FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

FairWest Energy Corporation
#800, 407 – 2 Street SW
Calgary, AB T2P 2Y3

2. Date of Material Change

August 29, 2011

3. News Release

A news release was issued by FairWest Energy Corporation on August 29, 2011 and disseminated through the facilities of Marketwire. A copy of such news release is attached to this Material Change Report as Schedule "A".

4. Summary of Material Change

The Company is pleased to announce that two new horizontal Viking oil wells in the Provost area of Alberta, drilled under its farm-out and option agreement announced August 3, 2011, are expected to be on production by month end. The Company is entitled to a 32 percent working interest in the production from these oil wells. The Company also announces that five new horizontal Viking oil wells have been drilled and cased on Company lands at Kirkpatrick Lake under a farmout and option agreement announced January 26, 2011. The Farmee is currently in the process of completing and fracturing the first three wells in the program and anticipates announcing well results once the wells have been tied in and production rates have been established. The Company is entitled to a 30 percent working interest in production from these five oil wells.

The Company also advises that it issued 2,200,001 common shares pursuant to the conversion of $330,000 of Series 2, 14% Secured Subordinated Convertible Redeemable Debentures ("Series 2 Debentures") at a conversion price of $0.15 per common share. The Chief Executive Officer converted $130,000 and a company controlled by the Chief Executive Officer converted $200,000 of the Series 2 Debentures. In addition, the Company issued 200,000 common shares pursuant to the exercise of options to purchase common shares at an exercise price of $0.10 per common share.

FairWest common shares ("FairWest Shares") held by Olympia Trust Company as Agent for Fairstar Explorations Inc. ("Fairstar") shareholders ("Agent") have been returned to treasury. Upon the amalgamation of Fairstar and Western Energy Corporation to form FairWest on August 18, 2005 (the "Effective Date"), Fairstar shareholders were required to complete a Letter of Transmittal and submit their Fairstar share certificate for conversion to FairWest Shares on or before the sixth anniversary of the Effective Date. As of the Effective Date, Fairstar common shares not submitted to the Agent for conversion were cancelled, resulting in the return of approximately 196,000 FairWest Shares to treasury.

5.1 Full Description of Material Change

The material change is described in FairWest's press release attached hereto as Schedule "A" which news release is incorporated herein.

5.2 Disclosure for Restructuring Transactions

Not applicable

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

Not applicable

7. Omitted Information

None.

8. Executive Officer

Vern Fauth, Chief Executive Officer

9. Date of Report

August 29, 2011

Schedule "A"

FAIRWEST ENERGY CORPORATION News Release

For Immediate Release **Monday, August 29, 2011**
Calgary, Alberta **TSXV Trading symbol "FEC"**
234,123,313 Common Shares Issued

FAIRWEST ENERGY ANNOUNCES SECOND QUARTER 2011 FINANCIAL RESULTS AND CORPORATE DEVELOPMENTS

CALGARY, ALBERTA. August 29, 2011 - FairWest Energy Corporation ("FairWest" or the "Company") announces that the Company has filed its Unaudited Financial Statements and Management's Discussion and Analysis ("Financials") for the six months ended June 30, 2011 on SEDAR. The full text of the Financials can be found at www.sedar.com and on the Company's website at www.fairwestenergy.com.

The Company is pleased to announce that two new horizontal Viking oil wells in the Provost area of Alberta, drilled under its farm-out and option agreement announced August 3, 2011, are expected to be on production by month end. The Company is entitled to a 32 percent working interest in the production from these oil wells. The Company also announces that five new horizontal Viking oil wells have been drilled and cased on Company lands at Kirkpatrick Lake under a farmout and option agreement announced January 26, 2011. The Farmee is currently in the process of completing and fracturing the first three wells in the program and anticipates announcing well results once the wells have been tied in and production rates have been established. The Company is entitled to a 30 percent working interest in production from these five oil wells.

The Company also advises that it issued 2,200,001 common shares pursuant to the conversion of $330,000 of Series 2, 14% Secured Subordinated Convertible Redeemable Debentures ("Series 2 Debentures") at a conversion price of $0.15 per common share. The Chief Executive Officer converted $130,000 and a company controlled by the Chief Executive Officer converted $200,000 of the Series 2 Debentures. In addition, the Company issued 200,000 common shares pursuant to the exercise of options to purchase common shares at an exercise price of $0.10 per common share.

FairWest common shares ("FairWest Shares") held by Olympia Trust Company as Agent for Fairstar Explorations Inc. ("Fairstar") shareholders ("Agent") have been returned to treasury. Upon the amalgamation of Fairstar and Western Energy Corporation to form FairWest on August 18, 2005 (the "Effective Date"), Fairstar shareholders were required to complete a Letter of Transmittal and submit their Fairstar share certificate for conversion to FairWest Shares on or before the sixth anniversary of the Effective Date. As of the Effective Date, Fairstar common shares not submitted to the Agent for conversion were cancelled, resulting in the return of approximately 196,000 FairWest Shares to treasury.

About FairWest Energy

FairWest (TSXV: FEC) is a Calgary, Alberta based junior oil and gas company engaged in the acquisition, exploration, development and production of crude oil, natural gas and natural gas liquids in the provinces of Alberta and Saskatchewan.

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READER ADVISORY

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release may contain certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Company will derive there from. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

The terms bbls, bbls/d, boe or boe/d may be misleading, particularly if used in isolation. A boe (barrel of oil equivalent) conversion ratio of 6 mcf per one (1) boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.