

**Form 51-102F3
Material Change Report**

1. Name and Address of Company

Guardian Exploration Inc.
Suite #550, 435 – 4th Ave. SW
Calgary, AB T2P 3A8

2. Date of Material Change

July 21, 2006

3. News Release

July 21, 2006 via CCNMatthews

4. Summary of Material Change

Guardian Exploration Inc. ("Guardian") announced that it has closed the sale of a portion of its Clarke Lake Pine Point "E" Pool interest to Ramshorn Canada Ltd., a subsidiary of Nabors Drilling Ltd.; and to a second Calgary based oil and gas company.

5. Full Description of Material Change

Guardian announced that it has closed the sale of a portion of its Clarke Lake Pine Point "E" Pool interest to Ramshorn Canada Ltd., a subsidiary of Nabors Drilling Ltd.; and to a second Calgary based oil and gas company. Guardian will remain at a 42.5% interest and operate the property. The \$5.5mm proceeds will be used to reduce the \$4.5mm Azimuth Opportunity Ltd. debenture by \$0.5mm and the balance will be used for general corporate working capital purposes.

Operations are proceeding to restore gas production from the two existing wells on the property.

6. Reliance of subsection 7.1(2) or (3) of National Instrument 51-102

N/A

7. Omitted Information

N/A

8. Executive Officer

Graydon Kowal
President and CEO
Telephone: (403) 730-6333

9. Date of Report

July 21, 2006