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 1210, 101 - 6th Avenue S.W.
   Calgary, Alberta
   T2P 3P4

2. **Date of Material Change**

   November 21, 20002

3. **Publication of Material Change**

   Press release disclosing this material change was issued by Kensington Energy Ltd. on November 22, 2002.

4. **Summary of Material Change**

   On November 22, 2002, Kensington Energy Ltd. ("Kensington" or the "Corporation") announced that it had closed a $2.3 million natural gas property acquisition in the Markerville area of central Alberta. The transaction was funded with the Corporation's cash reserves and a portion of its existing line of credit. The transaction is effective October 1, 2002.

5. **Full Description of Material Change**

   Kensington Energy Ltd. (TSX Venture: "KNN.A") (the "Corporation") has closed a $2.3 million natural gas property acquisition in the Markerville area of central Alberta. The transaction was funded with the Corporation's cash reserves and a portion of its existing line of credit. The transaction is effective October 1, 2002 and is comprised of the following:

- A 34 percent working interest in a natural gas well producing 1.25 million cubic feet per day and 57 barrels per day of natural gas liquids (420 Mcf/d and 19 Bbl/d net to the Corporation). The well's ultimate recoverable reserves, as evaluated by a major independent engineering firm, were assessed as 4.5 BCF, of which 1.9 BCF has been recovered to date.

- A 100 percent working interest in 640 acres of undeveloped land containing a highly prospective development drilling location which targets the same producing formation as the above described well. The Corporation plans to drill this location early in the first quarter of 2003.

In other activities, the Corporation has recently drilled and cased two potential natural gas wells and is presently conducting production and pressure testing operations. If early positive indications are borne out by subsequent testing, these wells will contribute significantly to growth in the Corporation's production during 2003.

On the strength of the Markerville acquisition as well as recent production increases, the Corporation forecasts to exit the year at approximately 450 BOE per day (gas at 6:1). Cash flow is forecast to increase materially during the fourth quarter of 2002 and based on discoveries presently behind pipe, the Corporation projects a further increase in cash flow during the first quarter of 2003.

Kensington Energy Ltd. is a Calgary based independent junior oil and gas company engaged in the exploration and production of petroleum and natural gas in western Canada. Kensington trades on the TSX Venture Exchange under the symbol "KNN.A".

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 or at dwood@kensingtonenergy.com.

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 25 day of November, 2002.

KENSINGTON ENERGY LTD.

(signed) "*Donald S. Wood*"

Per: ______________________________
Donald S. Wood
President and Chief Executive Officer