MATERIAL CHANGE REPORT

Section 118(1) of the *Securities Act* (Alberta)
Section 67(1) *Securities Act* (B.C.)

1. Reporting Issuer:

Sterne Stackhouse Inc. ("Sterne" or "SSI")

2. Material Change occurred on:

March 16, 2001

3. News Release:

March 19, 2001

4. Summary of Material Change:

Sterne and QByte Services Ltd. ("QByte"), a subsidiary of PricewaterhouseCoopers LLP Canada, finalized an agreement for QByte to acquire the Petro-LAB™ data retrieval and analysis software solution from Sterne.

5. Full Description of Material Change:

Sterne and QByte, a subsidiary of PricewaterhouseCoopers LLP Canada, has finalized an agreement for QByte to acquire the Petro-LAB™ data retrieval and analysis software solution from Sterne, a leader in enterprise Business Intelligence solutions. Petro-LAB™ is a data retrieval and analysis solution tailored for the energy industry. Built using SSI's Labrador® technology, Petro-LAB™ provides companies with do-it-yourself query, analysis and Geographical Information Systems (G.I.S.) mapping capabilities from both public and proprietary data sources. With its multi-industry Labrador® enterprise software, SSI also offers business intelligence solutions to the healthcare, insurance, utilities, and financial industries.

QByte will assume responsibility for the development, maintenance and distribution of Petro-LAB™ in Canada. Under the terms of the deal, SSI has agreed to sell QByte an exclusive, royalty-bearing license to develop, market and sell Petro-LAB™ to the Canadian oil and gas upstream and midstream market for five years. QByte will receive title to the existing Petro-LAB™ software at the end of the license. Petro-LAB™ will remain open and available to all data sources.

QByte provides 70 of Canada's top 100 oil and gas companies with financial, production accounting, land and contract, and decision support systems.

Under the agreement, SSI will receive payments based on the following:

- An immediate CDN $1.5 million royalty pre-payment.

- An annual royalty, paid monthly, of 100% of the mutually agreed to revenue stream of $6,310,000 from existing SSI clients over the next 3 years.
- An annual royalty, paid monthly, of 25% of the mutually agreed to revenue stream of $2,755,000 from existing SSI clients over years 4 and 5.
- The royalty will be adjusted against actual revenue at the end of years 2, 3, 4 and 5. SSI will get 50% of any excess of actual revenue above agreed revenue, and QByte will reduce its royalty obligation by 50% of any shortfall of actual revenue below agreed revenue.
- A 25% royalty, in perpetuity, on all revenue from new clients for Petro-LAB™ and the Petro-LAB/Web Solution™, on all new business from existing Petro-LAB™ clients, and on all business from existing SSI clients after year 5 using Labrador®.

As part of the Agreement, QByte has subscribed for $500,000 (500,000 Units) in a private placement by SSI, previously announced on January 19, 2001. Each Unit consists of one common share of SSI and one-half of one common share purchase warrant. Each whole warrant is convertible into one common share at $2.00 per share for 18 months from closing of the private placement. The warrants will contain usual anti-dilution provisions.

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

N/A

7. Omitted Information:

None

8. Senior Officers:

Darryl Stackhouse
900 McFarlane Tower
700 - 4 Avenue S.W.
Calgary, Alberta T2P 3J4
(403) 263-6325

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta as of the 19th day of March, 2001.

STERNE STACKHOUSE INC.

(signed) *"Darryl Stackhouse"*
Darryl Stackhouse
President and Chief Financial Officer