

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**

April 25, 2006

Item 3. **News Release**

A news release dated April 25, 2006, 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**

The Company has closed on the first 4,000,000 units of a private placement, at the equivalent in U.S. funds of \$3.00 per unit.

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

Further to the Company's announcement of February 15, 2006, of a private placement of up to 15,000,000 units at \$3.00 per unit, the Company will conclude a placement on 5,000,000 units at \$3.00. The Company has closed on the first 4,000,000 units of the private placement at the equivalent in U.S. funds of \$3.00 per unit, with each unit comprising one common share and one share purchase warrant. Four warrants are required to purchase one additional common share at a price of \$3.75, during the exercise period and upon the other terms and conditions as originally announced. The warrants contain a "forced exercise" provision that provides that if at any time after August 26, 2006, the shares of the Company close at a price of at least \$6.00 for ten consecutive trading days then, subject to the Company providing notice of the event, the warrants will be exercisable only for a period of 15 business days following the tenth such trading day.

The Company has paid the U.S equivalent of \$750,000 in cash and issued additional share purchase warrants to a U.S. broker dealer engaged as financial advisor in connection with the transaction. The warrants entitle the advisor to purchase 120,000 common shares of the Company at a price of \$3.00 per share during the same exercise period and upon the same terms and conditions as the warrants comprised in the private placement units.

The common shares and warrants referred to in the foregoing, and any shares issued pursuant to the exercise of the share purchase warrants, are subject to a four month hold period under applicable securities laws, and imposed by the TSX Venture Exchange, expiring August 26, 2006.

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 R. Hislop
President
Tel: (604) 331-3396

Item 9. **Date of Report**

May 1, 2006