
Dover	137,144	105,570	137,144	105,570
MacKay	113,919	87,033	113,919	87,033
Hangingsstone	37,805	29,928	37,805	29,928
TOTAL PROBABLE ⁽²⁾	288,868	222,531	288,868	222,531
POSSIBLE				
Dover	18,275	12,476	18,275	12,476
MacKay	25,801	17,455	25,801	17,455
Hangingsstone	2,673	1,865	2,673	1,865
TOTAL POSSIBLE ⁽³⁾	46,749	31,796	46,749	31,796
TOTAL PROBABLE PLUS POSSIBLE ⁽²⁾⁽³⁾	335,617	254,327	335,617	254,327

Summary of Net Present Values of Future Net Revenue Based on Forecast Prices and Costs⁽⁴⁾⁽⁵⁾⁽⁶⁾

RESERVES CATEGORY	Before Income Tax Discounted at (%/year)					
	0% (MM\$)	5% (MM\$)	9% (MM\$)	10% (MM\$)	15% (MM\$)	20% (MM\$)
PROBABLE						
Dover	3,808	1,753	972	840	399	171
MacKay	3,325	1,510	841	729	352	152
Hangingsstone	699	406	243	210	77	(12)
Other Tax Pools	-	-	-	-	-	-
TOTAL PROBABLE ⁽²⁾	7832	3,668	2,056	1,779	829	311
POSSIBLE						
Dover	823	279	133	112	56	33
MacKay	1,249	363	155	128	57	33
Hangingsstone	88	56	38	34	20	9
Other Tax Pools	-	-	-	-	-	-
TOTAL POSSIBLE ⁽³⁾	2,160	698	326	274	133	75
TOTAL PROBABLE PLUS POSSIBLE ⁽²⁾⁽³⁾⁽⁵⁾	9,992	4,367	2,382	2,053	961	386

RESERVES CATEGORY	After Income Taxes Discounted at (%/year)					
	0% (MM\$)	5% (MM\$)	9% (MM\$)	10% (MM\$)	15% (MM\$)	20% (MM\$)
PROBABLE						
Dover	2,842	1,274	680	580	247	76
MacKay	2,485	1,100	591	505	219	66
Hangingstone	493	261	136	109	6	(63)
Other Tax Pools	137	88	65	61	44	33
TOTAL PROBABLE ⁽²⁾	5,957	2,723	1,473	1,256	516	112
POSSIBLE						
Dover	620	211	102	87	44	28
MacKay	935	273	118	98	45	27
Hangingstone	76	46	30	28	14	5
Other Tax Pools	1	1	1	1	1	1
TOTAL POSSIBLE ⁽³⁾	1,632	531	250	214	104	61
TOTAL PROBABLE PLUS POSSIBLE ⁽²⁾⁽³⁾⁽⁵⁾	7,589	3,255	1,723	1,469	620	173

Notes:

- (1) **"Gross Reserves"** are the Company's working interest (operating or non-operating) share before deducting royalties and without including any royalty interests of the Company. **"Net Reserves"** are the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in reserves.
- (2) **"Probable Reserves"** are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved Reserves plus Probable Reserves.
- (3) **"Possible Reserves"** are those additional reserves that are less certain to be recovered than Probable Reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of Proved Reserves plus Probable Reserves plus Possible Reserves.
- (4) The pricing assumptions used in the GLJ Report and the D&M Report with respect to values of future net revenue as well as the inflation rates used for operating and capital costs are set forth below under "– GLJ - April 1, 2011 Pricing Assumptions". GLJ is an independent qualified reserves evaluator appointed pursuant to NI 51-101.
- (5) Totals may not add due to rounding.
- (6) The Company's investments in the Dover and MacKay assets are accounted for by the equity method and the Reserve and future net revenue estimates set out above reflect the Company's indirect 40% working interests in the MacKay and Dover assets which are held directly by the Company's wholly owned subsidiaries, AOSC (MacKay) and AOSC (Dover), respectively.

Contingent Resources:

The table below summarizes the Company's Contingent Resources and associated future net revenues as of April 30, 2011, as evaluated by GLJ in the GLJ Report and by D&M in the D&M Report, respectively.

It should not be assumed that the estimates of recovery, production and net revenue presented in the tables below represent the fair market value of Athabasca's bitumen resources. There is no assurance that the forecast prices and cost assumptions will be realized and variances could be material. The actual resources may be greater than or less than the estimates provided. The contingencies which currently prevent the classification of the Contingent Resources disclosed in the table as reserves consist of: further facility design, preparation of firm development plans, and regulatory applications (including associated reservoir studies and delineation drilling), and Company approvals. There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

Both the GLJ Report and the D&M Report are based on GLJ's April 1, 2011 pricing (see GLJ – April 1, 2011 Pricing Assumptions below).

	<u>Low Estimate⁽²⁾</u>	<u>Best Estimate⁽³⁾</u>	<u>High Estimate⁽⁴⁾</u>
GLJ Report⁽⁵⁾			
Established Technology			
MacKay	345	573	983
Dover	772	1,221	1,616
DoverWest Clastics	<u>1,284</u>	<u>1,991</u>	<u>2,867</u>
	<u>2,401</u>	<u>3,785</u>	<u>5,466</u>
Technology Under Development ⁽⁸⁾			
Dover West Leduc Carbonates	N/A ⁽⁹⁾	2,866	4,977
Grosmont ⁽¹⁴⁾	N/A ⁽⁹⁾	418	1,876
Total GLJ Report	<u>2,401</u>	<u>7,070</u>	<u>12,319</u>
D&M Report⁽⁶⁾			
Established Technology			
Birch	1,344	1,885	2,614
Hangingstone	642	718	906
Total D&M Report	<u>1,986</u>	<u>2,603</u>	<u>3,520</u>
TOTAL COMPANY^{(5) (6) (7)}	<u>4,387</u>	<u>9,672</u>	<u>15,839</u>

<u>Before Income Tax Discounted at (%/year)</u>							
CONTINGENT RESOURCE CATEGORY	mmbbl	0% (MM\$)	5% (MM\$)	9% (MM\$)	10% (MM\$)	15% (MM\$)	20% (MM\$)
Best Estimate GLJ Report⁽⁵⁾							
<i>Existing Technology</i>							
Dover ^{(11) (16)}	1,221	42,629	10,870	4,355	3,526	1,301	477
Dover West Clastics	1,991	59,066	14,924	5,590	4,400	1,245	143
MacKay ^{(11) (16)}	573	16,117	4,755	2,034	1,666	640	241
<i>Technology under Development⁽⁸⁾</i>							
Dover West Carbonates	2,866	92,733	27,975	12,188	10,023	3,906	1,474
Grosmont ⁽¹⁴⁾	418	9,808	2,191	603	411	(53)	(168)
Other Tax Pools	-	-	-	-	-	-	-
D&M Report⁽⁶⁾							
<i>Existing Technology</i>							
Birch	1,885	67,729	15,870	4,958	3,581	150	(905)
Hangingstone ⁽¹²⁾	718	28,500	5,998	1,621	1,082	(154)	(488)
Total Best Estimate⁽⁷⁾ (13)(15)	<u>9,672</u>	<u>316,582</u>	<u>82,583</u>	<u>31,348</u>	<u>24,690</u>	<u>7,035</u>	<u>774</u>

<u>After Income Tax Discounted at (%/year)</u>							
CONTINGENT RESOURCE CATEGORY	mmbbl	0% (MM\$)	5% (MM\$)	9% (MM\$)	10% (MM\$)	15% (MM\$)	20% (MM\$)
Best Estimate GLJ Report⁽⁵⁾							
<i>Existing Technology</i>							
Dover ^{(11) (16)}	1,221	31,790	7,924	3,078	2,466	834	242
Dover West Clastics	1,991	43,929	10,673	3,758	2,887	604	(164)
MacKay ^{(11) (16)}	573	11,957	3,412	1,402	1,134	393	113
<i>Technology under Development⁽⁸⁾</i>							
Dover West Carbonates	2,866	69,174	20,461	8,676	7,067	2,542	768
Grosmont ⁽¹⁴⁾	418	7,292	1,494	316	177	(144)	(207)
Other Tax Pools	-	458	71	34	30	23	18
D&M Report⁽⁶⁾							
<i>Existing Technology</i>							
Birch	1,885	50,079	11,372	3,208	2,180	(420)	(1,175)
Hangingstone ⁽¹²⁾	718	20,975	4,407	1,040	631	(359)	(605)
Total Best Estimate⁽⁷⁾ (13)(15)	<u>9,672</u>	<u>235,654</u>	<u>59,815</u>	<u>21,512</u>	<u>16,571</u>	<u>3,473</u>	<u>(1,009)</u>

Notes:

- (1) **"Contingent Resources"** are defined in the Canadian Oil and Gas Evaluation Handbook (the **"COGE Handbook"**) as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as "Contingent Resources" the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status. The volumes of contingent bitumen resources in the above table were calculated at the outlet of the proposed extraction plant and are the Company's working interest (operating or non-operating) share before deduction of royalty obligations.
- (2) **"Low Estimate"** is a classification of estimated resources described in the COGE Handbook as being considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the Low Estimate. If probabilistic methods are used, there should be a 90% probability (P90) that the quantities actually recovered will equal or exceed the Low Estimate.
- (3) **"Best Estimate"** is a classification of estimated resources described in the COGE Handbook as being considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the Best Estimate. If probabilistic methods are used, there should be a 50% probability (P50) that the quantities actually recovered will equal or exceed the Best Estimate.
- (4) **"High Estimate"** is a classification of estimated resources described in the COGE Handbook as being considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the High Estimate. If probabilistic methods are used, there should be a 10% probability (P10) that the quantities actually recovered will equal or exceed the High Estimate.
- (5) Based on the GLJ Report dated effective as of April 30, 2011.
- (6) Based on the D&M Report dated effective as of April 30, 2011.
- (7) These volumes are arithmetic sums of multiple estimates of contingent bitumen resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained. In particular, readers should be aware that the likelihood of attaining the sum of the High Estimate is extremely low and of the Low Estimate quite high.
- (8) The Company's resources at its Dover West Carbonates and Grosmont assets are contained in carbonate reservoirs. Steam Assisted Gravity Drainage (SAGD) and Cyclic Steam Stimulation (CSS), the recovery processes being considered to develop these assets, are considered by GLJ to be "technology under development" in carbonate reservoirs. The successful development of the Company's carbonate reservoirs depends on, among other things, the successful development and application of SAGD, Thermal Assisted Gravity Drainage (TAGD) and CSS or other recovery processes to carbonate reservoirs. Although the technology has been developed for application to non-carbonate reservoirs, there are no known successful commercial projects that use SAGD, TAGD or CSS to recover bitumen from carbonate formations and there exists a large range in the expected recoverable volumes, the lower end of which may not be economically viable. The principal risks associated with SAGD and CSS recovery in carbonate reservoirs are: (i) the possibility of unexpected steam channelling which would increase steam requirements resulting in increased costs and potentially reduced economically recoverable bitumen volumes; and (ii) potential mechanical operating problems due to production of fines which could cause wellbore plugging and reduced bitumen production rates and potential interruption of surface production operations. Although the technical risks associated with "technology under development" have been accounted for in the GLJ Report, the timeline for verification of "technology under development" has inherent uncertainty. The Company is also testing TAGD as an alternate bitumen recovery process in the Dover West Carbonates. The principal risk associated with TAGD recovery in carbonate reservoirs is to prove TAGD as a commercially viable bitumen recovery process. Development will involve significant capital expenditures and a lengthy time to project payout and project payout is not assured. If a pilot project and/or the technology under development do not demonstrate potential commerciality in carbonate reservoirs then the Company's projects on these assets may not proceed and this may occur only after significant expenditures have been incurred by the Company. With respect to the Company's Grosmont asset, the Company's strategy is to continue delineation drilling efforts in the area in order to increase the resource base. The Company has not prepared a development plan or timeline for the Grosmont area, and is monitoring industry activity toward demonstrating successful development and production methods for the Grosmont Formation. See "Independent Reserve and Resource Evaluations".
- (9) The GLJ Report does not calculate the discounted future net revenues associated with the Dover West Carbonates and Grosmont assets in the Low Estimate case because GLJ does not believe that a high certainty or Low Estimate case would be economic. Readers should be aware that if calculated, the discounted future net revenues associated with the Dover West Carbonates and Grosmont assets in the Low Estimate would likely be negative since the Low Estimate result would be realized only after considerable capital has been invested.
- (10) There is no certainty that it will be commercially viable to produce any portion of the resources.
- (11) These figures do not include the Probable and Possible Reserves volumes and values that have been assigned by GLJ to Phase 1 of the MacKay Oil Sands Project and to Phase 1 of the Dover Oil Sands Project. See "Reserves above".
- (12) These figures do not include the Probable and Possible Reserves volumes and values that have been assigned by D&M to Hangingstone Project. See "Reserves" above.
- (13) Totals may not add due to rounding.
- (14) Athabasca's strategy is to continue delineation drilling efforts in the Grosmont area in order to increase the resource base at this asset. Athabasca has not prepared a development plan or timeline for the Grosmont area, and is monitoring industry activity toward demonstrating successful development and production methods for the Grosmont Formation. Other than as noted above, Athabasca has no current plans to pursue the development of the Grosmont asset and the net present value shown here should therefore not be considered to be a reasonable assessment of the current value of the Grosmont asset to the Company.

- (15) The resource estimates set out above reflect the Company's 100% working interest in the Hangingstone, Dover West and Birch assets, 40% working interests in the MacKay and Dover assets and 50% working interest in the Grosmont asset.
- (16) [The Company's investments in Dover and MacKay are accounted for by the equity method and the resource and future net revenue estimates set out above reflect only the Company's 40% working interests in the MacKay and Dover areas which are respectively held directly by the Company's wholly owned subsidiaries, AOSC (MacKay) and AOSC (Dover).

GLJ – April 1, 2011 Pricing Assumptions ^{(1), (2)}

		Bank of	West Texas	Light, Sweet	LLB Crude			Sandstones	Carbonates
	Oil	Canada	Intermediate	Crude Oil	Oil Stream	Dil-bit		0.42857	0.46
	Sands	Average	Crude Oil at	Crude Oil	Quality	Quality	Diluent	Bitumen	Bitumen
	Inflation	Noon Rate	Cushing	(40 API, 0.3%S)	at Hardisty	Differential	at Field	Wellhead	Wellhead
	%	<u>\$US/\$Cdn</u>	<u>Current</u>	<u>Current</u>	<u>Current</u>	<u>Current</u>	<u>Current⁽³⁾</u>	<u>Current</u>	<u>Current⁽⁴⁾</u>
			<u>\$US/bbl</u>	<u>\$Cdn/bbl</u>	<u>\$Cdn/bbl</u>	<u>\$Cdn/bbl</u>	<u>\$Cdn/bbl</u>	<u>\$Cdn/bbl</u>	<u>\$Cdn/bbl</u>
2011	2.0	0.980	105.00	103.06	80.90	-3.50	118.34	51.12	51.75
2012	2.0	0.980	102.00	101.02	81.32	-2.75	110.05	56.35	55.18
2013	2.0	0.980	100.00	100.51	80.91	-2.00	108.52	57.49	56.38
2014	2.0	0.980	100.00	101.02	81.32	-1.25	109.04	62.64	61.63
2015	2.0	0.980	100.00	101.12	81.40	-1.25	109.14	62.71	61.70
2016	2.0	0.980	100.00	101.12	81.40	-1.28	109.14	62.68	61.67
2017	2.0	0.980	101.36	102.51	82.52	-1.30	110.56	64.70	63.71
2018	2.0	0.980	103.38	104.57	84.18	-1.33	112.66	66.14	65.13
2019	2.0	0.980	105.45	106.68	85.88	-1.35	114.82	67.96	66.94
2020	2.0	0.980	107.56	108.84	87.61	-1.38	117.01	69.45	68.42
2021	2.0	0.980	109.71	111.02	89.36	-1.41	119.23	72.04	71.01
2022	2.0	0.980	111.91	113.24	91.15	-1.44	121.49	73.58	72.54
2023	2.0	0.980	114.14	115.50	92.97	-1.46	123.80	75.15	74.10
2024+	2.0	0.980	+2.0%/yr	+2.0%/yr	+2.0%/yr		+2.0%/yr	+2.0%/yr	+2.0%/yr

Notes

- (1) Blending Ratio = 1 bbl bitumen: 0.42857 bbl Diluent for Bitumen Netback pricing. This blending ratio equates to a bitumen blend (dilbit) comprised of 30% condensate and 70% bitumen.
- (2) Blending Ratio = 1 bbl bitumen: 0.46 bbl Diluent for Carbonates Bitumen Netback pricing. This blending ratio equates to a bitumen blend (dilbit) comprised of 31.5% condensate and 68.5% bitumen.
- (3) Includes diluent transportation and postings premiums of Cdn\$6.00/bbl.
- (4) Net of transportation costs of Cdn\$3.50/bbl from 2011 through 2013, Cdn\$3.50/bbl from 2014 through 2016, Cdn\$2.75/bbl from 2017 through 2018, Cdn\$2.50 from 2019 through 2020, and Cdn\$1.75/bbl thereafter.

Forward Looking Statements and Advisories

This material change report contains forward-looking information that involves various risks, uncertainties and other factors. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict", "pursue" and "potential" and similar expressions are intended to identify forward-looking statements. The forward-looking information is not historical fact, but rather is based on the current plans, objectives, goals, strategies, estimates, assumptions and projections about the industry, business and future financial results of AOSC. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this material change report should not be unduly relied upon. These statements speak only as of the date of this material change report. In particular, this material change report contains forward-looking statements pertaining to the estimated quantity of the Company's Probable and Possible Reserves and Contingent Resources. With respect to forward-looking statements and forward-looking information contained in this material change report, assumptions have been made regarding, among other things: the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business; the applicability of technologies for the recovery and production of the Company's reserves and resources; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; geological and engineering estimates in respect of the Company's reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities; and the Company's ability to obtain financing on acceptable terms. Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included in documents referenced elsewhere in this in this material change report, including: fluctuations in market prices for crude oil and bitumen blend; general economic, market and business conditions; dependence on the joint venture participant in the MacKay and Dover oil sands projects; variations in foreign exchange and interest rates; factors affecting potential profitability; the global financial system; uncertainties inherent in estimating quantities of reserves and resources; AOSC's status and stage of development; uncertainties inherent in Steam Assisted Gravity Drainage (SAGD), Thermal Assisted Gravity Drainage (TAGD) and Cyclic Steam Stimulation (CSS) and other bitumen recovery processes; failure to meet development schedules and potential cost overruns; increases in operating costs making projects uneconomic; the effect of diluent and natural gas supply constraints and increases in the costs thereof; gas over bitumen issues; environmental risks and hazards and the cost of compliance with environmental regulations, including greenhouse gas regulations and potential Canadian and U.S. climate change legislation; failure to obtain or retain key personnel; the substantial capital requirements of the Company's projects; the need to obtain regulatory approvals and maintain compliance with regulatory requirements; extent of,

and cost of compliance with, current and future government laws and regulations; changes to royalty regimes; political risks; failure to accurately estimate abandonment and reclamation costs; risks inherent in the Company's operations, including those related to exploration, development and production of oil sands and other petroleum reserves and resources, including the production of oil sands reserves and resources using SAGD, TAGD, CSS or other in-situ technologies; the potential for management estimates and assumptions to be inaccurate; long term reliance on third parties and defaults by counterparties; reliance on third party infrastructure; the potential lack of available drilling equipment and limitations on access to the Company's assets; hedging risks; claims made in respect of the Company's operations, properties or assets; competition; and the failure of the Company or the holder of certain licenses or leases to meet specific requirements of such licenses or leases. In addition, information and statements in this material change report relating to "reserves" and "resources" are deemed to be forward-looking information and statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future. The risks and uncertainties referred to above are described in more detail in AOSC's AIF for the Year Ended December 31, 2010, which is available on the SEDAR website at www.sedar.com. See also AOSC's financial statements and Management's Discussion and Analysis for the year ended December 31, 2010 and the most recently completed financial quarter, which are also available on SEDAR. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. The forward-looking statements included in this material change report are expressly qualified by this cautionary statement and are made as of the date of this material change report. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

7. Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

8. Omitted Information

N/A

9. Executive Officer

For further information, please contact:

Sveinung Svarte, President & CEO

Tel: (403) 237-9349, Fax: (403) 264-4640

or

Ian Atkinson, Vice President Geosciences and Development

Tel: (403) 237-9523, Fax: (403) 264-4640

10. Date of Report:

June 29, 2011