

This is the form of a material change report required under section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*.

**BC FORM 53-901F
(Previously Form 27)**

SECURITIES ACT

MATERIAL CHANGE REPORT

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

NOTE: If this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL SECTION 85", and file in an envelope marked "Confidential - Attention: supervisor, Financial Reporting".

Item 1: Reporting Issuer

SAN TELMO RESOURCES LTD., 430 - 580 Hornby Street, Vancouver, B.C. V6C 3B6

Item 2: Date of Material Change

September 3, 2001

Item 3: Press Release

September 3, 2001

Item 4: Summary of Material Change

The Company has closed the acquisition of all the issued shares of cobra Quest Petroleum Inc.

Item 5: Full Description of Material Change

Further to the Company's news release of August 14, 2001, the Company is pleased to announce that it has closed the acquisition of all the issued shares of Cobra Quest Petroleum Inc. ("the Company") on August 30, 2001. The Company has issued 1,939,893 shares of its common stock with respect to this acquisition. The shares are subject to re-sale restrictions pursuant to the B.C. Securities Act. The hold period expires 12:00 P.M., August 30, 2002. In addition, the Company has issued a share purchase warrant to First Merchant Corporation of Calgary, Alberta. Under the share purchase warrant, First Merchant Corporation of Calgary may acquire up to 72,000 shares of the Company at a price of \$0.50

per share up to August 30, 2003. Any share issued as a result of the exercise of the said warrant will have a hold period ending on August 30, 2002.

Item 6: Reliance on section 85(2) of the Act

N/A

Item 7: Omitted Information

N/A

Item 8: Senior Officers

Christopher I. Dyakowski - President. Phone (604) 250-2844

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C. this 5 day of September, A.D. 2001.

SAN TELMO RESOURCES LTD.

“W.E. Schmidt”

Per: _____
DIRECTOR