**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Arapahoe Energy Corporation
#2703, 1100 - 8th Avenue S.W.
Calgary, Alberta T2P 1C9
(403) 920-0040

2. **Date of Material Change**

March 11, 2005

3. **News Release**

A press release was disseminated on March 16, 2005 via CCN Matthews.

4. **Summary of Material Change**

The Corporation entered into a Farmout Agreement with Tsuu T'ina Energy Corporation pursuant to which it has acquired a 100% working interest in certain petroleum and natural gas rights underlying approximately 21,000 acres (the "Sarcee Farmout Lands") located on the Tsuu T'ina Nation west of Calgary, Alberta.

Quest Capital Corp. ("Quest") provided the Corporation with a loan in the principal amount of $2,395,820 with interest accruing on the amount outstanding at 12% per annum, calculated and compounded monthly. The Corporation issued 1,181,000 common shares to Quest as additional consideration for the loan advance and provided Quest with a security interest in all of its assets, including its interest in the Sarcee Farmout Lands.

Jeffrey L. Standen was appointed as the Chief Executive Officer and President of the Corporation, Michael Atkinson was appointed as a Director of the Corporation and Yvonne Petkovic resigned her position as a Director of the Corporation

5. **Full Description of Material Change**

On March 16, 2005, the Corporation entered into a Farmout Agreement with Tsuu T'ina Energy Corporation acquiring a 100% working interest in certain petroleum and natural gas rights underlying approximately 21,000 acres (the "Sarcee Farmout Lands") located on the Tsuu T'ina Nation west of Calgary, Alberta. The Corporation is obliged to drill at least two wells per year on the Sarcee Farmout Lands.

Quest Capital Corp. ("Quest") provided the Corporation with a loan in the principal amount of $2,395,820 with interest accruing on the amount outstanding at 12% per annum, calculated and compounded monthly. The loan is payable to Quest on the last business day of every month commencing March 31, 2005. The outstanding balance of the loan, including any accrued interest, is due September 30, 2005. The Corporation issued 1,181,000 common shares to Quest as additional consideration for the loan advance and provided Quest with a security interest in all of its assets, including its interest in the Sarcee Farmout Lands. The loan was used by the Corporation to acquire the Sarcee Farmout Lands and for working capital purposes.

Concurrent with the completion of the financing with Quest Capital Corp., Jeffrey L. Standen was appointed as the Chief Executive Officer and President of the Corporation, Michael Atkinson was appointed as a Director of the Corporation and Yvonne Petkovic resigned her position as a Director of the Corporation. As a result, the members of the Board of Directors of the Corporation are presently Jeff Standen, Chief Executive Officer and President, Ross Moulton, Vice President - Exploration, Barry Hemsworth and Michael Atkinson. Michael Atkinson is Director of Business Development for Quest, a merchant banking organization that focuses on providing financial services, specifically bridge loans to small and mid-cap companies in North America. Quest's primary expertise is providing asset backed commercial bridge loans of between Cdn$500,000 and Cdn$20,000,000 to publicly listed companies, generally operating in industries such as mining, oil and gas, real estate and manufacturing. Mr. Atkinson's experience includes over 10 years in the financial services sector as well as an education in Administrative and Commercial Studies from the University of Western Ontario.

## 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not Applicable

## 7. Omitted Information

Not Applicable

## 8. Executive Officer

The name and business number of the executive officer of Arapahoe who is knowledgeable about the material change and this report is:

Jeffrey L. Standen - Chief Executive Officer & President
Telephone: (403) 920-0040 (ext. 1)

## 9. Date of Report

March 18, 2005