SEAWAY ENERGY SERVICES INC.

NOTICE OF

ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

TO BE HELD ON FEBRUARY 28, 2013

and

MANAGEMENT INFORMATION CIRCULAR

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF SEAWAY ENERGY SERVICES INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF SEAWAY ENERGY SERVICES INC. TO BE HELD ON THURSDAY, FEBRUARY 28, 2013.

TO BE HELD AT:

The Offices of Davis LLP

Suite 1000, Livingston Place, West Tower
250 - 2nd Street SW
Calgary, Alberta T2P 0C1

At 10:00 a.m.

Dated: January 29, 2013

This document requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, bank manager or other professional advisor.

January 29, 2012

To the Shareholders of Seaway Energy Services Inc.:

On behalf of the Board of Directors (the "**Board**") of Seaway Energy Services Inc. (the "**Company**" or "**Seaway**"), we would like to invite you to the annual general and special meeting of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of the Company to be held at the offices of Davis LLP at Suite 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1 on Thursday, February 28, 2013 at 10:00 a.m. (Calgary time) (the "**Meeting**").

In recent years, Seaway has seen a substantial decline in revenue predominantly due to decreased activity associated with depressed natural gas prices, a shift in the Company's business to lower margin environmental consulting activities, and the completion of a significant long term contract with a major client. Over the past 14 months, the Board and management of the Company, together with its external advisors, devoted substantial time and effort in considering various alternatives to enhance shareholder value as the Company does not anticipate any material change in natural gas prices and related activities in the foreseeable future. Such efforts included a share buy-back program, hiring of additional personnel to assist in obtaining new projects, and the Company's proposed "going private" transaction that was considered, but not approved, at the Company's annual general and special meeting held on February 2, 2012.

After evaluating the Company's remaining strategic options, the Board reached the conclusion that it is in the best interests of the Shareholders and the Company to voluntarily liquidate and dissolve the Company (the "**Dissolution**") in accordance with the provisions of the *Business Corporations Act* (Alberta) ("**ABCA**"), and distribute to Shareholders the cash amount estimated at between $.0045 to $0.01 per Common Share (the "**Distribution**"), based on there being 28,877,470 Common Shares issued and outstanding, which amount shall be paid in one or more instalments. 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 the cash available for the Distribution, but there is no assurance this will remain the case. The amount of the payment(s) shall be determined by the Board after repaying the Company's debt and other obligations and reviewing potential tax and other liabilities of the Corporation, including costs related to the Dissolution of Seaway. Notwithstanding the foregoing, until such time as Shareholder approval is received, Seaway will continue to evaluate other opportunities that have the potential of providing a superior return to its Shareholders.

Further details regarding the timing of, and the amount of funds available for, Distributions will be provided through news release(s) of Seaway.

Annual General and Special Meeting of Shareholders

At the Meeting, in addition to the annual general business, Shareholders will be asked to consider and to vote upon a special resolution authorizing the Company to proceed with Dissolution. The Common Shares currently trade on the TSXV. If the Dissolution receives the requisite approval by the Shareholders, the Company proposes to delist from the TSXV. If the Distribution and Dissolution are approved by the Shareholders, the Company will provide instructions to Shareholders describing the procedures to be followed to effect the Distribution.

For the Distribution and Dissolution to proceed, it must be approved by way of a special resolution by at least 662/3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. In addition, approvals must be received by a majority of the votes cast by the Shareholders, excluding those votes cast by persons who are to be excluded pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as adopted by TSXV Policy 5.9.

The Board is unanimously recommending that all Shareholders vote in favour of the resolution for the Dissolution, a copy of which is attached as Schedule "A" to the management information circular of the Company for the Meeting (the "Circular").

Notwithstanding receipt of Shareholder approval of the resolution for the Dissolution, the Board will retain the discretion not to proceed with the Dissolution if the Board determines it is no longer in the best interests of the Company and the Shareholders. For example, if, prior to its formal dissolution under the ABCA, 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 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.

Accompanying this letter, among other things, are a notice of meeting, Instrument of Proxy and the Circular, containing important information relating to the terms of the Distribution and Dissolution. The Circular also requests Shareholder approval of: (i) certain annual meeting matters including the election of the Board, and the appointment of the Corporation's auditor for the ensuing year; (ii) re-approval of Seaway's stock option plan pursuant to TSXV requirements; and (iii) approval of the Dissolution.

Shareholders are urged to read the Circular carefully and in its entirety. If you are in doubt as to how to deal with the matters described in these materials, you should consult your legal, tax, financial or professional advisors.

You may request copies of the Company's annual and/or interim financial statements and management's discussion and analysis related thereto by contacting Michael Holub, Chief Financial Officer, at 101A, 1120 - 53rd Avenue NE, Calgary, Alberta T2E 6N9, (403) 235-4486, or you may access such documents on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

You are invited to attend the Meeting. However, if you are unable to attend, we would appreciate your signing and returning the accompanying Instrument of Proxy so that your vote is recorded. In the meantime, if you have any questions, please contact Michal Holub, Chief Financial Officer of the Company at (403) 235-4486.

Sincerely,

(signed) *"Jerry Budziak"*
President and Chief Executive Officer
Seaway Energy Services Inc.

The attached Circular is dated January 29, 2012 and is first being mailed to Shareholders on or about February 1, 2013.

SEAWAY ENERGY SERVICES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

TAKE NOTICE that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of Seaway Energy Services Inc. (the "**Company**") will be held at the offices of Davis LLP at Suite 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1 on Thursday, February 28, 2013 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial year ended September 30, 2012, and the report of the auditor thereon;

2. to fix the number of directors to be elected at the Meeting at four (4);

3. to elect Jerry J. Budziak, David A. Burroughs, Michael Windle and Elias Foscolos as the directors of the Company for the ensuing year;

4. to appoint Buchanan Barry LLP, Chartered Accountants, as the auditors of Company for the ensuing year and to authorize the directors of the Company to determine the remuneration to be paid to the auditors;

5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting, relating to the approval of the stock option plan of the Company;

6. to consider and, if thought fit, pass, with or without variation, a special resolution (the "**Dissolution Resolution**"), the full text of which is set form in Schedule "A" to the accompanying Circular, approving the voluntary liquidation and dissolution of the Company pursuant to section 212 of the *Business Corporations Act*, and the distribution of its remaining cash assets to its Shareholders, after satisfaction of all contingencies and liabilities of the Company, by way of a reduction of the stated capital of the Common Shares; and

7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

In addition, the Dissolution Resolution requires the majority approval of the Shareholders (after excluding the Common Shares beneficially owned or over which control or direction is exercised by such person whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*). Additional information relating to the Dissolution Resolution and the proposed Dissolution to which the approval of the Dissolution Resolution is a pre-requisite is set forth in the Circular.

The board of directors of the Company (the "**Board**") has by resolution fixed the close of business on January 29, 2013 as the record date for the determination of those Shareholders (the "**Registered Shareholders**") entitled to notice of and to vote at the Meeting, and any adjournment or postponement thereof.

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. Shareholders who are not Registered Shareholders but plan to attend the Meeting must follow the instructions set forth in the voting instruction form or proxy form sent to them. If you hold your Common Shares in a brokerage account you are not a Registered Shareholder.

Dated: January 29, 2013.

BY ORDER OF THE BOARD

(signed) *"Jerry J. Budziak"*

Jerry J. Budziak
President and Chief Executive Officer

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The following is a glossary of certain terms used in this Circular, including Schedule "A" hereto.

GLOSSARY OF TERMS

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Articles**" means the articles of amalgamation of the Company filed on September 30, 2008, including all amendments thereto;

"**Beneficial Shareholders**" means Shareholders who do not hold Common Shares in their own name;

"**Board**" means the board of directors of the Company;

"**Budziak Agreement**" means the employment agreement effective May 1, 2006, between the Company and Jerry J. Budziak, the President and Chief Executive Officer of the Company, as described in "*EXECUTIVE COMPENSATION - Compensation Discussion and Analysis*";

"**Business Day**" means any day on which commercial banks are generally open for business in Calgary, Alberta, other than a Saturday, Sunday or a day observed as a holiday in Calgary, Alberta, under applicable laws;

"**CRA**" means Canada Revenue Agency;

"**Circular**" means this management information circular of the Company, dated January 29, 2013 prepared for the purposes of the Meeting;

"**Common Shares**" means common shares in the capital of the Company;

"**Company**" or "**Seaway**" means Seaway Energy Services Inc.;

"**Dissolution**" means the proposed voluntary liquidation and dissolution of the Corporation pursuant to the ABCA and the Distribution, subject to approval of the Dissolution Resolution by the Shareholders;

"**Dissolution Resolution**" means the special resolution of the Shareholders of the Company to approve the Dissolution in the form attached hereto as Schedule "A";

"**Distributions**" means the cash distributions that Shareholders will receive from the Company on a reduction of capital of the Common Shares, on the discontinuance and dissolution of the Company's business following the settlement of the Company's obligations and liabilities;

"**Holder**" means a Shareholder as described under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations*";

"**Instrument of Proxy**" means the form of proxy enclosed with this Circular;

"**intermediaries**" means brokers, investment firms, clearing houses and similar entities that hold Common Shares on behalf of Beneficial Shareholders;

"**Management Designees**" means the persons named in the enclosed Instrument of Proxy selected by the directors of the Company to represent as proxy the Shareholder who appoints them;

"**Meeting Date**" means February 28, 2013, unless the Meeting is adjourned, delayed or postponed, in which case "**Meeting Date**" shall refer to the date on which the Meeting is held;

"**Meeting Materials**" means, collectively, the Notice of Meeting, the Circular and the Instrument of Proxy;

"**Meeting**" means the annual general and special meeting of the Shareholders to be held on the Meeting Date at the offices of Davis LLP, Suite 1000, 250 - 2nd Street S.W., Calgary, Alberta, at 10:00 a.m. (Calgary time) or any postponements or adjournments thereof;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Non-Resident Holder**" has the meaning ascribed thereto under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations*";

"**Notice of Meeting**" means the notice of the Meeting accompanying the Circular;

"**Outside Directors"** has the meaning ascribed thereto under the heading "*DIRECTOR COMPENSATION - Director Compensation Table*";

"**Plan**" has the meaning ascribed thereto under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Stock Option Plan*";

"**Proposed Amendments**" has the meaning ascribed thereto under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations*";

"**Record Date**" means January 29, 2013, the record date of the Meeting;

"**Registered Shareholder**" means a holder of Common Shares, as noted in the records of the Transfer Agent, as of the Record Date;

"**Resident Holder**" has the meaning ascribed thereto under the heading "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Certain Canadian Federal Income Tax Considerations*";

"**Shareholder**" means a holder of Common Shares and "**Shareholders**" means holders of Common Shares;

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th suppl.), as amended from time to time;

"**Transfer Agent**" means Equity Financial Trust Company, the registrar and transfer agent of the Company;

"**TSXV**" means the TSX Venture Exchange; and

"**TSXV Policy 5.9**" means Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSXV.

SUMMARY

The following is a summary of certain significant information appearing elsewhere in this Circular. Certain capitalized terms used in this summary are defined in the Glossary of Terms. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. Shareholders are urged to read this Circular and the attached schedules in their entirety.

Date, Time and Place of Meeting

The Meeting will be held on February 28, 2013 at 10:00 a.m. (Calgary time) at the offices of Davis LLP, Suite 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1.

Record Date and Quorum

The record date for the determination of Registered Shareholders entitled to notice of and to vote at the Meeting is January 29, 2013. A Shareholder is entitled to receive notice of, and to vote at, the Meeting if such Shareholder owned Common Shares at the close of business on January 29, 2013. The by-laws of the Company provide that a quorum at any meeting of shareholders shall be person present not being less than two (2) in number and holding or representing not less than five (5%) percent of the outstanding shares of the Company entitled to vote at a meeting.

Purpose of Meeting

At the Meeting, Registered Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, (i) an ordinary resolution fixing the number of directors to be elected at four (4), (ii) an ordinary resolution approving the election of directors for the ensuing year, (iii) an ordinary resolution approving the appointment of auditors of the Company for the ensuing year, (iv) an ordinary resolution approving the stock option plan of the Company, (v) the special resolution to approve the Dissolution (the "**Dissolution Resolution**"), the text of which is set out in **Schedule "A"** to this Circular, and (vi) any other business that may properly come before the Meeting, or any adjournments or postponements thereof.

Overview of Distribution and Dissolution

After evaluating the Company's remaining strategic options, the Board reached the conclusion that it is in the best interests of the Shareholders and the Company to voluntarily liquidate and dissolve the Company in accordance with the provisions of the *Business Corporations Act* (Alberta) ("**ABCA**"). On January 29, 2013, Seaway announced that it would seek Shareholder approval for (i) the voluntary liquidation and dissolution of Seaway pursuant to section 212 of the ABCA, and the cash distributions of its remaining assets to its Shareholders after providing for outstanding liabilities, contingencies and costs of the liquidation, and (ii) the ultimate dissolution of Seaway in the future once all of the liquidation steps have been completed.

The Company is currently operating its business of providing construction and environmental consulting services to the oil and gas industry. Seaway's principal assets are comprised of cash and accounts receivable that total at the present time approximately $1.0 million. Subject to the approval of the Shareholders, the Company will cease providing such services, aside from the collection of accounts receivable, and make an assessment of its remaining assets and all outstanding liabilities, including contingent liabilities and the costs of the Dissolution, which the Company currently anticipates to be in the range of $793,000 and $932,000. The Company will also need to carry out certain filings with, and receive various approvals from, the registrar under the ABCA, comply with the creditor notification requirements under the ABCA, as well as obtain certain confirmations and consents from the Canada Revenue Agency ("**CRA**").

Seaway will then set a record date for determining the Shareholders that will be entitled to participate in the Distribution. The Company will also consider and assess all other factors relevant to the liquidation process. Based on such assessment, and as soon as practicable after all the obligations and liabilities of the Company have been satisfied, the Company will, in its discretion, determine the amount and timing of the distributions to be made to Shareholders under the liquidation process. Seaway shall then distribute, in one or more instalments, as much as possible of its cash assets (which may be made through a depositary agreement between the Company and a

depositary), in excess of a reasonable reserve for remaining costs and liabilities in an amount determined by the Board in their discretion, acting reasonably. The Company will then take all necessary action to formally dissolve and terminate its existence under the ABCA through the filing of articles of dissolution.

Upon satisfaction of the liabilities of the Company, the Board expects that Shareholders will receive a Distribution of between $.0045 to $0.01 of cash per Common Share, based upon 28,877,470 Common Shares issued and outstanding, which amount shall be paid in one or more instalments. 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 the cash available for the Distribution, but there is no assurance this will remain the case.

Although management of the Company believes that the estimates of the liabilities and net proceeds for the foregoing Distribution are reasonable based on information currently available to the Company, the actual amounts of such liabilities and resulting net proceeds available for the Distribution may differ materially from such estimates, 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 this will remain the case. See "*Information Regarding the Liquidation and Dissolution of the Company*". Further details regarding the timing of, and amount of funds available for, Distributions will be provided through news release(s) of Seaway.

Reasons for the Liquidation and Dissolution

In recent years, Seaway has seen a substantial decline in revenue predominantly due to decreased activity associated with depressed natural gas prices, a shift in the Company's business activities to lower margin environmental consulting activities, and the completion of a significant long term contract with a major client. Furthermore, the Company does not anticipate any material change in natural gas prices and related activities in the foreseeable future.

Over the past 14 months, the Board and management of the Company, together with its external advisors, devoted substantial time and effort in considering various alternatives to enhance shareholder value as the Company does not anticipate any material change in natural gas prices and related activities in the foreseeable future. Such efforts included a share buy-back program, hiring of additional personnel to assist in developing the project client base, seeking to identify a strategic merger or alliance partner, and proposing a "going private" transaction (the "**Going Private Transaction**"), considered at the last annual general and special meeting of Shareholders held on February 2, 2012. In the Going Private Transaction, the Company's agreed, in accordance with the terms of a support agreement, to redeem all of the Common Shares held by the Shareholders, other than Common Shares held by certain participating members of the Board and management of the Company, and their respective associates and affiliates (collectively, the "**Management Shareholders**"), for a cash payment of $0.04 per share, representing a premium of approximately 20% over the $0.0332 per share 30-day volume weighted average price of the Common Shares on the TSXV on January 5, 2012. The Shareholders (excepting the Management Shareholders who were excluded from voting under applicable securities law) did not approve the Going Private Transaction.

Declining revenues, combined with difficult economic conditions, the increasing costs of both maintaining a listing on the TSXV and complying with the requisite continuous disclosure obligations under applicable securities law, the inability of the Company to raise funds through the issuance of equity on acceptable terms, the improbability that operating the Company as a going concern will generate greater value for Shareholders, and the Shareholder's rejection of the Going Private Proposal, led the Board to determine that the Dissolution is the best alternative among the limited opportunities available to the company to maximize Shareholder value having regard to the current financial position of the Company. Notwithstanding the foregoing, until such time as Shareholder approval is received for the Dissolution Resolution, Seaway will continue to evaluate other opportunities that have the potential of providing a superior return to its Shareholders.

Recommendation of the Board

After consideration of various factors, including those described in the section entitled "*Information Regarding the Distribution and Dissolution*", the Board unanimously determined that the Dissolution is in the best interests of the Shareholders and the Company. The Board unanimously recommends that Shareholders vote FOR the Dissolution Resolution to approve the Dissolution, and other matters relating thereto, all as set forth in this Circular.

In considering the recommendation of the Board with respect to the Dissolution Resolution, Shareholders should be aware that certain of the Company's executive officers have interests in the Dissolution that are different from, or in addition to, that of Shareholders, including the receipt of severance packages. The Board was aware of and considered these interests, to the extent such interests existed at the time, among other matters, in evaluating and in recommending the Dissolution Resolution be approved by the Shareholders. See "*Interests of Certain Persons and Companies in Matters to be Acted Upon*".

The text of the Dissolution Resolution is set out in Schedule "A" to this Circular. Unless instructed otherwise, the Management Designees in the accompanying Instrument of Proxy intend to vote FOR the Dissolution Resolution in order to give effect to the Dissolution.

Shareholder Approvals Required

In order to complete the Dissolution, the Dissolution Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

In addition, in connection with certain severance payments to certain executive officers of the Company triggered by the Dissolution, Canadian securities law requires that the Dissolution Resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting who vote in respect of that resolution, excluding votes in respect of Common Shares held by certain executive officers of the Company pursuant to MI 61-101 and TSXV Policy 5.9. To the knowledge of the management of the Company as at the date of the Circular, for the purposes of voting under MI 61-101, a total of 6,066,000 Common Shares held by certain executive officers, their associates, affiliates and joint actors, will be excluded from the vote in respect of the Dissolution Resolution. See "*Particulars of Matters to be Acted Upon – Approval of the Dissolution Resolution*".

Notwithstanding the receipt of Shareholder approval, the Board is authorized and empowered in the Dissolution Resolution, without further approval of the Shareholders, not to proceed with the Dissolution if the Board has determined the Dissolution to be no longer in the best interests of the Company and the Shareholders. For example, if, prior to its formal dissolution under the ABCA, 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 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 and dissolution of the Company could be abandoned in favor of such a transaction.

Stock Exchange Listing

The Common Shares currently trade on the TSXV. If the Dissolution Resolution is approved, the Company will be required to meet the continued listing requirements of TSXV in order to remain listed. The Company does not expect to meet the original listing requirements as the Company will commence liquidation steps and cease to be engaged in an ongoing business. As a result, the Company will take the appropriate steps following the determination of a record date for the Distribution to voluntarily delist from the TSXV.

Certain Canadian Federal Income Tax Considerations

A Shareholder who is resident in Canada and holds its Common Shares as capital property should realize a capital gain (or capital loss) in the amount by which the cash amount(s) received pursuant to the Distribution exceeds (or is less than) the holder's adjusted cost base of the Common Shares. Non-resident Holders should not incur any liability for Canadian federal income tax in respect of any Distributions they receive. **A summary of the principal Canadian federal income tax considerations in respect of the Dissolution is included under "*Certain Canadian Federal Income Tax Considerations*" and the foregoing is qualified in full by the information in such section.**

Risk Factors

There are certain risk factors in respect of the Dissolution that should be considered by the Shareholders in evaluating whether to vote for the Dissolution Resolution. See "*Risk Factors*".

SEAWAY ENERGY SERVICES INC.
MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by the management of Seaway Energy Services Inc. for use at the annual general and special meeting (the "Meeting") of its holders of Common Shares to be held on February 28, 2013, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

Forward-Looking Statements

This Circular contains certain statements or disclosures that may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management or the directors of the Corporation, anticipate or expect may or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro forma" or other comparable terminology.

Forward-looking statements presented in such statements or disclosures may, among other things, relate to: the structure and effects of the Distribution and the Dissolution, the anticipated benefits and Shareholder value resulting from the Dissolution, the timing and completion of the Distribution and the Dissolution, the liabilities and obligations of the Corporation, cash distributions, estimated costs of the Dissolution, anticipated income taxes, plans and objectives of management in connection with the Distribution and the Dissolution and operations until the Distribution and the Dissolution, final costs of the Dissolution, the nature and results of operations until completion of the Distribution and the Dissolution, forecast business results and anticipated financial performance.

Various assumptions or factors are applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those assumptions and factors are based on information currently available to the Corporation, including information obtained from third party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking statements.

Shareholders are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- the approval of the Dissolution by Shareholders;
- no significant adverse changes in economic conditions that influence the demand for services related to the oil and natural gas industry;
- assumptions made in the discussion of risk factors discussed herein. See "**Risk Factors**"; and
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking statements in statements or disclosures in this Circular are based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Corporation to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements. Those factors are based on information currently available to the Corporation including information obtained by the Corporation from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Corporation does not know what impact any of those differences may have, its business, results of operations, financial condition and its credit stability may be materially adversely affected. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things:

- the failure to complete the Distribution and the Dissolution;

- the failure to realize the anticipated benefits of the Distribution and the Dissolution;
- the risks that the Dissolution will not receive all requisite Shareholder and regulatory approvals;
- the risks associated with general economic conditions in the geographic areas where the Corporation operates;
- the risks of changes in market demand for services related to the oil and natural gas industry that the Corporation derives revenue from;
- the risks associated with legislative and regulatory developments or changes that may affect costs, taxes, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Corporation and its subsidiary operate, timing and extent of changes in prevailing interest rates, currency exchange rates, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters; and
- the risk factors discussed herein. See "Risk Factors".

The Corporation cautions Shareholders that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of to differ materially from those contemplated (whether expressly or by implication) in the statements or disclosure containing forward-looking statements are disclosed in the Corporation's publicly filed disclosure documents and those disclosed under "**Risk Factors**" in this Circular.

The Company

The Company was incorporated pursuant to the provision of the *Business Corporations Act* (Alberta), on May February 28, 2005 as Dolce Financial Corp. On June 27, 2005 the Company amended and restated its articles to remove the restrictions on share transfers. The Company changed its name by Certificate of Amendment to Seaway Energy Services Inc. on January 29, 2007. The Company then completed an amalgamation with its wholly-owned subsidiary, Seaway Project Management (1998) Ltd., on September 30, 2008, upon the filing of the articles of amalgamation. The head office of the Company is located at Suite 101A, 1120 - 53rd Avenue NE, Calgary, Alberta T2E 6N9. The registered office of the Company is located at 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1. In this Circular, references to the "**Company**", "**we**" and "**our**" refer to Seaway Energy Services Inc. All dollar amounts referred to in the Circular are stated in Canadian dollars, unless otherwise indicated.

GENERAL PROXY INFORMATION

Solicitation of Proxies

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54 -101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

Appointment and Revocation of Proxies

The Management Designees in the enclosed Instrument of Proxy have been selected by the Board and have indicated their willingness to represent as proxy the Shareholder who appoints them. A Shareholder has the right to designate a person (whom need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting there from the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the Transfer

Agent. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the Instrument of Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a Shareholder personally attending at the Meeting and voting his shares.

An Instrument of Proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Company's transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Company or with Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his shares.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Company's Transfer Agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the**

voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

Voting of Proxies

Each Shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Company.

Quorum

The by-laws of the Company provide that a quorum at any meeting of shareholders shall be person present not being less than two (2) in number and holding or representing not less than five (5%) percent of the outstanding shares of the Company entitled to vote at a meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares. As at the date of this Circular, which is January 29, 2013, 28,877,470 Common Shares are issued and outstanding as fully paid and non-assessable. No other shares of any other class are issued or outstanding. The Common Shares are the only shares entitled to be voted at the Meeting and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on January 29, 2013 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the Board and the executive officers of the Company, as at the January 29, 2013, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than as follows:

Name	Type of Ownership	Number of Common Shares Owned or Controlled at the Effective Date	Percent of Outstanding Common Shares
Jerry J. Budziak	Registered and Beneficial	6,066,000	21.0%
David A. Burroughs	Registered and Beneficial	3,620,000	12.5%

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The compensation program of the Company is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Company's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Company. The compensation program is designed to reward management performance by aligning a component of the compensation with the Company's business performance and share value. The philosophy of the Company is to pay the management a total compensation amount that is competitive with other Canadian junior oil & gas services companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Company on both an annual and long term basis.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the Company's stock option plan. Increasing the value of the Company's Common Shares increases the value of the stock options. This incentive closely links the interests of the management and directors to the Shareholders of the Company.

In addition, in order to retain and reward qualified personnel in the highly competitive petroleum and natural gas business, the Company, from time to time, makes cash bonuses a component of compensation, taking into consideration performance by both the Company and the respective personnel. Though the Company has not adopted a formal bonus plan or non-equity incentive plan, all personnel, including executive officers are eligible to receive a bonus. The size of the bonus pool is based on the recommendation of the Compensation Committee to the Board after consultation with management.

The Company entered into an employment agreement (the "**Budziak Agreement**") effective May 1, 2006, with Jerry J. Budziak, the President and Chief Executive Officer of the Company. Pursuant to the Budziak Agreement, the Company paid $12,500.00 per month to Mr. Budziak for the services performed. In the event of termination of the Budziak Agreement by the Company without just cause, or in the event of a merger, amalgamation, acquisition of the Company by another person, acquisition of substantially all the assets of the Company, or a change in control of the Company, Mr. Budziak is entitled to a termination payment of six (6) month's salary plus one (1) additional month's salary for each year of service not to exceed eighteen (18) months. The Budziak Agreement is automatically renewed on an annual basis, subject to termination in accordance with the terms thereof.

Option-based Awards

No stock options were granted to directors and officers of the Company during the financial year ended September 30, 2012.

When granted, the allocation of the number of options granted among the directors and officers of the Company is determined by the Board. See *"Incentive Plan Awards"* below and *"DIRECTOR COMPENSATION - Incentive Plan Awards"* below.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the three most recently completed financial years for services in all capacities to the Company and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer ("**CEO**") or chief financial officer ("**CFO**") and the three most highly compensated executive officers whose total compensation exceeded $150,000 per annum (the "**Named Executive Officers**").

SUMMARY COMPENSATION TABLE									
					Non-Equity Incentive Plan Compensation ($) ($)				
Name and Principal Position	Year Ended September 30	Consulting Fees / Salary ($)	Share-Based Awards ($)[1]	Option-Based Awards ($)[2]	Annual Incentive Plans	Long-Term Incentive Plans	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
Jerry J. Budziak[3] CEO	2010	115,000	Nil	Nil	15,000[4]	Nil	Nil	Nil	130,000
	2011	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2012	150,000	Nil	Nil	3,487	Nil	Nil	Nil	153,487
Michal Holub[5] CFO	2010	22,102	Nil	Nil	5,000[4]	Nil	Nil	Nil	27,102
	2011	18,539	Nil	Nil	Nil	Nil	Nil	Nil	18,539
	2012	30,505	Nil	Nil	Nil	Nil	Nil	Nil	30,505

Notes:

(1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Sholes option pricing model. See discussion below.

(3) Mr. Budziak did not receive any additional compensation for serving as a director of the Company.

(4) Represents discretionary bonus payments earned for services performed during the applicable year. The Company does not have a non-equity incentive plan.

(5) Consulting fees and bonuses are paid to a company controlled by Mr. Holub.

Narrative Discussion

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Company did not have any Share-Based Awards or Option-Based Awards outstanding as of the most recent financial year ended September 30, 2012.

Incentive Plan Awards - Value Vested or Earned During the Year

There were no Option-Based Awards, Share-Based Awards or non-equity incentive plan compensation, which vested or were earned during the most recently completed financial year by any Named Executive Officer.

Pension Plan Benefits

The Company does not have a pension plan or any other plan that provides for payments or benefits at, following or

in connection with retirement. The Company does not have a deferred compensation plan.

Narrative Discussion

The Company has a stock option plan previously approved by the Shareholders at the last meeting of the Shareholders on February 2, 2012. The significant terms of the Plan are disclosed in this Circular under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Stock Option Plan*".

Pension Plan Benefits

The Company does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Company is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities other than pursuant to the terms of the Budziak Agreement, which provides that in the event of termination by the Company without just cause, or in the event of a merger, amalgamation, acquisition of the Company by another person, acquisition of substantially all the assets of the Company, or a change in control of the Company, Mr. Budziak is entitled to a termination payment of six (6) month's salary plus one (1) additional month's salary for each year of service not to exceed eighteen (18) months.

DIRECTOR COMPENSATION

During the year ended September 30, 2012, the Company had five (5) directors (inclusive of John Murdoch who resigned on October 21, 2011), one (1) of which is also a Named Executive Officer, with a total of four (4) directors as at year ended September 30, 2012. For a description of the compensation paid to the Named Executive Officer of the Company who also acts as a director of the Company, see "*EXECUTIVE COMPENSATION*".

Director Compensation Table

No compensation was provided to directors who are not also Named Executive Officers ("**Outside Directors**") of the Company for the most recently completed financial year, expect as set out in the table below.

Name	Fees Earned ($)	Share-Based Awards ($)[1]	Option-Based Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
David A. Burroughs	1,500	Nil	Nil	Nil	Nil	Nil	1,500
John Murdoch[3]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Windle[4]	5,000	Nil	Nil	Nil	Nil	Nil	5,000
Elias Foscolos	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Sholes option pricing model.

(3) Mr. Murdoch resigned as a director on October 21, 2011.

(4) Mr. Windle received these fees in connection with his duties as the sole member of the special committee of the Board, established on November 25, 2011, to consider the proposed Going Private Transaction considered by Shareholders at the last annual general meeting of Shareholders held on February 2, 2012. See "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of the Dissolution - Recommendation of the Board*".

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Company had no Share-Based Awards or Option-Based Awards outstanding as of the most recent financial year ended September 30, 2012.

Incentive Plan Awards - Value Vested or Earned During the Year

There were no Option-Based Awards, Share-Based Awards or non-equity incentive plan compensation which vested or were earned during the most recently completed financial year by any of the Outside Directors of the Company.

Narrative Discussion

The significant terms of the Plan are disclosed in this Circular under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of 2012 Stock Option Plan*".

Other Compensation

Other than as set forth herein, the Company did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to $10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

There are no securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed financial year ended September 30, 2012.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Company nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein and below, or as previously disclosed, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Company which has or will materially affect the Company.

Pursuant to the Budziak Agreement, Jerry J. Budziak an executive officer and a director of the Company, will be entitled to a termination payment of $162,500, and holiday pay in the amount of $43,000, upon completion of the Dissolution. See "*EXECUTIVE COMPENSATION - Compensation Discussion and Analysis*" and "*Termination and Change of Control Benefits*"

MANAGEMENT CONTRACTS

Other than as set forth herein, during the most recently completed financial year, no management functions of the Company were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein and below, no director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

Pursuant to the Budziak Agreement, Jerry J. Budziak an executive officer and a director of the Company, will be entitled to a termination payment currently estimated at $162,500, and holiday pay in the amount of $43,000, upon completion of the Dissolution. See "*EXECUTIVE COMPENSATION - Compensation Discussion and Analysis*" and "*Termination and Change of Control Benefits*"

NORMAL COURSE ISSUER BID

Pursuant to a Normal Course Issuer Bid ("**NCIB**") approved on February 17, 2011 through the facilities of the TSXV, the Company may acquire over a 12 month period up to the greater of 1,549,423 or 10% of its Common Shares making up the "public float" as defined under the policies TSXV. Up to the date of this Circular, the Company repurchased a total of 2,111,000 Common Shares at an average price of $0.412 per share for a total cost of $86,925.00. The NCIB expired effective February 17, 2012. Aside from the aforementioned purchases under the NCIB, the Company has not made any purchase of Common Shares during the 12 month period prior to the date of this Circular.

AUDIT COMMITTEE

The Canadian Securities Administrators' National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors, as set forth in the following discussion.

Audit Committee Terms of Reference

The terms of reference for the Company's audit committee ("**Audit Committee**") are attached as Schedule "I" to this Circular.

Audit Committee Composition

The following are the members of the Audit Committee, as at the date hereof:

David A. Burroughs	Independent[(1)]	Financially literate[(1)]
Michael Windle	Independent[(1)]	Financially literate[(1)]
Elias Foscolos	Independent[(1)]	Financially literate[(1)]

Note:

(1) As defined by NI 52-110.

Relevant Education and Experience

Mr. Foscolos is the President CEO, CFO and a director (and a member of the audit committee) of Acorn Income Corp., a Canadian National Stock Exchange listed entity. Mr. Foscolos has, since 2001, served as the President of Accretive Financial Corp., a consulting firm that specializes in providing financial consulting services to private and publicly traded entities focused on the financial services and energy sectors. Mr. Foscolos also serves as the President, CFO and a director of Amalgamated General Partner Ltd., which was the general partner of Amalgamated Income Limited Partnership, a TSX listed entity, until its wind-up and dissolution in March 2011. Mr. Foscolos has served in various other executive officer capacities and as a director, including as a current director of Merrex Gold Inc. a TSXV listed company. From 2005 to 2010, Mr. Foscolos has served as an executive officer and/or a director

of various private and exchange listed investment limited partnerships, primarily involved in the oil and gas sector. From 1997 until 2001, Mr. Foscolos was employed in the investment banking business with a number of firms including Merrill Lynch Canada and finally as a Vice-President with Yorkton Securities Inc. Mr. Foscolos received his Masters of Science in Industrial Administration (with distinction) from Carnegie Mellon University in 1992 and a Bachelors of Science Degree in Chemical Engineering from the University of Calgary in 1988.

Mr. David A. Burroughs is currently the General Manager for PureChem Services, an oil and gas specialty chemicals provider, a division of Canadian Energy Services. Mr. Burroughs serves on the Board of Directors of Hermes Financial Inc., a TSXV listed company and has been and is currently on the audit committee of other public companies.

Mr. Michael Windle was a Manager of SAP with PetroKazakhstan Overseas Inc., an oil and gas development company from 1999 to 2004 and is currently the President of 1143536 Alberta Ltd., a private company engaged in business development consulting to the oil and gas industry. Mr. Windle is also the President, CEO and a director of Breaking Point Developments Inc., a "Capital Pool Company" under the policies of the TSXV. He also served on the Board of Directors of Dolce Enterprises Inc., a public company trading on the TSXV from June to December 2006. Mr. Windle holds a Bachelor of Commerce degree from the University of Alberta.

All of the members of the Audit Committee have been either directly or indirectly involved in the preparation of the financial statements, filing of quarterly and annual financial statements, dealing with auditors, or as a member of the Audit Committee. All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (securities regulatory authority exemption).

Pre-Approval Policies and Procedures

The Audit Committee had adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*Audit Committee Terms of Reference - External Auditors*".

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending September 30	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2012	$33,000 (1)	Nil	Nil	Nil
2011	$30,000	Nil	Nil	Nil

Note:

(1) Estimated fees.

Exemption

The Company is relying upon the exemption in Section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Company is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board is currently comprised of four members. All of these individuals are nominated for re-election at the Meeting. Mr. David A. Burroughs, Mr. Michael Windle and Mr. Elias Foscolos are the independent directors of the Company (within the meaning of NI 58-101).

Mr. Jerry J. Budziak, the CEO and President of the Company, is a member of management and, as a result, not an independent director.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement. As disclosed above, the Board is comprised of a majority of independent directors. The independent judgement of the Board in carrying out its responsibilities is the responsibility of all directors. The Board of the Company facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board have free access to the Company's external auditors, legal counsel and to any of the Company's officers.

Directorships

The following directors of the Company are presently directors of other reporting issuers:

Name	Name of Reporting Issuer
David A. Burroughs	Hermes Financial Inc.
Elias Foscolos	Acorn Income Corp. and Merrix Gold Inc.
Michael Windle	Breaking Point Developments Inc.

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy and current issues with the Company. New directors are also expected to meet with management of the Company to discuss and better understand the Company's business and are advised by counsel to the Company of their legal obligations as directors of the Company. New directors are also given copies of the Company's policies.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

Ethical Business Conduct

The Board has adopted a written code of business conduct and a copy thereof is available on the website of the Company at www.seawayenergy.com.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the ABCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board has not appointed a nominating committee. The Board determines new nominees to the Board although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members including both formal and informal discussions among the Board members and officers.

Compensation

The Compensation Committee is composed of a majority of independent directors. The members of the Compensation Committee are listed under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Election of Directors*". The responsibilities of the Compensation Committee include reviewing and recommending to the Board the compensation policies and guidelines for management and personnel, corporate benefits, bonuses and other incentives.

Other Board Committees

The Company has no standing Committees at this time other than the Audit Committee and the Compensation Committee, as discussed above and the Safety and Environmental Committee. The member of the Safety and Environmental Committee are listed under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Election of Directors*". The responsibilities of the Safety and Environmental Committee include obliging management and employees to be aware of compliance obligations and promote a commitment to safety and environment at all levels.

Assessments

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. As a result of the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

Directors' and Officers' Insurance

Currently, the Company does not have a directors' and officers' insurance policy providing for the indemnification of the its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Report and Financial Statements

The Board has approved all of the information in the audited financial statements of the Company for the year ended September 30, 2012 and the report of the auditor thereon, copies of which are available on SEDAR at www.sedar.com.

2. Fix Number of Directors to be Elected at the Meeting

Shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that four (4) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).**

3. Election of Directors

The Company currently has four (4) directors and all of these directors are being nominated for re-election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his Instrument of Proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company or the provisions of the ABCA to which the Company is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Date of this Circular[1]
Jerry J. Budziak [4] Calgary, Alberta October 2006	President and CEO of the Company.	6,066,000 (21.0%)
David A. Burroughs [2] [3] Edmonton, Alberta February 2005	General Manager for PureChem Services, an oil and gas specialty chemicals provider, a division of Canadian Energy Services	3,620,000 (12.5%)

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Date of this Circular[1]
Michael Windle [2] [3] Calgary, Alberta February 2005	President of 1143536 Alberta Ltd., a private company engaged in business development consulting to the oil and gas industry; President, CEO and a director of Breaking Point Developments Inc., a Capital Pool Company as defined by the policies of the TSXV.	100,000 (<1%)
Elias Foscolos [2] Calgary, Alberta May 2009	President, CEO and Director of Accretive Financial Corp.; President, CEO and CFO of Acorn Income Corp.; President and CFO of Amalgamated General Partner Ltd.	2,603,000 [5] (9.01%)

Notes:

(1) The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors.
(2) Members of the Company's Audit Committee.
(3) Member of the Company's Compensation Committee.
(4) Member of the Company's Safety and Environmental Committee.
(5) In respect of Mr. Foscolos' holdings of Common Shares, 1,577,000 Common Shares are held by Accretive Financial Corp., a company owned and controlled by Mr. Foscolos. In addition thereto, 1,281,000 Common Shares are held by the spouse of Mr. Foscolos.

Cease Trade Orders

No proposed director, within 10 years before the date of this Circular, has been a director, CEO or CFO of any company that:

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;

except for:

(a) Elias Foscolos was a director of Banff Rocky Mountain Resort Ltd., the general partner of Banff Rocky Mountain Resort Limited Partnership (the "**Partnership**"), when the Partnership was subject to cease trade orders issued in May of 2008 by the Ontario Securities Commission and the Alberta Securities Commission (collectively, the "**Orders**"). The Orders were issued by such commissions due the Partnership's failure to file audited financial statements for the year ended December 31, 2007 (the "**2007 Financial Statements**") in accordance with applicable securities law. The Partnership did not file the Financial Statements in a timely manner because it was required to restate the Partnership's previously issued audited annual financial statements for the year ended December 31, 2006 and expand the disclosure contained in the accompanying annual Management's Discussion and Analysis (collectively, the "**2006 Financial Statements**"). Mr. Foscolos was not a director, Chief Executive Officer or Chief Financial Officer of Banff Rocky Mountain Resort Ltd. at the time the 2006 Financial Statements were originally prepared and filed, as he was not elected as a director thereof until June 22, 2007. Once the Partnership identified and satisfactorily resolved the deficiencies in the 2006 Financial Statements, it was able to proceed

with finalizing and filing the 2007 Financial Statements. Once the 2006 Financial Statements and 2007 Financial Statements were filed in accordance with applicable securities law, the Partnership applied for, and received, revocations of the Orders on November 28, 2008.

Bankruptcies

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

Penalties and Sanctions

No proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director,

other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable securityholders in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The shareholders of the Company will be asked to vote for the appointment of Buchanan Barry LLP, Chartered Accountants **("Buchanan Barry LLP"),** as auditor of the Company. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing Buchanan Barry LLP, as auditor of the Company for the next ensuing year,** to hold office until the close of the next annual general meeting of shareholders or until Buchanan Barry LLP is removed from office or resigns as provided by the Company's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board to fix the compensation of the auditor. Buchanan Barry LLP has been the Company's auditor since November 30, 2007.

5. Approval of the Stock Option Plan

The Company has a stock option plan (the "**Plan**") previously approved by the Shareholders on February 2, 2012, a copy of the Plan is available on SEDAR attached as Schedule "H" to the management information circular of the Company, dated January 6, 2012, in respect of the last annual general and special meeting of Shareholders held on February 2, 2012. A copy of the Plan will also be available for inspection at the Meeting. There have been no changes to the terms of the Plan.

On December 15, 2008, the TSXV implemented changes to streamline its Policies, including Policy 4.4 relating to incentive stock options. The amended Policy 4.4 of the TSXV is less restrictive and now allows for option

termination dates on ceasing to act for an issuer to be determined at the discretion of the board and for options to be granted for up to 10 years. Pursuant to the amended Plan, the maximum length of any option shall be ten (10) years from the date the option is granted. Notwithstanding the above, a participant's options will expire ninety (90) days after a participant ceases to act for the Company, other than by reason of death, subject to extension at the discretion of the Board. Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to the Company, subject to extension at the discretion of the Board. Under the amended Plan, in the event of the death of a participant, the participant's estate shall have twelve (12) months in which to exercise the outstanding options.

Pursuant to the policies of the Company respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Company's securities. These periods are referred to as "black-out periods". A black out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The amended Plan includes a provision that should an option expiration date fall within a black out period or immediately following a black-out period, the expiration date will automatically be extended for ten business days following the end of the black-out period.

The other terms of the Plan are summarized as follows. The Plan shall be administered by the Board or if appointed, by a special committee of directors appointed from time to time by the Board. The aggregate number of Common Shares which may be reserved for issuance under the Plan shall not exceed 10% of the Company's issued and outstanding Common Shares. The number of Common Shares subject to an option granted to a participant shall be determined by the Board, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the Board, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The Board have the absolute discretion to amend or terminate the Plan.

Policy 4.4 of the TSXV requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. In accordance with Policy 4.4, Shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving, adopting and ratifying the Plan as the Company's Plan.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

"**Be it resolved as an ordinary resolution of the Company that**:

1. the stock option plan of the Company be and is hereby ratified, approved and adopted as the stock option plan of the Company;

2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;

3. the issued and outstanding stock options previously granted shall be continued under and governed by the Plan;

4. the shareholders of the Company hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and

5. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution approving the Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by Shareholders who vote in respect to the resolution.

6. Approval of the Dissolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, the Dissolution Resolution, the text of which is set out in **Schedule "A"** to this Circular, which if passed, will result in the Company carrying out the Dissolution.

If the Dissolution Resolution is approved, the Company will continue until completion all outstanding work-in progress and will thereafter cease operations, except for the administration of payables and receivables related to previous normal business operations. The assets of the Company will consist primarily of cash and cash equivalents. Further to the considerations described above under "*Recommendation of the Board*" below, the Board intends to distribute the and cash on hand less the Company's liabilities in one or more instalments as part of the Distribution. Notwithstanding the foregoing, until such time as Shareholder approval is received for the Dissolution Resolution, Seaway will continue to evaluate other opportunities that have the potential of providing a superior return to its Shareholders.

Distribution of Cash by Way of a Reduction of Capital

The Dissolution Resolution includes a resolution to approve the payment of a Distribution. The Company proposes to reduce the stated capital of the Common Shares equal to the amount of the Distribution which amount will be paid with cash available after payment of, or provision for, the liabilities and obligations of the Company.

The Company anticipates having net cash on-hand of approximately $129,000 to $288,000, and expects that Shareholders will receive between $0.0045 and $0.01 in cash per Common Share, which amount will be paid in one or more instalments. The amount of the distribution(s) shall be determined by the Board after repayment of the Company's liabilities and reviewing tax and other potential liabilities of the Company, which are currently estimated to be between approximately $793,000 and $932,000, including severance and vacation payments ($222,000), and costs relating to the Distributions and Dissolution ($75,000 to $110,000). Although management of the Company believes that the estimates of the liabilities set forth herein are reasonable based on information currently available to the Company, the actual amounts of such liabilities 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 not factored into the above estimated liabilities and obligations which would materially reduce the amount of cash available for distribution to Shareholders, but there is no assurance this will remain the case.

As of the date of this Circular, the Company does not have reasonable grounds to believe that, after giving effect to the reduction in the stated capital account of the Common Shares, as contemplated by the Dissolution Resolution, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than the aggregate of its liabilities.

The anticipated amount of cash to be distributed to the Shareholders was calculated using the following estimates of: (i) cash on hand (including accounts receivable); and (ii) all of the liabilities of the Company that must be satisfied prior to the Distribution:

	Range	
	High ($)	**Low ($)**
Estimated Assets		
Cash and Cash Equivalents	267,000	267,000
Accounts Receivable	814,000	794,000
Subtotal Estimated Assets	**1,081,000**	**1,061,000**
Estimated Liabilities		
Accounts Payable and Accrued Liabilities	(463,000)	(463,000)
Office Lease	(33,000)	(137,000)

Severance and Holiday Payments (Budziak Agreement)	(222,000)	(222,000)
Estimated expenses of the Distribution and Dissolution (administrative, legal, accounting, transfer agency, etc.)	(75,000)	(110,000)
Subtotal Estimated Liabilities	**(793,000)**	**(932,000)**
Estimated Net Cash for Distribution	288,000	129,000
Number of outstanding Common Shares	28,877,470	28,877,470
Estimated Net Cash per Common Share	0.010	0.0045

Although management of the Company believes that the estimates of the liabilities of the Company are reasonable based on information currently available to the Company, the actual amounts of such liabilities may differ materially from the estimates presented above, and the cash amount distributed to Shareholders may be lower than the ranges presented above for a variety of reasons, including: (i) to the extent that the estimated liabilities incurred to complete the Dissolution are greater than the anticipated range of $75,000 to $110,000; (ii) to the extent there are material unforeseen costs or liabilities that must be satisfied by the Company; and (iii) to the extent that there are any unforeseen uncollectable receivables that will adversely affect the Company's cash balances.

As soon as practicable after the Company completes its work-in progress and collects its outstanding receivables, and after the Board reviews the potential liabilities of the Company, the Board shall distribute a reasonable amount of the net cash to the Shareholders, while maintaining a reserve for remaining costs and liabilities in an amount determined by the Board in their discretion acting reasonably. Before the final distribution of cash to the Shareholders, the Board will cause all outstanding obligations of the Company to be satisfied and, in connection therewith, if in the directors' discretion they determine it is advisable, obtain a tax clearance certificate from CRA.

If the Dissolution is approved by the Shareholders, the Company will provide instructions to Shareholders describing the procedures to be followed to effect the Distributions. In addition, further details regarding the timing of, and amount of funds available for, Distributions will be provided through news release(s) of Seaway. The Company will, to the extent permitted by the ABCA, reduce the stated capital of the Common Shares in respect of each Distribution by the lesser of the amount of the Distribution and the balance of the stated capital of the Common Shares determined immediately before the Distribution.

Procedural Steps for Dissolution

If the Shareholders vote in favour of the Dissolution Resolution, the Board intends to (unless it has determined that the Dissolution is no longer in the best interests of Shareholders) proceed with the Dissolution in the following manner:

1. The Company will issue a press release confirming receive of Shareholder approval of the Dissolution;

2. the Company will complete all projects or work-in progress, will cease obtaining new or additional business, and will limit operations to the administration of payables and receivables;

3. The Company will apply for clearance certificates from the CRA under the Tax Act and the *Excise Tax Act* (Canada) to confirm that no taxes are payable or remittable up to the date of Dissolution;

4. The Corporation will apply for a letter of consent from the CRA to the Dissolution which will be obtained and filed with the articles of dissolution.

5. The Company will send a statement of intent to dissolve in prescribed form to the Registrar.

6. Upon receipt of such statement of intent to dissolve, the Registrar will issue a certificate of intent to dissolve to the Company.

7. Upon the issuance of the certificate of intent to dissolve, the Company will cease to carry on business except to the extent necessary for the Distribution, but its corporate existence will continue until the Distribution and Dissolution has been completed and the Registrar issued a certificate of dissolution.

8. The Company will set a record date for the purpose of determining the Shareholders entitled to participate in the (final) Distribution of assets upon the Dissolution, and will issue a press release announcing such record date.

9. After issuance of the certificate of intent to dissolve, the Company will immediately cause notice of the issuance of the certificate to be sent or delivered to each known creditor of the Company, forthwith publish notice of the issue of the certificate in the Registrar's periodical or *The Alberta Gazette* and in a newspaper published or distributed in the place where the Company has its registered office, and take reasonable steps to give notice of the issue of the certificate in every jurisdiction where the Company was carrying on business at the time it sent the statement of intent to dissolve to the Registrar.

10. The Company anticipates that the Distribution to Shareholders of the cash after the settlement of its obligations as part of the Dissolution will be made in one or more instalments. Such Distributions will be made to Shareholders as a reduction of stated capital of the Common Shares to the extent thereof, and thereafter, if necessary as dividends, with Shareholders sharing rateably, share for share, in the Distribution proceeds. A record date will be established in connection with each distribution to determine the Shareholders entitled to participate therein. If a Shareholder cannot be located to receive Distribution proceeds, such proceeds are required to be paid to the Minister responsible for the *Unclaimed Personal Property and Vested Property Act* (Alberta).

11. The first Distribution to be made during the Dissolution is currently expected to be made as promptly as practicable after the satisfaction of statutory requirements (which may include obtaining tax clearance certificates), and the remaining instalments(s) are expected to be made after all liabilities (including contingent liabilities, if any) of the Company are satisfied, including payment of all expenses of the Distribution and Dissolution. The Company will reduce the stated capital of the Common Shares in respect of each Distribution by the amount of the Distribution (or, if less, the stated capital of the Common Shares immediately before the Distribution).

12. After all obligations and liabilities (including contingent liabilities, if any) of the Company have been satisfied or otherwise provided for, payment of all of the Company's expenses has been made, and the remaining property of the Company has been distributed to Shareholders (which may be made pursuant to a depositary agreement between the Company and a depositary), the Company will file articles of dissolution with the Registrar and will take all necessary actions to formally dissolve and terminate the Company's existence. Upon receipt of the articles of dissolution, the Registrar will issue a certificate of dissolution. The Company will cease to exist on the date shown on the certificate of dissolution and the Common Shares that remain outstanding will be cancelled on that date.

The issuance of a certificate of dissolution will commence certain statutory time periods within which claims may be filed against the Company. Notwithstanding the Dissolution of the Company, a Shareholder to whom any assets of the Company have been distributed in connection with the Dissolution is liable to any person commencing a civil, criminal or administrative action or proceeding to enforce a liability against the Company, either prior to its formal Dissolution or within two (2) years after the date of such dissolution, to the extent of the amount received by the Shareholder on the Distributions, provided that an action to enforce that liability is brought within two (2) years after the date of Dissolution of the Company. See "*Risk Factors - Return of Capital and Dissolution*".

Stock Exchange Listing

The Common Shares currently trade on the TSXV. If the Dissolution Resolution is approved, the Company will be required to meet the continued listing requirements of TSXV in order to remain listed. The Company does not expect to meet the original listing requirements as the Company will commence liquidation steps and cease to be engaged in an ongoing business. As a result, the Company will take the appropriate steps following the determination of a record date for the Distribution to voluntarily delist from the TSXV.

Risk Factors

Consummation of the Distributions and Dissolution as contemplated in the Circular are subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Dissolution Resolution:

Distribution Risks

The Distribution(s) made by the Company to Shareholders pursuant to the Dissolution is subject to a number of risks, including the following:

- the timing, amount or nature of any Distributions to Shareholders cannot be predicted with certainty;
- the Company's estimate of the amount available for Distribution to Shareholders could be reduced if the Company's expectations regarding operating expenses and Dissolution costs are inaccurate;
- the Company's estimate of the amount available for Distribution to Shareholders is based on a number of assumptions, including with respect to administrative and professional expenses incurred during the Dissolution;
- a delay in the completion of the Company's current work-in progress and in collecting outstanding receivables could potentially decrease the funds available for distribution to Shareholders as the Company will continue to be subject to ongoing operating expenses and may continue to be subject to certain continuous disclosure expenses; and
- the Board may determine not to proceed with the Dissolution.

Market Price and Liquidity of Common Shares

The Common Shares have historically been thinly traded, with daily volume generally representing less than one percent (1%) of the outstanding Common Shares. If the Dissolution Resolution is approved, and the Company ceases to have an operating business, trading volumes may be further reduced and, accordingly, it may be difficult for Shareholders to liquidate their investments in the Company. The Company expects that as a result of delisting from the TSXV, The market price at which Shareholders can sell Common Shares may not reflect the net asset value of the Company.

The Common Shares are currently listed on the TSXV under the symbol "SEW". The following table sets forth the high and low prices and aggregate volume of sales of the Common Shares traded on the TSXV for the past 12 months:

	High (Cdn.$)	Low (Cdn.$)	Volume
January 2012	0.045	0.035	750,500
February 2012	0.035	0.030	1,408,000
March 2012	0.030	0.025	3,063,000
April 2012	0.030	0.025	209,900
May 2012	0.025	0.020	1,061,000
June 2012	0.020	0.020	15,000
July 2012	0.015	0.015	93,000
August 2012	0.015	0.010	141,000
September 2012	0.015	0.010	60,000
October 2012	0.015	0.010	230,000
November 2012	0.015	0.010	65,000
December 2012	0.015	0.015	135,000
January 1 - 29, 2013 (1)	0.02	0.010	846,500

Note:

(1) The Company publically announced the Dissolution on January 29, 2013. The Common Shares closing price on the TSXV on January 29, 2013 was $0.015 per share.

Return of Capital and the Dissolution

The process of voluntarily liquidating and dissolving up a public company such as the Company involves significant uncertainties that affect both the amount that can be distributed to Shareholders and the time to complete the Dissolution. Some of the principal uncertainties relate to the timing, the process of obtaining tax clearance certificates and the potential for tax liabilities or other contingent liabilities. In addition, ongoing corporate costs of the Company will reduce the amount available for distribution to Shareholders and, in the event the Dissolution is delayed these costs will continue to be incurred. Until completion of the Dissolution process, the Company will remain a reporting issuer and will incur the attendant costs. Accordingly, the amount of cash to be distributed to Shareholders cannot currently be quantified with certainty, and Shareholders may receive substantially less than their pro rata share of the current estimated amounts available for distribution to Shareholders under the Dissolution.

Under Section 227 of the ABCA, Shareholders will be required to return their portion of a liquidation distribution, if any, in certain circumstances, including:

Notwithstanding the dissolution of a corporation under the ABCA,

(a) a civil, criminal or administrative action or proceeding commenced by or against that corporation before its dissolution may be continued as if the body corporate had not been dissolved;

(b) a civil, criminal or administrative action or proceeding may be brought against that corporation within 2 years after its dissolution as if it had not been dissolved;

(c) any property that would have been available to satisfy any judgment or order if the corporation had not been dissolved remains available for that purpose; and

(d) a shareholder to whom any of a dissolved corporation's property has been distributed in the liquidation is liable to any person making such a claim such as those referenced in (a) and (b) above to the extent of the amount received by that shareholder on the distribution, and an action to enforce that liability may be brought within 2 years after the date of the dissolution of the body corporate.

As such, under the ABCA, despite the Dissolution of the Company, each Shareholder to whom any of the Company's property has been distributed may be liable to any person claiming under Section 227 of the ABCA to the extent of the amount received by that Shareholder upon the Distribution. The potential for Shareholder liability regarding a Distribution continues until the statutory limitation period for the applicable claim has expired.

Other risks relating to the affairs, business, operations and future prospects of the Company are set forth and described in the continuous disclosure documents of the Company on the SEDAR website at www.sedar.com.

Recommendation of the Board

The Board's decision-making process that evaluated the Company's strategic alternatives, including its prospects of continuing as a stand-alone corporation, determined that continuing to operate as a going concern was not reasonably likely to create greater value for the Shareholders than the value obtained for the Shareholders pursuant to the Dissolution. Notwithstanding the foregoing, until such time as Shareholder approval is received for the Dissolution Resolution, Seaway will continue to evaluate other opportunities that have the potential of providing a superior return to its Shareholders.

Reasons for the Dissolution

In reaching the determination to proceed with the Dissolution, the Board has spent considerable time over the past 14 months consulting with management as well as legal and financial advisors, and considered a number of factors. These factors included, but are not limited to, the following material factors which our Board viewed as supporting its determination:

- the Company has experienced a substantial decline is revenue predominantly due to decreased activity associated with depressed natural gas prices, a shift in the Company's business activities to lower margin environmental consulting activities, and the completion of a significant long term contract with a major client;

- forecasts for a reduction in drilling activity for 2013, combined with lower prices for Canadian produced crude oil have resulted in lower cash flows, particularly for small to intermediate sized exploration and development companies, are expected to result in reduced expenditures by such companies on lease and access road reclamations;

- the increasing costs to Seaway operating as a small public company, including to maintain a listing on the TSXV and compliance with the continuous disclosure obligations under applicable securities law;

- the lack of liquidity and low trading price of the Common Shares on the TSXV (see "*Risk Factors - Market Price and Liquidity of Common Shares*");

- the Company's strategic review included reviewing other strategic alternatives available to the Company, as well as proposing a "going private" transaction (the "**Going Private Transaction**"), considered at the last annual general and special meeting of Shareholders held on February 2, 2012, whereby the Company agreed, under the terms of a support agreement, to redeem all the Common Shares (other than Common Shares held by certain participating members of the Board and management of the Company, and their respective associates and affiliates (collectively, the "**Management Shareholders**")) for $0.04 cash per share that was considered, and rejected, by the Shareholders at the previous annual general and special meeting of Shareholders on February 2, 2012. The Shareholders (excepting the Management Shareholders who were excluded from voting under applicable securities law) did not approve the Going Private Transaction;

- the Board unanimously determined that the Dissolution is superior to all other proposals received by the Company pursuant to the strategic review process and is the best alternative among the limited opportunities available to the Company to maximize Shareholder value having regard to the Company's current financial position and future economic outlook for the Company's business; and

- the Dissolution must be approved by a special resolution passed by the affirmative vote of Shareholders representing at least 66 2/3% of/be Common Shares represented and voted at the Meeting.

The Board also considered certain material risks or potentially adverse factors in making its determination and recommendation, including, but not limited to, the following:

- some of the executive officers of Seaway may have interests that are different from, or in addition to, the interests of Shareholders;
- the risk that there might be unanticipated delays in implementing the Dissolution, including making the Distributions.
- the uncertainty of the amounts distributable to Shareholders following the dissolution of Seaway's business, including with respect to unknown or contingent liabilities, and the costs and expenses related to dissolving Seaway;
- the possibility of disruption to Seaway's operations following the announcement of the Dissolution, and the resulting effects if the Dissolution is not approved by the Shareholder, including the diversion of management and employee attention, potential employee attrition and the potential effects on Seaway's business and relationships with its customers and suppliers;
- the inability to raise equity based capital on acceptable terms without significant dilution to Shareholders; and
- the determination by the Board, after conducting a review of Seaway's alternatives, that continuing to operate as a going concern was not reasonably likely to create greater value for our Shareholders than the value obtained for Shareholders pursuant to the Dissolution.

After considering various factors described above, and other relevant matters, the Board unanimously recommends a vote FOR the Dissolution Resolution approving the Dissolution. It is the intention of the Management Designees named in the accompanying form of proxy to vote for the Dissolution Resolution unless a Shareholder has specified in its proxy that its Common Shares are to be voted against the foregoing resolution.

Shareholder Approvals Required

In order to proceed with the Distribution and Dissolution, Shareholder approval by way of a special resolution is required by at least 662⁄3% of the votes cast by Shareholders present in person or represented by proxy at the Meeting. In addition, in connection with certain severance payments to certain executive officers of the Company to be triggered by the Dissolution, Canadian securities law requires that the Dissolution Resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting excluding votes in respect of Common Shares held by certain executive officers of the Company for the purposes of TSXV Policy 5.9 (which adopts MI 61-101).

To the knowledge of the management of the Company, as at the date of the Circular, for the purposes of voting under MI 61-101, a total of 6,066,000 Common Shares held by the Shareholders, their associates, affiliates and joint actors will be excluded from the vote in respect of the Dissolution Resolution.

Shareholder	No. of Common Shares	No. of Votes Attaching to Common Shares	Percentage of Outstanding Common Shares
Jerry J. Budziak	6,066,000	6,066,000	21.0%

Pursuant to Section 4.2 of MI 61-101, the following table provides the votes attached to the Common Shares that, to the knowledge of the Company after reasonable inquiry, will be excluded in determining whether approval for the Dissolution Resolution is obtained, and includes the identity of the relevant Shareholders and the number of Common Shares held:

Notwithstanding Shareholder approval of the Dissolution Resolution, the Board will retain the discretion not to proceed with the Dissolution if it determines that the Dissolution is no longer in the best interests of the Company and the Shareholders.

Certain Canadian Federal Income Tax Considerations

The following is a general summary, as of the date hereof, of certain Canadian federal income tax consequences of the Dissolution under the Tax Act generally applicable to Shareholders who, for the purposes of the Tax Act and at all relevant times, hold their Common Shares as capital property, are not affiliated with the Company and deal at arm's length with the Company ("**Holders**"). Common Shares, or any fraction thereof, generally will constitute capital property to a Holder unless the Holder holds such shares in the course of carrying on a business of trading or dealing in securities or has acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act and the regulations issued thereunder (the "**Regulations**") and on the current published administrative practices of the Canada Revenue Agency (the "**CRA**"). This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), but does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in administrative practices of the CRA. No assurances can be given that the Tax Proposals will be enacted as proposed, if at all. This summary does not take into account the tax legislation or considerations of any province or territory of Canada or any non-Canadian jurisdiction which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is not applicable to a Holder: (i) that is a "financial institution" (for the purposes of the "mark-to-market" rules in the Tax Act), (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iv) to whom the functional currency reporting rules apply, or (v) that acquired its Common Shares on the exercise of employee stock options. Holders in such circumstances should consult their own tax advisors.

The following summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representations with respect to the income tax consequence to any particular Holder are made. Holders are encouraged to consult their own tax advisors regarding the possible tax consequences of the Dissolution. In this summary, any term in quotation marks that is not otherwise defined means that term as defined in the Tax Act.

<u>Distributions to Holders</u>

Each Holder will be deemed, in respect of each Distribution that the Holder receives in the course of the Dissolution, to have received a taxable dividend equal to the amount, if any, by the which the receipt exceeds the amount by which the "paid-up capital" (as computed for the purposes of the Tax Act ("**PUC**")) of the Resident Holder's Common Shares is reduced by the Distribution. Any deemed taxable dividend so arising will be subject to tax as described below (see "*Residents of Canada – Taxation of Dividends*" or "*Non-residents of Canada – Taxation of Dividends*", as applicable).

Management of the Corporation has advised that it expects that the aggregate amount of all Distributions should not exceed the PUC of the Common Shares. Provided that this expectation is correct, no deemed taxable dividend should arise as a consequence of any Distribution. However, and notwithstanding that management's expectation appears to be reasonable, whether the proviso is satisfied is a question of fact that can only be determined after payment of all Distributions.

The Holder will be required to reduce the "adjusted cost base" ("**ACB**") of the Holder's Common Shares by the amount by which the PUC of those shares is reduced by the Distribution. If the ACB of the Holder's Common Shares thereby becomes a negative amount, the Holder will be deemed to have realized a capital gain from the disposition of property equal to the negative amount, and the ACB of the Holder's Common Shares will then be restored to nil. Any capital gain so arising will be subject to tax as described below (see "*Residents of Canada – Taxation of Capital Gains and Losses*" or "*Non-residents of Canada – Taxation of Capital Gains and Losses*", as applicable).

Cancellation of Common Shares on Conclusion of Dissolution

Each Holder will realize a capital loss on cancellation of the Holder's Common Shares on the final dissolution of the Corporation equal to the positive amount, if any, of the ACB of the Holder's Common Shares determined immediately before that time. Any capital loss so arising will be deductible as described below (see "Residents of Canada – Taxation of Capital Gains and Losses" or "Non-residents of Canada – Taxation of Capital Gains and Losses" as applicable).

Residents of Canada

The following portion of the summary is applicable only to Holders who, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty, are resident solely in Canada (each a "**Resident Holder**").

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income for a taxation year the amount of each taxable dividend, if any, that he or she is deemed to receive in the year as a consequence of a Distribution, subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by a Canadian resident individual from a taxable Canadian corporation including (provided the Corporation validly designates the deemed taxable dividend as an "eligible dividend" in accordance with the Tax Act) the enhanced gross-up and dividend tax credit rules applicable to eligible dividends.

A Resident Holder that is a corporation generally will be required to include in income for a taxation year the amount of each taxable dividend, if any, that it is deemed to receive in the year as a consequence of a Distribution, and entitled to deduct an equivalent amount from the Resident Holder's taxable income for the year. A corporate Resident Holder that is a "private corporation" and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act at a rate of 33⅓% of the amount of the deemed taxable dividend.

Taxation of Capital Gains and Losses

A Resident Holder who realizes or is deemed to realize a capital gain in a taxation year in respect of an actual or deemed disposition of the Resident Holder's Common Shares (including as a result of having a negative ACB in respect of those shares as described above) generally will be required to include one half of any such capital gain (a "taxable capital gain") in the Resident Holder's income for the year. The Resident Holder generally will be entitled to deduct one half of any capital loss (an "**allowable capital loss**") that the Resident Holder realizes on an actual or deemed disposition of Common Shares (including as a result of the cancellation of those shares on the final dissolution of the Corporation as described above) in the year and, to the extent not so deductible, in any of the three preceding taxation years or any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

The amount of a capital loss realized on the disposition of a Common Share by a Resident Holder that is a corporation may, to the extent and under the circumstances set out in the Tax Act, be reduced by the amount of any dividends that the Resident Holder previously received or was deemed to have received on the holder's Common Shares. Similar rules may apply where Common Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisers in this regard.

A Resident Holder that is a "Canadian-controlled private corporation" may be liable to pay an additional refundable tax equal to 62⁄3% of its "aggregate investment income" for the year, which includes an amount in respect of taxable capital gains.

Alternative Minimum Tax

A Resident Holder who is an individual (including most trusts) and realizes a capital gain or receives or is deemed to receive a dividend in respect of Common Shares may thereby incur a liability for alternative minimum tax under the Tax Act. Resident Holders to whom these rules may apply should consult their own tax advisers.

Non-residents of Canada

The following portion of the summary is applicable to Holders each of whom, at all relevant times for purposes of the Tax Act, is not resident or deemed to be resident in Canada, does not use or hold, and is not deemed to use or hold, any Common Shares in connection with carrying on a business in Canada, and holds no Common Shares that are deemed by any provision of the Tax Act to be "taxable Canadian property" (each a "**Non-resident Holder**"). Special rules not discussed in this summary may apply to an insurer carrying on an insurance business in Canada and elsewhere, and any such insurers should consult their own tax advisors.

This portion of this summary further assumes, based on representations of management of the Corporation, that no Common Shares will, at any time after the incorporation of the Corporation, derive more than 50% of its value from, or from any combination of, real property situated in Canada, "Canadian resource properties", "timber resource properties", (as those terms are defined in the Tax Act) or options in respect of any such property, and this portion of this summary is qualified accordingly.

Taxation of Dividends

Each Non-resident Holder will be subject to Canadian withholding tax ("**Part XIII Tax**") at a rate of 25% (or such lower rate as may be available under an applicable income tax treaty, if any) of the gross amount of each dividend, if any, that the Non-resident Holder receives or is deemed to receive on the Holder's Common Shares as a consequence of a Distribution. The Canada - United States Income Tax Convention (1980) (the "**Treaty**") will generally reduce the rate of Part XIII Tax to 15% (or 5% if the Non-resident Holder is a corporation that beneficially owns at least 10% of the Corporation's voting shares) on any such dividend paid or deemed to be paid or credited to a Non-resident Holder who is a resident of the United States for the purposes of the Treaty and entitled to its benefits. The Corporation will be required to withhold the required amount of Part XIII Tax, if any, from the Non-resident Holder's share of the Distribution, and to remit the withheld amount to the CRA for the Non-resident Holder's account.

If, as management of the Corporation expects, the aggregate of all Distributions will not exceed the PUC of the Common Shares, the amount of any such Part XIII Tax should be nil. *See "General - Distributions to Holders"* above.

Taxation of Capital Gains and Losses

No Non-resident Holder should be subject to Canadian federal income tax in respect of any capital gain realized on any actual or deemed disposition of Common Shares (including as a result of having a negative ACB in the Non-resident Holder's Common Shares).

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares is Equity Financial Trust Company at its principal office in Toronto, Ontario.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information of the Company's most recently completed financial year is provided, or will be provided, in the Company's comparative financial statements and management's discussion and analysis available on SEDAR, and at the Meeting. A shareholder may contact the Company at:

Seaway Energy Services Inc.
101A, 1120 - 53rd Avenue N.E.
Calgary, AB T2E 6N9
Attention: Michal Holub,
Fax: (403) 235-4486

to obtain a copy of the Company's most recent financial statements and management's discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Company.

SCHEDULE "A"
DISSOLUTION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the voluntary liquidation and dissolution (the "Dissolution") of Seaway Energy Services Inc. (the "Company") pursuant to Section 212 of the *Business Corporations Act* (Alberta) is hereby authorized and approved;

2. the distribution to shareholders of the Company, as part of the Dissolution and at such time or times and in such amount or amounts as may be determined at the discretion of the board of directors (the "**Board**") of the Company (each such distribution, a "**Distribution**"), of the cash on hand, less any reserves and payments made in respect of the Company's ongoing costs and liabilities, is hereby authorized and approved;

3. subject to subsection 38(3) of the *Business Corporations Act* (Alberta), the Company, in respect of each Distribution, reduce the stated capital of the Common Shares pursuant to subsection 38(1) of the *Business Corporations Act* (Alberta) forthwith on making the Distribution by an amount equal to the lesser of:

   (a) the aggregate amount of the Distribution; or

   (b) the stated capital of the Common Shares immediately before the Distribution;

4. notwithstanding that this resolution has been passed (and the Dissolution adopted) by the shareholders of the Company, the Board is hereby authorized and empowered, in its discretion to and without further approval of the shareholders of the Company, not to proceed with the Dissolution if the Board has determined the Dissolution to be no longer in the best interests of the Company and its shareholders; and

5. any director or officer of the Company is hereby authorized, for, on behalf of, and in the name of the Company (whether under the corporate seal of the Company or otherwise), to execute, deliver and file all other documents and instruments and to take all such other actions as in the opinion of such director or officer may be necessary or advisable to implement this special resolution and the matters authorized and approved hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action."

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Corporation (the "Directors") hereby establish an audit committee (the "Audit Committee").

2. **Membership:** The membership of the Audit Committee shall be as follows:

   (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.

   (b) The majority of the members of the Audit Committee shall be independent Directors

   (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation's financial statements.

   (d) Members shall he appointed annually from among members of the Directors. A member of the Audit Committee shall ipso facto cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.

3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.

4. **Mandate:** The Audit Committee shall have responsibility for overseeing:

   (a) the accounting and financial reporting processes of the Corporation; and

   (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year-end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

   (a) reviewing the Corporation's financial statements, MD&A and earnings press releases before the information is publicly disclosed;

   (b) overseeing the work of the external auditors engaged for purposes of preparing or issuing, an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;

   (c) reviewing annually and recommending to the Directors:

      (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and

(ii) the compensation of the external auditors.

(d) discussing with the external auditor:

(i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;

(ii) significant changes in the Corporation's accounting principles, practices or policies; and

(iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.

(e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:

(i) the financial statements;

(ii) MD&A and related financial disclosure contained in continuous disclosure documents;

(iii) significant changes, if any, to the initial audit plan;

(iv) accounting and reporting decisions relating to significant current year events and transactions;

(v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and

(vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.

(f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:

(i) the interim financial statements;

(ii) the interim MD&A; and

(iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies.

(g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.

(h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit committee.

(i) reviewing and discussing with the external auditors and senior financial management the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.

(j) establishing and reviewing of procedures for:

(i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters;

(ii) anonymous submission by employees of the corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and

(iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities.

(k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.

(l) reviewing and/or considering that, with regard to the previous fiscal year,

- management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;

- the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;

- the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and

- in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

(a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.

(b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.

(c) The Audit Committee may invite such directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee, The independent auditor is to appear before the Audit Committee when requested to do so by the Audit Committee.

(d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.

(e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.

(f) Notice of meetings of the Audit Committee may be given to the independent auditor and shall be given in respect of meetings relating to the annual audited financial statements. The independent auditor has the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the independent auditor, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Directors or shareholders of the Corporation.

(g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.

(h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the hooks and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the directors, officers, employees and independent auditor of the Corporation and its affiliates.

(i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.

(j) The Audit Committee shall, upon the approval of the Directors, adopt a formal written charter, which sets out the Audit Committee's responsibilities, the way they should he implemented and any other requirement such as membership and structure of the Audit Committee. The Audit Committee shall review and reassess the adequacy of the charter on an annual basis.

(k) The Audit Committee shall ensure and/or consider that, with regard to the previous fiscal year,

(i) management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;

(ii) the external auditor and the Audit Committee have discussed the independent auditor's judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's and/or the Corporation's financial statements;

(iii) the Audit Committee, on its own (without management or the independent auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and

(iv) in reliance on review and discussions conducted with management and outside auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects.

(l) The Audit Committee shall have the authority to:

(i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;

(ii) set and pay the compensation for any advisors employed by the Audit Committee; and

(iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.