

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

**1. Name and Address of Company**

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

**2. Date of Material Change(s)**

June 25, 2013.

**3. News Release**

A news release was disseminated on June 28, 2013, through Marketwired, copies of which were filed on SEDAR.

**4. Summary of Material Change**

The Company announced that Mr. Jerry Budziak has resigned as President, Chief Executive Officer and from the board of directors (the "**Board**") of Seaway. The Company announced that Mr. Kyle Stevenson, a current member of the Board, has been appointed as the President and Chief Executive Officer of the Company, in replace of Mr. Budziak. In addition, Mr. Richard Stevenson has been appointed to the Board to fill the vacancy resulting from Mr. Budziak's resignation.

The Company also announced that the Board has approved the adoption of an advance notice by-law (the "**Advance Notice By-law**"), which requires advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to a requisition of a meeting made pursuant to the provisions of the Business Corporations Act (Alberta) ("**ABCA**") or a shareholder proposal made pursuant to the provisions of the ABCA. A copy of the Advance Notice By-law has been filed under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Company also announced that the Board has called a special meeting of shareholders for Monday, August 12, 2013 (the "**Meeting**"), at which the shareholders of the Company will be asked to confirm and ratify the Advance Notice By-law. In addition, at the Meeting, approval from the shareholders will be sought to authorize the Board to (i) amend the articles of the Company (the "**Articles**") to provide for a consolidation of the Common Shares on a basis of one (1) new Common Share for up to a maximum of every ten (10) old Common Shares then outstanding, or such lesser number of old Common Shares as may be approved by the Board and accepted by the TSX Venture Exchange (the "**Consolidation**"), and (ii) authorize the Board to amend the Articles to change the name of the Company to any such name as may be approved by the Board, and accepted by Registrar under the ABCA and the TSX Venture Exchange.

**5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that Mr. Jerry Budziak has resigned as President, Chief Executive Officer and a director of Seaway. Mr Budziak was a founder of Seaway and the board of directors (the

“**Board**”) like to thank Mr. Budziak for his years of service and wish him well in his future endeavours. The Company is pleased to announce that Mr. Kyle Stevenson, a current member of the Board, has been appointed as the President and Chief Executive Officer of the Company, in replacement of Mr. Budziak. In addition, Mr. Richard Stevenson has been appointed to the Board to fill the vacancy resulting from Mr. Budziak’s resignation. Mr. Richard Stevenson has 40 years of diverse senior management experience in both the utility and engineering business, including managing Construction and Operations at B.C. Hydro both domestically and internationally. Most recently Mr. Stevenson serviced as a Senior Construction Manager with SNC Lavalin on major projects in both Alberta and British Columbia.

#### *Advanced Notice Provisions*

The Company also announced that the Board has approved the adoption of an advance notice by-law (the “**Advance Notice By-law**”), which requires advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (Alberta) (“**ABCA**”) or a shareholder proposal made pursuant to the provisions of the ABCA.

Among other things, the Advance Notice By-law fixes a deadline by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid.

The purpose of the Advance Notice By-law is to foster a variety of interests of the shareholders and the Corporation by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice By-law is intended to provide a reasonable framework for shareholders to nominate directors and should assist in facilitating an orderly and efficient meeting process. The Advance Notice By-law is effective immediately. A copy of the Advance Notice By-law has been filed under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Special Meeting of Shareholders*

The Board has called a special meeting of shareholders for Monday, August 12, 2013 (the “**Meeting**”), at which the shareholders of the Company will be asked to confirm and ratify the Advance Notice By-law.

In addition, at the Meeting, approval from the shareholders will be sought to authorize the Board to (i) amend the articles of the Company (the “**Articles**”) to provide for a consolidation of the Common Shares on a basis of one (1) new Common Share for up to a maximum of every ten (10) old Common Shares then outstanding, or such lesser number of old Common Shares as may be approved by the Board and accepted by the TSX Venture Exchange (the “**Consolidation**”), and (ii) authorize the Board to amend the Articles to change the name of the Company to any such name as may be approved by the Board, and accepted by Registrar under the ABCA and the TSX Venture Exchange.

Seaway shareholders previously approved the liquidation and dissolution of the Company pursuant to the *Business Corporations Act* (Alberta), and the distribution of the net cash assets to the shareholders (the “**Dissolution**”), at the annual and special meeting of shareholders held on February 28, 2013. Shareholders also empowered and authorized the Board with the discretion not to proceed with the Dissolution if it determines that it is no longer in the best interests of the Company and its

shareholders. The changes to management and Board composition are in conjunction with the Company's efforts to evaluate other opportunities that have the potential of providing a superior return to its shareholders. The Board has continued with its efforts of evaluating potential businesses and assets for the purpose of completing a transaction that will, in the view of the Board, provide value to the shareholders that is superior to the value of the estimated distributions under the Dissolution.

It is the view of management that the Consolidation will best situate the Company for a re-capitalization that may prove necessary in connection with any proposed business or asset acquisition, given the current status of the Company's operations and general market conditions. In addition, the Company may desire to change its name or it may otherwise be required under applicable corporate law to change its name to add a descriptive element to reflect the function or other characteristics of the goods or services in which the Company deals or intends to deal as a result of the Company entering a different business segment as a result of completing a business or asset acquisition.

For further information regarding this news release contact:

Kyle Stevenson, President and CEO  
Tel: (604) 687-1779

Michal Holub, CFO  
Tel: (403) 262-5256

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

#### **Reader Advisory**

This news release contains forward-looking statements and information ("**forward-looking statements**") within the meaning of applicable securities laws including statements regarding the Consolidation, Name Change, Dissolution and the distribution of funds to shareholders. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, such statements have been based upon currently available information to the Company. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in forward-looking statements. Risks include, but are not limited to: the receipt of shareholder and regulatory approval, as applicable, in respect of the Consolidation, Name Change and the Advance Notice By-law; the ability of the Board to find business opportunities that offer an superior return to shareholders as an alternative to Dissolution, receipt of all required regulatory approvals, changes in tax laws, the ability to collect outstanding receivables in a timely manner, the ability of the Company to effect an orderly wind-up of its operations, the possible delay in implementation of the liquidation and dissolution, the timing and amount of payments to shareholders, unknown liabilities which may be asserted in connection with the liquidation, and the risks associated with the oil and gas service industry. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in more detail in the Company's management's discussion and analysis and other documents available at [www.sedar.com](http://www.sedar.com). Readers are cautioned to not place undue reliance on forward-looking statements. The statements in this press release are made as of the date of this release, and, except as required by applicable law, The Company does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise.

#### **5.2 Disclosure for Restructuring Transactions**

Not Applicable

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

Not Applicable

**7. Omitted Information**

Not Applicable

**8. Executive Officer**

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

Kyle Stevenson, President and Chief Executive Officer

Tel: +1 : 604 682 3478

e-mail: [Kstevenson@highnorthresources.com](mailto:Kstevenson@highnorthresources.com)

**9. Date of Report**

June 28, 2013