

**BC FORM 53-901F
(Previously Form 27)**

SECURITIES ACT

**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE SECURITIES ACT
(BRITISH COLUMBIA)**

1. Reporting Issuer

Catalina Energy Corp. (the "Issuer")
#611 – 675 West Hastings Street
Vancouver, BC
V6B 1N2

2. Date of Material Change

June 24, 2003

3. Press Release

Date of Issuance: June 24, 2003

Place of Issuance: Vancouver, British Columbia

4. Summary of Material Change

The Issuer has reached an agreement for a private placement of convertible debentures for up to \$100,000.

The Issuer has granted stock options to purchase a total of 200,000 common shares, at an exercise price of \$0.10 per share, to one director and one officer of the Issuer. The options expire on the 5th anniversary of the date of the grant.

5. Full Description of Material Change

The Issuer has reached an agreement for a private placement of convertible debentures for up to \$100,000. The debentures will pay an interest rate of 8% per annum and the principal amount will be convertible into units of the Issuer at price of \$0.10 per Unit. Each Unit will consist of one common share of the Issuer and one non-transferable share purchase warrant for the purchase of one additional common share of the Issuer at a price of \$0.20 per share for a period of two years from the date of issue of the share purchase warrant, with an outside expiry date of five years from the date of issue of the convertible debentures. The convertible debentures have a term of eighteen months and may be extended upon agreement between the Issuer and the debenture holders for a further three and one-half years. The conversion price into units will be \$0.10 for the first two years and will increase by \$0.05 per unit each year thereafter.

The Issuer has granted stock options to purchase a total of 200,000 common shares, at an exercise price of \$0.10 per share, to one director and one officer of the Issuer. The options expire on the 5th anniversary of the date of the grant.

6. Reliance on Section 85(2) of the Act

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

For further information contact:

Ian E. Gallie
President
Telephone: (250) 598-9091

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 27th day of June, 2003.

CATALINA ENERGY CORP.

Per: "Ian E. Gallie"
Ian E. Gallie
President

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