MATERIAL CHANGE REPORT

1. **Reporting Issuer**

   Richards Oil & Gas Limited
   1609, 840 – 7th Avenue S.W.
   Calgary, Alberta, T2P 3G2

2. **Date of Material Change**

   May 12, 2005

3. **Press Release**

   Richards Oil & Gas Limited ("ROG") issued a press release with respect to the material change described below on May 17, 2005.

4. **Summary of Material Change**

   ROG completed on May 12, 2005 the acquisition of all of the issued and outstanding shares of Penzance Petroleum Ltd.

5. **Full Description of Material Change**

   The material change is fully described in the press release attached hereto as Schedule "A".

6. **Confidentiality of Material Change Report**

   Not applicable.

7. **Omitted Information**

   Not applicable.

8. **Senior Officer**

   The senior officer who can answer questions regarding this report is Mr. Richard Cohen, Vice-President (Corporate Communications) of ROG. Mr. Cohen can be reached at (905) 882-4422 or by email at roginc@rogers.com.

9. **Statement of Senior Officer**

   The foregoing accurately discloses the material change referred to herein.

SIGNED the 17th day of May, 2005 at Toronto, Ontario.

(signed) Richard Cohen
Vice-President

ROG

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Richards Oil & Gas Limited

FOR IMMEDIATE RELEASE

May 17, 2005

RICHARDS OIL & GAS LIMITED ANNOUNCES ACQUISITION OF PENZANCE PETROLEUM LTD.

Toronto, May 17, 2005 - Richards Oil & Gas Limited (the "Corporation") announces that on May 12, 2005, it completed the acquisition of all the issued and outstanding shares of Penzance Petroleum Ltd. ("Penzance"). The acquisition provides reserves, some oil production and some undeveloped lands.

The shareholders of Penzance will receive $400,000, 1,142,858 common shares of the Corporation and 400,000 common share purchase warrants. Each warrant entitles the holder to purchase one common share of the Corporation at a price of $0.50 per share until May 12, 2007.

The TSX Venture Exchange has granted conditional approval for the listing of the common shares of the Corporation on Tier 2, subject to the Corporation completing its initial public offering, the acquisition of Penzance and fulfilling all of the usual listing requirements.

The Corporation is in the final stages of completing its initial public offering at a price of $0.50 per common share and $0.60 per flow through share for gross proceeds of up to $8,000,000 to finance land acquisition, coal bed methane ("CBM") exploration and development, and the Penzance acquisition.

Additional information on the Corporation is provided in the prospectus of the Corporation, dated May 6, 2005, which is available to the public at www.sedar.com.

Richards Oil & Gas Limited is based in Calgary, Alberta and is engaged in the evaluation, acquisition and exploration of CBM projects and conventional oil and gas projects in Canada and the United States. The Corporation believes that, with the strong interest in CBM projects, the buoyant oil and gas commodity prices, and the management of the Corporation’s strong technical background and experience with CBM, the Corporation will be able to continue to position itself to identify, evaluate, acquire and develop CBM prospects.

For more information, contact:

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