

FORM 51-102F3

MATERIAL CHANGE REPORT

CONFIDENTIAL

Item 1 Name and Address of Company

The name of the reporting issuer is Echo Energy Canada Inc. ("the Issuer"). Its principal office is 596 Hamilton Road, Toronto, Ontario, N5Z-1S6.

Item 2 Date of Material Change

The material change occurred on December 30, 2005.

Item 3 News Release

A press release in connection with the material change was issued in Ontario on January 4, 2006. A copy of which as issued is annexed hereto as Schedule "A".

Item 4 Summary of Material Change

The material change is summarized in the press release annexed hereto as Schedule "A".

Item 5 Full Description of Material Change

A full description of the material change is provided in the press release referenced in 4 above and annexed hereto as Schedule "A".

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

The Issuer is not relying on 7.1(2) or (3) of National Instrument 51-102 for the filing of this report nor is any information being omitted in reliance thereon.

Item 7 Omitted Information

No material information is being omitted from this report.

Item 8 Executive Officer

For further information with respect to this report, please contact Mr. Gary Conn, President of the Issuer, at: Telephone (519) 455-1827.

Item 9 Date of Report

DATED at Toronto, Ontario this 9th day of January, 2006.

SCHEDULE "A"

PRESS RELEASE

January 04, 2006



Echo Energy Canada Inc. Completes Private Placement

Listing and Symbol: TSX Venture Exchange (Tier 1) – "EEI"
Issued Common Shares: 51,849,515

TORONTO, CANADA – Echo Energy Canada Inc. is pleased to announce that it has completed a private placement of 930,000 units, at an issue price of \$1.25 per unit, to private investors for gross proceeds of \$1,162,500. Each unit consists of one flow-through common share of the Corporation and three-quarters of a warrant. Each whole warrant entitles its holder to purchase one flow-through common share of the Corporation for \$1.25 and expires 12 months from the date of issuance. All shares and any shares issuable upon exercise of the warrants issued under the private placement constitute flow-through shares (as defined under the *Income Tax Act* (Canada)) and all proceeds from the sale and issue of such securities will be used for eligible expenditures in connection with the further exploration of Echo's gas leases in Bayham Township, in southwestern Ontario.

All shares, warrants and shares issuable upon exercise of the warrants issued under the private placements are subject to resale restrictions under applicable securities laws and the policies of the TSX Venture Exchange, which shall expire April 30, 2006. All transactions are subject to final acceptance by the TSX Venture Exchange.

About Echo Energy Canada

Echo Energy Canada is engaged in the exploration, development and production of natural gas on its gas leases situated near Port Burwell, Ontario, Canada on the North shore of Lake Erie. The company owns and operates its own natural gas pipeline and a compressor station and it holds gas and oil leases comprising over 50,000 acres in the area. Echo has 49 producing gas wells, 5 fractured wells which are undergoing testing and an additional 16 wells which are either undergoing fracturing or awaiting fracturing.

Echo Energy Canada Inc. has equity interests in Echo Power Generation Inc. and Twenty Two Degree Energy Corp., which are involved in wind energy exploration projects in Ontario, near Lake Erie and near Lake Huron, respectively.

Information

Further information can be obtained by contacting Gary Conn, President and C.E.O., at: (519) 455-8127 or Joseph Fuda, Vice-President, at: Tel. (416) 364-6513 ext 227.

Please also visit our website at: www.echoenergycanada.com

Neither the TSX Venture Exchange nor any securities regulatory authority has approved or disapproved of the contents of this news release.