FORM 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

CYPRESS DEVELOPMENT CORP.
Suite 1490 – 885 West Georgia Street,
Vancouver, B.C.
V6C 3E8

Telephone: (604) 687-3376
Fax: (604) 687-3119

Item 2. **Date of Material Change**

October 4, 2007

Item 3. **News Release**

The date of the press release issued pursuant to Section 7.1 of National Instrument 51-102 with respect to the material change disclosed in this report is **October 4, 2007.** The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**

Incentive Stock Options Granted

Item 5. **Full Description of Material Change**

Vancouver, BC – Cypress Development Corp. (TSX-V: CYP) (the "Company") announces that pursuant to its stock option plan, the Company has granted incentive stock options to its various directors, officers, management and Company employees to purchase up to an aggregate of 2,782,633 common shares in the capital stock of the Company**,** exercisable for a period of five years, at a price of $0.285 per share. Cypress Development's 10% rolling stock option plan was approved by the shareholders at the Annual General Meeting of the Company held on April 18, 2007. These options are subject to a four-month hold period.

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

N/A

Item 7. **Omitted Information**

N/A

Item 8. **Executive Officer**

The following executive officer of the Company is knowledgeable about the material change disclosed in this report:

Donald C. Huston, President
Phone: (604) 687-3376

Item 9. **Date of Report**

October 4, 2007