FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 118(1) OF THE *SECURITIES ACT* (ALBERTA)

ITEM 1 Reporting Issuer

The principal business address of AltaCanada Energy Corp. ("AltaCanada"):

AltaCanada Energy Corp.
#1200, 700 – 4th Avenue S.W.
Calgary, Alberta
T2P 3J4

ITEM 2 Date of Material Change

December 31, 1998

ITEM 3 News Release

November 13, 1998:	Private Placement and Revised Terms to Proposed Major Transaction
December 9, 1998:	Approval of Major Transaction
January 12, 1998:	Close of Major Transaction

The news releases were disseminated by Canada NewsWire Ltd.

ITEM 4 Summary of Material Change

AltaCanada received unanimous shareholder approval for its Major Transaction on November 30, 1998. The first part of the Major Transaction, being the asset acquisition of an interest in selected oil and natural gas properties in East-Central Alberta, was closed on December 1, 1998. The second part of the Major Transaction, being the corporate acquisition of all of the outstanding securities of 774781 Alberta Ltd. ("Drillco"), closed on December 29, 1998 upon AltaCanada entering into binding contracts to acquire all of the "A" shares, debentures and warrants of Drillco in exchange for common shares, flow through shares and warrants of AltaCanada.

ITEM 5 Full Description of Material Change

Drillco engaged in a private placement under an Offering Memorandum dated November 11, 1998, offering units in the capital of Drillco ("Drillco Units") to potential subscribers. Drillco Units consisted of Class A shares in the capital of Drillco, debentures and warrants exercisable, upon certain conditions, into Class A shares in the capital of Drillco.

Subscribers for Drillco Units received an Offer to Purchase, an Offering Circular, a Letter of Acceptance and Transmittal, whereby AltaCanada offered to purchase all of the outstanding Drillco Units. A Notice of Variation was issued on November 30, 1998 which, among other things, extended the Offer to Purchase to December 31, 1998.

Subscribers for Drillco Units who accepted the Offer to Purchase made by AltaCanada received one AltaCanada Unit for each Drillco Unit. AltaCanada Units consisted of three common shares in the capital of AltaCanada ("AltaCanada Common Shares"), one AltaCanada Flow Through Common Share and two AltaCanada warrants ("AltaCanada Warrants"), each warrant entitling the holder to one AltaCanada Common Share at a price of $0.35 per AltaCanada Share, provided that the warrant is exercised within one year from the date of issue. The initial closing of the Private Placement was held on December 29, 1998. A subsequent closing was held on December 31, 1998.

As of December 31, 1998 twenty-three (23) subscribers had subscribed for 645,250 Drillco Units. Drillco raised $645,250 pursuant to the sale of Drillco Units. On December 29, 1998 all Drillco Unit subscribers accepted the Offer to Purchase, as varied, made by AltaCanada to subscribers of Drillco Units. 645,250 AltaCanada Units were issued to the Drillco Subscribers on December 31, 1998.

On November 30, 1998, $250,000 of subscription funds were loaned by certain subscribers to Drillco, and subsequently loaned by Drillco to AltaCanada. The $250,000 was utilized by AltaCanada on November 30, 1998 to complete the asset acquisition of an interest in selected oil and natural gas properties in East-Central Alberta. Upon the initial closing of the Drillco private placement on December 29, 1998, the subscriptions from these subscribers were accepted, and the obligation to repay the certain subscribers was offset against the purchase price of the Drillco Units on December 29, 1998. The balance of the subscriptions were accepted on December 29, 1998 and December 31, 1998.

On December 31, 1998, $302,173.36 was loaned from Drillco to AltaCanada to allow AltaCanada to repay its outstanding debt to Alberta Selecta Corporation in the amount of $191,328.60 as outlined in a Loan Agreement between AltaCanada and Alberta Selecta Corporation dated May 25, 1998, plus accrued interest in the amount of $10,296.35. The loan between Drillco and AltaCanada will cease to exist upon the merger of Drillco and AltaCanada. As a result of the completion of the Offer to Purchase of Drillco Units by AltaCanada, Drillco is a wholly owned subsidiary of AltaCanada.

The assets acquired by AltaCanada consist of various working interests in approximately 112 producing wells in East Central Alberta situated between the towns of Red Deer and Provost (the "Assets"). AltaCanada acquired the Assets under a Pooling Agreement, a Collateral Agreement, a Purchase Agreement and related Sale Agreement. Under the terms of the Pooling Agreement, AltaCanada acquired a proportionate interest in the Assets with Alberta Selecta Corporation (based upon a total acquisition cost of the assets of $3,575,000 and based upon a maximum consideration of $1,752,000 payable by AltaCanada). The Assets were acquired collectively by AltaCanada and Alberta Selecta Corporation from the Vendors, Constellation Oil & Gas Ltd. and Pacwest Resources Ltd. for a total aggregate price of $3,575,000. AltaCanada obtained a 49% interest in the Assets.

ITEM 6 Reliance on Section 118(2) of the *Securities Act*

Not applicable.

ITEM 7 Omitted Information

None.

ITEM 8 Senior Officers

Further information relating to this Material Change Report may be obtained from:

Mr. Charles V. Selby, Chairman and Chief Financial Officer; or
Mr. Josef Hodel, Vice-Chairman and Chief Executive Officer; or
Ms. Marlene J. Sims, Corporate Secretary
#1200, 700 – 4th Avenue S.W. Calgary, Alberta, Canada, T2P 3J4
Telephone: (403) 265-9091
Fax: (403) 266-6100
Email: afvc@cadvision.com

ITEM 9 Statement of Senior Officers

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

Dated at the City of Calgary, in the Province of Alberta, this 8th day of January, 1999.

ALTACANADA ENERGY CORP.

Per: "Charles V. Selby"
Charles V. Selby
Chairman and Chief Financial Officer

Per: "Josef Hodel"
Josef Hodel
Vice-Chairman and Chief Executive Officer

Copy: The Alberta Stock Exchange
Filings Department

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