

BC FORM 53-901F
SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

ITEM 1. REPORTING ISSUER

Texas Gas & Oil Inc. (the "Company")
4448B Marine Avenue
Powell River, B.C., V8A 2K2

ITEM 2. DATE OF MATERIAL CHANGE

June 8, 2001

ITEM 3. PRESS RELEASE

Issued June 8, 2001 and distributed through the facilities of the Canadian Venture Exchange, Vancouver Stockwatch Magazine, and Market News.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Please see attached news release.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

Please see attached news release.

ITEM 6. RELIANCE ON SECTION 85(2) OF THE ACT

This report is not being filed on a confidential basis.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. DIRECTOR/SENIOR OFFICER

Contact: David J. Formosa, President/Director
Telephone: (604) 485-6080

ITEM 9. STATEMENT OF SENIOR OFFICER/DIRECTOR

The foregoing accurately discloses the material change referred to herein.

"David J. Formosa"

David J. Formosa
President/Director

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

TEXAS GAS & OIL INC.

4448B Marine Avenue
Powell River, British Columbia
V8A 2K2

(604) 485-6080

June 8, 2001

NEWS RELEASE
(CDNX Trading Symbol: TXG)

Texas Gas & Oil Inc. announces that it has reached agreement in principle in respect to a transaction which will be a reverse takeover. Details of the transaction are presently being finalised and a comprehensive news release will be issued at that time.

ON BEHALF OF THE BOARD

"*DAVID J. FORMOSA*"
DAVID J. FORMOSA
President/Director

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this News Release.