

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1 Name and Address of Company:

Life Sciences Institute Inc. (the "Corporation" or "Life Sciences")
805 – 14th Street NW
Calgary, Alberta T2N 2A4

ITEM 2 Date of Material Change:

September 28, 2011

ITEM 3 News Release:

A news release was distributed via Stockwatch on September 28, 2011 and filed via SEDAR September 28, 2011

ITEM 4 Summary of Material Change:

The Corporation has closed its previously announced non-brokered private placements of flow-through units and non-flow through units with aggregate gross proceeds of \$2,888,100. The gross proceeds of the private placements exceed the \$2.85 million required by the TSX Venture Exchange to complete the Corporation's previously announced change of business ("COB") into an oil and gas issuer. The Corporation intends to file final documentation regarding the private placements and the COB with the Exchange this week.

ITEM 5 Full Description of Material Change:

Please see attached press release.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not Applicable.

ITEM 7 Omitted Information:

Not Applicable.

ITEM 8 Executive Officer:

Further information relating to this Material Change Report may be obtained from:

Leonard Van Betuw
Promoter, President and Chief Executive Officer
Phone: (587) 228-7070

ITEM 9 Date of Report:

DATED as of October 12, 2011.

NEWS RELEASE
LIFE SCIENCES ANNOUNCES CLOSING OF FINANCINGS

Life Sciences Institute Inc. (TSX Venture: LSN) (the “**Corporation**”) is pleased to announce that it has closed its previously announced non-brokered private placements of flow-through units (the “**FT Offering**”) and non-flow through units (the “**PP Offering**”) with aggregate gross proceeds of \$2,888,100.

Under the FT Offering, 24,681,668 flow-through units (“**FT Units**”) were issued at a price of \$0.06 per FT Unit, for aggregate consideration of \$1,480,900. Each FT Unit consisted of one (1) flow-through common share of the Corporation (“**Common Share**”) and one-half of one (1/2) common share purchase warrant (the “**FT Warrant**”). Each FT Warrant will be exercisable into one Common Share at a price of \$0.10 per Common Share for a term of two years from the date of issue with an accelerated expiry date, subject to notice from the Corporation, of thirty (30) days from the date such notice is provided, if the Common Shares trade and if the closing price of the Common Shares on the TSXV for any fifteen (15) consecutive trading days is equal or above \$0.15 per Common Share.

Under the PP Offering, 28,144,000 units (“**PP Units**”) were issued at a price of \$0.05 per PP Unit, for aggregate consideration of \$1,407,200. Each PP Unit consisted of one (1) Common Share and one (1) common share purchase warrant (the “**PP Warrant**”). Each PP Warrant will be exercisable into one Common Share at a price of \$0.10 per Common Share for a term of two years from the date of issue with an accelerated expiry date, subject to notice from the Corporation, of thirty (30) days from the date such notice is provided, if the Common Shares trade and if the closing price of the Common Shares on the TSXV for any fifteen (15) consecutive trading days is equal or above \$0.15 per Common Share. The Corporation paid a finders’ fee to Wolverton Securities Ltd. (an arm’s length party) in the aggregate amount of 8% of the proceeds of the PP Offering raised by such persons (\$800) and 8% of the number of securities placed by such persons in finders warrants (16,000 warrants). Each finders warrant is exercisable into one PP Unit upon payment of \$0.05 per share for a period of three years from the date of issuance. The PP Warrant will expire two years after the date of closing.

The gross proceeds of the private placements exceed the \$2.85 million required by the TSX Venture Exchange (the “**Exchange**”) to complete the Corporation’s previously announced change of business (“**COB**”) into an oil and gas issuer. The Corporation intends to file final documentation regarding the private placements and the COB with the Exchange this week.

All of the Common Shares and warrants issued pursuant to the private placements are subject to a 4-month hold period. Completion of the private placements and change of business are subject to the final approval of the Exchange. Proceeds from the FT and PP Offerings will be used for the completion of the work program (as previously announced in the press release dated October 19, 2010) and general working capital.

The Corporation will issue a further news release in respect of the trading of the resulting issuer’s securities on a post-COB basis.

The Change of Business

Investors are cautioned that, except as disclosed in the Information Circular, the press releases of October 19, 2010 and May 13, 2011 and this press release, any information released or received with respect to the Change of Business may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation should be considered highly speculative.

Wolverton Securities Ltd., subject to completion of satisfactory due diligence, has agreed to act as sponsor to Life Sciences Institute Inc. in connection with the transaction. An Agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

FOR FURTHER INFORMATION PLEASE CONTACT:

Leonard Van Betuw

Promoter, Proposed President and Chief Executive Officer

Phone: (587) 228-7070

Robert C. Thomas

Current President and Chief Executive Officer

Phone: (403) 862-7463

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.