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, 800 - 6th Avenue S.W.
Calgary, Alberta
T2P 3G3

ITEM 2 - Date of Material Change

October 28, 2003

ITEM 3 - News Release

October 28, 2003: The press release was issued through Canada Newswire.

ITEM 4 - Summary of Material Change

Corporate Update

ITEM 5 - Full Description of Material Change:

Promax Energy Inc. provided the following update in respect of the process that it had undertaken to maximize value for its various stakeholders.

Promax has received various offers for a corporate transaction involving Promax or a purchase of certain of its assets through the value maximization process undertaken by BMO Nesbitt Burns. As a result of the process, the Corporation has entered into a Letter of Intent with a prospective purchaser for the sale of the core property forming the bulk of its assets in connection with the restructuring process undertaken by Promax. The transaction contemplated by the Letter of Intent will be effective October 1, 2003 and is subject to the satisfaction of various conditions precedent including completion of a formal purchase and sale agreement, the approval of the Court, the satisfactory completion of a due diligence review by the prospective purchaser, the receipt of all regulatory, governmental and other consents and approvals required to permit the transaction and continued operation of the business of the Corporation. Subject to Court approval, the Corporation has agreed to pay the prospective purchaser a fee of $500,000 (the “Break Fee”) if the transaction is not completed under certain conditions. The Corporation has also agreed to terminate any discussions with other parties in respect to any transaction involving the sale of the assets that are the subject of the Letter of Intent. The parties estimate that all due diligence will be completed and a formal purchase and sale agreement will be executed by November 12, 2003, with a closing tentatively scheduled to occur on November 28, 2003.

The purchase price under the Letter of Intent does not exceed the amount owed to Promax’s principal lender. At this stage, however, Promax believes it may nonetheless be able to present a plan of arrangement to its creditors for their approval under the *Companies' Creditors Arrangement Act* in connection with a restructuring of the Corporation allowing it to obtain maximum value for its assets and corporate structure. BMO Nesbitt Burns, on behalf of Promax, is actively seeking a party interested in obtaining an interest in Promax through such a restructuring. There is uncertainty as to the level of participation of the secured and unsecured creditors under any such plan. It is expected, however, that the common shareholders of Promax are unlikely to have a continuing material interest in Promax after the completion of the plan.

On September 2, 2003, the Court of Queen's Bench of Alberta extended Promax's protection under the *Companies' Creditors Arrangement Act* to October 30, 2003. An application will be made by Promax for a further extension of this protection as well as for an order permitting Promax to grant the Break Fee and granting a first charge on its assets as security for the payment of the Break Fee to the prospective purchaser. An application for Court approval of the transaction will likely take place immediately following the completion of the purchaser's due diligence and the execution of a formal purchase and sale agreement.

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, Executive 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 30th day of October, 2003.

PROMAX ENERGY INC.

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

Alexander T. Lemmens
President and CEO