FORM 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

Free Energy International Inc.
(“Free Energy” or the “Company”)
260 - 4611 Viking Way
Richmond, BC V6V 2K9

Item 2. **Date of Material Change**

December 23, 2010 and February15, 2011

Item 3. **News Release**

The news release was disseminated on February 15, 2011

Item 4. **Summary of Material Change**

1. Patrick Haberl has resigned as a Director of the Company effective February 15, 2011.

2. Ken Carlson resigned as Chief Financial Officer of the Company effective February 15, 2011 and Scott Hamilton replaces Ken Carlson as Chief Financial Officer of the Company.

3. Ian McKinnon was appointed to the Board of Directors at the Company’s annual general meeting on December 23, 2010.

4. The Company has granted an aggregate of 400,000 incentive stock options to various officers of the Company.

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

5.1 **Full Description of Material Change**

Patrick Haberl has resigned as a Director of the Company. Mr. Haberl joined the Board of Directors of Free Energy in November 2007 and has provided guidance to the Company during this period. The Company would like to thank Mr. Haberl for his contribution to Free Energy. The Company would also like to welcome Ian McKinnon to the Board of Directors. Mr. McKinnon was appointed to the Board of Directors at the Company’s annual general meeting on December 23, 2010. Mr. McKinnon brings a strong business acumen with operational experience in high growth ventures in various industries including the oil and gas industry.

Ken Carlson has resigned as Chief Financial Officer of the Company. Effective immediately, Scott Hamilton will replace Ken Carlson as Chief Financial Officer of the Company. Scott is a Chartered Accountant and has over twenty years of work experience in both public and private practice. After becoming an associate partner at Deloitte and Touche (Calgary) in 2001, he left public practice and commenced various consultative assignments in the oil and gas industry in both service and exploration oriented companies. Scott has both domestic and international experience and has had success in both “start up” entities and companies in their “mature” life cycle. His wealth of knowledge and experience enable him to employ these attributes to seek a variety of financings for those companies he has been involved with. These successes have enabled both private and public companies to source funding from the traditional capital financiers and government sponsored programs

In conjunction with the appointment of new Officers and pursuant to the terms and conditions of its Stock Option Plan, the Company has granted an aggregate of 400,000 incentive stock options to purchase common shares of Free Energy (the "Options") to officers of the Company. The Options are exercisable over a five year period at an exercise price of $0.14 per share with 100% vesting immediately.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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 Officer

The following executive officer (or the name of an officer through whom such executive officer may be contacted) of the Company is knowledgeable about the material change disclosed in this report.

Dean Bethune, President
Business Telephone No.: (604) 303-9050

Item 9. Date of Report

February 16, 2011