

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Calian Technologies Ltd. (the "Company")
2 Beaverbrook Road
Ottawa, ON K2K 1L1

Item 2 Date of Material Change

December 21, 2005

Item 3 News Release

Press Release of the Company issued December 21, 2005 and attached as Exhibit "A" to this report.

Item 4 Summary of Material Change

Management of the Company believes through recent discussions and correspondence that a large customer of the Company is unlikely to renew a significant contract with the Company that has been extended by two months and will otherwise expire in accordance with its terms effective June 30, 2006. Under existing conditions, this contract represents annualized revenue of approximately \$28 million and approximately 16% of the Company's total revenues in fiscal 2005.

Item 5 Full Description of Material Change

Management of the Company believes through recent discussions and correspondence that a large customer of the Company (the "Customer") is unlikely to renew a significant contract with the Company that has been extended by two months and will otherwise expire in accordance with its terms effective June 30, 2006. Under existing conditions, this contract represents annualized revenue of approximately \$28 million and approximately 16% of the Company's total revenues in fiscal 2005.

The contract in question involves the supply of agents to call centres operated by the Customer. While the Company has been providing similar services to the Customer since 1998, the Company's current contract with the Customer has been in place for approximately four years. Under the terms of the contract, the Customer must, on at least 120 days notice, advise the Company that it will not renew the contract.

The Company will continue to negotiate with the Customer to be part of its follow-on solution and, regardless of the outcome of such negotiations, the Company intends to work with the Customer to effect an orderly transition towards its selected solution and to minimize any associated impacts.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

The identity of the Customer has been omitted due to contractual confidentiality obligations.

Item 8 Executive Officer

Ray Basler, the Company's Chief Executive Officer, is knowledgeable about the material change and this report. His business telephone number is (306) 933-1554.

Item 9 Date of Report

December 21, 2005.

EXHIBIT "A"
TO MATERIAL CHANGE REPORT

IMMEDIATE RELEASE**EXISTING CALL-CENTER CONTRACT NOT LIKELY TO BE RENEWED**

(All amounts in this release are in Canadian Dollars)

Kanata, Ontario, December 21, 2005 – Calian Technologies Ltd. (TSX:CTY) today announced that its Business and Technology Services Division has been advised by its customer that an existing services agreement to supply call center agents has been extended by two months to June 30, 2006, at which time the existing agreement will likely not be renewed. The customer has indicated that the existing business solution no longer meets their requirements. The Company will continue to negotiate with the customer to be part of the follow-on solution. Regardless of the outcome of the negotiations, Calian intends to work with the customer to effect an orderly transition towards their selected solution and minimize the associated impacts.

Under existing conditions, this contract represents annualized revenue of approximately \$28 million and net earnings per share of 6 cents.

About Calian

Calian sells technology services to industry and government in Canada and around the world. Calian provides customers with ready access to an exceptional team of engineers, telecommunications and technology professionals, health care professionals and other highly qualified staff. The Business and Technology Services Division augments customer workforces with flexible short and long-term placements, recruitment and outsourcing of engineering, health care professionals and other skilled professionals. The Systems Engineering Division plans, designs and implements solutions for many of the world's space agencies and leading communications satellite manufacturers and operators, as well as providing contract manufacturing services for customers in North America.

For further information, please visit our website at www.calian.com, or contact us at ir@calian.com

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Chief Financial Officer
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Certain information included in press releases on this site is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Factors which could cause results or events to differ from current expectations include, among other things: the impact of price competition; the dependence on new product development; the impact of rapid technological and market change; the ability of Calian to integrate the operations and technologies of acquired businesses in an effective manner; general industry and market conditions and growth rates; international growth and global economic conditions, particularly in emerging markets and including interest rate and currency exchange rate fluctuations; and the impact of consolidations in the business services industry. For additional information with respect to certain of these and other factors, see the reports filed by Calian with the Ontario Securities Commission. Calian disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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