

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Recap Energy Inc.
Suite 175, Kipling Square
601 – 10th Ave. SW
Calgary, AB T2R 0B2

Item 2 Date of Material Change

May 25, 2005.

Item 3 News Release

A press release was issued via Canada NewsWire Group on May 25, 2005.

Item 4 Summary of Material Change

Mr. David V. Richards, President of Recap Energy Inc. (“Recap”) announced that, in addition to the \$500,000 raised from its founding shareholders, Recap has raised a further \$1,500,000 by way of its initial public offering of 5,000,000 common shares at a purchase price of \$0.30 per common share pursuant to its prospectus dated May 12, 2005.

Item 5 Full Description of Material Change

Mr. David V. Richards, President of Recap announced that, in addition to the \$500,000 raised from its founding shareholders, Recap has raised a further \$1,500,000 by way of its initial public offering of 5,000,000 common shares at a purchase price of \$0.30 per common share pursuant to its prospectus dated May 12, 2005.

Mr. Richards further announced that Recap will promptly submit the required post-closing documentation to the TSX Venture Exchange (“TSX-V”) to support its listing application. It is anticipated that the TSX-V will issue a bulletin in the next week or two announcing that the common shares of Recap have been approved for trading on the TSX-V and the date upon which such trading will commence. The trading symbol for the Recap common shares will be “RCE.P”.

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

David V. Richards, President
Telephone: (403) 303-4488
Fax: (403) 303-4489

Item 9 Date of Report

May 25, 2005.