

RAVENWOOD RESOURCES INC.

MATERIAL CHANGE REPORT

Section 67(1) of the *Securities Act* (British Columbia)

Section 118(1) of the *Securities Act* (Alberta)

1. Reporting Issuer:

The name and address of the reporting issuer is Ravenwood Resources Inc. (“Ravenwood”), with its principal and registered offices at Suite 2600, 645 – 7th Avenue S.W., Calgary, Alberta, T2P 4G8.

2. Date of Material Change:

The material change occurred on June 3, 2003.

3. News Release:

A press release reporting the material change was issued on June 3, 2003 through CCN Matthews.

4. Summary of Material Change:

Ravenwood entered into a pre-acquisition agreement (the “Pre-Acquisition Agreement”) dated June 3, 2003 with Compass Petroleum Ltd. (“Compass”) in respect of a cash offer of \$1.05 per share (“Ravenwood Shares”) by Compass.

5. Full Description of Material Change:

Ravenwood announced that it has entered into the Pre-Acquisition Agreement with Compass. Under the terms of the Pre-Acquisition Agreement, Compass has agreed to make a cash offer to acquire 100% of the issued and outstanding common shares of Ravenwood on the basis of \$1.05 for each Ravenwood common share. The total value of the acquisition, including debt, is approximately \$26 million. The Offer represents a 7% premium over the 20 day weighted average closing price on January 28, 2003 of the Ravenwood common shares on the TSX Venture Exchange, which is the day before Ravenwood announced the intention to initiate a shareholder value maximization process.

The board of directors of Ravenwood has approved the terms of the Pre-Acquisition Agreement and has unanimously resolved to recommend that Ravenwood shareholders accept the Offer. Directors, officers and certain significant shareholders of Ravenwood, holding approximately 37% of the common shares, have agreed to tender their shares to the Offer.

The offer is expected to be mailed by June 17, 2003 and will remain open for 35 days. It is subject to the usual terms and conditions, including that a minimum of 66 2/3% of the Ravenwood common shares, on a fully diluted basis, be tendered to the Offer.

Compass is a private Alberta corporation, the board of directors of which consists of: Yook L. Mah (Calgary), Don Raeburn (Calgary) and Bryan H. Lawrence (New York).

Waterous & Co. is acting as financial advisor to Ravenwood and has provided an opinion to the board of directors of Ravenwood that the Compass offer is fair, from a financial point of view, to the shareholders of Ravenwood.

The Pre-Acquisition Agreement provides, among other things and subject to its specific terms, the following:

(a) *Restrictions on Amendment by Compass* – Compass may, in its discretion, waive any term or condition of the Offer for its benefit and amend any term or condition of the Offer, provided that Compass shall not decrease the consideration to be paid for each Ravenwood Share, change the form of consideration payable under the Offer or modify or impose additional conditions to the Offer in a manner that is materially adverse to the holders of Ravenwood Shares, provided that any waiver, in whole or in part, of any condition of the Offer or the extension of the expiry time in accordance with the terms of the Pre-Acquisition Agreement, shall not be considered to be materially adverse to the holders of Ravenwood Shares.

(b) *Non-Completion Fees* – Ravenwood will pay Compass a fee (provided Compass is not then in breach of any material representation, warranty, covenant or obligation of Compass set forth in the Pre-Acquisition Agreement) of \$1.0 million (each being a “Fee Event”) if: (i) the Board of Directors shall have failed to make the recommendations contemplated by the Pre-Acquisition Agreement to holders of Ravenwood Shares or shall withdraw or, in any manner adverse to Compass, redefine, modify or change any of its recommendations or determinations referred to in the Pre-Acquisition Agreement, or shall have resolved to do so; (ii) any bona fide Take-over Proposal (defined below) in respect of Ravenwood is publicly announced or commenced, and the Board of Directors fails to publicly reaffirm and maintain its recommendation with respect to the Offer within ten days after the public announcement or commencement of any such Take-over Proposal; (iii) the Board of Directors recommends that any securityholders deposit their Ravenwood Shares under, vote in favour of, or otherwise accept, a Take-over Proposal; (iv) a Take-over Proposal is publicly announced, proposed, offered, commenced or made to Ravenwood and all of its securityholders prior to the expiry time of the Offer and such Take-over Proposal is completed; or (v) Ravenwood enters into a written agreement with any bidder or proposed bidder with respect to a Take-over Proposal prior to the Expiry Time of the Offer, excluding a confidentiality agreement entered into in compliance with the Pre-Acquisition Agreement.

(c) *No Solicitation* – Ravenwood shall immediately cease and cause to be terminated any existing solicitation, initiation, encouragement, activity, discussion or negotiation with any person conducted prior to the date of the Pre-Acquisition Agreement by Ravenwood or any of its officers, directors, employees, financial advisors, representatives and agents (“Representatives”) with respect to a Take-over Proposal, whether or not initiated by Ravenwood, and in connection therewith Ravenwood shall not release any person from any confidentiality or standstill agreement to which Ravenwood and such person are parties or amend any of the foregoing and shall exercise all rights to require the return of information relating to Ravenwood previously provided to such person and shall exercise all rights to require the destruction of all materials including or incorporating any information relating to Ravenwood.

(d) *Concerning a Superior Take-over Proposal* – Ravenwood will not, and will not authorize or permit any Representative to, directly or indirectly, solicit, initiate or encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) or participate in or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to a Take-over Proposal from any person, or engage in any discussion, negotiation or inquiry relating thereto or accept any Take-over Proposal; provided, however, that Ravenwood may (i) engage in discussions or negotiations with a person who (without any solicitation, initiation or encouragement, directly or indirectly, by Ravenwood or any of its Representatives after the date of the Pre-Acquisition Agreement) seeks to initiate such discussions or negotiations and may furnish to such person information concerning Ravenwood and its business, properties and assets and otherwise respond in any manner, if, and only to the extent that (A) such person has first made a bona fide written Take-over Proposal that, if completed in accordance with its terms would constitute a Superior Proposal (as defined in the Pre-Acquisition Agreement) and the Board of Directors has concluded in good faith, after considering applicable law and receiving the written advice of outside counsel, that such action is required to comply with fiduciary duties under applicable law; (B) prior to furnishing such information or responding to or entering into discussions or negotiations with such person, Ravenwood provides immediate notice orally and in writing to Compass specifying the identity of such person and confirming that it is proposing to furnish information to or enter into discussions or negotiations with such person in respect of a Superior Proposal, receives from such person an executed confidentiality agreement having confidentiality and standstill terms substantially similar to those contained in the Confidentiality Agreement between Ravenwood and Compass (provided, however, that any such confidentiality agreement shall not contain any provisions which could preclude Ravenwood from providing to Compass any information concerning such person or Take-over Proposal or that is inconsistent with any of the provisions of the Pre-Acquisition Agreement or any standstill), and immediately provides Compass with a complete copy of such confidentiality agreement and Take-over Proposal and any amendments thereto and confirmation in writing of the determination of the Board of Directors that the Take-over Proposal, if completed in accordance with its terms, would constitute a Superior Proposal; (C) Ravenwood provides immediate notice to Compass at

such time as Ravenwood or such person terminates any such discussions or negotiations; and (D) Ravenwood immediately provides to Compass any information provided to any such person whether or not previously made available to Compass; (ii) comply with securities laws relating to the provision of directors' circulars, and make appropriate disclosure with respect thereto to the securityholders of Ravenwood; and (iii) accept, recommend, approve or implement a Superior Proposal from any person, but only (in the case of this clause (iii)) if prior to such acceptance, recommendation, approval or implementation, the Board of Directors shall have concluded in good faith, after considering provisions of applicable law and after giving effect to all proposals to adjust the terms and conditions of the Pre-Acquisition Agreement that may be offered by Compass during the three business day notice period set forth below and after receiving the written advice of outside counsel, that such action is required to comply with fiduciary duties under applicable law and Ravenwood terminates the Pre-Acquisition Agreement in accordance with its terms and prior to or concurrently therewith has paid the fee payable thereunder.

(e) *Right of First Refusal* – Ravenwood is prohibited from entering into an agreement to implement a Superior Proposal without providing Compass at least three business days' advance notice of any decision by the Board of Directors to accept, recommend, approve or implement a Superior Proposal, which notice shall identify the person making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. In addition, Ravenwood shall, and shall cause its Representatives, to negotiate in good faith with Compass to make such adjustments in the terms and conditions of the Pre-Acquisition Agreement and the Offer as would enable Ravenwood to proceed with the Offer as amended rather than the Superior Proposal. In the event that Compass proposes to amend the Pre-Acquisition Agreement and the Offer to provide substantially equivalent or superior value to that provided under the Superior Proposal within the three business day time period, Ravenwood shall not enter into any agreement regarding the Superior Proposal.

(f) *Second Stage Transaction* – If Compass takes up and pays for any Ravenwood Shares pursuant to the Offer, Compass will use all commercially reasonable efforts to acquire, and Ravenwood shall use all commercially reasonable efforts to assist Compass in acquiring, the balance of the Ravenwood Shares by means of a compulsory acquisition, statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other type of acquisition transaction or transactions carried out for consideration per Ravenwood Share not less than the consideration paid pursuant to the Offer.

(h) *Conduct of Business* – During the period from the date of the Pre-Acquisition Agreement until the earlier of the expiry time of the Offer and the time at which the Pre-Acquisition Agreement is terminated in accordance with its terms, except as required by law or in connection with a Take-over Proposal or as otherwise expressly permitted or specifically contemplated by the Pre-Acquisition Agreement, Ravenwood has agreed: (i) that the business of Ravenwood shall be conducted only in, and Ravenwood shall not

take any action except in, the usual and ordinary course of business and consistent with past practice, and to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships; and (ii) to certain restrictions on various matters, including amendments to constating documents and changes in share capital. Further, Ravenwood is prohibited from making sales, dispositions or acquisitions of assets above certain thresholds, incurring indebtedness and making capital expenditures, in each case without the prior consent of Compass not to be unreasonably withheld.

(i) *Resignation of Directors* – If Compass takes up and pays for Ravenwood Shares under the Offer such that it owns 66⅔% or more of the outstanding Common Shares (or 50% or more of the outstanding Common Shares if Compass waives the minimum condition), the Board of Directors shall be reconstituted through the resignations of all existing directors and the appointment of Compass directors in their stead. Ravenwood shall assist Compass to secure the resignations of all Ravenwood directors and use its best efforts to cause the election of the Compass nominees to fill the vacancies so created in order to effect the change in the Board of Directors without the necessity of a shareholder meeting.

(j) *Outstanding Stock Options* – Ravenwood will use its reasonable commercial efforts to ensure that all persons holding options to acquire Ravenwood Shares (i) exercise all of the options held by them to acquire Ravenwood Shares and accept the Offer in respect of such Ravenwood Shares; or (ii) elect to receive a cash payment from Ravenwood equal to the difference between the exercise price of such options and the consideration offered under the Offer.

(k) *Termination* – The Pre-Acquisition Agreement may be terminated at any time prior to the time Compass first takes up and pays for Ravenwood Shares: (a) by mutual written agreement of Ravenwood or Compass; (b) by Compass, if the conditions to the Offer have not been satisfied or waived by Compass at or before the expiry time; (c) by Compass or Ravenwood, if Compass has not taken up and paid for the Ravenwood Shares deposited under the Offer on or before the date which is 90 days (or, if a Take-over Proposal is publicly announced, proposed, offered or made to the holders of Ravenwood Shares, 180 days) following the day of mailing of the offer documents; (d) by Compass or Ravenwood, if the Offer terminates or expires at the expiry time without Compass taking up and paying for any of the Ravenwood Shares as a result of the failure of any condition to the Offer to be satisfied or waived; (e) by Compass or Ravenwood, if a fee becomes payable pursuant to a Fee Event and payment is made or is immediately available to Compass; or (f) by either Ravenwood or Compass, if there has been a misrepresentation, breach or non-performance by the other party of any representation, warranty or covenant contained in the Pre-Acquisition Agreement that would have or would be reasonably likely to have a material adverse effect on the party seeking to terminate, provided the other party has been given notice of and five business days to cure any such misrepresentation, breach or non-performance.

For the purposes of the Pre-Acquisition Agreement, "Take-Over Proposal" means a proposal or offer (or similar communication) by any person other than Compass, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of all or a material portion of the assets of Ravenwood or any material Subsidiary of Ravenwood or to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 20% of the outstanding voting shares of Ravenwood, whether by means of an arrangement or amalgamation, a merger, consolidation or other business combination, a sale of shares or assets, a take-over bid, tender offer or exchange offer or any other transaction involving Ravenwood, including, without limitation, any single or multi-step transaction or series of related transactions structured to permit such person to acquire beneficial ownership of all or a material portion of the assets of Ravenwood or any material Subsidiary of Ravenwood, or to acquire in any manner, directly or indirectly, more than 20% of the outstanding voting shares of Ravenwood.

6. Reliance on Section 118(2) of the Securities Act:

Not Applicable

7. Omitted Information:

Not Applicable

8. Senior Officers:

David Beckwermert, President and CFO
(403) 261-1911

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED June 6, 2003 at Calgary, Alberta.

RAVENWOOD RESOURCES INC.

By: "Andrew D. Grasby"
Andrew D. Grasby,
Corporate Secretary

IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATION FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.