MATERIAL CHANGE REPORT

Under the *Securities Act* (British Columbia), the *Securities Act* (Alberta), the *Securities Act* (Saskatchewan), the *Securities Act* (Manitoba), the *Securities Act* (Ontario) and the *Securities Act* (Quebec)

1. Reporting Issuer

Kensington Energy Ltd.
Suite 850, 700 - 4th Avenue S.W.
Calgary, Alberta
T2P 03J4

2. Date of Material Change

August 10, 2001

3. Publication of Material Change

Press release disclosing this material change was issued by Kensington Energy Ltd. on July 12, 2001 and August 10, 2001.

4. Summary of Material Change

On August 10, 2001, Kensington Energy Ltd. ("Kensington" or the "Corporation") announced that it has closed a previously announced private placement of an aggregate 2,472,000 units issued at a price of $0.35 per unit. Each unit consisted of one Class A share and one Class A share purchase warrant. Each warrant entitles the holder to purchase one additional Class A share at a price of $0.45 per share until September 10, 2002.

5. Full Description of Material Change

In connection with the completion of the private placement, two of the subscribers (Mr. P. Grenville Schoch and Mr. Donald S. Wood) were added to the Board of Directors of Kensington. In order to facilitate their appointment to the Board, Messrs. Kevin McLachlan and Ian Collar resigned from the Board of Directors. Mr. McLachlan also resigned from his position as President, Chief Executive Officer and Chairman of the Board and Mr. Collar also resigned as Vice President, Exploration. Messrs. McLachlan and Collar will continue in full time, senior technical and exploration positions with the Corporation. The other two current "outside" directors, John Gareau and Ron Quillian, will continue as directors of the Corporation. At a meeting of the Board held August 10, 2001, Mr. P. Grenville Schoch was appointed as Chairman of the Board and Mr. Donald S. Wood became President and Chief Executive Officer. Mr. Dean G. Anderson became Vice President, Operations and Mr. Barry R. Larson became Vice President, Exploration.

Mr. Schoch was a founder and Chairman of the Board of Petromet Resources Limited until its sale to Talisman Energy Inc. Mr. Wood was the Director of Business Development for Petromet.

Proceeds from the private placement are intended to be applied toward the Corporation's fall program of drilling, completion and facilities construction on existing lands.

6. Filing on Confidential Basis

Not applicable.

7. Senior Officers

Donald S. Wood, President and Chief Executive Officer of Kensington is knowledgeable about the material change set forth herein and can be reached at 403/517-8621.

8. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Calgary, in the Province of Alberta, this 17th day of August, 2001.

KENSINGTON ENERGY LTD.

Per: *(signed) "Donald S. Wood"*
Donald S. Wood
President and Chief Executive Officer