MATERIAL CHANGE REPORT

1. Reporting Issuer:

Luke Energy Ltd.
1200, 520 – 5th Avenue S.W.
Calgary, Alberta
T2P 3R7

2. Date of Material Change:

March 5, 2003

3. News Release

A press release disclosing the details outlined in this Material Change Report was issued by Luke Energy Ltd. (the "Corporation") from Calgary, Alberta on March 5, 2003 and disseminated through the facilities of Canada NewsWire and would have been received by the securities commissions where the Corporation is a "reporting issuer" and the stock exchanges on which the securities of the Corporation are listed and posted for trading in the normal course of its dissemination.

4. Summary of Material Change:

Luke Energy Ltd. ("LKE") announced on March 5, 2003 that it has entered into a financing agreement with a syndicate of underwriters led by Griffiths McBurney & Partners, and including First Associates Investments Inc., Yorkton Securities Inc. and Tristone Capital Inc. (the "Underwriters") to issue up to 14,482,758 Special Warrants at $1.45 each, on a bought deal basis, for total gross proceeds of approximately $21 million. The Underwriters have also been granted an over-allotment option of up to approximately 10,344,827 Special Warrants which would, if exercised, increase the offering by approximately $15 million. The Company may issue up to approximately 3,448,276 of the Special Warrants at a price of (Cdn) $1.45 per Special Warrant for total gross proceeds of approximately (Cdn) $5,000,000 directly pursuant to Regulation D in the United States (the "Reg D Private Placement") in which event the size of the over-allotment option will be reduced by the number of Special Warrants issued under the Reg D Private Placement. Total gross proceeds of the offering, if the over-allotment option is exercised in full and/or the Reg D Private Placement is fully subscribed for, will be approximately (Cdn) $36,000,000. Each Special Warrant is exchangeable for a Common Share of Luke, for no additional consideration

5. Full Description of Material Change:

Luke Energy Ltd. ("LKE") announced on March 5, 2003 that it has entered into a financing agreement with a syndicate of underwriters led by Griffiths McBurney & Partners, and including First Associates Investments Inc., Yorkton Securities Inc. and Tristone Capital Inc. (the "Underwriters") to issue up to 14,482,758 Special Warrants at $1.45 each, on a bought deal basis, for total gross proceeds of approximately $21 million. The Underwriters have also been granted an over-allotment option of up to approximately 10,344,827 Special Warrants which would, if exercised, increase the offering by approximately $15 million. The Company may issue up to approximately 3,448,276 of the Special Warrants at a price of (Cdn) $1.45 per Special Warrant for total gross proceeds of approximately (Cdn) $5,000,000 directly pursuant to Regulation D in the United States (the "Reg D Private Placement") in which event the size of the over-allotment option will be reduced by the number of Special Warrants issued under the Reg D Private Placement. Total gross proceeds of the offering, if the over-allotment option is exercised in full and/or the Reg D Private Placement is fully subscribed for, will be approximately (Cdn) $36,000,000. Each Special Warrant is exchangeable for a Common Share of Luke, for no additional consideration.

This issue is subject to normal regulatory approval and closing in escrow is expected to take place on or about March 25, 2003. The proceeds will be placed in escrow pending shareholder approval at a special meeting to be scheduled for mid-April, 2003. Proceeds from this offering will be used to fund working capital and Luke Energy's drilling and acquisition program.

6. Reliance on Confidentiality Provisions:

[Not Applicable]

7. Omitted Information:

[Not Applicable]

8. Senior Officers:

For further information, please contact Harold V. Pedersen, Chairman and Chief Executive Officer, Mary C. Blue, President and Chief Operating Officer or Carrie McLauchlin, Vice-President, Finance, at 1200, ,520 – 5th Avenue S.W., Calgary, Alberta, T2P 3R7, Telephone (403) 261-4811.

9. Statement of Senior Officer:

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

DATED March 5, 2003, at the City of Calgary, in the Province of Alberta.

(signed) *"Mary C. Blue"*
Mary C. Blue
President and Chief Operating Officer
LUKE ENERGY LTD.

cc: The Toronto Stock Exchange