

**Form 51-102F3**  
***MATERIAL CHANGE REPORT***

**ITEM 1      Reporting Issuer**

Preo Software Inc. ("Preo")  
202, 3553 – 31 Street N.W.  
Calgary, Alberta T2L 2K7

**ITEM 2      Date of Material Change**

January 16, 2009

**ITEM 3      News Release**

A press release setting out information relating to the material change described herein was issued by Preo on January 16, 2009 and was disseminated through the facilities of Marketwire.

**ITEM 4      Summary of Material Change**

Preo announced the extension of the closing of a private placement of debentures announced on December 29, 2008.

**ITEM 5      Full Description of Material Change**

See the press release attached hereto as Schedule "A".

**ITEM 6      Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

**ITEM 7      Omitted Information**

Not Applicable

**ITEM 8      Executive Officer**

Karim Teja, CFO  
Tel: (403) 265-0556

**ITEM 9      Date of Report**

January 16, 2009

## **Schedule "A "**

### **PRESS RELEASE**

#### **PREO SOFTWARE INC.**

#### **Extension of Closing of Private Placement of Debentures - \$350,000 - \$500,000**

CALGARY, ALBERTA – January 16, 2009 **PREO SOFTWARE INC.** (the "Corporation") (CNSX trading symbol "PKM"). Further to the press release of the Corporation dated December 29, 2008 announcing the non-brokered private placement of convertible debentures, due to continued interest from investors closing of the private placement has been extended.

The Corporation is continuing its commercialization activities including identifying sales prospects and channel distributors, delivering presentations and negotiating proposals for testing and trials of its proprietary software to potential licencees that includes Fortune 5000 companies in the technology, manufacturing, services and health-care sectors.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities of the Corporation in any jurisdiction, including the United States, or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption therefrom, nor shall there be any sale of such securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Such securities have not been and will not be registered under the U.S. Securities Act, 1933, as amended, and subject to certain exemptions may not be offered or sold in the United States or to U.S. persons.

#### **FORWARD-LOOKING STATEMENTS**

Statements set out in this news release that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may include expectations, opinions or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management of the Corporation as at the date statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to, risks, uncertainties and other factors that are beyond the control of the Corporation. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information contained in this news release. Assumptions relating to certain forward-looking information contained in this news release are set out above in this news release. Although the Corporation believes that the expectations reflected in the forward-looking statements set out in this news release are reasonable, it can give no assurance that such expectations will prove to have been correct. The forward-looking statements of the Corporation contained in this news release are expressly qualified, in their entirety, by this cautionary statement. The forward-looking statements are made as of the date of this news release and The Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as expressly required by applicable securities law. Further information regarding risks and uncertainties relating to the Corporation and its securities can be found in the disclosure documents filed by the Corporation with the securities regulatory authorities (including the joint information circular and proxy statement of the Corporation and CDG dated June 23, 2008, which was filed on SEDAR on June 27, 2008), available at [www.sedar.com](http://www.sedar.com).

The Canadian National Stock Exchange (CNSX) has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

#### **For further information please contact:**

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