

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**1. Name and Address of Reporting Issuer:**

Oil Optimization Inc.  
208 Whispering Woods Terrace  
Calgary, Alberta T3Z 3C8

**2. Date of Material Change:**

October 27, 2010

**3. News Release**

A news release of Oil Optimization Inc., reporting the material change was issued on October 27, 2010 through the services of CNW Group, a copy of which is attached hereto as Appendix A.

**4. Summary of Material Change:**

Oil Optimization Inc. ("OOI"), a capital pool company listed on the NEX board of the TSX Venture Exchange (the "TSXV"), announces that it has closed its previously-announced Qualifying Transaction with Red Stag Resources Inc. ("Red Stag").

**5. Full Description of Material Change:**

Pursuant to the Qualifying Transaction, OOI acquired all of the issued and outstanding common shares of Red Stag in exchange for the issuance of an aggregate of 88,833,333 common shares of OOI ("Common Shares"), inclusive of 733,333 Common Shares issued to Captus Partners Ltd., the financial advisor to Red Stag. In connection with the Qualifying Transaction, OOI filed articles of amendment for the purpose of subdividing its existing common shares on the basis of 1.8 Common Shares for each pre-split common share, resulting in 4,500,000 Common Shares issued and outstanding immediately after giving effect to the share split and prior to the issuance of Common Shares pursuant to the Qualifying Transaction and public offering referred to below.

Concurrently with the closing of the Qualifying Transaction, OOI completed a public offering of 28,018,433 Common Shares at a price of \$0.15 for aggregate gross proceeds of \$4,202,764.95. In connection with the offering, Haywood Securities Inc. acted as lead agent on behalf of a syndicate that also included Union Securities Ltd. OOI also issued an aggregate of 494,666 Common Shares at a price of \$0.15 per share to certain offshore investors on a non-brokered basis.

Effective November 5, 2010, the Common Shares of OOI will commence trading on Tier 2 of the TSXV under the symbol "OOI". However, it is expected that OOI will call and hold a special meeting for the purpose of approving an amendment of its articles to change its name to "Red Stag Resources Corp."

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

Not applicable.

**7. Omitted Information:**

Not applicable.

8. **Senior Officer:**

For further information, contact David Little, Chief Executive Officer, at:

Telephone: (403) 532-2587

9. **Date of Report**

November 5, 2010

## APPENDIX “A”

### PRESS RELEASE OIL OPTIMIZATION INC.

#### OIL OPTIMIZATION INC. ANNOUNCES COMPLETION OF QUALIFYING TRANSACTION WITH RED STAG RESOURCES INC. AND CLOSING OF PROSPECTUS OFFERING OF \$4.2 MILLION

*Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.*

**Calgary, Alberta – October 27, 2010** – Oil Optimization Inc. (TSXV: OOLH) (“OOI” or the “Company”), a capital pool company listed on the NEX board of the TSX Venture Exchange (the “TSXV”), announces, further to its news releases of August 17, August 26 and October 15, 2010, that it has closed its previously-announced Qualifying Transaction with Red Stag Resources Inc. (“Red Stag”). Pursuant to the Qualifying Transaction, OOI acquired all of the issued and outstanding common shares of Red Stag in exchange for the issuance of an aggregate of 88,833,333 common shares of OOI (“Common Shares”), inclusive of 733,333 Common Shares issued to Captus Partners Ltd., the financial advisor to Red Stag. In connection with the Qualifying Transaction, OOI filed articles of amendment for the purpose of subdividing its existing common shares on the basis of 1.8 Common Shares for each pre-split common share, resulting in 4,500,000 Common Shares issued and outstanding immediately after giving effect to the share split and prior to the issuance of Common Shares pursuant to the Qualifying Transaction and public offering referred to below.

Concurrently with the closing of the Qualifying Transaction, OOI completed a public offering of 28,018,433 Common Shares at a price of \$0.15 for aggregate gross proceeds of \$4,202,764.95. In connection with the offering, Haywood Securities Inc. acted as lead agent on behalf of a syndicate that also included Union Securities Ltd. OOI also issued an aggregate of 494,666 Common Shares at a price of \$0.15 per share to certain offshore investors on a non-brokered basis.

Subject to final approval of the TSXV, the Common Shares of OOI are expected to be listed on Tier 2 of the TSXV under the symbol “OOI”. However, it is expected that OOI will call and hold a special meeting for the purpose of approving an amendment of its articles to change its name to “Red Stag Resources Corp.”.

Following the closing of the Qualifying Transaction and public offering, there are 121,846,432 issued and outstanding Common Shares of OOI.

The Common Shares are expected to remain halted until issuance of a final bulletin by the TSXV.

At the closing of the Qualifying Transaction, Thomas MacKay and Timothy Tycholis resigned as directors of OOI and Luc Desmarais, Paul Kroshko, David Little and Kevin Rooney were appointed to the Board of Directors of OOI. Accordingly, the new board of directors of OOI is comprised of the foregoing persons as well as Paul Jones.

The new senior management team of OOI consists of Luc Desmarais as President, David Little as Chief Executive Officer and Sandra Beaulieu as Chief Financial Officer.

For further information on the Qualifying Transaction, please refer to OOI’s Filing Statement dated October 15, 2010 which is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### *About Oil Optimization Inc.*

The Company is a junior oil and gas exploration company headquartered in Calgary, Alberta. The Company now holds interests in two onshore exploration blocks in Thailand being a 100% interest in Block L3/50 and

a 50% interest in Block L9/48 and has conditionally been granted a 100% interest in a third onshore exploration block being Block L14/50. The Company, through its wholly-owned subsidiary, JSX Energy (Thailand) Limited, will focus on exploring and developing each of these blocks as well as seeking accretive acquisitions in Thailand.

“I am pleased to report that the Company now has sufficient funding in place to continue exploring our very prospective acreage onshore Thailand” said Luc Desmarais, President of the Company.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy for this release.

For further information, please contact:

Oil Optimization Inc.  
David Little – Chief Executive Officer  
Phone (403) 532–2587

### **Forward-Looking Statements**

*This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward looking statements and information concerning the expected activities of Oil Optimization. The forward-looking statements and information are based on certain key expectations and assumptions made by Oil Optimization. Although Oil Optimization believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Oil Optimization can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Oil Optimization undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.*