MATERIAL CHANGE REPORT

Under Section 85(1) of the *Securities Act* (British Columbia), Section 188(1) of the *Securities Act* (Alberta), Section 84(1) of *The Securities Act, 1988* (Saskatchewan), and Section 75(2) of the *Securities Act* (Ontario).

Item 1 - Reporting Issuer:

NetScout Capital Corp. (the "Corporation")
400, 521-3rd Avenue S.W.
Calgary, Alberta
T2P 3T3

Item 2 - Date of Material Change:

June 7, 2001

Item 3 - News Release:

June 7, 2001

Issued at Calgary, Alberta through the services of International Teledata Group.

Item 4 - Summary of Material Change:

The Corporation has entered into an agreement to purchase from China.com Studios Inc. 4,146,624 common shares of The NRG Group Inc. ("NRG Group") representing approximately 14.2% of the issued and outstanding common shares of NRG Group.

Item 5 - Full Description of Material Change:

The Corporation has entered into an agreement to purchase from China.com Studios Inc. 4,146,624 common shares of NRG Group representing approximately 14.2% of the issued and outstanding common shares of NRG Group for US$220,000 cash. The purchase and sale transaction will be completed privately. Closing is subject to standard conditions.

NetScout holds a total of 180,000 common shares of NRG Group prior to the purchase of the NRG shares from China.com. NetScout will hold a total of 4,326,625 common shares of NRG Group, representing approximately 14.8% of the issued and outstanding shares of NRG Group, after closing the transaction. NetScout's purpose for acquiring the NRG shares is for investment purposes.

NetScout has a present intention to acquire additional common shares of NRG Group in the future.

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 L. Tonken, President of the Corporation at (780) 496-9514.

Item 9 - Statement of Senior Officer:

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

DATED at Calgary, Alberta this 7th day of June, 2001.

NetScout Capital Corp.

Per: (signed)
David L. 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.