

FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

ITEM 1. REPORTING ISSUER

PETROLEX ENERGY CORPORATION (the "Company")
Suite 308, 1140 Homer Street
Vancouver, B.C.
V6B 2X6

ITEM 2. DATE OF MATERIAL CHANGE

October 15, 2000

ITEM 3. PRESS RELEASE

Issued on October 18, 2000 and distributed through the facilities of Canada News Wire, The Toronto Stock Exchange and the Canadian Venture Exchange Inc.

ITEM 4. SUMMARY OF MATERIAL CHANGE

International Technical Solutions Inc. ("ITS") of Houston, Texas, under its agreements with the Company, is entitled to earn-in on reaching an average production and sale of more than 1,250 barrels of oil per day for a period of 14 consecutive days. This condition was satisfied on October 15, 2000.

This earn-in means that ITS will, through a transfer of shares in one of Petrolex's subsidiaries, Tethys Petroleum, receive a 9% participating interest in the Rubiales Oilfield as of October 15th and, subject to necessary governmental approvals, will have the right to purchase a further 11% participating interest in the field. ITS will purchase this additional 11% participation under a deferred payment program at a price of US\$275,000 per percent interest, payable out of its share of net production revenues only, or by other means if certain production targets are met.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

See attached News Release of October 18, 2000.

ITEM 6. RELIANCE ON SECTION 67(2) OF THE ACT

This report is not being filed on a confidential basis.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. DIRECTOR/SENIOR OFFICER

Contact: John M. Dahlen, President and CEO

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ITEM 9. STATEMENT OF SENIOR OFFICER/DIRECTOR

The foregoing accurately discloses the material change referred to herein.

"John M. Dahlen"

John M. Dahlen,
President and C.E.O.

DATED this 24th day of October, 2000.

NEWS RELEASE

PETROLEX ANNOUNCES DEVELOPMENTS AT RUBIALES OILFIELD

October 18, 2000

Trading Symbol: PXV-TV

PETROLEX ENERGY CORPORATION ("Petrolex" or the "Company") is pleased to announce that in the 20 days since September 25, 2000, the date the Company's wells at the Rubiales Oilfield in Columbia were first reactivated, a total of 27,677 barrels of oil have been produced. In the same period, a total of 20,285 barrels of oil were sold and transported by truck from the field. The remaining oil is being temporarily stored at the field for future delivery.

Oil production from the five wells now operating has stabilized at around 1,250 to 1,500 barrels per day. The oil is being sold under short-term contracts FOB the Rubiales Oilfield. Petrolex's revenues net of royalties for the oil produced to date are in excess of US\$350,000.

Another five wells are in the process of being reactivated and put on production. Management of the Company expects production levels from the field to exceed 2,500 barrels per day in the near future. A program for the upgrading of production equipment and storage batteries will be started immediately to accommodate the anticipated increased future production and lifting. The work program for the next three months also includes reservoir testing and re-evaluation, as well as the testing of alternative completion methods and the drilling of horizontal wells, all of which are intended to improve production rates and oil recovery.

International Technical Solutions Inc. of Houston, Texas ("ITS") has been responsible for reactivating production at the field at its sole risk, cost and expense. Under its agreement with the Company, ITS is entitled to an earn-in on reaching an average production and sale of more than 1,250 barrels of oil per day for a period of 14 consecutive days. This condition was satisfied on October 15, 2000.

This earn-in means that ITS will, through a transfer of shares in one of Petrolex's subsidiaries, Tethys Petroleum, receive a 9% participating interest in the Rubiales Oilfield as of October 15th and, subject to necessary governmental approvals, will have the right to purchase a further 11% participating interest in the field. ITS will purchase this additional 11% participation under a deferred payment program at a price of US\$275,000 per percent interest, payable out of its share of net production revenues only, or by other means if certain production targets are met.

Petrolex has had no financial obligations with respect to the reactivation stage of the program and, upon completion of ITS's earn-in, will still hold an 80% interest in the field.

A full-scale development program is now under consideration pending approval of a full field development license (the Global Environmental Permit). Management of the Company expects that this permit will be issued within the next three to five months.

The development stage of the program will involve the operation, management and further development of the field, which the Company and ITS expect will be financed out of production revenues. However, to cover any working capital shortfalls and to secure continuous operations, ITS is to provide a line of credit of US\$1,000,000 and Petrolex is to provide a line of credit of US\$2,000,000. Any further cash shortfall will be financed by ITS. Drawdown on the line of credit provided by Petrolex can only be made if there is insufficient funding available either from production revenues from the field or from the line of credit provided by ITS. If funds are drawn from the Petrolex line of credit, ITS's interest in the field must be pledged to Petrolex to secure repayment of such funds (which are repayable out of net production revenues of the field).

To finance its obligations under the development program, Petrolex is considering a rights offering in respect of which the Company's majority shareholder, Northern Oil A.S.A. (formerly called Northern Offshore A.S.A.), has provided a standby commitment of up to US\$2,000,000.

Petrolex is very pleased with the management quality of ITS and its work in reactivating the Rubiales Oilfield. In particular, Petrolex has been impressed by ITS's experience in and ability to resolve local Colombian issues in a remote and difficult area of operations. Upon completion of the earn-in, the parties have agreed to transfer operatorship of the Rubiales Oilfield from Petrolex to ITS as soon as the necessary regulatory approvals have been obtained. The parties are in the process of filing the necessary applications with the relevant Colombian authorities and with ECOPETROL, the Colombian national oil company.

By Order of the Board

PETROLEX ENERGY CORPORATION

"John M. Dahlen"

John M. Dahlen

President and Chief Executive Officer

For further information please contact:

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The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy of accuracy of this release.