

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

**Item 1 Name and Address of the Issuer**

Bellair Ventures Inc. (“Bellair” or the “Company”)  
Suite 509, 10 Bellair Street  
Toronto, Ontario M5R 3T8

**Item 2 Date of Material Change**

January 5, 2012.

**Item 3 News Release**

A news release with respect to the material change referred to in this report was issued by Bellair through the newswire services of Marketwire on January 5, 2012 and subsequently file on SEDAR, a copy of which is attached hereto as Schedule “A”.

**Item 4 Summary of Material Change**

The Company has entered into a binding agreement with Alter NRG Corp. to acquire all of the issued and outstanding shares of CleanEnergy Developments Corp. If completed, the proposed acquisition will constitute Bellair’s qualifying transaction pursuant to the policies of the TSX Venture Exchange.

**Item 5 Full Description of Material Change**

For a full description of the material change, please 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**

No significant facts have been omitted from this report.

**Item 8 Executive Officer**

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

Emlyn J. David,  
President and Chief Executive Officer  
(416) 840 5002

**Item 9 Date of Report**

DATED the 6<sup>th</sup> day of January, 2012.

**SCHEDULE “A”**

**BELLAIR VENTURES INC.**

**ANNOUNCES PROPOSED QUALIFYING TRANSACTION**

**TSX VENTURE EXCHANGE: BVL.H**

**FOR IMMEDIATE RELEASE**

**Toronto, Ontario – January 5, 2012** – Bellair Ventures Inc. (“Bellair”), a capital pool company, announced today that it has failed to close its previously announced qualifying transaction pursuant to an agreement dated February 1, 2011 among Bellair, R. DiBattista Investments Inc. and KNR Management Inc. and has entered into an arm’s length binding agreement with Alter NRG Corp. (“Alter NRG”) to acquire all of the issued and outstanding shares of CleanEnergy Developments Corp. (“CleanEnergy”), a corporation incorporated pursuant to the laws of the Province of Ontario (the “Qualifying Transaction”). If completed, the proposed acquisition will constitute Bellair’s qualifying transaction pursuant to the policies of the TSX Venture Exchange (the “Exchange”).

***Information Concerning Bellair***

Bellair is a corporation existing under the laws of Canada and is a reporting issuer in British Columbia, Alberta and Ontario. Bellair currently has 1,956,600 common shares (the “Bellair Shares”) outstanding.

Bellair has granted stock options to acquire up to an aggregate of 255,660 Bellair Shares (expiring on November 24, 2013) at a price of \$0.50 per share (the “Bellair Options”) to directors, officers and consultants. Other than the Bellair Options, no securities, convertible or exchangeable into Bellair Shares, are outstanding.

***Information Concerning Alter NRG***

Alter NRG (TSX: NRG) is a public company existing under the laws of Alberta. Alter NRG provides and pursues alternative energy solutions through plasma gasification and geoexchange to meet the growing demand for clean energy in world markets. Alter NRG’s vision is to commercialize growth technologies through developing environmentally sustainable and economically viable alternative energy projects. Alter NRG creates revenues by selling plasma gasification technology and geoexchange services and through participation in projects that fit its strategic growth plan. Plasma gasification can take renewable feedstocks such as household, commercial or industrial waste, biomass, coal or combinations of feedstocks and turn them into syngas. Syngas can be used as a replacement to natural gas as fuel or converted into ethanol, diesel fuel or electricity. This provides clean energy that can be used as a domestic energy source.

***Information Concerning CleanEnergy***

CleanEnergy is a wholly-owned subsidiary of Alter NRG, existing under the laws of Ontario. CleanEnergy is a Canadian industry leading geoexchange company that provides heating and cooling for homes and commercial buildings using energy from the earth. This is a solution that is used extensively in Europe as it reduces the use of fossil fuels for heating and cooling by up to 80%. CleanEnergy provides complete design and build solutions for commercial projects and also equipment sales through its dealer network across Canada.

In operation since 2006, CleanEnergy began completing larger heating and cooling projects for schools,

hockey rinks, hospitals, civic centers and other large commercial complexes in 2010-2011 having revenues per transaction of between \$0.5 million and \$1.5 million. CleanEnergy is also currently providing geoexchange solutions for the Calgary International Airport pursuant to a \$4.5 million contract ending in early 2013.

The selected unaudited pro forma financial information for CleanEnergy, reflecting the consolidated financial information for the year ended December 31, 2010 and nine month period ended September 30, 2011 is as follows:

	<b>September 30, 2011</b>	<b>December 31, 2010</b>
Total assets	\$ 3,313,668	\$ 4,579,512
	<b>Nine months ended September 30, 2011</b>	<b>Year ended December 31, 2010</b>
Sales	\$ 4,021,192	\$ 6,863,987
Operating Loss	(3,395,610)	(8,398,258)

Through the third quarter of 2011 cuts were made to general and administrative expenditures and the concentration was on more immediate profitability. The general and administrative expenditures have been reduced by more than 50% since the beginning of the year which is expected to result in improved financial performance in Q4 2011 and 2012.

### ***Information Concerning the Proposed Qualifying Transaction***

Bellair and Alter NRG have entered into a binding agreement dated as of January 5, 2012 (the “Agreement”) setting out certain terms and conditions pursuant to which the proposed Qualifying Transaction will be completed.

Pursuant to the terms of the Agreement, Bellair will acquire all of the issued and outstanding shares of CleanEnergy for an aggregate purchase price of \$5 million, to be satisfied by the issuance of an aggregate of 10,000,000 Bellair Shares. Following completion of the Qualifying Transaction, CleanEnergy will be a wholly-owned subsidiary of Bellair.

### ***The Private Placement***

As a condition to closing, it is anticipated that at Bellair’s request, CleanEnergy will complete a private placement for a minimum of \$1 million and up to \$2 million in subscription receipts of CleanEnergy at an issue price of \$0.50 per subscription receipt to provide Bellair with working capital (the “Private Placement”). Each subscription receipt will convert into one common share of CleanEnergy immediately prior to the closing of the Qualifying Transaction (without payment of additional consideration and with no further action on the part of the holder thereof) and will be exchanged for Bellair Shares on a one-for-one basis pursuant to the Qualifying Transaction.

### ***Sponsorship***

Bellair will, if required by the Exchange, engage a sponsor in connection with the Qualifying Transaction. If an agreement to act as sponsor is entered into it should not be construed as any assurance with respect to the merits of the Qualifying Transaction or the likelihood of completion.

### ***Terms and Conditions of the Qualifying Transaction***

The Qualifying Transaction is an arm's length transaction as none of the directors and officers of CleanEnergy have any ownership or other interest in Bellair. Bellair does not expect that approval of its shareholders will be required for the Qualifying Transaction. As part of the regulatory approval process, Bellair anticipates submitting for review to the Exchange a filing statement. Trading in the shares of Bellair will remain halted until such time as permission to resume trading has been obtained from the Exchange and the submission of required documentation to the Exchange has been completed.

In connection with the closing of the Qualifying Transaction, Alter NRG will complete a spin-off of CleanEnergy Investments Corp. from CleanEnergy. The Agreement is subject to certain conditions of closing, including no material adverse change, the receipt of any required third party approvals, including the approval of the Exchange, and the completion of the proposed Private Placement of subscription receipts of CleanEnergy.

In connection with the completion of the Qualifying Transaction, Bellair intends to issue an aggregate of 2,000,000 Bellair Shares to the Bridgepoint Group Ltd. ("Bridgepoint") pursuant to a consulting agreement under which Bridgepoint acted as advisers to Bellair in respect of the Qualifying Transaction.

Immediately following closing of the Qualifying Transaction, it is expected that (i) there will be approximately 15,956,600 issued and outstanding Bellair Shares, assuming the conversion of 2,000,000 subscription receipts issued pursuant to the Private Placement, and (ii) Alter NRG will hold an aggregate of 10,000,000 common shares of the Resulting Issuer, representing approximately 63% of the issued and outstanding Bellair Shares. Alter NRG, however, will not control the board of directors of Bellair and will have restricted voting rights, such that Alter NRG will not have effective control of Bellair.

### ***Management and Directors of Bellair After the Qualifying Transaction***

Following completion of the Qualifying Transaction, the board of directors of Bellair will be comprised of up to five members, with Bellair nominating up to three directors and Alter NRG nominating up to two directors.

It is expected that Emlyn J. David will remain the President, Chief Executive Officer, Chairman and a director of Bellair following completion of the Qualifying Transaction and that Frank Carnavale (Chief Operating Officer) and Michael Galloro (Chief Financial Officer) shall continue as senior officers of Bellair post-closing.

**Emlyn David - President, Chief Executive Officer, Chairman and Director** - Emlyn J. David has had over 20 years of investment analysis and corporate financial management experience. Since June 2006, Mr. David has been Managing Partner of Cangap Capital Corp., a niche merchant bank. Mr. David has also acted as President of Fareport Capital Inc. and President and director of Chudleigh Ventures Inc., and has been actively involved in managing a portfolio of private equity investments in media, business aviation and transportation. Mr. David initially began working as a Corporate Financial Manager with a large public real estate company, Cambridge Shopping Centers. Subsequent to that, Mr. David co-founded a niche real estate investment banking group within a large national brokerage firm.

**Frank Carnevale - Chief Operating Officer** – Mr. Carnevale is the President and Chief Executive Officer of Bridgepoint, a boutique consulting and advisory firm. Bridgepoint focuses on advising companies on the development and management of sustainable energy and infrastructure transactions. Mr. Carnevale is a member of the Council for Clean & Reliable Electricity, and recently served as a member

of the Board of Directors of the Ontario Energy Association. Mr. Carnevale is also a Founding Member of the Clean Economy Network - Toronto Chapter. In 2011, Mr. Carnevale was awarded the “Next Generation Award” for the Business Excellence Awards of the Italian Chamber of Commerce of Ontario. He was also included in the book: “The Next Generation, Made in Canada: The Italian Way”, in one of 34 interviews of successful Italian Canadians. Mr. Carnevale graduated from York University with a BA degree in Political Science.

**Michael Galloro - Chief Financial Officer** - Michael Galloro is a Chartered Accountant with over 15 years of experience having earned his designation while working for KPMG LLP. While engaged as vice president, Finance for a public company listed on the Toronto Stock Exchange, Mr. Galloro gained significant experience in finance and capital markets, corporate governance, human resources and administration. Mr. Galloro pursued a consulting career working on various projects in compliance, valuations, mergers and acquisitions and initial public offerings. Mr. Galloro is a founding member of ALOE Financial Inc., a corporate finance and CFO solutions company focused on helping to bring private companies to the public markets.

*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

*Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to TSXV/NEX acceptance. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Bellair should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this press release.*

*The foregoing information contains forward-looking statements relating to the future performance of Bellair. Forward-looking statements, specifically those concerning future performance, expectations with respect to the Qualifying Transaction, Alter NRG and CleanEnergy or the Private Placement and other statements that are not historical fact, are subject to certain risks and uncertainties, and actual results may differ materially from Bellair's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by Bellair with the TSXV/NEX and securities regulators. Bellair does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of Bellair in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available.*

For more information, please contact Bellair Ventures Inc., Emlyn J. David, President and Chief Executive Officer, (416) 840 5002.