

MATERIAL CHANGE REPORT

1. Reporting Issuer:

Ketch Resources Ltd. ("Ketch")

2. Date of Material Change:

November 3, 2003

3. News Release

A press release disclosing the details outlined in this Material Change Report was issued by Ketch from Calgary, Alberta on November 3, 2003 and disseminated through the facilities of Canada NewsWire and would have been received by the securities commissions where Ketch is a "reporting issuer" and the stock exchanges on which the securities of Ketch are listed and posted for trading in the normal course of its dissemination.

4. Summary of Material Change:

Ketch entered into an agreement with Gauntlet Energy Corporation ("Gauntlet") which will result in Gauntlet becoming a wholly-owned subsidiary of Ketch for total consideration of \$44,600,000 pursuant to a proposed plan of arrangement under the *Companies Creditors' Arrangement Act*.

Ketch entered into a bought deal financing agreement with a syndicate of underwriters lead by Griffiths McBurney & Partners to issue 850,000 flow-through common shares on a private placement basis at a price of \$9.25 per share for gross proceeds of approximately \$7,860,000.

5. Full Description of Material Change:

Please see Schedule A attached hereto.

6. Reliance on Confidentiality Provisions:

Not Applicable

7. Omitted Information:

Not Applicable

8. Senior Officers:

For further information, please contact Grant B. Fagerheim, President and Chief Executive Officer, Ketch Resources Ltd. Calgary, Alberta, T2P 3S8, Telephone (403) 213-3101.

9. Statement of Senior Officer:

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

DATED November 3, 2003, at the City of Calgary, in the Province of Alberta.

(signed) "Steve Nikiforuk"

Steve Nikiforuk
Vice President, Finance and Controller
Ketch Resources Ltd.

cc: Toronto Stock Exchange

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Attention Business Editors:

Ketch Resources Ltd. Announces \$44.6 Million Acquisition and \$7.86 Million Flow-Through Share Equity Financing

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

CALGARY, Nov. 3 /CNW/ - Ketch Resources Ltd. ("Ketch") announced today that it has entered into an agreement with Gauntlet Energy Corporation ("Gauntlet"), approved by Gauntlet's Board of Directors, which will result in Gauntlet becoming a wholly-owned subsidiary of Ketch for total consideration of \$44.6 million pursuant to a proposed Plan of Arrangement (the "Plan") under the Companies Creditors' Arrangement Act ("CCAA").

The Plan contemplates the completion of a series of transactions affecting certain creditors of Gauntlet as well as a reorganization of the share capital of Gauntlet and is subject to numerous conditions including that the Plan is satisfactory to Ketch, is approved by the Secured and Unsecured Creditors of Gauntlet and the Court of Queen's Bench of Alberta (the "Court") and that ongoing legal actions are resolved to Ketch's satisfaction. The Plan will be filed with the Court in mid November, 2003 and mailed to affected creditors of Gauntlet immediately thereafter. Meetings of affected creditors to approve the Plan will be held in Calgary in early December, 2003. Upon approval by the affected creditors, an application will be made to the Court to approve the Plan. Following Court approval, it is anticipated that the Plan would become effective by mid December, 2003. The Plan does not provide existing shareholders of Gauntlet with any consideration nor are such shareholders being asked to vote on the Plan.

The assets to be acquired by Ketch are located in northwest and central Alberta and have production of approximately 1,650 barrels of oil equivalent ("boe") per day approximately 96% of which is natural gas. Reserves, as evaluated by Ketch and independently reviewed by Ketch's third party reserves consultants, are currently estimated at 2,990 mboe of proved and 3,680 mboe of established reserves.

In addition, Ketch will acquire 125,500 net acres of undeveloped land valued at \$9.4 million, 2,400 kilometres of 2D seismic and 440 square kilometres of 3D seismic data. Upon completion of the Plan, Gauntlet will have approximately \$80 million of quality tax pools. Following completion of the Plan, Ketch may seek to dispose of certain of the acquired assets of Gauntlet for \$15 to \$20 million.

Mr. Grant B. Fagerheim, President and CEO of Ketch stated, "The acquisition of Gauntlet results in Ketch expanding its growth potential while adding unhedged gas reserves at attractive acquisition parameters and is accretive on all operational and financial measures."

The transaction will be effective on completion of the Plan in December 2003 and will be financed through bank lines to be provided by Ketch's existing lender.

Ketch has also entered into a flow-through common share financing agreement, on a bought deal basis, with an underwriting syndicate led by Griffiths McBurney & Partners. Ketch will issue 850,000 flow-through common shares at a price of \$9.25 per share for total gross proceeds of approximately \$7.86 million pursuant to certain exemptions from prospectus requirements. The private placement financing is scheduled to close on or about November 20, 2003, and is subject to regulatory approval and completion of definitive documentation. The proceeds of the flow-through common share offering will be used to incur Canadian Exploration Expenses on the continued exploration of Ketch's oil and natural gas properties prior to December 31, 2004.

The transaction, following completion of the Plan, the flow-through share financing and any asset sales, is expected to be approximately 10% accretive to cash flow per share.

National Bank Financial Inc. is acting as financial advisor to Ketch in connection with the acquisition of Gauntlet.

Ketch's common shares are listed on the Toronto Stock Exchange under the symbol KER. Ketch is a Canadian growth oriented energy company engaged in the exploration, development and production of crude oil and natural gas. Gauntlet Energy Corporation is a Calgary based junior oil and gas exploration and development company.

Forward-Looking Statements

The above disclosure contains certain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Ketch's control. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Ketch will derive therefrom.

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/For further information: Grant B. Fagerheim, President and Chief Executive Officer, Ketch Resources Ltd., Suite 1100, 530-8th Avenue S.W., Calgary Alberta, T2P 3S8, Telephone: (403) 213-3101, FAX: (403) 313-3134/
(KER.)

CO: Ketch Resources Ltd.

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