

## **MATERIAL CHANGE REPORT**

### **Reporting Issuer:**

ELI Eco Logic Inc. ("Eco Logic")  
143 Dennis Street  
Rockwood, ON N0B 2K0

### **Date of Material Change:**

May 9, 2001

### **Press Release:**

The press release reporting the material change described in this report was issued on May 9, 2001.

The press release was distributed through CCN, a newswire service of ITG and filed with the Toronto Stock Exchange and the Alberta, Ontario and Nova Scotia securities commissions via SEDAR.

### **Summary of Material Change:**

On May 9, 2001, Eco Logic announced receipt of a new contract extension in the amount of Cdn\$6.2 million (US\$4.1 million) from the US Army's Assembled Chemical Weapons Assessment (ACWA) program. This contract award follows a Cdn\$2.6 million contract extension awarded last month under the Engineering Design Studies (EDS) stage of the Assembled Chemical Weapons Assessment (ACWA) program.

Under the contract extension, Eco Logic, over the remainder of 2001, will work closely with its sub-contractors – Foster Wheeler Development Corp., Kvaerner Process, and El Dorado Engineering – to produce an Engineering Design Package (EDP) for Program Manager ACWA based on the "Total Solution" for chemical weapon destruction that has been developed by this team.

### **Full Description of Material Change:**

See Press Release attached as Schedule "A".

### **Reliance on Section 75(3) of the Act:**

Not applicable.

### **Omitted Information:**

Not applicable.

**Senior Officer:**

For further information, please contact :

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Eli Eco Logic Inc.  
Telephone: (519) 856-9591 ext. 205

**Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 15th day of May, 2001.

**ELI ECO LOGIC INC.**

By: “Brian Howlett”  
(signed) Brian Howlett  
Chief Financial Officer

**For Immediate Release****News Release**

## **Eco Logic awarded new \$6.2 million contract extension under US Assembled Chemical Weapons Assessment Program**

**Rockwood, Ontario – May 9, 2001** - ELI Eco Logic Inc. ("Eco Logic" or the "Company") (TSE-ELI) announced today receipt of a new contract extension in the amount of CDN\$6.2 million (US\$4.1million) from the US Army's Assembled Chemical Weapons Assessment (ACWA) program. This contract award follows a CDN\$2.6 million contract extension awarded last month under the Engineering Design Studies (EDS) stage of the ACWA program.

Under the contract extension announced today, over the remainder of 2001, Eco Logic will work closely with its sub-contractors – Foster Wheeler Development Corp., Kvaerner Process, and El Dorado Engineering – to produce an Engineering Design Package (EDP) for Program Manager ACWA based on the "Total Solution" for chemical weapon destruction that has been developed by this team.

EDP involves the development a full-scale preliminary design for the Blue Grass Chemical Activity, Kentucky where the Army stores 523 tons of chemical weapons. Eco Logic and its team will produce a set of process design drawings, preliminary hazards analysis using military-standard procedures, and a +/- 20% life cycle cost estimate for this storage site. This work will be complete by the end of 2001, and will become the basis of consideration and evaluation by the Army and US Department of Defense (DOD) for technology certification, acquisition and permitting. The Total Solution developed by this team is one of three alternatives to incineration that will be considered for pilot scale implementation at Blue Grass by the Department of Defense in 2002.

"The EDP stage puts the Total Solution developed by Eco Logic and its partners within DOD's Defense Acquisition Review process- the next step for our efforts that began more than four years ago," said Dr. Fred T. Arnold, Eco Logic's CEO. "Throughout this period, the requirements for a non-incineration solution to the Army's requirements have been precise and challenging. I am pleased the technologies that we and our team members supported have proven responsive at each stage of the program and I am confident that our current efforts will continue to demonstrate the effectiveness and competitiveness of our solution."

The US Army's ACWA Program was congressionally mandated in 1997 to identify and demonstrate alternatives to the baseline incineration process for the demilitarization of assembled chemical munitions. Under this program, ACWA evaluated thirteen solutions, selected six for demonstration testing and with definitive results in hand, identified three Blue Grass EDP stage contracts.

Eco Logic is an engineering technology company that licenses and supports commercial applications of its patented GPCR process for the destruction of toxic materials in a safe, permanent, cost effective manner. Using this technology, Eco Logic's customers convert on-site, organic hazardous waste and contaminated material into reusable or disposable products. The world-wide market for Eco Logic's technology includes systems for the elimination of Persistent Organic Pollutant (POP) chemicals from industrial waste streams, as well as systems for the destruction of hazardous waste stockpiles including PCBs, hexachlorobenzene (HCB), pesticides, dioxin, contaminated electrical equipment, contaminated soils, chemical warfare agents, and most petrochemical wastes.

*The information in this news release includes certain forward-looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Although the company believes that the expectations reflected in forward looking statements are reasonable, it can give no assurance that the expectations of any forward-looking statements will prove correct.*

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