

**MATERIAL CHANGE REPORT UNDER
SECTION 146(1) OF THE SECURITIES ACT (ALBERTA),
SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA) AND
SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)**

ITEM 1 Reporting Issuer:

Nu-Sky Energy Inc. ("Nu-Sky")
600, 505 – 8th Avenue S.W.
Calgary, Alberta T2P 1G2

ITEM 2 Date of Material Change:

The material change occurred on August 23, 2002.

ITEM 3 News Release:

A news release was issued on August 27, 2002 via Canadian Corporate News .

ITEM 4 Summary of Material Change:

Nu-Sky Energy Inc. closed a private placement of flow through shares.

ITEM 5 Full Description of Material Change:

On August 29, 2002, Nu-Sky a private placement of 4,950,000 common shares. On August 23, 2002, Nu-Sky raised \$3,429,650 by the sale of 4,899,500 common shares on a flow through basis ("Flow Through Common Shares") at \$0.70 per share. A second closing occurred on August 29, 2002, for gross proceeds of \$35,350 by the sale of 50,500 Flow Through Common Shares. The offering was led by Jennings Capital Inc. and included Yorkton Securities Inc. as agents with respect to the placement.

The Flow Through Common Shares issued under the private placement are subject to a four month "hold period" under applicable securities legislation.

Nu-Sky will use the proceeds of the private placement for capital exploration and development drilling expenses to incur CEE, or CDE eligible for CEE treatment under the *Income Tax Act*, equal to the subscription amount, which will be renounced to the investors.

ITEM 6 Reliance on Section 146(2) of the *Securities Act* (Alberta), (or similar provisions of the other jurisdictions where this report is being filed)

Not applicable

ITEM 7 Omitted Information:

Not applicable.

ITEM 8 Senior Officers:

Mr. Jeffrey Dyck, Secretary
Telephone: (403) 298-1052

ITEM 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta this 10th day of September, 2002.

Nu-Sky Energy Inc.

Per: (signed) "*Jeffrey E. Dyck*"
Secretary