FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

blutip Power Technologies Ltd.
6705 Millcreek Road, Unit 4
Mississauga, Ontario L5N 5M4

Item 2 Date of Material Change

October 21, 2011

Item 3 News Release

A news release was issued on October 22, 2011 through Canada NewsWire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

blutip Power Technologies Ltd. (the "**Company**") announced the entering into of a senior secured convertible note with CCM Master Qualified Fund, Ltd. ("**CCM**") in connection with a note offering of up to $3,600,000 principal amount of senior secured convertible promissory notes (the "**Notes**") and up to 36,000,000 common share purchase warrants (the "**Warrants**") (collectively, the "**Transaction**").

The Company also announced the appointment of Dean Dussias as Chief Operating Officer and Chief Financial Officer of the Company.

Item 5 Full Description of Material Change

The Company announced the entering into of a senior secured convertible note with CCM in connection with the Transaction.

Pursuant to the Transaction, CCM agreed to acquire $2,600,000 principal amount of Notes on the closing of the Transaction. The Notes will bear interest at the rate of 15% per annum and will mature twenty-four (24) months (the "**Maturity Date**") from the closing date and all or part of the principal amount due on the Maturity Date is convertible, at the option of CCM, into common shares of the Company (the "**Common Shares**") at an exercise price of $0.10 per share, subject to certain conversion restrictions (the "**Conversion Blocker**") which limits CCM's ability to convert the principal amount under the Notes into Common Shares in the event that, as a result of such conversion exercise, CCM will hold more than 19.9% of the issued and outstanding shares of the Company. Pursuant to the terms of the Transaction, CCM reserved the right to advance an additional $1,000,000 principal amount in Notes at its discretion, at any time within sixty (60) days of the closing.

The Warrants are exercisable at no less than $0.10 per share at any time up to 5 p.m. twenty-four (24) months from the closing date, subject to a similar Conversion Blocker as described above.

Net proceeds from the Transaction will be used to repay indebtedness and for general working capital purposes.

Closing of the Transaction is subject to regulatory approval.

The Company also announced the appointment of Dean Dussias as Chief Operating Officer and Chief Financial Officer of the Company. A member of the board of directors of the Company, Dean is also the owner of Arete General Management, LLC (AGM), based in Chicago, a consulting firm that specializes in growth and turnaround situations for companies that require general management, financial and leadership skills that provide long-term value creation to clients. Prior to his role with AGM, Dean was the Chief Operating Officer of Magnetar Investment Management, an Illinois-based boutique investment firm specializing in micro-cap, small-mid cap long-short and long investment strategies. He brings over 20 years of senior executive level experience including positions within the financial investment community, software and publication industries. Dean holds a Masters of Management from J.L. Kellogg Graduate School of Management and a B.A. in Economics from Brown University.

Due to the share holding interest of CCM in the Company, the Transaction constitutes a “related party transaction” for the Company pursuant to Multilateral Instrument 61-101 (“**MI 61-101**”) *Protection of Minority Security Holders in Special Transactions* and triggered the requirement for a valuation and minority approval unless exemptions therefrom were available. As the Company is not listed on or quoted on any prescribed exchange listed in MI 61-101, the Transaction is exempt from the formal valuation requirement contained in MI 61-101. The Company is relying on the financial hardship exemption from the minority approval requirement of MI 61-101. Specifically, pursuant to MI 61-101, minority approval is not required for a related party transaction in the event of financial hardship in specified circumstances. The Company satisfies the elements of this exemption, namely: the Company is in serious financial difficulty, the Transaction is designed to improve the financial position of the Company, the Transaction is not subject to court approval nor has the Transaction been ordered to be effected under bankruptcy or insolvency law, and the Board of the Company and at least two-thirds of the Company’s independent directors, all acting in good faith, have determined the foregoing circumstances are applicable and the terms of the Transaction are reasonable in the circumstances of the Company. The Board and the independent directors, acting in good faith, and with the advice of competent counsel, have determined that the above elements of the exemptions have been satisfied and that the terms of the Transaction are reasonable in the circumstances of the Company.

Due to the Company's immediate need for financing in order to carry on its business and achieve its business objectives, the parties contemplated closing the Transaction as soon as possible following receipt of the required regulatory approvals. As such, in the Company's view, it was necessary for the Company to file the material change report with respect to the Transaction less than 21 days before the expected closing date of the Transaction.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Shannon Brander, Vice President Administration and Corporate Secretary, (905) 542-3024

Item 9 Date of Report

October 31, 2011

Cautionary Note Regarding Forward-Looking Statements:

This material change report contains certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the business. Forward-looking statements contained in this material change report that are not statements of historical fact may be deemed to be forward-looking statements including, but not limited to, statements about the Company's proposed private placement and business, and can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", "thinks", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved" and similar expressions to the extent that they relate to the Company or its management. These forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed below.

Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Factors that could cause actual results or events to vary materially from results or events anticipated by such forward-looking information include receipt of all regulatory approvals, future working capital requirements, the ability to develop products on an economic basis, product validation, factors relating to the marketing, development and commercialization of blutip Power existing and prospective product lines, regulatory approvals and requirements, changes in foreign exchange and interest rates, government regulation, environmental risks, capital expenditures, intellectual property, operating or technical difficulties, risks associated with the emissions and fuel combustion industries such as economic factors (including fuel costs), failure of processes to operate as anticipated, dependence on key personnel, employee relations and availability of equipment and skilled personnel, actual results of current research and development activities, development timelines, risks associated with the emissions and fuel combustion industries, changes in project parameters as plans continue to be refined as well as those risk factors discussed below, which risks may cause actual results to differ materially from any forward-looking information.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is incorporated by reference herein, except in accordance with applicable securities laws.