

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

June 28, 2010

3. News Release

A news release was issued by the Company on June 28, 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, 100 units ("Units") under exemptions from the prospectus and dealer registration requirements of applicable securities laws, for a total amount of CA\$500,000.00 (Five Hundred Thousand Dollars).

Each Unit consists of one unsecured, convertible, note of the Company ("Note"), with principal value of CA \$5,000 and 5,000 Common Share Purchase Warrants ("Warrants").

Notes will be fully due and payable on the date (the "Maturity Date") occurring 48 months after the Notes are issued under the Offering. Principal on the Notes shall be repayable in 12 equal, quarterly instalments commencing on the 15th month from the date the Notes are issued hereunder, provided that all or any portion of the principal sum may be repaid by the Company upon provision of one-month's written notice, at any time after the first anniversary of the first closing of the Offering, without bonus or penalty.

The Notes bear interest at a simple (uncompounded) rate of 15% per annum, payable in arrears in equal quarterly instalments commencing the month after the Notes are issued under the Offering.

At the option of the holder, at any time and from time to time prior to the Maturity Date, the principal and any unpaid interest of a Note may be converted into common shares in the capital of the Company at a price of \$0.20 per share.

Each Warrant will entitle the holder to purchase one additional common share at a price of CA\$0.50 for a period of four years from the first closing date of the Offering. The Company paid to those who assisted the Company in sourcing subscriptions for the offering, Finder Fees of a total value of \$40,000.

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**

June 30, 2010