

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 — Name and Address of Company

Exxel Energy Corp. (the “**Corporation**”)
11th Floor, 609 West Hastings Street
Vancouver, British Columbia
V6B 4W4

ITEM 2 — Date of Material Change

May 24, 2007

ITEM 3 — News Release

A press release was disseminated on May 24, 2007, through Canada NewsWire.

ITEM 4 — Summary of Material Change

On May 24, 2007, the Corporation issued a press release (the “**Press Release**”) announcing the closing of the previously announced acquisition of approximately 128,000 gross (40,800 net) undeveloped acres in the Green River Basin of Wyoming and the Williston Basin of North Dakota.

The Corporation also announced the hiring of Clark Kiser, who joined the Corporation as Vice President of Exploration, Rockies Division.

The Corporation has granted stock options on a total of 320,000 common shares in the capital of the Corporation to members of management. 250,000 of the above options are exercisable at \$4.00 per share and vest evenly over three years and 70,000 options are exercisable at \$2.15 per share and fully vest after one year. The recently awarded options will be subject to the Corporation’s 2006 Stock Option Plan (approved on September 7, 2006). All options shall vest upon termination by the Corporation other than for Cause and by the Employee for Good Reason. The options are subject to regulatory approval. The Corporation also announced amendments to the terms of certain stock option agreements of certain members of management. The amendments provide for the immediate voluntary reduction of an aggregate of 466,672 stock options held by such individuals. As a result of the amendments, the individuals will not have the number of stock options held by them reduced until after January 31, 2008, at which time the number of stock options will resume being reduced on a monthly basis as originally provided in the stock option agreements.

ITEM 5 — Full Description of Material Change

On May 24, 2007, the Corporation issued a press release (the “**Press Release**”) announcing the closing of the previously announced acquisition of approximately

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A full description of the material change is contained in the Press Release dated May 24, 2007, a copy of which is attached hereto as Schedule "A".

ITEM 6 — Reliance on Section 7.1(2) or (3) of National Instrument 51-102 of the Act

N/A

ITEM 7 — Omitted Information

N/A

ITEM 8 — Executive Officer

Victor Barcot, EVP of Business Development and Investor Relations

Tel: (713) 922-0383

ITEM 9 — Date of Report

May 18, 2007.

SCHEDULE "A"



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FOR IMMEDIATE RELEASE (TSX-V Symbol: EXX) May 24, 2007

Exxel Energy Corp. Announces Closing of the Green River Basin and Williston Basin Acquisition

Houston, May 24, 2007 - Exxel Energy Corp. (TSX Venture - EXX) today announced the closing of the previously announced acquisition of approximately 128,000 gross (40,800 net) undeveloped acres in the Green River Basin of Wyoming and the Williston Basin of North Dakota.

Company Further Strengthens Technical Team with Addition of Rocky Mountain Geologist

Exxel Energy Corp. is pleased to announce the hire of Clark Kiser, who joined the Company as Vice President of Exploration, Rockies Division.

Mr. Kiser brings 39 years of oil & gas industry experience as a petroleum geologist. His vast experience encompasses all of the U.S. Rockies, with particular emphasis in the Greater Green River Basin of Wyoming and the major basins in Colorado. Mr. Kiser has achieved an exemplary track-record as an explorationist in the Rockies with significant expertise in the Wyoming Overthrust, Wind River, Green River, Big Horn, Powder River, DJ, Raton, Uinta, Piceance and Williston basins. Mr. Kiser most recently served as the Exploration Manager of McElvain Energy LLC and has previously been employed by several Rocky Mountain focused independent exploration and production companies, such as Westport Resources Corporation, Yates Petroleum Corporation and Forest Oil Corporation.

Cliff Adams, President and CEO of Exxel Energy Corp., comments, "We are extremely delighted to have Clark join our team at Exxel and we're excited about the potential in our Rockies Division, complimented by the recent property additions in the Williston Basin and Green River Basin. Clark brings tremendous knowledge and experience in conventional and unconventional resource plays in the Rockies and his technical ability will be critical in unlocking the value of our Rocky Mountain assets. With Clark's help, we anticipate getting off to a quick start in the testing and development of these new plays in the second half of 2007."

Company Grants Incentive Stock Options and Announces Reduction of Stock Options

The Company has granted stock options on a total of 320,000 common shares in the capital of the Company to members of management. 250,000 of the above options are exercisable at \$4.00 per share and vest evenly over three years and 70,000 options are exercisable at \$2.15 per share and fully vest after one year. The recently awarded options will be subject to the Company's 2006 Stock Option Plan (approved on September 7, 2006). All options shall vest upon termination by the Company other than for Cause and by the Employee for Good Reason. The options are subject to regulatory approval. The Company also announced amendments to the terms of certain stock option agreements of certain members of management. The amendments provide for the immediate voluntary reduction of an aggregate of 466,672 stock options held by such individuals. As a result of the amendments, the individuals will not have the number of stock options held by them reduced until after January 31, 2008, at which time the number of stock options will resume being reduced on a monthly basis as originally provided in the stock option agreements.

About Exxel Energy Corp.

Exxel, headquartered in Houston, is an independent oil and gas exploration and development company focused in the Columbia River Basin of Washington, the Piceance Basin of Colorado, the Great Basin of Nevada, the Greater Green River Basin of Wyoming and the Williston Basin of North Dakota. The company currently has interests in approximately 350,000 net acres in the Columbia River Basin of Washington, approximately 4,500 net acres in the Piceance Basin of Colorado, approximately 200,000 net acres in the Great Basin in Nevada, approximately 31,800 net acres in the Greater Green River Basin in Wyoming and 10,400 net acres in the Williston Basin in North Dakota.

For further information, please contact:

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EVP of Business Development
and Investor Relations
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*THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT
RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.*

In the interests of providing Company shareholders and potential investors with information regarding the Company, including the Company's assessment of its and its subsidiaries' future plans and operations, certain statements included in this press release may constitute forward-

looking information or forward-looking statements (collectively, “forward-looking statements”). All statements contained herein that are not clearly historical in nature are forward-looking, and the words “anticipate”, “believe”, “expect”, “estimate” and similar expressions are generally intended to identify forward-looking statements. Similarly, forward-looking statements in this press release include, but are not limited to anticipated developments of the Company’s drilling project in and the timing thereof, the Company’s drilling project in and the timing thereof, capital investment levels and the allocation thereof, pipeline capacity, government royalty rates, reserve and resources estimates, the level of expenditures for compliance with environmental regulations, site restoration costs including abandonment and reclamation costs, exploration plans, acquisition and disposition plans including farmout plans, net cash flows, geographic expansion and plans for seismic surveys. In addition, please note that statements relating to “reserves” or “resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described can be profitably produced in the future. Such statements represent the Company’s internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and incentive fees or revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions. Actual events or results may differ materially. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company and the foregoing list of important factors is not exhaustive. These forward-looking statements are made as of the date hereof disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Company shareholders and potential investors should carefully consider the information contained in the Company’s filings with Canadian securities administrators at www.sedar.com before making investment decisions with regard to the Company.