MATERIAL CHANGE REPORT

Section 118(1) of the *Securities Act* (Alberta) - Form 27
Section 85(1) of the *Securities Act* (British Columbia) - Form 27
Section 75(2) of the *Securities Act* (Ontario) - Form 27

ITEM 1 Reporting Issuer

Command Drilling Corporation
350, 808 - 4th Avenue S.W.
Calgary, Alberta T2P 3E8

ITEM 2 Date of Material Change

April 10, 2001

ITEM 3 News Release

News Release, attached as Schedule A hereto, released on April 17, 2001 through Canada NewsWire.

ITEM 4 Summary of Material Change:

The Issuer adopted a Shareholder Rights Plan (the "Rights Plan") as set forth in an agreement (the "Rights Agreement") dated as of April 10, 2001 between the Issuer and CIBC Mellon Trust Company(the "Rights Agent"). The Rights Plan, which is effective immediately, will be submitted for ratification by the shareholders of the Issuer (the "Shareholders") at or before the next Shareholders' Meeting which is expected to be held on May 17, 2001 (the "Meeting").

ITEM 5 Full Description of Material Change:

Shareholder Rights Plan

The Issuer has implemented a Rights Plan to ensure that, to the extent possible, in the context of a bid for control of the Issuer through an acquisition of the Issuer's outstanding common shares ("Common Shares"), Shareholders will be treated equally and fairly and will be positioned to receive full value for their shares.

The Rights Plan was not adopted in response to, or in anticipation of, any pending or threatened take-over bid, nor to deter take-over bids generally. Rather, the objective of the Rights Plan is to give adequate time for shareholders to properly assess a bid without undue pressure, for the Board of Directors to consider value-enhancing alternatives and to allow competing bids to emerge. In addition, the Rights Plan has been designed to provide Shareholders with equal treatment in a bid for control of the Issuer.

As a result of the Rights Plan anyone seeking to acquire 20% or more of the outstanding Common Shares must make a "Permitted Bid" (as described below) or negotiate a waiver of the Rights Plan with the Board.

Initially the rights ("Rights") acquired under the Rights Plan will not be exercisable, certificates will not be sent to Shareholders and the Rights will trade with the Common Shares. The following provides a summary of the material terms of the Rights Plan.

Summary of the Rights Plan

The Rights

One Right has been issued by the Issuer for each Common Share outstanding at the close of business on April 10, 2001, and one Right will be issued for each Common Share issued thereafter, prior to the earlier of the Separation Time and the Expiry Time. Each Right entitles the registered holder thereof to purchase from the Issuer one previously unissued Common Share at the exercise price of $50, subject to adjustment and certain anti-dilution provisions (the “Exercise Price”). The Rights are not exercisable until the Separation Time. If a Flip-in Event occurs, each Right entitles the registered holder to receive, upon payment of the Exercise Price, Common Shares having an aggregate Market Price equal to twice the Exercise Price.

Trading of Rights

Until the Separation Time (or the earlier termination or expiry of the Rights), the Rights are evidenced only by outstanding Common Share certificates and are transferable only with the associated Common Shares. Until the Separation Time (or earlier termination or expiry of the Rights), each new share certificate issued, upon transfer of outstanding Common Shares or the issuance of additional Common Shares, will display a legend incorporating the terms of the Rights Agreement by reference. As soon as practicable after the Separation Time, separate certificates evidencing the Rights (the “Rights Certificates”), together with a disclosure statement prepared by the Issuer describing the Rights, will be mailed to each holder of record of Common Shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of Common Shares issued prior to the Expiry Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities convertible into or exchangeable for Common Shares (“Convertible Securities”). After the Separation Time, the Rights Certificates alone will evidence the Rights, and the Rights will trade separately from the Common Shares.

Separation Time

The Rights will separate and trade apart from the Common Shares after the Separation Time. Separation Time means the close of business on the eighth business day after the earlier of (i) the Stock Acquisition Date, which is generally the first date of public announcement of facts indicating that a person has become an Acquiring Person, and (ii) the commencement of, or first public announcement or advertisement of the intent of any person (other than the Issuer or any corporation controlled by the Issuer) to commence, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, so long as such bid continues to satisfy the requirements of a Permitted Bid or Competing Permitted Bid, or a Take-over Bid in respect of which the Board of Directors has determined to waive the application of the Rights Plan). In either case, the Separation Time can be such later Business Day as may from time to time be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it is deemed never to have been made.

Acquiring Person

In general, an Acquiring Person is a Person who becomes the Beneficial Owner of 20% or more of the Issuer's outstanding Common Shares and any other shares in the share capital or any voting interest of the Issuer entitled to vote generally on the election of directors ("Voting Shares"). Currently, no Voting Shares other than the Common Shares are outstanding. Excluded from the definition of "Acquiring Person" are the Issuer and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one more or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, an Approved Transaction Acquisition, a Pro Rata Acquisition, or a Convertible Security Acquisition. The definitions of "Voting Share Reduction", "Permitted Bid Acquisition", "Exempt Acquisition", "Pro Rata Acquisition" and "Convertible Security Acquisition" are set out in the Rights Agreement; however, in general:

(a) a "Voting Share Reduction" means an acquisition or redemption by the Issuer of Voting Shares which increases the proportionate number of Voting Shares of a Shareholder to 20% or more;

(b) a "Pro Rata Acquisition" means an acquisition of Voting Shares pursuant to a dividend reinvestment plan, share purchase plan, stock dividend, a stock split or other similar event. It also means the acquisition or exercise of Voting Share purchase rights distributed pursuant to a *bona fide* rights offering or a public or private distribution of Voting Shares or Convertible Securities (including a conversion or exchange of such Convertible Securities) but only if the acquisition allows the acquirer to maintain its percentage holding of Voting Shares;

(c) an "Exempt Acquisition" means a share acquisition in respect of which the Board of Directors has waived the application of the Plan or which was made prior to the date of the Agreement;

(d) an "Approved Transaction Acquisition" means an acquisition of previously unissued Voting Shares pursuant to an acquisition of securities or assets of another person by the Issuer (or a Subsidiary or Affiliate thereof) approved by the Board of Directors;

(e) a "Permitted Bid Acquisition" means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid; and

(f) a "Convertible Security Acquisition" means a Voting Share acquisition pursuant to the exercise of Convertible Securities previously acquired under a Permitted Bid Acquisition, Exempt Acquisition or Pro Rata Acquisition, or distributed under an incentive option plan adopted by the Issuer.

Also excluded from the definition of "Acquiring Person" are underwriters acting in connection with a *bona fide* distribution of securities to the public. Finally, a "Grandfathered Person", being a Shareholder who Beneficially Owns 20% or more of the outstanding Common Shares as of the effective time of the Rights Plan, is not an "Acquiring Person", so long as such Grandfathered Person does not acquire more than another 1% of the outstanding Voting Shares. The Issuer is not aware of any Person who was the Beneficial Owner of more than 20% of the outstanding Common Shares when the Rights Plan was adopted by the Board of Directors.

Beneficial Ownership

In general, a Person is deemed to Beneficially Own securities actually held by the Person and others in circumstances where those holdings are or should be grouped together for purposes of the Rights Plan. Included are holdings by the Person's Affiliates (generally, a person that controls, is controlled by, or under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person's Affiliates or Associates has the right to acquire within 60 days except where the exercise of such rights would be a Convertible Securities Acquisition and other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities, and other than pledges of securities in the ordinary course of business.

A Person is also deemed to "Beneficially Own" any securities that are Beneficially Owned (as described above) by any other Person with which the Person is acting jointly or in concert.

The definition of "Beneficial Ownership" contains several exclusions whereby a Person is not considered to "Beneficially Own" a security. A Person is not deemed to be the Beneficial Owner of a security because the holder of such security has either: (i) agreed pursuant to a Permitted Lock-up Agreement to deposit or tender such security to a Take-over Bid made by such Person or such Person's Affiliate or Associate; or (ii) because such security has been deposited or tendered to a Take-over Bid made by such Person or such Person's Associates or Affiliates until the earlier of such security being accepted unconditionally for payment or exchange pursuant to the Take-over Bid and such security being taken up and paid for. "Permitted Lock-up Agreement" is defined in the Agreement; however, generally a "Permitted Lock-up Agreement" is an agreement between a Person and one or more holders of Voting Shares (each a "Locked-up Shareholder") to tender or deposit shares to a Take-over Bid (the "Lock-up Bid") which agreement permits the Locked-up Shareholder to terminate its obligation to tender or deposit to the Lock-up Bid in order to tender or deposit those shares to another Take-over Bid or support another transaction where either (i) price or value per Voting Share under the other bid or transaction exceeds the price or value per Voting Share under the Lock-up Bid by a specified minimum not higher than 7% of the Lock-up Bid's price or value per Voting Security; or (ii) the aggregate price or value to be received by a Locked-up Shareholder under another Take-over Bid or other transaction exceeds the aggregate price or value under the Lock-up Bid by a specified minimum not higher than 7% of the aggregate price or value under the Locked-up Bid, so long as the price or value per Voting Share is not less than the price or value per Voting Share offered under the Lock-up Bid. Further, if the Lock-up Bid is not successful, the Locked-up Shareholder must not be required to pay break-up fees, top-up fees, penalties or expenses or other amounts that exceed in the aggregate the greater of (i) the cash equivalent of 2½% of the price or value payable under the Lock-up Bid to the Locked-up Shareholder; or (ii) 50% of the increase in the consideration to the Locked-up Shareholder resulting from another Take-over Bid or other transaction.

There are other exceptions to the deemed "Beneficial Ownership" provisions for institutional shareholders acting in the ordinary course of business. These exceptions apply to (i) a fund manager ("Fund Manager") which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person (a "Client"); (ii) a licensed trust corporation ("Trust Company") acting as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent persons (each an "Estate Account") or in relation to other accounts (each an "Other Account") and which holds such security in the ordinary course of its duties for such accounts; (iii) the administrator or the trustee (a "Plan Administrator") of one or more pension funds or plans (a "Plan") registered under Canadian or U.S. law; or (iv) an agency (the "Crown Agency") established by statute, and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies. The foregoing exceptions only apply so long as the Fund Manager, Trust Company, Plan Administrator or Crown Agent is not then making or has not then announced an intention to make a Take-over Bid, other than an Offer to Acquire Voting Shares or other securities (X) by means of ordinary market transactions (including prearranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or acting jointly or in concert with any other Person, (Y) pursuant to a distribution by the Issuer, or (Z) by means of a Permitted Bid Acquisition.

Finally, a Person is not deemed to "Beneficially Own" a security because (i) the Person is a Client of the same Fund Manager, an Estate Account or an Other Account of the same Trust Corporation, or Plan with the same Plan Administrator as another Person or Plan on whose account the Fund Manager, Trust Corporation or Plan Administrator, as the case may be, holds such security; or (ii) the Person is a Client of a Fund Manager, Estate Account, Other Account or Plan, and the security is owned by the Fund Manager, Trust Corporation or Plan Administrator, as the case may be.

Flip-in Event

A Flip-in Event occurs when any Person becomes an Acquiring Person. If, prior to the Expiry Time, a Flip-in Event which has not been waived occurs (refer to the subheading "*Waiver and Redemption*" below), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a Person, which Rights become null and void) constitutes the right to purchase from the Issuer, upon exercise thereof in accordance with the terms of the Plan, that number of Common Shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Stock Acquisition Date the Exercise Price is $50 and the Market Price of the Common Shares is $2.00, the holder of each Right would be entitled to purchase Common Shares having an aggregate Market Price of $100 (that is, 50 Common Shares) for $50 (that is, a 50% discount from the Market Price).

Permitted Bid and Competing Permitted Bid

A Flip-in Event does not occur if a Take-over Bid is a Permitted Bid or a Competing Permitted Bid. A Permitted Bid is a Take-over Bid, made by means of a take-over bid circular, which also complies with the following provisions:

(a) The Take-over Bid is made to all registered holders of Voting Shares (other than the Offeror).

(b) The Take-over Bid contains, and the take-up and payment for Common Shares tendered or deposited are subject to, irrevocable and unqualified conditions that:

   (i) no Voting Shares can be taken up or paid for pursuant to the Take-over Bid;

      A. prior to the Close of Business on a date which is not less than 60 days after the date of the Take-over Bid; and

B. unless at the Close of Business on the date of the first take-up of, or payment for, Voting Shares deposited or tendered pursuant to the Take-over Bid and not withdrawn constitute more than 50% of the outstanding Voting Shares held by Independent Shareholders;

(ii) unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to the Take-over Bid at any time prior to the Close of Business on the date of the first take-up of or payment for Voting Shares;

(iii) any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until the Close of Business on the date of the first take-up of, and payment for; and

(iv) if more than 50% of the Voting Shares held by Independent Shareholders are deposited or tendered to the Take-over Bid and not withdrawn upon the first take-up of, and payment for, such Shares, the Offeror will publicly announce that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 Business Days after the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, and satisfies all the requirements of a Permitted Bid, as described above, except that a Competing Permitted Bid is not required to remain open for 60 days so long as it is open until the later of 35 days after the date of the Competing Permitted Bid and 60 days after the date on which the earliest Permitted Bid preceding the Competing Permitted Bid and then in existence was made.

If a Take-over Bid ceases to be a Permitted Bid because it no longer meets any or all of the criteria at any time, any acquisition of Voting Shares made pursuant to such former Permitted Bid, including any acquisition of Voting Shares made prior to such time, ceases to be an acquisition of Voting Shares made pursuant to a Permitted Bid (or a Competing Permitted Bid, as described below).

Take-over Bid

A Take-over Bid is defined in the Rights Plan but, generally, is as an offer to acquire Common Shares or securities convertible into Common Shares, where the Common Shares subject to the offer to acquire, together with the Common Shares into which the securities subject to the offer to acquire are convertible, and the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the offer.

Waiver and Redemption

(a) *Redemption or Waiver with Security Holder Approval.* The Board of Directors may, with prior security holder approval, at any time before a Flip-in Event which has not already been waived: (i) elect to redeem all but not less than all of the then outstanding Rights at a nominal redemption price; or (ii) determine to waive the application of the Rights Plan to a Flip-in Event that would occur as a result of a Take-over Bid made otherwise by means of a take-over bid circular to all Shareholders.

(b) *Redemption upon Permitted Bid Acquisition*. If a Person acquires outstanding Common Shares, pursuant to a Permitted Bid, a Competing Permitted Bid, or a Take-over Bid waived concurrently with all other bids, the Board of Directors is, immediately upon the consummation of the acquisition, deemed to have elected to redeem the Rights at the nominal redemption price.

(c) *Redemption of Rights on Withdrawal or Termination of Bid*. Where a Take-over Bid that is not a Permitted Bid or Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, or if the Board of Directors has granted a waiver under the circumstances described in (e) below after the Separation Time, the Board of Directors may elect to redeem all the outstanding Rights at the nominal redemption price. Upon the Rights being so redeemed, all the provisions of the Rights Plan continue to apply as if the Separation Time had not occurred and Rights Certificates had not been mailed, and the Separation Time is deemed not to have occurred.

(d) *Waiver of Concurrent Bids*. The Board of Directors may, prior to the occurrence of the relevant Flip-in Event, upon prior written notice to the Rights Agent, waive the application of the Rights Plan to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Voting Shares. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors is deemed to have waived the application of the Rights Plan, in respect of any other Flip-in Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.

(e) *Waiver of Inadvertent Acquisition*. The Board of Directors may, prior to the Close of Business on the eighth Business Day after a Stock Acquisition Date (or such later time as it may determine) waive the application of the Rights Plan to a corresponding Flip-in Event if: (i) the Board of Directors has determined, that a Person inadvertently became an Acquiring Person; and (ii) the Acquiring Person, within 10 Business Days after the determination by the Board of Directors or such later date as the Board of Directors may determine (the "Disposition Date"), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the person remains an Acquiring Person at the Close of Business on the Disposition Date, the Disposition Date is deemed to be extended until a further Stock Acquisition Date.

(f) *Waiver on Agreement to Reduce Beneficial Ownership by Acquiring Person*. The Board of Directors may, prior to the Close of Business on the eighth Business Day after a Stock Acquisition Date (or such later time as it may determine), waive the application of the Rights Plan to a corresponding Flip-in Event, provided that the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or has entered into a contractual arrangement with the Issuer, acceptable to the Board of Directors, to do so within 10 days of the date on which such contractual arrangement is entered into or such later date as the Board of Directors may determine) such that at the time the waiver becomes effective, the Person having acquired the Voting Shares is no longer an Acquiring Person. If such a waiver becomes effective prior to the Separation Time, the applicable Flip-in Event is deemed not to have occurred.

If the Board of Directors elects or is deemed to have elected to redeem the Rights as described in paragraphs (a), (b) or (c) above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the nominal redemption price. Within 10 Business Days of any such election or deemed election to redeem the Rights, the Issuer will notify the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

Anti Dilution Adjustments

The Exercise Price of a Right, the number and kind of securities subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

(a) if there is a stock dividend (other than pursuant to any dividend reinvestment plan) on the Common Shares, or a subdivision or consolidation of the Common Shares, or an issuance of Common Shares (or Convertible Securities) in respect of, in lieu of or in exchange for Common Shares; or

(b) if the Issuer fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Common Shares or Convertible Securities, or for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in Common Shares) or other securities.

No Adjustment in Exercise Price will be made unless it represents, on a cumulative basis with other unreflected adjustments, at least 1% change in the Exercise Price.

Supplements and Amendments

The following changes to the Rights Plan may be made by the Board of Directors after the Meeting subject to subsequent ratification by the holders of the Common Shares or, after the Separation Time, the holders of the Rights;

(a) changes necessary to maintain the validity of the Rights Agreement and the Rights as a result of any change in any applicable legislation, regulation or rules; or

(b) changes to cure any clerical or typographical error in the Rights Agreement.

Subject to the above exceptions, after the Meeting, any amendment, variation or deletion to or from the Rights Plan, is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

Shareholder Review

At or prior to the first annual meeting of Shareholders following the third anniversary of the date of the Rights Agreement, the Board of Directors must submit to the Shareholders a resolution ratifying the continued existence of the Rights Plan. If a majority of Common Shares held by Independent Shareholders who vote in respect of such resolution are voted against the continued existence of the Rights Plan, the outstanding Rights automatically terminate. Otherwise, the Rights Plan, if ratified, confirmed and approved at such meeting, and ratified after its third anniversary, will remain in force for an additional three years.

Vote Required

Shareholder ratification of the Rights Plan is not required by law but is required by The Toronto Stock Exchange on which the Common Shares are listed. In addition, the Board of Directors has determined that it would not, in any event, allow the Rights Plan to remain in force without Shareholder approval. If the Rights Plan is not approved at the Meeting by the affirmative vote of holders of a majority of the Common Shares voted by Independent Shareholders present in person or represented by proxy, the Rights Plan (and the Rights distributed thereunder) will thereupon effectively become void and of no further force and effect.

ITEM 6 Reliance on Section 118(2) of the *Securities Act* (Alberta), Section 75(3) of the *Securities Act* (Ontario) or Section 85(2) of the *Securities Act* (British Columbia):

N/A

ITEM 7 Omitted Information:

N/A

ITEM 8 Senior Officer:

The name and business number of the senior officer of Command Drilling Corporation, who is knowledgeable about the material change and this report is:

Douglas A. Cutts
Vice-President, Finance and Chief Financial Officer
Telephone: (403) 269-7244

ITEM 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED this 20th day of April, 2001, at the City of Calgary, in the Province of Alberta.

COMMAND DRILLING CORPORATION

Per: *"Douglas A.Cutts"*
Douglas A. Cutts, Vice-President, Finance and
Chief Financial Officer

Schedule "A" to Material Change Report

COMMAND DRILLING CORPORATION ADOPTS SHAREHOLDERS RIGHTS PLAN

Command Drilling Corporation
CDZ: TSE
CDS.WT: TSE
CUSIP No.: 20049N

CALGARY, April 17 /CNW/ - Command Drilling Corporation ("Command", "the Corporation") announces its Board of Directors has approved and adopted a shareholders rights plan effective April 10, 2001. The principal purpose of the rights plan is to ensure that, to the greatest extent possible, shareholders will be treated equally and fairly in the event of a bid for control of the Company through an acquisition of common shares.

Shareholders of Command will be asked to confirm the continuation of the plan at Command's annual and special meeting to be held on May 17, 2001.

The plan extends the minimum expiry period for a takeover bid to 60 days and requires a bid to remain open for an additional 10 business days after an offeror publicly announces it has received tenders for more than 50% of the company's voting shares.

Command's Board of Directors is not currently aware of any pending or threatened takeover bid and is implementing the plan in the normal course of corporate governance.

Command Drilling Corporation is an oilfield services company providing contract drilling services to the oil and natural gas industry in Alberta. Command currently owns 14 drilling rigs of various sizes and capabilities as well as related support equipment. The Company began trading on The Toronto Stock Exchange under the symbols "CDZ" and "CDZ.WT" on June 5, 2000. Prior to that, it operated for more than 20 years as a private company.

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For further information: Douglas A. Cutts, Vice President Finance and Chief Financial Officer, Telephone: (403) 269-7244. Please visit our website at: www.commanddrilling.ab.ca