



MATERIAL CHANGE REPORT

Form 51-102F3

Item 1 - Name and Address of Company

Sea Dragon Energy Inc. (“**Sea Dragon**”)
#1100, 340 – 12 Avenue S.W.
Calgary, Alberta T2R 1L5
Canada

Item 2 - Date of Material Change

The material change occurred on August 24, 2009.

Item 3 - News Release

Sea Dragon issued a press release on November 3, 2009 through Marketwire.

Item 4 - Summary of Material Change

Sea Dragon Energy Inc. confirms that on August 24, 2009, the Corporation granted stock options to purchase up to 3,500,000 common shares of the Corporation to certain officers and directors of the Corporation.

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

Calgary, Alberta – (November 3, 2009) Sea Dragon Energy Inc. (the “Corporation”) (TSX Venture: SDX) confirms that on August 24, 2009, the Corporation granted stock options to purchase up to 3,500,000 common shares of the Corporation to certain officers and directors of the Corporation. The options have an exercise price of \$0.18, being the closing trading price of the common shares of the Corporation, on August 21, 2009, the last trading day prior to the option grant. The aforesaid stock options shall vest over three years and shall expire on August 24, 2014.

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

Cameron Dow, Chief Financial Officer
Telephone: (403) 457-5035

Item 9 - Date of Report

This report is dated November 4, 2009.