

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name & Address of Company

Reservoir Capital Corp. (“Reservoir” or the “Company”)

Suite 501 - 543 Granville Street
Vancouver, British Columbia, V6C 1X8

Item 2. Date of Material Change

February 05, 2018

Item 3. News Release

On February 06, 2018, a press release in respect of the material change was issued through the facilities of Newsfile Corp. via Canadian Timely Disclosure and a copy was filed on SEDAR.

Item 4. Summary of Material Change

The Company announced that it has executed a Heads of Agreement dated February 5, 2018 with Kainji Power Holding Limited (“KPHL”) respecting a share exchange transaction that will result in Reservoir owning a 60% stake in KPHL and KPHL beneficiaries holding jointly 76.7% of Reservoir. KPHL holds a 2.1% interest in Mainstream Energy Solutions Limited (“MESL”), Nigeria’s leading producing hydropower company and KPHL’s sole investment. Reservoir’s acquisition of this equity stake in KPHL will give it a toehold 1.3% economic interest in MESL. The proposed transaction is an Arm’s Length Transaction and not a Related Party Transaction under the policies of the TSX Venture Exchange (the “Exchange”).

The proposed transaction remains subject to approval by the Exchange and, if required, by Reservoir’s shareholders, and the shares issued by Reservoir will be subject to restrictions on transfer under Canadian securities law and Exchange policy expiring four months following closing.

MESL owns and operates the two largest hydropower plants on the Niger River in Nigeria, the Kainji and Jebba power plants, with 1.3 GW of nominal capacity and current aggregate operating capacity of 922 MW. The two facilities are world class assets operating under a long term concession agreement. The dams’ proven hydrology allows balanced power production all year long in a demand environment that is critically short of dependable power. For more information on MESL, visit: <http://mainstream.com.ng>.

As part of the proposed transaction, KPHL beneficiaries will be issued 158.1 million Reservoir common shares at a deemed price of C\$ 0.06 per share, resulting in only one new shareholder exceeding a 20% ownership threshold. Reservoir may be granted an option that, if exercised, will increase its ownership of KPHL to 100% and its economic interest in MESL to 2.1%. If granted, the option will be exercisable on or before December 31, 2018 by the issuance of a further 105.4 million shares. Both REO and KPHL will be subject to a break fee of US\$ 100,000 if either fails to deliver its shares by March 9, 2018.

On closing of the initial transaction, KPHL beneficiaries will have the right to name two of Reservoir’s six Board members. It is expected that one of the directors (who will also hold more than 20% of Reservoir’s post-closing outstanding shares) will be Vincent Gueneau. Mr. Gueneau was trained as a mechanical engineer in France and has over 20 years of experience as an investor in the energy sector in Africa. He is the founder and Executive Chairman of the Kappafrik Group of companies based in Dubai, United Arab Emirates. The second new director, if any, is currently unknown. The remaining four or five directors that will remain on Reservoir’s board have served as directors during that period of time in which Reservoir carried on its hydroelectric business in Serbia and also have lengthy and proven track records as directors of publicly traded companies. Reservoir will be seeking, therefore, a waiver from the requirement for a sponsorship report,

Reservoir does not intend to loan or otherwise advance any funds to KPHL nor does it intend to carry out a concurrent financing in connection with the proposed transaction.

In connection with the proposed transaction Reservoir will be changing its listing status on the TSX Venture Exchange from an Industrial Issuer to an Investment Issuer. As an Investment Issuer, Reservoir will implement an Investment Policy targeting regular income over long periods, as well as substantial capital growth in the medium term, by taking carefully selected minority economic interests, at attractive valuations, in a balanced portfolio of producing or near production clean power assets in frontier markets. Reservoir has identified follow-on minority investments beyond the proposed transaction, including the possibility of further increasing its ownership interest in MESL.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Reservoir should be considered highly speculative.

Item 5. Full Description of Material Change

Item 5.1 Full Description of Material Change

Refer to the press release of the Company disseminated on February 06, 2018, attached hereto.

Item 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

None.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Kim Casswell, Corporate Secretary
Phone: 604-662-8448
Email: KCasswell@seabordservices.com

Item 9. Date of Report

February 09, 2018



News Release

Reservoir enters into Heads of Agreement for Toehold Investment in Nigerian Hydro Producer

February 6, 2018

Vancouver, British Columbia (TSX Venture: REO) - Reservoir Capital Corp. ("Reservoir") is pleased to announce that it has executed a Heads of Agreement dated February 5, 2018 with Kainji Power Holding Limited ("KPHL") respecting a share exchange transaction that will result in Reservoir owning a 60% stake in KPHL and KPHL beneficiaries holding jointly 76.7% of Reservoir. KPHL holds a 2.1% interest in Mainstream Energy Solutions Limited ("MESL"), Nigeria's leading producing hydropower company and KPHL's sole investment. Reservoir's acquisition of this equity stake in KPHL will give it a toehold 1.3% economic interest in MESL. The proposed transaction is an Arm's Length Transaction and not a Related Party Transaction under the Exchange's policies.

MESL owns and operates the two largest hydropower plants on the Niger River in Nigeria, the Kainji and Jebba power plants, with 1.3 GW of nominal capacity and current aggregate operating capacity of 922 MW. The two facilities are world class assets operating under a long term concession agreement. The dams' proven hydrology allows balanced power production all year long in a demand environment that is critically short of dependable power. For more information on MESL, visit: <http://mainstream.com.ng>.

"This announcement represents an important first step in Reservoir's move to focus on producing hydropower investment opportunities in frontier regions." said Lewis Reford, CEO of Reservoir. "We will begin with a toehold ownership stake in a proven company whose dividends should provide us with essential working capital to conduct our ambitious expansion strategy. In addition, we will have established a Canadian entrée into the African power market, which has among the best growth prospects of any region globally".

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hydroelectric business in Serbia and also have lengthy and proven track records as directors of publicly traded companies. Reservoir will be seeking, therefore, a waiver from the requirement for a sponsorship report,

Reservoir does not intend to loan or otherwise advance any funds to KPHL nor does it intend to carry out a concurrent financing in connection with the proposed transaction.

The proposed transaction remains subject to approval by the TSX Venture Exchange and, if required by the Exchange, by Reservoir's shareholders, and the shares issued by Reservoir will be subject to restrictions on transfer under Canadian securities law and TSX Venture Exchange policy expiring four months following closing.

In connection with the proposed transaction Reservoir will be changing its listing status on the TSX Venture Exchange from an Industrial Issuer to an Investment Issuer. As an Investment Issuer, Reservoir will implement an Investment Policy targeting regular income over long periods, as well as substantial capital growth in the medium term, by taking carefully selected minority economic interests, at attractive valuations, in a balanced portfolio of producing or near production clean power assets in frontier markets. Reservoir has identified follow-on minority investments beyond the proposed transaction, including the possibility of further increasing its ownership interest in MESL.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Reservoir should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

About Reservoir

Reservoir is a renewable energy company engaged in hydroelectric projects in frontier regions. Reservoir's common shares trade on the TSX Venture Exchange (symbol "REO").

For further information on Reservoir Capital Corp., please consult Reservoir's website www.reservoircapitalcorp.com or contact Lewis Reford, CEO, at 416-399-2274.