

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name And Address Of Company

Dalmac Energy Inc.
4008 – 38A Avenue
Edmonton, Alberta T6L 6R5

Item 2. Date Of Material Change

September 16, 2005

Item 3. News Release

A news release was disseminated through the services of CCN Matthews on September 19, 2005.

Item 4. Summary Of Material Change

Dalmac Energy Inc. has been notified by its principal lender that the Company is presently in breach of its debt to tangible net worth ratio required under its covenants with the lender, but that the lender has agreed to waive that covenant for fiscal 2005 provided that Dalmac is in full compliance by the fiscal quarter ending October 31, 2005. These loan facilities include an operating loan (line of credit) set at a maximum of \$1,200,000 and a \$750,000 non-revolving loan. At present Dalmac has drawn down approximately \$950,000 of the line of credit and has a balance of approximately \$395,000 on its non-revolving loan.

In addition, Dalmac has received a conditional commitment from GE Canada Equipment Financing to provide a non-revolving capital expenditure line of credit for the acquisition of production equipment in the amount of \$4,000,000 (which includes the existing financing in place with GE of approximately \$2,000,000). This financing arrangement will provide Dalmac with an additional \$2,000,000 in equipment purchase financing. The GE financing commitment is subject to a number of conditions, including completion of all required due diligence and confirmation of compliance with covenants prior to each disbursement.

Item 5. Full Description Of Material Change

Dalmac Energy Inc. (the "Corporation") has established loan facilities with the Canadian Western Bank. These facilities have a number of components, which include an operating loan (line of credit), a \$750,000 non-revolving loan, corporate Mastercard and an automated funds transfer facility for electronic payment of payroll and accounts payable. The operating loan has been set at a maximum of \$1,200,000, but to facilitate increased activity was increased to \$1,500,000 on a temporary basis until August 31, 2005. Interest on the operating loan is at the bank's prime lending rate plus 1%, while interest on the non-revolving loan is set at the bank's prime lending rate plus 1.25% or a fixed rate to be determined at the time of draw down. At the present time the Corporation has drawn down approximately \$950,000 of the operating loan (line of credit) and has

a balance of approximately \$395,000 on its non-revolving loan. The loan facilities require the Corporation to comply with a number of covenants, one of which is to maintain a certain debt to tangible net worth ratio. On September 16, 2005 the Corporation received written notification from Canadian Western Bank that the Lender has determined that, based on the April 30, 2005, fiscal year end financial statements, the Corporation was in breach of its debt to tangible net worth ratio covenant, but that the Lender had agreed to waive that covenant for fiscal 2005 provided that Dalmac is in full compliance by the fiscal quarter ending October 31, 2005. The Corporation anticipates that, based upon its operations and the anticipated completion of a Short Form Offering for total proceeds of up to \$1,000,000, that it will be in compliance with its debt to tangible net worth covenant by October 31, 2005.

In addition, the Corporation has received, and has accepted, a conditional commitment from GE Canada Equipment Financing to provide a non-revolving capital expenditure line of credit for the acquisition of production equipment in the total amount of \$4,000,000. The Corporation has existing financing in place with GE Capital in the approximate amount of \$2,000,000, which is to be included in the total \$4,000,000 line of credit. As a result, this financing arrangement will provide Dalmac with approximately an additional \$2,000,000 in equipment purchase financing. This line of credit will permit up to 95% financing for an acquisition of both new and used equipment, with financing terms of up to 4 years. The commitment anticipates that disbursements under the funding will occur before December 31, 2005. The funding commitment is subject to a number of conditions including completion of all required due diligence, completion of documentation, and compliance with required covenants prior to each disbursement of funds.

Item 6. Reliance On Subsection 7.1(2) Or (3) Of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

John Babic, President of the Corporation is knowledgeable about this material change and may be contacted respecting this Material Change at (780) 909-4220, for further information.

Item 9. Date Of Report

September 19, 2005.

DALMAC ENERGY INC.

Per: (signed) "John Babic"
JOHN BABIC
President