MATERIAL CHANGE REPORT UNDER

***SECURITIES ACT* (BRITISH COLUMBIA) SECTION 85(1) FORM 27**
***SECURITIES ACT* (ALBERTA) SECTION 118(1) FORM 27**
***THE SECURITIES ACT* (SASKATCHEWAN) SECTION 84(1) FORM 25**
***THE SECURITIES ACT* (MANITOBA)**
***SECURITIES ACT* (ONTARIO) SECTION 75(2) FORM 27**
***SECURITIES ACT* (QUEBEC) SECTION 73**
***THE SECURITIES ACT* (NEWFOUNDLAND) SECTION 76(2) FORM 26**
***SECURITIES ACT* (NOVA SCOTIA) SECTION 81(2) FORM 27**
***SECURITY FRAUDS PREVENTION ACT* (NEW BRUNSWICK)**
***SECURITIES ACT* (PRINCE EDWARD ISLAND)**

1. Reporting Issuer:

Enerplus Resources Fund ("Enerplus")
1900, 700 – 9th Avenue S.W.
Calgary, Alberta
T2P 3V4

2. Date of Material Changes:

May 9 and 10, 2001

3. Press Release:

Press Releases were issued May 9 and May 10, 2001.

4. Summary of Material Change:

Enerplus announced that it has entered into a merger agreement whereby Enerplus would merge with EnerMark Income Fund ("EnerMark"), subject to receipt of unitholder approval of each Fund at unitholder meetings to be held on June 21, 2001. Additionally, Mr. Marcel J. Tremblay resigned as Chairman of the Board of Directors of Enerplus Resources Corporation ("ERC") and was succeeded by Mr. Derek J.M. Fortune as Chairman of the ERC Board of Directors and by Mr. Gordon J. Kerr as the President and Chief Executive Officer of ERC and the management companies which are part of the Enerplus Group of Companies.

5. Full Description of Material Change:

Enerplus and EnerMark (collectively, the "Funds" and each a "Fund") announced an intention to merge their operations and continue as Enerplus Resources Fund, subject to unitholder approval (the "Merger").

Under the terms of the agreement between Enerplus, EnerMark and their respective operating companies, effectively each trust unit of EnerMark will be exchanged for 0.173 (the "Exchange Ratio") Enerplus trust units (the "Enerplus Units"). All EnerMark warrants outstanding on the effective date of the Merger will be adjusted at the same Exchange Ratio such that each new Enerplus warrant will entitle the holder thereof to acquire one Enerplus Unit for a price of Cdn. $26.53 on or prior to December 17, 2001. The merged entity will be managed by Enerplus Global Energy Management Inc. (the "Manager"), an affiliate of Enerplus Energy Services Ltd.

(the "Enerplus Manager") and EMR Resource Management Ltd. (the "EnerMark Manager"), respectively.

The Board of Directors of each of Enerplus Resources Corporation ("ERC"), on behalf of Enerplus, and the Board of Trustees of EnerMark, have unanimously agreed to recommend that their respective unitholders approve the Merger. The determination of each board was based upon recommendations provided to the boards by special committees formed to consider the Merger on behalf of each of Enerplus and EnerMark. In addition, Sayer Securities Limited was jointly retained by each of the special committees to provide an independent valuation of the Funds. A copy of the valuation will be included in its entirety in the information circulars to be sent to unitholders of the Funds in respect of the Merger. Each of CIBC World Markets Inc., the financial advisor to Enerplus, and National Bank Financial Inc., the financial advisor to EnerMark, have provided the respective boards with a fairness opinion with respect to the consideration offered pursuant to the Merger.

Meetings of the unitholders of each of the Funds to approve the Merger will be held on June 21, 2001. The Merger is conditional upon approval by 66K% of the trust units voted at each meeting, in addition to certain minority approval requirements described below.

The unitholders of the Funds will continue to receive their distributions in the month of June as has historically been done. Enerplus unitholders of record on June 10, 2001 will receive their regular monthly cash distribution from Enerplus on June 20, 2001 and EnerMark unitholders of record on June 10, 2001 will receiver their regular monthly cash distribution from EnerMark on June 20, 2001. Following the Merger, and beginning with the July distribution, all Enerplus unitholders of record on the 10th day of each month, including former EnerMark unitholders, will receive distributions from the combined Enerplus Fund which will be payable on the 20th day of such month.

The proposed Merger will not be impacted by the EnerMark rights plan, and it is anticipated that such plan will be terminated (subject to EnerMark unitholder approval). Although the proposed Merger will not result in any application of the Enerplus rights plan, as a precautionary measure the Board of Directors of ERC determined to waive any application of the Enerplus rights plan to the proposed Merger, subject to requisite unitholder approval. The Board of Directors of ERC has also determined to defer to July 3, 2001, any Flip-in Event or Separation Time (each as defined in the Enerplus rights plan) which may occur under the Enerplus rights plan as a result of the execution of the Merger Agreement (described below) or the completion of the proposed Merger.

The completion of the proposed Merger is subject to, among other things, satisfaction of all required regulatory and third party approvals, as well as the unitholder approvals described above.

<u>The Merger Agreement</u>

On May 10, 2001, the Merger Agreement was entered into by Enerplus and ERC (the "Enerplus Parties") and EnerMark and EnerMark Inc. (the "EnerMark Parties").

The Merger Agreement sets forth a number of conditions to be satisfied or waived in order for the Merger to become effective and provides the right of the parties thereto to terminate the Merger Agreement on the non-occurrence of certain events within specific time frames, each as described below. The Merger Agreement also sets forth a number of covenants on behalf of the parties thereto, including, prescribing the manner of operation of the business and operations of the parties and precluding the parties from entering into certain new agreements or commitments with respect to their capitalization or assets during the term of the Merger Agreement.

Conditions of the Merger

The obligations of the parties to the Merger Agreement to consummate the Merger are subject to the fulfilment or waiver of a number of significant conditions which must be satisfied on or before the effective date of the Merger (the "Effective Date"), anticipated to be June 21, 2001, or waived to the extent capable of being waived by the party benefiting by such condition. There is no assurance that the conditions will be satisfied or waived on a timely basis, if at all. The following is a summary of material conditions which have not yet been satisfied or waived:

(a) resolutions shall have been passed by at least 66K of each of the Enerplus unitholders and EnerMark unitholders voting upon such matters at each of the respective unitholder meetings, in addition to approval by at least 50% of the respective unitholders who are not an "interested party" in the Merger;

(b) the documents by which the Merger is to be effected shall be in form and substance satisfactory to the Parties, acting reasonably;

(c) there shall not be in force any order or decree of a governmental entity restraining or enjoining the consummation of the Merger and there shall be no proceeding (other than an appeal made in connection with the Merger) of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the Merger that would, if successful, result in an order or ruling that would preclude completion of the Merger in accordance with the terms hereof or would otherwise result in a judgement or assessment of damages, directly or indirectly, relating to all or any part of the Merger which is material to a Party;

(d) all material consents, waivers, permits, orders and approvals of any governmental entity (including, without limitation, those required pursuant to the *Competition Act* (Canada)) or other person required to permit the consummation of the Merger shall have been obtained or received on terms that will not have a material adverse effect on any of the Enerplus Parties or the EnerMark Parties, and reasonably satisfactory evidence thereof shall have been delivered to each Party;

(e) the Enerplus Units issuable pursuant to the Merger shall have been approved for listing on The Toronto Stock Exchange and the New York Stock Exchange, any required registration and prospectus disclosure exemptions shall have been obtained and such securities shall not be subject to resale restrictions in Canada and the United States other than in respect of control persons and subject to requirements of general application;

(f) the lenders to each of ERC and EnerMark Inc. ("EI") shall either have consented to the Merger and provided all necessary approvals, or shall continue to make financing available to each of ERC and EI on terms and conditions acceptable to each of the Parties, acting reasonably; and

(g) there shall not have occurred any change not publicly disclosed prior to the announcement of the transactions contemplated by the Merger Agreement in the business, operations, assets, capitalization, financial condition, licences, permits, rights, liabilities, prospects or privileges, whether contractual or otherwise, of the Enerplus

Parties or the EnerMark Parties (each considered as a whole) which is materially adverse to the business of the Enerplus Parties or the EnerMark Parties or to the value of their respective trust units.

In the event that the Merger does not become effective on or before July 31, 2001, any of the Parties may terminate its obligations under the Merger Agreement.

The Merger Agreement also provides certain conditions for the benefit of the Enerplus Parties or the EnerMark Parties respectively, including that the respective representations and warranties of the Parties to the Merger Agreement shall be true and correct and all covenants shall have been complied with as of the Effective Date.

Regulatory and Third Party Approvals

The Merger Agreement provides that receipt of all regulatory and third party approvals is a condition precedent to the Merger becoming effective. Application has been made or is intended to be made to such authorities including, without limitation, the TSE and the NYSE and to certain Canadian securities regulators in order to obtain all approvals required with respect to the Merger prior to Closing. Additionally, the respective lenders to each of ERC and EI having provided all necessary consents to ensure that adequate financing arrangements will continue to be in place for ERC and EI following completion of the Merger.

Non-Solicitation

The Merger Agreement provides, among other matters, as follows:

(a) None of the Enerplus Parties or the EnerMark Parties shall, directly or indirectly, through any trustee, officer, director, employee, management company, associate, affiliate, representative or agent of such Party, as the case may be, solicit, initiate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals regarding any merger, amalgamation, arrangement, reorganization, take-over bid, sale of substantial assets, sale of treasury shares or trust units or any similar transactions involving any of the Parties to the Merger Agreement, or any inquiry or proposal to do so, other than in connection with the transactions contemplated by the Merger Agreement (any of the foregoing inquiries or proposals being referred to herein as an "Acquisition Proposal"); provided that nothing contained in the Merger Agreement shall prevent the board of directors of ERC or the board of trustees of EnerMark (as applicable, the "Board") from considering, negotiating, approving, recommending to the applicable unitholders or entering into an agreement in respect of an unsolicited, bona fide, written Acquisition Proposal where the person making such Acquisition Proposal or the making of the Acquisition Proposal is not in breach of any agreement between such person and the Enerplus Parties or the EnerMark Parties, as the case may be, and (i) in respect of which any required financing has been demonstrated to the satisfaction of the Board of the Party subject to the Acquisition Proposal, acting in good faith, to be reasonably likely to be obtained, and (ii) in respect of which the Board of the Party subject to the Acquisition Proposal determines in good faith (after consultation with its financial advisors and after receiving the advice of outside counsel that is reflected in the minutes of the Board of such Party to the effect that the Board of such Party is required to do so in order to discharge properly its fiduciary duties) that the Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction more favourable to its unitholders than the Merger (any such Acquisition Proposal being referred to herein as a "Superior Proposal").

(b) If any of the Enerplus Parties or the EnerMark Parties receives a request for material non-public information from a person who proposes a bona fide Acquisition Proposal and the Board of such Party determines that such proposal would be a Superior Proposal pursuant to paragraph (a) above, assuming the satisfactory outcome of a due diligence condition, then, and only in such case, the Board may, subject to the execution of a confidentiality agreement containing a twelve month standstill provision, provide such person with access in accordance with paragraph (a) above to information regarding the Party, acting reasonably; provided, however that the person making the Acquisition Proposal shall not be precluded thereunder from making the Acquisition Proposal.

Compensation Fee and Expenses

The Merger Agreement provides that if at any time after the execution of the Merger Agreement and prior to the termination thereof the Merger is not consummated because:

(a) the Board of one Party shall have approved or recommended any Superior Proposal, or resolved to take any of the foregoing actions;

(b) a *bona fide* Acquisition Proposal shall have been made to the unitholders of any of Enerplus or EnerMark or any Person shall have publicly announced an intention to make a *bona fide* Acquisition Proposal and after such Acquisition Proposal shall have been made known, made or announced, the holders of Enerplus Units or EnerMark Units, as the case may be, fail to approve the Merger, and such Acquisition Proposal is consummated within 12 months after termination of the Merger Agreement;

(c) the Board of a Party has withdrawn, modified or changed in a manner adverse to the other Parties (other than as a direct result of and in direct response to a material breach by any of the other Parties of its obligations hereunder or a material adverse change to the other Parties) or to the Parties' ability to consummate the Merger any (i) of its recommendations or determinations to Unitholders to vote in favour of the Merger, or (ii) authorizations to complete the Merger as contemplated by its representations in the Merger Agreement, or resolved to take any of the foregoing actions;

then the Party which is the subject of any of the foregoing events shall pay to the other Parties, within two business days of the first to occur of the foregoing, a fee (which shall include a provision relating to the costs and expenses relating to the Merger) in the following amounts:

1. If the Party subject to the events described above is an Enerplus Party, then ERC shall pay (on behalf of the Enerplus Parties) to EI (on behalf of the EnerMark Parties), a fee equal to $15,000,000 plus $600,000 for the reimbursement of expenses incurred by the EnerMark Parties with respect to the Merger; or

2. If the Party subject to the events described above is an EnerMark Party, then EI shall pay (on behalf of the EnerMark Parties) to ERC (on behalf of the Enerplus Parties), a fee equal to $34,000,000 plus $600,000 for the reimbursement of expenses incurred by the Enerplus Parties with respect to the Merger.

Termination

The Merger Agreement provides that it may be terminated by written notice at any time prior to Closing upon the occurrence of certain events including:

(a) by any Party if conditions to the Merger (including those described above under "Conditions to the Merger") which are for the benefit of such Party have not been fulfilled or waived; or

(b) by a Party if the Board of the other Parties shall withdraw, change or modify in a manner adverse to that Party or the Merger its recommendations to unitholders to vote in favour of the Merger or the authority of that Party to complete the Merger.

Management Transition Agreement

Concurrent with the execution of the Merger Agreement, the Management Transition Agreement was executed by the parties thereto, which provides for, at the Effective Date, the termination of the EnerMark Management Agreement (for which the EnerMark Manager will receive no compensation) and the replacement of the current Enerplus Management Agreement with a new management, advisory and administration agreement to be dated on or about June 21, 2001 (the "New Management Agreement"). Additionally, the Management Transition Agreement includes an agreement by the Enerplus Manager and EnerMark Manager to waive their rights to any acquisition or disposition fees, as applicable, which might otherwise be payable to such parties in connection with the Merger pursuant to the existing agreements and provides for the sale of all of the shares of ERC, directly or indirectly, to EI. The Management Transition Agreement also provides for the payment of compensation to the Enerplus Manager and EnerMark Manager (each a "Manager") if the management agreement relating to such Manager and the Fund and the operating company for which it is responsible is terminated prior to the completion of the Merger. If the Enerplus Management Agreement is so terminated, the compensation to be paid to the Enerplus Manager is equal to $15,000,000. If the EnerMark Management Agreement is so terminated, the compensation to be paid to the EnerMark Manager is $29,000,000. Additionally, upon such termination, the applicable Manager would be entitled to be reimbursed for certain leasehold and contractual termination costs, as well as severance and related expenses.

Interests of Interested Parties in the Merger

It is a term of the Management Transition Agreement that the existing Enerplus Management Agreement will be replaced by the New Management Agreement at the Effective Date. The same agreement provides that, if prior to the Merger being completed, the Enerplus Management Agreement is terminated upon the occurrence of certain events, the Enerplus Manager shall be entitled to certain fees and compensation, as described above.

Certain directors (or nominees for directors) of ERC, senior officers of ERC and the Enerplus Manager and an affiliate of the Enerplus Manager hold EnerMark Units and will receive Enerplus Units pursuant to the Merger on the same terms and conditions as other EnerMark Unitholders. Additionally, the directors of ERC who will continue on the board of directors following the Merger, together with senior officers of ERC and the Enerplus Manager, may be granted options to acquire Enerplus Units or rights pursuant to the Enerplus trust unit option plan or the trust unit rights incentive plan proposed to be adopted by Enerplus.

Following the Merger, the Manager will provide management and advisory services to Enerplus, ERC and EI and will receive fees for such services pursuant to the New Management Agreement.

Management Reorganization

On May 9, 2001, Mr. Marcel J. Tremblay resigned as the Chairman of the Board of Directors of ERC. Mr. Gordon J. Kerr succeeded Mr. Tremblay as the President and Chief Executive Officer of ERC and the management companies which are part of the Enerplus Group of Companies. On May 10, 2001, Mr. Derek J.M. Fortune was appointed Chairman of the Board of Directors of ERC.

6. Reliance on Subsection 118(2) of *Securities Act* (Alberta) or equivalent section:

N/A

7. Omitted Information:

N/A

8. Senior Officers:

Gordon J. Kerr, President, Chief Executive Officer and Chief Financial Officer, and Christina Meeuwsen, Corporate Secretary of Enerplus Resources Corporation and Enerplus Energy Services Ltd., may be reached at (403) 298-2200.

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

This statement is made in the City of Calgary in the Province of Alberta as of May 16, 2001.

ENERPLUS RESOURCES FUND
By its Advisor, Enerplus Energy Services Ltd.

"Christina S. Meeuwsen"
Christina S. Meeuwsen
Corporate Secretary

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