

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

Item 1 Name and Address of Company

Geodrill Limited
Ragnall House
(First Floor), 18 Peel Road
Douglas, Isle of Man

Item 2 Date of Material Change

September 21, 2012

Item 3 News Release

A news release was disseminated through the services of CNW Group Ltd. on September 21, 2012 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On September 21, 2012, Geodrill Limited (the “**Company**”), a leading West African based drilling company, announced that the Company (through its Ghanaian subsidiary) had entered into a term loan facility (the “**Term Loan**”) with Zenith Bank (Ghana) Limited, a subsidiary of Zenith Bank Plc, in the amount of US\$10 million.

Item 5 Full Description of Material Change

On September 21, 2012, the Company, a leading West African based drilling company, announced that the Company (through its Ghanaian subsidiary) had entered into the Term Loan with Zenith Bank (Ghana) Limited, a subsidiary of Zenith Bank Plc, in the amount of US\$10 million.

The Term Loan is for a period of 2 years, repayable quarterly, bears interest at a rate of 10.5% per annum and is secured by certain assets of the Company. The Term Loan may be repaid by the Company without penalty, bonus or other costs other than interest accrued to the date of such repayment.

The Company plans to use the proceeds of the Term Loan to finance general corporate expenditures including working capital needs and capital expenditures of the Company.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Greg Borsk, Chief Financial Officer, (416) 407-2328

Item 9 Date of Report

October 3, 2012

*The press release dated September 21, 2012 (the “**Press Release**”) may contain “forward-looking information” which may include, but is not limited to, statements with respect to the use of proceeds of the Term Loan, the future financial or operating performance of the Company, its subsidiaries, future growth, results of operations, performance, business prospects and opportunities. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes”, or variations (including negative variations) of such words and phrases, or by the use of words or phrases that state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.*

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in the Press Release, including, without limitation those described in the Management’s Discussion & Analysis for the quarter ended June 30, 2012 and the Company’s Annual Information Form dated March 28, 2012 under the heading “Risk Factors”. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that may cause actions, events or results to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize or should assumptions underlying such forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in the Press Release. The Company disclaims any obligation to update or review such information or statements, whether as a result of new information, future events or results of otherwise, except as required by law.