

**Form 51-102F3**  
**National Instrument 51-102**  
**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102**

**Item 1. Name and Address of Company**

**Sea Dragon Energy Inc. (“Sea Dragon”)**  
Suite 1100, 340 – 12<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
Tel: (403) 457-5035  
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**Item 2. Date of Material Change**

August 14, 2009

**Item 3. News Release (including date and method of dissemination)**

A news release was issued via Marketwire on August 19, 2009 and was filed by SEDAR with the British Columbia Securities Commission, the Alberta Securities Commission, the Ontario Securities Commission and the TSX Venture Exchange.

**Item 4. Summary of Material Change**

On August 14, 2009 Sea Dragon entered into a Share Purchase Agreement with Premier Oil Overseas BV pursuant to which Sea Dragon will acquire the entire issued share capital of Premier Oil Egypt (NW Gemsa) BV. The acquisition, which is subject to approval from the Egyptian government, will give Sea Dragon a 10% interest in the North West Gemsa Concession, Eastern Desert, Egypt. A copy of this news release is attached to this report as Schedule “A”.

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

Full description of the material change is contained in the Company’s press release which is attached as Schedule “A” and incorporated herein.

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

The report is not being filed in reliance on section 7.1(2) or (3) of National Instrument 51-102.

**Item 7. Omitted Information**

No information has been omitted

**Item 8. Executive Officer**

David Thompson  
Senior Vice President  
(403) 457-5035

**Item 9. Date of Report**

August 20, 2009

SCHEDULE "A"



/NOT FOR DISTRIBUTION TO U.S. NEWSWIRE OR FOR DISSEMINATION IN THE UNITED STATES\\

## **Sea Dragon Announces Acquiring an Interest in North West Gemsa Development and Exploration Lease in Egypt**

Calgary, Alberta (August 19, 2009) – Sea Dragon Energy Inc. ("Sea Dragon" or the "Company") (TSX VENTURE:SDX) has signed a sale and purchase agreement with Premier Oil Overseas BV to acquire Premier Egypt (N W Gemsa) B.V. which holds their interest in the North West Gemsa Concession. Premier Oil Overseas BV is a subsidiary of Premier oil Plc.

The acquisition, subject to the necessary approvals from the Egyptian government, will give Sea Dragon a 10% working interest in this Concession including an area around the recent discoveries which has been converted to a development lease. The cost of this acquisition is US\$12.5 million

North West Gemsa is currently a 250 square km. onshore concession area located approximately 300 km south east of Cairo. The current partners are Vegas Oil and Gas (the current operator), holding a 50% interest and Circle Oil Plc with 40% interest.

In October 2008 a discovery was announced on Al Amir-SE1 well with 41° API oil tested at 3,388 bopd and 4.25 MMscfd gas. In February 2009 a 20 year development lease was agreed by the Egyptian Government and further drilling continues to develop these discoveries and prospects within the greater concession area. In May 2009, a further discovery was announced on Geyad-1X where two zones tested 40° API oil. The first zone tested 2,809 bopd with 3.04 MMscfd gas and second, upper zone tested 1,174 bopd with 1.324 MMscfd gas.

The Company is concluding an independent reserve study of current internal estimates which are around 15 million barrels of recoverable oil in place, netting 1.5 million barrels to Sea Dragon.

Production of 2,250 bopd has commenced and as further facilities are installed is expected to increase to between 6,000 to 7,000 bopd, including the potential for commercialisation of the gas.

Said Arrata, President, CEO and Executive Chairman, said “We are delighted to announce this first acquisition under our strategy to develop a portfolio of production, development and exploration assets, for Sea Dragon Energy, Inc. We look forward to continuing the strategy and announcing further acquisitions in the near future”.

For further information please see the website of the Company at [www.seadragon.ca](http://www.seadragon.ca) or the Company’s filed documents at [www.sedar.com](http://www.sedar.com).

*Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading Risk Factors and elsewhere in the Company’s filings with Canadian securities regulators. Specifically that there is no assurance that any hydrocarbon reserves will be discovered nor is there any assurance that any hydrocarbons encountered will be in commercially recoverable quantities. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The Company does not assume any obligation to update any forward-looking statements, save and expect as may be required by applicable securities laws.*

Sea Dragon is an international exploration and development company with a focus on the Middle East and an office in Cairo Egypt.

The TSX.V Venture Exchange has neither approved nor disapproved of the information contained herein.

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