

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Saratoga Electronic Solutions Inc. (the "Company")  
2975 Hochelaga  
Montreal, Quebec  
H1W 1G1

**Item 2 Date of Material Change**

July 29, 2011.

**Item 3 News Release**

A news release in respect of the material change was issued on July 29, 2011. A copy of the Company's July 29, 2011 news release is attached as Schedule "A".

**Item 4 Summary of Material Change**

The Company has announced that the TSX Venture Exchange has accepted its Notice of Intention to make a Normal Course Issuer Bid.

**Item 5 Full Description of Material Change**

The press release attached as Schedule "A", issued on July 29, 2011 contains a full description of the material change.

**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**

Further information can be obtained from Georges Durst, President and Chief Executive Officer of the Company, at (514) 529-0663.

**Item 9 Date of Report**

July 29, 2011.

## SCHEDULE "A"

### **Saratoga Announces Agreement to Sell Distributions Car-Tel Inc.**

Montreal, Quebec – July 29, 2011 - Saratoga Electronic Solutions Inc. (the "Corporation") (TSX-V: SAR). The Corporation announces that it has entered into an agreement to sell its subsidiary Distributions Car-Tel Inc. ("Car-Tel") to a member of the management of Car-Tel for a purchase price of approximately \$1.36 million, to be paid through a combination of cash and the assumption of certain specified liabilities. Car-Tel is in the business of distributing to consumers point-of-sale activated prepaid cellular telephone PINs and long distance calling cards, and offering to retailers a variety of electronic gift card solutions. This transaction results from the previously announced strategic review undertaken by the Corporation.

Closing of this transaction is subject to the negotiation and execution of definitive transaction documents, as well as the receipt of all requisite regulatory approvals, and is expected to occur in the Corporation's second quarter.

#### **About the Corporation**

In addition to its prepaid products business, the Corporation also places and operates a network of automatic teller machines in Eastern Canada through its subsidiary Saratoga ATM Corporation Inc.

#### **Forward-Looking Statements**

*This news release contains certain forward-looking statements concerning our future operations, economic performance and financial condition and our proposed sale of Car-Tel. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. However, whether actual results and developments will conform to our expectations and predictions, and whether we are ultimately successful in consummating the sale of Car-Tel, is subject to a number of risks, uncertainties and assumptions, including our ability to successfully conclude definitive documentation and obtain the requisite approvals in connection with such sale, as well as those discussed in our Annual Information Form and Management's Discussion and Analysis. Consequently, all of the forward-looking statements in this news release are qualified by these cautionary statements, and there can be no assurance as to the Corporation's ability to consummate the sale of Car-Tel or as to the Corporation's ability to enhance shareholder value through this process. Moreover, there can be no assurance that the results or developments anticipated by us, including as regards our financial resources, will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us and our subsidiaries and their business or operations. We undertake no obligation and do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.*

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For more information, please contact Mr. Georges Durst, President and Chief Executive Officer of Saratoga Electronic Solutions Inc., at 514-529-0663.