

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

1. Name and Address of Company

Seaway Energy Services Inc. (the "Company" or "Seaway")
101A, 1120 - 53rd Avenue N.E.
Calgary, AB T2E 6N9

2. Date of Material Change(s)

January 29, 2013

3. News Release

A news release was disseminated on January 29, 2013, through Marketwire, copies of which were filed on SEDAR.

4. Summary of Material Change

The Company announced that its Board of Directors has determined, after extensive and careful consideration of potential strategic alternatives, that it is in the best interests of the Company and its shareholders to liquidate its assets and dissolve the Company. In connection with the liquidation and dissolution, which is subject to shareholder approval, the Company intends to distribute to its shareholders all available cash, except such cash as is required for paying or making reasonable provision for known and potential liabilities and other obligations of the Company. Notwithstanding the foregoing, until such time as shareholder approval is received, the Company will continue to evaluate other opportunities that have the potential of providing a superior return to its shareholders.

5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that its Board of Directors has determined, after extensive and careful consideration of potential strategic alternatives, that it is in the best interests of the Company and its shareholders to liquidate its assets and dissolve the Company. In connection with the liquidation and dissolution, which is subject to shareholder approval, the Company intends to distribute to its shareholders all available cash, except such cash as is required for paying or making reasonable provision for known and potential liabilities and other obligations of the Company. Notwithstanding the foregoing, until such time as shareholder approval is received, the Company will continue to evaluate other opportunities that have the potential of providing a superior return to its shareholders.

Shareholder Approval

The Board has called its annual general and special meeting of shareholders to be held at 10:00 a.m. (Calgary time) on February 28, 2013 (the "**Meeting**"), in Calgary, Alberta, at which time the shareholders will vote to approve by special resolution the voluntary liquidation and dissolution of the Company in accordance with the *Business Corporations Act* (Alberta), and the distribution of the net cash assets to the shareholders. The shareholder approval to the aforementioned transactions will be sought and must be approved by (i) special resolution of at least two-thirds of the votes cast by shareholders present in person or by proxy at the Meeting, and (ii) a majority of votes cast by

shareholders other than certain members of management (who are shareholders) pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. At the Meeting, shareholders will also be asked to approve by ordinary resolution the Company's annual items of business (appointment of directors and auditors) and the re-approval of the Company's stock option plan.

Notwithstanding the receipt of shareholder approval of the winding-up of the Company at the Meeting, the Board will retain the discretion not to proceed if it determines that the liquidation and dissolution is no longer in the best interests of the Company and its shareholders. For example, if, prior to its formal dissolution under the *Business Corporations Act* (Alberta), the Company receives an offer for a transaction that will, in the view of the Board, provide superior value to shareholders than the value of the estimated distributions under the winding-up and dissolution process, taking into account all factors that could affect valuation, including timing and certainty of payment or closing, proposed terms and other factors, the winding-up of the Company could be abandoned in favor of such a transaction.

It is expected that the proxy materials, comprised of the notice of meeting, management information circular (the "**Circular**") and instrument of proxy, describing the proposed liquidation and dissolution of the Company, together with the annual business items, will be mailed on or about February 1, 2013 to those shareholders who held the Company's common shares as of January 29, 2013. Shareholders of the Company are encouraged to read the Circular, as it will contain important information about the liquidation and dissolution process, a copy of which will also be available at www.sedar.com after the proxy materials are mailed to the shareholders in accordance with applicable law.

Reasons for the Dissolution

In reaching its decision that the liquidation and dissolution is in the best interests of the Company and its shareholders, the Board of Directors considered a number of factors. The Circular describes these factors, including the Company's previous unsuccessful efforts to take the Company private, the Company's declining revenues, the difficult economic environment in the oil and gas service sector, the increasing expense of continuous disclosure obligations and maintaining a stock exchange listing, and the inability to identify a strategic merger or alliance partner. The Board and the Company's management determined that it would not be advisable to continue the operations of the Company, which are currently reducing the Company's liquidity on a monthly basis. Additionally, the Company's common shares have recently traded on the TSX Venture Exchange ("**TSXV**") at approximately the anticipated cash liquidation value of the common shares.

Based on this information, the Board's business judgment of the risks associated with continuing the business, the remote possibility of the Company acquiring additional financing on acceptable terms, if at all, or identifying a buyer or strategic partner, the Board of Directors has concluded that distributing the Company's net cash assets to its Shareholders would return the greatest value to the Shareholders.

Dissolution Process and Distributions

Upon receipt of all required regulatory and shareholder approvals, the Company will continue operations in order to complete all work-in progress, but will cease taking on new service work. After completion of all existing work, the Company will cease normal business operations, except as may be required to administer payables and accounts receivables, settle all liabilities, distribute the remaining cash to shareholders and wind-up the business and affairs of the Company.

The Company will be liquidated and dissolved in accordance with the *Business Corporations Act* (Alberta). The Company's shareholders will receive the net cash proceeds of the liquidation and dissolution in one or more distribution installments. Instructions will be provided to shareholders describing the procedures to be followed to effect the cash distributions. The amount of the distributions will be determined by the Board after repayment of the Company's debt, reviewing tax and other potential liabilities of the Company, including severance and termination payments and costs relating to the winding-up process, which liabilities are currently estimated to be approximately \$792,835 and \$931,631. Although management of the Company believes that the estimates of the liabilities set forth above are reasonable based on information currently available to the Company, the actual amounts of such liabilities after completion of the winding-up may differ materially from the estimates presented above, thereby affecting the amount of cash available to be distributed to shareholders. The Board is not currently aware of any material items that could give rise to unforeseen tax liabilities or other liabilities or costs which would materially reduce the amount of cash available for distribution to shareholders, but there is no assurance that this will remain the case.

Prior to the actual dissolution and distribution of cash by the Seaway however, clearance certificates and a dissolution consent must be obtained from the Canada Revenue Agency ("CRA"). As this process is expected to take some time beyond the Meeting, Seaway expects to submit its request for these approvals from CRA in advance of the Meeting.

Further details regarding the timing of, and amount of funds available for distribution to shareholders upon completion of the winding-up process, and payment of the liabilities of the Company will be provided in a subsequent press release(s).

TSXV Listing

The Common Shares currently trade on the TSXV. If the requisite shareholder and regulatory approval is received, the Company will take the appropriate steps, following the determination of a record date for those shareholders of the Company eligible to receive the distribution(s) on dissolution, to voluntarily delist from the TSXV.

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
Tel: +1 (403) 235 - 4486
Fax: +1 (403) 266 - 1181
e-mail: jerry.budziak@seawayenergy.com

9. Date of Report

February 1, 2013