

Form 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Reporting Issuer

Preo Software Inc. ("Preo")
Suite #300, 3553 – 31st Street N.W.
Calgary, Alberta T2L 2K7

ITEM 2 Date of Material Change

March 7, 2012

ITEM 3 News Release

A press release setting out information relating to the material change described herein was issued by Preo on March 7, 2012 and disseminated through the facilities of Marketwire, Inc.

ITEM 4 Summary of Material Change

Preo announced an amendment to the terms of the previously announced private placement of Units.

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

Gary McCone, President
Tel: (403) 265-0556/3258

ITEM 9 Date of Report

March 8, 2012

Schedule "A"

PRESS RELEASE

PREO SOFTWARE INC.

Amendment to Terms of Proposed \$300,000 Private Placement Financing

CALGARY, ALBERTA – March 7, 2012 **PREO SOFTWARE INC.** (the "Corporation") (TSXV:PKM). Further to the Corporation's press release of March 5, 2012 announcing the private placement of Units, the Corporation and HOME Investment Management Inc. have agreed to amend the interest payment terms of the Debentures underlying the Units. The 15% interest under the Debentures will be payable by the issuance of common shares ("Common Shares") of the Corporation for the first quarter after closing at an issuance price of \$0.15. Thereafter and for the remainder of the two (2) year term of the Debentures, interest will be payable at the end of each quarter by way of Common Shares at an issuance price based on the market price of the Common Shares.

The private placement is subject to receipt of final approval of the TSX Venture Exchange.

For further information please contact:

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

(Not for Dissemination in the United States of America)