

**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 23, 2002

Item 3. Press Release

News Release dated April 23, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported that pursuant to the contract signed with ATA Technics Inc. of Calgary on December 4th, 2001, it has received an irrevocable letter of credit for a 10,000 unit deployment of its automatic meter reading ("AMR") system in the province of Kerman, Iran.

Item 5. Full Description of Material Change

The Issuer reported that pursuant to the contract signed with ATA Technics Inc. of Calgary on December 4th, 2001, it has received an irrevocable letter of credit for a 10,000 unit deployment of its AMR system in the province of Kerman, Iran.

The initial purchase order for 10,000 remote units and 50 concentrators is valued at approximately \$400,000 and is only part of a 100,000 unit tender won late last year. Manufacturing will commence immediately with remote units produced in China and concentrators assembled in Vancouver. Delivery is expected within eight weeks and deployment will start immediately thereafter.

The Issuer may be awarded an additional 90,000 unit deployment valued in excess of \$2.8 million upon the successful completion of this initial installation.

Kerman EDC is one of 17 major provincial electricity companies serving over 13 million consumers in Iran.

The Issuer is engaged in the design and manufacture of its patented power line communication system, including its AMR system, which provides reliable data transmission over the power lines with low power consumption and high anti-interference capability. The Issuer's AMR system boosts utility revenues by helping eliminate power theft and fraud.

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

James Dodds, President and Chief Operating 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 23rd day of April, 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: “James Dodds”

James Dodds,
President and Chief Operating Officer