

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

July 22, 2002

Item 3. Press Release

News Release dated July 22, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported that it has retained Boston Corporate Finance, Inc. to explore strategic opportunities for the Issuer including raising additional capital and identifying potential partners for the Issuer.

Item 5. Full Description of Material Change

The Issuer reported that, subject to receipt of the requisite approval of the TSX Venture Exchange, it has retained Boston Corporate Finance, Inc. ("BCF") to explore strategic opportunities for the Issuer including raising additional capital and identifying potential partners for the Issuer. BCF's senior personnel have investment banking experience providing assistance to both domestic and international businesses with respect to joint ventures, mergers and acquisitions, public offerings, private placements and business valuations.

The Issuer owns a patented proprietary power line communication system based on spread spectrum as well as narrowband BPSK technologies. These technologies have been under development since 1992. Applications for these technologies include telemetry for automatic meter reading, home networking and command and control applications.

BCF is a private investment bank headquartered in Westwood, MA and is focused on providing traditional investment banking advisory services to high growth companies primarily in the technology sector.

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 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 22nd day of July 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: “Vid Wadhwani”

Vid Wadhwani,
Chairman and Chief Executive Officer