

FORM 53-901F (Previously Form 27)

Securities Act

Material Change Report Under Section 85(1) of the Act (British Columbia)

Material Change Report Under Section 118(1) of the Act (Alberta)

ITEM 1 Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer:

*Netco Energy Inc. (the "Company")
Suite 1320 - 925 West Georgia Street
Vancouver, BC V6C 3L2
Telephone: 604.689.8336*

ITEM 2 Date of Material Change

State the date of the material change:

February 14, 2003

ITEM 3 Press Release

State the date and place(s) of issuance of the press release issued under section 85(1) of the Act.

*February 17, 2003
Vancouver, British Columbia*

ITEM 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change:

The Company announced that it has secured an operating credit line with the National Bank of Canada.

ITEM 5 Full Description of Material Change

See attached Schedule "A".

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 that reliance:

N/A

ITEM 7 Omitted Information

N/A

ITEM 8 Senior Officers

Give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer:

*Donald Sharpe, President
604.689.8336*

ITEM 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 17th day of February, 2003.

“Donald Sharpe”
Donald Sharpe, President

Schedule “A”

Netco Energy Inc.
Suite 1320 – 925 West Georgia Street
Vancouver BC V6C 3L2
CDNX Trading Symbol: “NEI”

February 14, 2003

Netco Updates Reserves and Establishes Bank Line

(VANCOUVER) – Donald Sharpe, President of Netco Energy Inc. (TSXV: NEI), today announced that the Company has secured an operating credit line with the National Bank of Canada. The bank line provides for up to \$850,000 in a revolving operating demand loan and up to \$250,000 in a non-revolving acquisition and development demand loan.

The bank lines are based on an evaluation of Netco’s Alberta reserves, in a reserve report prepared by a Calgary based independent engineering firm, effective October 1, 2002. The report showed total working interest proved reserves of 1.78BCFe and probable reserves of 0.6BCFe. Established reserves, equal to the proven reserves plus half the probable reserves, were 2.08BCFe and had a present value, discounted at 10%, of \$3.5 million.

The bank lines, combined with existing cash flow, will allow Netco to participate in additional drilling opportunities in western Canada, where the Company has established its production base.

Netco Energy is a Canadian oil and gas exploration company focused on shallow exploration in southern Alberta.

For further information contact Donald A. Sharpe at 604-689-8336.

The TSX Venture Exchange has not reviewed and is not responsible for the contents of this news release.