

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

1. **Name and Address of Company**

Canadian Quantum Energy Corporation (“**Canadian Quantum**” or the “**Company**”)
Suite 330, 1414 8th St. SW
Calgary AB T2R 1J6

2. **Date of Material Change**

February 8, 2010

3. **News Release**

A press release was disseminated on February 8, 2010 via Canada Stockwatch.

4. **Summary of Material Change**

Netherland, Sewell & Associates, Inc. ("Netherland Sewell"), an independent reservoir engineering firm based in Texas, has provided their “Best Estimate” of the Prospective Original Gas in Place Resources (“OGIP”) volumes for the Utica Shale on the Company’s Nicolet Permit in the St. Lawrence Lowlands at 8.67 Trillion Cubic Feet (“TCF”). Canadian Quantum’s 50% interest of this Prospective Resources OGIP volume is 4.33 TCF.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

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Netherland Sewell was commissioned by Canadian Quantum and partner Junex Inc. to complete a resources assessment (“the Report”) of the Utica Shale on the Nicolet Permit following the drilling of the Junex St-Grégoire No. 2 and the Junex St-Grégoire No. 3 wells in 2009. Using their expertise in evaluating other shale gas plays, Netherland Sewell’s evaluation includes detailed petrophysical and geologic analysis including a review of the available core and lab analysis data. All results were prepared in accordance with the regulations pursuant to National Instrument 51-101, Standards for Disclosure for Oil and Gas Activities of the Canadian Securities Administrators. The evaluation does not include any evaluation of the jointly held shallower Lorraine Formation or the deeper Trenton Black River formation underlying the Nicolet Permit.

The Netherland Sewell evaluation focused on the Company’s Nicolet Permit and its Utica Shale potential. The Report’s findings are detailed as follows:

In the Report Netherland Sewell evaluated 97% of the 59,090 acre Nicolet Permit and subdivided it into segments:

- The Northwest Segment on the upthrown side of the Yamaska Fault where the Utica is shallower and slightly over pressured encompasses 12.9% of the Permit; and

- The Central (Medium-Deep) Segment where the Utica is deeper and over

pressured encompasses 69.1% of the Permit; and

- The Southeast (Deep) Segment on the downthrown side of the Yamaska Fault where the Utica is deepest and more over pressured encompasses 18.0% of the Permit.
- Prospective Undiscovered Resources OGIP for the combined segments range from a Low Estimate of 6.95 TCF to a High Estimate of 10.52 TCF, with a Best Estimate of 8.67 TCF for the joint 100% interest.
- For the joint 100% interest, on an acreage basis, the Best Estimate of Prospective Resources OGIP is 126 Billion Cubic Feet per square mile (“126 BCF/section”) in the Deep Segment of the Nicolet Permit, with a Low Estimate of 102 BCF/section and a High Estimate of 153 BCF/section. The weighted average Best Estimate over the entire Permit is 97 BCF/section.
- Canadian Quantum’s company gross unrisks prospective resources range from a Low Estimate of 147 BCF to a High Estimate of 1,307 BCF over the entire Nicolet Permit. A Best Estimate of a net 436 BCF to Canadian Quantum’s 50% interest using a 10% recovery factor was made.

OGIP is not a defined term within National Instrument 51-101 and is considered equivalent to Petroleum Initially In Place (“PIIP”). Undiscovered resources are those quantities of petroleum estimated on a given date to be contained in accumulations yet to be discovered. Prospective resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations. If discovered, they would be technically and economically viable to recover by application of future development projects. Prospective resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that the resources will be commercially viable or be able to produce any portion of the resources. The effective date of the Report is December 31, 2009.

No quantitative geologic risk assessment was conducted by Netherland Sewell for this acreage. Geologic risking of prospective resources address the probability of success for the discovery of petroleum this risk analysis is conducted independently of probabilistic estimates of petroleum volumes and without regard to the chance of development. Principal risk elements of the petroleum system include; i. trap and seal characteristics; ii. reservoir presence and quality; iii. source rock capacity, quality, and maturity; and iv. timing, migration, and preservation of petroleum in relation to trap and seal formation.

The prospective resources discussed and shown in the Report are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of petroleum but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisks prospective resources are those volumes that could reasonably be expected to be recovered in the event of the successful exploration and development of the Nicolet Permit.

The resources evaluated in the Report are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. It will be necessary to revise these estimates as additional data become available. Also, estimates of resources may increase or decrease as a result of future operations.

5.2 Disclosure for Restructuring Transactions

Not Applicable

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

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officer**

The name and business number of the executive officer of Canadian Quantum Energy Corporation who is knowledgeable about the material change and this report is:

Douglas Brett, President & CEO
Tel: (403) 532-8543

9. **Date of Report**

February 18, 2010