CLEANFIELD ALTERNATIVE ENERGY INC.

- and -

CLEANFIELD ENERGY CORP.

- and -

OLYMPIA TRUST COMPANY

August 24, 2010

FIRST SUPPLEMENTAL INDENTURE

to

TRUST INDENTURE PROVIDING FOR THE ISSUE OF UP TO $2,000,000 IN PRINCIPAL AMOUNT OF SERIES B 12% SENIOR SECURED CONVERTIBLE REDEEMABLE DEBENTURES

Fogler, Rubinoff LLP

WHEREAS Cleanfield Alternative Energy Inc. (the "**Corporation**"), Cleanfield Energy Corp. ("**CEC**") and Olympia Trust Company (the "**Trustee**") have entered into a trust indenture (the "**Trust Indenture**") dated July 31, 2008, providing for the issue of up to $2,000,000 in principal amount of Series B 12% senior secured convertible redeemable debentures (the "**Debentures**");

AND WHEREAS the Debenture holders have passed an Extraordinary Resolution approving certain amendments to alter the maturity date, interest rate and the conversion provisions of the Debentures;

AND WHEREAS this First Supplemental Indenture is being entered into in accordance with section 14.1(d) of the Trust Indenture;

AND WHEREAS capitalized terms used but not defined herein have the meanings ascribed thereto in the Trust Indenture;

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

1. Amendment of the Definition of Debentures

The definition of Debentures as set out in section 1.1 be and the same is deleted in its entirety and shall be replaced by the following:

"**Debentures**" means the 22% senior secured convertible redeemable debentures, Series B of the Corporation issued and certified under this Indenture, or deemed to be issued and certified under this Indenture, and for the time being outstanding, whether in definitive or interim form;

2. Amendment of the Definition of Interest Payment Date

The definition of Interest Payment Date as set out in section 1.1 be and the same is deleted in its entirety and shall be replaced by the following:

"**Cash Interest Payment Date**" means a date specified in a Debenture as the date on which an installment of interest in cash on such Debenture shall become due and payable;

"**Share Interest Payment Date**" means a date specified in a Debenture as the date on which an instalment of interest in Interest Shares on such Debenture shall become due and payable, which shall be the fifth Business Day following the 31st day of December, the Date of Conversion, the Redemption Date or the Maturity Date, whichever is earlier provided that the first payment of Interest Shares shall be on the fifth Business Day following December 31, 2010 and the number of Interest Shares payable shall accrue from the execution date of the first supplemental indenture (being August 24, 2010).

3. Amendment of the Definition of Warrant

The definition of Warrant as set out in section 1.1 be and the same is deleted in its entirety and shall be replaced by the following:

"**Warrant**" means the non-transferable share purchase warrants of the Corporation to be issued as part of the Units, each warrant permitting the holder to purchase a Warrant Share at a price of $0.30 until July 31, 2012.

4. Amendment to Article 2.2(1)

Section 2.2(1) of the Trust Indenture be and the same is deleted in its entirety and shall be replaced by the following:

The Debenture shall be designated as "**22% Senior Secured Convertible Redeemable Debentures, Series B**".

5. Amendment to Article 2.2(2)

Section 2.2(2) of the Trust Indenture be and the same is deleted in its entirety and shall be replaced by the following:.

(2) The Debentures shall be dated as of their date of issue and shall mature on that day which falls 48 months from the date their issue, (the "**Maturity Date**") and shall bear interest from the date of issue at the rate of 22.00% per annum, of which 12% of the interest rate shall be calculated and payable in cash quarterly in arrears, on the last Business Day of each three month period the Debentures are outstanding (the "**Cash Interest Payment Date**"), to holders of record at the close of business on the 15th day of the calendar month (or the first Business Day following such date if not a Business Day) immediately preceding each Cash Interest Payment Date, payable after as well as before maturity and after as well as before default and judgment, with interest on amounts in default at the same rate, compounded quarterly in arrears. The calculation of the first cash interest payment shall commence on and include the date of issue and shall be paid on the first Cash Interest Payment Date.

The remaining 10% of the interest rate shall be payable through the issuance of shares in the capital of the Corporation, such number of shares (the "**Interest Shares**"), to be calculated on the close of business as of the 31st day of December, the Date of Conversion, the Redemption Date or on the Maturity Date, whichever is earlier provided that the first payment of Interest Shares shall be calculated on December 31, 2010 and the number of Interest Shares payable shall accrue from the execution date of the first supplemental indenture (being August 24, 2010). The issue price of the Interest Shares shall be the greater of (i) $0.20 or (ii) the Discounted Market Price, as such term is defined in the policies of the TSX Venture Exchange, as at the fifth Business Day prior to the Share Interest Payment Date. The Corporation shall deliver to such Debentureholder or his nominee(s) or assignee(s), a certificate or certificates for such Interest Shares on the date that is the fifth Business Day following the 31st day of December, the Date of Conversion, the Redemption Date or on the Maturity Date, whichever is earlier. The Corporation shall provide the Trustee with confirmation as to the issue price and evidence of the issuance and delivery of the Interest Shares promptly following the

Share Interest Payment Date. The issuance of the Interest Shares shall be subject to the approval of the TSX Venture Exchange at the time of issuance and shall bear all legends as required by applicable securities regulators and the TSX Venture Exchange.

6. Amendment to Article 2.2(5)

Section 2.2(5) of the Trust Indenture be and the same is deleted in its entirety and shall be replaced by the following:

(5) Upon and subject to the provisions and conditions of Article 6, the holder of each Debenture shall have the right, at such holder's option, at any time prior to 4:00 p.m. Vancouver time on the earlier of the Maturity Date and the fifth Business Day immediately preceding the date specified by the Corporation for redemption of the Debentures by notice to the holders of Debentures in accordance with Section 2.2(3) and Section 5.3 (the earlier of which will be the "**Time of Expiry**" for the purposes of Article 6 in respect of the Debentures), to convert the whole or, in the case of a Debenture of a denomination in excess of $100, any part which is $100 or an integral multiple thereof, of the principal amount of such Debenture into Units at the Conversion Price of $1.00 per Unit for the first 24 months ("**Initial Exercise Period**"), $0.20 for a period of 12 months from the expiration of the Initial Exercise Period ("**Second Exercise Period**"), $0.30 for a period of 6 months from the expiration of the Second Exercise Period ("**Third Exercise Period**") and $0.40 for a period of 6 months from the expiration of the Third Exercise Period. No adjustment will be made for dividends declared by the Corporation on the Shares to holders of record of such Shares prior to the Conversion Date. Holders converting their Debentures shall be entitled to receive, in addition to the applicable number of Units, (i) accrued and unpaid interest in cash in respect of 12% of the interest rate for the period up to but excluding the Date of Conversion from the day immediately following the latest Cash Interest Payment Date, and (ii) accrued and unpaid interest in Interest Shares in respect of 10% of the interest rate for the period up to but excluding the Date of Conversion from the date of the first supplemental indenture (being August 24, 2010), to be delivered on the Share Interest Payment Date. The Conversion Price applicable to and the Shares, the Warrants, securities or other property receivable on the conversion of the Debentures is subject to adjustment pursuant to the provisions of Section 6.4.

7. Amendment to Article 2.7(1)

Section 2.7(1) of the Trust Indenture be and the same is deleted in its entirety and shall be replaced by the following:

(1) All Debentures issued hereunder shall bear interest (i) with respect to 12% of the interest payable in cash, from their issue date or from the last Cash Interest Payment Date to which interest shall have been paid, or made available for payment on the outstanding Debentures and the Maturity Date, whichever shall be the later; and (ii) with respect to 10% of the interest payable in Interest Shares, from the date of the

first supplemental indenture (being August 24, 2010) to the Date of Conversion, the Redemption Date or the Maturity Date, whichever is earlier or from the last Share Interest Payment Date to which interest shall have been paid, whichever is later.

8. Amendment to Article 2.10

Section 2.10 of the Trust Indenture be and the same is deleted in its entirety and shall be replaced by the following:

2.10. Payment of Interest

(1) Except as provided elsewhere in this Indenture, as cash portion of the interest becomes due on each Debenture (except at maturity or on redemption, when interest shall be paid upon surrender of such Debenture) the Corporation, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such cash interest (less any tax required to be withheld with respect to the entire 22% interest comprising of both the cash portion of the interest and the Interest Share portion of the interest) to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the 15th day of the calendar month (or the first Business Day following such date if not a Business Day) prior to the applicable Cash Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs. If payment is made by cheque, such cheque (which may be post dated to the Cash Interest Payment Date) shall be forwarded five days prior to the applicable Cash Interest Payment Date and if payment is made by other means (such as electronic transfer of funds), such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque be not paid at par on presentation. In the event of non receipt of any cheque for or other payment of interest by the person to whom it is so sent as aforesaid, the Corporation will issue to such person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

(2) Except as provided elsewhere in this Indenture, the share portion of the interest shall be paid on the Share Interest Payment Date with respect to such Debenture, whichever is earlier. On the Share Interest Payment Date, the Corporation, either

directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, share certificate(s) representing the Interest Shares to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the 15th day of the calendar month (or the first Business Day following such date if not a Business Day) prior to the Share Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs.

9. Amendment to Article 3.2(11)

Section 3.2(11) of the Trust Indenture be and the same is deleted in its entirety and shall be replaced by the following:

(11) The Operating Subsidiary shall pay interest at the rate of 22 % per annum (as well after as before demand and both before and after default and/or judgment) on all amounts due and payable by the Operating Subsidiary under the Guarantee and unpaid (including interest payable under this Section 3.2). Such interest accrues from day to day from the due date up to the date of actual payment.

10. Ratification of Indenture; Supplemental Indenture Part of Trust Indenture

Except as expressly amended hereby, the Trust Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect.

11. Counterparts and Formal Date

This supplemental indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

12. Facsimile or Electronic Execution

This supplemental indenture may be executed by facsimile or electronic copy, each copy when so executed being deemed to be an original.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF the parties hereto have executed this supplemental indenture as of the date first written above.

CLEANFIELD ALTERNATIVE ENERGY INC.

Per: *"Tony Verrelli"*
Name: Tony Verrelli
Title: President

Per: *"Mihail Stern"*
Name: Mihail Stern
Title: VP/CTO

We have the authority to bind the corporation.

CLEANFIELD ENERGY CORP.

Per: *"Tony Verrelli"*
Name: Tony Verrelli
Title: President

Per: *"Mihail Stern"*
Name: Mihail Stern
Title: VP/CTO

We have the authority to bind the corporation.

OLYMPIA TRUST COMPANY

Per: *"Richard M. Barnowski"*
Name: Richard M. Barnowski
Title: Vice-President – Eastern Operations

Per: *"Lisa Clarkin"*
Name: Lisa Clarkin
Title: Account Officer

We have the authority to bind the corporation.