

MATERIAL CHANGE REPORT
PURSUANT TO
SECTION 75 (2) OF THE SECURITIES ACT (ONTARIO)
SECTION 75 OF THE SECURITIES ACT (QUEBEC)

ITEM 1: REPORTING ISSUER

Enghouse Systems Limited
80 Tiverton Court, Suite 800
Markham, Ontario L3R 0G4

ITEM 2: DATE OF MATERIAL CHANGE

September 14, 1999

ITEM 3: PRESS RELEASE

A press release describing the material change was issued on September 14, 1999 in Markham, Ontario. A copy of such press release is attached hereto.

ITEM 4: SUMMARY OF MATERIAL CHANGE

On September 14, 1999, Enghouse Systems Limited announced that its wholly owned subsidiary, Enghouse Systems USA, Inc. has acquired the assets of the Tellus Division of ConneXt Inc. on September 10, 1999.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

On September 14, 1999, Enghouse Systems Limited announced that its wholly owned subsidiary, Enghouse Systems USA, Inc., has acquired the assets and assumed certain liabilities of the Tellus Division of Seattle based ConneXt Inc., through a cash transaction valued at approximately \$US 1.0 million.

Tellus develops and markets a comprehensive suite of software solutions for outage management, distribution systems design, and facilities and asset information management for the North American power industry.

Tellus will continue to operate in Seattle as a division of Enghouse. Enghouse has hired the approximately 20 highly skilled Tellus employees who will continue to service the approximately 25 customers in North America, and will continue to develop leading-edge spatial asset management solutions for the power industry.

ITEM 6: RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

Not applicable.

ITEM 7: OMITTED INFORMATION

Not Applicable

ITEM 8: SENIOR OFFICER – FOR FURTHER INFORMATION CONTACT:

For further information, contact Michael Ford, Chief Executive Officer at 905-946-3238

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Markham this 20th day of September, 1999

“Michael Ford”

Name: Michael Ford

Title: Chief Executive Officer

Att.(1)

Enghouse Systems Limited announces acquisition of Tellus[®] from ConneXt[®]

***Adds leading-edge Outage Management System to strengthen world-class
suite of products with end-to-end solutions for the power industry.***

Markham, Ontario, CANADA (September 14, 1999) – Enghouse Systems Limited [TSE: ESL] today announced that its wholly-owned subsidiary, Enghouse Systems USA, Inc., has acquired design and management solutions provider Tellus from Seattle-based ConneXt Inc.

Tellus develops and markets a comprehensive suite of software solutions for outage management, distribution systems design, and facilities and asset information management for the North American power industry.

"The acquisition of Tellus firmly positions Enghouse as an innovative provider of complete, spatial asset management software engineering solutions for the North American utilities marketplace," said Michael Ford, Chief Executive Officer of Enghouse. "This acquisition is consistent with our strategy to integrate mission critical operational support systems with the power of spatial technology, providing customers with applications to greatly enhance their productivity and customer service levels."

"We chose Tellus not only for its world-class applications, but also its highly-skilled, experienced team," said Tony Murphy, President and Chief Operating Officer of Enghouse. "Additionally, Tellus will strengthen our development group, while increasing our U.S. presence and providing customers with one of the best support infrastructures for the power industry. Today's customers are increasingly demanding end-to-end, enterprise-wide solutions that are truly integrated. With the addition of the Tellus' suite of products, Enghouse now offers the best choice for these customers. "

Tellus' Outage Management System's (OMS) patented diagnostics can accurately identify the root-source of an outage much faster and more accurately than any other solution. OMS supports Microsoft[®] Windows NT[®] and UNIX[®] platforms and integrates with Oracle Spatial[®] as a GIS data base infrastructure. Tellus' Automated Plat Design (APD) is an innovative, rapid implementation design package based on patented technology that allows users to dramatically reduce design time and improve accuracy, thereby lowering overall construction design costs. Tellus' AM/FM/GIS provides total mapping, locating, managing and modelling software that provides utilities with the ability to manage their entire distribution network – one of their most important assets.

Tellus will continue to operate in Seattle as a division of Enghouse. General Manager, Del Wilson, will continue to lead the Tellus team in the service of its existing customer base and the development of leading-edge products and enhancements. Enghouse will immediately begin the integration process to leverage technological synergies with its

POWER**WORKS**™ product line.” Mr. Wilson said, "We're confident that our customers will benefit greatly from this acquisition, and we're quickly proceeding to leverage technologies to provide best-of-breed utility solutions."

Enghouse Systems Limited is a Canadian-based software engineering company that develops GIS (Geographic Information Systems) based solutions for the telecommunications, cable TV, and utility industries. Enghouse products provide spatial asset management solutions to over 300 customers globally by offering a collection of world-class robust applications under the trade names, TELCO**WORKS**™, POWER**WORKS**™, CATV**WORKS**™, and GAS**WORKS**™.

For further information, please contact:

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