SAGRES ENERGY INC.
MATERIAL CHANGE REPORT

Form 51-102F3
(National Instrument 51-102)

1. Name and Address of Company

Sagres Energy Inc. ("**Sagres**")
405, 505-3rd Street SW
Calgary, Alberta T2P 3L8

2. Date of Material Change

August 27, 2010

3. News Release

A press release disclosing the details outlined in this Material Change Report was issued by Sagres Energy Inc. ("**Sagres**") (TSXV: SGI) from Calgary, Alberta on August 27, 2010 and disseminated through the facilities of Marketwire.

4. Summary of Material Change

Sagres, an international oil and gas exploration company with an exploration portfolio in Guyana and Jamaica, announced results of an independent evaluation of the resource potential of certain prospectus identified in Sagres' blocks 9, 13 and 14 in the shallow-waters (20 metres) of the Pedro Bank 120 kms offshore Jamaica showing a gross mean prospective resource estimate (oil) of 3.0 billion barrels.

5. Full Description of Material Change

The resource evaluation

Chapman Petroleum Engineering Ltd. ("**Chapman**") prepared an independent resource evaluation of certain prospects identified by Sagres within the blocks. The evaluation was prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook and has a preparation date of August 26, 2010 and an effective date of July 1, 2010. Chapman is a qualified reserves evaluator and is independent of Sagres, each as determined in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

Based on the evaluation, Sagres' gross and net share of the prospective resources associated with the offshore blocks is as follows:

Prospective resources - oil (gross and net to Sagres)

Prospect/lead	Low estimate (P_{90}) (MMbbl)		Best estimate (P_{50}) (MMbbl)		High estimate (P_{10}) (MMbbl)		Gross mean (7) (MMbbl)
	Gross	Net	Gross	Net	Gross	Net	
Block 9							
Concepcion: WL(6)(8)	975	438	1,908	781	3,531	1,373	2,104
Concepcion: GH(8)	118	77	285	156	623	294	338
El Angel	90	58	191	110	371	187	215
Carrea del Mar	67	45	145	87	278	147	161
Block 14							
Regla del Este	47	34	105	68	214	122	120
Regla del Oest	27	21	63	43	131	81	72
						TOTAL	**3,010**

Notes:

(1) "**Low estimate**" means a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

(2) "**Best estimate**" means the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate..

(3) "**High estimate**" means an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

(4) "**Gross**" means the total of Sagres' working interest in the estimated resources before the deduction of the Government's share of production under the applicable production sharing agreement and before the deduction of all applicable royalties.

(5) "**Net**" means the total of Sagres' working interest in the estimated resources after the deduction of the Government's share of production under the applicable production sharing agreement and after the deduction of all applicable royalties. Net reserves displayed in this table have been calculated assuming the individual prospect is the only production in the block being subject to the Production Sharing Contract.

(6) The La Conception prospects straddle the division between blocks 9 and 13, and as there are no other prospects identified in block 13, these prospects were grouped with the block 9 prospects for evaluation purposes.

(7) "**Gross mean**" indicates that if probabilistic methods are used that the actually quantity recovered will equal the statistical mean of all probable outcomes.

(8) "**WL**" refers to the upper White Limetsone Formation, the upper prospective reservoir, and "**GH**" refers to the Guys Hill Formation, the lower prospective reservoir.

Block 9 contains the La Concepcion and El Angel prospects and the Carrea del Mar lead. La Concepcion is an extremely large prospect with an independent closure of approximately 150 square kilometres, and a fault dependent closure of approximately 390 square kilometres. The Carrea del Mar lead and El Angel prospect are both large opportunities with areas of approximately 30 square kilometres and 40 square kilometres respectively. Block 14 contains the Regla del Oest and Regla del Este leads. These leads are 40 square kilometres and 70 square kilometres in area, respectively.

The resource estimates above 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.

Update on Jamaica exploration activities

Sagres completed its phase one commitments under the Production Sharing Agreements with the Petroleum Corporation of Jamaica with the acquisition and processing of 2458 km of 2D seismic data over blocks 9, 13 and 14 offshore Jamaica. The interpretation and integration of the new and old data was completed in July 2010. As part of this process, 51 existing seismic lines were digitally scanned and migrated, 8 well logs were reprocessed, and 2 lines of the new seismic data were selected for improved seismic processing. Geophysical and geological analyses of the data have resulted in a new suite of new interpretations, the definition of two drill-ready prospects, the identification of three additional leads, and a reassessment of the potential resource covered by the blocks.

Sagres is continuing to pursue joint venture partners to further explore and develop its interests in the blocks. Several international energy companies have signed confidentiality agreements with Sagres in order to access the data for the blocks, and evaluate the potential for a joint venture.

In the remainder of 2010, Sagres plans to:

- continue geologic work to progress exploration opportunities from lead to prospect status, which may include further seismic processing;
- begin formative work on the environmental impact assessment and site-surveys for exploration drilling; and
- complete the annual review and budget process with the Petroleum Corporation of Jamaica.

Sagres does not currently expect to incur any material expenditures in respect of the blocks in 2010 or elect to enter into the second phase (which it must do by no later than March 2011) unless it enters into satisfactory arrangements with a partner for the funding of the Jamaican exploration program.

6. Omitted Information

Not applicable.

7. Executive Officer

Dr. David Johnson, President and Chief Executive Officer of Sagres is knowledgeable about the material change described herein and may be reached at (403) 457-6055.

DATED: September 7, 2010

Resource estimates and forward-looking statements

Sagres has no reserves. The estimates of petroleum volumes described in this material change report are for prospective resources only. These estimates constitute forward-looking information. 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.

Resources estimates are subject to certain assumptions, risks and uncertainties, including those associated with the drilling and completion of future wells, limited available geological data and uncertainties regarding the actual production characteristics of, and recovery efficiencies associated with, the reservoirs, all of which are being assumed. As estimates, there is no guarantee that the estimated resources will be recovered or produced. Actual resources may be greater than or less than the estimates provided in this presentation. There is no certainty that any portion of these prospective resources described below will be discovered. There is also no certainty that it will be commercially viable to produce any portion of such prospective resources.

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