

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Open EC Technologies, Inc.
3rd Floor – 120 Lonsdale Street,
North Vancouver, B.C.
V7M 2E8

Item 2 Date of Material Change

October 3, 2005

Item 3 News Release

A news release dated October 3, 2005, delivered to CCN Matthews and Canada Stockwatch.

Item 4 Summary of Material Change

The Issuer announced, subject to regulatory and shareholder approval, a shares for debt settlement of \$1,227,728 at \$0.10 per share. As a related party transaction, the shares for debt settlement is subject to the provisions of Policy 5.9 of the TSX Venture Exchange and Ontario Securities Commission Rule 61-501, details of which are provided below. The Issuer has also entered into a Software Development and Marketing Agreement with Mala Ventures Inc. (a company controlled by a director of the Company). See attached news release dated October 3, 2005.

Item 5 Full Description of Material Change

Subject to TSX Venture Exchange (the “Exchange”) acceptance, fourteen parties, including two companies controlled by directors, have agreed to settle debts with the Issuer totaling \$1,227,728 by the issuance of shares at \$0.10 per share. Shareholder approval of the transaction will be sought at the Issuer’s Annual General and Special Meeting on November 4, 2005.

Included in the settlement are 6,280,420 shares to be issued to Martyn A. Armstrong, President and Director of the Issuer, and to a holding company controlled by Mr. Armstrong and 2,500,000 shares to be issued to a holding company controlled by John A. Versfelt, CFO and a Director of the Issuer. Twelve other creditors will take the balance of the settlement.

The Issuer is relying on the exemption from the valuation requirement available to issuers listed on the TSX Venture Exchange (and not on any other exchange) in the case of financial hardship. The Issuer has obtained an opinion of [Gray & Associates, Chartered Accountants](#) that the Issuer is in serious financial difficulty. The Issuer’s board of directors and the independent director on the board have each unanimously determined that the Issuer is in serious financial difficulty, that the debt settlement will help the Issuer improve its financial position and that the terms of the settlement are reasonable in the Issuer’s circumstances.

As a related party transaction, the private placement is subject to the provisions of Policy 5.9 of the TSX Venture Exchange and Ontario Securities Commission Rule 61-501. Pursuant to such provisions, the interested parties’ interests are as follows: (i) Martyn A. Armstrong (Director and

President of the Issuer) and Mala Ventures Inc., a company owned 50% each by Martyn A. Armstrong (Director and President of the Issuer) and his wife, B.M. Lynne Armstrong, will participate in the transaction as to \$628,042 and will be issued 6,280,420 shares under the terms of the settlement; and (ii) American Resource Management Consultants Inc., a company owned 50% each by John A. Versfelt (Director and CFO of the Issuer) and his wife, Jacqueline D. Versfelt, will participate in the transaction as to \$250,000 and will be issued 2,500,000 shares under terms of the private placement. There are no other interested parties in the transaction.

Prior to the transaction, Martyn A. Armstrong directly and indirectly owned or controlled 23.44% (1,084,146) of the issued and outstanding shares of the Issuer. Following the transaction Mr. Armstrong, would own or control 43.57% (7,364,566) of the issued and outstanding shares of the Issuer. Prior to the transaction, John A. Versfelt directly and indirectly owned or controlled 11.03% (510,000) of the issued and outstanding shares of the Issuer. Following the transaction Mr. Versfelt, would own or control 17.81% (3,010,000) of the issued and outstanding shares of the Issuer.

The full Board of Directors, comprised of Messrs. Armstrong and Versfelt as non-independent directors and Mr. Jeffrey G. Hoag, an independent director all of whom are financially literate and who collectively constitute the Issuer's Audit Committee, have, in the past 30 days, met for both face to face and telephone discussions with respect to the Issuer's present financial situation, the debt settlement and the participation of the non-independent directors in the debt settlement. With time for each to seek outside counsel and independent advice, the Board met formally on September 29, 2005, to consider a draft Debt Settlement Agreement, and the participation of Martyn A. Armstrong, Mala Ventures Inc. and American Resource Management Consultants Inc., in the debt settlement financing.

At the Board meeting Mr. Hoag advised that in light of his review of the Issuer's present serious financial situation and the independent assessment of the Issuer's financial condition he was in favour of the proposed settlement and as an independent director, was also in favour of (i) approving the significant participation of both non-independent directors in the offering, and (ii) seeking such exemptions from evaluation requirements as are available under the applicable rules and regulations.

Board Resolutions to this effect were presented and approved by unanimous vote. Martyn A. Armstrong abstained from voting on the resolution with respect to his own participation and the participation of Mala Ventures Inc. in the debt settlement. John A. Versfelt abstained from voting on the resolution with respect to the participation of American Resource Management Consultants Inc. in the debt settlement.

The purposes of the debt settlements are to protect the Issuer's working capital position and reduce its debts and thereby improve its financial position. The debt settlements are expected to complete by the middle of November, 2005 following anticipated shareholder acceptance of the transaction at the Issuer's Annual General and Special Meeting to be held November 4, 2005.

The private placement is subject to acceptance for filing by the TSX Venture Exchange.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A.

Item 7 Omitted Information

None

Item 8 Executive Officer

Martyn A. Armstrong, President & CEO, Telephone: 604 983-8083

Item 9 Date of Report

Dated at North Vancouver, British Columbia this 6th day of October, 2005.

Signed:

John A. Versfelt

John A. Versfelt, Director and CFO



Open EC Technologies, Inc.

News Release

OPEN EC SETTLES \$1.2 MILLION IN DEBTS AND SIGNS SOFTWARE MARKETING AGREEMENT

North Vancouver, British Columbia, October 3, 2005 – Subject to shareholder and regulatory acceptance, Open EC Technologies, Inc. (the “Company”) (TSX-V: OCE) will settle \$1.2 million in debts by the issuance of shares at \$0.10.

Subject to TSX Venture Exchange (the “Exchange”) acceptance, fourteen parties, including two companies controlled by directors, have agreed to settle debts totaling \$1,227,728 by taking common shares. Shareholder approval of the transaction will be sought at the Company’s Annual General and Special Meeting on November 4, 2005. Included in the settlement are 6,280,420 shares to be issued to Martyn A. Armstrong, President and Director of the Company, and to a holding company controlled by Mr. Armstrong and 2,500,000 shares to be issued to a holding company controlled by John A. Versfelt, CFO and a Director of the Company. Twelve other creditors will take the balance of the issue.

The Company is relying on the exemption from the valuation requirement available to issuers listed on the TSX Venture Exchange (and not on any other exchange) in the case of financial hardship. The Company has obtained an opinion of [Gray & Associates, Chartered Accountants](#) that the Company is in serious financial difficulty. The Company’s board of directors and the independent director on the board have each unanimously determined that the Company is in serious financial difficulty, that the debt settlement will help the Company improve its financial position and that the terms of the settlement are reasonable in the Company’s circumstances.

The Company’s near term goals include marketing to its existing customer base, a suite of Electronic Commerce Management and Server Software products developed, maintained and kept current by Mala Ventures Inc. (a company controlled by a director of the Company). Towards this goal, a Software Development and Marketing Agreement was executed September 30, 2005, with Mala. Under terms of this contract, Mala and the Company’s wholly owned subsidiary SoftCare EC

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Email: info@softcare.com Web site: www.softcare.com

Solutions Inc. are to share license, support and professional service fees generated by direct or indirect sales.

On Behalf of the Board of Directors

“John A. Versfelt”

John A. Versfelt
Director & CFO

Further information about the Company can be found on SEDAR ([ww.sedar.com](http://www.sedar.com)) or by contacting either, Mr. John A. Versfelt, CFO and Director of the Company or Mr. Martyn A. Armstrong, President & CEO of the Company.

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The Exchange has not in any way passed upon the merits of this news release. This news release may contain forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.