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

November 21, 2012

Item 3 News Release

News release was disseminated on November 22, 2012

Item 4 Summary of Material Change

Vanoil has entered into a non-binding heads of terms to potentially acquire the entire issued and to be issued share capital of Avana Petroleum Limited from its shareholders on a cash-free debt-free basis.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Vanoil has entered into a non-binding heads of terms to potentially acquire the entire issued and to be issued share capital of Avana Petroleum Limited ("Avana") from its shareholders (the "Sellers") on a cash-free debt-free basis (the “Acquisition”).

Highlights:

- Non-binding heads of terms agreed for the Acquisition in a cash-free-debt-free share transaction
- If completed, will deliver a 10% interest in Kenya offshore block L9 with its partners Ophir and FAR Limited and a 25% interest in Seychelles Areas A and B with its partner Afren plc
- Supports Vanoil’s vision of becoming an emerging leader in East African oil and gas exploration
- Brings geological and geopolitical diversification to the existing onshore Vanoil portfolio
- Increases, at completion, Vanoil’s net recoverable mean unrisked prospective resources from 927 million boe to well over two billion boe
- Accelerates Vanoil’s exploration program, with two 3D seismic surveys and at least four drilling events scheduled for 2013 alone

Avana is a privately held Isle of Man company which holds a 10% working interest in Kenya offshore block L9 with its partners Ophir Energy plc (“Ophir”) and FAR Limited. Block L9 is a 5065 km2 block located off the coast of Mombasa in the southern waters of Kenya; a region in which all of the neighbouring acreage is held by Total, Anadarko, BG, Apache, PTT and their respective partners. Block L9 lies directly to the south of block L8, on which Apache discovered gas in the Mbawa prospect earlier this year. The results of a 560 km2 3D seismic survey conducted in Q2 2012 suggest that the analogous Mbawa South prospect extends across the border of block L8 into L9, and a second 1536 km2 3D seismic survey conducted by Ophir in Q3 2012 illuminated potential oil prospects in a separate fairway spanning the southern half of block L9 and notably the Simba Graben. Ophir management presentations in October 2012 note that the estimated gross recoverable mean unrisked prospective resources on block L9 are 2.7bbbl/11.8 TCF of natural gas and that drilling will commence in 2013.

Avana also holds a 25% working interest in Seychelles Areas A and B with its partner Afren plc (“Afren”). Areas A and B comprise in excess of 14,000 km2 in total and are located on the Seychelles plateau and adjacent zones in the northern waters of the Seychelles in a region where Amoco previously drilled three wells with hydrocarbon shows. Avana and its partner have acquired 8,500km of 2D seismic in the Seychelles (in addition to over 4,000km acquired by other parties over the blocks) and an extensive new 3D seismic survey is scheduled to commence in early 2013. Multiple oil seeps have been observed on Areas A and B, and tar balls of natural origin are abundant throughout the region. In August 2012, Afren's management noted that the estimated gross recoverable mean unrisked prospective resources on Areas A and B are 2.8 billion boe and that drilling is due to commence in Q4 2013.

It is proposed that the consideration due to the Sellers will be CAD$15,000,000 (approx), satisfied by the issue to the Sellers of common shares in Vanoil. Deferred consideration of up to US$4,000,000 (approx.) may become payable in future, subject to certain conditions being satisfied in connection with the discovery of hydrocarbon on Avana's offshore blocks. The Acquisition remains subject to the satisfaction of a number of conditions, including agreeing the form of and entering into legally binding documentation, formal acceptance by the Sellers, satisfactory due diligence being carried out, as well as the parties obtaining all necessary corporate and regulatory approvals which may be required.

It is proposed that Sam Malin, CEO of Avana, join the board of Vanoil upon completion of the Acquisition.

The potential Acquisition supports Vanoil's vision of becoming an emerging leader in East African oil exploration. The underlying acreage to be acquired through Avana represents a complementary addition to Vanoil's existing portfolio, bringing geological and geopolitical diversification. The combined company will hold blocks in four separate basins, two onshore and two offshore, spanning four of the most prospective hydrocarbon systems in East Africa. At the completion of this transaction, Vanoil's net recoverable mean unrisked prospective resources will more than double, rising from 927 million boe to well over 2 billion boe. An active exploration program across the portfolio will also yield regular news flow, with two 3D seismic surveys and at least four drilling events scheduled for 2013 alone.

Oil and Gas Disclosure

For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel of oil equivalent ("**BOE**") using six thousand cubic feet equal to one barrel unless otherwise stated. A BOE conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. BOEs may be misleading, particularly if used in isolation.

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

Betty Anne Loy, Corporate Secretary at (604) 689-1515 x 103

Item 9 Date of Report

November 23, 2012