

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Seair Inc.
250 Diamond Avenue
Spruce Grove, AB T7X 3A6

2. Date of Material Change

December 30, 2013

3. News Release

News releases were disseminated through Marketwired on December 30, 2013.

4. Summary of Material Change

Seair Inc. announced the hiring of a new Chief Executive Officer and the successful completion of a private placement.

5. Full Description of Material Change

Seair Inc. ("**Seair**" or the "**Corporation**") announced that the appointment of Jeff Seibert as the new CEO of Seair Inc. effective February 3, 2014. Jeff had a 30-year career with Pall Corporation ("**Pall**"), recently as President of Pall Water Processing business which grew from zero to a large, multi-million dollar business under his leadership. Mr. Seibert was Pall's global leader for large-scale water systems technology, addressing the purification requirements for surface, ground, seawater and wastewater sources. He directed the design, development, manufacturing and sales teams of process and water-related filtration and separations technologies serving applications for municipal, industrial, biopharmaceutical, medical and military customers. He has significant experience in the development, manufacturing and marketing of water treatment technologies in North America and overseas, including the development of strategic partnership arrangements and is a named inventor on 3 fluid clarification patents. He is a member of the American Water Works Association, the American Ground Water Association and the American Society of Mechanical Engineers.

This appointment is subject to all applicable regulatory approvals, including the approval of the TSX Venture Exchange (the "**TSXV**").

Agreement with Hobbes & Towne, Inc.

The Corporation also provided an update with respect to its previously announced agreement with Hobbes & Towne, Inc. ("**H&T**"). Pursuant to the terms of the agreement, and subject to receipt of final approval from the TSXV, the Corporation has agreed to pay H&T a cash fee of \$40,000 and to issue H&T common share purchase warrants (the "**Warrants**") entitling H&T to acquire up to an aggregate of 533,333 Common Shares (as defined herein) at an exercise price

of \$0.15 per share for the period expiring 24 months from the date of issue. The securities shall be subject to a hold period of four months and a day from the date of issuance.

Private Placement Completed

Seair also announced that it has closed a non-brokered private placement financing (the "**Private Placement**") of convertible redeemable preferred shares, series 1 in the capital of the Corporation (the "**Preferred Shares**"). An aggregate of 2,500,000 Preferred Shares were issued at a purchase price of \$0.20 per share for total gross proceeds of \$500,000. The Preferred Shares were issued on a private placement basis and are subject to a statutory hold period of four months and a day from the closing date of the offering, such hold period to expire on April 30, 2014.

The holders of Preferred Shares, in priority to the holders of the junior shares, shall be entitled to receive, as and when declared by the board of directors, fixed preferential non-cumulative dividends at the rate of \$0.016 per share per annum.

The Preferred Shares are convertible on a 1:1 basis into common shares in the capital of the Corporation (the "**Common Shares**") (i) at any time at the option of the holder, and (ii) from time to time at Seair's option if the current market price (as such term is defined in the Corporation's articles of incorporation) of the Common shares exceeds \$0.30 per share. Interested parties may view or download copies of the details of the preferred shares from www.SEDAR.com.

The Private Placement satisfies the condition of raising additional equity such that the Corporation's existing 8% convertible debentures (the "Debentures") shall have their maturity date extended from December 31, 2013 to December 31, 2015. In addition, the issuance of equity at \$0.20 resets the optional conversion price of the Debentures to \$0.26, and the Corporation has the option to compel conversion if the moving average share price exceeds \$0.30 for 20 days.

In connection with the closing of the Private Placement, and subject to the approval of the TSXV, the Corporation has agreed to pay a cash finder's fee equal to up to 5% of the Private Placement proceeds to certain parties who identified investors to the Corporation.

The Private Placement is subject to all applicable regulatory approvals, including the final approval of the TSXV.

Statement Regarding Forward-Looking Information

This material change report of Seair contains statements that constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Seair's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include

statements regarding Seair's expectations regarding the regulatory approval of the Private Placement and closing of the Private Placement. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements, and readers are cautioned not to place undue reliance on these forward-looking statements. Any factor could cause actual results to differ materially from Seair's expectations. Seair undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

For more information contact Jim Laird, Chief Financial Officer, at 780-477-7188.

9. Date of Report

January 8, 2014.