FORM 27

Securities Act (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

1. **Reporting Issuer:**

   Exall Resources Limited
   8 King Street East
   Suite 1700
   Toronto, Ontario M5C 1B5

2. **Date of Material Change:**

   December 19, 2003

3. **Publication of Material Change**:

   Press Release issued December 19, 2003

4. **Summary of Material Change**:

   Exall Resources Limited reported that on December 18, 2003 the Sugden well drilling program northwest of Edmonton, Alberta, reached its total depth of 610 meters using a slant hole rig. Composite logs showed the drilling was successful and that 2 productive gas horizons were intersected with excellent porosity ranging from 28% to 39%.

5. **Full Description of Material Change:**

   Please see press release dated December 19, 2003 attached hereto as Schedule "A".

Senior Officer:

Stephen G. Roman
President
Telephone: (416) 368-3949

I, Stephen G. Roman, President, certify that the foregoing accurately discloses the material change referred to herein.

Signed at Toronto, Ontario this 23rd day of December, 2003.

"Stephen G. Roman"

Stephen G. Roman, President
Exall Resources Limited

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

SCHEDULE "A"

Press Release

EXALL DRILLS SUCCESSFUL WELL AT SUGDEN, ALBERTA

Toronto, Ontario, December 19, 2003 - Exall Resources Limited ("Exall"– EXL:TSX) is pleased to report that on December 18, 2003 the Sugden well drilling program northwest of Edmonton, Alberta, reached its total depth of 610 meters using a slant hole rig. Composite logs showed the drilling was successful and that 2 productive gas horizons were intersected with excellent porosity ranging from 28% to 39%. Casing is now set and a service rig is expected in the next two weeks to complete and test the well.

The Sugden well offsets other currently producing wells in the area with excellent infrastructure and three tie-in potentials available to process the Sugden production. Exall has paid 100% of the costs of this project to earn a 75% working interest subject to overriding crown and landowner royalties.

Exall Resources Limited is a Toronto Stock Exchange listed company that trades under the symbol EXL (S.E.C. registration #82-3535). Exall is active in its business of mining exploration and development in Ontario, as well as oil and gas production in Alberta.

There are 48.8 million common shares of Exall issued and outstanding. For further information on the Company and its activities, please visit our website at www.exall.com.

FOR FURTHER INFORMATION CONTACT:
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