

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Avalon Works Corp. (“Avalon”)
1493 Merivale Road
Ottawa, Ontario
K2E 5P3

Item 2 Date of Material Change

October 8, 2008.

Item 3 News Release

A news release was disseminated through CNW on October 8, 2008, and is attached as Exhibit “A” to this report.

Item 4 Summary of Material Change

On October 8, 2008, Avalon announced that Dr. Simon Phaneuf had been appointed as its new President and interim Chief Financial Officer. Dr. Phaneuf replaces Mr. Claudio Mirella who stepped down from the position after three years.

Avalon announced that Dr. Phaneuf had also been appointed to the Board of Directors. Subsequent to Dr. Phaneuf’s appointment to the Board, the following changes to the composition of the Board took place: Mr. Tom Shepperd stepped down and was replaced by Mr. Jean-Guy Lambert; then Mr. Chris Spiteri stepped down and was replaced by Mr. Michael Clemann; and then, Mr. Claudio Mirella stepped down and was replaced by Mr. Mark Gagnon.

Item 5 Full Description of Material Change

See attached news releases.

On October 8, 2008, Avalon announced that Dr. Simon Phaneuf had been appointed as its new President and interim Chief Financial Officer. Dr. Phaneuf replaces Mr. Claudio Mirella who stepped down from the position after three years.

Avalon announced that Dr. Phaneuf had also been appointed to the Board of Directors. Subsequent to Dr. Phaneuf’s appointment to the Board, the following changes to the composition of the Board took place: Mr. Tom Shepperd stepped down and was replaced by Mr. Jean-Guy Lambert; then Mr. Chris Spiteri stepped down and was replaced by Mr. Michael Clemann; and then, Mr. Claudio Mirella stepped down and was replaced by Mr. Mark Gagnon.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A.

Item 7 Omitted Information

N/A.

Item 8 Executive Officer

Dr. Phaneuf, Avalon's President, is knowledgeable about the material change and this report. His business telephone number is +1 (514) 461-7222.

Item 9 Date of Report

October 15, 2008.

EXHIBIT "A"

NEWS RELEASE

AVALON ANNOUNCES APPOINTMENT OF SIMON PHANEUF AND NEW BOARD MEMBERS

Symbol: AWB: TSXV

Ottawa, Ontario, October 8, 2008 - Avalon Works Corp. ("Avalon" or the "Corporation") (AWB: TSXV) announces that Dr. Simon Phaneuf has been appointed as it's new President and interim Chief Financial Officer.

Dr. Phaneuf replaces Mr. Claudio Mirella who steps down from the position after three years.

Dr. Phaneuf has also been appointed to the Board of Directors.

Subsequent to Dr. Phaneuf's appointment to the Board, the following changes to the composition of the Board took place: Mr. Tom Shepperd stepped down and was replaced by Mr. Jean-Guy Lambert; then Mr. Chris Spiteri stepped down and was replaced by Mr. Michael Clemann; and then, Mr. Claudio Mirella stepped down and was replaced by Mr. Mark Gagnon.

Avalon is an e-business facilitator company. Avalon's electronic service delivery includes e-business architecture and design, Web application design, development and maintenance, and Information Technology project and program management, as described in more detail at www.avalonworks.com.

For further information:

Simon Phaneuf, President
Phone: (514) 461-7222

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.