

FORM 51-102F3
MATERIAL CHANGE REPORT

PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION

(a) Confidentiality

If this Report is filed on a confidential basis, state in block capitals “CONFIDENTIAL” at the beginning of the Report.

(b) Use of “Company”

Wherever this Form uses the word “company” the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Numbering and Headings

The numbering, headings and ordering of the items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(e) Plain Language

Write the Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

PART 2 CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Nevarro Energy Ltd.

Item 2 Date of Material Change

October 21, 2005

Item 3 News Release

News release issued October 21, 2005 through CCN Mathews.

Item 4 Summary of Material Change

Nevarro Energy Ltd. has closed its previously announced private placement of 1,200,000 common shares issued on a "flow through" basis at a price of \$2.55 per share for gross proceeds of \$3,060,000.

Item 5 Full Description of Material Change

See attached press release for full description of material change.

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

Richard C. Bennett
President and Chief Executive Officer
Phone: (403) 231-1235
Fax: (403) 264-7304

Item 9 Date of Report

October 21, 2005

NEVARRO ENERGY LTD.

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NEVARRO ANNOUNCES CLOSING OF PRIVATE PLACEMENT

October 21, 2005 – Calgary, Alberta – NEVARRO ENERGY LTD. (TSX.V: "NEL") ("Nevarro") is pleased to announce it has closed its previously announced private placement of 1,200,000 common shares issued on a "flow through" basis at a price of \$2.55 per share for gross proceeds of \$3,060,000.

Acumen Capital Finance Partners Limited acted as lead agent of a syndicate of agents including Octagon Capital Corporation.

The common shares issued under the offering are subject to a four month hold period.

Nevarro intends to apply the proceeds to its previously announced capital expenditure program.

Nevarro is a junior oil and gas company engaged in the exploration, development and production of oil and natural gas in the Western Canadian Sedimentary Basin.

For further information contact J.W. Grant Robertson, Vice-President, Business Development of Nevarro, at (403) 231-1230.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

(Not for distribution to U.S. newswire services or for dissemination in the United States of America)