MATERIAL CHANGE REPORT

Section 146(1) of the *Securities Act* (Alberta)
and Equivalent Provisions of Security Legislation in Other Provinces of Canada

1. Reporting Issuer:

Drillers Technology Corp.
2920, 715 - 5th Avenue S.W.
Calgary, Alberta T2P 2X6

2. Date of Material Change:

May 23, 2003

3. News Release:

A press release relating to the material change described herein was released on May 23, 2003.

4. Summary of Material Change:

Drillers Technology Corp. completed its previously announced $9,045,000 private placement.

5. Full Description of Material Change:

See attached News Release dated May 23, 2003.

6. Reliance on Section 146(2) of the *Securities Act* (Alberta):

Not applicable.

7. Omitted Information:

None.

8. Senior Officers:

For further information, contact the following officer:

David Spivak
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The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta as of the 26th day of May, 2003.

DRILLERS TECHNOLOGY CORP.

"Harley Winger"
Harley Winger, Secretary

New Release
May 23, 2003

DRILLERS TECHNOLOGY CORP. (TSX:DLR) Announces Completion of Equity Financings and Credit Facilities.

Drillers Technology announces that it has today completed its previously announced $9,045,000 private placement. In accordance with the requirements of The Toronto Stock Exchange, the private placement is subject to approval by the Corporation's shareholders at a meeting to be held on June 11, 2003. The Corporation issued 6,700,000 Special Warrants at $1.35 each on a bought-deal basis through a syndicate of underwriters lead by Yorkton Securities Inc. and including Raymond James Ltd. Each Special Warrant is exchangeable for no additional consideration into one Unit, with each Unit consisting of one Common Share and ½ Common Share Purchase Warrant. Each full Warrant entitles the holder to acquire one Common Share at an exercise price of $1.45 until May 23, 2004. The gross proceeds of $9,045,000 have been placed in escrow pending shareholder approval.

In addition, Drillers Technology announces that it has put in place an $18 million credit facility with GE Canada Equipment Financing G.P. as well as a $4 million subordinate credit facility with Socal Investments Ltd., a private investment company controlled by a director of the Corporation, and a $3 million operating credit facility with a Canadian chartered bank.

Ronald Gnyra, President and Chief Executive Officer of Drillers Technology, stated "Of the $34.0 million raised through the equity issue and new credit facilities, approximately $9.0 million will be used to refinance an existing credit facility, an estimated $18.0 million will be used to fund the Corporation's 51% share of expenditures incurred to construct five new drilling rigs for its Mexican joint venture and the remainder will be used to fund working capital when needed. Three of the joint venture rigs have been mobilized to Mexico, with the remaining two rigs expected to leave prior to the end of May. Drillers Technology is now well financed to aggressively pursue its contract drilling opportunities internationally and within Canada."

Drillers Technology is a western Canadian based drilling contractor with North American operations from Alaska to Mexico. Drillers Technology has a 51% interest in seven rigs held through a Mexican joint venture with Dowell Schlumberger, with contracts to drill approximately 300 wells over the next four years. In addition, upon the completion of construction of Rig 9, the Corporation will operate 7 wholly owned drilling rigs, 5 of which operate in western Canada, one rig is contracted to Tesco Corporation, drilling a multi-well casing drilling program in Mexico, and one rig is contracted to Kuukpik Drilling to drill a multi-well platform drilling program in the Cook Inlet, located off the coast of Alaska. All rigs are topdrive equipped and are capable of providing casing drilling.

For further information: please contact Ronald Gnyra, Chairman, President and Chief Executive Officer, or David Spivak, Vice President, Finance and Chief Financial Officer at Telephone: (403) 261 – 9877, Fax: (403) 213 – 4860, Website: www.drillerstech.com.