FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Quarry Oil & Gas Ltd. ("Quarry")
800, 521 - 3rd Avenue S.W.
Calgary, Alberta T2P 3T3

2. Date of Material Change:

November 10, 2004.

3. News Release:

Quarry issued a press release on November 10, 2004 (through CCN Matthews) at Calgary, Alberta, which release disclosed the nature and substance of the material change.

4. Summary of Material Change:

On November 10, 2004, Quarry closed a non-brokered private placement of 2,008,364 common shares at a price of $0.70 per share.

5. Full Description of Material Change:

On November 10, 2004, Quarry closed a non-brokered private placement, which was first announced October 26, 2004. Quarry issued a total of 2,008,364 shares at a price of $0.70 per share for gross proceeds of $1,405,855. These shares are subject to a four-month hold period, ending March 10, 2004. The proceeds raised from the private placement were used to retire certain current and long-term debt obligations of Quarry. Following this placement, Quarry has 17,284,704 common shares outstanding.

Assure Holdings Inc. ("Assure"), Quarry's largest shareholder, participated in the private placement, purchasing $530,000 of common shares. Assure now holds 8,677,043 common shares of Quarry (50.2% of outstanding common shares). The private placement is therefore a "related party transaction" within the meaning of Ontario Securities Commission Rule 61-501 ("Rule 61-501") which has been adopted as a policy of the TSX Venture Exchange. The private placement is exempt from the valuation and minority shareholder approval requirements of Rule 61-501 pursuant to the exemption which applies where "neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction is greater than 25% of the issuer's market capitalization".

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

Not applicable.

7. Omitted Information:

No information has been omitted.

8. Executive Officer:

Mr. Harvey Lalach, President and Chief Executive Officer of Quarry, is knowledgeable about the material change and may be reached at (403) 266-4975.

9. Date of Report:

November 15, 2004.