

Form 51-102F3
Material Change Report

Item 1: *Name and Address of Company*

LIGNOL ENERGY CORPORATION (“LEC” or the “Company”)
Unit 101 - 4705 Wayburne Drive
Burnaby, BC V5G 3L1

Item 2: *Date of Material Change*

November 9, 2012

Item 3: *News Release*

The news release was issued at Vancouver, British Columbia on November 12, 2012 and disseminated via Newswire

Item 4: *Summary of Material Change*

LEC announced that it has completed the previously announced share purchase from October 15, 2012 of an additional 88,000,000 ordinary shares of Australian Renewable Fuels Limited for an aggregate purchase price of CAD \$1,100,000. Consideration for the Share Acquisition was comprised of CAD \$225,000 in cash and 7,000,000 in LEC common shares issued at CAD \$0.125 per share.

Item 5: *Full Description of Material Change*

5.1 *Full Description of Material Change*

LEC, a leading technology company in the advanced biofuels and renewable chemicals sector, is pleased to announce that, further to its previous announcement on October 15, 2012, it has completed the purchase of an additional 88,000,000 ordinary shares of Australian Renewable Fuels Limited (“ARW”), for an aggregate purchase price of CAD\$1,100,000 (the “Share Acquisition”).

Consideration for the Share Acquisition was comprised of CAD \$225,000 in cash and 7,000,000 in LEC common shares issued at \$0.125 per share. The LEC common shares are subject to a four-month hold period under applicable securities laws expiring on March 10, 2013. The securities offered hereby have not and will not be registered under the United States Securities Act of 1933 (the “1933 Act”) and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the 1933 Act) unless the securities have been registered under the 1933 Act, or are otherwise exempt from such registration.

On the closing of the Share Acquisition, LEC’s ownership in ARW increased from 11.2% to 14.9% of the issued and outstanding ordinary shares of ARW.

Cautionary Statement

Certain statements contained in this document may constitute forward-looking information within the

meaning of applicable securities laws. Such forward-looking statements or information include, without limitation, statements or information about our ability to continue as a going concern and to raise additional financing to fund the operations of LEC and Lignol Innovations Ltd. (“Lignol”), the development status of Lignol’s fully integrated pilot-scale biorefinery in Burnaby, British Columbia, the planning and development of a commercial plant, Lignol’s ability to complete project deliverables which are funded in part by government agencies, obtaining strategic partnership investments and government funding for initial commercial projects. Often, but not always, forward-looking statements or information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Such statements or information reflect LEC’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions including, without limitation, our ability to establish the validity of Lignol’s technology at the fully integrated biorefinery pilot plant scale, Lignol’s ability to satisfy the conditions of existing government grants and to obtain new additional grants, our ability to continue to finance our operations and to finance and complete the development of a commercial project, Lignol’s ability to work with Novozymes to produce cellulosic ethanol at production costs competitive with gasoline and corn ethanol, Lignol’s ability to develop products and to obtain off-take agreements, our ability to obtain requisite regulatory approvals and our ability to enter into agreements with strategic partners on terms acceptable to us, the inability to influence the strategy, operations and financial performance of ARW, the reliance on publically available information of ARW in the Company’s evaluation of its acquisition of shares in ARW, the potential inability to divest the ARW ordinary shares due to modest trading volumes, the cost of future ARW capital investment, the fluctuation of biodiesel and feedstock on ARW, the effect on ARW of changes in government policy relating to the environment, and incentives for renewable fuels. Many factors could cause LEC’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or information, including among other things, the technological challenges that remain to be surpassed in obtaining the necessary operating data from Lignol’s fully integrated biorefinery pilot plant that is required prior to completing the next scale-up of the technology, financial market conditions which will impact our ability to finance our operations and to finance the construction and operation of a commercial plant, the price of gasoline and demand for ethanol, the market pricing and demand for renewable chemicals, risks relating to the protection of Lignol’s core technology from infringement and those risk factors which are discussed elsewhere in documents that LEC files from time to time with securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements or information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Except as required by law, the Company expressly disclaims any intention or obligation to update or revise any forward looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

5.2 *Disclosure for Restructuring Transactions*

Not applicable.

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

Not applicable.

Item 7: *Omitted Information*

No significant facts remain confidential and no information has been omitted in this report.

Item 8: *Executive Officer*

Name of Executive Officer: David Turner
Chief Financial Officer

Telephone Number: 604 453 1241

Item 9: *Date of Report*

November 13, 2012.