EQUATORIAL ENERGY INC.

MATERIAL CHANGE REPORT

Section 118(1) of the *Securities Act* (Alberta)
Section 85(1) of the *Securities Act* (British Columbia)
Section 75(2) of the *Securities Act* (Ontario)

Item 1: Reporting Issuer

Equatorial Energy Inc.
2700, 530 8th Avenue S.W.
Calgary, Alberta
T2P 3S8

Item 2: Date of Material Change

October 30, 2001

Item 3: Press Release(s)

A press release setting forth certain information respecting the material change described herein was issued at Calgary, Alberta on October 30, 2001.

Item 4: Summary of Material Changes

Equatorial Energy Inc. announced that negotiations relating to the sale of its Indonesian assets have been terminated.

Item 5: Full Description of Material Change

Equatorial Energy Inc. announced that negotiations relating to the sale of its Indonesian assets have been terminated. The board of directors has determined that the best way to maximize shareholder value under current market conditions is to pursue its business plan on a going concern basis.

Item 6: Reliance on Section 118(2) of the Securities Act:

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Senior Officers

For further information, please contact John Rooney, President and Chief Executive Officer, at the above mentioned address or at (403) 264-9462.

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

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

EQUATORIAL ENERGY INC.

Per: (signed) "John Rooney"
John Rooney
President and
Chief Executive Officer