

RICHARDS OIL & GAS LIMITED

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

1. **Reporting Issuer**

Richards Oil & Gas Limited
600, 815 – 8th Avenue S.W.
Calgary, Alberta, T2P 3P2

2. **Date of Material Change**

May 29, 2006

3. **Press Release**

Richards Oil & Gas Limited (the "Corporation") issued a press release with respect to the material change described below on May 29, 2006.

4. **Summary of Material Change**

The Corporation entered into an agreement with Octagon Capital Corporation, subject to regulatory approval, pursuant to which the Corporation proposes to raise gross proceeds of up to \$10,000,000 through a two part private placement. The first part shall consist of a bought deal offering of 1,176,500 common shares, at a price of \$1.70 per share for gross proceeds of \$2,000,050, the second part shall include a "reasonable efforts" offering, consisting of up to 4,706,000 common shares at a price of \$1.70 per share for gross proceeds of up to \$8,000,200.

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 29th day of May, 2006 at Toronto, Ontario.

(signed) Richard Cohen
Vice-President



600, 815 – 8th Avenue S.W.
Calgary, AB
T2P 3P2
Telephone:(403) 265-8444
Fax: (403) 265-4414
Email: dthomas@richardsoilandgas.com

Richards Oil & Gas Limited

FOR IMMEDIATE RELEASE

May 29, 2006

RIX:TSX Venture Exchange

RICHARDS OIL & GAS LIMITED ANNOUNCES A BOUGHT DEAL AND BEST EFFORTS PRIVATE PLACEMENT FINANCING

Calgary, Alberta - David Thomas, President of Richards Oil & Gas Limited (the "Corporation"), is pleased to announce that the Corporation has entered into an agreement with Octagon Capital Corporation, subject to regulatory approval, pursuant to which the Corporation proposes to raise gross proceeds of up to \$10 million through a two-part private placement. The first part shall consist of a bought deal offering of 1,176,500 common shares, at a price of \$1.70 per share for gross proceeds of \$2,000,050, the second part shall include a "reasonable efforts" offering, consisting of up to 4,706,000 common shares at a price of \$1.70 per share for gross proceeds of up to \$8,000,200.

The net proceeds will be used for land acquisition, exploration and development activities, and general corporate purposes.

The proposed transaction will be subject to TSX Venture Exchange approval.

The securities referenced herein have not and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the 1933 act) unless the securities have been registered under the 1933 act, or are otherwise exempt from such registration.

Richards Oil & Gas Limited is an oil and gas exploration company, based in Calgary, Alberta, that specializes in the exploration, development and exploitation of CBM properties. Coalbed Methane (CBM) or Natural Gas from Coal (NGC) is technically defined as gas produced naturally by coalification, and found within coal natural gas reservoirs consisting predominately of methane, with smaller amounts of higher hydrocarbons, water vapor, nitrogen, carbon dioxide, or other non-hydrocarbons. The majority of gas is usually physically sorbed within the microporosity and mesoporosity within the organic matrix. 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 150 sections of land (96,064 acres gross, approximately 48,060 acres net) and containing a portfolio of near to long-term cash flow opportunities, including prospects in the Horseshoe Canyon, Ardley and Mannville CBM coal seams.

For more information, contact:

David Thomas, President & CEO
Richards Oil & Gas Limited
600, 815 – 8th Avenue S.W.
Calgary, AB T2P 3P2
Tel.: (403) 265-8444
Fax: (403) 265-4414
E-Mail: dthomas@richardsoilandgas.com

Richard Cohen, VP – Corp. Communications
Richards Oil & Gas Limited
103 Clark Avenue East
Thornhill, ON L3T 1T1
Tel.: (905) 882-4422
Fax: (905) 882-4435
E-Mail: roginc@rogers.com

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