

SEAWAY ENERGY SERVICES INC.
(the “Company”)
FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended September 30, 2017)

STATEMENT OF EXECUTIVE COMPENSATION

The following information, dated as of March 28, 2018, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

General

For the purposes of this Form, a “Named Executive Officer” (a “NEO”) means the following persons:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

During the financial year ended September 30, 2017, the Company had four NEOs, being: David Sidoo, who was appointed President on October 17, 2016; Nick DeMare, who was appointed CFO on October 17, 2016; Brendan Purdy, who served as CEO from April 19, 2016 to October 17, 2016; and Ryan Cheung, who served CFO from April 19, 2016 to October 17, 2016.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended September 30, 2017 and 2016. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
David Sidoo ⁽³⁾ <i>President and Director</i>	2017	60,000	Nil	Nil	Nil	Nil	60,000
	2016	n/a	n/a	n/a	n/a	n/a	n/a

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
Nick DeMare ⁽⁴⁾ <i>CFO, Corporate Secretary and Director</i>	2017	24,000	Nil	Nil	Nil	14,200 ⁽⁵⁾	38,200
	2016	n/a	n/a	n/a	n/a	n/a	n/a
Peter Espig ⁽⁶⁾ <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	n/a	n/a	n/a	n/a	n/a	n/a
Dylan Sidoo ⁽⁷⁾ <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	n/a	n/a	n/a	n/a	n/a	n/a
Maximillian Sali ⁽⁸⁾ <i>Former Director</i>	2017	5,000	Nil	Nil	Nil	Nil	5,000
	2016	n/a	n/a	n/a	n/a	n/a	n/a
Brendan Purdy ⁽⁹⁾ <i>Former CEO and former Director</i>	2017	1,986	Nil	Nil	Nil	Nil	1,986
	2016	16,087	Nil	Nil	Nil	Nil	16,087
Ryan Cheung ⁽¹⁰⁾ <i>Former CFO and former Director</i>	2017	5,500	Nil	Nil	Nil	Nil	5,500
	2016	15,000	Nil	Nil	Nil	Nil	15,000
Kyle Stevenson ⁽¹¹⁾ <i>Former CEO and former Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	15,000	Nil	Nil	Nil	Nil	15,000
Denis Clement ⁽¹²⁾ <i>Former Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	5,650	Nil	Nil	Nil	Nil	5,650

NOTES:

- (1) Financial years ended September 30.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Mr. David Sidoo was appointed President and Director on October 17, 2016.
- (4) Mr. Nick DeMare was appointed CFO, Corporate Secretary and Director on October 17, 2016.
- (5) Paid to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and secretarial services rendered by Chase personnel, exclusive of Mr. DeMare.
- (6) Mr. Peter Espig was appointed as Director on October 17, 2016.
- (7) Mr. Dylan Sidoo was appointed as Director on December 20, 2016.
- (8) Mr. Maximillian Sali served as Director from October 17, 2016 to November 27, 2017.
- (9) Mr. Brendan Purdy served as CEO and Director from April 19, 2016 to October 17, 2016.
- (10) Mr. Ryan Cheung served as CFO from April 19, 2016 to October 17, 2016.
- (11) Mr. Kyle Stevenson served as CEO from May 1, 2013 to April 19, 2016 and as director from May 1, 2013 to October 17, 2016.
- (12) Mr. Denis Clement served as Director from January 4, 2016 to October 17, 2016.

Stock Options and Other Compensation Securities and Instruments

Compensation Securities

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company to each NEO and director of the Company for the financial year ended September 30, 2017, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end ⁽¹⁾ (\$)	Expiry Date
David Sidoo <i>President and Director</i>	Stock Options	440,000	Oct 20/16	\$0.20	0.195	0.33	Oct 20/21
Nick DeMare <i>CFO, Corporate Secretary and Director</i>	Stock Options	125,000	Oct 20/16	\$0.20	0.195	0.33	Oct 20/21
Peter Espig <i>Director</i>	Stock Options	50,000	Oct 20/16	\$0.20	0.195	0.33	Oct 20/21
Dylan Sidoo <i>Director</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maximillian Sali <i>Former Director</i>	Stock Options	50,000	Oct 20/16	\$0.20	0.195	0.33	Oct 20/21
Brendan Purdy <i>Former CEO and former Director</i>	n/a	Nil	n/a	n/a	n/a	n/a	n/a
Ryan Cheung <i>Former CFO and former Director</i>	n/a	Nil	n/a	n/a	n/a	n/a	n/a
Kyle Stevenson <i>Former CEO and former Director</i>	n/a	Nil	n/a	n/a	n/a	n/a	n/a
Denis Clement <i>Former Director</i>	n/a	Nil	n/a	n/a	n/a	n/a	n/a

NOTE:

(1) Closing price on September 29, 2017, the last trading day prior to the Company's 2017 year end.

Exercise of Compensation Securities

No compensation securities were exercised by any NEO or director of the Company during the financial year ended September 30, 2017.

Stock Option Plans and Other Incentive Plans

The Company has no other incentive plans other than its 10% rolling stock option plan (the "**Option Plan**"), which sets the number of shares issuable under the plan at a maximum of 10% of the issued and outstanding shares from time to time.

Summary of the Option Plan

The Option 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 that may be reserved for issuance under options granted in accordance with the terms of the Option Plan shall not exceed 10% of the Company's issued and outstanding common shares at the time of grant. The number of common shares subject to an option granted to a "**Participant**" (as such term is defined in the Option Plan) shall be determined by the Board, but no Participant shall be granted an option that exceeds the maximum number of shares permitted by any stock exchange on which the common shares are then listed or by any other regulatory body having jurisdiction (as defined collectively in the Option Plan as the "Exchange"). The exercise price for purchase of the common shares underlying each option shall be determined by the Board, provided however, that the exercise price shall not be less than the minimum price permitted by the Exchange. Subject to any applicable approvals required by the Exchange, the Board has the absolute discretion to suspend or terminate the Option Plan; and, subject to any required Exchange approval, the Board may also amend or revise the terms of the Option Plan provided that no such amendment or revision shall result in a material adverse change to the terms of any options granted under the Option Plan, unless shareholder approval is obtained for such amendments or revisions.

The maximum term of any option granted under the Option Plan shall be ten years from the date the option is granted. Notwithstanding the above, options will expire 90 days after an individual ceases to qualify as a Participant under the Option Plan for any reason other than death, subject to extension at the discretion of the Board. Options granted to a Participant that provides investor relations activities will expire 30 days after the Participant ceases to provide investor relations services to the Company, subject to the individual otherwise qualifying as a Participant under the Option Plan. In the event of the death of a Participant, options previously granted to the Participant shall be exercisable by the Participant's estate for one year from the date of death if and to the extent that such option had vested and was exercisable at the date of death.

Pursuant to the Company's practise 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 the public. The Option Plan includes 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 Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the common shares of the Company; and includes provisions related to withholding tax obligations of the Company on exercise of options by Participants.

Our directors may, at their discretion at the time of any grant, impose a schedule over which period of time an option will vest and become exercisable by a Participant.

As of the date of this Form, there are options outstanding under the Option Plan entitling the purchase of an aggregate 1,250,000 common shares of the Company at prices ranging from \$0.20 to \$1.14 expiring in October and December 2021, which options are held by the Company's directors and/or officers and two consultants. Based on the number of common shares of the Company issued and outstanding as of the date of this Form, the balance of the Option Plan reserve provides for further grants of options entitling the purchase of 1,381,758 common shares of the Company.

Employment, Consulting and Management Agreements

Management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

Oversight and Description of Director and NEO Compensation

Compensation Discussion & Analysis

The primary goal of our executive compensation program is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and our operations, to motivate skilled and experienced executives, and to reward management for their contributions to the Company's

achievements on both an annual and long term basis. The key elements of the executive compensation program are base salary or management fees and incentive stock options, and the Company may, from time to time, make cash bonuses a component of compensation, taking into consideration performance by both the Company and the respective personnel. Though the Company has not, as yet, adopted a formal bonus plan or non-equity incentive plan, all personnel, including executive officers, are eligible to receive bonuses. Our directors are of the view that all elements of the total compensation program should be considered, rather than any single element.

During the fiscal year ended September 30, 2017 no executive bonus compensation was awarded or paid.

Compensation Process, the Role of the Compensation Committee and Compensation Governance

The Company relies solely on its Board of Directors, through discussion without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of incentive stock options that may be granted to directors, officers, employees and consultants, and for reviewing compensation for the Company's executive officers to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of the Company's executive officers, the Board of Directors considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

Option-based Awards

Options to purchase common shares of the Company are intended to align the interests of our directors and executive officers with those of our shareholders and to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value. The Company's stock option incentive plan is administered by the Board of Directors (see "*Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan*"). In establishing the number of the incentive stock options to be granted, the Board of Directors will consider any previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options, and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation.

During the fiscal year ended September 30, 2017, no incentive stock options were granted by the Company.

Benefits and Perquisites

As of the date of this Form, our executive officers do not receive any benefits or perquisites that are not generally available to all of our officers and employees.

Pension Plan Benefits and Deferred Compensation Plans

As of the date of this Form, 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.

Risks Associated with Compensation Practises

Our Board of Directors has not, as yet, specifically considered the implications of any risks to the Company associated with decisions regarding compensation of its executive officers. However, as compensation of executive officers is determined by negotiation of set, monthly amounts between the Board of Directors and the individual, or at the discretion of the Board as relates to any bonus potential or stock option incentive plan awards, and compensation of the Company's executive officers is not based on quantitative performance criteria, management is of the view that there is no material risk of the Company's executive officers or directors taking, as a result of compensation process or potential, inappropriate or excessive risks during the performance of their duties that are reasonably likely to have a material adverse effect on the Company or its business and operations.

Hedging by Executive Officers or Directors

The Company has not, as yet, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted or awarded as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Form, entitlement to grants of incentive stock options under the Company's stock option plan is the only equity security element awarded by the Company to its executive officers and directors.

Termination And Change Of Control Benefits

Other than as set out below, the Company is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in a Named Executive Officer's responsibilities.

Pension

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