FORM 27

Securities Act (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

1. **Reporting Issuer**:

   CGX Energy Inc.
   120 Adelaide Street West
   Suite 512
   Toronto, Ontario M5H 1T1

2. **Date of Material Change**:

   December 31, 2001

3. **Publication of Material Change**:

   Press release issued on January 2, 2002

4. **Summary of Material Change**:

   See item 5 below.

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

   CGX Energy Inc. ("CGX") completed the issue and sale, on a private placement basis, of an aggregate of 559,206 common shares of CGX issued on a "flow-through" basis (the "Flow-Through Shares") at a price of CDN$0.58 per share, for gross aggregate proceeds of approximately CDN$324,000 which will be expended on disbursements qualifying for exploration expense on various Canadian oil and gas properties. The Flow-Through Shares were issued through Northern Securities Inc., which received aggregate commissions and work fees of CDN$50,947.16 and warrants to purchase 44,736 common shares of CGX at a price of CDN$0.58 per share until December 31, 2002. The securities issued pursuant to the private placement are subject to restrictions on resale until April 30, 2002.

6. **Senior Officer:**
James Fairbairn, Chief Financial Officer, Treasurer and Secretary
Telephone: 416-362-2642

I, **James Fairbairn, Chief Financial Officer, Treasurer and Secretary,** certify that the foregoing accurately discloses the material change referred to herein.

Signed in Toronto, Ontario the 7th day of January, 2002.

"J. Fairbairn"
James Fairbairn
Chief Financial Officer, Treasurer and Secretary