XEBEC ADSORPTION INC.
TERM SHEET – June 4, 2020

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the applicable securities regulatory authorities in each of the provinces of Canada. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The short form prospectus will constitute a public offering of the Common Shares only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities. The securities offered by the short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States, except in transactions exempt from the registration requirements of the 1933 Act and any applicable state securities laws. The short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Issuer:	Xebec Adsorption Inc. ("**Xebec**" or the "**Corporation**").
Issue:	5,835,000 Common Shares of the Corporation, to be issued from treasury (the "**Offering**").
Amount:	C$21,006,000, (prior to the Over-Allotment Option being exercised)
Issue Price:	C$3.60 per Common Share (the "**Issue Price**").
Concurrent Block Trade:	Concurrent with the Offering, Mr. Kurt Sorschak, Chairman, President and CEO, Mr. Louis Dufour, CFO and Dr. Prabhu K. Rao, COO and Director (collectively the "**Selling Shareholders**") will be selling to the Underwriters respectively 2,000,000, 100,000 and 400,000 common shares of the Corporation (collectively, the "**Block Common Shares**"), on a block trade, prospectus-exempt basis, at the Offering Price for total gross proceeds of $9,000,000 (the "**Concurrent Block Trade**"). Following the Concurrent Block Trade, the Selling Shareholders will collectively continue to own approximately 7,508,455 common shares of the Corporation. The completion of the Concurrent Block Trade is conditional upon the completion of the Offering. The Selling Shareholders will enter into a 90 day standstill agreement.
Prospectus / Block Trade Allocation:	Investors will receive their allocated common shares as Common Shares, Block Common Shares, or a combination of Common Shares and Block Common Shares.
Over-Allotment Option:	The Corporation has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at any time until and including 30 days following the closing of the Offering, to purchase from the Corporation up to an additional 15% of the number of Common Shares sold under the Offering at the Issue Price to cover over-allotments, if any.
Offering Basis:	Bought public offering, by way of short form prospectus to be filed in each of the provinces of Canada, and into the United States by way of private placement to Qualified Institutional Buyers pursuant to Rule 144A of the 1933 Act as well as in certain offshore jurisdictions as agreed between the Corporation and the Underwriters
Use of Proceeds:	Xebec intends to use the net proceeds from the Offering to develop and invest in new renewable gas projects, to pursue strategic growth initiatives and for general corporate purposes.
Eligibility:	The Common Shares will be eligible under the usual statutes as well as for RRSPs, DPSPs, RESPs, TFSAs and RRIFs.
Listing:	The Common Shares of the Corporation are listed on the TSXV under the symbol "XBC". The Corporation will obtain listing approval for the Treasury Shares offered hereunder, as well as the Common Shares to be issued upon exercise of the Compensation Options.
Underwriting Fee:	6.0% of the gross proceeds raised in respect of the Offering plus Compensation Options (the "**Compensation Options**") equal to 6.0% of the Common Shares issued pursuant to the Offering (including any Common Shares issued pursuant to the exercise of the Over-Allotment Option). Each Compensation Option will give the Underwriters the right to purchase an additional Common Share in the Corporation at a price equal to the Issue Price for a period of 12 months following the Closing Date.
Bookrunner:	Desjardins Capital Markets
Closing Date:	On or about June 26, 2020, or such other date as the parties may agree (the "**Closing Date**")

Desjardins
Capital Markets