

FORM 53-901F *SECURITIES ACT (BRITISH COLUMBIA)* MATERIAL CHANGE REPORT UNDER SECTION 85(1)  
FORM 27 *SECURITIES ACT (ALBERTA)* MATERIAL CHANGE REPORT UNDER SECTION 118(1)

**Item 1.        Reporting Issuer**

Compliance Energy Corporation  
584 – 885 Dunsmuir Street  
Vancouver, BC V6C 1N5

**Item 2.        Date of Material Change**

August 29, 2003

**Item 3.        Press Release**

Press release was issued at Vancouver, British Columbia on August 28, 2003

**Item 4.        Summary of Material Change**

Compliance closed its 1.43 million flow through common share non-brokered private placement to raise gross proceeds of \$500,000. Proceeds of the financing will be used for completion of a pre-feasibility and bankable feasibility study on the development of a wood waste/coal fired power plant near Princeton, British Columbia.

**Item 5.        Full Description of Material Change**

Compliance closed its 1.43 million flow through common share non-brokered private placement to raise gross proceeds of \$500,000. The shares were issued at a price of \$0.35 per share. The shares issued under this private placement are subject to a four month hold period. Proceeds of the financing will be used for completion of a pre-feasibility and bankable feasibility study on the development of a wood waste/coal fired power plant near Princeton, British Columbia.

**Item 6.        Reliance of Section 85(2) of the Securities Act (British Columbia) and  
Section 118(2) of the Securities Act (Alberta)**

Not Applicable

**Item 7.        Omitted Information**

None

**Item 8.        Senior Officers**

The following Senior Officers of the Company are available to answer questions regarding this report:

James O'Rourke  
Chief Executive Officer  
(604) 689-0489

**Item 9.        Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Date at Vancouver, British Columbia, this 8<sup>th</sup> day of September, 2003.

Compliance Energy Corporation

Per:

*“Rodney A. Shier” (signed)*

Rodney A. Shier

Chief Financial Officer