

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Sagres Energy Inc. ("Sagres" or the "Company")
Suite 1100, 505 3rd Street SW
Calgary, Alberta T2P 3E6

Item 2 Date of Material Change

February 9, 2012

Item 3 News Release

A news release was issued by the Company and disseminated through the facilities of Marketwire on February 9, 2012 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On February 9, 2012, Sagres announced the results of an independent evaluation of the reserves and resource potential of the El Triunfo Block (the "Block") located in the Llanos Basin, Colombia.

Item 5 Full Description of Material Change

On February 9, 2012, Sagres announced the results of an independent evaluation of the reserves and resource potential of the Block located in the Llanos Basin, Colombia. The terms under which Sagres would acquire its interests in the Block (the "El Triunfo Acquisition") are disclosed in Sagres' news release of December 5, 2011.

El Triunfo Block, Llanos Basin, Colombia

The Block is comprised of 25,205 gross acres in the oil-rich Llanos Basin in the Department of Casanare, Colombia. The Block contains an undeveloped historical discovery well, La Cabana-1, that was drilled in 1984, on the flank of the 3D seismically defined San Sebastian prospect, and tested 736 bopd with water from the Mirador Formation and 338 bopd with no water from the Gacheta Formation. The well was not put on production due to mechanical reasons. There has been no commercial production on the Block to date. Additionally there are several other undrilled prospects that have been identified on 3D seismic.

The evaluation

The reserves and resource information set forth below is based upon an evaluation by PetroTech Engineering Ltd. ("PetroTech") with an effective date of October 31, 2011 contained in PetroTech's report. The information below summarizes the crude oil reserves and resources and net present values of future net revenue for these reserves and resources using forecast prices and escalated costs and after the deduction of capital costs and royalties and both before and after the deduction of taxes.

Reserves

The following table sets forth Sagres' expected gross and net share of proved and probable undeveloped reserves attributed to the La Cabana discovery only and net share of the present worth of future net cash flows from such discovery (assuming completion of the El Triunfo Acquisition), both before and after the deduction of income tax discounted at 0, 5, 10, 15 and 20% expressed in United States dollars:

| Reserve Category | Light and Medium Oil | | | Heavy Oil | | |
|----------------------------|----------------------|---------------|-------------|--------------|---------------|-------------|
| | 100% (Mbbbl) | Gross (Mbbbl) | Net (Mbbbl) | 100% (Mbbbl) | Gross (Mbbbl) | Net (Mbbbl) |
| Proved Undeveloped | 282 | 211 | 194 | 380 | 285 | 262 |
| Total Proved | 282 | 211 | 194 | 380 | 285 | 262 |
| Probable | 244 | 183 | 168 | 329 | 247 | 227 |
| Total Proved Plus Probable | 526 | 394 | 362 | 709 | 532 | 489 |

| Reserve Category | Before Tax Net Present Value ⁽¹⁾ (MS) | | | | |
|-----------------------------------|-----------------------------------------------------|---------------|---------------|----------------|----------------|
| | 0% | 5% | 10% | 15% | 20% |
| Proved Undeveloped | 5,590 | 2,339 | 156 | (1,324) | (2,335) |
| Total Proved | 5,590 | 2,339 | 156 | (1,324) | (2,335) |
| Probable | 21,247 | 16,452 | 13,033 | 10,539 | 8,674 |
| Total Proved Plus Probable | 26,847 | 18,790 | 13,190 | 9,125 | 6,339 |

| Reserve Category | After Tax Net Present Value ⁽¹⁾⁽²⁾⁽³⁾ (MS) | | | | |
|--------------------|----------------------------------------------------------|-------|-----|-------|---------|
| | 0% | 5% | 10% | 15% | 20% |
| Proved Undeveloped | 5,863 | 2,911 | 902 | (480) | (1,441) |

| Reserve Category | After Tax Net Present Value ⁽¹⁾⁽²⁾⁽³⁾ (M\$) | | | | |
|---------------------------------------|-----------------------------------------------------------|---------------|--------------|--------------|----------------|
| | 0% | 5% | 10% | 15% | 20% |
| Total Proved | 5,863 | 2,911 | 902 | (480) | (1,441) |
| Probable | 14,410 | 11,157 | 8,841 | 7,150 | 5,886 |
| Total Proved Plus Probable | 20,273 | 14,068 | 9,744 | 6,670 | 4,445 |

Notes:

- (1) The estimated net present values do not represent a fair market value.
- (2) The after tax cash flows were conducted as follows: (i) tax incentive program for 2011 and 2012 – deduction of 30% of the investment capital towards corporate income tax reduction, the tax program stops at the end of 2012; (ii) the 3% tax on equity is calculated based on the higher value between 3% of the fiscal equity in the previous year and the results of the year; the fiscal equity is the total assets value less the liabilities, both based on the previous year; the results of the year are equal to income less costs, expenses, depreciations, depletion and amortization of the year; (iii) the estimated G&A costs at \$2.00 per barrel; (iv) in the Sale and Purchase Agreement, the Company is to pay \$2.5 million towards outstanding debts and this amount is credited as an investment; (v) depreciation, depletion and amortization allowances (average rate of 13.3%) for the assets using of the straight line method of 7.5 years; and (vi) Colombian corporation tax rates of 33% for 2011 onwards.
- (3) The after tax net present value of the properties here reflects the tax burden on the properties on a standalone basis. It does not consider the business –entity level tax situation or tax planning. It does not provide an estimate of the value at the level of the business entity, which may be significantly different. The financial statements and the management's discussion and analysis of the Company should be consulted for information at the level of the business entity.
- (4) Additions may not add up due to rounding.

The October 31, 2011 oil price closed at \$84.23 per barrel for the West Texas Intermediate (WTI) crude oil and at \$106.09 per barrel for the Brent crude oil (Brent). In the last ten months of 2011, the Vasconia (Colombian export) crude oil price is usually between the WTI and the Brent. All future commodity prices of crude oil were taken from NYMEX on the last day of trading in October 2011. The forecast Vasconia prices are based on the NYMEX's WTI and Brent futures on the average of the monthly settlement prices to 2016 and then escalated at 2% per year thereafter, as set out below:

| Time Period Forecast | West Texas Intermediate Light Crude Oil | Brent Crude Oil 38 °API | Vasconia 25°API Crude Oil |
|----------------------|--------------------------------------------|-------------------------|---------------------------|
| | (\$/bbl) | (\$/bbl) | (\$/bbl) |
| 2011 | 93.19 | 107.95 | 100.57 |
| 2012 | 92.48 | 106.53 | 99.51 |
| 2013 | 91.07 | 102.12 | 96.60 |
| 2014 | 90.13 | 97.80 | 93.96 |
| 2015 | 89.93 | 94.49 | 92.21 |
| 2016 | 90.07 | 92.25 | 91.16 |
| 2017 | 91.87 | 94.10 | 92.98 |

Prospective Resources

Included in the Report were estimates of unrisks prospective resources attributed to the additional mapped prospects on the Block and net present worth of future net cash flows from such properties before deduction of income tax discounted at 0, 5, 10, 15 and 20%, all with cash flows in U.S. Dollars and based on the forecast prices described above:

| Estimate | Light and Medium Crude Oil | | | Heavy Oil | | | Before Tax Net Present Value⁽¹⁾ (M\$) | | | | |
|---------------------|-----------------------------------|-------------------------|-----------------------|------------------------|-------------------------|-----------------------|-------------------------------------------------------------|-----------|------------|------------|------------|
| | 100% (Mbbl) | Gross (Mbbl) | Net (Mbbl) | 100% (Mbbl) | Gross (Mbbl) | Net (Mbbl) | 0% | 5% | 10% | 15% | 20% |
| Best ⁽¹⁾ | 335 | 251 | 231 | 2,194 | 1,646 | 1,514 | 37,992 | 29,013 | 22,266 | 17,126 | 13,157 |
| High ⁽²⁾ | 958 | 719 | 661 | 5,552 | 4,164 | 3,831 | 167,251 | 127,550 | 99,142 | 78,309 | 62,683 |

Notes:

- (1) The range of certainty attributed to a best estimate is that 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 at least 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.
- (2) The range of certainty attributed to a high estimate is that it is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability that the quantities actually recovered will equal or exceed the high estimate.
- (3) The prospective resources in the low estimate of the Blocks are uneconomic and therefore not included.
- (4) Additions may not add up due to rounding.

Such resources are "prospective" resources and are 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 certainty associated with the recoverable estimates, assuming their discovery and development, and may be sub-classified based on project maturity.

The chance of commerciality of different categories of recoverable resources varies. For prospective resources, it is expected that not all exploration projects will result in discoveries. The chance that an exploration project will result in the discovery of petroleum is referred to as the "chance of discovery". Thus, for an undiscovered accumulation, the chance of commerciality is the product of two risk components – the chance of discovery and the 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.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Gary Wine, President and CEO is knowledgeable about the material change described herein and may be reached at (403) 441-1129

Item 9 Date of Report

February 21, 2012

This material change report contains forward-looking information relating to the Company's growth and related strategy, reserves and resource estimates, the El Triunfo Acquisition, planned development and exploration activities on the properties in which the Company has interests, and other statements that are not historical facts. Such forward-looking information is subject to important risks, uncertainties and assumptions. The results or events predicated in this forward-looking information may differ materially from actual results or events. As a result, you are cautioned not to place undue reliance on these forward-looking information.

Forward-looking information is based on certain factors and assumptions regarding, among other things, the impact of increasing competition; the general stability of the economic and political environments in which the Company operates or owns interests; the completion of the acquisition of the Block; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks associated with instability of the economic and political environments in which the Company operates or owns interests, oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays, including risks relating to the acquisition of necessary licenses and permits, environmental risks and insurance risks.

The estimates of reserves and resources in this material change report constitute forward-looking information which are subject to certain 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 reserves or resources will be recovered or produced. Actual reserves and resources may be greater than or less than the estimates provided in this presentation.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.