**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

1. **Name and Address of Company:**

   Zenas Energy Corp. ("Zenas")
   Suite 305, 505-3rd Street S.W.
   Calgary, Alberta
   T2P 3E6

2. **Date of Material Change:**

   October 12, 2005

3. **News Release:**

   A press release was issued on Wednesday, October 12, 2005 through the facilities of Canada NewsWire.

4. **Summary of Material Change:**

   On October 12, 2005, Zenas completed its previously announced equity financing for gross proceeds of $42,000,000.

5. **Full Description of Material Change:**

   Zenas distributed an aggregate of 7,500,000 common shares at a price of $5.60 per share for gross proceeds of $42,000,000. The financing was arranged by a syndicate of underwriters led by Orion Securities Inc. and including GMP Securities Ltd., Canaccord Capital Corporation, Salman Partners Inc., Westwind Partners Inc. and MGI Securities Inc. The net proceeds from the offering will be used to finance the upcoming winter capital program in northeast British Columbia.

   See the press release of Zenas dated October 12, 2005, a copy of which is attached.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:**

   Not applicable.

7. **Omitted Information:**

   Not applicable.

8. **Executive Officer:**

**The name and business number of the executive officer of Zenas who is knowledgeable of the material change and this report is:**

Hal Metcalfe, Vice President, Finance and Chief Financial Officer
Telephone: (403) 662-2443

9. **Date of the Report:**

October 13, 2005.

## SCHEDULE "A"

**NOT FOR RELEASE IN THE UNITED STATES OR OVER UNITED STATES NEWSWIRE SERVICES**

## PRESS RELEASE

### ZENAS ENERGY CORP. ANNOUNCES CLOSING OF EQUITY FINANCING FOR $42 MILLION

CALGARY, October 12, 2005/CNW/ - Zenas Energy Corp. ("Zenas") is pleased to announce it has closed its previously announced offering of 7,500,000 common shares at a price of $5.60 per share to raise gross proceeds of $42,000,000. The financing was arranged by a syndicate of underwriters led by Orion Securities Inc. and including GMP Securities Ltd., Canaccord Capital Corporation, Salman Partners Inc., Westwind Partners Inc. and MGI Securities Inc.

The net proceeds from the offering will be used to finance the upcoming winter capital program in N.E. British Columbia.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the common shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such jurisdiction. Zenas's common shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an applicable exemption from the registration requirements of U.S. securities laws.

Zenas is an Alberta-based oil and natural gas company engaged in the exploration for, and the acquisition, development and production of, oil and natural gas in the Western Canadian Sedimentary Basin and actively trades on the Toronto Stock Exchange under the symbol "ZNS".

For further information:

Zenas Energy Corp.

John R. Rooney
President and Chief Executive Officer
Telephone: (403) 662-2440

Hal A. Metcalfe
Vice President, Finance and Chief Financial Officer
Telephone: (403) 662-2440