

MATERIAL CHANGE REPORT

1. Reporting Issuer:

Great Northern Exploration Ltd.

2. Date of Material Change:

January 14, 2004

3. News Release

A press release disclosing the details outlined in this Material Change Report was issued by Great Northern Exploration Ltd. ("Great Northern") from Calgary, Alberta on January 14, 2004 and disseminated through the facilities of CCN Matthews.

4. Summary of Material Change:

Great Northern announced a property acquisition and a \$19.1 million equity financing.

5. Full Description of Material Change:

Property Acquisition

Great Northern announced that it has entered into an agreement whereby it will acquire producing properties, for approximately \$23 million, complimentary to Great Northern's existing Innisfail area. The acquisition includes working interests in existing GNL operated producing properties, gas processing facilities, infrastructure and undeveloped land, effectively increasing the Company's working interest in these assets from 65 per cent to approximately 97 per cent. The effective date of the transaction is January 1, 2004. Closing occurred on January 22, 2004.

Current production from the property is approximately 580 boe/d consisting of 1,600 mcf/d of natural gas and 320 bbls/d of crude oil and natural gas liquids. An independent evaluation of the acquired asset pursuant to National Instrument 51-101 by Gilbert Lausten Jung Associates Ltd. (GLJ), assigned proven producing reserves of 1,718 mboe and proven and probable producing serves of 2,001 mboe.

Post closing the referenced transaction Great Northern's production will be approximately 5,680 boe/d (56% natural gas) with approximately 500 boe/d of shut-in production at Innisfail which should commence production by April 1, 2004 following a planned facility expansion.

Equity Financing

Great Northern entered into a bought-deal private placement of 4,250,000 shares at a price of \$4.50 per common share for gross proceeds of \$19.1 million. The underwriting of the private placement is being led by Peters & Co. Limited and includes Sprott Securities Limited, FirstEnergy Capital Corp. and GMP Securities Ltd. Closing of the financing is anticipated to occur on February 2, 2004 and is subject to normal regulatory approvals. The net proceeds from the sale of the common shares will be used to fund Great

Northern's ongoing exploration and development activities, the above noted acquisition and for general corporate purposes.

6. Reliance on Confidentiality Provisions:

Not Applicable

7. Omitted Information:

Not Applicable

8. Senior Officers:

For further information, please contact Jerry Sapiha, Vice President, Finance at 2700, 500 – 4th Avenue S.W., Calgary, Alberta, T2P 2V6 Telephone (403) 531-9024.

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

DATED January 23, 2004, at Calgary, Alberta.

(signed) "Jerry Sapiha" _____
Jerry Sapiha
Vice President, Finance
Great Northern Exploration Ltd.