

MATERIAL CHANGE REPORT

BC FORM 53-901F

**SECTION 85(1) OF THE *SECURITIES ACT* (BRITISH COLUMBIA)
AND SECTION 151 OF THE SECURITIES RULES**

FORM 27

SECTION 146(1) OF THE *SECURITIES ACT* (ALBERTA) AND SECTION 143 OF THE RULES

1. Reporting Issuer

DELTA EXPLORATION INC.
(formerly Delta International Industries Corp.)
#203, 141 Victoria Street
Kamloops, B.C. V2C 1Z5
(the "Company")

2. Date of Material Change

May 7, 2003

3. Press Release

Date of Issuance: May 7, 2003

Place of Issuance: Kamloops, BC

4. Summary of Material Change

The Company has completed a non-brokered private placement of 1,350,000 units (the "Units") at a price of \$0.10 per Unit for aggregate gross proceeds of \$135,000.

5. Full Description of Material Change

The Company has completed a non-brokered private placement of 1,350,000 units (the "Units") at a price of \$0.10 per Unit for aggregate gross proceeds of \$135,000. Each Unit consists of one common share of the Company and one non-transferable share purchase warrant, each warrant entitling the purchaser to purchase one additional common share of the Company at a price of \$0.15 until May 7, 2004.

The Company anticipates that the proceeds from the private placement will be used to pay off the Company's existing debts and to fund its reactivation in accordance with the policies of the TSX Venture Exchange.

Shares acquired by the placees, and shares which may be acquired upon the exercise of the share purchase warrants, will be subject to a hold period until May 8, 2004 in accordance with applicable securities legislation.

6. Reliance on Section 85(2) of the *Securities Act* (British Columbia) and Section 146(2) of the *Securities Act* (Alberta)

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

For further information contact:

James T. Gillis, President

Telephone: (250) 372-8222

Facsimile: (250) 828-2269

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Kamloops, British Columbia, this 7th day of May, 2003.

DELTA EXPLORATION INC.
(formerly Delta International Industries Corp.)

Per: James T. Gillis
(Authorized Signatory)

James T. Gillis, President
(Print Name and Title)