

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

FORM 51-102 F3
MATERIAL CHANGE REPORT

July 31, 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

July 25, 2007

Item 3 - News Release

A press release was disseminated on July 25, 2007.

Item 4 - Summary of Material Changes

The Corporation has completed the second and final tranche of its previously announced private placement for total gross proceeds of \$865,450 from the private placement.

Item 5 - Full Description of Material Change

The Corporation has completed the issuance of 412,619 common share units at a purchase price of \$0.21 per common share unit and 230,000 flow-through share units of the Corporation at a purchase price of \$0.25 per flow-through share unit for aggregate gross proceeds of \$144,150 pursuant to the private placement previously announced on May 29, 2007 and increased on June 25, 2007. After closing this second and final tranche, the Corporation received total gross proceeds of \$865,450 from the private placement. The securities issued pursuant to the second and final tranche of the private placement are subject to a four (4) month hold period expiring on November 26, 2007.

Each common share unit was 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 was 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 Corporation did not pay any commissions or finder's fees in connection with the second and final tranche of the private placement.

As certain officers and directors of the Corporation subscribed for 480,000 flow-through share units and 195,000 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.

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

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

July 31, 2007