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

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. <u>Reporting Issuer</u>

Oracle Energy Corp.
305 – 611 Alexander Street
Vancouver, BC V6A 1E1

Item 2. <u>Date of Material Change</u>

July 12, 2004

Item 3. <u>Press Release</u>

News Release dated July 12, 2004 was disseminated by Stockwatch and Market News.

Item 4. <u>Summary of Material Change</u>

The Company announces that it has entered into an agreement to acquire a 20% interest in six oil and gas concessions in Romania. The owner of the Romanian oil and gas property is Carpathian Energy Companie Petroliera SRL ("Carpathian"), a private company affiliated with Inland Petroleum LLC, an independent oil company based in the United States and Alexandru Popescu, a businessman and former minister in the government of Romania.

Oil and gas has been previously produced from each of the six properties. Carpathian intends to re-establish production on five of the six properties by reworking existing oil and gas wells without having to drill new wells. On the sixth, larger property, Carpathian expects to drill fifteen new oil wells at US$265,000 per well, to extract 2,000,000 to 3,000,000 barrels of oil equivalent. The total cost to fully develop all six concessions will be approximately US$4,950,000, however, since each well is expected to begin generating revenue within a few months, only up to US$1,100,000 should be needed to begin work. With this amount invested, within twelve months the properties are expected to be self-funding for the remaining costs of development.

Initial work will commence in August in the Cozieni Field which is near Bucharest, the capitol of Romania, and afterwards in the Nadlac Field which is in western Romania close to the Hungarian border.

OCL's purchase price for a 20% interest is US$500,000, payable as to (i) US$333,333 by way of shares of OCL at the Company's share price during the 120 days following receipt of Exchange approval, subject to a minimum price of $0.10 per share and a maximum price of $0.20 per share; and (ii) $166,667 in cash, payable as to $25,000 on Exchange approval, $25,000 fifteen days later, and the balance within 90 days following Exchange approval. A finder's fee is payable on this transaction

Item 5. **Full Description of Material Change**

The Company announces that it has entered into an agreement to acquire a 20% interest in six oil and gas concessions in Romania.

The owner of the Romanian oil and gas property is Carpathian Energy Companie Petroliera SRL ("Carpathian"), a private company affiliated with Inland Petroleum LLC, an independent oil company based in the United States and Alexandru Popescu, a businessman and former minister in the government of Romania.

Oil and gas has been previously produced from each of the six properties. Carpathian intends to re-establish production on five of the six properties by reworking existing oil and gas wells without having to drill new wells. On the sixth, larger property, Carpathian expects to drill fifteen new oil wells at US$265,000 per well, to extract 2,000,000 to 3,000,000 barrels of oil equivalent. The total cost to fully develop all six concessions will be approximately US$4,950,000, however, since each well is expected to begin generating revenue within a few months, only up to US$1,100,000 should be needed to begin work. With this amount invested, within twelve months the properties are expected to be self-funding for the remaining costs of development.

Initial work will commence in August in the Cozieni Field which is near Bucharest, the capitol of Romania, and afterwards in the Nadlac Field which is in western Romania close to the Hungarian border.

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A finder's fee is payable on this transaction.

Item 6. **Reliance on Section 85(2) of the Act**

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.

N/A

Item 7. **Omitted Information**

N/A

Item 8. **Senior Officers**

Nasim Tyab Telephone (604) 642-6471
President

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 26th day of July, 2004.

ORACLE ENERGY CORP.

Per: "Nasim Tyab"

Nasim Tyab,
President