

FORM 27

Material Change Report
Pursuant to Subsection 75(2) of the
Ontario Securities Act, R.S.O. 1990, c. S. 5

1. **Reporting Issuer**

TriTec Power Systems Ltd.
85 Renfrew Drive
Markham, Ontario
L3R 0N9

2. **Date of Material Change**

May 3, 2000

3. **Press Release**

TriTec Power Systems Ltd. ("TriTec") issued a press release at Toronto on May 5, 2000.

4. **Summary of Material Change**

TriTec borrowed a total of \$3.5 million from RoyNat Capital Inc. and Royal Bank Ventures Inc. (the "Lenders") which was used to complete the purchase of the previously announced acquisition of APB Automation Systems Corporation secured by convertible debentures, which are convertible at the option of the Lenders into common shares of the Issuer. The Lenders also received warrants to purchase a total of 1,725,000 common shares exercisable at prices between \$1.00 and \$1.75 per share between this date and February 28, 2005. If certain performance criteria are met over the next three years, one-half of the warrants may be assigned to senior management of the Issuer. The transaction of purchase and sale was completed on May 3, 2000.

5. **Description of Material Change**

Please see attached press release.

6. **Reliance on Section 75(3) of the Act**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

If any additional information is required, please contact Mr. Dan Andersen, Chairman and Chief Executive Officer, TriTec Power Systems Ltd. (telephone: 905/940-3007).

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario, the 5th day of May, 2000.

TRITEC POWER SYSTEMS LTD.

Per: “Stephen N. Adams”
Stephen N. Adams, Q.C.
Corporate Secretary

NEWS RELEASE
TRITEC POWER SYSTEMS LTD.

Markham, Ontario – May 5, 2000 – TriTec Power Systems Ltd. (“TriTec”) announced today that it has completed the transaction to acquire APB Automation Systems (“APB”). The acquisition provides TriTec with the manufacturing and integration platforms for TriTec products including motors, robotics, and industrial automation equipment. The acquisition transforms TriTec from a research and development firm to a fully integrated producer of industrial automation systems using TriTec’s patented technologies as a cornerstone.

TriTec’s financial partners, RoyNat Capital Inc. (“RoyNat”), a subsidiary of the Bank of Nova Scotia, and Royal Bank Ventures Inc. (“RBVI”), a subsidiary of the Royal Bank of Canada provided funding for the acquisition. APB is a privately-owned manufacturer of sophisticated automation systems for the North American vinyl and aluminum window and door manufacturing industry. The company currently occupies a site of approximately 20,000 square feet in Brampton, Ontario. Plans are underway to relocate the manufacturing facility to approximately 50,000 square feet to accommodate the increased order backlog.

The purchase price consisted of a combination of an undisclosed amount of cash and a non-interest bearing debenture in the amount of \$1,250,000, convertible into 833,333 TriTec common shares. The principal owner and operator of APB, Mr Arie Booi, will remain as President of the APB operations and has become a director of TriTec. Mr Booi may be entitled to additional payments of up to \$1,500,000 over the next five years if certain earnings targets are met over the next three years.

Financing for the acquisition, as well as additional working capital funding for TriTec’s growth plans, came from the issue to RoyNat and RBVI of \$3,500,000 convertible debentures due May 2 2003. Bearing interest at 11% per annum, the debentures are convertible at the option of the holders into 4,000,000 TriTec common shares. Under certain circumstance TriTec has the ability to force conversion of the debentures. In addition, the lenders received three series of warrants to purchase a total of 1,725,000 TriTec common shares at exercise prices of \$1.00, \$1.35 and \$1.75 respectively, with expiry dates from Feb 28, 2003 to 2005. Upon achievement of certain annual earnings milestones for each of the three fiscal years ending December 31 2002, one half of each series of warrants may be assigned to senior management of TriTec.

The Directors have also appointed Mr Wally Hunter of RBVI to the TriTec Board of Directors, and have given an undertaking to ask the shareholders to increase to size of the Board to allow for the nomination of Mr Robert Roy of RoyNat to the Board at the next meeting of shareholders.

Commenting on the acquisition, Dan Andersen, the Chief Executive Officer of TriTec, stated: “Since TriTec’s incorporation in 1994, we have spent in excess of \$2.5M on research and development and have developed world-class technologies for the industrial sector. This acquisition is the next logical step in our evolution that will allow us to commercialize these

technologies. Customer orders for TriTec technology-based products, as well as for APB's current product lines, dictate a need for increased manufacturing capability, and we are in the process of developing a state-of-the-art manufacturing facility to accommodate this growth."

TriTec, headquartered in Markham, Ontario, is a research and development firm specializing in motion, motor and engine efficiencies. Prior to the acquisition, manufactured products were outsourced to APB. The patented TriTec Power Unit ("TPU") translates linear motion to rotary motion with proven efficiencies over existing motor technologies. The TPU can participate in motors or engines that are fuelled by air, steam, expanding gasses, and electricity. The Company's research focus is on adapting the TPU to various environments and performance requirements.

TriTec is a publicly traded company quoted on The Canadian Dealing Network (Symbol TPSL), with 9,239,820 common shares issued and outstanding.

For further information contact:

Dan Andersen
Chairman and Chief Executive Officer
TriTec Power Systems Ltd
(905) 940-3007