

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

The full name and address of the principal office of the Company in Canada are:

MONARCH ENERGY LIMITED
Suite 404, 999 Canada Place
Vancouver, BC V6C 3E2

Item 2. Date of Material Change

January 11, 2011

Item 3. News Release

A News Release issued under section 7.1 of National Instrument 51-102 announcing the material change described below was disseminated through Stockwatch and Market News on January 12, 2011. The News Release was filed with SEDAR on January 12, 2011.

Item 4. Summary of Material Change

Monarch Energy Limited consolidates its common shares on the basis of one new share for every 1.75 old shares.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Monarch Energy Limited (the "Company") is consolidating its common shares on the basis of one new share for every 1.75 old shares. The number of currently outstanding common shares is 93,146,991. The number of common shares outstanding following the consolidation will be 53,226,852. The consolidation is being undertaken to facilitate the acquisition described in the Company's News Release dated January 6, 2011. There will be no name change in conjunction with the consolidation.

Shareholder authorization to effect a consolidation was approved at the Company's Annual and Special General Meeting held on May 27, 2010. The consolidation is subject to acceptance by the TSX Venture Exchange.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7. Omitted Information

No information has been omitted from this Report on the basis that the Company believes that such information should remain confidential.

Item 8. Executive Officer

The name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this Report is:

Michael Turko
Telephone: 604 641 1379

Item 9 Date of Report

DATED January 12, 2011.

MONARCH ENERGY LIMITED