

# Form 51-102F3

## MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

**Vanoil Energy Ltd.**  
Suite 900 – 595 Howe Street  
Vancouver, BC V6C 2T5  
("Vanoil" or the "Company")

**Item 2 Date of Material Change**

August 4, 2011

**Item 3 News Release**

News release was disseminated on August 9, 2011

**Item 4 Summary of Material Change**

Vanoil has completed its due diligence and as a result have terminated all negotiations with respect to a previously announced non-binding letter of intent (see press release dated May 26, 2011), with respect to an arm's length business combination.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

Please see attached "Schedule A"

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**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**

Dal Brynelsen, CEO at (604) 684-1974

**Item 9 Date of Report**

August 9, 2011

## SCHEDULE "A"

VANOIL ENERGY LTD.

TSXV:VEL

### NEWS RELEASE

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#### VANOIL ANNOUNCES INDEPENDENT RESOURCE ESTIMATE AND TERMINATES NON BINDING LETTER OF INTENT

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**August 9, 2011** - Vanoil Energy Ltd. ("Vanoil" or the "Company") is pleased to announce, an independent assessment of the Company's prospective resources has been completed by Sproule International ("Sproule"). The independent assessment was carried out in accordance with the standards established by the Canadian Securities Administrators in National Instrument ("NI") 51-101 Standards of Disclosure for Oil and Gas Activities. The effective date of the report is May 31, 2011.

Vanoil properties include a 100% working interest in Company operated Production Sharing Contracts (PSCs) in Kenya Blocks 3A and 3B. The Blocks are at the confluence of three Basins, the Anza, the Mochesa and the Lamu containing Jurassic, Cretaceous and Tertiary plays. The Vanoil NI 51 101 report covers the South Anza Basin only which represents approximately one third of the 200 by 110 square kilometres in Blocks A and B combined.

The Sproule report incorporated the results of approximately 2,000 line- kilometre of 1970's vintage seismic shot by Chevron and reprocessed by Vanoil in 2009 as well as 449 line- kilometre of infill seismic shot by Vanoil in 2010. This 5 million dollar program was conducted by the Bureau of Geophysical Prospecting ("BGP") is one of the world's leading geophysical service companies. The chevron 2000 kilometre data contained amplitude anomalies over the leads that were profiled in 2010 with longer spread lengths that confirmed on relative amplitude processing that they were class III Amplitude versus offset (AVO) anomalies. Further chimney analysis of the post seismic attributes indicates sealing faults on some of the leads. A 3D seismic program will be designed targeting the most highly ranked leads which will also be the focus for a 2012 drilling campaign in Block 3A.

**As may be seen in the following table, Sproule's Best Estimate of gross unrisksed undiscovered petroleum initially in place is approximately 3.6 billion barrels of oil equivalent (MMboe); the associated Best Estimate of gross unrisksed recoverable volumes Prospective Resources is approximately 840 million barrels of oil equivalent. The Company cautions that BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.**

The Sproule assessment identifies twenty seven leads in the South Anza Basin solely contained in Block 3A, the termination rift segment of the Anza Graben which originates in the Sudan. The Anza Graben is the southern extension of the oil prolific Muglad and Melut rift basins of South Sudan. Analogies of the basin with Sudanese oil fields, is observed from similar faulting patterns and geochemical analysis of oil recovered from wells in drilled in the Anza Graben.

The Company also reports that it has completed its due diligence and as a result have terminated all negotiations with respect to a previously announced non-binding letter of intent (see press release dated May 26, 2011), with respect to an arm's length business combination.

BGP was contracted to carry out the 2011 Vanoil seismic program in Block 3B in May, 2011. BGP mobilized in June and vibroseis recording commenced on July 5, 2011. Data quality has been very good and progress has been relatively rapid, averaging 8 kilometres per day. Preliminary processing of the data indicates significant structural leads exist in Block 3B that marks the beginning of the Lamu Embayment Basin. At the end of July, more than 50% of the 395 line- kilometre project had been completed. It is anticipated that the project will complete before the end of August, 2011 at a cost of 5 million dollars. At that time the remaining data will be processed which we expect will identify significant new prospective Leads for Vanoil's 100% owned 24,682 square kilometres in Kenya.

**Table S-2**  
**Resource Summary**  
**Block 3A & 3B Area, Anza Graben, East African Rift System, Kenya**  
**As of May 31, 2011**

Lead	Zones	Gross Unrisked Undiscovered Petroleum Initially In-Place <sup>1</sup> , MMboe				Gross Unrisked Prospective Resources <sup>2</sup> , MMboe				Geological COS <sup>3</sup>	Gross Risked Mean Prospective Resources <sup>4</sup> , MMboe
		Mean	Low	Best	High	Mean	Low	Best	High		
			(Estimates)				(Estimates)				
		P90	P50	P10	P90	P50	P10	%	Mean		
1	Ken 8, 10, 12	240.8	38.8	133	520.8	55.8	7.62	28.1	117.9	36.0	20.1
2	Ken 13	71.1	5.04	28.1	168.1	16.8	0.887	5.7	38.3	5.6	0.9
3	Ken 13	42.9	3.62	19.1	99.3	9.78	0.629	3.89	23.5	5.6	0.5
4	Ken 13	36.6	3.47	17.6	84.3	8.45	0.627	3.45	19.3	5.6	0.5
5	Ken 8, 10, 12	231.4	33.8	123.9	513.3	53.4	6.58	25.8	118	36.0	19.2
6	Ken 13	28.8	2.86	13.9	68.5	6.53	0.508	2.75	15.1	5.6	0.4
7	Ken 13	29.8	2.81	14.2	68.6	6.92	0.496	2.84	15.6	5.6	0.4
8	Ken 8, 10, 12, 13	363.8	77.7	233.8	756.3	83.1	15.6	50.1	175.5	39.6	32.9
9	Ken 13	87.7	5.41	32.2	206.6	20	0.951	6.49	46.5	5.6	1.1
10	Ken 8, 10, 12, 13	527.9	112.5	344.1	1127.1	122.1	22.5	74.5	264.9	39.6	48.3
11	Ken 13	70.4	4.89	28.3	165	16.1	0.876	5.64	37.2	5.6	0.9
12	Ken 10, 12, 13	184.1	36.2	114.4	398.8	41.9	7.1	24.4	94	32.3	13.5
13	Ken 10, 12, 13	174.3	35.4	112.9	367.2	39.9	6.86	23.5	87.2	32.3	12.9
14	Ken 13	30.6	2.88	14.2	72.1	6.99	0.516	2.86	15.8	5.6	0.4
15	Ken 13	118.8	7.43	44.9	280.6	28	1.3	9.14	62.8	5.6	1.6
16	Ken 13	145.7	8.58	54.6	346.2	33.3	1.53	11	78.8	5.6	1.9
17	Ken 13	96.8	5.58	35.9	233.2	22	0.988	7.22	52.3	5.6	1.2
18	Ken 10,12	220.5	23.7	105.9	508.6	50.1	4.39	22.1	115.3	20.9	10.5
19	Ken 10,12	294.4	31.7	138.4	661	68.2	5.88	29.2	154.6	20.9	14.2
20	Ken 10,12	53.6	8.91	31.5	118.2	12.4	1.69	6.54	26.9	20.9	2.6
21	Ken 10,12	912.9	47.1	286.5	2037.3	206.3	8.97	59.7	448.6	20.9	43.1
22	Ken 8	28.1	2.01	11.9	65.7	6.42	0.368	2.39	14.8	10.8	0.7
23	Ken 8	15.4	1.37	7.06	35.5	3.47	0.241	1.43	8.17	10.8	0.4
24	Ken 8	103.3	4.1	31	239	23.9	0.739	6.13	52.3	10.8	2.6
25	Ken 8	117.1	5.07	37	267.4	27.7	0.876	7.33	60.1	10.8	3.0
26	Ken 8	21.1	1.77	9.43	49	4.78	0.31	1.86	11	10.8	0.5
27	Ken 8	73.2	3.64	24.7	172.3	16.8	0.64	5.01	37.9	10.8	1.8
<b>Total</b>		<b>4049.9</b>	<b>2401.5</b>	<b>3669.5</b>	<b>5971.2</b>	<b>927.3</b>	<b>521.5</b>	<b>836.1</b>	<b>1386.5</b>		<b>236.1</b>
	Ken 13	– Lower Tertiary (Paleocene-Oligocene)									
	Ken 12	– Upper Cretaceous									
	Ken 10	– Lower Cretaceous (same prospect closure areas as Upper Cretaceous)									
	Ken 8	– Upper Jurassic									

## Notes

- 1 Undiscovered resources (equivalent to undiscovered petroleum initially-in-place) are those quantities of petroleum that are estimated, as of a given date, to be contained in accumulations yet to be discovered.
- 2 Prospective resources 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 (geological chance of success) and a chance of development (economic, regulatory, market and facility, corporate commitment and political risks). The chance of commerciality is the product of these two risk components. These estimates have not been risked for either chance of discovery or chance of development. There is no certainty that any portion of the prospective resources will be discovered and, if discovered, there is no certainty that it will be developed or, if it is developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources. These are gross estimates without consideration of working interest, royalties, or other encumbrances.
- 3 Individual geological risks were applied to each zone. The risks were aggregated statistically within the Monte Carlo software, GeoX at the individual prospect entity level. In this way, leads with multiple potential target zones have an overall higher chance of geological success. These aggregate risk numbers apply only to the chance of obtaining a minimum amount of some hydrocarbons from some zone to fall on the prospective resource distribution curve. It is not statistically appropriate to apply these chance of geological success numbers to the low, best, and high estimates.
- 4 These are gross estimates without consideration of working interest, royalties or other encumbrances.

### **About Vanoil Energy Ltd.**

Based in Vancouver, Canada, Vanoil is an internationally diversified Oil and Gas company that has a comprehensive portfolio of oil and gas assets in the African countries of Kenya and Rwanda, and in the Province of Alberta, Canada. In Kenya, Blocks 3A and 3B were acquired in October 2007 through the signing of a Production Sharing Contract with the Government of the Republic of Kenya. Blocks 3A and 3B, which cover 24,682 square kilometers, are part of the vastly under-explored Cretaceous Central African Rift Basin System. In addition, Vanoil controls 1,631 square kilometers of oil and gas concessions in the East Kivu Graben in Rwanda is on the same rift trend with the Albertine Graben where Heritage and Tullow Oil made their historic discovery in neighboring Uganda. Vanoil also owns a 42% working interest in the Sarcee 12-13 gas well and the surrounding four sections (2,560 acres) of land in the Turner Valley Area in South-western Alberta.

To find out more about Vanoil please visit our website at [www.vanoil.ca](http://www.vanoil.ca) or contact Dal Brynelsen at 604-684-1974 or by email [brynelsen@vanoil.ca](mailto:brynelsen@vanoil.ca).

On Behalf of the Board of

### **VANOIL ENERGY LTD.**

*"Dal Brynelsen"*

Dal Brynelsen, President and CEO

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### **Disclaimer for Forward-Looking Information**

*Statements containing forward-looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Company.*

*Forward-looking statements and information are based on assumptions that financing and personnel will be available when required and on reasonable terms, and all necessary regulatory approvals and shareholder approval will be obtained, none of which are assured and are subject to a number of other risks and uncertainties*

*There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.*