MATERIAL CHANGE REPORT

Pursuant to
Section 75(2) of the Securities Act (Ontario)
Section 85(1) of the Securities Act (British Columbia)
Section 146(1) of the Alberta Securities Act (Alberta)
Section 73 of the Securities Act (Quebec)
Section 76(2) of the Securities Act (Newfoundland)

Item 1 - Reporting Issuer:

Rutter Inc.
70 Brookfield Road
St. John's, Newfoundland
A1E 3T9

Item 2 - Date of Material Change:

April 13, 2005

Item 3 – Press Release:

The press release attached hereto as Schedule "A" was disseminated over the Canada NewsWire on April 13, 2005.

Item 4 – Summary of Material Change:

The Issuer completed a private placement of $10,000,000 aggregate principal amount of 10% senior secured convertible debentures and 1,000,000 subscription receipts at a price of $1.00 per subscription receipts.

Item 5 – Full Description of Material Change:

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

Item 6 – Reliance on Confidentiality Sections of the Securities Acts:

Not applicable.

Item 7 - Omitted Information:

Not applicable.

Item 8 – Senior Officers:

For further information, please contact

Director, Investor Relations & Communications, Paul M. Snow	(709) 368-3174
Vice-President Corporate Affairs, Clarence J. Dwyer	(709) 368-3174

Item 9 – Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at St. John's this 14th day of April, 2005.

RUTTER INC.

Per: "A. Daniel Herder"
A. Daniel Herder
Secretary

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

Schedule "A"

Rutter Inc.
70 Brookfield Road

St. John's, NL
Canada A1E 3T9

Rutter Inc. Closes $11 Million Private Placement

ST. JOHN'S, April 13, 2005/CNW/ - Rutter Inc. (the "Company") announce that it has today completed the arrangements for the $11 million private placement announced in its Press Release of March 29, 2005.

"As indicated with the release of our year-end and Q1financial statements, Rutter has moved swiftly to resolve its working capital shortfall and, as important, replaced Bank of Montreal Capital Corporation and the Business Development Bank of Canada long-term debt with new debentures," said Donald I. Clarke, Chairman and CEO of Rutter Inc. "This closes a difficult chapter in Rutter's history and, thanks to the confidence shown by shareholders who understand our business, we have the capital we need to focus on making this Company's assets perform to their full potential," added Clarke. "We are very pleased with this deal as all shareholders stand to benefit from it."

The offering was comprised of a private placement of CDN$10,000,000 aggregate principal amount of 10% senior secured convertible debentures maturing June 30, 2008 (the "Debentures"), at a price of CDN$1,000 per Debenture, and a private placement of an aggregate of 1 million subscription receipts ("Subscription Receipts") at CDN$1.00 per Subscription Receipt.

Each Subscription Receipt entitles its holder to acquire, for no additional consideration, one common share of the Company (subject to standard anti-dilution provisions). The Subscription Receipt offering was substituted for the common share offering announced in the Company's earlier Press Release of March 29, 2005. The Subscription Receipts were sold to certain directors and officers of the Company, their associates and affiliates, and certain other investors introduced by them, their participation being a condition of the Debenture offering. The proceeds of both offerings are being held in escrow pending satisfaction of certain conditions, as described below.

Each Debenture will be convertible at the holder's option into common shares of the Company at any time prior to maturity at a conversion price of $1.00 (the "Conversion Price") per common share. The conversion right will be subject to standard anti-dilution provisions. The Debentures will not be redeemable except that Rutter will be entitled, for a period of 45 days following the date that is 12 months following the Closing Date, to redeem up to $5 million of the principal amount of the Debentures on a pro rata basis at a price equal to 102% of the principal amount of the Debentures plus accrued and unpaid interest.

In partial consideration for its services as agent for the private placement, the Company issued McFarlane Gordon Inc. 500,000 compensation warrants, each being exercisable for one common share of the Company at a price of CDN$1.00 per share (subject to standard anti-dilution provisions) for a period of two years from the date of issuance. A cash commission of 6% of the proceeds of the Debenture offering and 3% of the proceeds of the Subscription Receipt offering was also paid.

The net proceeds of the Debenture offering will be used to (i) to repay all principal and interest owing to Bank of Montreal Capital Corporation and the Business Development Bank of Canada (the "Current Lenders") pursuant to certain issued and outstanding debentures of the Company in the aggregate principal amount of approximately $5,777,870 and (ii) for general working capital purposes. The net proceeds of the Subscription Receipt offering will be used for general working capital purposes.

The exercise of the Subscription Receipts and the Compensation Warrants, and the release of the proceeds of the offerings is subject to the satisfaction of the following conditions: (i) obtaining a court order permitting the Company to obtain a discharge of the security granted to the Current Lenders on paying into court the amounts in dispute; (ii) registering the security interests created by the Debentures; and (iii) obtaining all other necessary approvals, including conditional acceptance of the offerings by the Toronto Stock Exchange (the "TSX"). The Company also agreed that if these conditions were not satisfied by May 5, 2005, the proceeds of the offerings would be used to redeem the Debentures and the Subscription Agreements (with the Company paying any shortfall) and the Compensation Warrants would be void and of no effect. However, as the Company has satisfied all of these conditions as of April 13, 2005, it will proceed to use the net proceeds as described above. In addition, the Subscription Receipts will now be deemed exercised, with no further action on the part of their holders, for 1 million common shares of the Company.

Donald Clarke, the Chairman and CEO of the Company, acquired 400,000 Subscription Receipts, which, upon exercise, will increase his holdings to 4,114,444 common shares, being approximately 11% of the issued and outstanding common shares of the Company. Mr. Clarke purchased Subscription Receipts in order to support the Debenture offering, and does not at present intend to acquire additional common shares other than through the exercise of his existing stock options.

As the maximum number of common shares issuable under these transactions may exceed the maximum number of securities issuable without security holder approval under the rules of TSX, Rutter applied for and obtained from the TSX an exemption from the security holder approval requirement provided for under section 604(e) of the TSX Company Manual relating to financial hardship. This exemption was relied upon because much of the debt being refinanced by the proceeds of this financing was recently re-classified as short-term debt because the Company was in default of certain covenants and waivers of certain defaults were not made available to the Company by the applicable lenders in a timely fashion, creating some instability for the Company. This uncertainty was further reflected by the 'going concern' qualification contained in the Company's recently released financial statements.

About Rutter Inc. - Represented worldwide, Rutter Inc. is a global enterprise focused on the business of providing innovative, 21st century technologies and engineering solutions that improve the efficiency and safety of marine, transportation and other industrial operations. Key divisions are involved in product development and marketing, technology manufacturing and multidisciplinary engineering services. For more information go to www.rutter.ca

For further information please contact:
Director - Investor Relations & Communications, Paul M. Snow (709) 368-3174
Vice-President Corporate Affairs, Clarence J. Dwyer (709) 368-3174

Forward-Looking Statements
This press release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect our current expectations and are subject to a number of risks and uncertainties including, but not limited to, change in technology and general market conditions. Due to the many risks and uncertainties, Rutter Inc. cannot assure that forward-looking statements that may be contained in this press release will be realized.

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

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