

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Coral Sea Resources Inc.
400, 2424 – 4th Street SW
Calgary, Alberta T2S 2T4

2. Date of Material Change

January 26, 2010

3. News Release

A press release disclosing the details outlined in this Material Change Report was issued by Coral Sea Resources Inc. ("**Coral Sea**") (TSXV: CSX) from Calgary, Alberta on January 26, 2010 and disseminated through the facilities of Canada Newswire.

4. Summary of Material Change

Coral Sea and Sagres Energy Inc. ("**Sagres**"), an international oil and gas exploration company with an exploration portfolio in Guyana and Jamaica, announced, further to their joint news releases issued on September 24 and December 17, 2009, that they have entered into an amalgamation agreement dated January 26, 2010 (the "**Amalgamation Agreement**") for the acquisition by Coral Sea of all the outstanding shares of Sagres (the "**Acquisition**").

5. Full Description of Material Change

Coral Sea and Sagres announced further to their joint news releases issued on September 24 and December 17, 2009, that they have entered into the Amalgamation Agreement for the Acquisition.

The Acquisition

Under the Amalgamation Agreement, each outstanding common share of Sagres will be exchanged for one common share of Coral Sea. The Acquisition will occur by way of a three-cornered amalgamation between Sagres and a wholly-owned subsidiary of Coral Sea and will result in a reverse take-over of Coral Sea by Sagres. As of January 26, 2010, there were 1,333,334 common shares of Coral Sea and 46 million common shares of Sagres outstanding. Not less than 46 million common shares of Coral Sea are expected to be issued to holders of Sagres common shares at a deemed price of \$0.35 per Coral Sea common share.

Conditions to completing the Acquisition

The Acquisition and related change in management will result in a change of control of Coral Sea for the purposes of the TSX Venture Exchange ("TSXV"). Completion of the Acquisition and payment of a finder's fee are subject to the satisfaction or waiver of a number of conditions, including approval of the TSXV, completion of a brokered private placement offering of subscription receipts of Sagres for gross proceeds of not less than \$2.4 million, approval of 66 2/3% of the votes of holders of Sagres shares at a meeting of such shareholders and 50% of the votes of holders of Coral Sea shares at a meeting of such shareholders. Voting at the meeting of Coral Sea shareholders will be conducted on a disinterested basis in respect of certain matters given that the directors and certain officers of Coral Sea collectively own or control approximately 2.2 million common shares of Sagres representing approximately 5.0% of the common shares currently outstanding.

A joint management information circular of Coral Sea and Sagres (the "Joint Circular") is expected to be mailed to the shareholders in February 2010 with the meetings scheduled to take place in March 2010 and closing of the Acquisition to occur as soon as possible thereafter.

The Brokered Financing

Sagres has entered into an equity financing agreement (the "Financing Agreement"), on a commercially reasonable efforts agency basis, with a syndicate of agents led by Canaccord Financial Ltd. and Raymond James Ltd. (the "Agents"). Pursuant to the Financing Agreement, Sagres has agreed to raise a minimum of \$2.4 million and a maximum of \$5 million from the sale of subscription receipts at a price of \$0.35 per subscription receipt (the "Brokered Financing"). The net proceeds of the Brokered Financing will be used to fund the combined company's exploration program and for general corporate purposes.

Each subscription receipt will entitle the holder to receive one common share of Sagres without additional payment or further action by the holder immediately following the receipt by the Agents and escrow agent of a joint notice of Sagres and Coral Sea that all the conditions precedent to the completion of the Acquisition (except for the release of the escrow funds and the filing of articles of amalgamation) have been satisfied or waived and the satisfaction of other terms and conditions in favour of the Agents. The gross proceeds of the Brokered Financing will be held in escrow pending receipt and acknowledgement by the Agents of the joint notice and receipt by the parties of all necessary regulatory approvals for the Acquisition. If the Acquisition does not close before March 31, 2010 (except as extended with the consent of the Agents), or if the Amalgamation Agreement is terminated at any earlier time, the holders of the subscription receipts will be entitled to a return of their full subscription price and their pro rata entitlement to the interest earned on the escrowed funds. The common shares of Coral Sea to be issued to subscribers under the Brokered Financing will not, upon completion of the Acquisition, be subject to a hold period. Upon closing of the Acquisition, Coral Sea will pay the Agents a cash fee equal to 6.0% of the gross proceeds of the Brokered Financing.

About Sagres Energy

Sagres, a privately-held Alberta corporation based in Calgary, is an international oil and gas exploration company with an exploration portfolio in Guyana and Jamaica. The following is a summary of Sagres' properties.

Guyana properties

On October 31, 2009, a wholly-owned subsidiary of Sagres, entered into a farm-out agreement (the "Takutu Farmout Agreement") with Groundstar Resources Inc., a wholly-owned subsidiary of Canacol Energy Ltd., whereby Sagres acquired a 25% interest in a petroleum prospecting license between the Government of the Republic of Guyana and Groundstar Resources (and related agreements) for the right to explore and develop approximately 9,800 km² in the Takutu Basin in Central Guyana (the "Takutu Concession"). The Takutu Farmout Agreement requires Sagres to pay 30% of the costs of drilling the first exploration well to a maximum of USD\$10 million (net USD\$3 million to Sagres), and 27.5% of cash calls thereafter. Sagres is entitled to 30% of revenues until recovery of its first USD\$3.0 million paid to Canacol, 27.5% of revenues until its full cost recovery and 25% thereafter. The joint venture under the Takutu Concession is required to complete two exploration wells by May 22, 2011 at a total estimated cost of between USD\$16 million and USD\$17.5 million (including testing). The first of such wells is targeted for drilling in the second quarter of 2010, and Sagres has paid USD\$1.25 million to date towards the drilling of the well.

Guyana resource evaluation

Sagres has received a geological evaluation dated effective December 21, 2009 prepared by Gaffney, Cline & Associates ("Gaffney Cline") in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGEH Handbook") for Sagres evaluating three prospects identified by Canacol Energy within the Takutu Concession (the "Takutu Report"). The prospects are located in the Takutu Basin, a SW-NE oriented Mesozoic aged rift 280 km long and up to 40 km wide extending from Boa Vista, Brazil, to the Essequibo River in Guyana. The Takutu Basin is part of a Precambrian shear zone within the Guiana Shield. Depositional fill is primarily sedimentary and volcanic rocks of Jurassic to Cretaceous age. The thickness of this sequence has been estimated at up to 6,000m.

The Takutu Concession contains the Karanambo discovery made by Home Oil in 1982. The Karanambo 1 well tested 411 barrels of oil per day (42° API) from a sub-salt reservoir during a five hour drill stem test proving the existence of a light oil hydrocarbon system within this frontier basin. The joint venture operator, Groundstar Resources Ltd., is currently tendering for a drilling rig and associated services in order to drill a second well in the Karanambo prospect (K2 well). The bottom hole location for the K-2 well will be approximately 400 m northwest of the Karanambo 1 discovery well, and will target the same productive reservoirs that tested light oil in 1982. The joint venture to date has completed the construction of the drilling pad, access roads and staging areas in preparation of drilling. In addition, the joint venture has purchased the tubulars and wellheads for the drilling of up to 3 wells, which are now in country in preparation of drilling the K-2 well.

Two other large seismically defined prospects have also been identified in the Takutu Concession. The following tables highlight the unrisks, probabilistic resource volumes and Gaffney Cline's estimation of the Geologic Chance of Success ("GCoS") for each prospect:

Guyana – Oil prospective resources unrisked as at November 30, 2009

Prospect	Interval	Low (MMBbbl)	Best (MMBbbl)	High (MMBbbl)	Mean (MMBbbl)	GCoS ¹
Karanambo	Apoteri	4.4	38.3	281.1	127.7	90%
Pirara River	Apoteri	0.8	15.1	216.9	132.8	10%
Rewa High	Apoteri	0.4	12.2	360.2	128.8	10%
Rewa High	Fan-Delta	7.4	26.7	89.8	41.6	10%

Notes:

(1) The GCoS reported here represents an indicative estimate of the probability that the drilling of this prospect would result in a discovery which would warrant the recategorization of that volume as a contingent resource. These GCoS percentage values have not been arithmetically applied within this assessment.

The Karanambo, Rewa High and Pirara River prospect resource estimates are for prospective resources, which are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The resource definitions described above comply with the COGEH Handbook and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. A summary of the Takutu Report and Sagres' interest in the Takutu Concession will be included in the Joint Circular.

Jamaica properties

Sagres is party to three production sharing agreements (the "Production Sharing Agreements") with the Petroleum Corporation of Jamaica covering the right to explore and develop Blocks 9, 13 and 14 consisting of approximately 8,864 km² located offshore Jamaica. The minimum exploration work commitments under each of Production Sharing Agreements are divided into two phases. The first phase, which Sagres has completed, consisted of acquiring a total of 2,458 km of new long offset 2D seismic data. The second phase, which Sagres must elect to enter into by March 2011, consists of completing a detailed prospectivity analysis and drilling one well for each block entered into. The second phase must be completed by March 2013. Sagres does not expect to incur any material expenditures in respect of its Jamaican properties in 2010 or elect to enter into the second phase unless it enters into satisfactory arrangements with a partner for the funding of the Jamaican exploration program. A summary of the Production Sharing Agreements will be included in the Joint Circular.

Management of the combined company

Upon completion of the Acquisition, the board and management team of Coral Sea will be reconstituted and led by an experienced management team with a track record in developing and managing international start-up oil and gas companies. Upon completion of the Acquisition, the combined company will include the following management team:

Dr. David Johnson (B.Sc. Geology, Ph.D. Geological Oceanography), President, and Chief Executive Officer and Director: Dr. David Johnson has been the President and Chief Executive Officer and a Director of Sagres since June 2009. Dr. David Johnson has over 20 years of experience in the international oil and gas exploration business. Prior to joining Sagres, Dr. Johnson was the Manager International Exploration and Development at Husky Energy (2006-2008) and Manager International and Frontier Exploration at Husky Energy (2003-2006). Prior to that, Dr. Johnson was a Senior Exploration Geologist with ExxonMobil Exploration Company (1998-2002) and a Senior Research Geologist with Exxon Production Research Company (1994-1998). Dr. Johnson obtained his B.Sc. Geology from the University of Calgary in 1980 whereafter he worked with Shell Canada Resources Limited (1980-1985). Dr. Johnson obtained his Ph.D. Geological Oceanography from Dalhousie University, Halifax in 1994.

Jason Bednar (B. Comm., CA) Chief Financial Officer and Director: Mr. Jason Bednar has been the Chief Financial Officer and a Director of Sagres since June 2009. Prior to joining Sagres, Mr. Bednar was the founding Chief Financial Officer, VP Finance and Corporate Secretary of Pan Orient Energy Corp. from November 2004 to April 2009. Prior to that, Mr. Bednar was Controller of both Canadian 88 Energy Corp. (1998-2002) and Canadian Superior Energy Inc. (2002-2004). Mr. Bednar received his Bachelor of Commerce degree from the University of Saskatchewan in 1993 and his Chartered Accountant designation in 1996.

Gerold Fong (B.Sc., P.Geoph) Director: Mr. Gerold Fong is a Director of Sagres. Mr. Fong is currently the President, CEO and Director of Voyager Energy Ltd., a company he co-founded in December 2004. Prior to founding Voyager Energy, Mr. Fong was Exploration Manager with Canadian Superior Energy Inc from 2001- 2004. Mr. Fong is currently also a director of Petrolympic Ltd., a Quebec based oil and gas exploration company. Mr. Fong graduated in 1982 with a B.Sc. in Geophysics from the University of Calgary and has over of 25 years of diversified experience in the international oil and gas exploration business.

Michael Hibberd (BA, MBA, LLB), Director: Mr. Michael Hibberd is a Director of Sagres. Mr. Hibberd has extensive international energy project planning and capital markets experience. He has been President and CEO of MJH Services Inc., a corporate finance advisory company since 1995, prior to which he spent 12 years with ScotiaMcLeod in corporate finance and held the position of director and Senior Vice President, Corporate Finance. He is Co-Chairman of Sunshine Oilsands Ltd. and currently serves on the boards of directors of Heritage Oil Plc, AltaCanada Energy Corp., Canacol Energy Ltd., Iteration Energy Ltd., Pan Orient Energy Corp., Ramtelecom Inc. and Zapata Energy Corporation. Mr. Hibberd also served as a director of Challenger Energy Corp. until September 16, 2009, as a director of Rally Energy Corp. until October 2007 and as a director of Deer Creek Energy Limited until December 2005.

Grant of Coral Sea stock options

Following the completion of the Acquisition, Coral Sea intends to grant stock options to the new directors, officers, employees and consultants of Coral Sea and its subsidiaries representing not more than 10% of the aggregate number of issued and outstanding common shares of Coral Sea outstanding immediately following completion of the Acquisition less that number of stock options then outstanding. The options will be exercisable for a five year term at \$0.35 per common share of Coral Sea and will vest over two years from the date of grant.

Finders' fee

A finders fee of 1.9 million Coral Sea common shares will be issued to Sam Charanek, an arm's length party, upon completion of the Acquisition at a deemed price of \$0.35 per share.

Insider ownership

No person is expected to own or control 10% or more of the common shares of Coral Sea outstanding after the completion of the Acquisition. No person presently owns or controls 20% or more of the common shares of Sagres.

Selected financial information

The following table sets forth certain unaudited financial information for Sagres. This information was prepared by management of Sagres and has not been audited.

	Sagres (unaudited) (\$000s)
Total current assets as at October 15, 2009	\$1,915
Total current liabilities as at October 15, 2009	\$729
Total long-term debt as at October 15, 2009	-
Total expenses for the period from January 1, 2009 to October 15, 2009	\$323
Cash from share issuances (net) for the period from January 1, 2009 to October 15, 2009	\$4,555

About Coral Sea

Coral Sea Resources Inc. is a publicly traded company listed on the TSXV and trading under the symbol "CSX". Coral Sea owns petroleum and natural gas assets in the Nevis area of Alberta.

There can be no assurance that the Acquisition or Brokered Financing will be completed as proposed or at all. Subject to satisfying certain conditions, the parties have been granted an exemption from the sponsorship requirements of the TSXV in connection with the Acquisition. There can be no assurances that such conditions will be satisfied in which case sponsorship may be required. In accordance with the policies of the TSX Venture Exchange, trading in Coral Sea common shares is currently halted and will remain halted until further notice.

Risks

No reserves have been attributed to the properties described above and there is currently no commercial production from these properties. Given the exploration prospects being pursued, investors should be cautioned that an investment in common shares of Coral Sea may be considered highly speculative. Exploration for, and subsequent exploitation and production of, oil and natural gas involves a high degree of risk, which even the combination of experience, knowledge and careful evaluation by management of the combined company may not be able to avoid. There is no assurance that commercial quantities of hydrocarbons will result from exploration programs of the combined company.

The operations of the combined company will be subject to all of the risks normally incidental to the operation and development of natural gas and oil properties and the drilling of natural gas and oil wells including encountering unexpected formations or pressures, blow outs, cratering and fires, all of which could result in personal injuries, loss of life and damage to the property of the combined company and others.

Completion of the Acquisition and Brokered Financing is subject to a number of conditions, including TSXV acceptance and shareholder approval (including on a disinterested basis to the extent required). The Acquisition cannot close until the required shareholder approval is obtained. There can be no assurance that the Acquisition and Brokered Financing will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Acquisition, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of Coral Sea Resources Inc. should be considered highly speculative. Information contained in This material change report relating to Sagres, including financial information and description of its assets and related rights, has been provided to Coral Sea by management of Sagres and has not been independently verified by management of Coral Sea.

Forward-looking statements

This material change report contains forward-looking statements relating to the Acquisition, Brokered Financing and estimated resources and exploration activities associated with the Guyana properties, including statements regarding the exchange ratio for the Acquisition, the anticipated reverse take-over of Coral Sea, the anticipated closing date of the Acquisition and Brokered Financing, the anticipated date for holding the meetings of shareholders to approve the Acquisition and other related matters, issuing further announcements concerning the Acquisition and other matters, the terms and conditions of the Brokered Financing, the anticipated minimum proceeds of the Brokered Financing, pricing of the Brokered Financing and the number of shares to be issued under such offering, the use of proceeds of the Brokered Financing, projected timing of closing the Brokered Financing and the receipt of all necessary regulatory approvals and satisfaction of all other customary closing conditions in connection with the Acquisition and Brokered Financing, evaluation of certain prospects identified in the Takutu Report, the un-risked, probabilistic resource volumes and Gaffney Cline's estimation of the GCoS for each prospect, planned exploration activities for the Guyana properties and other statements that are not historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections in the forward-looking statements will not occur, and that actual performance and results in future periods may differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: the risk that the Acquisition will not be completed if the definitive agreement is terminated or that the necessary approvals and/or exemptions are not obtained or some other condition to the closing of the Acquisition is not satisfied; the risk that the terms of the Brokered Financing will be changed; the risk that closing of the Acquisition and Brokered Financing could be delayed if the parties are not able to obtain the necessary approvals on the timelines they have planned; the risk that the intended use of the net proceeds of the Brokered Financing might change if the board of directors of the combined company determines that it would be in the best

interests of the combined company to deploy the proceeds for some other purpose; risks that the marketing efforts will not result in the completion of the Brokered Financing or the realization of the anticipated proceeds under the Brokered Financing; the assumptions relating to the parties holding their respective shareholder meetings and the timing thereof, the timing of obtaining required approvals and satisfying closing conditions for the Acquisition and the Brokered Financing, state of the economy in general and capital markets in particular, investor interest in the business and future prospects of Coral Sea and Sagres, the ability of the Agents to successfully market the Brokered Financing and the exploration and development risks described below.

The forward-looking statements contained in this material change report are made as of January 26, 2010. Except as required by law, Coral Sea and Sagres disclaim any intention and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Coral Sea and Sagres undertake no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable

7. Omitted Information

None

8. Executive Officer

John Mackay
President
Coral Sea Resources Inc.
(403) 218-6509

9. Date of Report

February 1, 2010