Form 51-102F3

Material Change Report

1. **REPORTING ISSUER**

Ivanhoe Energy Inc.
Suite 654, 999 Canada Place
Vancouver, British Columbia
V6E 3E1

2. **DATE OF MATERIAL CHANGE**

July 8, 2008

3. **PRESS RELEASE**

The press release was issued on July 9, 2008 and was disseminated through the facilities of recognized newswire services. A copy of the press release was filed on SEDAR.

4. **SUMMARY OF MATERIAL CHANGE**

On July 8, 2008 (the "**Closing Date**"), Ivanhoe Energy Inc. (the "**Corporation**") completed a private placement transaction (the "**Placement**"), whereby it issued 29,334,000 special warrants (the "**Special Warrants**") to exempt purchasers (the "**Subscribers**") at a price of Cdn.$3.00 per Special Warrant for aggregate subscription proceeds of Cdn.$88,002,000 (the "**Proceeds**").

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

On the Closing Date, the Corporation completed the Placement, whereby it issued 29,334,000 Special Warrants to the Subscribers at a price of Cdn.$3.00 per Special Warrant for aggregate subscription proceeds of the Proceeds.

Each Special Warrant entitles the holder to receive, subject to adjustment, one common share ("**Underlying Common Share**") of the Corporation for no additional consideration at any time from the Closing Date until the date that is four months and one day from such date (the "**Expiry Date**").

The Corporation used a portion of the Proceeds to fund the acquisition (the "**Acquisition**") of certain oil sands leases in the Province of Alberta from Talisman Energy Canada and the related rights, interests and assets. The remainder of the net Proceeds will be used for the Corporation's planned development activities on the acquired oilsands leases and for general working capital purposes.

The Special Warrants will be deemed to have been converted into Underlying Common Shares on the earlier of (i) the first business day after the date on which the Corporation obtains a receipt for the final prospectus qualifying the distribution of the Underlying Common Shares in the provinces of British Columbia, Alberta, Ontario and Quebec, and (ii) the Expiry Date.

Tristone Capital Inc. and Raymond James Ltd. (together, the “Agents”), in their role as agents for the Placement and financial advisors to the Corporation, received a cash commission equal to 5% of the Proceeds, with the exception of 3,333,300 Special Warrants issued to certain select subscribers, in which only a 1% cash commission was paid to the Agents.

6. RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

No information has been intentionally omitted from this form.

8. EXECUTIVE OFFICER

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

Beverly A. Bartlett
Suite 654, 999 Canada Place
Vancouver, British Columbia
V6C 3E1

Telephone: (604) 331-9803

9. DATE OF REPORT

DATED at Vancouver, British Columbia this 17th day of July, 2008.