

EARLY WARNING REPORT
Pursuant to National Instrument 62-103

(a) Name and address of offeror:

David A. Burroughs
7029 Gateway Blvd.,
Edmonton, AB T6H 2J1

(b) The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.

The Offeror acquired ownership and control over an aggregate of 420,000 common shares ("Common Shares") in the capital stock of Seaway Energy Services Inc. representing approximately 1.45% of the issued and outstanding Common Shares.

(c) The designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:

3,140,000 Common Shares, representing approximately 10.87% of the outstanding Common Shares of Seaway Energy Services Inc.

(d) The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) over which:

(i) the offeror, either alone or together with any joint actors, has ownership and control:

3,140,000 Common Shares, representing approximately 10.87% of the outstanding Common Shares.

(ii) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

Not applicable

(iii) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

Not applicable.

(e) Market where the transaction or occurrence took place:

The transaction was completed through the facilities of the TSX Venture Exchange.

(e.1) The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:

The consideration was \$0.03 per Common Share.

- (f) **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the obligation to file the report, including any future intention to acquire (or dispose of) ownership of, or control over, additional securities of the reporting issuer:**

The acquisition was made for investment purposes. The Offeror may acquire ownership of, or control over, additional securities of the reporting issuer.

- (g) **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

- (h) **The names of any joint actors in connection with the disclosure required by this report:**

Not applicable.

- (i) **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:**

Not applicable.

- (j) **if applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities:**

Not applicable.

- (k) **if applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:**

Not applicable.

Dated the 6th day of February, 2012.

Per: (signed) "*David A. Burroughs*"
David A. Burroughs