

MATERIAL CHANGE REPORT

1. Name and Address of Company:

HSE Integrated Ltd.
1000, 630 – 6th Avenue SW
Calgary, Alberta
T2P 0S8

2. Date of Material Change:

January 18, 2011

3. Press Release:

Press release issued by HSE Integrated Ltd. (the "**Corporation**") on January 18, 2011 through the facilities of Canada Newswire.

4. Summary of Material Change:

The Corporation announced on January 18, 2011 that it had closed the second tranche of its previously announced non-brokered private placement offering for an additional \$75,000 principal amount of 10% convertible debentures ("**Common Shares**") of the Corporation.

5. Full Description of Material Change:

The Corporation closed the second tranche of a private placement offering for an additional \$75,000 principal amount 10% convertible debentures.

Gross proceeds of \$75,000 will be applied to the Company's 2011 capital program.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102.

N/A

7. Omitted Information:

No information has been omitted.

8. Executive Officer:

Lori Mcleod-Hill
Chief Financial Officer
HSE Integrated Ltd.
Telephone: (403) 266-1833

9. Date of Report

January 26, 2011