

FORM 27

MATERIAL CHANGE REPORT

Subsection 75(2) of the Securities Act (Ontario);
Subsection 118(1) of the Securities Act (Alberta);
Subsection 67(1) of the Securities Act (British Columbia);
Securities Act (Manitoba);
Securities Act (Quebec)

1. **Reporting Issuer**

Travelbyus.com Ltd.
204 - 3237 King George Hwy
South Surrey, B.C.
V4P 1B7

2. **Date of Material Change**

May 25, 2000

3. **Press Release**

A press release with respect to the material change referred to in this report was issued in White Rock, British Columbia on May 25, 2000. A copy of the press release is attached to this report.

4. **Summary of Material Change**

travelbyus.com Ltd (Toronto Stock Exchange: TBU; Frankfurt Stock Exchange:TVB) and Travel24.com AG (Frankfurt Neuer Markt: TVD) announced that they have executed a Letter of Intent with respect to a comprehensive partnership based on a combination of strategic and operational elements.

5. **Full Description of Material Change**

travelbyus.com Ltd (Toronto Stock Exchange: TBU; Frankfurt Stock Exchange:TVB) and Travel24.com AG (Frankfurt Neuer Markt: TVD) announced that they have executed a Letter of Intent with respect to a comprehensive partnership based on a combination of strategic and operational elements.

Terms of the deal are expected to include the issuance of 13,800,000 shares of ***travelbyus.com*** in exchange for the delivery by Travel24.com of a combination of US\$ 5 million in cash and the issuance of 1,482,594 shares of Travel24. On a post-transaction basis travelbyus.com will own approximately 12.96% of Travel24.com and Travel24.com will own approximately 14.71% of ***travelbyus.com***. The deal is subject to meeting certain legal and regulatory conditions.

travelbyus.com and Travel24.com see this strategic partnership enabling both companies to enhance their value and profitability through integration of their operations, strategies, financial resources, products, distribution, marketing and technology.

6. **Reliance on** Subsection 75(2) of the Securities Act (Ontario); Subsection 118(1) of the Securities Act (Alberta); Subsection 67(1) of the Securities Act (British Columbia); Securities Act (Quebec); Securities Act (Manitoba).

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

For further information contact: William Kerby, Chief Executive Officer and Vice-Chairman of the Board at (604) 541-2400.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at White Rock, British Columbia this 2nd day of June, 2000.

Per: "Bill Kerby"
Bill Kerby
Chief Executive Officer



**TRAVELBYUS.COM LTD AND TRAVEL 24.COM AG
ANNOUNCE LETTER OF INTENT FOR
COMPREHENSIVE TRANSATLANTIC STRATEGIC PARTNERSHIP**

White Rock, B.C., Canada

May 25, 2000

travelbyus.com Ltd (Toronto Stock Exchange: TBU; Frankfurt Stock Exchange:TVB) and Travel24.com AG (Frankfurt Neuer Markt: TVD) are pleased to announce that they have reached a Letter of Intent for a comprehensive partnership based on a combination of strategic and operational elements.

This agreement is believed to be the e-Travel industry's first strategic transatlantic partnership, and may eventually lead to a full merger between the two companies.

Terms of the deal are expected to include the issuance of 13,800,000 shares at an average price of US\$2.50 of **travelbyus.com** in exchange for the delivery by Travel24.com of a combination of US\$ 5 million in cash and the issuance of 1,482,594 shares of Travel24 at an average price of US\$19.90 (approx Euros 22.00) per share. On a post-transaction basis travelbyus.com will own approximately 12.96% of Travel24.com and Travel24.com will own approximately 14.71% of **travelbyus.com**. The deal is subject to meeting certain legal and regulatory conditions.

travelbyus.com and Travel24.com see this strategic partnership enabling both companies to enhance their value and profitability through integration of their operations, strategies, financial resources, products, distribution, marketing and technology.

Both companies will engage their financial advisors during the next six months to do a comprehensive valuation opinion. Such opinion will guide the respective boards to determine if a full merger between the two companies would be of greater benefit to their respective shareholders.

Bill Kerby, CEO of **travelbyus.com** said, "Combining our North American and European inbound and outbound tourism flows, valuable contracts with premier travel and technology providers such as airlines, incoming agencies, hotel groups and Global Distribution Systems and increasing our distribution capabilities on a transatlantic scale constitutes an unique opportunity for both companies. We aim to rapidly and profitably grow our companies into a unique and unparalleled international travel group based on the integration of products, technology, marketing and distribution led by management on both sides of the Atlantic."

Marc Maslaton, CEO of Travel24.com added, "This compelling opportunity to rapidly build and secure global strategic value for our shareholders will be enhanced by the

cross shareholding of both our companies. The unique partnership with travelbyus.com is a major step forward in the execution of our strategy to make Travel24.com a profitable international leader in Internet based leisure travel, which we promised to our shareholders at the time of our IPO on March 15, 2000, when we raised Euro 70 million (approximately U.S.\$ 63 million at today's exchange rate)."

travelbyus.com is an Internet based vertically integrated travel service provider combining synergistic acquisitions in the fields of travel product and distribution with a unique marketing and technology platform/strategy which allows **travelbyus.com** to simultaneously obtain revenue growth and high potential profitability. **travelbyus.com** is presently trading on The Toronto Stock Exchange and the Frankfurt Stock Exchange, but is in the process of transferring its corporate domicile into the USA through a previously announced transaction.

Travel24.com is a leading German leisure travel services provider combining an online Content & Community platform, call-center and Internet based fulfillment operation and a software house specialized in Internet solutions. Travel24.com is presently executing its pan-European expansion together with complementary partners such as selected media groups and large technology providers.

Except for the historical information contained herein, this press release contains statements that constitute forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that may cause or contribute to such differences include, among other things, the Company's ability to close the proposed transaction. Other risks and uncertainties include changes in business conditions and the economy in general, changes in governmental regulations, unforeseen litigation and other risk factors identified in the Company's public filings under "Risk Factors." The Company undertakes no obligation to update these forward-looking statements for revisions or changes after the date of this press release.

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