MATERIAL CHANGE REPORT

PURSUANT TO

SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)
SECTION 118(2) OF THE SECURITIES ACT (ALBERTA)
SECTION 84(1) OF THE SECURITIES ACT (SASKATCHEWAN)
SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)
SECTION 73 OF THE SECURITIES ACT (QUEBEC)
SECTION 81(2) OF THE SECURITIES ACT (NOVA SCOTIA)
SECTION 76(2) OF THE SECURITIES ACT (NEWFOUNDLAND)

1. **REPORTING ISSUER**

Pendaries Petroleum Ltd. ("Pendaries")

2. **DATE OF MATERIAL CHANGE**

January 16, 2001

3. **PRESS RELEASE**

A press release disclosing the material change was issued by Pendaries on January 16, 2001.

4. **SUMMARY OF MATERIAL CHANGE**

The former holders of common shares of Pendaries approved, at the special meeting of shareholders held on January 5, 2001, the plan of arrangement (the "Plan of Arrangement") involving Pendaries and Ultra Petroleum Corp. ("Ultra") pursuant to which Ultra would acquire all of the issued and outstanding common shares of Pendaries in exchange for common shares of Ultra. On December 12, 2001, The Court of Queen's Bench of New Brunswick approved the Plan of Arrangement. The transaction closed on January 16, 2001 at which time Ultra acquired and was deemed to be the owner, pursuant to the Plan of Arrangement, of all 9,490,470 issued and outstanding common shares of Pendaries. The common shares being issued by Ultra pursuant to the Plan of Arrangement represent approximately 20 percent of the existing issued share capital of Ultra on a fully diluted basis.

Pursuant to the Plan of Arrangement, the former holders of Pendaries common shares will receive 1.58 Ultra common shares per Pendaries common share held. Ultra will issue up to an aggregate of 14,994,958 Ultra common shares to the former holders of Pendaries common shares.

The common shares of Ultra, including the common shares being issued by Ultra pursuant to the Plan of Arrangement were listed on the American Stock Exchange on January 17, 2001 under the trading symbol UPL. The 56,939,762 common shares of Ultra outstanding prior to the close of the transaction were already listed and posted for trading on The Toronto Stock Exchange, and the shares being issued pursuant to the Plan of Arrangement were listed on The Toronto Stock Exchange on January 19, 2001.

Pursuant to the Plan of Arrangement, James Roe, a former director of Pendaries, was appointed to the Board of Directors of Ultra on January 16, 2001.

The Pendaries common shares were delisted from The Toronto Stock Exchange and the American Stock Exchange effective as of the close of business on January 18, 2001.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

See attached press release dated January 16, 2001.

6. **RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT**

Not applicable.

7. **OMITTED INFORMATION**

Not applicable.

8. **SENIOR OFFICER – FOR FURTHER INFORMATION CONTACT:**

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Vice-President
8 Greenway Plaza
Suite 910
Houston, Texas
77046

Phone: (713) 355-2900

9. **STATEMENT OF SENIOR OFFICER**

The forgoing accurately discloses the material change referred to herein.

DATED at Houston, Texas this 23rd day of January, 2001.

PENDARIES PETROLEUM LTD.

By: (Signed) Philip Henry
Philip Henry
Vice-President