FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Sunset Pacific Petroleum Ltd.
#605 – 535 Howe Street
Vancouver, B.C. V6C 2Z4
Telephone: (604) 683-0466

Item 2. Date of Material Change

June 3, 2010

Item 3. News Release

A News Release dated and issued June 3, 2010 at Vancouver, British Columbia, through Canada Stockwatch, Market News and SEDAR.

Item 4. Summary of Material Change

See news release, a copy of which is attached hereto.

Item 5. Full Description of Material Change

See news release, a copy of which is attached hereto.

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

Albert Raponi, Director and CEO
Telephone: (604) 683-0466

Item 9. Date of Report

June 3, 2010

SUNSET PACIFIC PETROLEUM LTD.

NEWS RELEASE

Sunset Pacific Announces Proposed Acquisition/Change of Business

Vancouver, BC, June 3, 2010 – Sunset Pacific Petroleum Ltd. (TSX-V: SPK) (the "*Company*") is pleased to announce that it has entered into a letter of intent (the "LOI") with PricewaterhouseCoopers Inc. in its capacity as trustee and court appointed receiver of Jackpine Forest Products Ltd. and Jackpine Engineered Wood Products Inc. (collectively, the "Jackpine Group"), with respect to the proposed acquisition (the "Proposed Acquisition") of a 100% interest in and to substantially all of the assets of the Jackpine Group (the "Assets"). Jackpine Forest Products Ltd. and Jackpine Engineered Wood Products Inc. are both B.C. incorporated companies, and are arm's length parties to the Company and its principals.

The precise terms of the agreement between the parties will be contained in a definitive agreement of purchase and sale (the "Definitive Agreement") to be entered into by the parties. The broad terms of the agreement as contained in the LOI are as follows:

- The Assets are comprised of all real property, fixed assets, intellectual property, licenses and permits (to the extent transferable), books and records, patents, trademarks and other assets of the Jackpine Group, and include a specialty wood products mill located in Williams Lake, British Columbia. Included in the assets are two parcels of land, one parcel being 178 acres and containing a 92,000 square foot building and the other parcel being 10.4 acres and containing a 35,000 square foot building.

- The aggregate purchase price for the Assets will be $6.0 million (the "Purchase Price"), net of any deposits or payments as will be set out in the Definitive Agreement.

- On the closing date, the Purchase Price will be subject to adjustments customary for transactions similar in nature to the Proposed Acquisition

- Closing of the Proposed Acquisition is subject to, amongst other things:

    - completion of due diligence by the Company;

    - entering into the Definitive Agreement;

    - TSX Venture Exchange ("Exchange") approval; and

    - shareholder approval.

- The Company will call a shareholders' meeting as soon as practicable after it has signed the Definitive Agreement and cleared the appropriate meeting materials with the Exchange.

- Shareholders will be asked to approve a name change, to occur concurrent with the closing of the Proposed Acquisition.

- The Company intends to appoint persons qualified in respect of the Company's new business to its board of directors concurrent with the closing of the Proposed Acquisition, and will make any other changes it deems necessary in connection with this proposed new business. The Company's CEO, Albert Raponi, will remain on the Board after the Proposed Acquisition is completed.

- The Company expects that the Purchase Price will be funded by way of a combination of debt instrument and a private placement financing, the specific terms of which will be set out in the Definitive Agreement.

- A finder's fee will be payable on closing of the Proposed Acquisition.

The Company intends to apply for an exemption from the sponsorship requirements of the policies of the Exchange, however, there can be no assurances that such an exemption will be obtained. The Company's stock will remain halted until closing of the Proposed Acquisition or until satisfactory documents are filed with the Exchange, in compliance with Exchange policies.

The acquisition of the Assets by the Company will constitute a "*Change of Business*" for the Company under Exchange policies. The Company is currently a Tier 2 oil and gas issuer. Upon closing of the Proposed Acquisition, the Company will cease its oil and gas operations and will become a Tier 2 industry issuer involved in the manufacturing industry, specializing in the manufacturing and sale of specialty wood products. At such time, the Company will look to sell its oil and gas interests in the Prophet River and Bougie Trutch properties.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange requirements, majority of minority shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

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.

The Company will provide further details on the Proposed Acquisition upon execution of the Definitive Agreement.

For further information, please call Albert Raponi at (604) 683-0465.

SUNSET PACIFIC PETROLEUM

On behalf of the Board

"*Albert Raponi*"

Albert Raponi, CEO/Director

This news release may contain forward-looking statements. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors discussed in the Company's management discussion & analysis filed with its interim and most recent annual financial statements or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulators. The Company does not assume any obligation to update any forward-looking statements.