Bow Valley Energy Ltd.

Form 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Reporting Issuer:**

   Bow Valley Energy Ltd
   1200, 333 - 7th Avenue S.W.
   Calgary, Alberta T2P 2Z1

2. **Date of Material Change:**

   May 15 and May 31, 2007

3. **News Release:**

   A press release disclosing the nature and substance of the material change was issued on May 15 and May 31, 2007 through the facilities of Canada Newswire.

4. **Summary of Material Change:**

   On May 15, 2007, Bow Valley Energy Ltd. ("Bow Valley" or the "Company") and its wholly-owned subsidiary Bow Valley Petroleum (UK) Limited completed the previously announced acquisition of an undivided legal interest in and under U.K. petroleum production licence no. P.090, a 66.67% working interest in U.K. Block 9/15a and a 15.00% working interest in Block 9/10b West (the "Peik Assets") located in the U.K. sector of the North Sea for a purchase price of approximately £34.65 million (Cdn.$76.1 million), subject to adjustment, pursuant to a sale and purchase agreement with an international energy company.

   On May 31, 2007, the Company also completed the sale of all of the common shares of the Company's wholly-owned subsidiary, 1317010 Alberta Ltd. ("1317010"), to Gentry Resources Ltd. ("Gentry") for a purchase price of approximately Cdn.$74.25 million, subject to adjustment. As a result of this transaction, Gentry acquired Bow Valley's Canadian oil and gas assets (the "Canadian Assets") which were previously transferred to 1317010 by Bow Valley.

   Had the acquisition of the Peik Assets and the sale of the Canadian Assets occurred on or before December 31, 2006, the information presented in the Company's *Statement of Reserves Data and Other Oil and Gas Information* on Form 51-101F1 ("Bow Valley's Reserves Data") included in the Company's annual information form dated March 5, 2007 for the year ended December 31, 2006 (the "AIF") would have been adjusted to include the reserves data and other oil and gas information relating to the Peik Assets and to remove the reserves data and other oil and gas information relating to the Canadian Assets.

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

   On May 15, 2007, Bow Valley and its wholly-owned subsidiary Bow Valley Petroleum (UK) Limited completed the previously announced acquisition of the Peik Assets located in the U.K. sector of the North Sea for a purchase price of approximately £34.65 million (Cdn.$76.1 million), subject to adjustment, pursuant to a sale and purchase agreement with an international energy company.

Information concerning the reserves data and other oil and gas information relating to the Peik Assets is included in the Company's short form prospectus dated March 28, 2007 (the "Prospectus") under the heading "Information Concerning the Peik Assets" and is incorporated by reference herein. The Prospectus has been filed on SEDAR at www.sedar.com.

On May 31, 2007, the Company also completed the sale of all of the common shares of the Company's wholly-owned subsidiary, 1317010, to Gentry for a purchase price of approximately Cdn.$74.25 million, subject to adjustment. As a result of this transaction, Gentry acquired Bow Valley's Canadian Assets which were previously transferred to 1317010 by Bow Valley.

Information concerning the reserves data and other oil and gas information relating to the Canadian Assets is included in Bow Valley's Reserves Data included in the AIF and is incorporated by reference herein. The AIF has been filed on SEDAR at www.sedar.com.

Had the acquisition of the Peik Assets occurred on or before December 31, 2006, the information presented in Bow Valley's Reserves Data included in the AIF would have been adjusted to include the reserves data and other oil and gas information relating to the Peik Assets. Reference is made to the reserves data and other oil and gas information relating to the Peik Assets included under the heading "Information Concerning the Peik Assets" in the Prospectus for information with respect to how the acquisition of the Peik Assets would have affected Bow Valley's Reserves Data had the acquisition been completed on or before the effective date of the information included in the Company's Form 51-101F1.

In addition, had the sale of the Canadian Assets occurred on or before December 31, 2006, the information presented in Bow Valley's Reserves Data would have been adjusted to remove the reserves data and other oil and gas information relating to the Canadian Assets. Reference is made to the reserves data and other oil and gas information relating to the Canadian Assets set out in Bow Valley's Reserves Data included in the AIF for information with respect to how the sale of the Canadian Assets would have affected Bow Valley's Reserves Data had the sale been completed on or before the effective date of the information included in the Company's Form 51-101F1.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable

7. **Omitted Information:**

Not Applicable

8. **Executive Officer:**

Robert G. Moffat, President and Chief Executive Officer
Bow Valley Energy Ltd.
1200, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1
Phone: (403) 232-0292
Fax: (403) 232-8920

DATED June 29, 2007, at the City of Calgary, in the Province of Alberta.