

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Canyon Services Group Inc.
Suite 1600 - 510 - 5th Street S.W.
Calgary, AB T2P 3S2

2. Date of Material Change

July 20, 2007

3. News Release

A press release was disseminated on July 20, 2007 via Canada Newswire.

4. Summary of Material Change

Canyon Services Group Inc. (the "Corporation") announced the appointment of Bradley P. D. Fedora as President of the Company.

The Corporation further announced that in conjunction with the appointment, Mr. Fedora will subscribe for, on a private placement basis, 280,000 common shares of the Company at a price of \$3.60 per common share for total gross proceeds of approximately \$1.0 million.

5. Full Description of Material Change

The Corporation announced the appointment of Bradley P. D. Fedora as President of the Company. Mr. Fedora will commence his full time duties with Canyon on September 1, 2007. Mr. Fedora was previously a principal in the corporate finance group of Peters & Co. Limited, an independent, fully integrated investment firm which specializes in the Canadian oil and natural gas and oilfield services industries. At Peters & Co., Mr. Fedora spent over nine years advising corporate clients regarding strategic, financial and capital markets matters and has extensive experience in a large number of financing, merger and acquisition transactions. Mr. Fedora holds a B.Sc. from the University of Saskatchewan and an MBA from the University of British Columbia.

In conjunction with the appointment, Mr. Fedora will subscribe for, on a private placement basis, 280,000 common shares of the Company at a price of \$3.60 per common share for total gross proceeds of approximately \$1.0 million, subject to Toronto Stock Exchange approval. The issue price represents approximately a 10% discount to the July 19, 2007 closing price.

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not Applicable

7. Omitted Information

Not Applicable

8. **Executive Officer**

The name and business number of the executive officer of Canyon Services Group Inc. who is knowledgeable about the material change and this report is:

Barry O'Brien, VP Finance and Chief Financial Officer
Telephone: (403) 290-2478

9. **Date of Report**

July 20, 2007