CLEANFIELD ALTERNATIVE ENERGY INC.

\- and -

CLEANFIELD ENERGY CORP.

\- and -

OLYMPIA TRUST COMPANY

August 10, 2012

SECOND 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

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 First Supplemental Indenture dated August 24, 2010 (the “**First Supplemental Indenture**”) has been entered into in accordance with section 14.1(d) of the Trust Indenture and any amendments contained in this Second Supplemental Indenture take precedence to any amendments contained in the First Supplemental Indenture;

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

AND WHEREAS this Second 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 SECOND SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

1. Amendment of the Definition of Interest Payment Date

The definition of Interest Payment Date as set out in section 1.1 and amended in section 2 of the First Supplemental Indenture 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 instalment 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 December 31, 2010, December 31, 2011, July 31, 2012, 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).

2. Amendment of the Definition of Warrant

The definition of Warrant as set out in section 1.1 and amended in section 3 of the First Supplemental Indenture 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 $0.10 until July 31, 2013.

3. Amendment to Article 2.2(2)

Section 2.2(2) of the Trust Indenture, which was amended in section 5 of the First Supplemental 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 July 31, 2013, (the "**Maturity Date**") and shall bear interest 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 December 31, 2010, December 31, 2011, July 31, 2012, 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 December 31, 2010, December 31, 2011, July 31, 2012, 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.

4. Amendment to Article 2.2(5)

Section 2.2(5) of the Trust Indenture, which was amended in section 6 of the First Supplemental 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"), $0.40 for a period of 6 months from the expiration of the Third Exercise Period ("Fourth Exercise Period"), and $0.10 from the expiration of the Fourth Exercise Period until July 31, 2013. 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). The Conversion Price applicable to 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.

5. Ratification of Indenture; Second Supplemental Indenture Part of Trust Indenture

Except as expressly amended in the First Supplemental Indenture and 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.

6. 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.

7. 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: 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: 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.