MATERIAL CHANGE REPORT

UNDER SECTION 85(1) OF THE *SECURITIES ACT* (BRITISH COLUMBIA) (FORM 53-901F)
UNDER SECTION 118(1) OF THE *SECURITIES ACT* (ALBERTA) (FORM 27)
AND SIMILAR PROVISIONS OF OTHER PROVINCIAL SECURITIES LEGISLATION

1. **Reporting Issuer:**

   Nevarro Energy Ltd.
   1600, 840 - 7th Avenue S.W.
   Calgary, Alberta
   T2P 3G2

2. **Date Of Material Change:**

   December 11, 2003

3. **Press Release:**

   On December 12, 2003 at Calgary, Alberta, a news release was issued and disseminated through Canada NewsWire.

4. **Summary Of Material Change:**

   Nevarro Energy Ltd. announced a private placement offering of up to 600,000 common shares of the Corporation at $2.50 per share for aggregate proceeds of up to $1,500,000.

5. **Full Description Of Material Change:**

   As set out in the attached press release.

6. **Reliance on Confidentiality Provision:**

   Not applicable. This report is not being filed on a confidential basis.

7. **Omitted Information:**

   Not applicable.

8. Senior Officers:

Richard C. Bennett
President and Chief Executive Officer
Phone: (403) 231-1235
Fax: (403) 264-7304

9. Statement Of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta this 12th day of December, 2003.

NEVARRO ENERGY LTD.

By: *"Roger MacLeod"*
Director

IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATIONS FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATIONS THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION

NEVARRO ENERGY LTD.

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NEVARRO ANNOUNCES OFFERING OF FLOW-THROUGH SHARES

December 12, 2003 – Calgary, Alberta – NEVARRO ENERGY LTD. (TSX.V: "NEL") ("Nevarro") is pleased to announce it has entered into an agreement with a syndicate of agents led by Raymond James Ltd. and including Acumen Capital Finance Partners Limited for a private placement offering of up to 600,000 common shares on a "flow through" basis at a price of $2.50 per share for gross proceeds of up to $1,500,000.

Closing is expected to occur on or about December 23, 2003 and the common shares issued under the offering will be subject to a four month hold period.

The offering is subject to regulatory approval, including approval of the TSX Venture Exchange.

Nevarro is a junior oil and gas company engaged in the exploration, development and production of oil and natural gas in the Western Canadian Sedimentary Basin.

For further information contact J.W. Grant Robertson, Vice-President, Business Development of Nevarro, at (403) 231-1230.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

(Not for distribution to U.S. newswire services or for dissemination in the United States of America)