

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

MENA Hydrocarbons Inc. (“**MENA**” or the “**Company**”)  
Suite 1800 - 505 3<sup>rd</sup> Street S.W.  
Calgary, Alberta T2P 3E6

**2. Date of Material Change**

October 22, 2014 and October 28, 2014

**3. News Release**

A press release was disseminated on each of October 23, 2014 and October 29, 2014 via Marketwired.

**4. Summary of Material Change**

MENA announced that it has completed its previously announced share purchase transaction with SacOil Holdings Limited (“**SacOil**”) on October 22 and completed its previously announce shares for debt transactions on October 28.

**5.1 Full Description of Material Change**

The share purchase agreement dated September 9, 2014 between Mena International Petroleum Holdings Company Ltd (the “**Seller**”) and SacOil provided that SacOil would acquire Mena International Petroleum Company Ltd , a Cyprus-registered exploration and production company, (“**MIP**”), from the Seller, a wholly-owned subsidiary of the Company (the “**Transaction**”), subject to certain conditions. The principal asset of MIP is the Lagia Project in Egypt.

At the closing on October 22, 2014, the Purchaser and the Seller completed the Transaction and the Seller transferred all of the shares of MIP to the Purchaser in consideration for US\$14,100,000, paid as follows: (i) US\$1,857,319 in cash, (ii) US\$2,242,681 in assumption of liabilities by SacOil, and (iii) the issuance of 183,666,947 ordinary shares of SacOil (the “**SacOil Shares**”) to MENA.

**Debt Settlement**

In connection with the Transaction, the Company sought and obtained TSXV and shareholder approval for a series of shares for debt transactions (the “**Shares for Debt Transactions**”) in order to reduce the indebtedness owed to directors, officers, non-arm’s length parties and trade creditors of the Company and a provider of legal services (collectively, the “**Creditors**”). The Company negotiated reductions to the amounts owing to the Creditors and issued an aggregate of 150,474,000 common shares of MENA (“**Common Shares**”) in settlement of an aggregate of \$2,257,109 of debt. Subsequent to the completion of the various Shares for Debt Transactions, the Company continues to owe an aggregate of approximately \$430,000 to Creditors, which the Company intends to settle in cash in due course. The Common Shares issued in connection with the Shares for Debt Transactions are subject to a four month hold period in accordance with applicable securities law.

All Common Shares issued pursuant to the Shares for Debt Transactions have been issued prior to the close of the record date for the special dividend discussed below, therefore the former Creditors will participate pro rata in the special dividend as shareholders of the Company. After

completion of the Shares for Debt Transactions the Company has an aggregate of 416,349,821 Common Shares issued and outstanding.

### **Special Dividend**

On October 23, 2014 the Company announced that it intended to distribute a portion of the SacOil Shares to its shareholders as a special *in specie* dividend and the Company set a record date of October 28, 2014 for the special dividend. Only shareholders of record as of the close of business on October 28, 2014 are entitled to participate pro rata in the special dividend. As a result of the completion of the Shares for Debt Transactions, the Company announced it intends to hold an aggregate of 16,554,498 SacOil Shares for general corporate purposes and that it anticipates it will distribute approximately 167,112,449 SacOil Shares to the shareholders of record as of October 28, 2014. Shareholders are reminded and cautioned that any SacOil shares distributed in connection with the special dividend will remain subject to the remainder of the four month hold period expiring on February 22, 2015.

The Company will announce the anticipated payment date and the fair market value of the special dividend once it has confirmed the final timing of the dividend with its transfer agent and the transfer agent for SacOil. Shareholders are cautioned to refer to the Company's management information circular dated September 16, 2014 for more information relating to Canadian income tax considerations and are cautioned to seek the advice of their own financial and legal advisors.

### **Cautionary Statement**

Certain information set out in this Material Change Report constitutes forward-looking information, including, but not limited to, statements regarding the anticipated payment of the special dividend. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may describe expectations, opinions or guidance that are not statements of fact and which may be based upon information provided by third parties. Forward-looking statements are based upon the opinions, expectations and estimates of management of the Company as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to, the timing of the payment date and fair market value of the anticipated dividend, the uncertainty of the value of the SacOil Shares the ability of the Company to satisfy its liabilities, uncertainties and other factors that are beyond the control of the Company, risks associated with the industry in general, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, risks associated with the uncertainty of reserve or resource estimates, health and safety risks and the uncertainty of estimates and projections of costs and expenses. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Readers are cautioned to review all of the risk factors relating to the Company as described in the Company's most recent management information circular, which are incorporated by reference herein. Although the Company believes that the expectations reflected in the forward-looking statements set out in this Material Change Report or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company does not undertake to update any forward-looking statements except as required by law.

## **5.2 Disclosure for Restructuring Transactions**

Not Applicable

6. **Reliance on Section 7.1(2) 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 the Corporation who is knowledgeable about the material change and this report is:

Brian Hearst  
Chief Financial Officer  
403-607-0201

9. **Date of Report**

October 29, 2014