FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Cathedral Energy Services Ltd. (the "**Company**" or "**Cathedral**")
6030 - 3 Street S.E.
Calgary, AB T2H 1K2

2. Date of Material Change:

December 12, 2017

3. News Release:

A press release was disseminated on December 12, 2017 via CNW Group.

4. Summary of Material Change:

The Company announced that it is entering into a new credit facility with Alberta Treasury Branches as Agent and including Alberta Treasury Branches and Export Development Canada as lenders.

5. Full Description of Material Change:

5.1 Full Description of Material Change

Under the new two year facility, expiring December 31, 2019, Cathedral's credit availability will be $20 million consisting of a $5 million operating facility and $15 million extendible revolving credit facility. The key financial covenants associated with the new facility include a maximum Funded Debt to Bank EBITDA Ratio (as defined in the facility) of 3.0 to 1.0 and an Interest Coverage Ratio (as defined in the facility) of not less than 2.50 to 1.0, both of which are calculated quarterly.

Cathedral's previous credit facility provided for availability of $23 million. Cathedral elected to reduce the facility size compared to the previous facility to reduce standby and other fees. As at December 12, 2017, Cathedral had not drawn on either the previous or new credit facility.

The new credit facility is expected to be in place by December 31, 2017. A copy of the new credit facility is available on SEDAR under Cathedral's profile at www.sedar.com.

5.2 Disclosure of Restructuring Transaction

Not applicable.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102:

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

The name and business telephone number of the executive officer of the Company who is knowledgeable about the material change and this report is:

Michael F. Hill
Chief Financial Officer
(403) 265-2560

9. Date of Report:

December 20, 2017.

Forward-Looking Information

This material change report contains certain statements and information relating to Cathedral and its new credit facility that are based on the expectations of Cathedral as well as assumptions made by and information currently available to Cathedral which may constitute forward looking information under applicable securities laws. In particular, statements related to the anticipated timing for the new credit facility being in place and the anticipated terms of the credit facility may constitute forward looking information. Cathedral's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of assumptions proving inaccurate and of both known and unknown risks, including the risk that the timing of the credit facility availability and/or terms of the credit facility change for any reason. Cathedral disclaims any intention or obligation to publicly update or revise any forward looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.