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)

ITEM 1 Reporting Issuer:

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

ITEM 2 Date of Material Change:

July 14, 2003

ITEM 3 News Release:

News release was released through Canada Newswire on July 14, 2003.

ITEM 4 Summary of Material Change:

Global Thermoelectric Inc. ("Global") announced that it has received an unsolicited competing proposal that its Board of Directors has determined to be a "superior proposal" and has reconfirmed its previous advice to Global common shareholders in respect of the previously announced combination.

ITEM 5 Full Description of Material Change:

Global Thermoelectric Inc. ("Global") announced July 14, 2003 that it has received an unsolicited competing proposal that the Board of Directors of Global has determined to be a "superior proposal" under the terms of the Combination Agreement relating to the transaction previously announced with Quantum Fuel Systems Technologies Worldwide, Inc. ("Quantum"). Global intends to commence negotiations with the party making the proposal once a confidentiality agreement is executed. The competing proposal is subject to confirmatory due diligence, negotiation of definitive documentation and the full approval of the Global Board. Global can give no assurances that any transaction will result from these negotiations.

In addition, Global's Board of Directors, pursuant to a request by Quantum, has reconfirmed its previous advice to Global common shareholders in respect of the previously announced combination by way of a Plan of Arrangement under the Business Corporations Act (Alberta) with Quantum. The Global Board has reconfirmed its determination to submit the Plan of Arrangement to its common shareholders for their consideration and is not making a recommendation as to how common shareholders should vote. The Global Board has reconfirmed its advice to common shareholders to carefully consider the opportunity presented in the Arrangement and to review all of the information provided in the Joint Proxy

Statement, and that common shareholders, having regard to their own personal circumstances and investment objectives, come to their own decision as to how to vote on the Arrangement.

Global will make a further announcement when either an agreement is entered into with respect to the competing proposal or discussions are discontinued.

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:

Peter Garrett
President and Chief Executive Officer
Telephone: (403) 204-6100

ITEM 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED this 16th day of July 2003, at the City of Calgary, in the Province of Alberta.

GLOBAL THERMOELECTRIC INC.

Per: "Bob Snyder"
Bob Snyder
Chairman

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