FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Corporation:

Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**")
Suite 600, 400 – 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

2. Date of Material Change:

March 17, 2020

3. News Release:

On March 17, 2020 at Calgary, Alberta a news release was issued and disseminated through the facilities of a recognized news service.

4. Summary of Material Change:

On March 17, 2020, Cardinal announced a revised 2020 capital program and dividend suspension.

5. Full Description of Material Change:

On March 17, 2020, Cardinal announced that in light of the rapidly changing world in which both COVID-19 and talk of supply increases from Saudi Arabia and Russia have dramatically decreased the price of crude oil, the Company felt it was necessary to protect its shareholders and the Company by making some rapid changes to the framework of its business.

As of March 9, 2020, Cardinal significantly decreased its 2020 capital budget to a minimal level. The Company's original budget called for capital spending of $67 million with $27 million to be spent in the first quarter. As of March 9, 2020, Cardinal was able to safely suspend drilling and completion operations as well as other capital programs having spent approximately $22 million. This resulted in the drilling and completing of the majority of the Company's Southern area drill program for the year and leaves Cardinal currently producing proximately 21,500 boe/d. The Company still has several wells that are completed but not tied in and one well requiring completion. Cardinal anticipates that the production from this drill program will allow it to maintain approximately the same average production levels as 2019 with minimal capital spending for the remainder of the year.

The Company's revised 2020 capital budget is now $31 million, of which $22 million has been spent and $9 million is planned for the balance of the year. These funds are necessary to complete scheduled facility turnarounds and to maintain safe operations as well as to maintain Cardinal's base production. The revised budget contemplates exiting 2020 at a similar net debt level as 2019.

As part of the revised capital program the Board of Directors has elected to suspend the dividend for March, April, May and June after which Cardinal will evaluate market conditions and either reinstate a dividend or continue with another temporary suspension.

Cardinal will continue to navigate through these challenging times by acting quickly to implement change on both the downside and the upside. The Company has reduced office staff compensation to account for the reduced activity and will look for additional ways to reduce costs and other long term cost saving initiatives.

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

N/A

7. Omitted Information:

N/A

8. **Executive Officer:**

The name and business numbers of the executive officer of us who is knowledgeable of the material change and this report is:

M. Scott Ratushny
Chief Executive Officer

Shawn Van Spankeren
Chief Financial Officer

Laurence Broos
Vice President, Finance

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Email: info@cardinalenergy.ca
Website: www.cardinalenergy.ca

8. Date of Report:

March 26, 2020

Note Regarding Forward-Looking Statements

This document contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to Cardinal's plans and other aspects of Cardinal's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this document speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this document contains forward-looking statements relating to: Cardinal's business strategies, plans and objectives, Cardinal's revised 2020 capital program and allocation thereof, anticipated 2020 production and net debt, the Company's dividend policy and plans, and Cardinal's plans to look for additional ways to reduce costs and long term cost saving initiatives.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, production curtailments, current and future commodity prices and exchange rates, applicable royalty rates, tax laws, future well production rates and reserve volumes, future operating costs, the performance of existing and future wells, the success of its exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the timing and success of cost cutting initiatives and power projects, the availability and cost of labor and services, the impact of competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies including curtailment, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions and drilling success and potential timing delays.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Cardinal's control. Such risks and uncertainties include, without limitation: the impact of general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and gas industry including government curtailment programs; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a summary of assumptions and risks related to forward-looking statements provided in this document in order to provide readers with a more complete perspective on Cardinal's future operations and such information may not be appropriate for other purposes. Cardinal'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 Cardinal will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this document and Cardinal disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Non-GAAP measures

This document contains the term "net debt" which does not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. "Net debt" is calculated as bank debt plus the principal amount of convertible unsecured subordinated debentures ("convertible debentures") and current liabilities less current assets (adjusted for the fair value of financial instruments, the current portion of lease liabilities, the current portion of the decommissioning obligation and the current portion of the liability component of convertible debentures). Net debt is used by management to analyze the financial position, liquidity and leverage of Cardinal.

Oil and Gas Metrics

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

This document includes references to anticipated 2020 production. The Company discloses crude oil production based on the pricing index that the oil is priced off of. The current production disclosed in this document consists of 56% light and medium crude oil, 27% heavy oil, 4% NGLs and 13% conventional natural gas.