

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Seaway Energy Services Inc. (the "**Company**" or "**Seaway**")
Suite 1250, 700 - 4th Avenue
Calgary, AB T2P 3J4

2. Date of Material Change(s)

January 6, 2012

3. News Release

A news release were disseminated on January 6, 2012 Marketwire, copies of which were filed on SEDAR.

4. Summary of Material Change

The Company announced it entered into a support agreement in respect of a management sponsored going private transaction, pursuant which the Company proposes to redeem all of its common shares held by the shareholders of the Company, other than those common shares held by Jerry J. Budziak, President, Chief Executive Officer and a director of the Company, David A. Burroughs, a director of the Company, and Elias Foscolos, a director of the Company, and their associates, affiliates and joint actors (two other shareholders) (collectively, the "**Majority Shareholders**"), who in aggregate, control, directly or indirectly, in aggregate approximately 40.5% of the total issued and outstanding common shares of the Company. Upon completion of the redemption of the common shares of the Company, the Majority Shareholders will be the only shareholders of the Company.

5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced it entered into a support agreement ("**Support Agreement**") in respect of a management sponsored going private transaction (the "**Transaction**"), pursuant which the Company proposes to redeem all of its common shares held by the shareholders of the Company (the "**Minority Shareholders**"), other than those common shares held by Jerry J. Budziak, President, Chief Executive Officer and a director of the Company, David A. Burroughs, a director of the Company, and Elias Foscolos, a director of the Company, and their associates, affiliates and joint actors (two other shareholders) (collectively, the "**Majority Shareholders**"), who in aggregate, control, directly or indirectly, in aggregate approximately 40.5% of the total issued and outstanding common shares of the Company. Upon completion of the redemption of the common shares of the Company, the Majority Shareholders will be the only shareholders of the Company.

Pursuant to the Transaction, Minority Shareholders will be entitled to receive a cash payment of Cdn.\$0.040 for each common share redeemed (the "**Consideration**"). The cash payment for each redeemed common share represents a premium of approximately 20% over the 30-day volume weighted average trading price of the common shares on the TSX Venture Exchange ("**TSX-V**") on the last trading day prior to this announcement of the Transaction.

Upon completion of the Transaction, the Company will proceed to apply to delist its common shares from the TSX-V and apply to cease to be a reporting issuer in those jurisdictions in which it currently holds such status.

The board of directors of the Company (the “**Board**”) established a special committee comprised of Michael Windle, the sole independent director for the purposes of the Transaction, which retained an independent financial advisor to obtain both a formal valuation and a fairness opinion in respect of the Transaction. Following its deliberations, including its review of the formal valuation and the fairness opinion and the receipt of advice from independent financial and legal advisors, the Special Committee determined that the Transaction was in the best interest of the Company, and that the Consideration to be received by the Minority Shareholders pursuant to the Transaction is fair, from a financial point of view, to the Minority Shareholders, and unanimously recommended that the Board approve the Transaction and recommend to the shareholders that they vote in favour of a special resolution to approve an amendment to the articles of the Company (the “**Redemption Amendment**”) to add the redemption feature to the attributes of the common shares (the “**Redemption Resolution**”).

All directors of the Company entitled to vote unanimously recommend that shareholders of the Company vote in favour of the Redemption Resolution.

The Company has called its annual general and special meeting of shareholders to be held on February 2, 2012 in Calgary, Alberta (the “**Meeting**”). In addition to the annual general business for consideration by the shareholders at the Meeting, shareholders entitled to vote at the Meeting are being asked to approve the Redemption Resolution authorizing the Redemption Amendment by: (a) at least two-thirds of the votes cast by shareholders present in person or represented by proxy at the Meeting; and (b) for the purposes of TSX-V Policy 5.9 and Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions*, a majority of the votes cast by the Minority Shareholders, present in person or represented by proxy at the Meeting. All shareholders of record as of December 28, 2011 (the “**Record Date**”) will be entitled to receive notice of and to vote at the Meeting on the basis of one vote for each common share held. Shareholders should ensure that their proxies are submitted and received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which such proxies are to be used.

The Transaction is subject to all regulatory, stock exchange and shareholder approvals. Assuming the receipt of all necessary approvals and the satisfaction or waiver of all relevant conditions, it is expected that the Transaction will be completed as soon as practicable after receipt of all requisite approvals.

Full details of the Transaction, including a summary of the terms of the Support Agreement, will be included in a management information circular expected to be mailed to shareholders on or about January 9, 2012. Shareholders are urged to read the management information circular carefully and in its entirety.

5.2 Disclosure for Restructuring Transactions

Not Applicable

6. Reliance on Section 7.1(2) of National Instrument 51-102

Not Applicable

7. Omitted Information

Not Applicable

8. Executive Officer

The name and business number of the executive officer of Seaway Energy Services Inc. who is knowledgeable about the material change and this report is:

Jerry Budziak, President and Chief Executive Officer

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9. Date of Report

January 9, 2012