FORM 27

Securities Act (British Columbia)

MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

ITEM 1 - Reporting Issuer:

PROMAX ENERGY INC.
Suite 1600, 530 - 8th Avenue S.W.
Calgary, Alberta
T2P 3S8

ITEM 2 - Date of Material Change

December 31, 2001

ITEM 3 - News Release

January 2, 2002: The press release was issued through Canada Newswire.

ITEM 4 - Summary of Material Change

Second Closing of Private Placement

ITEM 5 - Full Description of Material Change:

Promax Energy Inc. is pleased to announce it has completed the second closing of its December, 2001 private placement on December 31, 2001. The second closing included 66,666 flow-through common shares ("Flow-Through Common Shares") at the price of $0.75 per share for combined gross proceeds of $629,145. The shares will be subject to a four month hold period expiring on May 1, 2002.

ITEM 6 - Reliance on Section 67(2) of the Act:

Not applicable.

ITEM 7 - Omitted Information:

Not applicable.

ITEM 8 - Senior Officers:

Alexander T. Lemmens, President and CEO

Randy Clark, Vice President, CFO, and
Secretary-Treasurer

Telephone: (403) 261-8880
Telefax: (403) 261-8818

ITEM 9 - Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta this 2nd day of January 2001.

PROMAX ENERGY INC.

Per: ***"Alexander T. Lemmens"***

Alexander T. Lemmens
President and CEO

PROMAX ENERGY INC. TSE: PMY
Calgary, Alberta, Canada January 2, 2002

FOR IMMEDIATE RELEASE

SECOND CLOSING OF PRIVATE PLACEMENT

January 2, 2002, Calgary, Alberta, Canada – Promax Energy Inc. (TSE:PMY) is pleased to announce it has completed the second closing of its December, 2001 private placement on December 31, 2001. The second closing included 66,666 flow-through common shares ("Flow-Through Common Shares") at the price of $0.75 per share for combined gross proceeds of $629,145. The shares will be subject to a four month hold period expiring on May 1, 2002.

Promax Energy is a rapidly growing junior oil and gas exploration and production company focusing on natural gas in south eastern Alberta. It is well positioned to play a key role in the development of 500,000 acres of shallow gas in the Cessford area of Alberta including platform production from the Medicine Hat/Milk River zones and potential higher productivity from up to 15 other horizons.

For additional information please contact Mr. Alexander T. Lemmens, Chairman, President, & CEO or Mr. Randy Clark, Executive Vice President & CFO at (403) 261-8880, Fax (403) 261-8818 or on our website at www.promaxenergy.com

FORM 45-102F2

Certificate under Subsection 2.7(2) or (3) of Multilateral Instrument 45-102 Resale of Securities

Complete 1. or 2.

1. Promax Energy Inc. has distributed securities under a provision listed in Appendix D or E to Multilateral Instrument 45-102 or a provision of securities legislation that specified that the first trade of the securities is subject to section 2.5 or 2.6 of Multilateral Instrument 45-102 and hereby certifies that in respect of a distribution on December 31, 2001 of 66,666 Common Shares of ProMax Energy Inc., ProMax Energy Inc. was a qualifying issuer within the meaning of Multilateral Instrument 45-102 Resale of Securities at the distribution date.

2. [Name of issuer] has distributed securities under a provision listed in Appendix F to Multilateral Instrument 45-102 or a provision of securities legislation that specifies that the first trade of securities distributed to an employee, executive, consultant or administrator is subject to section 2.6 of Multilateral Instrument 45-102 and hereby certifies that in respect of a distribution [date] of [amount or number and type pf securities] of [Name of Issuer], [Name of Issuer] became after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B to Multilateral Instrument 45-102 and listing or quoting a class of its equity securities on a qualified market, and now is, a qualifying issuer within the meaning of Multilateral Instrument 45-102.

DATED at Calgary, Alberta this **2nd.** day of January, 2002

PROMAX ENERGY INC.

By: ***"Alexander T. Lemmens"***
Alexander T. Lemmens – President & CEO

INSTRUCTIONS:

1. If the distribution date is on or after the effective date of the Multilateral Instrument 45-102 and the issuer or selling security holder has completed 1. above, file this form on or before the tenth day after the distribution date with the securities regulatory authority in each jurisdiction in which a purchaser of the securities is located and section 2.7 of Multilateral Instrument 45-102 has been implemented. Section 2.7 has been implemented in Alberta, British Columbia, Newfoundland, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan.

2. If the issuer has completed 2. above, file this form with the securities legislation in each jurisdiction in which a purchaser of the securities is located and section 2.7 of Multilateral Instrument 45-102 has been implemented.