

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

Canoel International Energy Ltd. (the "Company")  
Suite 207, 525 – 11<sup>th</sup> Avenue SW  
Calgary, AB T2R 0C9

**2. Date of Material Change**

December 18, 2009

**3. News Release**

A news release was issued by the Company on December 21, 2009.

**4. Summary of Material Change**

The Company announced the issuance and sale of shares under a private placement.

**5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that it had issued and sold to subscribers, by way of a private placement under prospectus and registration exemptions, an aggregate of 1,260,000 units ("Units") at a price of \$0.17 per Unit for aggregate gross proceeds of \$214,200. Each Unit consists of one common share in the capital of Canoel, one-half of one common share purchase warrant ("Year 1 Warrant") and one-half of one common share purchase warrant ("Year 2 Warrant"). Each whole Year 1 Warrant will entitle the holder to purchase one additional common share of Canoel at \$0.30 for a period of one year from the date of the first sale of Units under the Offering and each whole 2 Year Warrant will entitle the holder to purchase one additional common share of Canoel at \$0.40 for a period of two years from the date of the first sale of Units under the Offering, subject to early termination if, at any time following four months and one day from the date of the last closing under the Offering, the closing price of the Common Shares on the TSX Venture Exchange exceeds \$0.40, in the case of Year 1 Warrants, and \$0.50 in the case of Year 2 Warrants for 15 consecutive trading days.

The Company also paid to those who assisted the Company in sourcing subscriptions for the offering cash commissions of an aggregate of \$21,420 and warrants entitling the holders thereof purchase an aggregate of 45,000 common shares of the Company at a price of \$0.30 per share on or before December 18, 2010.

**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**

No information has been omitted.

**8. Executive Officer**

The following is the full name and business telephone number of an executive officer of the Company who is knowledgeable about the contents of this material change and this report:

Andrea Cattaneo  
Chief Executive Officer and President  
Telephone: (403) 262-9596

**9. Date of Report**

December 21, 2009