

**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

June 4, 2002

Item 3. Press Release

News Release dated June 4, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported the grant of stock options.

Item 5. Full Description of Material Change

The Issuer reported that, subject to TSX Venture Exchange approval, it has granted options to its President and Chief Operating Officer entitling him to purchase up to 1,000,000 common shares at \$0.16 each until May 29, 2005.

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

Edison Ho, Chief Financial 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 4th day of June, 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: “*Edison Ho*”

Edison Ho,
Chief Financial Officer