MATERIAL CHANGE REPORT

Section 75 of the *Securities Act* (Ontario)
Section 67 of the *Securities Act* (British Columbia)
Section 118 of the *Securities Act* (Alberta)
Section 84 of *The Securities Act, 1988* (Saskatchewan)
Section 73 of the *Securities Act* (Quebec)
Section 81 of the *Securities Act* (Nova Scotia)
Section 76 of *The Securities Act, 1990* (Newfoundland)

ITEM 1: REPORTING ISSUER

Regional Cablesystems Inc. ("Regional")
Suite 300
295 Robinson Street
Oakville, Ontario
L6J 1G7

ITEM 2: DATE OF MATERIAL CHANGE

August 30, 2000

ITEM 3: PRESS RELEASE

A press release was issued on August 30, 2000 by Regional in St. John's, Newfoundland and is attached hereto as Schedule A.

ITEM 4: SUMMARY OF MATERIAL CHANGE

Regional and Saskatchewan Telecommunications Holding Corporation ("SaskTel") entered into a share exchange whereby Regional will issue 1,223,491 common shares to SaskTel in exchange for SaskTel's 29.9% common shareholding in Regional's subsidiary, Regional Cable TV (Western) Inc. ("Western"). Immediately thereafter, Western will be amalgamated with Regional pursuant to Section 184(1) of the *Canada Business Corporations Act* (the "CBCA").

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

On August 30, 2000 Regional and SaskTel announced a share exchange whereby Regional will issue 1,223,491 common shares to SaskTel in exchange for SaskTel's 29.9% common shareholding in Regional's subsidiary, Western. Western currently serves more than 63,000 customers in Canada's four western provinces, including 35,000 customers in 181 Saskatchewan communities.

In determining the number of common shares of Regional to be issued to SaskTel in exchange for SaskTel's shares in Western, the equity values for Regional and Western were derived in an identical manner, with SaskTel's position in Western then being converted into Regional common shares. The transaction is scheduled to close on September 1, 2000. Immediately thereafter, Western will be amalgamated with Regional pursuant to Section 184(1) of the CBCA. As a result of the transaction, SaskTel will hold approximately 7.6% of Regional's shares on a *pro forma* basis.

St. John's, Newfoundland-based, Regional, which is in the business of operating cable television systems in non-metropolitan markets, provides cable television and telecommunications services to a diverse customer base of more than 240,000 located in 1,100 non-urban communities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Newfoundland. The Company operates divisional offices in Edmonton, Sudbury, Montreal and St. John's. Regional is a widely held public company whose shares trade on The Toronto Stock Exchange (Symbol: REG).

ITEM 6: RELIANCE ON SUBSECTION 75(3) OF THE ONTARIO SECURITIES ACT OR EQUIVALENT PROVISIONS

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: SENIOR OFFICER

For further information, please contact Gary Kain, Chairman, at (905) 338-3133, or Brendan Paddick, President and Chief Operating Officer, at (709) 754-3775.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 1st day of September, 2000.

by: "Gary D. Kain"
Name: Gary D. Kain
Title: Chairman

SCHEDULE A

PRESS RELEASE – FOR IMMEDIATE RELEASE

NEWS RELEASE

REGIONAL CABLESYSTEMS INC. AND SASKATCHEWAN TELECOMMUNICATIONS SWAP SHARES

August 30, 2000 - St. John's, Newfoundland–Regional Cablesystems Inc. ("Regional") announced today a share exchange whereby Regional will issue 1,223,491 common shares to Saskatchewan Telecommunications Holding Corporation ("SaskTel") in exchange for SaskTel's 29.9% common shareholding in Regional's subsidiary, Regional Cable TV (Western) Inc. ("Western"). Western currently serves more than 63,000 customers in Canada's four western provinces, including 35,000 customers in 181 Saskatchewan communities.

In determining the number of common shares of Regional to be issued to SaskTel in exchange for SaskTel's shares in Western, Regional and Western were valued in an identical equity manner, with SaskTel's position then being converted into Regional shares at a price of $13.75 per share. The transaction is scheduled to close on September 1, 2000. Immediately thereafter, Western will be amalgamated with Regional. As a result of the transaction, SaskTel will hold approximately 7.6% of Regional's common shares on a pro-forma basis.

Brendan Paddick, Regional's President, commented, "this transaction confirms management's commitment to remaining true to its growth strategy and to further solidifying the Company as Canada's preeminent provider of cable services to the rural marketplace. We believe that share exchange is another confirmation that Regional is an attractive investment choice. SaskTel, through its new equity position in our Company, is very much in tune with the potential that Regional holds. This is an excellent opportunity for both companies".

"Since SaskTel's investment in Western in 1992, we have been very pleased with the company's financial performance and its commitment to serving rural customers," said Don Ching, SaskTel's President and CEO. "After being approached by Regional to exchange our shares, and after giving this careful evaluation, we have decided it is in the best interests of SaskTel and its shareholders – the people of Saskatchewan – to own a smaller percentage of a significantly larger and fast growing company".

SaskTel is the leading full service communications company in Saskatchewan, providing competitive voice, data, dial and high speed internet, web hosting, QUANTUMLYNX Office applications, secure electronic transactions, text and messaging services over fiber optic-based fully digital network. SaskTel also provides digital analog cellular, paging, wireless data and FleetNet 800 service through its SaskTel Mobility division. SaskTel maintains investments in companies which provide directory publishing, remote security monitoring, systems design, project management, engineering consulting, software sales, multimedia and cable television services. The web site for SaskTel is www.sasktel.com.

St. John's, Newfoundland-based, Regional Cablesystems, which is in the business of operating cable television systems in non-metropolitan markets, provides cable television and telecommunications services to a diverse customer base of more than 240,000 located in 1,100 non-urban communities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Newfoundland. The Company operates divisional offices in Edmonton, Sudbury, Montreal and St. John's. Regional is a widely held public company whose shares trade on the Toronto Stock Exchange (Symbol: REG).

For more information, contact:

Brendan Paddick, President
Regional Cablesystems Inc.
(709) 754-3775