

MATERIAL CHANGE REPORT

**Section 118(1) of the *Securities Act* (Alberta)
Section 67(1) *Securities Act* (B.C.)
Section 75(2) *Securities Act* (Ontario)
Section 84(1) *Securities Act* (Saskatchewan)**

1. Reporting Issuer:

OGY Petroleum Ltd.
2270, 140 - 4th Avenue S.W.
Calgary, Alberta
T2P 3N3

2. Material Change occurred on:

December 1, 1999
January 14, 2000

3. News Release:

January 14, 2000

4. Summary of Material Change:

OGY Petroleum Ltd. ("OGY" or the "Corporation") announced that its Board of Directors has approved a Shareholder Rights Plan ("Rights Plan"). The Rights Plan has been implemented pursuant to a Shareholder Rights Plan agreement made effective December 1, 1999 and is subject to shareholder approval, which must be obtained by May 24, 2000 or the Rights Plan will terminate. OGY intends to seek the approval of its shareholders at its next annual and special meeting to be held no later than May 24, 2000.

OGY has also announced that The Toronto Stock Exchange has accepted notice filed by the Corporation of its intention to make a normal course issuer bid.

5. Full Description of Material Change:

Rights Plan

The Rights Plan restricts any party from acquiring more than 20% of the outstanding OGY common shares unless the acquisition is made pursuant to a Permitted Bid. To qualify as a Permitted Bid, a takeover bid must be: (i) made by way of a takeover bid circular to all holders of OGY's common shares; (ii) be open for acceptance for at least 45 days; (iii) be conditional upon at least 50% of OGY's common shares being tendered; (iv) grant OGY shareholders the right to withdraw

the deposited shares until they have been taken up and paid for; and (v) remain open for 10 days after acceptance by the holders of 50% of OGY's common shares to permit the remaining shareholders to tender their shares.

The requirements of the Rights Plan may be waived by OGY's Board of Directors in their discretion. The essential terms of the Rights Plan are consistent with proposals by the Investment Dealers Association and certain securities commissions. OGY's Board have concluded the Corporation's common shares are trading at a discount to their value and wish to ensure by this action that maximum shareholder value is realized. The Corporation is not aware of any offer or approach to acquire a controlling interest.

Normal Course Issuer Bid

OGY may, during the 12-month period beginning January 17, 2000 and ending January 16, 2001, purchase on The Toronto Stock Exchange up to a maximum of 1,861,575 common shares in total, representing approximately 10% of the "public float" of 18,615,757 common shares or approximately 8.6% of the 21,606,401 total outstanding common shares. The actual number of common shares which may be purchased and the timing of any such purchases will be determined by management of OGY.

Management of OGY believes that the price of its common share has declined to a level less than their value relative to the Corporation's assets and future business prospects. As a result, depending on commodity pricing, future share trading prices and other factors, the acquisition of some of its outstanding common shares via the normal course issuer bid represents a desirable use of a portion of the Corporation's discretionary capital.

Any purchases made by OGY under the bid will be made through the facilities of, and in accordance with the rules of The Toronto Stock Exchange.

6. Reliance on Section 118(2) (confidentiality provisions) of the *Securities Act*:

Not Applicable

7. Omitted Information:

Not Applicable

8. Senior Officers:

Colin Ogilvy, President
2270, 140 - 4th Avenue S.W.
Calgary, Alberta
T2P 3N3

ph. (403) 233-0066
fax (403) 261-6033

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta the 3rd day of February, 2000.

OGY PETROLEUMS LTD.

Per: _____
Colin F. Ogilvy
President