

ESTRELLA INTERNATIONAL ENERGY SERVICES LTD.
FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Estrella International Energy Services Ltd.
Carlos Pellegrini 1023
1st Floor
Buenos Aires, C1009 ABU

Item 2. Date of Material Change

August 2, 2013

Item 3. News Release

The news release announcing the material change was released on August 2, 2013 through Canadian newswires and subsequently filed on the System for Electronic Document Analysis and Retrieval ("SEDAR"). A copy of the press release is attached hereto.

Item 4. Summary of Material Change

On August 2, 2013 the company announced that it closed its previously announced acquisition of all of the issued and outstanding shares of San Antonio Internacional Co. Inc. from San Antonio International Oil & Gas Services LLC and Armadillo Drilling Services LLC for a purchase price of approximately US\$122 million.

On August 2, 2013 the Company also announced that it had closed its previously announced financing arrangements with its controlling shareholder, Ringo Holding L.P. for gross proceeds to the Company of US\$97 million, and its previously announced financing arrangements with Colombian financial institutions in the amount of US\$58 million.

Item 5.1. Full Description of Material Change

For a full description of the material change, please see the accompanying press release.

Item 5.2. Disclosure of Restructuring Transactions

Not applicable.

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

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Executive Officer

Warren Levy, President, Chief Executive Officer
54 11 5217 5250

Item 9. Date of Report

August 12, 2013

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ESTRELLA INTERNATIONAL ENERGY SERVICES LTD.

ANNOUNCES COMPLETION OF THE ACQUISITION OF SAN ANTONIO INTERNACIONAL COLOMBIA

NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE

Toronto, Ontario, August 1, 2013 – Estrella International Energy Services Ltd. ("**Estrella**" or the "**Company**") (TSX Venture Exchange: EEN) is pleased to announce that it has closed its previously announced acquisition (the "**Acquisition**") of all of the issued and outstanding shares of San Antonio Internacional Co. Inc. ("**SAI Colombia**") from San Antonio International Oil & Gas Services LLC and Armadillo Drilling Services LLC (collectively the "**Sellers**") for a purchase price of approximately US\$122 million (the "**Acquisition**"). As a result of the Acquisition, Estrella now controls 37 rigs in the Colombian market making it the largest single rig operator in Colombia.

The purchase price was paid in cash at closing and SAI Colombia was acquired debt free. An additional US\$32.5 million was injected into the resulting combined Company to repay existing indebtedness, for working capital and other general corporate purposes.

Warren Levy, CEO of Estrella commented "*The combination of Estrella and San Antonio Colombia creates the largest rig operator in Colombia, allowing us to offer a broad range of quality services to our customers. The combination of San Antonio's long experience in Colombia and Estrella's experience and technology create a strong regional competitor. We are excited that the scale of the combined company will provide a stable operating base, critical mass for our regional operation and create a company with opportunities for further growth.*"

Financing Arrangements

The Company is also pleased to announce that it has closed its previously announced financing arrangements with its controlling shareholder, Ringo Holding L.P. ("**Ringo**") for gross proceeds to the Company of US\$97 million (the "**Shareholder Loan**").

The Company is of the view that the Shareholder Loan has been made on reasonable commercial terms that are not less advantageous to the Company than if the loan was obtained from a person dealing at arm's length to the Company, and as such, pursuant to Multilateral Instrument 61-101, shareholder approval of the Shareholder Loan is not required.

Concurrently with the Shareholder Loan, the Company has closed its previously announced financing arrangements with Colombian financial institutions in the amount of US\$58 million ("**Colombian Bank Loans**"). The Colombian Bank Loans consist of (i) a term loan in Colombian pesos equivalent to US\$56 Million to be repaid over a 7 year period, with no amortization (i.e. interest only payments) during the first two years and 20 quarterly amortization payments commencing on the third month of year three, and (ii) a revolving credit facility in Colombian pesos equivalent to US\$2 Million to be drawn as necessary and available during the term of the term loan.

Proposed Private Placement and Concurrent Financing

The Company is pleased to announce that it has received conditional acceptance of the TSX Venture Exchange to complete its previously announced private placement of up to CAD\$130 worth of Series B Preference Shares of the Company to Ringo ("**Private Placement**"). In accordance with Multilateral



Instrument 61-101, the Company will be seeking disinterested shareholder approval of the Private Placement at its annual general and special meeting of shareholders to be held on August 19, 2013, as more fully described below.

In addition to the Private Placement, the Company may also complete a concurrent financing of Series B Preference Shares to subscribers other than Ringo through a brokered or non-brokered private placement or public offering (the "**Concurrent Financing**").

The Company expects to use the proceeds of the Private Placement and the Concurrent Financing to repay the outstanding indebtedness on the Shareholder Loan specified above

Annual General and Special Meeting of Shareholders

The Company's annual general and special meeting of shareholders will be held at the offices of Aird & Berlis LLP, Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario at 1:30 p.m. (Toronto time) on August 19, 2013. Shareholders of record as of July 19, 2013 will be entitled to vote on all matters under consideration. In addition to election of the directors, the appointment of the auditors and the approval of the Company's stock option plan, the shareholders will also be asked to consider and approve the Private Placement and the previously announced special resolution to consolidate the existing common shares on a ratio to be determined by the directors of between 1 for 10 and 1 for 100.

About Estrella

Estrella is an oil and natural gas, geothermal and mining service company with operations throughout Latin and South America. It provides conventional drilling services; directional drilling services; tools and equipment sales and rentals; work-over and finishing services; and consulting and engineering services. The Corporation is headquartered in Buenos Aires, Argentina and has operating locations in six countries in Latin and South America.

For further information:

Estrella International Energy Services Ltd.

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Forward Looking Statements

This press release may contain forward-looking statements which reflect management's expectations regarding future growth, results of operations, performance and business prospects of Estrella. These forward-looking statements may relate to, among other things, forecasts or expectations regarding business outlook for Estrella; commodity prices for oil and natural gas; oil and natural gas demand and production growth; debt service requirements for Estrella; improvements in operating procedures and technology; capital expenditures by Estrella and the oil and gas industry; the business strategies of Estrella's customers; future global economic conditions; and future results of operations; expectations regarding the Corporation's ability to raise capital; realization of the anticipated benefits of acquisitions and dispositions, revenue growth, future acquisitions, generation of cash flow, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking



statements. These statements are not historical facts or guarantees of future performance, but instead represent management's current expectations, estimates and projections regarding future events.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances, such as future availability of capital on favourable terms, may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Estrella. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are made as of the date of this press release, and Estrella does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

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