

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company:

NAL Energy Corporation (the "Corporation")
Suite 1000, 550 – 6th Avenue SW
Calgary, Alberta T2P 0S2

2. Date of Material Change:

December 31, 2010

3. News Release:

A press release disclosing the material change, a copy of which is attached hereto as Schedule "A", was disseminated on December 31, 2010 through the facilities of Marketwire and was filed with the applicable securities regulatory authorities via SEDAR on the same date.

4. Summary of Material Change:

The previously announced conversion of NAL Oil & Gas Trust (the "Trust") to a corporation pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Conversion") was completed on December 31, 2010. Pursuant to the Conversion, all outstanding trust units of the Trust have been exchanged for common shares in the capital of the Corporation on a one-for-one basis. In addition, all of the covenants and obligations for the convertible debentures of the Trust have been assumed by the Corporation. The Corporation will carry on the business formerly indirectly carried on by the Trust.

5. Full Description of the Material Change:

See the press release attached hereto as Schedule "A" for a full description of the material change.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

For further information, please contact Keith Steeves, Vice President, Finance and Chief Executive Officer at (403) 294 -3638.

9. Date of Report:

December 31, 2010.

Schedule "A"

FOR IMMEDIATE RELEASE



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NAL OIL & GAS TRUST COMPLETES CONVERSION TO A CORPORATION

Media Release No. 31 - 10

December 31, 2010

CALGARY / Marketwire / NAL Energy Corporation ("NAL" or the "Corporation") is pleased to announce the completion of the previously announced conversion of NAL Oil & Gas Trust (the "Trust") to a corporation pursuant to a plan of arrangement under the Business Corporations Act (Alberta). Pursuant to the conversion, all outstanding trust units of the Trust have been exchanged for common shares in the capital of the Corporation on a one-for-one basis. In addition, all of the covenants and obligations for the convertible debentures of the Trust have been assumed by the Corporation.

All former registered trust unitholders of the Trust are encouraged to submit a properly completed and duly executed letter of transmittal to receive the direct registration advice or certificate representing the common shares of NAL to which they are entitled pursuant to the conversion. Copies of the letter of transmittal can be obtained on NAL's website at www.nal.ca or on SEDAR at www.sedar.com.

The common shares and convertible debentures of NAL are expected to commence trading on the Toronto Stock Exchange on or about January 6, 2011, under the symbols "NAE", "NAE.DB" and "NAE.DB.A", respectively. Concurrently, the trust units of the Trust will be delisted from the Toronto Stock Exchange.

ABOUT NAL

NAL Energy Corporation provides a total return to its investors which combines income with modest growth in the Canadian upstream oil and gas industry. The Corporation generates returns for its shareholders by pursuing a strategy of acquiring, developing, producing and selling crude oil, natural gas and natural gas liquids from pools in southeastern Saskatchewan, central Alberta, northeastern British Columbia and Lake Erie, Ontario.

For further information:

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