

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

SmartCool Systems Inc. (the "Company")
Suite 1280, 333 Seymour Street
Vancouver, British Columbia V6B 5A6

Item 2: Date of Material Change

July 16, 2008

Item 3: News Release

A news release dated July 16, 2008, issued in Vancouver, British Columbia, was disseminated through Canada Newswire and Stockwatch.

Item 4: Summary of Material Change

On July 16, 2008 the Company completed the formation of its new subsidiary Smartcool Systems (EMEA) Ltd. ("Smartcool EMEA"), located in the United Kingdom, and finalized the transaction to acquire the business and assets of TECC Services Limited ("TECC") of the United Kingdom.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

On July 16, 2008 the Company completed the formation of its new subsidiary, Smartcool Systems (EMEA) Ltd., located in the United Kingdom, and finalized the transaction to acquire the business and assets of TECC Services Limited of the United Kingdom. Prior to the acquisition, TECC held the exclusive re-sale rights to a selection of the Company's products in certain countries in Europe and the Middle East (the "Distribution Rights"). As previously reported, effective June 16, 2008, the Company's wholly owned subsidiary, SmartCool EMEA, reached an agreement with TECC to acquire the Distribution Rights and related business assets for 1,035,000 pounds sterling in cash, payable over a four-year period, and the issuance of common shares equal to the value of 265,000 pounds sterling based on the 20 day trading average preceding the transaction.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Allan Thompson, Chief Financial Officer (604) 669-1388

Item 9: Date of Report

DATED at Vancouver, British Columbia, this 24th day of July, 2008.

SmartCool Systems Inc.

Per:

Allan Thompson, Chief Financial Officer