TERRA VENTURES INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Terra Ventures Inc. (the "Company" or "Terra")
Suite 1750, 999 Hastings Street
Vancouver, BC
V6C 2W2

2. Date of Material Change

June 11, 2010

3. News Release

A new release disclosing the material change was issued through Canada Newswire in Vancouver, British Columbia and Calgary, Alberta on June 14, 2010 and filed on SEDAR.

4. Summary of Material Change

The Company and Terrex Energy Ltd. ("Terrex") announced that they have completed, on June 11, 2010, the previously announced plan of arrangement (the "Arrangement") involving Terra, shareholders of Terra and Terrex under section 288 of the Business Corporations Act (British Columbia).

5.1 Full Description of Material Change

The Company and Terrex announced that they have completed, on June 11, 2010, the previously announced Arrangement involving Terra, shareholders of Terra and Terrex under section 288 of the Business Corporations Act (British Columbia).

At a special meeting of shareholders held on June 4, 2010, Terra's shareholders overwhelmingly approved the Arrangement with approximately 99.5% of the votes cast by holders of common shares of the Company voted in favour of the Arrangement. The final court order in respect of the Arrangement was granted on June 7, 2010.

The Arrangement was completed to reorganize Terra and its operations into two separate public companies, being Terra and Terrex, which was prior to the completion of the Arrangement, a wholly-owned subsidiary of Terra, so that each company will have the flexibility to utilize and exploit their respective assets. Terrex is a wholly-owned subsidiary of Terra that was incorporated for the purpose of acquiring oil and gas properties for exploitation.

Pursuant to the Arrangement, each common share of Terra (a "Terra Share") was exchanged for one new common share of Terra (a "New Terra Common Share") and 0.5 of a common share of Terrex (a "Terrex Common Share"), and each warrant of Terra (a "Terra Warrant") was exchanged for one new warrant of Terra and 0.5 of a warrant of Terrex. No fractional New Terra Common Shares or Terrex Common Shares were distributed to the shareholders of Terra.

Terrex is expecting to complete its previously announced private placement offering to raise a minimum of $5 million and a maximum of $10 million at initial closings expected to take place on June 14 and 16, 2010 in the amount of approximately $4,500,000, with subsequent closings on or about June 22, 2010, with listing of the Terrex Shares on the TSX Venture Exchange (the "Exchange") expected on or about June 23, 2010. The proceeds of the private placement will be held in escrow pending completion of the listing of the Terrex Shares on the Exchange. The net proceeds will be used by Terrex to satisfy Exchange minimum listing requirements and to acquire, through acquisitions, joint ventures or participation arrangements, interests in properties where improved oil recovery and enhanced oil recovery potential has been identified by management.

At the special meeting of Terra shareholders held on June 4, 2010, the shareholders also approved Macquarie Resource Capital Canada Ltd. as a potential new "Control Person" of Terrex (as defined in the Exchange Corporate Finance Manual) in accordance with the requirements of the Exchange. Assuming completion of the private placement as contemplated, Macquarie is expected to hold in excess of 25% of the issued and outstanding Terrex Shares.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not Applicable.

7. Omitted Information

Not Applicable.

8. **Executive Officers**

For further information about this material change, please contact Gunther Roehlig, President of the Company, at 1 (866) 683-0911.

9. **Date of Report**

DATED at Vancouver, British Columbia this 21st day of June, 2010.