FORM 51-102F3
MATERIAL CHANGE REPORT

1. Reporting Issuer

PAN-GLOBAL ENERGY LTD.
10^{th} Floor, 521 3^{rd} Avenue SW
Calgary, AB T2P 3T3
("Pan-Global")

2. Date of Material Change

December 22, 2005

3. Press Release

Press Release dated December 22, 2005 was disseminated by Canadian News Wire and SEDAR filed with the British Columbia and Alberta Securities Commissions and with the TSX Venture Exchange on that date.

4. Summary of Material Change

Pan-Global announced today that it has executed a letter of intent with Newmex Minerals Inc. ("Newmex") (TSX Venture: NMM) to enter into a formal agreement that will see Newmex acquire all of the shares of Pan-Global. Pan-Global shareholders will receive one Newmex common share for each 6 Pan-Global common shares held.

5. Full Description of Material Change

Pan-Global announced today that it has executed a letter of intent with Newmex Minerals Inc. ("Newmex") (TSX Venture: NMM) to enter into a formal agreement that will see Newmex acquire all of the shares of Pan-Global. Pan-Global shareholders will receive one Newmex common share for each 6 Pan-Global common shares held.

The senior management team of Newmex consists of Gary Guidry, President and Chief Executive Officer and Gary Hyde, Chief Operating Officer. A. Murray Sinclair, a director of Newmex, is also a director of Quest Capital Corp., which owns approximately 11% of the issued and outstanding shares of Pan-Global. Lukas Lundin of Vancouver, BC is the largest shareholder of Newmex.

The merged company will have the advantage of a significant production base and strong financial resources giving the company the ability to aggressively pursue existing drilling opportunities on the Pan-Global and Newmex properties as well as new drilling and property acquisition opportunities.

The proposed transaction has the unanimous support of the board of directors of each of Pan-Global and Newmex. The Pan-Global board of directors will engage a financial advisor to provide an opinion that the transaction is fair, from a financial point of view, to the Pan-Global shareholders. This transaction is subject to due diligence review of each company by the other. Regulatory approval will also be required. The transaction is expected to close by March 31, 2006. Further details will be announced upon execution of the definitive agreement.

Pan-Global has agreed to cease any discussions with other parties, not to solicit competing proposals and to give notice to Newmex of any unsolicited competing merger or acquisition proposals that may be received prior to closing. Newmex has the right to receive notice of competing transactions. In addition, the previously announced private placement financing of Pan-Global will not proceed.

Pan-Global is an oil and gas exploration company whose prospective oil and gas property is one of the largest contiguous land bases in Eastern Alberta and Western Saskatchewan. Pan-Global is entitled to exclusively explore and develop approximately 148,000 acres of existing and new Treaty Land Entitlement (TLE) Reserves in Eastern Alberta and Western Saskatchewan under the terms of an agreement with Onion Lake Energy Ltd., which is solely owned by Onion Lake First Nation of Saskatchewan/Alberta.

Newmex is the holder of a 50% interest in the San Miguel Heavy Oil Field Development Project in the Maverick Basin of South Texas and has recently closed a private placement of $16,700,000 which it plans to use to fund its focus on heavy oil projects. Newmex also has a 45% participation in 38,000 acres targeting the Lower Penn Shale natural gas resource play, in the Palo Duro basin of North Texas.

6. Reliance on Confidential Filing Provisions of the Act

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

For further information, please contact:

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9. Date of Report

December 22, 2005