

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

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

2. Date of Material Change

February 3, 2010

3. News Release

A news release was issued by the Company on February 3, 2010.

4. Summary of Material Change

The Company announced the completion of 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 3,545,000 units ("Units") at a price of \$0.17 per Unit for aggregate gross proceeds of \$602,650. 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 paid to those who assisted the Company in sourcing subscriptions for the offering commissions of an aggregate of 354,500 common shares in the capital of Canoel at a deemed price of \$0.17, for a total deemed value of \$60,265.

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**

February 5, 2010