NEWALTA CORPORATION

MATERIAL CHANGE REPORT

Section 146(1) of the *Securities Act* (Alberta)
Section 67(1) of the *Securities Act* (British Columbia)
Section 75(2) of the *Securities Act* (Ontario)[1]

Item 1: Reporting Issuer

Newalta Corporation ("Newalta")
Suite 1200, 333 – 11th Avenue S.W.
Calgary, Alberta
T2R 1L9

Item 2: Date of Material Change

August 14, 2002

Item 3: Press Release

Newalta issued a press release on August 14, 2002 at Calgary, Alberta.

Item 4: Summary of Material Changes

Newalta updated its future-oriented financial information ("FOFI") for the year ended December 31, 2002. Newalta concurrently withdrew the FOFI for the year ended December 31, 2002 and dated March 15, 2002.

Item 5: Full Description of Material Changes

Newalta updated its FOFI for the year ended December 31, 2002. Newalta concurrently withdrew the FOFI for the year ended December 31, 2002 and dated March 15, 2002.

Newalta issued an update to its FOFI for the year ended December 31, 2002 as a result of changes in the following assumptions contained in the previous financial forecast of Newalta dated March 15, 2002: (i) reduced level of oilfield activity; (ii) reduced level of drilling activity; (iii) increase in crude oil prices; (iv) reduced product prices and reduced demand for burner fuel products; (v) increased future income tax rates; and (vi) the planned acquisition of the waste lube oil re-refinery and related collection network from Mohawk Lubricants Ltd.

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[1] *Reference is made herein to Form 27 under the Securities Regulations (Alberta), Securities Regulations (British Columbia) and Securities Regulations (Ontario).*

Item 6: Reliance on Confidentiality Provision of Material Change

Not Applicable

Item 7: Omitted Information

Not Applicable

Item 8: Senior Officers

For further information, please contact Mr. Ronald L. Sifton, Senior Vice President, Finance and Chief Financial Officer of Newalta, at the above mentioned address or at (403) 206-2684.

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta the 21st day of August, 2002.

NEWALTA CORPORATION

Per: (signed) *Ronald L. Sifton*
Ronald L. Sifton
Senior Vice President, Finance and
Chief Financial Officer