

FORM 53-901F

Section 85 (1) – Securities Act (British Columbia)
(or the equivalent thereof under
Canadian Provincial Securities Legislation)

1. **REPORTING ISSUER**

Ivanhoe Energy Inc. (the “Company”)
Suite 654 - 999 Canada Place
Vancouver, British Columbia
V6C 3E1

2. **DATE OF MATERIAL CHANGE**

November 18, 2003

3. **PRESS RELEASE**

Date of Issuance: November 18, 2003
Place of Issuance: Vancouver, British Columbia

4. **SUMMARY OF MATERIAL CHANGE**

The Company has entered into a Heads of Agreement dated November 18, 2003 with China International Trust and Investment Corporation (“CITIC”) which provides for CITIC to acquire a 40% working interest in the Dagang oil project in consideration for \$20 million. The Dagang oil project is operated by the Company’s wholly-owned subsidiary Sunwing Energy Ltd. (“Sunwing”). CITIC will have the option to convert its participating interest in the project into common shares of either Sunwing or the Company, subject to applicable stock exchange approval. If CITIC elects to convert its 40% participating interest in the project into common shares of either Sunwing or the Company, Sunwing’s participating interest in the project will revert to 100%.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

The Company has entered into a Heads of Agreement dated November 18, 2003 with CITIC which provides for CITIC to acquire a 40% working interest in the Dagang oil project operated by Sunwing. In consideration for its working interest in the project CITIC will pay U.S.\$20 million, which will be used exclusively to fund the initial phase of Sunwing’s overall development program for the project, including drilling, completing and producing from new wells, reworking existing wells with the objective of increasing production rates, installing surface facilities and developing a water-injection system. Project expenditures over and above the U.S.\$20 million paid by CITIC for its participating interest in the project will be funded by Sunwing, as to 60%, and by CITIC, as to 40%.

The Dagang project is being developed under a production-sharing contract with China National Petroleum Corporation (“CNPC”), covering an area of 22,400 gross acres divided into six blocks in the Kongnan oilfield in Dagang, Hebei Province, China. As equity partners, Sunwing and CITIC will fund 100% of the development costs to earn 82% of the net revenue from oil production until cost recovery, at which time their shared entitlement reverts to 49%. Sunwing, through its wholly-owned subsidiary, Pan-China Resources Ltd., will remain the operator of the Dagang project throughout the term of the contract. CITIC has agreed to use its best efforts to assist Sunwing in obtaining project debt financing sufficient to complete the development of Sunwing’s overall development program for the project. CITIC will also continue to assist Sunwing in its strategic objective of increasing its profile in Asian capital markets.

The Heads of Agreement also provides that CITIC will have the option to convert its participating interest in the project into common shares of either Sunwing or the Company. If CITIC elects to convert its 40% participating interest in the project into common shares of either Sunwing or the Company, Sunwing’s participating interest in the project will revert to 100%.

CITIC may, subject to all applicable stock exchange approvals, elect to convert its participating interest into Sunwing common shares at any time prior to the first anniversary of the date that Sunwing completes an initial public offering (“IPO”). The number of Sunwing common shares issuable to CITIC upon conversion of its participating interest will be determined by dividing the sum of U.S.\$20 million (less any cash flow received by CITIC on account of its participating interest prior to conversion) by a conversion price that will depend upon when conversion takes place. If CITIC elects to convert at least 10 days prior to the completion date of Sunwing’s IPO, the conversion price will be the U.S. dollar equivalent of the IPO price, less a 10% discount. If CITIC elects to convert thereafter, the conversion price will be the U.S. dollar equivalent of the average closing price of Sunwing’s common shares on the principal stock exchange on which such shares are traded, for the 30 trading days preceding conversion, less an 8% discount.

Instead of electing to convert into Sunwing common shares, CITIC may, subject to all applicable stock exchange approvals, elect to convert its participating interest into common shares of the Company at any time prior to the first anniversary of the date of the closing of CITIC’s acquisition of its participating interest. The number of common shares of the Company issuable to CITIC upon conversion of its participating interest will be determined by dividing the sum of U.S.\$20 million (less any cash flow received by CITIC on account of its participating interest prior to conversion) by the U.S. dollar equivalent of the average closing price of Ivanhoe’s common shares on the Toronto Stock Exchange for the 30 trading days preceding conversion, less an 8% discount.

The Heads of Agreement provides that at the closing of the transaction, which is expected to occur before the end of 2003, Sunwing and CITIC will enter into a mutually acceptable

farm out agreement detailing the terms of the assignment to CITIC of its participating interest in the project and a joint operating agreement governing their respective rights and obligations in respect of the project. Closing is subject to approval by CNPC and the Ministry of Commerce of the People's Republic of China.

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

Not applicable

7. **OMITTED INFORMATION**

Not applicable

8. **SENIOR OFFICER**

For further information contact:

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V6C 3E1

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9. **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 20th day of November, 2003.

IVANHOE ENERGY INC.

Per: “Beverly Bartlett”
Beverly Bartlett
Corporate Secretary