FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Cobalt Coal Ltd. (the "**Company**")
2000, 840 - 7th Avenue S.W.
Calgary, AB T2P 3G2

2. Date of Material Change(s):

December 13, 2011

3. News Release:

A news release relating to the material change described herein was released through the facilities of Filing Services Canada Inc. on December 13, 2011.

4. Summary of Material Change(s):

Cobalt Coal Ltd. ("Cobalt" or the "Corporation") is pleased to announce that it has closed its previously announced brokered private placement (the "Offering"). Cobalt issued 28,343,563 common shares in the capital of the Corporation (the "Shares") at a price of $0.12 per Share for gross proceeds of $3,401,227. All securities issued pursuant to the Offering will be subject to a four month hold period expiring on April 14, 2012.

5. Full Description of Material Change:

5.1 Full Description of Material Change

Please see the press release attached as Schedule "A" hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not applicable

7. Omitted Information:

Not applicable

8. Executive Officer Knowledgeable of Material Change:

Robert Gillies
Chief Financial Officer
Cobalt Coal Ltd.
(403) 538-8455

9. Date of Report:

December 13, 2011

SCHEDULE "A"

NEWS RELEASE

Cobalt Coal Ltd. Announces the Closing of Private Placement

December 13, 2011 - CALGARY, AB - Cobalt Coal Ltd. ("**Cobalt**" or the "**Corporation**") (TSX-V: CBT) is pleased to announce that it has closed its previously announced brokered private placement (the "**Offering**"). Cobalt issued 28,343,563 common shares in the capital of the Corporation (the "**Shares**") at a price of $0.12 per Share for gross proceeds of $3,401,227. All securities issued pursuant to the Offering will be subject to a four month hold period expiring on April 14, 2011.

Mackie Research Capital Corporation ("**Mackie Research Capital**") acted as agent of the Corporation pursuant to the Offering. Mackie Research Capital was paid a cash commission and was granted 1,146,751 compensation options ("**Compensation Options**"), with each Compensation Option entitling the holder to acquire one Share of the Corporation at a price of $0.12 per Share until June 13, 2013.

The proceeds made available through the sale of the Shares will be used to retire debt of approximately $1,250,000, to acquire mining equipment, to perform infrastructure upgrades for Cobalt's Westchester/Westchester Expansion Mine, and for working capital purposes.

The Corporation and Mackie Research Capital intend to complete a second closing over the next week.

About Cobalt

Cobalt is a publicly traded coal exploration and production company headquartered in Calgary, Alberta, Canada with a regional office in Welch, West Virginia USA. Cobalt was created to capitalize on the growth opportunities that exist in the metallurgical coal mining industry.

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

For more information, please contact:

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The securities of Cobalt being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption

from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

READER ADVISORY

Statements in this news release may contain forward-looking information including the use of proceeds from the Offering and the timing of closing of the Offering. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Corporation. These risks include, but are not limited to, the risks associated with the coal mining industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on this forward-looking information.