

51-102F3 MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Quaterra Resources Inc. (the "Company")
1100 – 1199 West Hastings Street
Vancouver, BC V6E 3T5

Item 2 Date of Material Change

August 30, 2019

Item 3 News Release

A news release was issued in Vancouver, British Columbia on August 30, 2019 and distributed through Newsfile Corp.

Item 4 Summary of Material Change

The Company issued units pursuant to conversions of convertible debentures and issued shares in lieu of interest due on some convertible debentures.

Item 5 Full Description of Material Change

The Company issued 11,769,230 units pursuant to conversions of its secured 10% convertible debentures having an aggregate principal amount of US\$550,000 and C\$50,000. Each unit consists of a share and a share purchase warrant. Each share purchase warrant entitles the holder to acquire an additional common share at a price of US\$0.05 (C\$0.065) and expires four years from the date the convertible debentures were issued. The Company has received approval of the TSX Venture Exchange to convert the interest portion of US\$44,506.85 due on some of the convertible debentures into 1,077,066 shares. The convertible debentures were originally issued in August and September of 2018 for gross proceeds of US\$550,000 and C\$550,000. Any remaining convertible debentures may be converted at C\$0.10 per unit until February of 2020.

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

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

The following officer of the Company is knowledgeable about the material change disclosed in this report: Lawrence Page, Q.C., Corporate Secretary, Tel: (604) 681-9059.

Item 9 Date of Report

September 5, 2019