

MATERIAL CHANGE REPORT

This material change report is being filed with the appropriate securities regulatory authorities to comply with the requirements of:

Section 85(1) of the Securities Act (British Columbia)
Section 118(1) 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 112 of the Securities Act (Manitoba)

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

ITEM 1 Reporting Issuer:

Global Thermoelectric Inc.
4908 52nd Street S.E.
Calgary, Alberta T2B 3R2

ITEM 2 Date of Material Change:

May 6, 2003

ITEM 3 News Release:

News release released through Canada Newswire on May 6, 2003.

ITEM 4 Summary of Material Change:

Global Thermoelectric Inc. ("Global") announced that it reduced its workforce in its fuel cell division by approximately one third, or 47 employees, which is expected to result in reduced research and development expenditures of approximately \$5 million annually.

ITEM 5 Full Description of Material Change:

Global Thermoelectric Inc. ("Global" or the "Company") reduced its workforce in its fuel cell division by approximately one third, or 47 employees, which is expected to result in reduced research and development expenditures of approximately \$5 million annually.

Global's strategy is to focus the Company's efforts on its core technology development while maintaining prototype system capability. This initiative is independent of but complementary to the previously-announced proposed combination with QUANTUM Fuel Systems Technologies Worldwide, Inc. During the course of Global's review of alternatives to maximize shareholder value and in conjunction with its efforts to create a sustainable SOFC program, it became clear that the Company needed to significantly reduce expenditures and to focus on its core competency and area of demonstrated leadership --- the development of SOFC membrane and stack technology. This reduction in expenditure follows the Company's previous cost reduction initiative in November 2002.

The Company is retaining sufficient system capability to develop and assemble prototype and demonstration fuel cell systems and will be in a position to deliver Global's next generation natural gas fuel cell prototype --- "Aurora" --- in 2003. The commercialization timeline for core SOFC components such as the fuel cell membrane and fuel cell stack are unaffected by this change.

ITEM 6 Reliance on Section 118(2) of the *Securities Act* (Alberta):

N/A

ITEM 7 Omitted Information:

N/A

ITEM 8 Senior Officer:

The name and telephone number of the senior officer of Global Thermoelectric Inc. who is knowledgeable about the material change and this report is:

Paul Crilly
Vice President, Finance and Chief Financial Officer
Telephone: (403) 204-6100

ITEM 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED this 12th day of May 2003, at the City of Calgary, in the Province of Alberta.

GLOBAL THERMOELECTRIC INC.

Per "Paul Crilly"
Paul Crilly
Vice President, Finance and Chief Financial Officer

IT IS AN OFFENCE UNDER THE *SECURITIES ACT* AND THE *SECURITIES REGULATION* FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.