

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Issuer:

Chamaelo Exploration Ltd. ("Chamaelo")
700, 639 – 5th Avenue S.W.
Calgary, Alberta
T2P 0M9

Item 2. Date of Material Change:

October 25, 2005

Item 3. News Release:

A news release was disseminated on October 25, 2005 to the Toronto Stock Exchange as well as through various approved public media and was SEDAR filed with the securities regulatory authorities in applicable provinces of Canada.

Item 4. Summary of Material Change:

Chamaelo announced a proposed business combination with two private companies by way of plan of arrangement.

Item 5. Full Description of Material Change:

Chamaelo entered into an arrangement agreement whereby it will combine with two private companies - Tournament Energy Ltd. ("Tournament") and Tropic Networks Inc. ("Tropic") by way of plan of arrangement (the "Arrangement"). Tropic, which is restructuring its business, will acquire Chamaelo and Tournament, will be the continuing entity under the name "Chamaelo Exploration" and will be run by Chamaelo's current management team.

Tournament

Tournament has oil and gas assets located in Chamaelo's West Central Alberta Core Area with value of approximately \$190 million. The highlights are as follows:

- Current production of 3,100 boepd of which 85% is operated with an average net working interest of approximately 75%
- Concentrated asset base that materially increases Chamaelo's position in West Central Alberta
- 400 boepd of gas awaiting tie-in (Dec 05 anticipated onstream date)
- Approximately 60% light sweet oil (WTI equivalent) and 40% liquids rich natural gas
- Operating costs of \$4.50 per boe
- Current operating netbacks of approximately \$48.00 per boe (see note 3 below)
- 65,000 gross undeveloped acres and 51,000 net undeveloped acres (78% average working interest) all of which is located in West Central Alberta
- 40 drilling locations currently identified

- Major properties include opportunities to increase production and reserves through development drilling and waterflood
- Significant facilities and infrastructure to leverage into further acquisition and development opportunities
- Predominantly year-round access

Based on an estimated closing value of \$190 million for the oil and gas assets, the parameters would be as follows:

Estimated total net value	\$190 million
Undeveloped land (assumed at \$300/ acre)	\$15 million
Production and reserves value	\$175 million
Cost per producing boe per day ⁽¹⁾	\$56,400
Cost per proved boe ⁽²⁾	\$28.60
Cost per proved plus probable boe ⁽²⁾	\$27.30
Recycle ratio (current netback / P+P cost per boe)	1.8
Cash flow multiple (reserves price / current monthly annualized cash flow)	3.2

Notes:

- (1) Based on 3,100 boepd.
- (2) Estimated reserves (6.1 million boe proved and 6.4 million proved plus probable) are based on Chamaelo's internal estimates that were reviewed and agreed to by Brascan Bridge Lending Fund. Sproule & Associates has been commissioned to prepare an independent report on the oil and gas assets of Tournament.
- (3) Netbacks as above are based on \$US 60 WTI and \$Cdn Aeco gas of \$12.00 per mcf. Gas netbacks are approximately \$49 per boe while oil and liquids netbacks average approximately \$47.50 per boe.

Tropic

Tropic has a technology business that will be sold to a new corporation, the shares of which will be distributed to its existing shareholders as part of the Arrangement, and thereafter will have federal tax pools of approximately \$209,000,000.

Characteristics of Combined Entity

On closing (early January 2006), the combined entity will have the following characteristics:

- Production over 5,000 boepd (60% gas)
- A high quality asset base focused primarily in West Central Alberta (over 80%)
- Low operating costs (approx. \$6 per boe)
- High netback properties resulting from high quality product, lower than average royalties and low operating costs
- Large cash flow base to fund Wimborne development and a more diverse asset portfolio to pursue higher impact opportunities
- A large undeveloped land base (over 115,000 net acres) including a large farm-in (over 35,000 net acres) for exploration
- Over 60 identified potential drilling locations

- Opportunities to materially increase reserves through optimization, waterflood, and recompletions
- Tax horizon of 2008 or beyond

Production Targets

Chamaelo's management preliminary guidance is for average 2006 production of 5,600 boepd (60% gas) and exit 2006 production of 6,500 boepd. The Board of Directors of Chamaelo will provide official guidance immediately following the completion of the Arrangement.

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Transaction Support and Advisors

The Boards of all three entities have unanimously voted in favour of the transaction. Shareholders of all three entities have also signed agreements in support of the transaction - Tournament - 80%, Tropic - 67%, and Chamaelo - 22%

GMP Securities Ltd. is acting as an advisor to provide a fairness opinion to Chamaelo and have advised the Board of Directors of Chamaelo that they are of the opinion, subject to their review of the final form of documents effecting the Arrangement, that the consideration to be received by Chamaelo shareholders as a result of the completion of the Arrangement is fair from a financial point of view.

Tristone Capital Inc. is acting as financial advisor to Tournament and have advised the Board of Directors of Tournament that they are of the opinion, subject to their review of the final form of documents effecting the Arrangement, that the consideration to be received by Tournament shareholders as a result of the completion of the Arrangement is fair from a financial point of view.

Sprott Securities Inc. acted as a financial advisor to Chamaelo with respect to its acquisition by Tropic.

Financing

Brascan Bridge Lending Fund is acting as lead financial agent with respect to the financing and completion of the Arrangement and will provide up to \$120 million in support of the overall transaction.

Chamaelo currently has a cash balance of approximately \$30 million and no debt, Tournament is projected to have \$10 million in positive working capital and no debt at closing, while TechCo will have net zero working capital and no debt at closing.

Tournament shareholders have also elected to receive a minimum of \$40 million of shares in the new entity. The price of the shares shall be at either \$8.00 or the 20-day trading price of Chamaelo immediately prior to the close of the Arrangement.

As at the date of this announcement, shareholders totaling 85% of the shares have elected to receive approximately \$35 million in shares priced at \$8.00 per share.

Tropic shareholders will retain a minor amount of shares in the new entity.

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 Officers:

Robert J. Zakresky, President
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Calgary, AB T2P 0M9
Telephone: (403) 705-3006

Nolan Chicoine, Vice President, Finance
700, 639 – 5th Avenue S.W.
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Item 9. Date of Report:

DATED at Calgary, Alberta this 31st day of October, 2005.