CHARGER ENERGY INC.
2703, 1100 - 8th Avenue SW
Calgary, Alberta, T2P 3T8

December 20, 1999

VIA SEDAR

ALBERTA SECURITIES COMMISSION
19th Floor, 10025 Jasper Avenue
Edmonton, Alberta, T5K 3Z5

THE ALBERTA STOCK EXCHANGE
10th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta, T2P 3C4

BRITISH COLUMBIA SECURITIES COMMISSION
2nd Floor, 865 Hornby Street
Vancouver, British Columbia, V6Z 2H4

Dear Sirs:

**Re: CHARGER ENERGY INC.
MATERIAL CHANGE REPORT UNDER SECTION 118**

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of Charger Energy Inc. (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta) and the similar form under the *Securities Act*, (British Columbia). Concurrent with this filing, this letter is being filed with The Alberta Stock Exchange, being the only Exchange on which the Corporation's shares are listed.

Item 1 - Reporting Issuer

Charger Energy Inc.
2703, 1100 - 8th Avenue SW
Calgary, Alberta, T2P 3T8

Item 2 - Date of Material Change

The material change occurred on or about December 20, 1999.

Item 3 - Publication of Material Change

A Press Release was issued on December 20, 1999, by Canadian Corporate News, Calgary, Alberta, Canada.

Item 4 - Summary of Material Change

Charger Energy Inc. (**CDNX: CHC**) announces that it intends to complete a financing of up to US$750,000 before the end of this year by way of a private placement of 8% Convertible Subordinated Secured Debentures. The Debentures will have a one year term, with the principal convertible into units of the company at a price of CDN $0.35 per unit during the term. Each unit will be comprised of one common share and one purchase warrant and each purchase warrant will be exercisable into one common share at a price of CDN $0.50 per share for one year. Charger will have an option at any time during the term to force conversion of the debentures if the common shares of Charger trade at or above CDN $0.55 per share for twenty consecutive days.

Item 5 - Full Description of Material Change

Charger Energy Inc. (**CDNX: CHC**) announces that it intends to complete a financing of up to US$750,000 before the end of this year by way of a private placement of 8% Convertible Subordinated Secured Debentures. The Debentures will have a one year term, with the principal convertible into units of the company at a price of CDN $0.35 per unit during the term. Each unit will be comprised of one common share and one purchase warrant and each purchase warrant will be exercisable into one common share at a price of CDN $0.50 per share for one year. Charger will have an option at any time during the term to force conversion of the debentures if the common shares of Charger trade at or above CDN $0.55 per share for twenty consecutive days.

The company anticipates that certain of the directors and other related parties may participate in this private placement. Funds raised will be used by the company for working capital. This financing is subject to final regulatory approval.

Charger Energy Inc. is a public junior energy company listed on the Canadian Venture Exchange (**"CHC"**). Charger's primary focus is the exploration for and development and production of significant natural gas reserves in North America.

Item 6 - Reliance of Section 118(4) of the *Securities Act* (Alberta)

N/A

Item 7 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Jeffrey L. Standen
2703, 1100 - 8th Avenue SW
Calgary, Alberta, T2P 3T8
Telephone: (403) 265-4444
Facsimile: (403) 265-4525

The foregoing accurately discloses the material change referred to herein.

DATED this day of November, 1999.

Yours truly,

CHARGER ENERGY INC.

Per: ***"Jeffrey L. Standen"***
JEFFREY L. STANDEN, President and Chief Executive Officer