

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Address and Name of Company:

Forte Resources Inc.
2450, 500 – 4th Avenue S.W.
Calgary, Alberta T2P 2V6

Item 2. Date of Material Change:

May 2, 2005

Item 3. News Release:

A Press Release was issued by Forte Resources Inc. through CCN Matthews on May 3, 2005.

Item 4. Summary of Material Change:

Thunder Energy Inc. (“Thunder”), Mustang Resources Inc. (“Mustang”) and Forte Resources Inc. (“Forte”) jointly announced on that their respective Boards of Directors have unanimously approved a proposal to combine the three entities and create a new oil & gas trust (“Thunder Trust” or the “Trust”), two exploration focused producers (“Thunder Explorco”) and (“Forte Explorco”) and a resource based coal bed methane (“CBM”) company (“Thunder CBMco”), pursuant to a plan of arrangement (“Arrangement”).

Item 5. Full Description of Material Change:

Thunder, Mustang and Forte jointly announced today that their respective Boards of Directors have unanimously approved a proposal to combine the three entities and create a new oil & gas trust (“Thunder Trust” or the “Trust”), two exploration focused producers (“Thunder Explorco”) and (“Forte Explorco”) and a resource based coal bed methane (“CBM”) company (“Thunder CBMco”), pursuant to a plan of arrangement (“Arrangement”).

As a result of the proposed combination, shareholders of Thunder will receive one trust unit or exchangeable share of Thunder Trust, one share of Thunder Explorco and one share of Thunder CBMco for each Thunder share held. Mustang shareholders will receive 1.1 trust units or exchangeable shares of Thunder Trust, 1.1 shares of Thunder Explorco and 0.25 shares of Thunder CBMco for each Mustang share held. Mustang class B shares will be converted to Mustang class A shares based on the weighted average closing price of the Mustang class A shares for the ten trading days commencing May 3, 2005. Forte shareholders will receive 0.35 trust units or exchangeable shares of Thunder Trust and one share of Forte Explorco for each Forte share held. It is contemplated that the units of the Trust will be consolidated on a 1:2 basis, the shares of Thunder Explorco on a 1:3 basis, the shares of Thunder CBMco on a 1:3 basis and the shares of Forte Explorco on a 1:3 basis after the above mentioned share exchange occurs. A maximum of 15% exchangeable shares will be issued pursuant to the proposed combination.

The Trust will own approximately 86 percent of the combined assets of Thunder, Mustang and Forte. The assets of Thunder Trust are expected to produce an average of 13,000 boe/d in the second half of 2005 comprised of 50 mmcf/d of natural gas and 4,700 bbls/d of crude oil and

natural gas liquids. Thunder Explorco will own certain growth assets and undeveloped lands of Thunder and Mustang and will have initial production of approximately 850 boe/d. Thunder CBMco will own all of Thunder's coal bed methane assets, including current production of approximately 350 boe/d. Forte Explorco will own certain growth assets and undeveloped lands of Forte and will have initial production of approximately 600 boe/d.

Management of the Trust will be composed of executives and management from Thunder and Mustang, led by Doug Dafoe, CEO, Brent Kirkby, CFO, Steve Gell, V.P. Production and Tom Zorro, VP Land. Andy Magee, currently a senior geologist at Mustang, is expected to assume a senior management position in the Trust. Additional senior management positions will be added to the Trust. The initial board of trustees of the Trust will be composed of certain of the current directors of Thunder, two nominees from Mustang and one nominee from Forte.

Kel Johnston, CEO, and Dave Allen, V.P. Exploration, will lead the management of Thunder Explorco. Additional senior management will be added to Thunder Explorco. The board of directors of Thunder Explorco will be composed of certain of the current directors of Thunder and other independent directors who possess complementary experience.

Certain key management and employees of Mustang have agreed to provide services to both the Trust and the Thunder Explorco to ensure continuity and continued development of the Mustang assets.

Management of Thunder CBMco will be led by Terry Meek, President and COO. Additional senior management will be added to Thunder CBMco. The board of directors of Thunder CBMco will include Doug Dafoe as Executive Chairman, certain of the current directors of Thunder and Mustang and other independent directors who possess complementary experience.

Thunder Explorco and Thunder CBMco will have access to the Trust employees on an interim basis pursuant to a Technical Services Agreement, with such employee services charged on a cost recovery basis.

Management of Forte Explorco will be led by Bruce Hammond, President and C.O.O., Doug Baker, C.F.O., Tom MacKay, Chairman and C.E.O. and Christine Robertson, V.P. of Engineering, and will include certain key employees and management from Forte. The board of directors of Forte Explorco is expected to be composed of the current directors of Forte.

Benefits of the Transaction

The reorganization is designed to enhance value for shareholders by combining the mature producing assets of Thunder, Mustang and Forte to create a larger, more diversified production base capable of maintaining sustainable distributions for the Trust. Shareholders of Thunder and Mustang will receive shares in a growth focused exploration company (Thunder Explorco) with an exciting portfolio of drilling opportunities that currently exist in Thunder and Mustang plus participation in a resource company focused on coal bed methane development. Shareholders of Forte, in addition to their participation in the Trust, will receive shares in a growth focused exploration company (Forte Explorco) with significant upside from existing drilling opportunities currently in Forte.

Management and Directors of Thunder, Mustang and Forte believe that the transaction provides the following strategic benefits:

- The separation of mature, growth and resource assets aligns the risks and returns from each asset grouping and provides shareholders with the flexibility to determine their participation in each.
- The Trust provides a mature and diversified production base to deliver cash flow to its unit holders in a tax effective manner.
- The Trust's production base will be made up of long-life gas reserves contributed by Thunder, high quality light crude oil production and long-life natural gas production contributed by Mustang, a 40% interest in the Trust's operated Laprise gas property and additional light crude oil production in Alberta and SE Saskatchewan contributed by Forte.

The Trust will have a large inventory of development drilling and exploitation opportunities providing it with low cost production additions capable of maintaining existing production levels.

- With an estimated production base of 13,000 boe/d, the Trust will have the critical mass and the access to capital to compete more effectively for acquisitions.
- The respective Explorco's provide their shareholders participation in growth focused exploration companies each with an exciting portfolio of exploration and development opportunities that the respective management teams have accumulated to date.
- Thunder and Mustang shareholders can participate in the rapidly evolving resource play for non-conventional natural gas through Thunder's partially developed and significant undeveloped positions in CBM.

Based on these factors, the Boards of Directors of Thunder, Mustang and Forte have unanimously determined that the Arrangement is in the best interests of Thunder, Mustang and Forte. Management and Directors of the three companies, representing

10% of the outstanding fully diluted common shares of Thunder, 20% of the outstanding fully diluted common shares of Mustang and 10% of the outstanding fully diluted common shares of Forte have agreed to vote in favour of the Arrangement.

Thunder Trust

The Trust's mandate will be to generate stable and sustainable monthly distributions by focusing on high netback operations together with an active low-risk development drilling and exploitation program. The Trust estimates second half 2005 production will average 13,000 boe/d comprised of 50 mmcf/d natural gas and 4,700 bbls/d of crude oil and liquids. Revenues generated from the Trust's production base are expected, on average, to achieve premium pricing with natural gas averaging \$0.30 /mcf above AECO posted prices and the crude oil and liquids blend expected to average 35 degrees API. Operating costs are expected to initially average \$8.50/boe with potential for reduction given the Trust's anticipated focus on cost reduction. The Trust will operate approximately 98% of its production base giving it full control over production levels, facilities and cost reduction strategies.

Using January 1st, 2005 independent engineering reports, as prepared by GLJ and Sproule, the Trust will have proven reserves of 31.5 mmoeb and proved plus probable reserves of 45.0 mmoeb, 70% weighted to natural gas. Assuming estimated production of 13,000 boe/d, this

results in a reserve life index of 6.6 years for proven reserves and 9.5 years for proven plus probable reserves.

The Trust will have a significant inventory of low-risk oil and gas development and exploitation drilling opportunities. The Trust has identified in excess of 100 gross drilling locations (75 net) with total capital expenditures estimated at \$85 million. The existing inventory represents 18 months of drilling based on current estimates of cash flow and distributions. Due to the predictability and low risk nature of these drilling locations, the management team of the Trust believes that production can be maintained at or near existing levels contributing to the sustainability of the Trust's distributions. In addition to the existing drilling inventory, the Trust has aligned itself with Thunder Explorco and Forte Explorco through farm-out arrangements and joint ownership of certain undeveloped lands to ensure mutually beneficial development of future opportunities.

With an enhanced access to capital, the Trust will pursue a selective acquisition program with an emphasis on complimentary acquisitions in areas where the Trust can benefit from existing operating synergies and expertise. Generally, the Trust will also look to add production and reserves where such acquisitions are accretive to existing Trust unit holders.

Based on existing forward commodity prices, the Trust is anticipating an initial monthly distribution of \$0.15/unit after giving effect for a 1:2 consolidation of the Trust units. The Trust expects to maintain this level of distributions for the balance of 2005 and 2006 by reinvesting retained cash flow into low-risk drilling and exploitation opportunities. It is estimated this level of distribution will represent approximately 65% of the Trust's cash flow. Undistributed cash flow will be used to fund capital programs estimated at \$30 million for the second half of 2005. There will be approximately 47 million trust units issued and outstanding after giving effect for a 1:2 consolidation of the Trust's units. The Trust will have initial net debt of approximately \$135 million which represents one times annual cash flow.

The Trust will initiate a hedging program designed to provide stability to distribution levels and to maintain sufficient funds to finance capital programs. In addition the Trust will assume the following commodity hedges that are currently in place.

January 1 to December 31, 2005 - 500 bbls/d @ \$58.80/bbl Cdn.
March 1 to December 31, 2005 - 200 bbls/d @ \$61.67/bbl Cdn.

A compensation program will be put in place for the Trust that aligns Unitholder, management and employee interests. There will be no fixed percentage bonus plan for management or employees of the trust, or fees payable to management or employees on acquisitions or dispositions.

Thunder Explorco

Pursuant to the Arrangement, Thunder and Mustang shareholders will also receive new shares in Thunder Explorco, a diversified natural gas and light oil producer and explorer focused in Alberta and NE British Columbia.

It is anticipated that this growth based junior will have approximately 4.0 mmmboe's of proven plus probable reserves with current production of 850 boe/d weighted 65% to natural gas and 35% to light oil and natural gas liquids. In addition, the Company will have a net interest in approximately 178,000 acres of undeveloped land in Alberta and British Columbia as well as an

interest in production infrastructure in NE British Columbia and Alberta. The Explorco lands are covered by extensive seismic data including a new 130 square km 3-D survey in the Laprise area of NE British Columbia. Other core areas include central Alberta properties at Sylvan Lake, Arvilla and Bruce where Thunder and Mustang have enjoyed recent exploration successes.

The Explorco team has identified in excess of 50 seismically defined exploration and development locations on Explorco lands targeting natural gas and light oil. In addition, the Company will have access to additional interests in the Alberta lands through a farm-in arrangement with the Trust.

A private placement of common shares raising total proceeds of \$8.5 million will be made available to the employees, directors and service providers of Thunder Explorco. The private placement shares will be used to attract and retain quality management and employees in the Company. The private placement will have no warrants attached and shall be subject to escrow. Thunder Explorco will have \$5 million of net debt prior to taking into account proceeds from the private placement. There will be approximately 30 million common shares issued and outstanding after the initial private placement and after giving effect for a 1:3 consolidation of Thunder Explorco shares.

Thunder CBMco

Thunder and Mustang shareholders will also receive common shares in a new pure play coal bed methane resource company. Pursuant to the Arrangement, Thunder CBMco will receive all of Thunder's CBM interests, which will be accomplished by an assignment of all rights to natural gas from coal in certain Thunder properties. A total of 289,000 net acres of prospective lands will be assigned to Thunder CBMco.

These rights will include the partially developed Horseshoe Canyon CBM play at Fenn-Big Valley. Current production from this play is estimated at 2 mmcf/d with a further 150 development drilling locations identified on the transferred rights. Total resource potential of the Horseshoe Canyon play is estimated at 30-50 Bcf of gas of which 10 Bcf has been recognized as proven and probable reserves in the independent reserve evaluation.

The larger CBM resource play is centered on Thunder CBMco's Mannville lands. CBMco will own three significant blocks of land with thick contiguous Mannville coal seams. Total CBM resource in place is estimated in excess of 1 TCF of natural gas. In addition to the gas rights from coal, Thunder CBMco will assume ownership and operatorship of three Mannville pilot projects on trend with industry activity in Central Alberta.

Thunder CBMco's capital program for the second half of 2005 is estimated at \$15 million and will include the drilling of 30 Horseshoe Canyon CBM wells at Fenn-Big Valley and up to five horizontal Mannville test wells. Over the past year, industry participants have been drilling horizontal wells into the Mannville coals to accelerate both gas production and the de-watering phase. Thunder CBMco together with its 50% joint venture partner will drill two horizontal wells at its pilot at Rosalind. Upon completion of this initial test, Thunder CBMco will drill additional horizontal wells at its 100% owned pilot at Manola.

A private placement of common shares raising total proceeds of \$6 million will be made available to the employees, directors and service providers of Thunder CBMco. The private placement shares will be used to attract and retain quality management and employees. The

private placement will have no warrants attached and shall be subject to escrow. Thunder CBMco will have \$5 million of net debt prior to taking into account proceeds from the private placement. There will be approximately 24 million common shares issued and outstanding after the initial private placement and after giving effect for a 1:3 consolidation of Thunder CBMco shares.

Forte Explorco

Pursuant to the Arrangement, Forte shareholders will receive new shares in Forte Explorco, a diversified natural gas and oil producer and explorer focused in Alberta and NE British Columbia.

It is anticipated that the Forte Explorco will have approximately 1.8 mmboe's of proven plus probable reserves with current production of 600 boe/d weighted 46% natural gas and 54% oil and natural gas liquids. In addition the Company will have a net interest in approximately 84,000 acres of undeveloped land in Alberta and British Columbia, as well as an interest in production infrastructure in Alberta. The Explorco lands are covered by extensive seismic data including a new 130 square km 3-D in the Laprise area of NE British Columbia. Core areas, in addition to the Laprise area, include Alberta properties at Grande Prairie and Leaman/ Niton where Forte has had multi-zone oil and gas discoveries and has significant new production volumes scheduled to come on stream this year. Initial Forte Explorco drilling is expected to be concentrated in west central Alberta, in the Niton/ Leaman area, and near Grande Prairie, pursuing the Explorco's high impact oil and gas projects.

Forte has identified in excess of 40 exploration and development locations on Explorco lands targeting natural gas and oil. In addition, the Company will have access to additional interests in both the Alberta and N.E.B.C. lands through a farm-in arrangement with the Trust.

A private placement comprised of shares and warrants will be made available to the Forte Explorco employees and directors raising total proceeds of up to \$4.0million. The private placement will have no warrants attached and shall be subject to escrow Forte Explorco will have no debt prior to taking into account proceeds from the private placement. There will be approximately 48.9 million common shares issued and outstanding after the initial private placement and before taking into account the planned 1:3 share consolidation.

Pro Forma Attributes of Thunder Trust, Thunder Explorco, Thunder CBMco and Forte Explorco

	THUNDER <u>Trust</u>	THUNDER <u>Explorco</u>	THUNDER <u>CBMco</u>	FORTE <u>Explorco</u>
<i>2005E Production</i>				
<i>(July 1- December 31)</i>				
Oil and Liquids (bbls/d)	4,700	300	0	570
Natural Gas (mmcf/d)	50	3.3	2	3.7
Total (boe/d)	13,000	850	350	1,187
Gas %	65	65	100	52
Reserves ⁽¹⁾				
Proved (mmboe)	31.3	2.8	1.0	1.3
P + P (mmboe)	45.0	4.3	1.6	1.9
RLI (P+P) ⁽²⁾	9.5	14.7	14.6	8.2
Reserve Values ⁽³⁾				
Proved (\$mm)	416	35.6	9.3	17.4

Pro Forma Attributes of Thunder Trust, Thunder Explorco, Thunder CBMco and Forte Explorco

	THUNDER <u>Trust</u>	THUNDER <u>Explorco</u>	THUNDER <u>CBMco</u>	FORTE <u>Explorco</u>
P + P (\$mm)	545	47.4	13.2	26.9
Undeveloped Land (net acres) ⁽⁴⁾	173,000	178,000	289,000	84,000
Operating Costs (\$/Boe)	8.50	7.00	7.00	9.00
Net Debt (working capital) (\$mm) ⁽⁵⁾	135	(3.5)	(1.0)	(4.0)
Basic Units/Shares Outstanding(mm) ⁽⁶⁾	47	30	24.	16.3

- (1) Based on the reserve evaluations of GLJ as at January 1, 2005 for Thunder and Mustang. Based on the reserve evaluation of Sproule at January 1 and March 31, 2005 for Forte.
- (2) Effective RLI based on 2005 estimated production.
- (3) Reserve values are the before tax present values of cash flow at a 10% discount rate as per the GLJ and Sproule reserve reports as at January 1, 2005.
- (4) As at March 31, 2005.
- (5) Estimated net debt (working capital) at closing inclusive of transaction costs and net of the proceeds of the planned private placements.
- (6) After giving effect to a consolidation of the Trust units on a 1:2 basis, the shares of Thunder Explorco on a 1:3 basis, the shares of Thunder CBMco on a 1:3 basis and the shares of Forte Explorco on a 1:3 basis post the above mentioned share exchange.

Arrangement

Pursuant to the Arrangement, shareholders of Thunder will receive one trust unit or one exchangeable share of the Trust, one share of Thunder Explorco and one share of Thunder CBMco for each Thunder share held. Mustang shareholders will receive 1.1 of a trust units or 1.1 of an exchangeable share of the Trust, 1.1 of a share of Thunder Explorco and 0.25 of a share of Thunder CBMco for each Mustang share held. Forte shareholders will receive 0.35 of a trust unit or 0.35 of an exchangeable share of Thunder Trust and one share of Forte Explorco for each Forte share held. It is contemplated that the units of the Trust will be consolidated on a 1:2 basis, the shares of Thunder Explorco will be consolidated on a 1:3 basis and the shares of Thunder CBMco will be consolidated on a 1:3 basis post the above mentioned share exchange. A maximum of 15% exchangeable shares will be issued under the proposed combination.

An information circular detailing the Arrangement is anticipated to be mailed to security holders in late May 2005. Shareholder meetings of Thunder, Mustang and Forte to consider the reorganization will occur on or about June 30, 2005. The Plan of Arrangement will require the approval of 66 2/3 percent of the votes cast by each class of shareholders, option holders and warrant holders at each of the shareholder meetings, the approval of the majority of the shareholders excluding management and the approval of the Court of Queen's Bench of Alberta and certain regulatory agencies. In addition, the Board of Directors of each Company has agreed that it will not solicit or initiate discussions or negotiations with any third party for any business combination involving either of Thunder, Mustang or Forte. Thunder has agreed to pay Mustang and Forte a non-completion fee of \$3 million each and each of Mustang and Forte have agreed to pay a non-completion fee of \$2.5 million in certain circumstances.

Financial Advisors

GMP Securities Ltd. and FirstEnergy Capital Corp. (co-lead advisors) are acting as financial advisors to Thunder with respect to the proposed transaction. GMP Securities Ltd. and FirstEnergy Capital Corp. have advised the board of directors of Thunder that they are of the opinion that, subject to review of the final form of the documents effecting the reorganization and based on certain assumptions relating to the proposed transaction, the consideration to be received by the Thunder shareholders pursuant to the arrangement is fair, from a financial point of view, to the Thunder shareholders.

Canaccord Capital Corporation is acting as financial advisor to Mustang with respect to the proposed transaction. Canaccord Capital Corporation has advised the board of directors of Mustang that it is of the opinion that, subject to review of the final form of the documents effecting the reorganization and based on certain assumptions relating to the proposed transaction, the consideration to be received by the Mustang shareholders pursuant to the arrangement is fair, from a financial point of view, to the Mustang shareholders.

Tristone Capital Inc. is acting as financial advisor to Forte with respect to the proposed transaction. Tristone Capital Inc. has advised the board of directors of Forte that it is of the opinion that, subject to review of the final form of the documents effecting the reorganization and based on certain assumptions relating to the proposed transaction, the consideration to be received by the Forte shareholders pursuant to the arrangement is fair, from a financial point of view, to the Forte shareholders.

CIBC World Markets Inc., Raymond James Ltd. and TD Securities Inc. are acting as strategic advisors to Thunder in connection with the proposed transaction.

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:

Douglas N. Baker, President and Chief Financial Officer
Telephone: (403) 237-5163
Facsimile: (403) 237-5256

Item 9. Date of Report:

May 6, 2005