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**

May 4, 2006

Item 3. **News Release**

A news release dated May 5, 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 now closed on the remaining 1,000,000 units, at $3.00 per unit, of the 5,000,000 unit private placement referred to in the Company's news release of April 25, 2006.

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

The Company has now closed on the remaining 1,000,000 units, at $3.00 per unit, of the 5,000,000 unit private placement referred to in the Company's news release of April 25, 2006. Each unit comprises 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 September 5, 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 $187,500 in cash and issued additional share purchase warrants to a member firm of the TSX Venture Exchange that acted as finder in connection with the transaction. The warrants entitle the finder to purchase 30,000 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 September 5, 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 8, 2006