FORM 51-102F3
Material Change Report

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

Exxel Energy Corp.
11th Floor, 609 West Hastings Street
Vancouver, B.C.
V6B 4W4

Item 2. **Date of Material Change**

December 23, 2005

Item 3. **News Release**

A news release dated December 23, 2005, concerning the material change was forwarded to Canada Newswire, Canada Stockwatch and Market News for dissemination and was SEDAR filed with the British Columbia and Alberta Securities Commissions and the TSX Venture Exchange.

Item 4. **Summary of Material Change**

Subject to the approval of the TSX Venture Exchange (the "Exchange"), the Company will subdivide its issued and fully paid common shares on a 5 for 1 basis.

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

Subject to the approval of the Exchange, the Company will subdivide its issued and fully paid common shares on a 5 for 1 basis. The subdivision will be conducted as a push-out stock split resulting in the issuance of a total of 55,400,804 shares to the holders of record of its existing 13,850,201 shares, resulting in a total issued capital of 69,251,005 common shares following the subdivision. The record date for determining shareholders of record for the purposes of effecting the subdivision will be settled in consultation with the Exchange.

The purpose of the subdivision is to increase the Company's float and trading liquidity. No name change will be effected in conjunction with the subdivision.

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 this report and the material change disclosed herein:

John Hislop
President
Tel: (604) 331-3396

Item 9. **Date of Report**

January 3, 2006