

**MATERIAL CHANGE REPORT
FORM 51-102F3**

1. Reporting Issuer

Catalina Energy Corp. (the "Issuer")
10206 Fifth Street
Sidney B.C. V8L 3Y1

2. Date of Material Change

May 17, 2007

3. News Release

Date of Issuance: May 17, 2007

Place of Issuance: Vancouver, British Columbia

Method of Dissemination: The material change was disclosed by the issuance of a News Release disseminated by Stockwatch and Market News Publishing Inc.

4. Summary of Material Change

The Issuer entered into an agreement with an arm's length creditor to settle a total of \$26,080 in debt through the issuance of 434,667 units of the Issuer.

5. Full Description of Material Change

The Issuer entered into an agreement with an arm's length creditor to settle a total of \$26,080 in debt through the issuance of 434,667 units of the Issuer (the "Units") at a deemed price of \$0.06 per Unit. Each Unit will consist of one common and one share purchase warrant. One warrant will entitle the holder to purchase one common share at a price of \$0.10 per share for a period of two years.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information contact:

Kim Phillips
President
Telephone: (604) 528-0613

9. Date of Report

DATED at Vancouver, British Columbia this 18th day of May 2007

CATALINA ENERGY CORP.

Per: "Kim Phillips"
Kim Phillips
President

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