

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 21, 2002

Item 3. Press Release

News Release dated August 21, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported that the preliminary integration of its power line communication ("PLC") technology into Optimal Technologies International Inc.'s power management system has been successfully completed. The Issuer further reported that Allan Williams and Douglas Valentine had resigned as directors.

Item 5. Full Description of Material Change

The Issuer reported that the preliminary integration of its PLC technology into Optimal Technologies International Inc.'s ("Optimal") power management system has been successfully completed.

Optimal's SUREFAST™ system, which will now incorporate the Issuer's PLC technology, is designed to provide electrical utilities with real-time demand-side information. This information is viewed to be critical to utilities faced with power shortage issues, such as those evident in California. As deregulation occurs throughout North America, utilities and customers alike require better methods to understand power consumption habits to effectively manage system and end-user needs. With the completion of this integration process Optimal will be conducting field trials with a utility in California to evaluate the SUREFAST™ system.

Optimal is a privately held company offering unique software and hardware solutions to improve the analysis, management, design, and operation of electric power networks. New proprietary network analysis and optimization algorithms power Optimal's technologies allowing previously not possible identification of end-to-end supply and demand-side efficiencies while meeting next-generation network class and quality of service needs.

The Issuer further reported that Allan Williams and Douglas Valentine had resigned as directors.

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 21st day of August 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: "Edison Ho"

Edison Ho,
Chief Financial Officer