FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Azabache Energy Inc. ("**Azabache**" or the "**Corporation**")
2255 B Queen Street East - Suite 528
Toronto, Ontario M4E 1G3

2. Date of Material Change:

January 15, 2015

3. News Release:

A news release was disseminated through the facilities of Marketwired on January 16, 2015.

4. Summary of Material Change:

Azabache Energy Inc. ("**Azabache**" or the "**Company**") announced that, subject to final TSX Venture Exchange Inc. approval, it has closed its previously announced senior unsecured interest-bearing debt financings in the principal amount of up to an aggregate of $2,365,000 with various arm's length and non-arm's length parties to the Corporation (collectively, the "**the Debt Financings**"). The Debt Financings were issued to the Lenders at a discount of 6.98%, resulting in net proceeds to the Company of $2,200,000.

The Company intends to use the proceeds from the Debt Financings for (i) general corporate purposes, (ii) to pay out certain existing debt of the Corporation and (iii) to pay the costs associated with the Corporations Covunco Norte-Sur Block development projects.

5. 5.1 Full Description of Material Change

Please see the press release attached as Schedule "A" hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not applicable.

7. Omitted Information:

None.

8. Executive Officer Knowledgeable of Material Change:

Name: Marc Bouchard
Title: CFO
Telephone: (647)-409-4088
Email: mbouchard@azaenergy.com

9. Date of Report:

January 19, 2015

SCHEDULE "A"

AZABACHE
Energy Inc.

Azabache Announces Completion of Debt Financing

January 16, 2015 – Calgary, Alberta, Canada – Azabache Energy Inc. ("**Azabache**" or the "**Company**") [TSXV.AZA] is pleased to announce that, subject to final TSX Venture Exchange Inc. approval, it has closed its previously announced senior unsecured interest-bearing debt financings in the principal amount of up to an aggregate of $2,365,000 with various arm's length and non-arm's length parties to the Corporation (collectively, the "**the Debt Financings**"). The Debt Financings were issued to the Lenders at a discount of 6.98%, resulting in net proceeds to the Company of $2,200,000.

The Company intends to use the proceeds from the Debt Financings for (i) general corporate purposes, (ii) to pay out certain existing debt of the Corporation and (iii) to pay the costs associated with the Corporations Covunco Norte-Sur Block development projects.

For further information on Azabache please visit the Company's website at www.azaenergy.com or contact:

FOR FURTHER INFORMATION PLEASE CONTACT:

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or

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Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the Debt Financings, the expected use of the Debt Financings and the expected regulatory approval. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Azabache. Although Azabache believes that the expectations and assumptions on which the forward- looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azabache can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration

and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations. The forward-looking statements contained in this document are made as of the date hereof and Azabache undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Not for distribution to the United States newswire services or for dissemination in the United States.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.