THIS IS THE FORM OF A MATERIAL CHANGE REPORT REQUIRED UNDER SECTION 85 OF THE SECURITIES ACT.

FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85 OF THE ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this are complied with.

NOTE: Every report required to be filed under section 85 of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

State the full name, address and telephone number of the principal office in Canada of the reporting issuer:

MAXY OIL & GAS INC.
480 - 650 WEST GEORGIA STREET
VANCOUVER, B.C., V6B 4N9

Telephone: (604) 683-7361

Item 2. Date of Material Change

May 7, 2001

Item 3. Press Release

State the date and place(s) of issuance of the press release issued pursuant to section 85 of the Act:

May 7, 2001 - Issued to the Canadian Venture Exchange and dsseminated through the Vancouver Stock Watch.

Item 4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change:

The Company announces that it has commenced production from the Timber Draw #1-AH exploratory well on the Cheyenne project, Wyoming.

Item 5. Full Description of Material Change

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation:

After being shut-in for pressure testing, the Timber Draw #1-AH exploratory well was returned to production on May 1, 2001. Currently there are no gas sales facilities and natural gas production is being flared. The well is being produced at this time primarily to determine stabilized production rates and to establish the limits of the reservoir for regulatory purposes. Permanent gas sales facilities will be installed with the successful completion of the reservoir evaluation.

Plans are currently underway to implement a continuous drilling program to develop the Cheyenne River Prospect acreage. Five additional well locations have been identified and are being surveyed and permitted. Drilling is expected to resume in the third quarter of 2001.

The Timber Draw Unit is part of the 100,000-acre Cheyenne River oil exploration prospect in Niobrara, Converse and Weston Counties, Wyoming. Maxy Resources LLC, a wholly owned Wyoming subsidiary of Maxy Oil & Gas Inc., currently has a 25% working interest in the Timber Draw Unit. Maxy earned its interest in 60,000 acres of the prospect, which includes the Timber Draw Unit, with the drilling of the #1-AH well. Maxy now has the option to earn its interest in the remaining 40,000 acres of the prospect by participating in the second well, currently in its planning stages. Maxy will retain its 25% working interest in these first two wells until each pays out, at which time a back-in provision, if exercised, would reduce Maxy's working interest to 12.5% for the prospect.

Statements in this press release other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, constitute forward-looking statements. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in oil and gas exploration and development. As a result, actual results may vary materially from those described in the forward-looking statements. The Canadian Venture Exchange has in no way either approved nor disapproved the contents of this press release.

Item 6. Reliance of Section 85 of the Act

If the report is being filed on a confidential basis in reliance on Section 85 of the Act, state the reason for such reliance.

INSTRUCTION:

Refer to Section 85 of the Act concerning continuing obligations in respect of report filed pursuant to this subsection:

This report is not being filed on a confidential basis.

Item 7. Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but Section 85 of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain in confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to Section 169(4) of the Act.

The reasons for the omis sion may be contained in a separate letter filed as provided in Section 153 of the Rules:

There is no information being omitted.

Item 8. Senior Officer

To facilitate any necessary follow up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commission:

Allen Jackson, president
(281) 242 8947

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C., this 8th day of May, 2001.

MAXY OIL & GAS INC.

"S. Allen Jackson"
Signature

President

Capacity with Reporting Issuer