FORM 51-102F3
Material Change Report

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

   Stonefire Energy Corp.
   Suite 320, 333 - 5th Avenue S.W.
   Calgary, Alberta
   T2P 3B6

2. **Date of Material Change:**

   March 15, 2006

3. **News Release:**

   A news release relating to the material change described herein was released by CNN Matthews on March 15, 2006.

4. **Summary of Material Change:**

   Stonefire Energy Corp. ("Stonefire") closed its initial public offering raising gross proceeds of $11,000,000. Tristone Capital Inc. acted as lead agent for a syndicate which included Canaccord Capital Corporation, Haywood Securities Inc. and Raymond James Ltd. The financing was fully subscribed. A total of 11,000 units at a price of $1,000 per unit were sold. Each unit consisted of 400 flow-through Class A Shares at a price of $0.20 per share and 92 flow-through Class B Shares at a price of $10 per share. Following the closing, Stonefire has 9,750,000 Class A Shares and 1,012,000 Class B Shares outstanding.

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

   See press release attached as Schedule "A" hereto.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

   Not Applicable

7. **Omitted Information:**

   Not Applicable

8. **Executive Officer Knowledgeable of Material Change:**

   Richard H. Dahl, President and Chief Executive Officer
   Stonefire Energy Corp.
   Tel: (403) 262-9885

9. **Date of Report:**

   March 21, 2006

Schedule "A"

Not for dissemination in the United States or to U.S. persons

Stonefire Energy Corp. Announces Closing of Initial Public Offering

March 15, 2006
Stonefire Energy Corp., Calgary, Alberta

Stonefire Energy Corp. ("Stonefire" or the "Company") is pleased to announce it has closed its initial public offering raising gross proceeds of $11,000,000. Tristone Capital Inc. acted as lead agent for a syndicate which included Canaccord Capital Corporation, Haywood Securities Inc. and Raymond James Ltd. The financing was fully subscribed. A total of 11,000 units at a price of $1,000 per unit were sold. Each unit consisted of 400 flow-through Class A Shares at a price of $0.20 per share and 92 flow-through Class B Shares at a price of $10 per share. Following the closing, Stonefire has 9,750,000 Class A Shares and 1,012,000 Class B Shares outstanding.

The Company's management team includes Richard Dahl, President and Chief Executive Officer, John Ramescu, Vice President, Land, Darren Kisser, Vice President, Engineering and Operations, Fred Laudel, Vice-President, Exploration and Ronald Williams, Vice President, Finance and Chief Financial Officer. The board of directors is composed of Richard Dahl, John Ramescu, Jeff Boyce and Roger MacLeod.

Stonefire was formed to participate in oil and gas exploration, development and production in Canada. In particular, Stonefire intends to generate and develop its own prospects, acquire oil and gas properties and participate with joint venturers and other industry partners in oil and gas exploration and development in the Western Canadian Sedimentary Basin.

The Class A Shares and Class B Shares have been conditionally approved for listing on the TSX Venture Exchange and are expected to begin trading in late March under the trading symbols SFE.A and SFE.B respectively.

Forward-Looking statements: This document contains statements about future events that are forward looking in nature and, as a result, are subject to certain risks and uncertainties such as changes in plans or the occurrence of unexpected events. Actual results may differ from the estimates provided by management.

For further information please contact:

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(403) 262-9887 (fax)

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(403) 262-9885
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