

Form 51-102F3

MATERIAL CHANGE REPORT

**Section 7.1 of National Instrument 51-102
Continuous Disclosure obligations**

ITEM 1: NAME AND ADDRESS OF COMPANY

Innovative Wireline Solutions Inc. (the "Corporation")
Suite 320, 715 - 5th Avenue S.W.
Calgary, Alberta T2P 2X6

ITEM 2: DATE OF MATERIAL CHANGE

June 29, 2010

ITEM 3: NEWS RELEASE

July 7, 2009

ITEM 4: SUMMARY OF MATERIAL CHANGE

The Corporation announced that they have completed a business combination of the Corporation and True Production Services Inc.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

Please see the press release attached hereto as Schedule "A".

ITEM 6: RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

This report is not being filed on a confidential basis.

ITEM 7: OMITTED INFORMATION

None.

ITEM 8: EXECUTIVE DIRECTOR

For further information with respect to this material change, please contact Robert J. Iverach, Chairman and Chief Executive Officer, by phone at (403) 718-3878 or by e-mail at biverach@mac.com.

ITEM 9: DATE OF REPORT

July 14, 2010

SCHEDULE A

FOR IMMEDIATE RELEASE - TSX Venture Exchange Symbol: ALH.V

AVALITE INC. ANNOUNCES COMPLETION OF THE ACQUISITION OF TRUE PRODUCTION SERVICES INC. AND CHANGE OF NAME TO “INNOVATIVE WIRELINE SOLUTIONS INC.”

July 7, 2010 – Calgary, Alberta – Avalite Inc. (“**Avalite**”, the “**Corporation**” or “**Innovative**”) is pleased to announce that it has recently completed its previously announced acquisition (the “**Arrangement**”) of all of the issued securities of True Production Services Inc. (“**True**”) pursuant to an amended and restated arrangement agreement dated April 21, 2010 (the “**Arrangement Agreement**”), which was detailed in the Joint Information Circular of Avalite and True dated May 27, 2010 and approved by the shareholders of both corporations on June 24, 2010. The Joint Information Circular was filed on the System for Electronic Document Analysis and Retrieval and is available for viewing at www.sedar.com.

The Corporation also announces that in conjunction with the Arrangement, True has completed a previously announced, and subsequently amended, private placement (the “**Private Placement**”) of subscription receipts (“**Subscription Receipts**”) of True. True entered into an engagement agreement with PI Financial Corp. (the “**Agent**”) in connection with the Private Placement to raise a minimum of \$1,000,000 and up to a maximum of \$2,000,000 through the issuance of a minimum of 6,666,667 Subscription Receipts and a maximum of 13,333,333 Subscription Receipts at a price of \$0.15 per Subscription Receipt. Upon closing on June 29, 2010, a total of 9,691,107 Subscription Receipts were issued for gross proceeds of \$1,453,666.20. Each Subscription Receipt was immediately deemed to be exchanged, without payment of any additional consideration, for one consolidated common share of Innovative (“**Innovative Share**”) and one half of one series 2 warrant of Innovative. Each warrant entitles the holder thereof to purchase one Innovative Share at a price of \$0.30 per share until their expiry at 1:00 p.m. (Vancouver time) on December 31, 2013.

The Agent was paid a corporate finance fee of \$47,250 (including GST) and a cash commission of \$61,040.02. In addition, the Agent was granted agent’s options of True (the “**True Agent’s Options**”) to purchase 506,933 common shares in the capital of the Corporation. The True Agent’s Options are exercisable at a price of \$0.15 per True Agent’s Option until December 31, 2013. In addition, a further 34,800 options with the same terms and conditions as the True Agent’s Options were granted in connection with the Private Placement to a non-related party of the Corporation. The Private Placement is subject to the approval of the TSX Venture Exchange (“**TSXV**”).

Pursuant to the amended and restated Arrangement Agreement, Avalite and True completed the following transactions (the “**Transactions**”) with no shareholders of either corporation exercising any dissent rights:

- (a) True completed the Private Placement;
- (b) a new class of preferred shares of Avalite (the “**Avalite Preferred Shares**”) were created;

- (c) all of the issued common shares of Avalite (“**Avalite Shares**”) were consolidated on the basis of one (1) consolidated share of Avalite (“**Avalite Consolidated Share**”) for each one and seven eighths (1⅞) Avalite Shares held;
- (d) the holders of the Avalite Consolidated Shares received one-half (1/2) of one (1) series 1 warrant of Avalite (“**Avalite Warrant Series 1**”) for each Avalite Consolidated Share held. Each Avalite Warrant Series 1 entitles the holder thereof to purchase one Avalite Consolidated Share at a price of \$0.30 per share until their expiry at 1:00 p.m. (Vancouver time) on December 31, 2013;
- (e) the holders of the common shares of True (“**True Common Shares**”) received one-half (1/2) of one (1) warrant of True (“**True New Warrant**”) for each True Common Share held. Each True New Warrant entitles the holder thereof to purchase one Avalite Consolidated Share at a price of \$0.30 per share until their expiry at 1:00 p.m. (Vancouver time) on December 31, 2013;
- (f) all True Common Shares were transferred to Avalite and each holder of True Common Shares received one (1) fully paid and non-assessable Avalite Consolidated Share for each one (1) True Common Share held;
- (g) all preferred shares of True (“**True Preferred Shares**”) were transferred to Avalite and each holder of True Preferred Shares received one (1) fully paid and non-assessable Avalite Preferred Share for each one (1) True Preferred Share held;
- (h) the True New Warrants were cancelled and the holders thereof received one (1) series 2 warrant of Avalite (“**Avalite Warrant Series 2**”) for each True New Warrant held. Each Avalite Warrant Series 2 entitles the holder thereof to purchase one Avalite Consolidated Share at a price of \$0.30 per share until their expiry at 1:00 p.m. (Vancouver time) on December 31, 2013;
- (i) the True Agent Options were cancelled and the holders thereof received one (1) agent option of Avalite for each True Agent Option held; and
- (j) Avalite changed its name to “**Innovative Wireline Solutions Inc.**”.

Following the completion of the Transactions, the Corporation now has issued and outstanding the following securities:

- (a) 30,236,957 Consolidated Common Shares;
- (b) 182,500 Preferred Shares;
- (c) 4,464,773 Warrants Series 1;
- (d) 10,653,706 Warrants Series 2; and
- (e) 541,733 Agent’s Options.

In addition, 3,000,000 options will be granted to certain directors, officers and employees at an exercise price of \$0.15 price per share.

The Board of Directors of Innovative now consists of Robert J. Iverach, Q.C., Christopher Seaver, Boris Makowecki, James Bonyai and Allan Albertson. Robert J. Iverach, Q.C. has

replaced Ralph Misener as Chief Executive Officer, Trevor Briault has replaced Ralph Misener as President and Cameron Bawol, C.A. has replaced Ray Charron as Vice President, Finance and Chief Financial Officer. In addition, Dan Ardiel was appointed as Vice President - Corporate.

The following are the biographies of the directors and officers:

Robert J. Iverach, Chairman of the Board, CEO and Director

Mr. Iverach is currently a director of Fort Chicago Energy Partners L.P. (TSX - FCE.UN) and Chairman of the Boards of Directors of Rodinia Oil Corp. (TSXV - ROZ), Australia Energy Corp. (private) and FoodChek Systems Inc. (private). Recently, Mr. Iverach was a director of NovAtel Inc., Chairman of the Board of Directors of WIN Energy Corporation and a director of Maxx Petroleum Ltd. Mr. Iverach was a founding partner of the tax law firm of Felesky Flynn LLP in 1978 and retired therefrom as a partner in 2004. Mr. Iverach graduated from the University of Calgary with a Bachelor of Arts, from the University of Alberta with a Bachelor of Laws and from the London School of Economics with a Master of Laws. He has been a member of the Law Society of Alberta since 1972 and received the Queen's Counsel designation in 1990.

Trevor Briault, President

Trevor Briault has 17 years experience in the oil and natural gas industry. The majority of his career has been in the wireline service sector, where he has 13 years experience as a wireline engineer and combination operator. Mr. Briault has worked for major companies such as IPS, Weatherford (WellServ) and Precision Wireline. He has also managed his own oilfield consulting company.

Dan Ardiel, Vice-President, Corporate

Dan Ardiel is a businessman with over 11 years experience in the areas of management, finance, and administration as Vice-President of Star Capital Inc., a Calgary based venture capital firm. Mr. Ardiel was a founding shareholder of Maxen Petroleum Inc. (now Pan Orient Energy Corp.). Mr. Ardiel also has extensive experience in managing the day-to-day operations and personnel of an organization with over 60 employees.

Cameron Bawol, Vice-President, Finance, CFO and Corporate Secretary

Mr. Bawol received a BA in Applied Business Administration - Accounting in 2007 from Mount Royal College. He was awarded his CA designation in 2010. He was an Operations Accountant with Progress Energy Ltd. from 2004 to 2007 and has since worked in several positions with Meyers Norris Penny LLP.

Christopher T. Seaver, Director

Christopher T. Seaver retired as Chairman of the Board, President and Chief Executive Officer of Hydril Company (“**Hydril**”), an oil and gas services company specializing in pressure control equipment and premium connections for tubing and casing, when it was sold in 2007. Mr.

Seaver served as Chief Executive Officer and a director of Hydril since 1997 to 2007, and as President from 1993 to 2007. He joined Hydril in 1985 and held a series of domestic and international management positions after that time. Prior to joining Hydril, Mr. Seaver was a corporate and securities lawyer and, before that, a U.S. Foreign Service Officer with postings in Kinshasa, Congo and Bogota, Columbia. He holds a J.D. and a MBA from Stanford University. Mr. Seaver is presently a director of Exterran Holdings (NYSE - EXH) and Oil States International Inc. (NYSE - OIS).

Boris Makowecki, Director

Boris Makowecki is a founding partner and current Executive Vice-President of Hyduke Energy Services Inc. (TSX - HYD). Mr. Makowecki is also a director of Echo-B-Canada Ltd. Over his 31 years of experience in the oil and gas service sector, Mr. Makowecki has overseen the successful start-ups of two Alberta-based oil and gas service companies.

Allan Albertson, Director

Allan Albertson is a Petroleum Engineer with over 16 years of practical experience in oil and gas operations. He has considerable experience in exploration, drilling and development in WCSB and six other basins, including the Middle East, Caspian and South America. Conversant in both design and management of projects, he has worked in conventional as well as heavy oil projects. Mr. Albertson has direct management experience of various oilfield services and has led many drilling, completions and stimulation projects. In his years of technical experience, Mr. Albertson has worked for many large energy and oilfield service companies as well as juniors, including Halliburton, Gulf Canada, Burlington Resources and Encana. Mr. Albertson holds a B.Sc. in Petroleum Engineering from Montana Tech and is recognized as a Professional Engineer by APEGGA.

James P. Bonyai, Director

James Bonyai is a Chartered Accountant with over 23 years of energy and service industry experience, having worked with Northern Cross (Yukon) Limited (as Chief Financial Officer), Trican Well Services Ltd. (as Treasurer), Worley Parsons Canada Ltd. (as Chief Financial Officer), Komex Environmental Limited (as Vice-President Finance and Chief Financial Officer), Canadian Fracmaster Offshore (Cyprus) Limited (as Financial Manager, Special Projects), Nowco Well Service (Cyprus) Limited (as Corporate Controller) and Price Waterhouse, Chartered Accountants. His experience in both domestic and international financial matters covers all phases of financial management including treasury, corporate finance, regulatory reporting, business and strategic planning, corporate development, and general management consulting for both private and public corporations.

The Corporation anticipates that its common shares will commence trading on the TSXV under its new name and trading symbol “**TWS**” shortly following receipt of final approval from the TSXV.

ABOUT INNOVATIVE WIRELINE SOLUTIONS INC.

Innovative Wireline Solutions Inc. has developed and built a unique wireline (slickline) services truck (named the "WellRunner"), which has significant improvements and modifications over conventional wireline trucks in the WCSB. The development of the WellRunner was in response to the energy industry's desire for a full service slickline truck at more affordable rates, operational through all seasons of the year including the seasonal road ban periods when the majority of wireline trucks sit idle. The WellRunner delivers a lower operating cost structure, providing significant savings to customers. The WellRunner has been designed to provide full service operations up to depths of 6,000 meters (comparable to significantly heavier and costlier conventional slickline trucks currently operating in the WCSB).

"The acquisition of True (and its unique wireline business), along with the addition of the new financing, will allow Innovative Wireline Solutions Inc. to expand its WellRunner fleet and capture a significant share of the slickline business over the next few months" said Robert Iverach, CEO. "We intend to order new WellRunners immediately."

The TSXV has in no way passed upon the merits of the Arrangement and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this press release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements.

The Corporation assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Corporation. Additional information identifying risks and uncertainties is contained in the Corporation's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

For more information, please contact:
Dan Ardiel, Vice President - Corporate
Innovative Wireline Solutions Inc.
Direct: 403-718-3881
Email: dardiel@trueinc.ca