

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

Item 1 Name and Address of Company

ClearStream Energy Services Inc. ("ClearStream", "we" and "our")
Suite 3500, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

Item 2 Date of Material Change

December 10, 2021

Item 3 News Release

A news release announcing the material change was issued by ClearStream on December 10, 2021 and disseminated through the facilities of GlobeNewswire. A copy of the news release has been filed under ClearStream's corporate profile on SEDAR at www.sedar.com.

Item 4 Summary of Material Change

Canso Investment Counsel Ltd., the portfolio manager for and on behalf of certain accounts that it manages ("Canso"), in its capacity as the sole holder of ClearStream's 8% senior secured debentures due March 23, 2026 (the "Senior Secured Debentures"), has agreed to accept the issuance of an additional 4,278 Senior Secured Debentures on December 31, 2021, 4,449 Senior Secured Debentures on June 30, 2022 and 4,627 Senior Secured Debentures on December 31, 2022 at a principal amount of \$1,000 per Senior Secured Debenture in order to satisfy the interest that would otherwise become due and payable on such dates (the "Payment in Kind Transactions").

The Payment in Kind Transactions will allow ClearStream to preserve capital necessary for its ongoing operations that would otherwise be required for cash interest payments and improve its financial situation. In addition, the Payment in Kind Transactions will assist ClearStream to maintain compliance with the covenants under its asset-based lending facility.

Item 5.1 Full Description of Material Change

Senior Secured Debentures

ClearStream currently has \$107 million of 8% Senior Secured Debentures outstanding. Pursuant to the Payment in Kind Transactions, Canso as sole holder of the Senior Secured Debentures has agreed to accept the issuance of an additional 4,278 Senior Secured Debentures on December 31, 2021 and 4,449 Senior Secured Debentures on June 30, 2022 and 4,627 Senior Secured Debentures on December 31, 2022 at a principal amount of \$1,000 per Senior Secured Debenture in order to satisfy the interest that would otherwise become due and payable on such dates. This will save ClearStream an aggregate of approximately \$13.4 million in cash. Following the Payment in Kind Transactions, the principal amount of Senior Secured Debentures outstanding will be approximately \$111.2 million at December 31, 2021, \$115.7 million at June 30, 2022 and \$120.3 million at December 31, 2022. The terms of the new Senior Secured Debentures issued pursuant to the Payment in Kind Transactions will be the same as the existing Senior Secured Debentures in all material respects.

A copy of the Seventh Supplemental Senior Secured Indenture to the Senior Secured Trust Indenture dated March 23, 2016 will be filed under ClearStream's profile on SEDAR at www.sedar.com.

Related Party Transaction

As Canso currently holds approximately 16% of ClearStream's outstanding common shares, approximately 99.8% of the outstanding Series 1 preferred shares, 100% of the outstanding series 2 preferred shares and 100% of the outstanding Senior Secured Debentures, it is deemed an "insider" and "related party" of ClearStream and the Payment in Kind Transactions constitute a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101").

The material terms of the Payment in Kind Transactions are summarized above. The purpose and business reason for the Payment in Kind Transactions is to allow ClearStream to preserve capital necessary for its ongoing operations that would otherwise be required for cash interest payments on the Senior Secured Debentures and to improve its financial situation. In addition, the Payment in Kind Transactions will assist ClearStream to maintain compliance with the covenants under its asset-based lending facility. ClearStream does not anticipate any material effect to its business and affairs beyond the preservation of capital the Payment in Kind Transactions will provide. The issuance of additional Senior Secured Debentures to Canso pursuant to the Payment in Kind Transactions will have no impact on the percentage of securities held by Canso as it is currently the sole holder of Senior Secured Debentures. The Senior Secured Debentures are not convertible into equity securities of ClearStream, therefore the issuance of additional Senior Secured Debentures will not impact ClearStream's share capital.

To complete the Payment in Kind Transactions, ClearStream is relying on the financial hardship exemptions contained in Section 5.5(g) of MI 61-101 (from the formal valuation requirement) and Subsection 5.7(1)(e) of MI 61-101 (from the minority shareholder approval requirement). In relying on such exemptions, each of ClearStream's board of directors and all of its independent directors, in each case acting in good faith, made the following determinations: (i) that ClearStream is in serious financial difficulty; (ii) that the Payment in Kind Transactions are designed to improve ClearStream's financial position; and (iii) that the terms of the Payment in Kind Transactions are reasonable in ClearStream's circumstances.

Item 5.2 Disclosure of Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102 – *Continuous Disclosure Obligations*

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact Randy Watt, Chief Financial Officer of ClearStream, at 587-318-1003.

Item 9 Date of Report

December 10, 2021

Forward-Looking Statements and Information

Certain information included in this material change report may constitute “forward-looking information” within the meaning of Canadian securities laws. In some cases, forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other similar expressions concerning matters that are not historical facts. Specifically, this material change report contains forward-looking information relating to: our business plans, strategies and objectives including the ability to preserve access to capital as a result of the Payment in Kind Transactions; the amount and timing of the Payment in Kind Transactions.

Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including, but not limited to, risks related to the integration of acquired businesses, conditions of capital markets, economic conditions, commodity prices, dependence on key personnel, interest rates, regulatory change, ability to meet working capital requirements and capital expenditure needs, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. Risks and uncertainties about ClearStream’s business are more fully discussed in ClearStream’s disclosure materials, including its annual information form and management’s discussion and analysis of the operating and financial results (MD&A), filed with the securities regulatory authorities in Canada and available at www.sedar.com. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting ClearStream will continue substantially in the ordinary course, including, without limitation, with respect to general levels of economic activity, regulations, taxes and interest rates.

Although the forward-looking information is based on what management of ClearStream consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management’s assumptions may prove to be incorrect.

This forward-looking information is made as of the date of this material change report, and ClearStream does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Forward-looking information is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes.