MATERIAL CHANGE REPORT
FORM 31-102F3

Item 1. Address and Name of Company:

Iteration Energy Ltd.
700, 700 – 2nd Street, S.W.
Calgary, Alberta
T2P 2W1

Item 2. Date of Material Change:

November 16, 2006 and December 5, 2006

Item 3. News Release:

Iteration Energy Ltd. ("Iteration") issued press releases on November 16, 2006 and December 5, 2006 by CCNMatthews in Calgary, Alberta.

Item 4. Summary of Material Change

Iteration closed its previously announced bought deal private placement of 2,300,000 "flow-through" Common Shares at $5.25 per share for total gross proceeds of $12,075,000 through a syndicate of underwriters led by FirstEnergy Capital Corp. and including RBC Capital Markets, Peters & Co. Limited and Wellington West Capital Markets Inc.

Item 5. Full Description of Material Change

The material changes are described in more detail in the attached press releases attached hereto at Schedule A and Schedule B.

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

Not applicable

Item 7. Omitted Information:

Not applicable

Item 8. Executive Officer

Brian Illing
President and Chief Executive Officer
Telephone: (403) 261-6883

Item 9. Date of Report:

December 14, 2006

SCHEDULE A

NEWS RELEASE TRANSMITTED BY CCNMATTHEWS

FOR: ITERATION ENERGY LTD.

TSX SYMBOL: ITX

November 16, 2006

Iteration Energy Ltd. Announces $12 Million Equity Financing

CALGARY, ALBERTA--(CCNMatthews - November 16, 2006) -

NOT FOR DISSEMINATION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

Iteration Energy Ltd. (TSX:ITX) ("Iteration") is pleased to announce that it has entered into a bought deal financing agreement with a syndicate of underwriters led by FirstEnergy Capital Corp. and including RBC Capital Markets, Peters & Co. Limited, and Wellington West Capital Markets Inc. Pursuant to the terms of the agreement, 2,300,000 common shares of Iteration will be issued on a flow-through private placement basis at a price of $5.25 per flow-through common share resulting in gross proceeds of $12,075,000.

This transaction is subject to certain conditions including normal regulatory approvals. Closing is anticipated to occur on or about December 5, 2006.

Proceeds from this offering will be used to fund qualifying expenditures of Iteration's on-going exploration program.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The common shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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FOR FURTHER INFORMATION PLEASE CONTACT:

Iteration Energy Ltd.
Brian Illing
President and CEO

OR

Sean Johnson
CFO
(403) 261-6883
Email: info@iterationenergy.com

INDUSTRY: OIS
SUBJECT: FNC

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SCHEDULE B

ITERATION ENERGY LTD. CLOSES $12 MILLION PRIVATE PLACEMENT BOUGHT DEAL FINANCING

Not for Dissemination in the United States or Over United States Wire Services.

CALGARY, December 5, 2006 – Iteration Energy Ltd. (TSX:ITX) ("Iteration") is pleased to announce that it has closed its previously announced bought deal private placement of "flow-through" Common Shares ("Flow-Through Shares"). In aggregate, Iteration issued 2,300,000 Flow-Through Shares at $5.25 per share for total gross proceeds of $12,075,000 through a syndicate of underwriters led by FirstEnergy Capital Corp. and including RBC Capital Markets, Peters & Co. Limited and Wellington West Capital Markets Inc.

The net proceeds received from the sale of the Flow-Through Shares will be used to fund the continued exploration of Iteration's properties.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The common shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Brian Illing
President and CEO

OR

Sean Johnson
CFO
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Email: info@iterationenergy.com