

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company:

Enerplus Resources Fund ("**Enerplus**")
The Dome Tower
Suite 3000, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

2. Date of Material Change:

May 25, 2004

3. Press Release:

Press Release issued on May 25, 2004 through CCN Matthews.

4. Summary of Material Change:

On May 25, 2004, Enerplus announced that it had entered into a series of agreements pursuant to which it would purchase interests in certain petroleum and natural gas properties and assets from Chevron Canada Limited and Chevron Canada Resources ("**Chevron Canada**"), and concurrently dispose of certain of these acquired properties and assets, for a net purchase price of approximately \$466.3 million, prior to purchase price adjustments.

5. Full Description of Material Change:

Overview

On May 25, 2004, Enerplus entered into purchase and sale agreements (the "**Chevron Acquisition Agreements**") whereby Enerplus and Acclaim Limited Partnership ("**Acclaim**"), an indirect wholly-owned subsidiary of Acclaim Energy Trust, have jointly agreed to, both directly and indirectly, purchase interests in certain petroleum and natural gas properties and assets from Chevron Canada for an aggregate purchase price of approximately \$1.089 billion, prior to any purchase price adjustments (the "**Chevron Acquisition**"), following which certain of the acquired properties and assets will be divided between Enerplus and Acclaim. An additional purchase and sale agreement was concurrently signed with Paramount Resources Ltd. ("**Paramount**") whereby Enerplus has agreed to sell Paramount a portion of the properties and assets to be acquired from Chevron Canada, immediately following their acquisition, for approximately \$189.0 million, prior to any purchase price adjustments (the "**Concurrent Disposition**"). Following completion of the Chevron Acquisition and the Concurrent Disposition (collectively referred to as the "**Transaction**"), Enerplus will own interests in properties in the Brooks area of southern Alberta and the Mitsue and Chinchaga areas of northern Alberta and interests in southeastern Saskatchewan and southwestern Manitoba (collectively, the "**Acquired Properties**"). The net cash purchase price that Enerplus will pay for the Acquired Properties is approximately \$466.3 million, and the net purchase price to be paid by each of Acclaim and Paramount is \$433.7 million and \$189.0 million, respectively, in each case prior to any purchase price adjustments. The obligations of Enerplus and Acclaim under the Transaction, to both Chevron Canada and each other, have been guaranteed by EnerMark Inc. and Acclaim Energy Inc., respectively, which

are the primary operating oil and gas companies affiliated with Enerplus and Acclaim, respectively. Enerplus believes that only a minimal portion of the Acquired Properties are subject to rights of first refusal granted to third parties. The Transaction is anticipated to be completed on or about June 30, 2004 and will have an effective date of June 1, 2004.

The production from the Acquired Properties is weighted approximately 46% to natural gas and 54% to crude oil and natural gas liquids. For the three months ended March 31, 2004, the Acquired Properties produced an average of 11,525 BOE/d consisting of 32.0 MMcf/d of natural gas, 6,016 bbls/d of crude oil and 170 bbls/d of NGLs. For the year ended December 31, 2003, the Acquired Properties produced an average of 11,830 BOE/d consisting of 34.2 MMcf/d of natural gas, 5,991 bbls/d of crude oil and 139 bbls/d of NGLs. An independent engineering report effective June 1, 2004 assigned 19,271 MBOE of Proved Reserves (consisting of 51.48 Bcf of natural gas, 10,223.5 Mbbls of crude oil and 467.5 Mbbls of NGLs) and 33,355 MBOE of Proved plus Probable Reserves (consisting of 86.6 Bcf of natural gas, 18,194.8 Mbbls of crude oil and 726.4 Mbbls of NGLs) to the Acquired Properties, based on forecast prices and costs. Enerplus anticipates that it will operate approximately 75% of the production from the Acquired Properties. The Transaction will also provide Enerplus with approximately 99,200 gross (45,400 net) acres of undeveloped land, on which Enerplus will pursue lower risk development opportunities or enter into farmout arrangements, or dispose of, as determined appropriate. The Acquired Properties have a Proved plus Probable reserve life index of 7.9 years. Effectively all of the production from the Acquired Properties is unhedged and is currently sold on the spot market.

Closing Conditions and Liability Arrangements

The Chevron Acquisition Agreements contain standard closing conditions for a transaction of this nature, including (i) the continued accuracy of representations and warranties (except for inaccuracies that are beyond the party's reasonable control or that, in the aggregate, do not have a material adverse effect on the value of the subject properties and assets) and compliance with all covenants in all material respects, (ii) receipt of required approvals under the *Competition Act* (Canada), and (iii) an absence of claims or proceedings that would prohibit the transaction. Similar closing conditions exist for Enerplus, as vendor, and Paramount, as purchaser, in respect of the Concurrent Disposition to Paramount of certain of the properties and assets acquired by Enerplus from Chevron Canada.

In connection with the Chevron Acquisition, Chevron Canada has indemnified Enerplus and Acclaim in respect of certain liabilities on the aggregate of the specific properties and assets being acquired, to a maximum of 25% of the aggregate \$1.089 billion purchase price, as a result of a breach of a representation or warranty or a covenant or agreement made by Chevron Canada in respect of those properties and assets in the Chevron Acquisition Agreements. However, claims in respect of a breach of a representation or warranty by Chevron Canada must exceed a minimum threshold of \$1 million per incident and \$25 million in the aggregate before such a claim can be made against Chevron Canada's indemnification obligations. Chevron Canada has also agreed to indemnify Enerplus and Acclaim for certain environmental liabilities with respect to certain types of unidentified assets for aggregate claims in excess of \$25 million. Enerplus, Acclaim and Paramount have agreed, in certain circumstances, to share any recoveries from Chevron Canada based on the amount of loss suffered by each party, if any, and the proportionate net purchase price paid by each such party in connection with the Transaction.

Enerplus and Acclaim have also agreed to indemnify Chevron Canada and certain of its affiliates in respect of any liabilities relating to the specific properties and assets being acquired, including past, present and future environmental liabilities. In addition, Enerplus and Acclaim have agreed to indemnify Chevron Canada for certain environmental liabilities with respect to certain types of unidentified assets, with the aggregate liabilities in respect of those unidentified assets being limited to \$25 million. Enerplus, Acclaim and Paramount have agreed that liabilities related to specific properties will be allocated to the party or parties that will own the specific acquired property interests in the area in which the liability arose following completion of the Transaction, and in respect of the indemnity relating to the unidentified assets described above, will be shared among each other approximately in proportion to the net purchase price paid by each of these parties in connection with the Transaction.

In the event that either Acclaim or Paramount fails to perform its obligations under the Transaction, in order to acquire the Acquired Properties currently contemplated to be acquired and retained by Enerplus pursuant to the Transaction and secure the release of the funds raised in connection with the offering of subscription receipts by the Fund announced concurrently with the announcement of the Transaction (the "**Offering**"), Enerplus would be required to acquire or retain additional properties and assets in addition to those Acquired Properties. Certain agreements are in place among Enerplus, Acclaim and Paramount providing for indemnification and allocation of liabilities in such circumstances.

Financing of the Transaction

Enerplus intends to use the net proceeds of the Offering, being approximately \$215 million and up to approximately \$286 million if the underwriters' option is exercised in its entirety, together with approximately \$251.2 (\$179.6 million if the underwriters' option is exercised in its entirety) of funds from its available credit facilities, to finance the acquisition of the Acquired Properties.

Selected Pro Forma Reserves and Operational Information

The following table sets forth certain reserves and operational information with respect to Enerplus and the Acquired Properties on a pro forma combined basis as at and for the periods indicated.

	<u>Enerplus⁽¹⁾</u>	<u>Acquired Properties⁽²⁾</u>	<u>Combined</u>
Proved Reserves			
Crude oil and NGLs (MMbbls)	104.6	10.7	115.3
Natural gas (Bcf)	867.0	51.5	918.5
Total (MMBOE)	249.2	19.3	268.5
Proved plus Probable Reserves			
Crude oil and NGLs (MMbbls)	136.2	18.9	155.1
Natural gas (Bcf)	1,151.0	86.6	1,237.6
Total (MMBOE)	328.1	33.4	361.5
Net Present Value of Future Net Revenue from Reserves (\$ millions)			
Proved Reserves	1,882.0	227.8	2,109.8
Proved plus Probable Reserves	2,242.0	350.3	2,592.3

Average Daily Production (three months ended March 31, 2004)			
Crude oil and NGLs (bbls/d)	27,870	6,186	34,056
Natural gas (MMcf/d)	262.1	32.0	294.1
Total (BOE/d)	71,553	11,525	83,077
Undeveloped Land Holdings (thousands of net acres) ⁽³⁾			
	340.0	45.4	385.4
Oil and Natural Gas Wells (net wells) ⁽³⁾			
Producing oil wells	2,120.5	376.4	2,496.9
Producing natural gas wells	2,647.0	14.0	2,661.0

Notes:

- (1) The reserve volumes and net present values of future net revenue for Enerplus are effective December 31, 2003, are presented on a company interest basis and are based upon Sproule Associates Limited's forecast prices and costs as at December 31, 2003 using a 10% discount rate, all as contained in the independent engineering report prepared in respect of Enerplus' properties, a summary of which is contained in Enerplus' annual information form dated April 22, 2004 ("AIF"), which also contains other information in relation to Enerplus' reserves required by NI 51-101. As noted in the AIF, these numbers do not include any reserves attributable to Ice Energy Limited, which was acquired by Enerplus in January 2004, or any reserves attributable to the Joslyn Creek oil sands project, for which Enerplus has not yet booked any reserves.
- (2) The reserve volumes and net present values of future net revenue for the Acquired Properties are effective June 1, 2004, are presented on a company interest basis and are based upon Sproule Associates Limited's forecast prices and costs as at May 1, 2004 using a 10% discount rate, all as contained in the independent engineering report prepared in respect of the Acquired Properties. The number of oil and natural gas wells reported for the Acquired Properties excludes wells related to the gross overriding royalty interests being acquired by Enerplus.
- (3) The information presented for Enerplus is as at December 31, 2003 and the information for the Acquired Properties represents the most recent information made available to Enerplus, generally from various dates within the first three months of 2004.

Other Information

Additional information regarding the petroleum and natural gas reserves and operations attributable to the Acquired Properties is contained in Enerplus' preliminary short form prospectus dated May 25, 2004 (as superseded by a final short form prospectus to be dated on or about June 8, 2004), a copy of which is available on Enerplus' SEDAR profile at www.sedar.com.

All oil and natural gas information contained in this material change report has been prepared and presented in accordance with NI 51-101. In this material change report, all estimates of oil and natural gas reserves and production are presented on a "company interest" basis (as defined in Enerplus' annual information form dated April 22, 2004). As Enerplus is not currently the owner of the Acquired Properties, all operational information relating to the Acquired Properties contained in this material change report is based on information provided to Enerplus by third parties. Enerplus has adopted the standard of 6 Mcf:1 BOE when converting natural gas to BOEs. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

N/A

7. Omitted Information:

No information has been omitted.

8. Executive Officer:

Robert J. Waters, Senior Vice President and Chief Financial Officer of EnerMark Inc., may be reached at (403) 298-2200.

9. Date of Report:

June 4, 2004.