

**BC FORM 53-901F
SECURITIES ACT**

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

Item 1. Reporting Issuer

IntraCoastal System Engineering Corporation (the "Issuer")
Suite 540 — 220 Cambie Street
Vancouver, BC V6B 2M9

Item 2. Date of Material Change

April 9, 2002

Item 3. Press Release

News Release dated April 9, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported that Mr. James M. Dodds has been appointed as a director of the Issuer and as its President and Chief Operating Officer. Mr. Ted Ohashi is no longer an officer but remains a director of the Issuer. Mr. Christopher Harrop has resigned his position as director. Mr. Vid Wadhwani, former Chief Operating Officer, will continue to act as Chairman and will assume the position of interim Chief Executive Officer.

Item 5. Full Description of Material Change

The Issuer reported that Mr. James M. Dodds has been appointed as a director of the Issuer and as its President and Chief Operating Officer.

Mr. Dodds has over 30 years of business experience in senior management positions with several industrial and technology companies. He has extensive experience in international business development, strategic marketing, product development, expertise in high performance team building and personnel and operations management.

Prior to joining the Issuer, Mr. Dodds served as the founding President and Chief Executive Officer of Vector12 Corporation, a company that provides leading edge embedded test measurement solutions for GHz range semiconductors. During his tenure with Vector12 Corporation he recruited key staff, established facilities for their operation, commenced patent filings, arranged seed financing and secured an industry leading company as Vector12 Corporation's first revenue customer and strategic partner.

From 1995 to 2000 Mr. Dodds served as President and Chief Executive Officer of Circon Systems Corporation, a company that develops open system hardware and software applications, and tools for Integrated Facility Automation systems. During his post, he executed a fast growth strategy that drove revenues over \$1 million in the first year of operations and continued with a growth rate of 60% annually for the next 5 years. In

1998 he successfully negotiated a strategic market alliance with General Electric and an equity placement for \$7.5million.

Mr. Dodds has also held senior positions with B.C. Research Inc, Innovac Technologies Inc, Sutherland Steel Foundry Ltd. and Mobile Data International. He also currently serves as a board member of other private technology companies.

Mr. Ted Ohashi is no longer an officer but remains a director of the Issuer. Mr. Christopher Harrop has resigned his position as director. Mr. Vid Wadhwani, former Chief Operating Officer, will continue to act as Chairman and will assume the position of interim Chief Executive Officer.

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

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for that reliance.

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Senior Officers

Vid Wadhwani, Chairman and interim Chief Executive Officer
Telephone: (604) 717 - 6373

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, the 9th day of April, 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: "Vid Wadhwani"

Vid Wadhwani,
Chairman and interim Chief Executive Officer