

**RICHARDS OIL & GAS LIMITED**

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

1. **Reporting Issuer**

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

2. **Date of Material Change**

October 21, 2005

3. **Press Release**

Richards Oil & Gas Limited (the "Corporation") issued a press release with respect to the material change described below on October 24, 2005.

4. **Summary of Material Change**

The Corporation, on October 21, 2005, completed the over-allotment option in connection with its \$12.5 million private placement financing which closed on October 7, 2005. The over-allotment offering consisted of 691,677 flow-through shares at a price of \$0.90 per share for gross proceeds of \$622,509.30 and 836,733 units at a price of \$0.75 per unit for gross proceeds of \$627,549.75 or total gross proceeds of \$1,250,059.05. Each unit consists of one common share of the Corporation and one-half share purchase warrant. Each full warrant entitles the holder to acquire an additional share at a price of \$1.00 per share for a period of 12 months from the closing and at a price of \$1.25 per share for six months thereafter.

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 the Corporation. Mr. Cohen can be reached at (905) 882-4422 or by email at roginco@rogers.com.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

SIGNED the 31<sup>st</sup> day of October, 2005 at Toronto, Ontario.

(signed) "Richard Cohen"  
Vice-President (Corporate Communications)



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# Richards Oil & Gas Limited

FOR IMMEDIATE RELEASE

October 24, 2005

RIX:TSX Venture Exchange

## **RICHARDS OIL & GAS LIMITED RAISES AN ADDITIONAL \$1.25 MILLION**

**Calgary, Alberta** – David Thomas, President and CEO of Richards Oil & Gas Limited (the "Corporation"), is pleased to announce that on Friday, October 21, 2005 the Corporation completed the over-allotment option in connection with its \$12.5 million private placement financing which closed on October 7, 2005. The over-allotment offering consisted of 691,677 flow-through shares at a price of \$0.90 per share for gross proceeds of \$622,509.30 and 836,733 units at a price of \$0.75 per unit for gross proceeds of \$627,549.75 or total gross proceeds of \$1,250,059.05. Each unit (a "Unit") consists of one common share of the Corporation and one-half share purchase warrant. Each full warrant entitles the holder to acquire an additional share at a price of \$1.00 per share for a period of 12 months from the closing and at a price of \$1.25 per share for six months thereafter. All securities issued pursuant to the financing are subject to a four-month hold period. In addition to the original private placement of \$12,499,926.60, the total gross proceeds raised are \$13,749,985.65.

The underwriting syndicate was led by Octagon Capital Corporation, as lead underwriter, and included Dominick & Dominick Securities Inc. (collectively, the "Underwriters"). In connection with the over-allotment option, the Corporation granted to the Underwriters, and other members of the selling group, warrants to acquire 69,168 common shares at a price of \$0.90 per share, and warrants to acquire 83,673 Units at a price of \$0.75 per Unit. In addition, the Corporation paid the Underwriters a cash commission of \$100,004.72.

The Corporation will use the net proceeds from the private placement for exploration and development of several near term cash flow opportunities situated on Corporation lands that contain dry Horseshoe Canyon and Ardley coals, and mid-term cash flow opportunities on the Corporation's lands that may contain Ardley coals only, and for working capital.

Richards Oil & Gas Limited is an oil and gas exploration company, based in Calgary, Alberta, that specializes in the exploration, development and exploitation of Coal Bed Methane ("CBM") properties. The Corporation's management has extensive experience in the development of CBM projects, which it is using to exploit the Corporation's land base and to add and sustain significant value for its shareholders.

The Corporation has assembled a highly prospective CBM land base, comprised of 142.1 sections of land (90,944 acres gross, approximately 45,500 acres net), and containing a portfolio of near to long-term cash flow opportunities.

For more information, contact:

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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