

**MACDONALD OIL
EXPLORATION LTD.**

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January 24, 2001

ATTENTION ALL SHAREHOLDERS OF BRESEA RESOURCES LTD.

Enclosed with this letter is a Notice of Change to the MacDonald Oil offer to acquire your Bresea shares. In deciding whether or not to accept our offer, please consider the following:

BRESEA'S VALUE

Bresea's main assets are cash and an office building in Calgary, Alberta. Bresea's current net asset value as at December 31, 2000 is \$31,817,000, or almost \$0.49 per share (per Information Circular dated January 11, 2001 prepared by PricewaterhouseCoopers Inc.).

MACDONALD OIL OFFER

We will exchange five (5) of our Company's shares for each one (1) of your Bresea shares. MacDonald Oil's shares trade on the Canadian Venture Exchange between \$0.08 and \$0.12 (closed January 24 at \$0.10). In addition, you will also receive two and one half (2 1/2) F-warrants for each one (1) of your Bresea shares. Each F-warrant lets you participate further in the increased future value of Bresea's assets by giving you the right to purchase one additional share of MacDonald Oil at a cost of \$0.20 at any time prior to December 1, 2001. You may accept our offer at any time before 11:59 pm (EST) on Monday February 5, 2001. ***If you have tendered to another offer, you may withdraw that tender prior to expiry and tender to the MacDonald offer.*** *If you are a U.S. resident, you are not required to tender to a cash offer, as MacDonald Oil intends to extend this offer to you, on the same terms, immediately following take-up of Bresea shares under this offer.*

WHO ARE WE?

We are experienced businessmen and professionals who will provide the management ability to enable Bresea's assets to grow. If you tender to our offer, we intend to propose our current board of directors to be elected at the Bresea shareholder meeting. Our board of directors is:

John P. Sanderson, Q.C.

Chairman of the Company, principal of Conflict Managers Group and a member of ADR Chambers, a national arbitration/mediation organization

Robert D. Cudney

President and CEO of the Company, and President and CEO of Northfield Capital Corporation

Frank C. Smeenck, LL.B.

Executive VP of the Company, and Chairman of MacDonald Mines Exploration Ltd.

Burton V. Pabst

Co-founder, past President and Vice-Chairman of Magna International Inc.

Richard H. McLaren, LL.B., LL.M.

Law professor at University of Western Ontario, author, international arbitrator, and member of the federal government's Bankruptcy & Insolvency Committee

Allan J. Kent

CFO of Endeavour Resources Inc. and President of Cuban Exploration Inc.

Thomas F. Bugg

President of Genoil Inc. and former President & CEO of Beau Canada Exploration Ltd

Carl M. Ravinsky, B.C.L., LL.B.

Partner with Mendelsohn Rosentzveig Shacter, specializing in securities and taxation law

OPTIONS TO BRESEA SHAREHOLDERS

There are currently three offers, which give the Bresea shareholders four options as outlined below:

Offeror	Tender to offer	Ranking	Bresea net asset value per share ⁽³⁾	Bresea market value per share	Bresea Shareholder Loss	Return (loss) of your equity in Bresea
MacDonald	Yes	1	\$0.49	\$0.50 ⁽¹⁾	--	102%
Yukon	Yes	3	\$0.49	\$0.24	(\$0.25)	(51.0%)
Matco	Yes	4	\$0.49	\$0.21	(\$0.28)	(57.1%)
Matco	No	2	\$0.49	\$0.30 ⁽²⁾	(\$0.19)	(38.8%)

⁽¹⁾ Market value based on \$0.10 closing price of MacDonald Oil shares on January 24, 2001 (CDNX "YMA").

⁽²⁾ Per Information Circular dated January 2, 2001 prepared by PricewaterhouseCoopers Inc.

⁽³⁾ Before the PricewaterhouseCoopers Inc's. proposed Settlement Agreement, which would reduce this to \$0.30.

MacDonald Oil: If you tender your shares to our offer, you have the most choices and value available to you as a shareholder. We propose to leave Bresea's \$0.49 equity per share in Bresea and make it our subsidiary. The present and future value of Bresea will be reflected in the trading price of our, now your Company's shares. If all Bresea's shares were tendered to our offer, the current Bresea shareholders would own 92.3% of the Company (only a 7.7% dilution). By accepting our offer, you will participate in the future growth and success we may have, and have the power and liquidity to make choices. Choices that are long overdue, which all shareholders of publicly trading companies have. We will not support the settlement agreement at the Bresea shareholder meeting.

Yukon: If you tender your shares to the Yukon offer, you will receive only \$0.24 cash per share and you will no longer be a shareholder. Your remaining \$0.25 per share will now be left in the company and managed by a board of directors which the Walsh family supports.

Matco: If you tender your shares to the Matco offer, you will receive only \$0.21 cash per share and you will no longer be a shareholder. Your remaining \$0.28 per share will be divided, \$0.19 per share being paid to the Bre-X bankruptcy trustee, with the remaining \$0.09 being kept by Matco. All of Matco's costs, whether successful or not, are being paid from Bresea's assets, without your approval. In return, Matco will support the settlement agreement and hence PricewaterhouseCoopers Inc. has recommended this offer.

If you choose not to tender to the Yukon or MacDonald Oil offers, then you are better off not to tender to the Matco offer either, as the settlement will proceed, and your value will be \$0.30⁽²⁾ per share according to PricewaterhouseCoopers Inc.

MACDONALD OIL BUSINESS PLAN

To increase shareholder wealth. Bresea has a lot of cash, with no management. Both are difficult to find. Our management has many years of business experience. We have a proven successful track record and believe there is immediate growth potential in resource exploration and development and in the oil and gas industry within North America through corporate take-overs, property acquisitions and exploration and development drilling. There are many undervalued opportunities available in the market place today, which when combined with our management and Bresea's assets can multiply value for the company and for you, the shareholder.

We have seen few situations to equal Bresea's. The hysteria surrounding the Bre-X fraud and the death of David Walsh, has left Bresea's assets in control of parties legally responsible not only to you, the shareholder, but to *all stakeholders* in Bresea, including those non-shareholders who have disputed claims against Bresea. This includes the trustee of Bre-X, who will receive \$10 million under the proposed settlement agreement. Our management will fix these problems in the best interest of the Bresea shareholders; and when we make money, you will too.