BUCKEYE ENERGY CORPORATION.
c/o HYCAL
1338A - 36th Avenue N.E.
Calgary, AB T2E 6T6

VIA SEDAR

September 20, 2001

Alberta Securities Commission
19th Floor, 10025 Jasper Avenue
Edmonton, AB T5K 3Z5

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C V7Y 1L2

Canadian Venture Exchange Inc.
10th Floor, 300 - 5th Avenue S.W.
Calgary, AB T2P 3C4

Dear Sir:

Re: Buckeye Energy Corporation
MATERIAL CHANGE REPORT UNDER SECTION 118

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of Buckeye Energy Corporation (the "Corporation" or "Buckeye"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta). Concurrent with this filing, this letter is being filed with the Canadian Venture Exchange, being the only Exchange on which the Corporation's shares are listed.

Item 1 - Reporting Issuer

Buckeye Energy Corporation
c/o HYCAL
1338A - 36th Avenue N.E.
Calgary, AB T2E 6T6

Item 2 - Date of Material Change

The material change occurred on or about September 14, 2001

Item 3 - Publication of Material Change

A press release (attached) was issued on September 14, 2001 by Canadian Corporate News.

Item 4 - Summary of Material Change

The Corporation announced that its shares will be re-instated for trading on the CDNX on Monday, September 17, 2001.

Item 5 - Full Description of Material Change

The Corporation announced that its shares will be re-instated for trading on the CDNX on Monday, September 17, 2001. Buckeye's shares were halted pending receipt of documentation required by the CDNX on July 19, 2001 when it had first announced its proposed acquisition of the shares of Gauchoil, Inc. ("Gauchoil") as its Qualifying Transaction.

As previously announced, Gauchoil is a private oil and gas exploration and development company incorporated in the Yukon Territories. Gauchoil currently owns interests in the reserves and production associated with the Mateguafa oilfield located in the Tapir Association Contract in the Llanos Basin of Colombia, South America. It was previously announced that Gauchoil had an option to acquire an interest in certain properties already identified by Fundamental Properties, Inc., a U.S. investor ("Fundamental") in an Eastern European state with a history of oil and gas production (the "Fundamental Properties"); however, the parties have agreed to discontinue the arrangement. Instead, Gauchoil has entered into an agreement with Fundamental which grants Gauchoil an option to acquire, subject to completion of due diligence and the availability of suitable financing, a 20% interest in and to interests that Fundamental may, in the future, acquire in properties other than the Fundamental Properties (the "Eastern Properties") located in the Eastern European state.

In order to acquire the securities of Gauchoil, Buckeye intends to complete a formal take-over bid either directly or through an affiliate, pursuant to which it will offer one common share of Buckeye at a deemed price of CDN$0.30 per common share, in exchange for every two common shares of Gauchoil then issued and outstanding. Completion of the Acquisition and the structure thereof, including the number of shares issued on the Acquisition, are subject to the approval by a committee (the "Independent Committee") of Buckeye comprised of Stephen E. Balog and Kelvin Dushnisky, neither of whom have any association or affiliation with Gauchoil or its principals. The Independent Committee will prepare a report to the directors of Buckeye outlining its analysis and indicating whether the Independent Committee consents to the Acquisition and whether it recommends that the board of directors of Buckeye proceed with the Transaction. A positive recommendation of the Independent Committee with respect to the Acquisition will be a condition precedent to the Acquisition.

Based upon the securities of Gauchoil currently outstanding, subject to the approval of the Independent Committee, it is anticipated that Buckeye will issue approximately 5,366,829 common shares of Buckeye in consideration for the Gauchoil shares for a deemed aggregate purchase price of CDN$1,610,049 assuming all of the Gauchoil shares are tendered under the bid. Buckeye has also reserved 189,709 common shares for issuance upon conversion of 189,709 other share purchase warrants which will, by virtue of the transaction with Buckeye, entitle the holders thereof to acquire up to 189,709 common shares of Buckeye upon payment of the exercise price of CDN$0.30 per share.

It was previously announced that 4,735,000 common shares of Buckeye had been reserved for issuance upon the conversion of 4,735,000 share purchase warrants of Gauchoil that are convertible, on a one-for-one basis, into common shares of Buckeye upon the execution of agreements by Fundamental of a production sharing agreement with respect to the Fundamental Properties and other conditions. As the arrangement between Gauchoil and Fundamental with respect to the Fundamental Properties has been discontinued, Buckeye and Gauchoil will negotiate the consideration, if any, to be provided by Buckeye in the Acquisition in respect of the Eastern Properties. The definitive agreement in this regard will be disclosed in a subsequent press release.

It was previously announced that the board of directors of Buckeye would consist of nine members upon completion of the Acquisition. Since the initial announcement, the parties have determined to reduce the number of directors to the following seven (7) members: James T. Dorman, Frank H. Crerie, F. Brent Thomas, Marvin Carter, Thomas I. A. Allen, Steven E. Balog and Kelvin Dushnisky.

To the best knowledge and belief of Buckeye, the directors and officers of Gauchoil hold, in aggregate, 4,900,000 (51.7%) of the issued and outstanding common shares of Gauchoil and 1,130,000 (24.0%) of the issued and outstanding common shares of Buckeye. Upon completion of the Acquisition, the directors and officers of Buckeye (post-Acquisition) will hold and aggregate of 3,333,027 (33.11%) of the issued and outstanding common shares of Buckeye.

In conjunction with the Acquisition, shareholders of Buckeye will be asked to consider a resolution adopting a stock option plan which would entitle Buckeye to reserve up to 20% of the issued and outstanding shares of Buckeye for issuance upon exercise of stock options to be granted to the directors, officers, employees and consultants of Buckeye. It is anticipated that the maximum number options issuable under such plan (being such number of options to acquire up to 2,013,366 common shares less those options outstanding unexercised at the time the new options are issued) will be issued in conjunction with the Acquisition at an exercise price of $0.30 per common share.

Item 6 - Reliance of Section 118(4) of the *Securities Act* (Alberta)

N/A

Item 7 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Mr. F. Brent Thomas
c/o HYCAL
1338A - 36th Avenue N.E.
Calgary, AB T2E 6T6
Telephone: (403)-250-0530

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

DATED this 20th day of September, 2001

Yours truly,

BUCKEYE ENERGY CORPORATION

Per: **(signed)**
F. Brent Thomas
President

BUCKEYE ENERGY CORPORATION

P R E S S   R E L E A S E

September 14, 2001
For Immediate Release

BUCKEYE ENERGY CORPORATION ANNOUNCES COMMENCEMENT OF TRADING

Calgary, Alberta: Buckeye Energy Corporation ("Buckeye") (CDNX trading symbol "BUK") is pleased to announce that its shares will be re-instated for trading on the CDNX on Monday, September 17, 2001. Buckeye's shares were halted pending receipt of documentation required by the CDNX on July 19, 2001 when it had first announced its proposed acquisition of the shares of Gauchoil, Inc. ("Gauchoil") as its Qualifying Transaction.

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Based upon the securities of Gauchoil currently outstanding, subject to the approval of the Independent Committee, it is anticipated that Buckeye will issue approximately 5,366,829 common shares of Buckeye in consideration for the Gauchoil shares for a deemed aggregate purchase price of CDN$1,610,049 assuming all of the Gauchoil shares are tendered under the bid. Buckeye has also reserved 189,709 common shares for issuance upon conversion of 189,709 other share purchase warrants which will, by virtue of the transaction with Buckeye, entitle the holders thereof to acquire up to 189,709 common shares of Buckeye upon payment of the exercise price of CDN$0.30 per share.

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Buckeye is a Capital Pool Company and the acquisition of Gauchoil is intended to constitute Buckeye’s qualifying transaction pursuant to Policy 2.4 of the CDNX. As such, completion of the transaction is subject to a number of conditions, including but not limited to CDNX acceptance, approval from the majority of the minority shareholders of Buckeye and sponsorship by a CDNX member firm. The transaction cannot close until the required conditions are fulfilled. There can be no assurance that the transaction will be completed as proposed or at all.

For further information, please contact Mr. F. Brent Thomas, President of Buckeye, by telephone at (403)-250-0530 or by fax at (403) 291-0481.

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