

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Petaquilla Minerals Ltd. (the "Company")
410 - 475 West Georgia Street
Vancouver, British Columbia
V6B 4M9

Item 2. Date of Material Change

May 22, 2008

Item 3. News Release

The Company's news release dated May 22, 2008, was disseminated by Marketwire, Incorporated on May 22, 2008.

Item 4. Summary of Material Change

Further to its news release dated April 28, 2008, the Company announces that it has closed the first tranche of its Senior Secured Notes financing issuing a total of 32,250 Units and raising gross proceeds of \$32,250,000 USD

Item 5. Full Description of Material Change

For a full description of the material change, please see Schedule "A".

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

Richard Fifer, President and Chief Executive Officer of the Company, can be contacted at (604) 694-0021.

Item 9. Date of Report

Dated May 22, 2008

PETAQUILLA MINERALS LTD.

Per: "Richard Fifer"

Richard Fifer
President and Chief Executive Officer

SCHEDULE "A"

NEWS RELEASE FOR: PETAQUILLA MINERALS LTD.
Contact person: Richard Fifer
Contact Telephone number: 604-694-0021



Trading Symbols: TSX: PTQ OTCBB: PTQMF FWB: P7Z
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NEWS RELEASE

Petaquilla Minerals Ltd. Closes First Tranche of Senior Secured Notes Financing

- NOT FOR DISTRIBUTION IN THE UNITED STATES OR FOR
DISSEMINATION TO OR THROUGH U.S. NEWSWIRE SERVICES -

Vancouver, BC – May 22, 2008: Further to its news release dated April 28, 2008, Petaquilla Minerals Ltd. (the "Company") announces that it has closed the first tranche of its Senior Secured Notes financing (the "Financing"), issuing a total of 32,250 Units and raising gross proceeds of \$32,250,000 USD.

Each Unit consists of one Senior Secured Note in the principal amount of \$1,000 USD (each a "Note") of the Company and warrants (each a "Warrant") to purchase 382 common shares in the capital of the Company (each such share a "Warrant Share"). Each Warrant entitles the holder to purchase one common share at an initial exercise price of \$2.30 CAD per Warrant Share for a period of five years from closing. The Warrants shall contain weighted average anti-dilution price protection with a floor equivalent to \$2.15 CAD. If the volume weighted average trading price of the common shares of the Company, as traded on the Toronto Stock Exchange (the "Exchange") or other recognized stock exchange, exceeds \$6.00 CAD per share for at least 20 consecutive trading days and the average daily trading volume exceeds 50,000 shares for 20 consecutive trading days, the Company shall have the right to give notice to each Warrant holder requiring the exercise of the Warrants within a thirty (30) day period.

The Notes will mature five years from date of issuance at 120% of the principal amount of such Notes; provided however that in the event of a "change of control" of the Company, the Notes shall be immediately due and payable. After 24 months from the date of issuance of a Note, a holder of a Note shall have the right to cause the Company to purchase all of its Notes then outstanding at a price equal to the sum of (a) 120% of the principal amount of such Notes to be purchased and (b) accrued and unpaid interest on the principal amount of the Notes. The Company shall have the right to prepay the Notes at any time for an amount equal to 120% of the principal amount of such Notes and accrued and unpaid interest on the principal amount of the Notes (it being understood that any and all prepaid interest shall be forfeited as a penalty).

The Notes will bear interest at an annual rate of fifteen percent (15%), in which the first twelve months shall be prepaid in full at the time of issuance of the Note. All interest payments will be grossed up for Canadian withholding tax, if any.

The Notes will be guaranteed, on a joint and several basis, by all the assets of the Company and of the Company's five wholly-owned subsidiaries: Adrian Resources (BVI) Ltd., Petaquilla Minerals, S.A., Petaquilla Gold, S.A. Compania Minera Belencillo, S.A., Petaquilla Infraestructura, S.A. and Aqua

Azure, S.A. (collectively, the “Guarantors”) and the indebtedness represented by the Notes will be senior to all other indebtedness of the Company and the Guarantors.

The Notes and the Warrants will be transferable, subject to compliance with United States and Canadian applicable securities laws. The offered securities have not been and will not be registered under the US Securities Act of 1933, as amended (the “U.S. Securities Act”), or applicable state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons”, as such term is defined in Regulation S under the U.S. Securities Act, absent registration thereunder or in transactions exempt from such registration requirements.

All securities distributed under the Financing (the Notes, the certificates for the Warrants and the certificates for the Warrant Shares) are subject to a four-month plus one day hold period expiring on September 22, 2008.

In connection with the closing of each tranche of the Financing, the Company will pay the agent, Casimir Capital LP, a 5% cash commission on the gross proceeds raised by the agent per tranche of the Financing and issue to the agent 4% of the number of Warrants issued per tranche of the Financing. The warrants issued to the agent shall bear the same terms and conditions as the Warrants issued to the purchasers of the Notes. Also, the Company will pay the lead investor upon closing of each tranche of the Financing a 5% due diligence fee on the gross proceeds raised per tranche of the Financing.

The proceeds from the Financing will be used for the completion of the Molejon Gold Plant in Panama and for working capital purposes.

About Petaquilla Minerals Ltd. – Petaquilla Minerals Ltd. is an emerging gold producer scheduled to bring its 100%-owned Molejon Gold Project into production in 2008. Anticipated throughput for the project during the first year of production will be 2200 tonnes per day. The plant will utilize three ball mills and a carbon-in-pulp processing facility.

**On behalf of the Board of Directors of
PETAQUILLA MINERALS LTD.**

Richard Fifer

President and Chief Executive Officer

FOR FURTHER INFORMATION PLEASE CONTACT:

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NO STOCK EXCHANGE HAS APPROVED OR DISAPPROVED
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Please visit our website at www.petaquilla.com