FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Address and Name of Company:

E4 Energy Inc.
540, 840 - 6th Avenue S.W.
Calgary, Alberta
T2P 3E5

Item 2. Date of Material Change:

October 20, 2005

Item 3. News Release:

A press release was issued by E4 Energy Inc. on October 20, 2005 by CCN Matthews.

Item 4. Summary of Material Change:

Calgary, Alberta – E4 Energy Inc. ("E4" or the "Company") today is pleased to announce the closing of the previously announced $10,273,850 "bought deal" private placement. The company has issued 2,662,000 E4 common shares at $1.90 per share and 2,129,000 E4 flow-through shares at $2.45 per share. The shares issued under this offering will be subject to a hold period of four months from closing. At this time, E4 Energy now has a cash balance of approximately $2.0 million.

Item 5. Full Description of Material Change:

Calgary, Alberta – E4 Energy Inc. ("E4" or the "Company") today is pleased to announce the closing of the previously announced $10,273,850 "bought deal" private placement. The company has issued 2,662,000 E4 common shares at $1.90 per share and 2,129,000 E4 flow-through shares at $2.45 per share. The shares issued under this offering will be subject to a hold period of four months from closing. At this time, E4 Energy now has a cash balance of approximately $2.0 million.

The financing was led by Canaccord Capital Corporation and included Tristone Capital Inc., Dundee Securities Corp. and Blackmont Capital Inc.

Proceeds of the offering will be used to fund the company's expanded 2005 and 2006 capital program.

E4 Energy Inc. is a junior oil and gas company engaged in the exploration for, and development and production of natural gas and crude oil reserves primarily in the provinces of British Columbia and Alberta. E4's common shares trade on the TSX Venture Exchange under the symbol "EFE".

Item 6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable

Item 7. Omitted Information:

Not applicable

Item 8. **Executive Officer:**

Paul Starnino
President and Chief Executive Officer
Telephone: (403) 266-6747

Item 9. **Date of Report:**

October 20, 2005.