PINE CLIFF ENERGY LTD.

MATERIAL CHANGE REPORT

FORM 51-102F3

Item 1. Name and Address of Company

Pine Cliff Energy Ltd.
901, 1015 – 4^{th} Street S.W.
Calgary, Alberta
T2R 1J4.

Item 2. Date of Material Change

The material change occurred on October 26, 2007.

Item 3. News Release

Pine Cliff Energy Ltd. ("**Pine Cliff**" the "**Company**") issued a press release on October 26, 2007 through Canada NewsWire.

Item 4. Summary of Material Change

The Company announced that it has successfully completed the rights offering previously announced on August 17 and September 24, 2007.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has successfully completed the rights offering previously announced on August 17 and September 24, 2007. A total of 8,312,654 common shares of the Company were subscribed for at a price of $1.10 per common share for total gross proceeds of $9,143,919.40. Approximately 85.24% of the rights issued under the offering were exercised.

The Company intends to use the net proceeds to fund Pine Cliff's exploration, development, acquisitions and farm-in commitments in South America and Canada and for general corporate purposes.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. **Executive Officer**

For further information, please contact George F. Fink, President and CEO, Randy M. Jarock, COO, or Garth E. Schultz, Vice President - Finance and CFO at (403) 269-2289 or by fax at (403) 265-7488.

Item 9. **Date of Report**

October 26, 2007.