MATERIAL CHANGE REPORT

1. **Reporting Issuer**

   AltaCanada Energy Corp. ("AltaCanada")
   Suite 2100, 101 - 6th Avenue S.W.
   Calgary, Alberta T2P 3P4

2. **Date of Material Change**

   October 7, 2003

3. **Publication of Material Change**

   A press release by AltaCanada was issued on October 7, 2003 through Canada NewsWire.

4. **Summary of Material Change**

   AltaCanada announced on October 7, 2003, it has entered into a bought deal financing.

5. **Full Description of Material Change**

   AltaCanda has entered into a bought deal financing with First Associates Investments Inc. and Acumen Capital Finance Partners Limited to issue 6,700,000 units at $0.60 per unit. Each unit is composed of one common share and one half of one warrant. Each whole warrant will entitle the holder to acquire one common share for $0.75 for a period of 18 months from closing. Gross proceeds of the bought portion of the issue will be $4,020,000.

   The underwriters have reserved a greenshoe option to purchase up to 1,700,000 additional units for potential gross additional proceeds to AltaCanada of $1,020,000. If totally subscribed, the gross proceeds of the issue (prior to exercise of the warrants) will be $5,040,000. If the private placement is fully subscribed (including the greenshoe option) the gross proceeds upon the exercise of the warrants will be $3,150,000. A 6.5% commission is payable to the underwriters.

   Net proceeds from the private placement will be applied to pursue AltaCanada's drilling program focused primarily on natural gas targets on its Blaine County, Montana prospect, to follow up on AltaCanada's drilling success at Snipe Lake, Alberta, and to pursue other opportunities. Additional proceeds will be used to construct facilities required to bring AltaCanada's recent discoveries into commercial production.

   Completion of the private placement is subject to receipt of all necessary regulatory approvals and is anticipated to occur prior to October 31, 2003.

6. **Reliance on Confidentiality Provision**

Not applicable.

7. **Omitted Information**

Not applicable

8. **Senior Officers**

Donald E. Foulkes, President, is knowledgeable about the change set forth herein and can be reached at (403) 265-9091 (telephone), (403) 265-9021 (fax), and info@altacanada.com (email).

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at the City of Calgary, in the Province of Alberta, this 16th day of October, 2003.

(signed) "Donald E. Foulkes"
Donald E. Foulkes, President
AltaCanada Energy Corp.