pearl

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Pearl Exploration and Production Ltd.
2500, 111 – 5th Avenue S.W.
Calgary, Alberta T2P 3Y6

(the "Company" or "Pearl")

Item 2 Date of Material Change

November 6, 2007

Item 3 News Release

The news release was disseminated on November 6, 2007 through Marketwire.

Item 4 Summary of Material Change

Pearl Exploration and Production Ltd. announced that it had closed the previously announced (October 1, 2007) acquisition of PetroHunter Energy Corporation's heavy oil assets located in Montana and Utah. Closing on a total of an additional approximately 4,836 net acres ("Additional Acres", representing approximately 22% of the net acres comprising the Fiddler Creek properties) has been deferred until certain third party owners have agreed to terms acceptable to Pearl for the acquisition of leases covering such portion of the Fiddler Creek properties.

The assets were acquired for a purchase price of a maximum of US $30 million, payable as follows: (a) US $7.5 million in cash at closing; (b) an aggregate of up to 2,500,000 common shares of Pearl (with a deemed value for purposes of this transaction of US$4 per share), of which 592,822 shares are being held in escrow pending further post-closing title due diligence and of which 960,025 will be issued if and when the follow-on closing is held on the Additional Acres, and (c) US $12.5 million (reduced to US$9,757,070.91 until the follow-on closing has occurred on the Additional Acres) in cash at such time as either: (i) production from the assets reaches 5,000 bopd; or (ii) proven reserves from the assets is greater than 50 million barrels of oil as certified by a third party reserve auditor acceptable to Pearl. In addition, Pearl reimbursed PetroHunter at closing for a total of approximately US$458,000 in expenses incurred on the properties since October 1, 2007.

Item 5 Full Description of Material Change

See Appendix "A" attached.

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

For further information, contact:

Keith Hill, President and CEO
Telephone: 604-689-7842

Item 9 Date of Report

November 13, 2007

Schedule "A"

PEARL EXPLORATION AND PRODUCTION LTD.
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NEWS RELEASE **November 6, 2007**

PEARL CLOSES ACQUISITION OF HEAVY OIL RESOURCES FROM PETROHUNTER ENERGY

CALGARY, ALBERTA - Pearl Exploration and Production Ltd. ("Pearl" or the "Company") (TSX Venture: PXX and First North: PXXS) is pleased to report that it has closed the previously announced (October 1, 2007) acquisition of PetroHunter Energy Corporation's heavy oil assets located in Montana and Utah. The assets acquired include a 100% working interest in several large resource heavy oil development projects referred to as Fiddler Creek, Promised Land, West Rozel and Gunnison Wedge. Closing on a total of an additional approximately 4,836 net acres ("Additional Acres", representing approximately 22% of the net acres comprising the Fiddler Creek properties) has been deferred until certain third party owners have agreed to terms acceptable to Pearl for the acquisition of leases covering such portion of the Fiddler Creek properties.

The assets were acquired for a purchase price of a maximum of US $30 million, payable as follows: (a) US $7.5 million in cash at closing; (b) an aggregate of up to 2,500,000 common shares of Pearl (with a deemed value for purposes of this transaction of US$4 per share), of which 592,822 shares are being held in escrow pending further post-closing title due diligence and of which 960,025 will be issued if and when the follow-on closing is held on the Additional Acres, and (c) US $12.5 million (reduced to US$9,757,070.91 until the follow-on closing has occurred on the Additional Acres) in cash at such time as either: (i) production from the assets reaches 5,000 bopd; or (ii) proven reserves from the assets is greater than 50 million barrels of oil as certified by a third party reserve auditor acceptable to Pearl. In addition, Pearl reimbursed PetroHunter at closing for a total of approximately US$458,000 in expenses incurred on the properties since October 1, 2007.

Pearl is also pleased to announce that drilling has commenced on the Fiddler Creek Project. The Beartooth Federal 43-33 well, was spud on October 27, 2007 at the Fiddler Creek Field in Stillwater County, Montana and will be drilled to a total depth of approximately 2,830 feet. The main purpose of this well is to test the southwestern portion of the field to validate reservoir continuity and for potential reserve addition. Additional drilling is planned in 2008 to not only delineate the structure but also to commence commercial production.

Pearl President and CEO Keith Hill commented "We are very pleased to have closed this transaction which will add another focus area for us in terms of resources, reserves and production. The well currently drilling will be the first step to realizing the value of this large scale heavy oil project. Additional evaluation projects for the Promised Land prospect are in Montana and the West Rozel Field in Utah are currently under study."

Reserves have been prepared by DeGolyer and MacNaughton Canada Limited ("D&M") in a reserves report for the period ended September 30, 2007 in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, and are summarized as follows.

	September 30, 2006 (MMbo)	**Net Present Value @ 10% (M$)**
Proved	1.8	5,727
Probable	6.7	40,726
Total Proved and Probable	8.5	46,453
Possible	12.6	94,370
Total Proved, Provable and Possible	21.1	140,823

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable reserves are those additional reserves that are less certain to be recovered than proven reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the proven plus probable reserves.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is only a 10-per-cent probability that the quantities actually recovered will equal or exceed the sum of the proven plus probable plus possible reserves.

Pearl Exploration and Production Ltd. is a public company focused on delivering disciplined growth by establishing a North American portfolio of heavy oil projects with an emphasis on large resource opportunities. Additional information on Pearl is available on the Company's website at www.pearleandp.com.

For further information, please contact:

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All references in this release to boe's are based on a 6 to 1 conversion ratio. Boe's may be misleading, particularly if used in isolation. A boe conversion of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Pearl's Certified Advisor on First North is E. Öhman J:or Fondkommission AB.

Forward-looking statements: This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the Company's capability to execute and implement its future plans. Actual results may differ materially from those projected by management. For such statements, we claim the safe harbour for forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995.