FORM 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

Netco Energy Inc.
#1100 – 609 West Hastings Street
Vancouver, BC V6B 4W4

Item 2. **Date of Material Change**

August 8, 2007

Item 3. **News Release**

A news release dated August 8, 2007, concerning the material change was forwarded to Canada Stockwatch and Market News for dissemination and was SEDAR filed with the British Columbia and Alberta Securities Commissions and the TSX Venture Exchange.

Item 4. **Summary of Material Change**

Netco Energy Inc. (the "Company") has completed the acquisition of an undivided 7.5% working interest in the Columbia River Basin.

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

The Company has completed the acquisition of an undivided 7.5% working interest in leases covering approximately 389,856 net mineral acres (29,239 net mineral acres to the Company's interest) in the Columbia River Basin, including a 7.5% working interest in the Brown 7-24 well, at a purchase price of approximately US$8.3 million.

As part of the Closing the Company entered into an Acquisition and Exploration Agreement with EnCana oil and Gas (USA) Inc., SWEPI LP and Exxel Energy (USA) Inc. The Acquisition and Exploration Agreement covers certain, specifically defined lands in the Columbia River Basin.

Item 6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

Item 7. **Omitted Information**

N/A

Item 8. **Executive Officer**

The following executive officer of the Company is knowledgeable about this report and the material change disclosed herein:

Gordon Nielsen
President
Tel: 604-331-3376

Item 9. **Date of Report**

August 20, 2007