

**BC FORM 53-901F**

**MATERIAL CHANGE REPORT UNDER SECTION 85(1)  
OF THE BRITISH COLUMBIA SECURITIES ACT**

**MATERIAL CHANGE REPORT UNDER SECTION 118(1)  
OF THE ALBERTA SECURITIES ACT**

**Item 1. Reporting Issuer**

Fossil Bay Resources Ltd.  
2777 Stemmons Freeway, Suite 1850  
Dallas, Texas 75207

**Item 2. Date of Material Change**

July 19, 2002

**Item 3. Press Release**

July 26, 2002

**Item 4. Summary of Material Change**

Completion of sale of assets.

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

Fossil Bay Resources Ltd. ("Fossil Bay") has completed the sale of the Cessford property to the City of Medicine Hat, Alberta, which was previously announced on May 24, 2002. The Cessford property represented substantially all of the producing assets and undertaking of Fossil Bay and accordingly was subject to the approval of the shareholders of Fossil Bay. This approval was obtained at a special shareholder meeting held July 8, 2002.

A portion of the proceeds from the sale was used to pay amounts owed to Fossil Bay's bank and other creditors. The sale of the assets resulted in an improved financial position for the company, with a minimal number of liabilities. Management is currently reviewing the company's business and is evaluating new oil and natural gas acquisition opportunities.

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

This report is not being filed on a confidential basis.

**Item 7. Omitted Information**

Not applicable.

**Item 8.        Senior Officers**

To obtain further information contact Joe Poe, President at (214) 630-5556 or by email at jpoe@fossilbayresources.com

**Item 9.        Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

**DATED** at Dallas, Texas this 29th day of July, 2002.

*"Jeff Smyth"*

\_\_\_\_\_  
Authorized Signatory