MATERIAL CHANGE REPORT

1. Reporting Issuer:

DRILLERS TECHNOLOGY CORP.
2920, 715 - 5th Ave. S.W.
Calgary, Alberta
T2P 2X6

2. Date of Material Change:

June 29, 2000

3. Press Release

A press release relating to the material change described herein was released on June 29, 2000.

4. Summary of Material Change:

On June 29, 2000 Drillers Technology Corp. ("Drillers") completed its initial public offering of 5,720,000 units of the Corporation ("Units") at the price of $1.75 per Unit for aggregate proceeds of $10,010,000. Each Unit consists of one common share of the Corporation and one-half common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one common share at the price of $2.00 until December 31, 2001.

5. Full Description of Material Change:

On June 29, 2000 Drillers completed its initial public offering of 5,720,000 Units at the price of $1.75 per Unit for aggregate proceeds of $10,010,000. Each Unit consists of one common share of the Corporation and one-half Warrant. Each whole Warrant entitles the holder to purchase one common share at the price of $2.00 until December 31, 2001.

Yorkton Securities Inc. and Octagon Capital Corporation acted as underwriters on the offering. The underwriters have been granted an Over-Allotment Option exercisable in whole or in part to purchase up to an additional 858,000 Units at $1.75 per Unit until August 28, 2000 to cover over-allotments, if any. The underwriters were paid a commission of 8% of the proceeds of the offering and were issued Underwriter Warrants to purchase an aggregate of 572,000 Units at $1.75 per Unit until June 29, 2002.

On June 26, 2000 Drillers issued 11,673,700 common shares upon exercise of previously issued special warrants. On June 28, 2000 Drillers issued 500,000 common shares upon conversion of convertible preferred shares.

As at June 29, 2000 there are 23,543,700 common shares and 2,860,000 Warrants outstanding. An aggregate of 7,796,755 common shares are issuable as follows:

(1) 2,860,000 common shares are issuable upon exercise of Warrants exercisable at $2.00 until December 31, 2001;

(2) 308,685 common shares are issuable upon exercise of Agents' Options exercisable at $1.50 until December 31, 2001;

(3) 572,000 common shares are issuable upon exercise of Underwriter Warrants exercisable at $1.75 per Unit, each Unit consisting of one Common Share and one-half Warrant, until June 29, 2002;

(4) 2,354,370 common shares are reserved for issuance under Drillers's incentive stock option plan, of which 1,165,000 options have been granted and 60,000 have been canceled leaving 1,105,000 outstanding as at June 29, 2000;

(5) 286,000 common shares will be issuable upon exercise of additional Warrants issuable upon exercise of Underwriter Warrants;

(6) 858,000 common shares are issuable upon exercise of the Over-Allotment Option exercisable at $1.75 per Unit until August 28, 2000;

(7) 429,000 common shares will be issuable upon exercise of additional Warrants issuable if the Over-Allotment Option is exercised in full;

(8) 85,800 common shares will be issuable upon exercise of additional Underwriter Warrants if the Over-Allotment Option is exercised in full; and

(9) 42,900 common shares will be issuable upon exercise of additional Warrants issuable upon exercise of Underwriter Warrants if the Over-Allotment Option is exercised in full.

The common shares and Warrants of Drillers Technology Corp. are listed for trading on The Toronto Stock Exchange under the symbols "DLR" and "DLR.WT" respectively.

Drillers Technology Corp. is engaged in the oil and gas drilling services business in western Canada and owns six drilling rigs. The Corporation anticipates using the net proceeds from the sale of Units to finance the construction of two additional drilling rigs.

6. Reliance on Section 118(2) of the *Securities Act* (Alberta) and Section 75(3) of the *Securities Act* (Ontario):

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers:

For further information, contact the following officer:

Mr. David Spivak
Chief Financial Officer

Telephone: (403) 261-9877
Fax: (403) 213-4860

The foregoing accurately discloses the material change referred to in this report.

DATED at the City of Calgary, in the Province of Alberta, this 29th day of June, 2000.

DRILLERS TECHNOLOGY CORP.

Per: *"Harley Winger"*
Secretary