

Form 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of the Company**

Xtraction Services Holdings Corp. (“**Xtraction Services**” or the “**Company**”)
1901 Avenue of the Stars, Suite 120
Los Angeles, California, 90067

2. **Date of Material Change**

December 31, 2019.

3. **News Release**

The news release was disseminated on January 6, 2020 through Business Wire.

4. **Summary of Material Change**

On December 31, 2019, the Company announced that it had completed a transaction with an equipment vendor and former partner (the “**Equipment Vendor**”) and a member of the Equipment Vendor’s staff (the “**Staff Member**” and, together with the Equipment Vendor, the “**Vendors**”), pursuant to which all of the securities of the Company held by the Vendors were acquired by the Company for cancellation.

5. **Full Description of Material Change**

On December 31, 2019, the Company announced that it completed a transaction with the Vendors pursuant to which the Company: (i) acquired from the Equipment Vendor 5,888.828 proportionate voting shares (the “**Proportionate Shares**”) and 600,000 options issued pursuant to the Company’s stock incentive plan held by the Equipment Vendor in exchange for the sale and transfer by the Company to the Equipment Vendor of certain non-essential equipment and parts inventory (collectively the “**Transferred Equipment**”), and (ii) acquired from the Staff Member 662,631 subordinate voting shares (the “**Subordinate Shares**”) held by him in exchange for a nominal cash payment. All of the securities acquired by the Company were subsequently cancelled.

The Company’s partnership with the Equipment Vendor commenced in 2017 as an exclusive relationship; however, Xtraction Services has since expanded its vendor network to include a number of established and well-known equipment manufacturers and distributors to provide customers with tailored financing solutions. With the Company focused on new equipment leases and sale-leasebacks, and not a business model that includes equipment distribution, the Transferred Equipment is considered non-essential. Accordingly, the exchange of this non-essential equipment for significant ownership in Xtraction Services is believed to be highly accretive. This transaction allows the Company to reduce associated costs with holding such inventory while also reducing the number of its outstanding Subordinate Shares by approximately 13.4% (assuming conversion of the Proportionate Shares).

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Confidentiality is not requested.

7. **Omitted Information**

No information has been omitted in respect of the material change.

8. **Executive Officer**

Antony Radbod, Chief Marketing Officer of the Company, is knowledgeable about the material change and may be reached at (407) 900-4737, extension 5.

9. **Date of Report.**

January 9, 2020.