FORM 53-901F
(formerly Form 27)

1. **REPORTING ISSUER**

Ivanhoe Energy Inc. ("Ivanhoe")
654 – 999 Canada Place
Vancouver, British Columbia
V6C 3E1

2. **DATE OF MATERIAL CHANGE**

September 19, 2002

3. **PRESS RELEASE**

Date of Issuance: September 19, 2002

Place of Issuance: Vancouver, British Columbia

4. **SUMMARY OF MATERIAL CHANGE**

Ivanhoe has signed a production sharing contract (the "Zitong Agreement") with China National Petroleum Corporation ("PetroChina") to explore and develop natural gas and oil deposits in the Zitongxi and Zitongdong Blocks (the "Zitong Block") of the Sichuan Basin in China. The Zitong Agreement grants Ivanhoe the right to earn up to a 49% interest in future production on the property by conducting an exploration program on the property.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Ivanhoe has signed the Zitong Agreement with PetroChina to explore and develop natural gas and oil deposits in the Zitong Block. PetroChina owns the rights to exploit all petroleum resources in China on behalf of the Government of China. In 2001, PetroChina and Ivanhoe executed a memorandum of understanding which granted to Ivanhoe the exclusive right to negotiate petroleum contracts on the Zitong Block, which was followed by an agreement of the parties to carry out a feasibility study on the property. The Zitong Agreement was executed on September 19, 2002.

The Zitong Block is located in the western portion of the Sichuan Basin and consists of approximately 900,000 acres of land. Under the Zitong Agreement Ivanhoe has agreed to conduct an exploration program on the Zitong Block consisting of two phases, each three years in length. The parties will jointly participate in the development and production of any commercially viable deposits, with production rights limited to a maximum of the lesser of 30 years following the date of the Zitong Agreement or 20 years of continuous production.

During the first phase of exploration, Ivanhoe must complete a minimum work program consisting of reprocessing 2,000 kilometres of seismic data, completing 500 additional kilometres of new seismic lines and drilling and completing two wells totalling at least 7,000 metres and incur minimum expenditures of at least US$18,000,000. Upon completion of the first phase, Ivanhoe must relinquish up to 30% of the Zitong Block.

During phase 2, Ivanhoe must complete a minimum work program consisting of new seismic lines totalling 350 kilometres and drill and complete two additional wells totalling 7,000 metres and incur minimum expenditures of at least US$16,000,000. Following the completion of phase 2, Ivanhoe must relinquish all of the property except any areas identified for development and production.

Ivanhoe can elect to commence the development of commercially viable deposits at any time following the submission of an Overall Development Program. Once Ivanhoe completes phase one of the exploration project, Ivanhoe can also elect not to proceed with phase two of the exploration project. However, once Ivanhoe commences a phase of the exploration project it must complete the minimum work program or else it will be obligated to pay to PetroChina the cash equivalent of the deficiency in the work program for that exploration phase.

If Ivanhoe identifies a deposit for development and/or production, the parties will divide the participating interest in the project, with PetroChina entitled to take up to 51% of the participating interest and Ivanhoe taking the balance of the participating interest.

Once commercial production commences, Ivanhoe will be entitled to 60% of oil production and 70% of natural gas production (less in-kind production used to pay direct operating costs for the year) plus a percentage equal to its participating interest in the remaining production until exploration costs have been recovered. Thereafter, Ivanhoe will be entitled to production equalling its participating interest, subject to certain additional rights of the Chinese government, which, assuming Ivanhoe holds a 49% participating interest, will ultimately entitle Ivanhoe to approximately 45% of production.

PetroChina retains the rights to production from six existing wells located on the Zitong Block. Ivanhoe can drill new wells on the same formation as those tapped by the existing wells, but Ivanhoe's wells must be no closer than 1,000 metres from the existing wells.

6. RELIANCE ON SECTION 85(2) OF THE ACT

Not applicable

7. OMITTED INFORMATION

Not applicable

8. **SENIOR OFFICER**

For further information contact:

Beverly Bartlett
Ivanhoe Energy Inc.
654 – 999 Canada Place
Vancouver, British Columbia
V6C 3E1

Telephone: (604) 688-7166

9. **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 27th day of September, 2002.

IVANHOE ENERGY INC.

Per: "Beverly Bartlett"
Beverly Bartlett
Corporate Secretary