

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

August 9, 2002

Item 3. Press Release

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

Item 4. Summary of Material Change

The Issuer reported that Vid Wadhwani has assumed the position of President of the Issuer effective August 9, 2002 and that James Dodds has resigned from his positions as President, COO and a director of the Issuer.

Item 5. Full Description of Material Change

The Issuer reported that Vid Wadhwani has assumed the position of President of the Issuer effective August 9, 2002 and that James Dodds has resigned from his positions as President, COO and a director of the Issuer. Mr. Dodds will continue to work with the Issuer on a contract basis.

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 9th day of August, 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: *“Edison Ho”*

Edison Ho,
Chief Financial Officer