MATERIAL CHANGE REPORT

1. Reporting Issuer:

Petrobank Energy and Resources Ltd.

2. Date of Material Change:

April 29, 2003

3. News Release

A press release disclosing the details outlined in this Material Change Report was issued by CCN Matthews from Calgary, Alberta on April 29, 2003 and disseminated through the facilities of CCN Matthews and would have been received by the securities commissions where Petrobank Energy and Resources Ltd. is a "reporting issuer" and the stock exchanges on which the securities of Petrobank Energy and Resources Ltd. are listed and posted for trading in the normal course of its dissemination.

4. Summary of Material Change:

Petrobank Energy and Resources Ltd. ("Petrobank") announced that it has entered into an agreement to issue $40.0 million face value of subordinated notes and approximately 1.4 million common share purchase warrants for proceeds of approximately $36.4 million, before agents' commissions. The syndicate will be led by Merrill Lynch Canada Inc. and includes Jennings Capital Inc., and Tristone Capital Inc. Closing of the offering is expected to occur on May 5, 2003.

5. Full Description of Material Change:

See attached Schedule "A".

6. Reliance on Confidentiality Provisions:

Not Applicable

7. Omitted Information:

Not Applicable

8. Senior Officers:

For further information, please contact:

Mr. John D. Wright, President and Chief Executive Officer,
Petrobank Energy and Resources Ltd., Calgary, Alberta,
Telephone (403) 750-4400

David Rain, VP Finance and Chief Financial Officer,
Petrobank Energy and Resources Ltd., Calgary, Alberta,
Telephone (403) 750-4400

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

DATED as of April 29, 2003, at the City of Calgary, in the Province of Alberta.

Petrobank Energy and Resources Ltd.

Per: (signed) "*David J. Rain*"
David J. Rain
Vice President, Finance and Chief Financial Officer

cc: Toronto Stock Exchange

Schedule "A"

PETROBANK
ENERGY AND RESOURCES LTD.

NEWS RELEASE

PETROBANK ANNOUNCES SUBORDINATED NOTE FINANCING

Calgary, Alberta - April 29, 2003 - Petrobank Energy and Resources Ltd. ("Petrobank") is pleased to announce that it has entered into an agreement to issue $40.0 million face value of subordinated notes and approximately 1.4 million common share purchase warrants for proceeds of approximately $36.4 million, before accrued interest and agents' commissions. This financing will be completed on a "best efforts" private placement basis. The subordinated notes will be issued pursuant to Petrobank's existing subordinated note indenture (TSX: PBG.N), which stipulates a 9% coupon and a July 31, 2006 maturity date. The common share purchase warrants will be exercisable into common shares at $4.00 and will expire 36 months after closing. The most recent 5-day average trading price of the subordinated notes and common shares of Petrobank were $88.50 and $3.27, respectively.

The syndicate will be led by Merrill Lynch Canada Inc., and includes Jennings Capital Inc., and Tristone Capital Inc. Closing of the offering is expected to occur on May 5, 2003, and is subject to regulatory approval. On completion of this financing, the Company will have $100.4 million of face value of subordinated notes outstanding; approximately $15 million in cash and an undrawn $40 million bank facility.

Total production for the first quarter of 2003 averaged 5,273 boe per day including 2,757 barrels of oil and natural gas liquids and 10.9 mmcf per day of natural gas in Canada, and 695 barrels of oil per day in Colombia. Current daily production in Canada is approximately 3,200 barrels of oil and natural gas liquids and 12 mmcf of natural gas and in Colombia oil production is approximately 1,100 barrels per day. A complete operational update will be included with Petrobank's first quarter results, which are expected to be released on or about May 21, 2003.

Completion of this financing will facilitate the completion of Petrobank's 2003 capital spending program of $40 million in Canada and U.S. $45 million in Colombia.

The Company's annual report has been mailed to shareholders and can be viewed at www.petrobank.com. The Annual and Special Meeting of the Shareholders will be held on Thursday, May 22, 2003 at 3:00 p.m. at the Westin Hotel, 320 – 4th Avenue S.W., Calgary, Alberta. Petrobank's common shares and subordinated notes are listed on the Toronto Stock Exchange under the symbols PBG and PBG.N, respectively.

FOR FURTHER INFORMATION PLEASE CONTACT:

John D. Wright, President and Chief Executive Officer
Telephone: (403) 750-4400

David Rain, VP Finance and Chief Financial Officer
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www.petrobank.com