MATERIAL CHANGE REPORT

UNDER SECTION 85(1) OF THE *SECURITIES ACT* (BRITISH COLUMBIA) (FORM 53-901F)
UNDER SECTION 118(1) OF THE *SECURITIES ACT* (ALBERTA) (FORM 27)
AND SIMILAR PROVISIONS OF OTHER PROVINCIAL SECURITIES LEGISLATION

1. **Reporting Issuer:**

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

2. **Date Of Material Change:**

    October 10, 2006

3. **Press Release:**

    On October 11, 2006 at Calgary, Alberta, a news release was issued and disseminated through CCN Mathews.

4. **Summary Of Material Change:**

    Stonefire Energy Corp. announced that it has entered into a bought deal financing agreement to issue 2,100,000 flow through Class A shares on a private placement basis at a price of $2.40 per share, resulting in anticipated gross proceeds of $5,040,000 upon closing.

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

    As set out in the attached press release.

6. **Reliance on Confidentiality Provision:**

    Not applicable. This report is not being filed on a confidential basis.

7. **Omitted Information:**

    Not applicable.

8. Senior Officers:

Richard Dahl
President and Chief Executive Officer
Phone: (403) 262-9885
Fax: (403) 262-9887

9. Statement Of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta this 23rd day of October, 2006.

STONEFIRE ENERGY CORP.

By: *"Roger MacLeod"*
Director

IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATIONS FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATIONS THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION

TSX Venture: SFE.A and SFE.B
CALGARY, ALBERTA **OCTOBER 11, 2006**

STONEFIRE ENERGY CORP. ANNOUNCES $5.0 MILLION BOUGHT DEAL FLOW THROUGH FINANCING

Stonefire Energy Corp. (SFE.A, SFE.B – TSX Venture) ("Stonefire" or the "Company") is pleased to announce today that it has entered into a bought deal financing agreement to issue 2,100,000 flow through Class A shares on a private placement basis at a price of $2.40 per share, resulting in gross proceeds of $5,040,000. The underwriting syndicate is led by Tristone Capital Inc. and includes Canaccord Capital Corporation, Haywood Securities Inc., and Raymond James Ltd.

Proceeds from the offering will be used to fund the Company's ongoing exploration drilling program in the Edson exploration area.

Closing of the offering is expected to occur on or about November 2, 2006, and is subject to the receipt of all requisite regulatory and stock exchange approvals. The flow through shares are subject to a four month hold period from the date of closing of the private placement.

Stonefire Energy Corp. is an Alberta-based company formed to participate in oil and gas exploration, development and acquisitions focusing in the West Central region of Alberta.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The shares offered will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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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