FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Free Energy International Inc.
("Free Energy" or the **"Company")**
1606 - 675 West Hastings Street
Vancouver, BC V6B 1N2

Item 2. Date of Material Change

December 9, 2013

Item 3. News Release

The news release was disseminated on December 9, 2013

Item 4. Summary of Material Change

1. Free Energy received approval from the TSX Venture Exchange ("**Exchange**") to issue 14,792,170 common shares to settle outstanding debt of $1,479,217.
2. The Company announced a non-brokered financing to raise up to $250,000 by the sale of units at a price of $1,000 per Unit.
3. Free Energy revised the terms of the letter of intent to acquire all of the outstanding common shares of Darelle Media Inc.
4. The Company intends to settle additional debt of up to $360,000 by issuance of approximately 7,200,000 common shares of the Company at a deemed price of $0.10 in conjunction with the proposed acquisition of Darelle Media Inc.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Free Energy has received approval from the Exchange to issue 14,792,170 common shares to settle outstanding debt of $1,479,217.

On August 6, 2013, the Company announced its intent to complete a share-for-debt agreement to settle indebtedness of up to $1,700,000 by the issuance of 17,000,000 at a deemed price of $0.10 per share. The settlement of debt with the issuance of Common shares created a new control person as defined under the TSX Policies and Procedures. In addition, the proposed debt settlement resulted in an individual and a company controlled by the individual holding more than 20% of the voting shares of the Company which constitutes a change of control under the TSX Policies and Procedures. The Company obtained shareholder consent from a majority of shareholders approving the change of control and settlement of debt with the issuance of Common Shares.

Further to the Exchange Bulletin dated August 6, 2013, effective at 12:14 p.m., August 6, 2013, trading in the shares of the Company has remained halted pending receipt and review of acceptable documentation regarding the Change of Business and/or Reverse Take-Over pursuant to TSXV Listings Policy 5.2.

Free Energy currently has 1,637,820 common shares issued and outstanding. Upon completion of the share for debt settlement, the Company will have 16,429,990 common shares outstanding.

Update on Darelle Media Inc. Acquisition

On August 6, 2013, the Company announced it had signed a letter of intent to acquire all of the outstanding common shares (the "Transaction") of Darelle Media Inc. ("Darelle Media"). Under the terms of the proposed acquisition Free Energy will acquire 100% of the issued and outstanding common shares of Darelle Media.

The Company has filed a transaction summary with the Exchange and is seeking approval to complete the acquisition. Under the terms of the proposed acquisition, Darelle Media shareholders will receive a total of 14,500,000 common shares of Free Energy. In addition, management of Darelle Media will be entitled to receive 3,000,000 convertible preferred shares ("Preferred Shares") over a thirty-six month period. The Preferred Shares can be converted to Free Energy common shares on a one-to-one basis without further consideration. The issuance of 3,000,000 Preferred Shares are subject to minimum revenue thresholds attained by Darelle Media in each of the twelve consecutive reporting periods once the transaction has closed.

The Company intends to prepare a filing statement of the proposed acquisition and will seek to obtain shareholder support for the acquisition from a majority of shareholders by way of a shareholder consent resolution. The filing statement will be available for review on SEDAR (www.sedar.com).

Convertible Debenture Financing ("Debenture Financing")

The Company announced a non-brokered financing to raise up to $250,000 by the sale of units ("Units) at a price of $1,000 per Unit, with each Unit consisting of a $1,000 non-transferable unsecured convertible debenture (a "Convertible Debenture") of the Company and 10,000 non-transferable common share purchase warrants (the "Warrants"). Each Convertible Debenture has a term of three years, bears an interest rate of 8.5% per annum, with interest payable on an annual basis, and is convertible into common shares of the Company at a price of $0.05 per common share for the first year. After the first year, each Convertible Debenture is convertible into common shares of the Company at a price of $0.10 per common share. Each Warrant will entitle the holder to purchase one additional common share of the Company (a "Warrant Share") for a period of two years at a price of $0.10 per Warrant Share. The Company has the right to buy back the convertible portion at any time and the subscriber keeps the warrant. The offering is subject to the approval and consent of the Exchange.

Finder's fees, in accordance with TSX policy, will be paid in connection with the financing. The funds raised in the financing will be used to pay transaction costs associated with the Darelle Media acquisition and for general working capital purposes.

The Company announced that it has revised the terms of the letter of intent to acquire all of the outstanding common shares of Darelle Media. The Company has agreed to advance a non-refundable deposit of $100,000 to Darelle Media upon completion of the Debenture Financing.

The Company has also announced its intent to settle additional debt of up to $360,000 in debt by the issuance of approximately 7,200,000 common shares of the Company at a deemed price of $0.05 per share. The proposed settlement of debt with the issuance of common shares are conditional upon the closing of the Darelle Media acquisition and will be completed in conjunction closing of the transaction. The debt includes remaining debt of the Company and debt of Darelle Media.

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

Dean Bethune, President and Chief Executive Officer
(604) 696-9059

Item 9. Date of Report

December 9, 2013