

FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 118(2) OF THE *SECURITIES ACT*

Item 1 - Reporting Issuer:

NetScout Capital Corp (the "Corporation")
800, 521-3rd Avenue S.W.
Calgary, Alberta
T2P 3T3

Item 2 - Date of Material Change:

April 26, 2000

Item 3 - News Release:

April 27, 2000
Issued at Calgary, Alberta through the services of Canadian Corporate News

Item 4 - Summary of Material Change:

The Corporation has completed a private placement of 6,500,000 special warrants at a price of \$0.30 per special warrant. The Corporation raised gross proceeds of \$1,950,000.

Item 5 - Full Description of Material Change:

The Corporation has announced that on April 26, 2000, the Corporation completed a private placement offering of 6,500,000 special warrants at a price of \$0.30 per special warrant (the "Special Warrants") resulting in gross proceeds of \$1,950,000. Each Special Warrant entitles the holder thereof to acquire 1 unit of the Corporation (the "Units"), at no additional cost, until 4:30 p.m. (Calgary time) on the day which is 10 days after the date of the issuance of a receipt for a prospectus which qualifies the distribution of the Units underlying the Special Warrants by the applicable regulatory authority (the "Expiry Time"). Each Unit consists of 1 common share of the Corporation (the "Common Shares") and one Class "A" common share purchase warrant of the Corporation (the "Warrants"). Any Special Warrants not exercised by the Expiry Time shall be deemed to have been exercised at the Expiry Time without any further action on the part of the holder. One Warrant entitles the holder thereof to acquire 1 Common Share at a price of \$0.45 per share (the "Exercise Price") until October 1, 2001 (the "Warrant Expiry Date"). In the event that a receipt for a prospectus which qualifies the distribution of the

Units underlying the Special Warrants has not been issued by the applicable regulatory authority on or before September 30, 2000, holders of Special Warrants shall thereafter be entitled, upon exercise or deemed exercise of any Special Warrants, to receive from the Corporation, 1.1 Units (in lieu of the 1 Unit that each Special Warrant was previously exchangeable for), subject to adjustment in certain events, without additional payment. Upon the issuance of the Units, holders of Special Warrants will receive a Unit certificate representing 1 Common Share and 1 Warrant. The Units will trade as a combination of 1 Common Share and 1 Warrant until the earlier of (i) the date upon which the holder of the Units exercises the Warrant and (ii) the Warrant Expiry Date. Upon the exercise of the Warrant included in the Unit, the payment of the Exercise Price and the surrender of the certificate representing the Unit, the holder of the Unit will receive a certificate representing 2 Common Shares for each Unit held. If the Warrant is not exercised, upon the Warrant Expiry Date, the holder of the Unit will receive a certificate representing 1 Common Share at no additional cost to the holder of the Unit for each Unit held upon surrender of the certificate representing the Unit. Canaccord Capital Corporation acted as the Corporation's agent. In conjunction with the offering, the Corporation issued 650,000 Broker Special Warrants entitling the holder to acquire 650,000 Broker Warrants which entitle the holder to acquire 650,000 Common Shares at a price of \$0.40 per share until April 26, 2001 and 300,000 Broker Special Warrants entitling the holder to acquire 300,000 Broker Warrants which entitle the holder to acquire 300,000 Common Shares at a price of \$0.50 per share until April 26, 2001.

Item 6 - Reliance on Section 118(4) of the Act:

N/A

Item 7 - Omitted Information:

N/A

Item 8 - Senior Officers:

For further information concerning the material change disclosed herein, contact David Tonken, President of the Corporation, at (780) 486-2585.

Item 9 - Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta this 27th day of April, 2000.

NetScout Capital Corp.

(signed)

Per: _____
David Tonken
President

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