MATERIAL CHANGE REPORT
FORM 51-102F3

Item 1 – Name and Address of Company

Xebec Adsorption Inc. ("**Xebec**" or the "**Corporation**")
730 Boul. Industriel
Blainville, Québec, J7C 3V4

Item 2 - Date of Material Change

July 27, 2018

Item 3 - News Release

A news release pertaining to the material change being the subject of the present report was disseminated through FSCWire on August 2, 2018, and filed on SEDAR. A copy of the news release is attached to the present report.

Item 4 – Summary of Material Change

The Corporation has obtained C$23 million of additional financial support from Export Development Canada (EDC).

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

In its press release dated August 2, 2018, Xebec announced that it has obtained C$23 million of additional financial support from Export Development Canada (EDC), Canada's export credit agency.

The financial support consists of a credit agreement worth C$11 million with two credit facilities, comprising a three-year term consisting of a C$2 million working capital line and a C$9 million Purchase Order facility. In addition, Xebec has also secured a C$12 million bonding facility with EDC which will be used to support the issuance of multiple bank guarantees.

5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6 – Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

None.

Item 8 - Executive Officer

Mr. Kurt Sorschak
President and Chief Executive Officer
Tel: 450-979-8701

Item 9 - Date of Report

August 6, 2018

Xebec Obtains C$23M of Additional Financial Support from Export Development Canada (EDC)

Credit Facilities for C$11 Million and Bonding Facility for C$12 Million to Support Xebec's Accelerated Growth

MONTREAL, (QC), August 2nd, 2018 - Xebec Adsorption Inc. (TSXV: XBC) ("Xebec"), a global provider of gas purification solutions for the industrial, energy and renewables marketplace, announces today that it has obtained C$23 million of additional financial support from Export Development Canada (EDC), Canada's export credit agency. The financial support consists of a credit agreement worth C$11 million with two credit facilities, and a 3 year term consisting of a C$2 million working capital line and a C$9 million Purchase Order (PO) facility. In addition, Xebec has also secured a C$12M bonding facility with EDC. The bonding facility will be used to support the issuance of multiple bank guarantees.

Quotes:

"We are very pleased and excited that EDC has extended these facilities to Xebec. This will allow us to fund working capital requirements to support our existing backlog and new orders for our international projects. Xebec's order backlog has increased by some 600% in the last few months to over C$ 65 million, driven by solid demand for our cleantech solutions in the hydrogen and biogas upgrading space, and these facilities will play an important role in our ability to deliver these orders and continue to profitably grow Xebec."
- Kurt Sorschak, President & CEO, Xebec

"Supporting clean technology solutions like those developed, engineered and manufactured by Xebec is a priority for EDC. We are particularly pleased to support one of our *Cleantech Export Stars* as they expand internationally and bring more of their innovative hydrogen and biogas purification technology solutions to the world."
- Mark Senn, Director of EDC's Cleantech Team

Related links:
https://www.xebecinc.com
https://www.edc.ca/en

For more information:
Xebec Adsorption Inc.

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About Xebec Adsorption Inc.

Xebec Adsorption Inc. is a global provider of clean energy solutions to corporations and governments looking to reduce their carbon footprints. With more than 1,500 customers worldwide, Xebec designs, engineers and manufactures innovative products that transform raw gases into marketable sources of clean energy. Xebec's strategy is focused on establishing leadership positions in markets where demand for renewable energy through gas purification and generation, natural gas dehydration, and filtration is growing. Headquartered in Montreal (QC), Xebec is a global company with two manufacturing facilities in Montreal and Shanghai, as well as a sales and distribution network in North America, Europe, and Asia. Xebec trades on the TSX Venture Exchange under the symbol XBC. For additional information on the company, its products and services, please visit the Xebec website at www.xebecinc.com.

About Export Development Canada

EDC helps Canadian companies go, grow, and succeed in their international business. As a financial Crown corporation, EDC provides financing, insurance, bonding, trade knowledge, and matchmaking connections to help Canadian companies sell and invest abroad. EDC can also provide financial solutions to foreign buyers to facilitate and grow purchases from Canadian companies. For more information, call **1-888-434-8508** or visit www.edc.ca.

Cautionary Statement

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Certain statements in this press release may constitute "forward-looking" statements within the meaning of applicable securities laws. This forward looking information includes, but is not limited to, the expectations and/or claims of management of Xebec with respect to information regarding the business, operations and financial condition of Xebec. Forward-looking information contained in this press release involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Xebec or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This list is not exhaustive of the factors that may affect forward-looking information contained in this press release. When used in this press release, such statements use such words as "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "will" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements.