

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

Habanero Resources Inc.
Suite 300, 750 West Pender Street
Vancouver, BC V6C 2T7
Telephone: (604) 689-2999

Item 2. Date of Material Change

A) January 7, 2000 and **B)** January 25, 2000.

Item 3. Press Release

Press releases were disseminated on **A)** January 7, 2000 and **B)** January 26, 2000.

Item 4. Summary of Material Change

A) 2,000,000 Special Warrant Private Placement

The Issuer realized gross proceeds of \$300,000 on the completion of a 2,000,000 Special Warrant private placement at a price of \$0.15 per Special Warrant.

B) Completion of First Phase Drilling of Pioneer Canal #12-10 Well

The Issuer has advanced its share of the completion costs of \$40,320(US) for the San Joaquin Basin, Kern County, California Pioneer Canal Prospect #12-10 Well drilled to approximately 9,700 feet to test the Stevens Sands zone.

Item 5. Full Description of Material Change

A) 2,000,000 Special Warrant Private Placement

The Issuer has completed a non-brokered private placement of 2,000,000 Special Warrants at a price of \$0.15 per Special Warrant for gross proceeds of \$300,000. Each Special Warrant is exercisable, without further payment, into one common share in the capital of the Issuer (a "Share") and one non-transferable common share purchase warrant (a "Warrant") entitling the holder to purchase one additional common share of the Issuer for two years from the date of issue of the Warrants at a price of \$0.15 per share during the first year and \$0.1725 per share during the second year.

The Special Warrants are exercisable at any time before the earlier of: (i) January 7, 2001; (ii) the third business day after the Issuer gives notice to the purchasers of the Special Warrants that it is in a position to, and that it will, issue the certification contemplated by the British Columbia Securities Commission's Blanket Order and Ruling #98/7 at the time of the distribution of the Shares and Warrants issuable upon the exercise of the Special Warrants; and (iii) the third business day after the day a receipt is issued by the British Columbia Securities Commission for a (final) prospectus or (final) exchange offering prospectus offering qualifying the distribution of the Shares and Warrants.

1,399,000 of the Special Warrants were purchased by directors or officers of the Issuer.

B) Completion of First Phase Drilling of Pioneer Canal #12-10 Well

The Issuer has advanced its share of the completion costs of \$40,320(US) for the San Joaquin Basin, Kern County, California Pioneer Canal Prospect #12-10 Well drilled to approximately 9,700 feet to test the Stevens Sands zone. The Issuer has further determined not to drill the #12-10 Well deeper to test the Pulv, Olcesse and Vedder targets, however other alternatives are being explored to test the Pulv, Olcesse and Vedder targets, including entering an existing stripper well or drilling a new well.

The Issuer has a 10% working interest in the #12-10 Well both before and after casing point and before and after payout. The #12-10 Well is subject to landowner and overriding royalties totalling 22.5%.

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 changes and the report is Graeme Sewell, Telephone: (604) 689-2999.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

DATED as of this _____ day of February, 2000.

HABANERO RESOURCES INC.

By: "Graeme Sewell" _____

President _____

Official Capacity

Graeme Sewell _____

Please print here name of individual whose signature appears above.