This is a form of a material change report required under Section 85(1) of the Securities Act.

FORM 27
Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under Section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

Quaterra Resources Inc. (the "Issuer") of 1650 - 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6 (Telephone: (604) 681 - 9059

Item 2. Date of Material Change

April 21, 1998

Item 3. Press Release

A press release was issued in Vancouver, British Columbia on April 23, 1998 and was disseminated through the Vancouver Stock Exchange and the Vancouver Stockwatch.

Item 4. Summary of Material Change

Private Placement

The Issuer has completed a private placement of 200,000 units at $0.52 per unit, receiving gross proceeds of $104,000. A cash finder's fee of $7,280 was paid to Woodstone Capital Inc. in connection with the private placement.

Item 5. Full Description of Material Change

Private Placement

The Issuer has completed a private placement of 200,000 units at $0.52 per unit. Each unit consists of one common share and one-half non-transferable share purchase warrant. Each whole non-transferable share purchase warrant entitles the holder to purchase one additional common share of the Issuer, exercisable for a period of one year from closing at a price of $0.60 per share. The subscriber to the private placement is as follows:

Placee	Number of Shares	Number of Warrants
Richard Hughes 1000 - 675 West Hastings Street Vancouver, B.C. V6B 1N2	200,000 common shares at $0.52 per share	200,000 one-half warrants; each whole warrant entitles the purchase of one share at $0.60 per share

The gross proceeds of $104,000 are intended to be used for unallocated working capital.

The Issuer also paid a cash finder's fee of $7,280 to Woodstone Capital Inc. in connection with the private placement.

Item 6. Reliance on Section 85(2) of the Act

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

The Senior Officer of the Issuer who is knowledgeable about the material change and the report is Robert Gayton, CFO, (604) 681 - 9059.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Date: April 23, 1998

QUATERRA RESOURCES INC.

By: "Robert Gayton"

Chief Financial Officer
(Official Capacity)

Robert Gayton
(Please print here name of individual whose signature appears above.)