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

September 1, 2006

3. News Release

September 1, 2006 via CCNMatthews

4. Summary of Material Change

Guardian Exploration Inc. ("Guardian" or the "Corporation") (TSX Venture: GX) announced that it has closed the previously announced debenture financing and has issued a $1,000,000 convertible debenture (the "Debenture") to Azimuth Opportunity, Ltd. (the "Lender").

5. Full Description of Material Change

Guardian announced that it has closed the previously announced debenture financing and has issued a $1,000,000 convertible debenture (the "Debenture") to Azimuth Opportunity, Ltd. (the "Lender").

The Debenture bears interest at the rate of 7% per annum (increasing to 14% if the Corporation is in default), matures on April 21, 2007 and is convertible into common shares of Guardian at the rate of $0.75 per share. The Debenture may be pre-paid in its entirety prior to the maturity of the Debenture upon 5 days notice to the Lender, if the Corporation is not in default under the terms of the Debenture. If the Corporation raises new equity or debt capital (excluding proceeds from warrant and option exercises) subsequent to the closing of the Debenture financing, the Lender has the right to require that these funds be used to repay all or part of the outstanding principal amount of the Debenture, excluding the first $1,000,000 of funds received from the issuance of flow-through shares by the Corporation.

In connection with the Debenture private placement, the Lender was issued common share purchase warrants (the "Warrants") to acquire 783,612 common shares of Guardian at an exercise price of $0.75 per share until October 21, 2009. As a result, the Lender directly holds and has rights to acquire common shares of the Corporation representing 6.2% of the issued and outstanding common shares (giving effect to exercise of such rights). The acquisition was conducted for investment purposes and the Lender intends to evaluate the investment and to increase or decrease its holdings in Guardian as circumstances warrant.

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

September 1, 2006