

MATERIAL CHANGE REPORT
Form 51-102F3

1. **Reporting Issuer**

MCW Energy Group Limited (the “**Issuer**”)
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

2. **Date of Material Change**

June 25, 2014

3. **News Release**

A news release with respect to the material change referred to in this report was disseminated on June 25, 2014 through Marketwired and filed on the system for electronic document analysis and retrieval (SEDAR).

4. **Summary of Material Change**

The Issuer announced the issuance of a secured convertible debenture for up to a maximum aggregate principal amount of US\$2,000,000.

5. **Full Description of Material Change**

The material change is fully described in the news release attached hereto.

6. **Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

The executive officer who can answer questions regarding this report is Alex Blyumkin, Executive Chairman. Mr. Blyumkin can be reached at (310) 990-0119.

9. **Date of Report**

July 2, 2014



MCW ENERGY ANNOUNCES ISSUANCE OF CONVERTIBLE DEBENTURE FOR UP TO US\$2 MILLION

Toronto, Ontario, Canada – June 25, 2014 – MCW Energy Group Limited (TSX-V: MCW) (MCW.V) (“MCW”), a Canadian holding company involved in fuel distribution and the creation of oil sands extraction technology, announces the issuance of a secured convertible debenture (the “**Debenture**”) for up to a maximum aggregate principal amount of US\$2,000,000 to Alex Blyumkin, an officer and director of MCW. The Debenture provides that an initial drawdown in the amount of US\$1,139,000 will be advanced by Mr. Blyumkin to MCW upon the execution and delivery of the Debenture, with any subsequent drawdowns to be advanced to MCW at the option of Mr. Blyumkin, upon request by MCW. The principal amount of the Debenture outstanding from time to time will bear interest at a rate of 10% per annum, payable on maturity (June 25, 2017). At the option of Mr. Blyumkin, the principal amount of the Debenture then outstanding from time to time may be converted into common shares of MCW at any time until maturity. The conversion price will be equal to either: (i) beginning on the date that the Debenture is issued until August 11, 2014, \$1.00 per common share of MCW; or (ii) beginning on August 12, 2014, the rate equal to the minimum price of the common shares of MCW permitted by the TSX Venture Exchange (the “**Exchange**”); each adjusted, as necessary, upon a Share Reorganization (as such term is defined in the Debenture) in accordance with the provisions of the Debenture. The Debenture is secured by all of the assets of MCW and its wholly owned subsidiary, MCW Fuels, Inc. The proceeds will be used by MCW to complete the construction of its oil sands plant facility in Asphalt Ridge, Utah as well as for working capital. All securities issued pursuant to the financing will be subject to applicable U.S. securities laws as well as Canadian securities laws and a four-month hold period as required by the Exchange. The financing is subject to final approval of the Exchange.

As at the date of this News Release Mr. Blyumkin has advanced US\$1,139,000 pursuant to the Debenture.

Mr. Blyumkin is an officer and director of MCW thereby making the financing a “related party transaction” as defined under Multilateral Instrument 61-101 (“**MI 61-101**”). The financing was exempt from the formal valuation approval requirements of MI 61-101 as none of the securities of MCW are listed on a prescribed stock exchange. The financing was exempt from the minority shareholder approval requirements of MI 61-101 as at the time the transaction was agreed to, neither the fair market value of the transaction, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of MCW’s market capitalization.

About MCW Energy Group Limited:

MCW Energy Group Limited is focused on value creation as (i) a distributor of gasoline and diesel fuels to service stations in Southern California for 75 years, having revenue in the fiscal year ending August 31st, 2011 of US\$241.5 million, revenue of US\$363.3 million for the fiscal year ending August 31st, 2012, and revenue of US\$431.9 million for the fiscal year ending August 31st, 2013, and (ii) as a developer of proprietary technology for the extraction of oil from oil sands at its first field in Asphalt Ridge, Utah, USA. MCW’s management team is comprised of individuals who have extensive knowledge in both conventional and unconventional oil and gas projects and production, as well as refinery and fuel distribution experience.

For more information, please contact:

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release, include, but are not limited to the commercial viability of the technology and the extraction plant, economic performance and future plans and objectives of MCW. Any number of important factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although MCW believes that the expectations reflected in forward looking statements are reasonable, they can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, MCW disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.