

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Free Energy International Inc.
("Free Energy" or the "Company")
Suite 306, 1088 Quebec Street
Vancouver, BC V6A 4H2

Item 2. Date of Material Change

February 10, 2016

Item 3. News Release

The news release was disseminated on February 15, 2016

Item 4. Summary of Material Change

The TSX Venture Exchange has accepted for filing the Company's proposal to issue 3,402,500 shares at a deemed price of \$0.05 per share to settle outstanding debt for \$170,125 with six creditors. There was aggregate insider participation of two parties with Dean Bethune receiving 1,400,000 settlement shares and Kyle Kotapski receiving 1,300,000 settlement shares. The debt settlement and issuance of shares will not create a new control person as defined in the TSX Exchange Policies and Procedures.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is outlined in Item 4 and fully described in the Company's News Release of February 15, 2016 attached hereto and as filed on SEDAR.

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

February 15, 2016

News Release

FOR IMMEDIATE RELEASE

FREE ENERGY ANNOUNCES COMPLETION OF SHARE FOR DEBT SETTLEMENT AND UPDATES FINANCING

Vancouver, B.C. – February 15, 2016 – Free Energy International Inc. (“Free Energy” and/or the “Company”) (TSXV: FEE) announced that it has entered into settlement agreements with six creditors to settle outstanding debt of \$170,125 (“**Company Debt**”). The Company Debt has been settled by the issuance of 3,402,500 common shares of the Company at a deemed price of \$0.05 per common share (“**Settlement Shares**”). The terms of the debt settlement were announced in the Company’s news release on February 2, 2016.

There was aggregate Insider Participation of two parties with Dean Bethune receiving 1,400,000 Settlement Shares and Kyle Kotapski receiving 1,300,000 Settlement Shares.

Private Placement Update

On February 2, 2016, the Company announced that it had filed an application with the TSX Venture Exchange (the “Exchange”) to complete the first tranche (the “First Tranche”) of a non-brokered private placement for up to 15,000,000 units (the “Units”) of the Company at a price of \$0.035 per Unit, for maximum proceeds of \$525,000 (“Placement”). Each Unit is comprised of one common share in the capital of the Company (a “Share”) and one Share purchase warrant of the Company (a “Warrant”). Each Warrant will entitles the holder to purchase an additional Share in the capital of the Company (a “Warrant Share”) for a period of 36 months from the closing date at an exercise price of \$0.05 per Warrant Share. The Company has received conditional approval from the Exchange to complete the Placement subject to a number of conditions including the filing of the final documentation with the Exchange.

The First Tranche consisted of 6,225,000 Units purchased at \$0.035 per Unit for gross proceeds of \$217,875.

About Darelle Media Inc.

darelle.com is a cause-driven online marketplace designed to bring consumers, businesses and charities together to provide opportunities to buy and sell, while benefiting the community with each transaction.

Additional information on Darelle Media Inc. can be found at www.darelle.com.

About Free Energy International Inc.

Free Energy International Inc. is a British Columbia corporation with its head office in Vancouver, British Columbia. The Company is listed on the TSX Venture Exchange as a Tier 2 Technology Issuer. The Company has a total of 53,602,490 common shares issued and outstanding.

For Further Information, Contact:

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Certain statements in this release are forward-looking statements, including with respect to the Company's proposed use of proceeds raised from the above-described Offering. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. In particular, there may be circumstances where for sound business reasons, a reallocation of funds may be necessary. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, as well as other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release.

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.