

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

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

2. Date of Material Change

July 13, 2010

3. News Release

A news release was issued by the Company on September 2, 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 private placements under prospectus and registration exemptions, promissory notes ("Notes") having an aggregate principal amount of \$75,000 and common share purchase warrants ("Warrants") entitling the holders thereof to purchase up to an aggregate of 75,000 common shares of Canoel at a price of \$0.50 per share for a period of four years from the date of issue.

The Notes bear simple (non-compounded) interest at a rate of 15% per annum, payable in arrears in equal quarterly instalments commencing September 30, 2010. Principal on the Notes shall be repayable in 12 equal, quarterly instalments commencing December 2011. All or any portion of the principal sum may be repaid by Canoel upon provision of one-month's written notice, at any time after September 2, 2011, without bonus or penalty. Canoel has granted a security interest to the holders of Notes in the shares of Ingenieria Petrolera Patagonia Limited, Denver, Colorado, held by Canoel. Each Note will rank pari passu with each other Note, regardless of their actual date of issue or principal amount.

The Company paid finders who assisted the Company in sourcing some of the subscriptions for the offering, commissions in the amount of \$6,000..

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

September 2, 2010