MATERIAL CHANGE REPORT

1. **Reporting Issuer:**

   Bolt Energy Ltd. ("Bolt")
   1601, 840 - 7th Avenue S.W.
   Calgary, Alberta
   T2P 3G2

2. **Date of Material Change:**

   August 23 and 30, 1999

3. **Publication of Material Change:**

   August 23 and 30, 1999, via Canada News Wire.

4. **Summary of Material Change:**

   Bolt announced results on Kaybob well and that it has filed with The Alberta Stock Exchange, a Notice of Intention to Make a Normal Course Issuer Bid.

5. **Full Description of Material Change:**

   The Kaybob 6-19-61-2W5M well, in which Bolt has a 33.333% working interest, is currently producing 5 mmcf/d of gas, 31 BOPD and is restricted due to facility capacity. Bolt's share of 1.7 mmcf/d of gas is being sold at spot prices and after processing and transportation is generating over $2/Mcf net to Bolt. This well should pay out in four months. Including the new Kaybob well, Bolt's current production is over 300 BOEPD, of which 67% is gas.

   Bolt may purchase, subject to the price at which the shares are available, the maximum allowable of ten percent of its public float of Common Shares. The public float of Bolt, calculated in accordance with the Rules of The Alberta Stock Exchange, is 7,932,500 Common Shares. Therefore, Bolt may purchase up to 793,250 Common Shares in the next twelve months. Pursuant to the Rules of The Alberta Stock Exchange the maximum number of Common Shares which may be purchased in any thirty day period is 223,800, two percent of the presently issued and outstanding 11,190,000 Common Shares.

   All purchases of Common Shares by Bolt will be effected through the facilities of The Alberta Stock Exchange. The purchases and payment for the Common Shares will be made by Bolt in accordance with the by-laws and rules of The Alberta Stock Exchange. The price that Bolt will pay for any Common Shares acquired by it will be the market price of the Common Shares at the time of acquisition. No purchases of Common Shares will be made by Bolt other than by means of open market transactions during the period this normal course issuer bid is outstanding.

   At the present time Bolt does not intend to purchase Common Shares at a price in excess of $0.75 per Common Share, however, Bolt may in the future determine to pay in excess of $0.75 per Common Share if market conditions or the underlying value of Bolt's shares change.

   The directors of Bolt believe the underlying value of the Common Shares is not reflected in current market prices. The net asset value of Bolt and the prevailing trading prices of comparable companies would indicate that Bolt's stock is undervalued. The directors have thus concluded that the purchase of Common Shares under this normal course issuer bid is an appropriate use of Bolt's funds and is in the best interests of Bolt. The normal course issuer bid will increase the proportionate share interest in Bolt of those shareholders who retain their Common Shares. All Common Shares purchased by Bolt will be restored to the status of authorized but unissued shares, thereby increasing the respective proportionate share interest of all remaining shareholders on a pro rata basis. The normal course issuer bid also affords an increased degree of liquidity to those of Bolt's shareholders who elect to dispose of their Common Shares.

Yorkton Securities Inc. has been retained by Bolt to conduct this normal course issuer bid.

6. **Reliance of Filing Provision:**

Not applicable.

7. **Omitted Information:**

Not Applicable.

8. **Senior Officer:**

Raymond Chiarastella
President
Bolt Energy Ltd.
1601, 840 - 7th Avenue S.W.
Calgary, Alberta
T2P 3G2
(403) 262-4316

9. **Statement of Senior Officer:**

The forgoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta on the 2nd day of September, 1999.

BOLT ENERGY LTD.

Signed: *"Jeffrey E. Dyck"*

Jeffrey E. Dyck, Secretary