

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Cruiser Oil & Gas Ltd. ("**Cruiser**" or the "**Company**")
Suite 620, 600 – 6th Avenue S.W.
Calgary, AB T2P 0S5

2. Date of Material Change

April 29, 2008.

3. News Release

The Company disseminated a news release through Marketwire on April 30, 2008 announcing the material change.

4. Summary of Material Change

The Company announced on April 30, 2008 that it had entered into an engagement agreement with Blackmont Capital Inc. (the "**Agent**") for the private placement of special warrants of the Company ("**Special Warrants**") priced at \$0.07 per special warrant for minimum gross proceeds of \$3 million and maximum gross proceeds of \$6 million (the "**Offering**").

5. Full Description of Material Change

5.1 Full Description of Material Change

Introduction

The Company announced on April 30, 2008 that it had entered into an engagement agreement with the Agent for the private placement of Special Warrants priced at \$0.07 per Special Warrant for minimum gross proceeds of \$3 million and maximum gross proceeds of \$6 million.

The Offering

It is expected that certain related parties of Company (the "**Related Parties**") may wish to participate in the Offering and the issuance of the Company's common shares ("**Common Shares**") to the Related Parties upon the exercise of the Special Warrants (the "**Related Party Transaction**") might require that certain approvals be obtained in accordance with the policies of the TSX Venture Exchange and applicable securities laws (the "**Required Approvals**"), including approval by a majority of the votes cast at a meeting of securityholders of the Company called to consider and approve, among other things, the Related Party Transaction (the "**Meeting**") but excluding for this purpose the votes cast by certain shareholders of the Company. To the extent required, the necessary shareholder approvals are expected to be obtained at the annual and special meeting of the Company scheduled for June 17, 2008.

The Special Warrants will be issued in series. The first series of Special Warrants (the "**Series 1 Special Warrants**") will be offered to subscribers who are Related Parties and will entitle the holder thereof to receive one Common Share if the Required Approvals are received by the

Company, which approvals the Company has agreed to use its reasonable best efforts to obtain, if and as required. The gross proceeds of the Series 1 Special Warrant Offering (the "**Series 1 Proceeds**") will be held by an escrow agent (the "**Escrow Agent**") and invested in approved interest bearing accounts and/or instruments pending receipt of the Required Approvals. If the Required Approvals are not obtained on the earlier of (i) the date that the Shareholders Meeting is held to consider, among other things, the Related Party Transactions, and (ii) July 31, 2008 (the "**Series 1 Determination Date**"), the Company and the Agent will send a joint notice to the Escrow Agent and the Series 1 Special Warrants will automatically terminate and the proceeds therefrom plus accrued interest will be returned to the subscribers. If the Required Approvals are obtained by the Series 1 Determination Date, the Company and the Agent will send a joint notice to the Escrow Agent confirming that the Required Approvals have been obtained and an undertaking from the Company that upon release of the Series 1 Proceeds and any interest thereon, it will apply such amount first towards payment of the outstanding fees owing to the Agent under the Offering and secondly towards repayment of debt, working capital needs and general corporate purposes, including potential future acquisitions. Upon receipt by the Escrow Agent of the joint notice confirming that the Required Approvals have been obtained, the Series 1 Special Warrants will automatically convert to Common Shares and the balance of the Series 1 Proceeds plus accrued interest thereon will be advanced to the Company.

A second series of Special Warrants (the "**Series 2 Special Warrants**") will be offered to subscribers who are not Related Parties and will entitle the holder thereof to receive one Common Share at no additional cost. The gross proceeds of the offering of Series 2 Special Warrants (the "**Series 2 Proceeds**") will be held by the Escrow Agent and invested in approved interest bearing accounts and/or instruments subject to release as described below. If the Required Approvals are not obtained by the Series 1 Determination Date, each Series 2 Special Warrant will automatically terminate on the tenth business day thereafter (the "**Series 2 Termination Date**"). The Company and the Agent will provide a joint notice to the Escrow Agent that the Required Approvals have not been obtained and the proceeds from the offering of the Series 2 Special Warrants and accrued interest thereon will be returned to the subscribers unless a holder of Series 2 Special Warrants elects to exercise the Series 2 Special Warrants prior to the Series 2 Termination Date in which case such Series 2 Special Warrants will convert to Common Shares and the proceeds of such Series 2 Special Warrants plus accrued interest thereon will be advanced to the Company. If the Required Approvals are obtained by the Series 1 Determination Date, the Company and the Agent will send a joint notice to the Escrow Agent confirming that the Required Approvals have been obtained and an undertaking from the Company that upon release of the Series 2 Proceeds and any interest thereon, it will apply such amount first towards payment of the outstanding Agency Fee (as defined below) and secondly towards repayment of debt, working capital needs and general corporate purposes, including potential future acquisitions. Upon receipt by the Escrow Agent of the joint notice confirming that the Required Approvals have been obtained, the Series 2 Special Warrants will automatically convert to Common Shares and the balance of the Series 2 Proceeds plus accrued interest thereon will be advanced to the Company.

The Special Warrants will be offered on a private placement basis to Canadian residents who are exempt purchasers under applicable securities laws, and may, with the consent of the Company, be offered in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended. The Special Warrants, as well as the Common Shares issuable upon the conversion of the Special Warrants, will be subject to a four-month hold period under applicable Canadian securities laws.

The Offering is being undertaken on a fully marketed basis by the Agent. The Agent will be paid a cash commission of 5% of the gross proceeds from the sale of Special Warrants that are converted into Common Shares in connection with the Offering. Completion of the Offering is subject to the Company and Agent entering into a formal agency agreement as well as the receipt of the final approval of the TSX Venture Exchange and other customary closing conditions.

The Offering is scheduled to close on May 15, 2008.

Purpose and anticipated effect of the Offering on the Company's business

The Company intends to use the net proceeds from the Offering to repay debt and the balance will be used for working capital needs and general corporate purposes, including potential future acquisitions. It is expected that the Offering will strengthen the Company's balance sheet and enhance its ability to augment shareholder value by exploiting existing assets or accessing the merger and acquisitions marketplace.

Interested parties, related parties and associated entities

The Company expects certain Related Parties of the Company, including issuers indirectly controlled by Longbow Capital Inc. (the "**Longbow Group**"), to subscribe for not less than 57,142,859 Series 1 Special Warrants for gross proceeds of \$4 million. Assuming that (i) the members of Longbow Group participate in the Offering to the extent described above and (ii) the maximum number of Special Warrants issuable under the Offering are sold, the Longbow Group, and certain of their affiliates, insiders and associates of the foregoing will hold (in aggregate) 50.68% of the Common Shares of the Company outstanding immediately following completion of the Offering. The identity and extent of participation of other Related Parties in the Offering has not yet been determined.

Exemption from the formal valuation requirement

The Company will be exempt from the requirement to obtain a formal valuation of the Related Party Transactions on the basis that the securities of the Company are not listed or quoted on certain prescribed stock exchanges such as the Toronto Stock Exchange.

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 Mr. Douglas L. Meiklejohn, President and Chief Executive Officer of the Company, by telephone at (403) 232-1405.

9. Date of Report

May 9, 2008