

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

December 10, 2012

3. News Release

A news release was issued by FairWest Energy Corporation on December 10, 2012 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

FairWest Energy Corporation ("**FairWest**" or the "**Company**") announces that the Company is in default under the Company's revolving credit facility (the "Credit Facility") with its Bank. As a result, the Company has agreed to the sale and assignment to an affiliate of a significant shareholder ("Shareholder") of all of the Company's bank's right, title and interest in and to, the Credit Facility, all of the indebtedness and liability owing by the Company to its bank and all of the security and other documents delivered by the Company to its bank in connection with the Credit Facility. The Credit Facility provides for a demand revolving credit in the amount of \$7,000,000, including a \$30,000 corporate MasterCard sublimit and a \$250,000 letter of credit. The Credit Facility was secured by a general security agreement in respect of all of the present and after-acquired property of FairWest and a guarantee arranged by the Shareholder in February 2012.

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

Douglas O. McNichol, President and Chief Operating Officer

9. Date of Report

December 10, 2012

Schedule "A"

FAIRWEST ENERGY CORPORATION

News Release

For Immediate Release
Calgary, Alberta

Monday, December 10, 2012
TSXV Trading symbol "FEC"
319,654,775 Common Shares Issued

FAIRWEST ENERGY ANNOUNCES ASSIGNMENT OF BANK CREDIT FACILITY

CALGARY, ALBERTA. December 10, 2012 - FairWest Energy Corporation ("FairWest" or the "Company") announces that the Company is in default under the Company's revolving credit facility (the "Credit Facility") with its Bank. As a result, the Company has agreed to the sale and assignment to an affiliate of a significant shareholder ("Shareholder") of all of the Company's bank's right, title and interest in and to, the Credit Facility, all of the indebtedness and liability owing by the Company to its bank and all of the security and other documents delivered by the Company to its bank in connection with the Credit Facility. The Credit Facility provides for a demand revolving credit in the amount of \$7,000,000, including a \$30,000 corporate MasterCard sublimit and a \$250,000 letter of credit. The Credit Facility was secured by a general security agreement in respect of all of the present and after-acquired property of FairWest and a guarantee arranged by the Shareholder in February 2012.

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.

For further information please contact:

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FairWest Energy Corporation

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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, but not limited to, management's assessment of future plans and operations, the Company's future default under the Series 1 and Series 2 Debentures. Such statements 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 therefrom. 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.