FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Address and Name of Company:

Breaker Energy Ltd. (“Breaker”)
2300, 635 – 8th Avenue S.W.
Calgary, Alberta T2P 3M3

Item 2. Date of Material Change:

January 29, 2009

Item 3. News Release:

A Press Release was issued by Breaker through Canada Newswire on January 29, 2009.

Item 4. Summary of Material Change:

Breaker Energy Ltd. (“Breaker” or the “Company”) (TSX: WAV) entered into an agreement with a syndicate of underwriters led by CIBC World Markets Inc. and including FirstEnergy Capital Corp., Wellington West Capital Markets Inc., BMO Capital Markets, Scotia Capital Inc., Dundee Securities Corporation, Canaccord Capital Corporation, and Tristone Capital Inc. (the “Underwriters”) under which they have agreed to purchase for resale to the public, on a bought deal basis, 4,660,000 Class A shares (“Class A Shares”) at $3.22 each for aggregate gross proceeds of $15,005,200. The Underwriters will have the option to purchase up to an additional 15 percent of the total issue of Class A Shares, exercisable in whole or in part at the sole discretion of the Underwriters up to 30 days after the closing date, at the issue price. The closing of the offering is expected to occur on February 18, 2009.

Item 5. Full Description of Material Change:

Breaker has entered into an agreement with the Underwriters under which they have agreed to purchase for resale to the public, on a bought deal basis, 4,660,000 Class A Shares at $3.22 each for aggregate gross proceeds of $15,005,200. The Underwriters will have the option to purchase up to an additional 15 percent of the total issue of Class A Shares, exercisable in whole or in part at the sole discretion of the Underwriters up to 30 days after the closing date, at the issue price. The Underwriters will receive a fee equal to 5 percent of the gross proceeds of the offering.

Proceeds from the sale of the Class A Shares will be used to reduce indebtedness, fund Breaker’s on-going capital expenditure program and for general corporate purposes.

The Class A Shares shall be offered in all provinces of Canada (other than Quebec) by way of short form prospectus and in the U.S. on a private placement basis pursuant to exemptions from registration requirements. The closing of the offering is expected to occur on February 18, 2009, and is subject to certain conditions including the approval of the Toronto Stock Exchange and the receipt of necessary regulatory approvals.

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:

P. Dan O'Neil
President & Chief Executive Officer
(403) 215-5264

Item 9. Date of Report:

February 2, 2009

Forward-looking Statements

This material change report contains forward-looking statements. More particularly, this material change report contains statements concerning the anticipated closing date of the offering. The forward-looking statements are based on certain key expectations and assumptions made by Breaker, including the anticipated receipt of regulatory approvals and the approval of the TSX.

Although Breaker believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Breaker can give no assurance that they will prove to be correct. The closing of the offering could be delayed or the offering may not close at all if the required approvals are not obtained on a timely basis or some other condition to the offering is not satisfied.

The forward-looking statements contained in this material change report are made as of the date hereof and Breaker undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.