TG WORLD ENERGY CORP.
FORM 51-102F3 - MATERIAL CHANGE REPORT

1. Name and Address of Reporting Issuer

TG World Energy Corp.
2000, 736 - 6th Avenue S.W.
Calgary, Alberta T2P 3T7

2. Date of Material Change

December 23, 2010 & December 30, 2010.

3. News Release

News releases disclosing the material change were issued through Marketwire on December 23, 2010 and December 30, 2010.

4. Summary of Material Change

TVI Pacific Inc. ("TVI") and TG World Energy Corp. ("TG") have entered into a definitive arrangement agreement (the "Arrangement Agreement"), under which TVI has agreed to acquire all of the outstanding common shares of TG ("Common Shares") not already owned by it as of the effective date of the acquisition on the basis of 0.67 of a TVI common share for each Common Share of TG (the "Transaction"). The Arrangement Agreement provides that the Transaction will be structured as a plan of arrangement under the *Business Corporations Act* (Alberta).

In addition, TVI has purchased 29,650,000 Common Shares at a price of $0.05 per Common Share and invested $1,317,500 by way of a convertible promissory note (the "Note") to assist TG in financing its immediate obligations. TG additionally issued 12,000,000 Common Shares to LIM Asia Special Situations Master Fund Limited (the issuance of the Common Shares and the Note are collectively referred to herein as the "Private Placement). The Private Placement was closed on December 30, 2010.

5. Full Description of Material Change

TVI and TG have entered into the Arrangement Agreement under which TVI has agreed to acquire all of the outstanding Common Shares not owned by it as of the effective date of the acquisition on the basis of 0.67 of a TVI common share for each Common Share. The Arrangement Agreement provides that the Transaction will be structured as a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement").

In addition, TVI purchased 29,650,000 Common Shares at a price of $0.05 per Common Share and invested $1,317,500 to acquire the Note, the proceeds of which will be used to assist TG in financing its immediate obligations. TG additionally issued 12,000,000 Common Shares to LIM Asia Special Situations Master Fund Limited. The Private Placement was closed on December 30, 2010.

Details of the Arrangement

Upon completion of the Arrangement, all Common Shares not owned by TVI at such time will be automatically exchanged on the basis of 0.67 of a TVI common share for each Common Share. The consideration to be received by TG shareholders pursuant to the Arrangement represents an approximate 48% premium over TG's 20-day volume-weighted average trading price, and an approximately 78% premium over TG's closing price as at December 22, 2010.

Upon completion of the Arrangement (after giving effect to the Private Placement), former TG shareholders will own approximately 15.6% of TVI.

The following summarizes the key provisions of the Arrangement Agreement. Capitalized terms not defined herein shall have the meaning attributed to them in the Arrangement Agreement. This summary of the Arrangement Agreement is qualified in its entirety by the text of the Arrangement Agreement available from SEDAR at www.sedar.com.

Conditions to the completion of the Arrangement

Mutual Conditions Precedent

The respective obligations of TG and TVI (collectively, the "Parties") to complete the Arrangement are subject to the satisfaction, on or before the Effective Date or other time specified below, of the following conditions, any of which may be waived with the mutual consent of both Parties without prejudice to their right to rely on any other of such conditions:

(a) the Interim Order shall have been granted in form and substance reasonably satisfactory to each of TVI and TG on or prior to January 20, 2011, and the Interim Order shall not have been set aside or modified in a manner unacceptable to TVI or TG, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the TG shareholders on or prior to February 28, 2011 in accordance with the Interim Order and in form and substance reasonably satisfactory to each of TVI and TG, and all other approvals of the TG shareholders required under any Applicable Laws shall have been obtained on or before February 28, 2011 in form and substance reasonably satisfactory to each of TG and TVI;

(c) the Final Order shall have been granted on or prior to March 1, 2011 in form and substance reasonably satisfactory to each of TVI and TG;

(d) the Articles of Arrangement shall have been duly filed with the Registrar on or prior to March 4, 2011 in form and substance reasonably satisfactory to each of TVI and TG;

(e) no act, action, suit or proceeding shall have been threatened or taken before or by any governmental authority or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, and no law shall have been proposed, enacted, promulgated or applied:

    (i) which has the effect or may have the effect of cease trading, enjoining, prohibiting or imposing material limitations or conditions on the Arrangement; or

    (ii) which would materially impede the ability of the Parties to complete the Arrangement; or

(f) there shall be no action taken under any applicable law now in existence or hereafter enacted, enforced, promulgated or issued by any governmental authority, that: (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated in the Arrangement Agreement; or (ii) results in a judgment or assessment of damages directly or indirectly relating to the transactions contemplated in the Arrangement Agreement that has a Material Adverse Effect on TG or any of its material Subsidiaries; and

(g) TG and TVI shall have obtained all regulatory and third-party consents, approvals and authorizations (including competition approvals, all securities commission, stock exchange and other regulatory approvals) required in connection with the transactions contemplated in the Arrangement Agreement on terms and conditions reasonably satisfactory to each of TG and TVI and all domestic and foreign statutory or regulatory waiting periods applicable to the Arrangement shall have expired or been terminated, and no objection or opposition shall have been filed, initiated or made by any Governmental Authority during any applicable statutory or regulatory period.

The foregoing conditions are for the mutual benefit of TG and TVI and may be asserted by either of TG and TVI (with respect to such Party) regardless of the circumstances and may be waived by TG and TVI (with respect to such Party) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that TG or TVI may have. If any of the foregoing conditions is not satisfied or waived by both Parties on or before the Outside Date (or the date otherwise specified by such condition), either TG or TVI, upon written notice to the Other Party, may terminate the Arrangement Agreement in accordance with the Arrangement Agreement.

Additional Conditions to Obligations of TVI

The obligation of TVI to complete the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified below, of the following conditions:

(a) except as affected by transactions contemplated by the Arrangement Agreement, the representations and warranties made by TG in the Arrangement Agreement (which for the purposes of the Arrangement Agreement such condition shall be read as though none of them contained any "Material Adverse Effect" or other materiality qualification) shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties are stated to be as of an earlier date or as permitted in the Arrangement Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, does not have and would not reasonably be expected to have a Material Adverse Effect with respect to TG, and TG shall have provided to TVI a certificate of TG signed by two senior officers of TG certifying such accuracy on the Effective Date and TVI shall have no knowledge to the contrary;

(b) TG shall have complied with its covenants in the Arrangement Agreement except where the failure to have complied with such covenants, individually or in the aggregate, does not have and would not reasonably be expected to have a Material Adverse Effect with respect to TG or materially impair the ability of TVI or TG to complete the Arrangement, and TG shall have provided to TVI a certificate of TG signed by two senior officers of TG certifying that it has so complied with such covenants and TVI shall have no knowledge to the contrary;

(c) the Arrangement shall have become effective on or prior to the Outside Date of March 4, 2011;

(d) no material adverse change shall have occurred with respect to TG;

(e) each of the members of the TG Board of Directors shall have provided their written resignation as directors of TG effective on or before the Effective Time together with a written release (in form satisfactory to TVI acting reasonably) in favour of TG, and the TG Board of Directors shall have been reconstituted with nominees of TVI as at the Effective Date;

(f) TVI shall be entitled to vote not less than 29,650,000 Common Shares held by TVI at the Meeting;

(g) TG shall have caused an information circular and supporting materials to be mailed to the TG shareholders on or prior to January 28, 2011;

(h) no related party (as defined in *Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions*) of TG shall have received or be entitled to receive, directly or indirectly, any collateral benefit (as defined in *Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions*) in connection with or as a result of the Arrangement;

(i) holders of not greater than 5% of the aggregate outstanding Common Shares shall have exercised dissent rights in respect of the Arrangement that have not been withdrawn as at the Effective Date;

(j) LIM Asia Special Situations Master Fund Limited and any other lenders of TG shall have waived any defaults under existing credit facilities or Indebtedness and shall have extended the maturity date on all such Indebtedness to a date not earlier than June 30, 2011, on terms reasonably satisfactory to TVI;

(k) there shall not have been an amendment to the U.S. Securities Act, a change in the U.S. Securities and Exchange Commission's interpretation of the U.S. Securities Act or a decision of a court which provides that orders of Canadian courts, such as the Final Order of the Court, do not qualify under section 3(a)(10) of the U.S. Securities Act which results in the Section 3(a)(10) Exemption being not available for any reason to exempt the issuances of the securities of TVI to be issued on completion of the Arrangement from the registration requirements of the U.S. Securities Act;

(l) as of the Effective Date, no securities commission or similar regulatory authority shall have issued any order preventing or suspending trading of any securities of TG (or shall have announced or commenced any investigation or proceedings that could result in the making of any such order) and TG shall not be in default of any requirement of Applicable Laws that would have a Material Adverse Effect on TG or that would materially impair its ability to complete the Arrangement;

(m) the aggregate severance payable to directors, officers, employees and consultants of TG shall not exceed $200,000, such amount being payable solely to Persons, each of whom holds less than 1% of the issued and outstanding Common Shares, except as agreed to by TVI in writing;

(n) immediately prior to the Effective Time: (i) the aggregate number of Common Shares issued and outstanding shall not exceed 180,000,000; (ii) there shall be no other shares of TG outstanding; and (iii) no person shall have any agreement or option, or any right or privilege (whether arising by law, pre-emptive right, by contract or otherwise) capable of becoming an agreement or option, for the purchase, subscription, allotment or issuance of any unissued Common Shares other than TG options and TG warrants;

(o) there shall not have occurred any actual or threatened change (including a proposal by the Minister of Finance of Canada to amend the *Income Tax Act* or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a prospective change) that, directly or indirectly has, or would reasonably be expected to have, a Material Adverse Effect on TG, or that materially impedes, or would reasonably be expected to materially impede, the completion of the Arrangement;

(p) there shall have been no action taken under applicable law that imposes any limitations on the ability of TVI to effectively exercise and enjoy full rights of ownership in respect of any Common Shares acquired by TVI, including the right to vote any such shares;

(q) TVI shall have obtained all required regulatory, governmental and third party consents, waivers, permissions, approvals and non-objections necessary to complete the Arrangement by or from relevant Governmental Authorities and third parties, on terms and conditions reasonably satisfactory to TVI, including the approval of the Toronto Stock Exchange to list the TVI common shares issuable in connection with the Arrangement; and all applicable statutory or regulatory waiting periods in respect of completion of the Arrangement shall have expired or been terminated;

(r) TVI shall be satisfied, in its sole discretion, acting reasonably, that there have been no significant adverse developments relating to the Tindalo oil well drilled by TG and its partners at Palawan, Philippines from the date hereof; and

(s) no action shall have been taken by any person (including joint venture participants) to enforce remedies against TG or any of its Subsidiaries based upon any breach or alleged breach by TG or any of its Subsidiaries of any covenants, agreements or obligations (including any obligation to advance or pay monies) under any documents of title or other contracts relating to the interests of TG or any of its Subsidiaries or under which such interests are derived that would have a Material Adverse Effect on TG, including remedies that might result in the forfeiture of, or other loss or diminution in, any of the Interests of TG or any of its Subsidiaries, and TVI shall have been provided with such written evidence as it may reasonably request confirming that no such action is pending or contemplated.

The foregoing conditions are for the exclusive benefit of TVI and may be asserted by TVI regardless of the circumstances or waived by TVI in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that TVI may have. If any of the foregoing conditions is not satisfied or waived on or before the Outside Date (or any applicable earlier date specified above), TVI, upon written notice to TG, may terminate the Arrangement Agreement in accordance with the Arrangement Agreement.

Additional Conditions to Obligations of TG

The obligation of TG to complete the Arrangement, is subject to the satisfaction, on or before the Effective Date of the following conditions:

(a) except as affected by transactions contemplated by the Arrangement Agreement, the representations and warranties made by TVI in the Arrangement Agreement (which for the purposes of the Arrangement Agreement such condition shall be read as though none of them contained any "Material Adverse Effect" or other materiality qualification) shall be true as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties are stated to be as of an earlier date or as permitted in the Arrangement Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, does not have and would not reasonably be expected to have a Material Adverse Effect with respect to TVI and its Subsidiaries and TVI Resource Development Phils. Inc. ("TVIRD"), taken as a whole, and TVI shall have provided to TG a certificate of TVI signed by two senior officers of TVI certifying such accuracy on the Effective Date and TG shall have no knowledge to the contrary;

(b) TVI shall have complied with its covenants in the Arrangement Agreement except where the failure to have complied with such covenants, individually or in the aggregate, does not have and would not reasonably be expected to have a Material Adverse Effect with respect to TVI and its Subsidiaries and TVIRD, taken as a whole, or materially impair the ability of TG to complete the Arrangement, and TVI shall have provided to TG a certificate of TVI signed by two senior officers of TVI certifying that it has so complied with such covenants and TG shall have no knowledge to the contrary; and

(c) no material adverse change shall have occurred with respect to TVI.

The foregoing conditions are for the exclusive benefit of TG and may be asserted by TG regardless of the circumstances or may be waived by TG in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that TG may have. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, TG, upon written notice to TVI, may terminate the Arrangement Agreement in accordance with the terms of the Arrangement Agreement.

TG's Covenants Regarding Non-Solicitation

(a) TG shall immediately terminate and cause to be terminated all solicitations, initiations, encouragements, discussions or negotiations with any person conducted prior to the date of the Arrangement Agreement by TG, or its officers, directors, employees, financial advisors, legal counsel, representatives or agents, with respect to any Acquisition Proposal. TG shall promptly send or cause to be sent a letter to each Person who has entered into a prior confidentiality agreement with TG in respect of any Acquisition Proposal, requiring all materials provided to such person by it to be destroyed or returned to it or its agents or advisors and shall use reasonable commercial efforts to ensure that such requests are honoured.

(b) Subject to (c), (d) and (e) below, TG shall not, directly or indirectly, through any of its Subsidiaries or through any officer, director, employee, financial advisor, legal counsel or other representative or agent of it or any of its Subsidiaries:

   (i) solicit, initiate, invite, knowingly facilitate or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of, or participation in, any inquiries or proposals regarding an Acquisition Proposal;

   (ii) participate in any discussions or negotiations regarding an Acquisition Proposal;

   (iii) withdraw, modify or change, or propose publicly to withdraw, modify or change, in any manner adverse to TVI, the approval of the TG Board of Directors of the Arrangement or the recommendation of the TG Board of Directors to vote in favour of the Arrangement;

   (iv) furnish or provide access to any information concerning it, its Subsidiaries or their respective businesses, properties or assets to any Person in connection with an Acquisition Proposal or if the same might reasonably be expected to lead to an Acquisition Proposal;

   (v) waive any provisions of or release or terminate any confidentiality or standstill agreement between it and any person relating to an actual or potential Acquisition Proposal, or amend any such agreement or consent to the making of an Acquisition Proposal; or

(vi) accept, recommend, approve or enter into, or propose publicly to accept, recommend, approve or enter into, any agreement, arrangement or understanding (other than a confidentiality agreement as permitted under the Arrangement Agreement) related to any Acquisition Proposal.

(c) Notwithstanding the above, prior to the Effective Date, TG and its officers, directors, employees, advisors or other representatives or agents may enter into, or participate in, any discussions or negotiations with a person who seeks to initiate such discussions or negotiations and, subject to the entering into by such person of a confidentiality agreement substantially similar to the TG Confidentiality Agreement, may furnish to such person information concerning it and its Subsidiaries and their respective businesses, properties and assets, in each case if, and only to the extent that:

(i) such person has first made an unsolicited *bona fide* Acquisition Proposal in writing, which the TG Board of Directors determines in good faith (after consultation with its financial advisors) would, if consummated in accordance with its terms, result in a transaction that is superior for the TG shareholders, from a financial point of view, to the Arrangement;

(ii) the Acquisition Proposal is not subject to a due diligence or access condition (or both) that would allow access to the books, records or personnel of TG or its Subsidiaries beyond 5:00 p.m. (Calgary time) on the fifteenth business day after which access is first afforded to the person making the Acquisition Proposal (provided that the foregoing shall not restrict the ability of such third party to continue to review information provided to it by TG during such 15 business day period or thereafter);

(iii) the TG Board of Directors determines in good faith that the Acquisition Proposal is reasonably likely to be completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the Person making such proposal;

(iv) any required financing to complete such Acquisition Proposal has been obtained or is reasonably likely to be obtained;

(v) the TG Board of Directors, after receiving the advice of outside legal counsel, has determined in good faith that the failure to take such action would be inconsistent with its fiduciary duties; and

(vi) it has provided to TVI the information required to be provided under the Arrangement Agreement in respect of such Acquisition Proposal and has promptly notified TVI in writing of the determinations in (c)(i), (ii), (iii), (iv) and (v) above;

such offer or proposal being referred to in the Arrangement Agreement as a "Superior Proposal".

(d) TG shall promptly notify TVI, at first orally and then in writing, of any Acquisition Proposal received after the date of the Arrangement Agreement, or any confidentiality agreement entered into in respect of any such Acquisition Proposal and any inquiry or contact received after the date of the Arrangement Agreement that could reasonably be expected to lead to an Acquisition Proposal, or any request for non-public information relating to it or any of its Subsidiaries received after the date hereof or for access to its properties, books or records, or the properties, books or records of any Subsidiary, by any person that informs it that it is considering making, or has made, an Acquisition Proposal after the date hereof; which notice will include any known terms and conditions of such Acquisition Proposal (including any form of agreement proposed to be entered into) and shall include such details, to the extent known, of the Acquisition Proposal, inquiry or contact as TVI may reasonably request, including the identity of the person making such proposal, inquiry or contact. TG shall keep TVI informed of the status of any such Acquisition Proposal or inquiry, including any change to the material terms thereof. In addition, TG shall provide TVI with a list of or copies of the information provided to any person in respect of which a confidentiality agreement is entered into in respect of any Acquisition Proposal pursuant to the Arrangement Agreement and shall provide TVI with access to any information provided to any such person that has not already been provided to TVI.

(e) TG shall give TVI orally and in writing, at least three (3) business days advance notice of any decision by the TG Board of Directors to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the TG Board of Directors has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the person making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. During such three (3) business day period, TG will not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and will not withdraw, modify or change its recommendation in respect of the Arrangement or waive any provision of any standstill obligation to which the person making the Superior Proposal is subject. In addition, during such three (3) business day period, TG shall, and shall cause its financial and legal advisors to, negotiate in good faith with TVI and its financial and legal advisors, to make such adjustments in the terms and conditions of the Arrangement Agreement as would enable TG to proceed with the Arrangement, as amended, rather than the Superior Proposal. In the event TVI proposes to amend the Arrangement Agreement to provide that the TG shareholders shall receive a value per Common Share equal to or having a value greater than the value per Common Share provided in the Superior Proposal and so advises the TG Board of Directors prior to the expiry of such three (3) business day period, the TG Board of Directors shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the Party making the Superior Proposal from any standstill provisions and shall not withdraw, modify or change its recommendation in respect of the Arrangement. If the TG Board of Directors continues to believe that such Superior Proposal remains a Superior Proposal and therefore rejects TVI's amended proposal, TG may terminate the Arrangement Agreement, provided however, that TG must concurrently pay to TVI the TVI Termination Fee payable in accordance with the Arrangement Agreement. In the event that TG provides TVI with a copy of the notice referred to above on a date that is less than three (3) business days prior to the Meeting, TG shall adjourn the Meeting to a date that is not less than three (3) business days and not more than 10 business days after the date of the notice.

(f) Nothing contained in the Arrangement Agreement relating to TG's covenants regarding non-solicitation shall prohibit the TG Board of Directors from: (i) making any disclosure of a written Acquisition Proposal to the TG shareholders prior to the Effective Time if, in the good faith judgement of the TG Board of Directors after receiving the advice of outside counsel, such disclosure is necessary for the TG Board of Directors to act in a manner consistent with its fiduciary duties or is otherwise required under applicable Canadian securities laws; (ii) taking any other action with regard to an Acquisition Proposal to the extent ordered or otherwise mandated by any court of competent jurisdiction; and (iii) responding to a *bona fide* request for information that could reasonably be expected to lead to an Acquisition Proposal solely by advising that no information can be provided unless a *bona fide* written Acquisition Proposal is made and then only in compliance with the Arrangement Agreement.

(g) TG has acknowledged and agreed that each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of the requirement to initiate an additional three (3) business day notice period.

(h) TVI agrees that all information that may be provided to it by TG with respect to any Acquisition Proposal pursuant to the Arrangement Agreement shall be treated as if it were "Confidential Information" as that term is defined in the TG Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the TG Confidentiality Agreement or in order to enforce the rights of TVI under the Arrangement Agreement in legal proceedings.

(i) TG shall ensure that its officers, directors and employees and any investment bankers or other advisers or representatives retained by it are aware of the above obligations. TG shall be responsible for any breach of such obligations by its officers, directors, employees, investment bankers, advisers or representatives.

Termination of the Arrangement Agreement

Termination by TVI

In addition to any other rights contained in the Arrangement Agreement, TVI may, at any time prior to the filing of the Articles of Arrangement, terminate the Arrangement Agreement upon written notice to TG:

(a) if there has been a breach by TG of any of its covenants or agreements set forth in the Arrangement Agreement, or if any representation or warranty of TG (which for the purposes of the termination provisions of the Arrangement Agreement shall be read as though none of them contained any "Material Adverse Effect" or other materiality qualification) is determined to be incorrect or untrue, or shall have become incorrect or untrue, which, in any case, has, or is reasonably expected to have, a Material Adverse Effect on TG and its material Subsidiaries (taken as a whole) or is reasonably expected to materially impair the ability of TG to complete the Arrangement;

(b) if a circumstance giving rise to the obligation of TG to pay the TVI Termination Fee shall have occurred; or

(c) if any of the conditions to the performance by TVI of its obligations hereunder, as set out in the Arrangement Agreement, are not satisfied by the applicable time (other than as a result of the breach of the Arrangement Agreement by TVI).

Termination by TG

In addition to any other rights contained in the Arrangement Agreement, TG may, at any time prior to the filing of the Articles of Arrangement, terminate the Arrangement Agreement upon notice to TVI:

(a) if there has been a breach by TVI of any of its covenants or agreements set forth in the Arrangement Agreement, or if any representation or warranty of TVI (which for the purposes of the termination provisions of the Arrangement Agreement shall be read as though none of them contained any "Material Adverse Effect" or other materiality qualification) is determined to be incorrect or untrue, or shall have become incorrect or untrue, which, in any case, has, or is reasonably expected to have, a Material Adverse Effect on TVI and its Subsidiaries and TVIRD, taken as a whole, or is reasonably expected to materially impair the ability of TVI to complete the Arrangement;

(b) if a circumstance giving rise to the obligation of TG to pay the TVI Termination Fee shall have occurred and payment thereof shall have been made by TG; or

(c) if any of the conditions to the performance by TG of its obligations under the Arrangement Agreement are not satisfied by the applicable time (other than as a result of the breach of the Arrangement Agreement by TG).

TVI Damages

If, at any time after the execution of the Arrangement Agreement and prior to the termination of the Arrangement Agreement according to its terms (provided there is no material breach by TVI of a material provision of the Arrangement Agreement):

(a) an Acquisition Proposal is publicly announced, proposed, offered or made to TG or the TG shareholders prior to the date of the Meeting and the TG Board of Directors fails to make or withdraws, modifies or changes any of its recommendations, approvals or determinations referred to in the Arrangement Agreement or publicly proposes to do any of the foregoing, in a manner adverse to TVI or resolves to do so;

(b) TG recommends, approves or enters into or proposes publicly to accept, recommend, approve or enter into any agreement with any person to implement a Superior Proposal; or

(c) an Acquisition Proposal is publicly announced, proposed, offered or made to TG or the TG shareholders prior to the date of the Meeting and (i) such Acquisition Proposal has not expired or been withdrawn at the time of the Meeting and (ii) the TG shareholders do not approve the Arrangement Resolution;

(each of the above being a "TVI Damages Event"), then TG shall, forthwith upon the occurrence of any such event and in any event within two (2) business days of the date of the earliest of such event to occur, pay to TVI $500,000 (the "TVI Termination Fee") as liquidated damages in immediately available funds to an account designated by TVI. Following a TVI Damages Event, but prior to payment of the TVI Termination Fee, TG shall be deemed to hold such payment in trust for TVI. For greater certainty, TG shall only be required to make one such payment pursuant to the Arrangement Agreement.

Private Placement

Subsequent to the execution and delivery of the Arrangement Agreement, TVI entered into a subscription agreement with TG (the "TVI Subscription Agreement"), which provided the right and obligation by TVI to purchase 29,650,000 Common Shares, at an aggregate subscription price of $1,482,500, representing a per share sale price of $0.05. The TVI Subscription Agreement also provided for the purchase by TVI of the Note in consideration for $1,317,500. The principal amount of the Note (and accrued interest and certain other amounts that may become owing to TVI under the Note) may be converted into Common Shares at a conversion price of $0.05 per Common Share, in certain circumstances, including: (i) if TG's board of directors resolves to accept an Acquisition Proposal from a third party that constitutes a Superior Proposal for purposes of the Arrangement Agreement entered into between TVI and TG on December 23, 2010; (ii) if, after conversion, the number of Common Shares of TG held by TVI would be less than 19.5% of the total number of outstanding Common Shares of TG; (iii) if the conversion is approved by TG's shareholders; (iv) if the Common Shares of TG are delisted from the TSX Venture Exchange (the "Exchange"); (v) if the Exchange provides its consent to conversion; or (vi) on December 31, 2015. Under the terms of the Note, the conversion price of the Note will be increased to $0.10 per Common Share if conversion is undertaken in the circumstances described in (ii), (iii) or (vi) above and shareholder approval of the conversion terms of the Note has not previously been obtained on a majority of the minority basis from TG's shareholders, as contemplated by the policies of the Exchange.

After giving effect to the purchase of Common Shares on December 30, 2010 pursuant to the TVI Subscription Agreement, TVI owns approximately 18.08% of the total number of issued and outstanding Common Shares (not including Common Shares that may be issued upon the conversion of indebtedness owing under the Note).

The TVI Subscription Agreement provides that the net proceeds from the sale of Common Shares and the Note will be used by TG to pay amounts owing, or that may become owing, in respect of the oil and gas assets of certain TG Subsidiaries in the Philippines and Alaska and (to the extent of any balance) for other corporate purposes.

TVI intends to vote the 29,650,000 Common Shares referred to above in favour of the Arrangement at the Meeting of the TG shareholders, optionholders and warrantholders that is to be called and held to consider and vote upon the Arrangement.

In addition, TG entered into a subscription agreement with LIM Asia Special Situations Master Fund Limited (the "LIM Subscription Agreement"), under which LIM agreed to purchase 12,000,000 Common Shares, at an aggregate subscription price of $600,000, representing a per share sale price of $0.05.

The Private Placement contemplated by the TVI Subscription Agreement and the LIM Subscription Agreement closed on December 30, 2010.

TG Board Recommendation

The TG Board of Directors, on the unanimous recommendation of its independent special committee, has determined that the Arrangement is in the best interests of TG and the TG shareholders and has resolved to recommend that TG shareholders vote in favour of the Arrangement. Management and the directors of TG and certain other shareholders, who beneficially own or exercise control or direction over approximately 4.01% of the issued and outstanding Common Shares (2.99% after giving effect to the Private Placement), and options entitling them to purchase up to an aggregate of approximately 3,950,000 Common Shares, have entered into support agreements with TVI under which such persons have agreed to vote their Common Shares in favour of the Arrangement. Two additional shareholders of the Corporation, who own (in the aggregate and prior to giving effect to the Private Placement) approximately 31.39% of the outstanding Common Shares (23.42% after giving effect to the Private Placement) have advised TVI of their support for the Transaction and have indicated that they plan to vote their Common Shares, and any Common Share purchase warrants held by them, in favour of the Arrangement at the Meeting.

As disclosed above, the Arrangement Agreement prohibits TG from soliciting or initiating any discussions concerning the sale of material assets or any other business combination involving TG and provides TVI with the right to match any competing proposal that TG receives from a third party. Under the terms of the Arrangement Agreement, TVI is entitled to receive a $500,000 termination fee from TG in certain circumstances.

TG'S Financial Advisor and Fairness Opinion

Jennings Capital Inc. acted as financial advisor to TG and has provided a verbal opinion to the TG Board of Directors that, as of December 21, 2010 and subject to the assumptions and limitations contained therein, the Arrangement is fair, from a financial point of view, to TG shareholders.

Closing of the Arrangement and the Private Placements

Completion of the Arrangement is subject to the receipt of all necessary securityholder, court and regulatory approvals (including the approval of the Toronto Stock Exchange and the Exchange) and the satisfaction or waiver of certain other conditions. The resolution respecting the Arrangement will require the approval of not less than 66 2/3% of the votes cast by TG shareholders, optionholders and warrantholders (voting together as a single class) at the Meeting. The Meeting is expected to be held in late February 2011. An information circular relating to the Meeting is expected to be mailed to TG shareholders, optionholders and warrantholders in January 2011 and the Transaction is expected to close by early March 2011.

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

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

For further information, please contact Dean Callaway, Chief Financial Officer and Vice President, Finance of TG World Energy Corp., at 403.265.4506.

9. Date of Report

December 31, 2010

This material change report contains certain forward looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "intend", "estimate", "expect", "may", "will", "should", or similar words suggesting future activities, circumstances or outcomes. In particular, this material change report contains forward-looking statements relating to the anticipated holdings in TVI by former TG shareholders, the anticipated use of proceeds from the Private Placement and the acceptance of the Private Placement by the Exchange. Forward-looking statements are based upon the opinions and expectations of management of TG as at the effective date of such statements and, in some cases, information supplied by third parties. Although TG believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These factors include, but are not limited to, the exercise of convertible securities of TVI and financing needs of TVI, changes in operating conditions (including as a result of weather patterns), the volatility of prices for oil, gas and other commodities, commodity supply and demand, fluctuations in currency and interest rates, inherent risks associated with the exploration, development and production of oil and gas (including mechanical and environmental problems), timing, results and costs of exploration and development activities and defaults by counterparties. Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this material change report and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.

Forward-looking statements concerning the anticipated percentage holdings in TVI by former TG shareholders are based upon the anticipated capital structure of TVI at the time of the completion of the Arrangement. Forward-looking statements concerning the anticipated use of proceeds of the Private Placement are based upon the terms of the subscription agreement entered into with TVI. Forward-looking statements concerning the final acceptance of the Private Placement by the Exchange are based on the conditional acceptance letter of the Exchange.

The forward-looking statements contained in this material change report are made as of the date hereof and TG does not undertake any obligation to update publicly or to revise any of the included forward-looking *statements, except as required by applicable Canadian securities laws. The forward-looking statements contained herein are expressly qualified by this cautionary statement.*