

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 28, 2002

Item 3. Press Release

News Release dated August 28, 2002 was disseminated through Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Issuer reported that two utilities in the West Africa region will be deploying preliminary installations of the Issuer's automatic meter reading solution.

Item 5. Full Description of Material Change

The Issuer reported that two utilities in the West Africa region will be deploying preliminary installations of the Issuer's automatic meter reading solution. An order valued at \$35,000 has been received by the Issuer from CIE, the utility of the Ivory Coast and from Seneiec, the utility of the Senegal. The Issuer will use these installations as reference sites to leverage business with the other utilities throughout the West African region.

Currently, of the 13 million people in the Ivory Coast, only one million enjoy the benefits of electricity. In efforts by local utilities to improve living standards, it is estimated that electrification growth will increase at a rate of 20% per year. There are approximately 13 countries in the West African region with a total population exceeding 240 million, of which the Ivory Coast and Senegal together represent approximately 10%, or 24 million people.

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 28th day of August, 2002.

INTRACOASTAL SYSTEM ENGINEERING CORPORATION

Per: “*Edison Ho*”

Edison Ho,
Chief Financial Officer