Form 51-102F3
MATERIAL CHANGE REPORT

1. **Name and address of the Company.**

   ERA Carbon Offsets Ltd. (“ERA” or the “Company”)
   110 - 788 Harbourside Dr.
   North Vancouver, BC V7P 3R7

2. **Date of Material Change.**

   December 27th, 2011.

3. **News Release.**

   A press release disclosing the material change was released on May 27, 2010 through the facilities of Marketwire.

4. **Summary of Material Change.**

   On May 27, 2011, ERA Carbon Offsets Ltd. Announces the ERA Carbon Offsets Ltd. Announces the Resignation of Dr. Robert Falls as Chief Executive Officer

5. **Full Description of Material Change.**

   The material change is fully described in the Company’s press release which is attached as Schedule “A” and is incorporated herein.

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

   The report is not being filed on a confidential basis.

7. **Omitted Information.**

   No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

   Frederic Jacquemont

9. **Date of Report.**

   This report is dated at Vancouver, this 27th day of May, 2011.

ERA CARBON OFFSETS LTD.

Per: *“Frederic Jacquemont” (signed)*
Frederic Jacquemont, President

ERA Carbon Offsets Ltd.

Suite 110, 788 Harbourside Drive,
North Vancouver, BC, V7P 3N4

News Release

May 27, 2011

ERA Carbon Offsets Ltd. Announces the Resignation of Dr. Robert Falls as

Chief Executive Officer

May 26, 20101 Vancouver, British Columbia: ERA Carbon Offsets Ltd. (TSX-V: ESR) ("ERA") announces that effective May 27, 2011 Dr. Robert Falls has resigned from his position as Chief Executive Officer of the Company to pursue other business interests. Dr. Falls will continue to be a Director and Chairman of the Board of Directors of ERA and he will remain involved in the activities of the company.

The Board has initiated a search to recruit a new CEO. Meanwhile, the day-to-day business of the Company will continue to be managed by the senior management currently in place.

Dr. Robert Falls, a co-founder of ERA, has served as Chief Executive of the Company since 2004. The Board of Directors wish to thank Dr. Robert Falls for his pioneering vision, commitment, and achievement in leading ERA to become a world leader in the development of forestry based carbon offset projects and a supplier of forestry based carbon offsets for the North American and international voluntary and pre-compliant markets.

About ERA Carbon Offsets Ltd.

ERA is a Canadian pioneer in forest restoration and conservation carbon offset projects. The company's Community Ecosystem Restoration Program located in the Lower Fraser Valley, British Columbia, began in 2005 in the District of Maple Ridge, and has grown to include five communities including Metro Vancouver. ERA has delivered over 1,000,000 tonnes of carbon offsets to the voluntary market and is engaged in forest carbon projects in Canada, Africa and the Hawaiian Islands to supply the North American and the international voluntary and pre-compliant markets. ERA's clients and product users include Air Canada, Catalyst Paper, HSE – Entega, Rolling Stone Magazine, Shell Canada Limited, The Forest Carbon Group AG, and The Globe Foundation of Canada. ERA's carbon offsets are being validated to the ISO 14064, CCBA, PFSI-VER and VCS standards.

Additional information on ERA can be found on the corporate website www.eracarbonoffsets.com or by contacting investor@eracarbonoffsets.com

On behalf of the Board of Directors of
ERA CARBON OFFSETS LTD.
"Frederic Jacquemont"
President

For further information, please contact:

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FORWARD LOOKING STATEMENTS: This document includes forward-looking statements as well as historical information. Forward-looking statements include, but are not limited to, the continued advancement of the company's general business development, research development and the company's development of forest-based carbon offsets. When used in this document, the words "anticipate", "believe", "estimate", "expect", "intent", "may", "project", "plan", "should" and similar expressions may identify forward-looking statements. Although ERA Carbon Offsets Ltd. believes that their expectations reflected in these forward looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements include fluctuations in the marketplace for the sale of carbon credits, the inability to implement corporate strategies, the ability to obtain financing and other risks disclosed in our filings made with Canadian Securities Regulators.