DRAKE PACIFIC ENTERPRISES LTD.
400, 505 – 8th Avenue S.W.
Calgary, Alberta T2P 1G2

FORM 51-102 F3
MATERIAL CHANGE REPORT

July 10, 2007

Alberta Securities Commission
4th Floor, 300 - 5th Avenue S.W.
Calgary, AB
T2P 3C4

Attention: Executive Director

British Columbia Securities Commission
1100, 865 Hornby Street
Vancouver, British Columbia
V6Z 2H4

Attention: Executive Director

TSX Venture Exchange Inc.
10th Floor 300 Fifth Ave SW
Calgary, Alberta
T2P 3C4

Attention: Director of Filings

Dear Sir:

Re: DRAKE PACIFIC ENTERPRISES LTD. - Material Change Report Under Section 146(1)(b) of the Securities Act (Alberta) and Section 85(1)(b) of the Securities Act (British Columbia);

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of Drake Pacific Enterprises Ltd. (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 51-102F3 of National Instrument 51-102. Concurrent with this filing, this letter is being filed with the TSX Venture Exchange Inc., being the only stock exchange on which the Corporation's securities are currently listed.

Item 1 - Name and Address of Reporting Issuer

Drake Pacific Enterprises Ltd.
400, 505 – 8th Avenue S.W.
Calgary, Alberta T2P 1G2

Item 2 - Date of Material Change

June 28, 2007

Item 3 - News Release

A press release was disseminated on June 29, 2007.

Item 4 - Summary of Material Changes

Due to an oversubscription in respect of its previously announced private placement, the Corporation is increasing the private placement up to 1,250 common share units and up to 4,250,000 flow-through share units, for additional gross proceeds of $605,000.

The Corporation has also completed the issuance of 180,000 common share units at a purchase price of $0.21 per common share unit and 2,734,000 flow-through share units of the Corporation at a purchase price of $0.25 per flow-through share unit for aggregate gross proceeds of $721,300 pursuant to its previously announced private.

In addition, the Corporation has appointed Mr. Neil Orr and Mr. Chris Bradley to the Corporation's board of directors. Mr. Orr has also been appointed as Vice-President, Operations & Business Development of the Corporation.

Further, the Corporation has signed a pooling agreement at Carmangay, and has increased its bank line of credit to $1,200,000.

Item 5 - Full Description of Material Change

Oversubscription of Private Placement

Due to an oversubscription in respect of its previously announced private placement of up to 750,000 common share units at a purchase price of $0.21 per common share unit and up to 2,250,000 flow-through share units at a purchase price of $0.25 per flow-through share unit, the Corporation is increasing the private placement up to 1,250,000 common share units and up to 4,250,000 flow-through share units, for additional gross proceeds of up to $605,000.

Please refer to the Corporation's press release issued on May 29, 2007 for the terms of the private placement.

Closing of First Tranche of Private Placement

The Corporation has completed the issuance of 180,000 common share units at a purchase price of $0.21 per common share unit and 2,734,000 flow-through share units of the Corporation at a purchase price of $0.25 per flow-through share unit for aggregate gross proceeds of $721,300 pursuant to the private placement previously announced on May 29, 2007 and increased on June 25, 2007. Each common share unit is comprised of one (1) common share of the Corporation and one-half (1/2) of one common share purchase warrant entitling the holder thereof to purchase one (1) additional common share of the Corporation for each full warrant held at an exercise price of $0.30 for a period of six (6) months. Each flow-through share unit is comprised of one (1) common share of the Corporation issued on a flow-through basis and one (1) common share purchase warrant entitling the holder thereof to purchase one (1) additional common share of the Corporation for each full warrant held at an exercise price of $0.30 for a period of six (6) months.

The securities issuable pursuant to this private placement will be subject to a four (4) month hold period from the date of issuance.

The Corporation paid an eight (8%) percent commission on the gross proceeds raised in connection with the issuance of 80,000 common share units and 600,000 flow-through share units, payable by the issuance of 53,376 common shares of the Corporation, issued at a deemed value of $0.25 per common share.

As certain officers and directors of the Corporation subscribed for 480,000 flow-through share units and 30,000 common share units under the private placement, the private placement will be classified as a "related party transaction" pursuant to the policies of the TSX Venture Exchange and the Ontario Securities Commission Rule 61-501. The directors and officers that subscribed under the private placement include Roger Penner, Sandra Towpich, Neil Orr and Thomas Fehr.

With the increase in size of the private placement, the Corporation is still accepting subscription agreements in respect of a further 1,070,000 common share units at a purchase price of $0.21 per common share unit and 1,516,000 flow-through share units at a purchase price of $0.25 per flow-through share unit under the announced private placement.

The proceeds from the private placement will be used to fund exploration and development on the company's oil and gas properties in Alberta.

New Appointments

The Corporation has appointed Mr. Neil Orr and Mr. Chris Bradley to the Corporation's board of directors. Mr. Orr has also been appointed as Vice-President, Operations & Business Development of the Corporation.

Mr. Bradley brings over 30 years of diversified oil and gas, financial and accounting experience to the Corporation. He has served in executive positions and has been a senior financial consultant to various oil and gas companies. He holds a degree in economics and is a chartered accountant. Mr. Bradley is president of Macon Resources Ltd. and Framfield Oil & Gas Ltd.

Mr. Orr brings over 20 years experience including executive positions in operations and business development. He has recently served as Vice-President Operations for Macon Resources Ltd., a project manager for Shell International Exploration & Production, and a chief of finance of the United Nations. He holds a B.Sc. and a MBA.

Carmangay Pooling

The Corporation has signed a pooling agreement at Carmangay. This agreement pools the Corporation's existing well with 2 similar producing wells, allows the Corporation to participate in a waterflood project and offers 2 additional drilling locations which are planned in Q3, 2007 and Q1, 2008.

The Corporation completed and tied in the 16-08-13-2 W4M oil well in Q4, 2006 and after initial production of 90 Bbl/d, the well was subject to an allowable production limit of 50 Bbl/d. It is expected that, with the waterflood project, the limitations will be lifted on several of the wells in the pooling agreement.

Bank Line Increase

The Corporation has increased its bank line of credit to $1,200,000. This increase comes as a result of the Carmangay pooling, completion of the first tranche of the private placement, and recent land and production acquisitions.

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

N/A

Item 7 - Omitted Information

None

Item 8 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Neil Orr, Vice President, Operations & Business Development
Drake Pacific Enterprises Ltd.
400, 505 – 8th Avenue S.W.
Calgary, Alberta T2P 1G2
(403) 263-2173
norr@drakepacific.com

Item 9 - Date of Report

June 10, 2007