FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Transeuro Energy Corp.
500 – 900 West Hastings Street
Vancouver, British Columbia
V6C 1E5

(the “Company”)

Item 2 Date of Material Change

June 1, 2007

Item 3 News Release

The news release was disseminated on June 4, 2007 through CCN Matthews.

Item 4 Summary of Material Change

The Company announced that it has entered into a letter of intent dated June 1, 2007 with Surge Resources Inc. whereby the parties have agreed to negotiate a definitive agreement relating to the transfer by the Company to Surge Resources Inc. of the Company’s four petroleum prospecting licenses granted by the government of Papua New Guinea. Pursuant to the transaction, the Company, or its subsidiary, will transfer to Surge Resources Inc. a 100% interest in the licenses and all related geological, seismic, and technical data owned by the Company in relation to the lands represented in the licenses.

5.1 - Full Description of Material Change

The Company has entered into a letter of intent dated June 1, 2007 with Surge Resources Inc. (“Surge”) whereby the parties have agreed to negotiate a definitive agreement relating to the transfer (the “Transaction”) by the Company to Surge of the Company’s four petroleum prospecting licenses (the “Licenses”) granted by the government of Papua New Guinea. Pursuant to the Transaction, the Company, or its subsidiary, will transfer to Surge a 100% interest in the Licenses and all related geological, seismic, and technical data owned by the Company in relation to the lands represented in the Licenses (collectively, the “Assets”).

As consideration for the Company transferring the Assets, Surge has agreed to issue to the Company 30,000,000 common shares of Surge (the “Consideration Shares”), with a deemed price of $0.85 per share for a total deemed consideration of $25,500,000. The Consideration Shares will be subject to a voluntary escrow agreement for a period of 18 months (with one third being released after 6 months, one third being released after 12 months and the remaining one third being released after 18 months) following the closing of the Transaction. The TSX Venture Exchange (the “Exchange”) may impose additional escrow conditions with respect to the Consideration Shares. Surge, an arm’s length party to the Company, currently trades on the NEX board of the Exchange, but intends to graduate to Tier 2 of the Exchange following the closing of the Transaction, subject to Exchange approval.

The Licenses grant the right, among other things to explore for petroleum and natural gas in an area comprising approximately, in aggregate, 6,825,270 gross (5,221,332 net) acres in Papua New Guinea. The Licenses are subject to a 22.5% option held by the government of Papua New Guinea.

Upon completion of the Transaction and a concurrent private placement by Surge to raise gross proceeds of $7,000,000 (the "Private Placement"), the Company will own approximately 53% of the issued and outstanding share capital of Surge. Surge has agreed to grant the Company a pre-emptive right to acquire up to 50% of the securities to be issued by Surge pursuant to any financing of Surge involving the issuance of common shares or securities convertible into common shares completed within two years from the closing of the Transaction. Further, Hal Hemmerich will be appointed to the Board of Directors of Surge on closing of the Transaction and an additional nominee of the Company will be nominated by management of Surge for election as a director of Surge at the next shareholders' meeting. Additionally, the Company will be granted a "back in right" whereby, after Surge has drilled and tested three exploration wells on the Assets, the Company may elect to acquire a 10% working interest in the Assets by paying to Surge an amount equal to 10% of the exploration and development costs incurred up to that date with respect to the Assets and agreeing, on a go forward basis, to pay 10% of the exploration and development costs incurred after that date.

There are a number of conditions to closing the Transaction including the execution of a definitive agreement by June 30, 2007, the completion by Surge of the Private Placement and the receipt of approval from the Exchange and the shareholders of Surge. In addition, prior to the closing of the Transaction, Surge must have obtained an engagement proposal from an investment banking firm with respect to a satisfactory financing in the amount of at least $50,000,000. It is anticipated the Transaction will close on or about July 31, 2007.

5.2 - Disclosure for Restructuring Transactions

Not applicable.

Item 5 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 6 **Omitted Information**

Not applicable.

Item 7 **Executive Officer**

For further information, contact:

Judy Tredgett
Telephone: 604-681-3939

Item 8 **Date of Report**

June 19, 2007