

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. NAME AND ADDRESS OF COMPANY

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

2. DATE OF MATERIAL CHANGE

August 13, 2014

3. NEWS RELEASE

The news release was issued on August 14, 2014 and was disseminated through the facilities of recognized newswire services. A copy of the news release was filed on SEDAR.

4. SUMMARY OF MATERIAL CHANGE

The Company’s shareholders approved a special resolution authorizing an amendment to the Company’s articles of incorporation to consolidate its issued and outstanding common shares (the “Share Consolidation”). The special resolution approving the Share Consolidation authorized the Company’s board of directors to fix a Share Consolidation ratio within a range between five (5) old common shares for one (1) new common share and seven (7) old common shares for one (1) new common share. The Company’s board of directors selected a Share Consolidation ratio of seven (7) old common shares for one (1) new common share effective as of August 15, 2014.

5. FULL DESCRIPTION OF MATERIAL CHANGE

At a special meeting held on August 13, 2014, the Company’s shareholders approved a special resolution authorizing an amendment to the Company’s articles of incorporation to consolidate its issued and outstanding common shares. The special resolution approving the Share Consolidation authorized the Company’s board of directors to fix a Share Consolidation ratio within a range between five (5) old common shares for one (1) new common share and seven (7) old common shares for one (1) new common share. The Company’s board of directors selected a Share Consolidation ratio of seven (7) old common shares for one (1) new common share.

The Share Consolidation took effect as of August 15, 2014. Prior to the Share Consolidation taking effect, there were approximately 114.8 million common shares outstanding. As a result of the Share Consolidation, there are now approximately 16.4 million common shares outstanding.

Any fractional common shares created as a result of the Share Consolidation were rounded up or down to the nearest whole number of common shares. The number of common shares issuable and the exercise price of all outstanding incentive stock options were adjusted downward and upward, respectively, based on the Share Consolidation ratio. The number of common shares issuable upon the vesting of outstanding restricted share units was similarly adjusted downward. The conversion price of the Company’s 5.75% convertible unsecured subordinated debentures was adjusted from \$10.08 to \$70.56 per common share based on the Share Consolidation ratio.

The post-Share Consolidation common shares commenced trading on the Toronto Stock Exchange and the NASDAQ Capital Market at the opening of trading on August 18, 2014, with the symbols “IE” and “IVAN”, respectively.

6. RELIANCE ON SUBSECTION 7.1(2) 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:

William E. Parry
Senior Vice President & General Counsel

Telephone: 1 (630) 684-2292

9. DATE OF REPORT

DATED this 20th day of August, 2014.