

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Gulf & Pacific Equities Corp. (the "Issuer")
Suite 300
1300 Bay Street
Toronto, Ontario
M5R 3K8

Item 2 Date of Material Change

December 31, 2009.

Item 3 News Release

The news release, attached hereto as Schedule "A", was disseminated on December 31, 2009 through Marketwire and was filed on SEDAR with the British Columbia Securities Commission, the Alberta Securities Commission, the Saskatchewan Financial Services Commission, the Manitoba Securities Commission, the Ontario Securities Commission and the TSX Venture Exchange on December 31, 2009.

Item 4 Summary of Material Change

The Issuer announced that it raised gross proceeds of \$1,753,250 at the First Closing of the private placement of its 8% unsecured convertible debentures (the "Debentures").

Item 5.1 Full Description of Material Change

See the news release, attached hereto as Schedule "A".

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No significant facts have been omitted from this report.

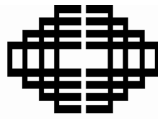
Item 8 Executive Officer

Anthony Cohen, President and CEO
Gulf & Pacific Equities Corp.
tel: 416-968-0608

Item 9 Date of Report

January 6, 2010.

Schedule A



GULF & PACIFIC EQUITIES CORP.

For Immediate Release

Gulf & Pacific Equities Raises \$1,753,250 at the First Closing of its Private Placement Debenture Offering

Toronto, December 31, 2009 – Gulf & Pacific Equities Corp. (TSX-V: **GUF**), (the “Company”) an established company focused on the acquisition, management and development of anchored shopping centres in Western Canada, is pleased to announce that it has raised gross proceeds in an amount equal to \$1,753,250 at the first closing of its 8% unsecured convertible debentures (the “Debentures”) private placement offering. The Debentures were carried out under the “accredited investor exemption” in part 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*. Subsequent closings up to the maximum offering amount of \$3,956,250 (in aggregate) may occur prior to January 14, 2010.

The Debentures were issued on December 31, 2009 pursuant to a trust indenture between the company and Computershare Trust Company of Canada, as trustee. Subject to the detailed terms and conditions of that trust indenture, the Debentures have a five year term, maturing December 31, 2014 and bear interest from the date of issue at 8% per annum which, unless the Debentures are earlier converted or redeemed in accordance with their terms, will be paid subsequently in semi-annual payments occurring on April 1st and October 1st of each year until maturity.

The Debentures are convertible, at the option of the respective holders, at any time or from time to time prior to 5:00 p.m. (Toronto time) on December 31, 2014, into fully paid, non-assessable common shares of the Company at a conversion price of \$0.25 per share if converted prior to December 31, 2011, and \$0.30 per share if converted on or after January 1, 2012 and prior to the conversion expiry time. Where Debentures are converted, interest accruing due but otherwise unpaid to the day preceding the date of conversion will be paid promptly following such date.

The debenture offering was comprised of \$1,753,250 in debt for debt exchange of the Debentures. The issuance of the Debentures relating to the debt for debt exchange was being completed pursuant to agreements made with certain note holders of the Company’s \$896,250 and \$2,060,000 outstanding debentures maturing on September 1, 2013 and November 18, 2014, respectively. Trading of the Debentures and common shares issued upon their conversion is subject to a hold period that expires May 1, 2010.

Upon the final closing, the Company will use the proceeds to retire the outstanding series’ of debentures, consolidate debt, pursue strategic opportunities and for general working capital.

About Gulf & Pacific Equities Corp.

Gulf & Pacific Equities Corp. was incorporated under the laws of the Province of Alberta on April 8, 1998 and thereafter completed a public offering of common shares by prospectus dated June 26, 1998 (TSX-V: **GUF**).

The Company acquires, manages and develops anchored shopping malls in rural centres in Western Canada, in particular Alberta. Gulf & Pacific targets smaller, but rapidly growing hub communities that have hospital, high school, police station and retail/service infrastructure. Management has consistently reinvested cash flow to improve and grow its portfolio of income properties.

Gulf & Pacific Equities Corp. currently owns five, well-located retail assets located in Three Hills, Whitecourt, St. Paul and Cold Lake Alberta, as well as in Merritt B.C..

In 2005, Gulf & Pacific Equities Corp. was named the 22nd fastest growing company in Canada by "Profit" magazine, a Rogers' publication. In 2006 and 2008, the company made the list again as the 162nd and 145th fastest growing company in Canada.

For further information, please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Cautionary Statements

This news release contains "forward-looking statements", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and similar Canadian legislation, concerning the business, operations and financial performance and condition of Gulf & Pacific Equities. Forward-looking statements include, but are not limited to, statements with respect to the benefits of the offering and option transaction. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken",

“occur” or “be achieved”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Gulf & Pacific Equities to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: economic conditions in Western Canada, interest rates, raising less than the required capital; not realizing on the anticipated benefits from the transaction or not realizing on such anticipated benefits within the expected time frame; and other risks of the real estate industry. Although management of Gulf & Pacific Equities has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Gulf & Pacific Equities does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.