MATERIAL CHANGE REPORT

1. **Reporting Issuer:**

   Suntec Capital Inc. ("Suntec" or the "Company")
   3500, 205 – 5th Avenue SW
   Calgary, Alberta
   T2P 2V7

2. **Date of Material Change:**

   March 22, 2004

3. **News Release**

   A press release dated March 22, 2004 disclosing in detail the material summarized in this Material Change Report was issued by Burnet, Duckworth & Palmer LLP from Calgary, Alberta on March 22, 2004 and disseminated through the facilities of a recognized newswire service, which would have been received by the securities commissions in each jurisdiction where the Company is a "reporting issuer" and the stock exchange on which the securities of the Company are listed and posted for trading in the normal course of its dissemination.

4. **Summary of Material Change:**

   On March 22, 2004, Suntec announced that it entered into a letter agreement dated March 17, 2004 providing for the non-arm's length acquisition of Western Symbiotics Ltd.

5. **Full Description of Material Change:**

   See attached press release.

6. **Reliance on Confidentiality Provisions:**

   Not Applicable

7. **Omitted Information:**

   Not Applicable

8. **Senior Officers:**

   For further information, please contact:

   Gene Moody
   3500, 205 – 5th Avenue SW
   Calgary, Alberta
   T2P 2V7

   Telephone: (403) 294-1101
   Facsimile: (403) 294-1137

9. **Statement of Senior Officer:**

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

DATED at the City of Calgary, in the Province of Alberta, this 23rd day of March, 2004.

SUNTEC CAPITAL INC.

Per: (signed) "*Gene Moody*"
Gene Moody
President and Chief Executive Officer

cc: TSX Venture Exchange

MEDIA RELEASE

**SUNTEC CAPITAL INC.
ANNOUNCES PROPOSED ACQUISITION OF
WESTERN SYMBIOTICS LTD. AS QUALIFYING TRANSACTION**

Symbol: SUI : TSX Venture Exchange **March 22, 2004**

Calgary, March 22, 2004 – Suntec Capital Inc. ("Suntec" or the "Corporation"), a capital pool company, is pleased to announce that it has entered into a letter agreement dated March 17, 2004 (the "Letter Agreement") providing for the non-arm's length acquisition (the "Proposed Qualifying Transaction") of Western Symbiotics Ltd. ("Western"). Western is a private corporation incorporated under the laws of Alberta and based in Calgary, Alberta. Western has developed, tested and is in the process of commercializing a proprietary energy co-generation system known as the "Co-generative Heat and Integrated Power System" or "CHIPS".

Pursuant to the Letter Agreement, subject to completion of satisfactory due diligence and receipt of applicable regulatory and shareholder approvals, Suntec has agreed to acquire all of the issued and outstanding common shares of Western ("Western Shares") (being 1,386 Western Shares) and all of the issued and outstanding warrants to purchase Western Shares (the "Western Warrants") (being 17.325 Western Warrants). In order to acquire all of the Western Shares, Suntec will issue an aggregate of 12,000,000 units of Suntec (the "Suntec Units"), at a deemed price of $0.2833 per Suntec Unit, before working capital adjustments. In order to acquire all of the Western Warrants, Suntec will issue an aggregate of 150,000 "Series A" warrants to purchase Suntec Shares (the "Suntec Series A Warrants"). Each Suntec Series A Warrant is exercisable into one common share in the capital of Suntec (the "Suntec Shares") for a period of 2 years from the date of issuance thereof, at the exercise price of $0.2833 per Suntec Share. This represents aggregate deemed consideration for the acquisition of Western, subject to working capital adjustments, of $3,400,000. Suntec does not currently hold any securities of Western. The Suntec Units issued to acquire the Western Shares shall each consist of 0.55555 of a Suntec Share and 0.44444 of a "Series B" warrant (the "Suntec Series B Warrants"). Each whole Suntec Series B Warrant is exercisable into one Suntec Share, for no additional consideration, but shall not be exercisable until the Resulting Issuer has met certain operational milestones designed to prove out the commercial viability of the business of the Resulting Issuer. Upon such milestones being met, all Suntec Series B Warrants shall be deemed to be exercised into Suntec Shares. If such milestones are not met by a certain date, all such Suntec Series B Warrants shall expire. The precise nature of these operational milestones and the expiry date of the Suntec Series B Warrants is currently being finalized with the TSXV and more information in this regard will be released when available. The Suntec Shares, the Suntec Series A Warrants, Suntec Series B Warrants and the Suntec Shares issuable upon the exercise of the Suntec Series A Warrants or Suntec Series B Warrants shall all be the subject of an applicable escrow agreement, pursuant to TSX Venture Exchange ("TSX Venture") policy.

The Corporation intends to make this proposed acquisition of Western its "Qualifying Transaction" under Policy 2.4 of the TSX Venture. The Proposed Qualifying Transaction, if completed, will result in a change of control of Suntec. The Corporation, after giving effect to the Proposed Qualifying Transaction, is referred to herein as the "Resulting Issuer".

Western is a private corporation based in Calgary, Alberta and was incorporated under the laws of Alberta on May 4, 1995. Western has developed and extensively tested and is in the process of commercializing the proprietary CHIPS technology. The CHIPS technology is a method by which waste heat and uncombusted fuel from an internal combustion engine is efficiently captured and then employed as heat energy or rotational horsepower. The waste heat energy that is captured by the CHIPS technology represents approximately 60% of the fuel consumption of a typical internal combustion engine. The CHIPS technology has numerous applications. The Resulting Issuer will initially focus on using this captured waste heat energy to purify waste water from well fracturing and drilling operations and secondarily as a means of augmenting or replacing drilling rig boilers. Future uses of the CHIPS technology include any situation where an internal combustion engine exists in parallel with a requirement for heat or horsepower (i.e. gas processing plants, transportation of temperature sensitive cargo, etc). Western developed a functioning CHIPS prototype by October 2001 and made further improvements through April 2002. A working demonstration of this CHIPS prototype took place in November, 2002 for the benefit of certain of Western's drilling service industry partners, its shareholders and other interested parties.

Research on the CHIPS technology has been ongoing since 1992. Certain patent applications related to the CHIPS technology were filed by Western in March 2001 and are currently being reviewed by the United States and Canadian Patent and Trademark Offices. A significant amount of proprietary knowledge being employed by Western has not been disclosed in the patent application so as to minimize the likelihood of competitive use of this information.

The oil and gas well fracturing industry in Southern Alberta creates approximately 120,000 cubic metres of waste water annually, most of which, by provincial regulation and at the expense of the industry, must be trucked off site and injected into disposal wells permanently removing it from the natural hydrological environment. This "frac" waste water contains methanol, polymers, sand, carbon dioxide, enzymes, produced hydrocarbons and other pollutants. An additional 200,000 cubic metres of waste water is created by the drilling industry, which relies on surface disposal methods for this water, such as evaporation or soil assimilation. Accordingly, the industry is under increasing pressure to reduce water consumption and to dispose of waste water in environmentally-friendly manner.

Upon acquisition of Western, the Resulting Issuer's business plan calls for the construction of a natural gas fuelled stationary power plant with a 0.5 megawatt capacity. This plant will be located in the Cluny area of Alberta on land owned by Gene Moody, the President and CEO of Suntec and of Western. Mr. Moody has agreed to lease this property to Western on commercial terms. Produced power is to be sold into the provincial grid while a CHIPS unit will extract waste heat to be used in a waste water recycling facility located on site. In addition, a frac waste water trucking and sales business will be developed to transport the waste water to and from the recycling facility. Specifically, the Resulting Issuer will pick up waste water from well fracturing operations by truck, truck the waste water to the recycling facility and carry out the recycling process whereby methanol, produced hydrocarbons and various residual contaminants will be removed, bringing the water up to industry specifications. The recycled water will then be sold and trucked to active well fracturing operations. Transportation by Suntec trucks will involve the use of on-board CHIPS units which will transfer heat from the trucks' engines to the waste water reducing the input energy required at the recycling facility. This feature also allows Suntec to deliver recycled water to future well fracturing operations at the required temperature of 35° C without burning any incremental fuel in the process. The net effect of this process is to efficiently recover water that would otherwise be lost, while having a minimal impact on the environment. The successful establishment of this system will lead to the construction of several like facilities throughout Western Canada with the potential for expansion into foreign markets.

Western has entered into an agreement with an oil and gas producer in Southern Alberta whereby the producer has agreed to sell the power generation equipment for the first recycling facility to

Western. The consideration payable by Western for this equipment is a loan, which is repayable by Western in kind through the provisions of waste water processing and transportation services, to be performed, as required from time to time, over the course of up to the next three years. Western has also agreed to enter into a gas supply contract with this producer in respect of the natural gas to be used by Western at the recycling facility. Further, Western and the producer have entered into a master service and supply agreement setting forth the description of the specific frac waste water transportation, processing and supply services to be provided by Western, as well as the rates to be charged to the producer by Western for these services.

While the CHIPS technology will initially be applied to the oilfield waste water recycling process, an application involving the creation of steam for the purpose of heating various drilling rig components in cold weather will also be pursued by the Resulting Issuer. Winter fuel consumption by boilers often accounts for half of the fuel used by drilling rigs during the winter drilling season, amounting to approximately 25 million litres of fuel oil annually by industry. The Resulting Issuer's business plan calls for the development of an equipment rental business that will utilize the CHIPS technology to heat winter drilling rigs more efficiently, for lower cost and in an environmentally friendly manner.

Over the past several months, the management and Board of Directors of Suntec have searched for an appropriate opportunity in order to effect a business transaction amounting to a Qualifying Transaction under TSX Venture Policy 2.4. After a broad search, management and the Board of Directors of Suntec are of the opinion that it is in the best interests of Suntec to consider the Proposed Qualifying Transaction with Western. The Proposed Qualifying Transaction constitutes a related party transaction under TSX Venture Policy 5.9 and Ontario Securities Commission Rule 61-501 as Mr. Moody is the President and Chief Executive Officer, a director and the largest shareholder of each of Western and Suntec (owning 49% and 16% of the outstanding shares of Western and Suntec, respectively). In addition, Messrs. John Ferguson and Dave Erickson are directors of both Western and Suntec. Mr. Ferguson owns 4% and 5% of the outstanding shares of Western and Suntec, respectively and Mr. Erickson owns 6% and 5% of the outstanding shares of Western and Suntec, respectively. All of the directors and officers of Western have agreed to sell all of their shares of Western to Suntec pursuant to the Proposed Qualifying Transaction. The policies of the TSX Venture respecting such transactions require Suntec to establish an independent committee (the "Independent Committee") to evaluate and consider the Proposed Qualifying Transaction and make a recommendation to Suntec's Board of Directors. Mr. John Garden, an independent director of Suntec, is the sole member of this Independent Committee.

On March 17, 2004, the Independent Committee completed its review and recommended to the Board of Directors of Suntec that Suntec enter into the Letter Agreement with Western with respect to a proposed business combination. The Board of Directors reviewed and accepted this recommendation and on March 17, 2004, Suntec and Western entered into a Letter Agreement providing for the acquisition of all the issued and outstanding Western Shares and Western Warrants by Suntec at an exchange ratio of 8,658 Suntec Units for each Western Share, subject to working capital adjustments and 8,658 Suntec Series A Warrants for each Western Warrant. To complete the Proposed Qualifying Transaction, Suntec shall have issued an aggregate of approximately 12,000,000 Suntec Units, consisting of an aggregate of approximately 6,666,600 Suntec Shares and 5,333,330 Suntec Series B Warrants, as well as an aggregate of 150,000 Suntec Series A Warrants. Assuming the exercise of all Suntec Series B Warrants, Suntec shall have issued a total of 12,000,000 Suntec Shares and 150,000 Suntec Series A Warrants pursuant to the Proposed Qualifying Transaction.

At December 31, 2003, Western had unaudited net working capital deficiency of approximately $3,000, $4,600 in cash and current liabilities of $26,745. Western reported other assets of $500,000, comprised primarily of development assets. Western has no long-term debt as at December 31, 2003. This financial summary as at December 31, 2003 was prepared by management and has not been audited. In order to finance ongoing operations and certain initial costs related to the construction of the recycling facility, Western intends on entering into a short term, secured $250,000 loan with one or more Western shareholders. Such loan shall bear interest at prime plus 1% and Western has agreed to issue an aggregate of 17.325 Western Warrants to the lender or lenders as additional consideration for the provision of this loan. Each whole Western Warrant shall be exercisable into one Western Share at the exercise price of $2,453.10 per share, during the period commencing at the earlier of the closing of the Proposed Qualifying Transaction and August 31, 2004, and ending two years from such date.

The closing of the Proposed Qualifying Transaction is subject to a number of conditions including: (i) each of Suntec and Western being satisfied in its sole discretion with its due diligence review of the other and its assets and operations including, without limitation, the financial statements, obligations and liabilities of the other; (ii) Suntec and Western having entered into a definitive agreement with respect to the Proposed Qualifying Transaction; (iii) shareholders of Western holding no less than 90% of the outstanding Western Shares having agreed to exchange their Western Shares for Suntec Units and Western Warrants for Suntec Series A Warrants; (iv) obtaining all necessary TSX Venture and other regulatory approvals including the qualification of the acquisition as Suntec's "Qualifying Transaction"; (v) each of Suntec and Western being satisfied, acting reasonably, with the terms of the Suntec Series B Warrants; and (v) approval of the acquisition of Western and the issuance of Suntec Units and Suntec Series A Warrants in connection with the Proposed Qualifying Transaction by the majority of the minority shareholders of Suntec in accordance with Policies 2.4 and 5.9 of the TSX Venture.

Suntec currently has 6,666,666 Suntec Shares outstanding, 666,666 Suntec Shares under option to its directors and 400,000 Suntec Shares under option to the agent of the Corporation's initial public offering. There are currently 1,386 Western Shares outstanding and, after completing the loan transaction referred to above, there will be 17.325 Western Warrants outstanding. Immediately after closing of the Proposed Qualifying Transaction, the Corporation will have approximately 13,333,300 Suntec Shares, 5,333,300 Suntec Series B Warrants and 150,000 Suntec Series A Warrants outstanding, being an aggregate of approximately 18,816,600 Suntec Shares outstanding, on a fully diluted basis.

Upon completion of the Proposed Qualifying Transaction, the directors and senior officers of the Resulting Issuer are expected to include:

Gene Moody, President and Chief Executive Officer
Calgary, Alberta

Mr. Moody is the President, Chief Executive Officer and a director of the Corporation. Mr. Moody is a long time member of the Calgary oil and gas community. Mr. Moody studied education at the University of Calgary (1973-1975) and is currently one of approximately 10 liaisons between the oil and gas industry and the University of Calgary Engineering Faculty through the Engineering Associates program. Since his first summer job working for Big Indian Drilling in 1971, Mr. Moody has acquired extensive industry knowledge and has specialized in the drilling fluid business since 1976. Mr. Moody has held progressively more senior positions with Mudco Services Limited, International Drilling Fluids and Hartford Environmental Services Limited. Mr. Moody was the founder of Underbalanced Drilling Systems Ltd. ("Underbalanced") a company which commercialized drilling services technology invented and patented by Mr. Moody. Mr. Moody was the Chief Executive Officer of Underbalanced from January 1993 to August 1999. Underbalanced Drilling Systems Ltd. was acquired by Precision Drilling Corporation in 1999. Mr. Moody is currently the President and a director of Western Symbiotics Ltd. and has held such position since June 2000.

John Ferguson C.A. – Chief Financial Officer and a Director
Calgary, Alberta

Mr. Ferguson is a Chartered Accountant and is the Chief Financial Officer and a director of the Corporation and has been a Vice President and the Chief Financial Officer and Corporate Secretary of Rider Resources Inc. since February 19, 2003. Prior thereto, Mr. Ferguson was the Vice President, Finance, Chief Financial Officer and a director of Meota Resources Ltd. from January 2000 to October 2002. He also served as the Vice President and Chief Financial Officer of Poco Petroleums Ltd. from October 1992 to November 1999. Mr. Ferguson is a director of Western.

Dave Erickson – Director
Calgary, Alberta

Mr. Erickson is a director of the Corporation and is a professional geologist who graduated from the University of Calgary with a BSc in 1972, and has been working in the oil and gas industry since that time. From December 1988 to April 1998, Mr. Erickson was employed with Petromet Resources Limited where he held the position of Senior Vice-President. Presently, Mr. Erickson is the Senior Vice-President and a director of Raven Energy Ltd., and has held such offices since May 1999. Mr. Erickson is a director of Western.

John Garden– Director
Calgary, Alberta

Mr. Garden was appointed a director of the Corporation effective February 20, 2004. Mr. Garden has over 25 years experience in drilling, completing and stimulating production from oil and gas wells. Mr. Garden is a principal in Deadeye Engineering Inc., a private company providing drilling and completions services to the oil industry. He has been an executive officer and a director of several private oil and gas exploration and production companies. Mr. Garden is also the President and a director of Festino Venture Corp. a capital pool company that has filed a preliminary prospectus in Alberta. Mr. Garden is a member of a number of professional associations, including the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Association of Professional Engineers and Geologists of Saskatchewan and the International Coil Tubing Association.

Bruce Allford – Director
Calgary, Alberta

Mr. Allford is a director of the Corporation and is a partner with the Calgary law firm Burnet, Duckworth & Palmer LLP. Mr. Allford was called to the Alberta Bar in 1991 and has been practicing law in the areas of corporate securities and natural resources law since that time. Mr. Allford is a director or corporate secretary of several public and private companies in the oil and gas exploration, production and services businesses. Mr. Allford is currently the corporate secretary of Capitol Energy Resources Ltd. and Desmarais Energy Corporation.

The only shareholder of Western who owns more than 10% of the currently issued and outstanding Western Shares is Gene Moody. Mr. Moody is the President and Chief Executive Officer of Suntec and the President of Western and he owns 678 shares of Western (49%). Messrs. Ferguson, Erickson and Allford, each of whom are directors of Suntec, own 4% 6% and 2% of the outstanding shares of Western, respectively. Mr. Garden does not own any shares of Western.

Smith Cageorge Porter Inc. completed a Valuation Opinion dated March 5, 2004 in respect of Western. The report concluded that the en bloc fair market value of the issued and outstanding capital stock of Western was in the range of $3.2 to $3.5 million as at December 31, 2003. This determination was one factor the Independent Committee relied upon in determining that the share exchange ratio of 8,658 Suntec Units for each Western Share, and 8,658 Suntec Series A Warrants for each Western Warrant, represents fair consideration to be paid by Suntec to the securityholders of Western.

First Associates Investments Inc., subject to the completion of satisfactory due diligence, has agreed to act as sponsor of Suntec in connection with the Proposed Qualifying Transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion. First Associates Investments Inc. will receive a sponsorship fee and will be reimbursed for their legal and other expenses.

For further information, please contact Gene Moody, the President and Chief Executive Officer of Suntec and the President of Western, at (403) 294-1011 or John Garden, Director of Suntec at (403) 265 4973.

Completion of the transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and majority of the minority shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular of Suntec to be prepared in connection with the transaction, any information released or received with respect to the Proposed Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Suntec should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

(Not for dissemination in the United States of America)