

51-102F3 Material Change Report

Item 1 Name and Address of Company

E. S. I. Environmental Sensors Inc.
2071C Malaview Avenue West, Sidney, BC V8L 5X6

Item 2 Date of Material Change

March 28, 2013

Item 3 News Release

A press release in connection with a material change was issued via commercial news dissemination service on April 2, 2013, a copy of which is attached hereto as Schedule "A".

Item 4 Summary of Material Change

The Company has issued 28,899,906 common shares and 4,679,486 share purchase warrants via a 'Shares for Debt' transaction effective a Treasury Order dated March 28, 2013 in exchange for the settlement of \$1,440,995.30 in outstanding debt owed to shareholders – the debt consists of shareholder loans and accumulated interest on the loans. The Company's largest shareholder, Avis Financial Corporation ("Avis Financial"), has been issued 23,979,300 common shares in exchange for the settlement of \$1,198,965 in shareholder loans and accumulated interest, increasing its ownership in the Company to 59.8% from 54.1%. All shares issued have a four month hold expiring July 26th, 2013. The transaction was accepted for filing by the TSX Venture Exchange on March 26th, 2013.

Item 5 Full Description of Material Change

A full description of the material change is attached in "Schedule A"

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

The Issuer is not relying on subsections 7.1 (5), (6) and (7) of National Instrument 51-102 concerning continuing obligations in respect of reports filed under subsection 7.1(2) of National Instrument 51-102.

Item 7 Omitted Information

No material information has been omitted from this report.

Item 8 Executive Officer

For further information you may contact Bernard Beauchesne at the corporate office for the Company (1.250.655.3211).

Item 9 Date of Report

Dated at Sidney, B.C. on April 4, 2013.



ESI Closes \$1.5 Million 'Shares for Debt' Transaction

Victoria, British Columbia, April 2, 2013 – E. S. I. Environmental Sensors Inc. ("ESI" or the "Company"), TSX-V: ESV is pleased to announce the closing of a "Shares for Debt" transaction for the settlement of \$1,440,995 of debt in exchange for the issuance of 28,899,906 common shares and 4,679,486 warrants. The debt settlements consist entirely of shareholder loans made to the Company and accumulated interest on those loans. All shares issued will have a four month hold period ending on July 26, 2013. The transaction has been accepted by the TSX Venture Exchange (the "Exchange").

The Company's largest shareholder, Avis Financial Corporation ("Avis Financial"), has been issued 23,979,300 common shares in exchange for the settlement of \$1,198,965 in shareholder loans and accumulated interest. No warrants have been issued to Avis Financial. With the closing of this transaction, Avis Financial now owns 59.8% of ESI (Avis Financial previously held 54.1% of the issued and outstanding common shares of the Company).

The warrants issued in connection with the transaction are exercisable for a period of three years, expiring on March 28th, 2016 and have an exercise price of \$0.10 during the first year, \$0.15 during the second year, and \$0.20 during the third year. Warrants have been issued only to arms-length parties.

About ESI

ESI is a leading manufacturer of patented and proprietary solutions for environments where understanding the presence, movement, and/or amount of water are important. Major market sectors include: agriculture, golf and turf, scientific research, civil engineering, mining, environmental monitoring and crude oil production. ESI solutions have been successfully introduced into more than 40 countries to enable customers to optimize their operations by monitoring the presence and movement of water, managing irrigation systems, and monitoring the integrity of landfill covers. In addition, ESI's Flo-Point™ instrument has been deployed in the oil industry to measure the volumetric presence of water pumped during crude oil extraction for characterization and optimization of the process. ESI differentiates itself by translating the best technology and science available into practical, easy to use solutions. Irrigation managers, reservoir engineers, and scientists have adopted ESI's products for their accuracy, ease of use, repeatability, and ability to operate in challenging environments. ESI is publicly traded on the TSX Venture Exchange under the symbol "ESV". Further information about ESI may be obtained through the Company's website at www.esica.com.

Investor Relations:

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