

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Porto Energy Corp. (“**Porto**” or the “**Corporation**”)
24 Waterway Avenue
The Woodlands, Texas 77386

Item 2. Date of Material Change

March 28, 2011

Item 3. News Release

A press release reporting the material change was issued on March 28, 2011 through the services of CNW Group.

Item 4. Summary of Material Change

On March 28, 2011, the Corporation completed its initial public offering (the “**Offering**”) of 70,000,000 common shares at a price of \$1.00 per share for gross proceeds of \$70,000,000.

Item 5.1 Full Description of Material Change

Porto, a company focused on oil and gas exploration, appraisal and development in Portugal, announced that it completed its previously announced Offering. The Offering was made through a syndicate of agents co-led by Raymond James Ltd. and TD Securities Inc. and including FirstEnergy Capital Corp. and Haywood Securities Inc. (collectively, the “**Agents**”). In connection with the Offering, the Corporation issued 70,000,000 common shares at a price of \$1.00 per share for gross proceeds of \$70,000,000. The common shares were qualified for distribution pursuant to the final long form prospectus of the Corporation dated March 16, 2011, filed in each of the provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

In addition, the Corporation is pleased to announce that the common shares of the Corporation will commence trading today on the TSX Venture Exchange under the symbol “**PEC**”.

The Corporation intends to use the net proceeds from the Offering to advance its appraisal, development and exploration drilling programs, acquire additional 3D seismic data, and for working capital and general corporate purposes.

Important Notice to the Corporation’s Pre-Offering Shareholders

Shareholders of the Corporation which acquired their common shares prior to the Offering may surrender their common share certificates, along with a duly executed letter of transmittal to the Corporation’s transfer agent Olympia Trust Company (“**Olympia**”) to

obtain their new publically traded Porto common shares. Questions and requests for assistance may be directed to Olympia and additional copies of the letter of transmittal may be obtained at Porto's website at www.portoenergy.com/transferagent.html or from Olympia at:

Olympia Trust Company
2300, 125 - 9th Avenue S.E.
Calgary Alberta T2G 0P6
Attention: Corporate Actions Department
Telephone: (403) 261-0900
Fax: (403) 265-1455
Web Site: www.olympiatrust.com
Email: cssinquiries@olympiatrust.com

This material change report does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, any securities of the Corporation in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered hereunder have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States of America (the "**United States**") and, subject to certain exceptions, may not be offered or sold within the United States or its territories or possessions except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This material change report does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, its territories or possessions.

This material change report contains certain forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, without limitation, those listed under the headings "Notice to Investors - Special Note Regarding Forward-Looking Statements" and "Risk Factors" in the Corporation's final prospectus dated March 16, 2011 relating to the Offering. No assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These forward-looking statements are made as of the date of this material change report and the Corporation does not undertake to update any forward-looking statements that are contained in this material change report, except in accordance with applicable securities laws.

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable. This is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information contact Heath Cleaver, Chief Financial Officer at (713) 975-1725 or hcleaver@portoenergy.com.

Item. 9 Date of Report

March 28, 2011