

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 16, 2002

Item 3. Press Release

News Release dated April 16, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported that it intends to raise \$700,000 by way of a non-brokered private placement issuance of 3,000,000 special warrants priced at \$0.13 and \$310,000 in convertible debentures.

Item 5. Full Description of Material Change

The Issuer reported that it intends to raise \$700,000 by way of a non-brokered private placement issuance of 3,000,000 special warrants priced at \$0.13 and \$310,000 in convertible debentures.

Each special warrant is convertible into units consisting of one common share of the Issuer plus one non-transferable share purchase warrant. Each warrant will entitle the holder to acquire, for a period of two years from the closing date, one additional common share at \$0.20 if exercised during the first year and at \$0.30 if exercised during the second year.

The debentures will bear interest at the rate of 10% per annum and will mature in one year. The debentures will also be convertible during the term, at the option of the holder, into units at a conversion price of \$0.20. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.30 during the term.

A commission will be paid with respect to this private placement in cash and/or common shares at the discretion of the Issuer. The net proceeds will be used to purchase inventory, finance ongoing installations, and for general working capital. The private placement will close following receipt of Canadian Venture Exchange Inc. approval.

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
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 16th day of April, 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: “Vid Wadhwani”

Vid Wadhwani
Chairman