FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

CERF Incorporated ("**CERF**")
8430 – 24 Street
Edmonton, Alberta T6P 1X8

Item 2 Date of Material Change

October 3, 2012

Item 3 News Release

A press release was disseminated prior to the opening of the markets on October 4, 2012 via Marketwire.

Item 4 Summary of Material Change

CERF announced that it had completed the purchase of 100% of the issued and outstanding shares of TRAC Energy Services Ltd. ("**TRAC**"), a private oilfield equipment rental company based in Nisku, Alberta which also has offices in Calgary.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

CERF announced that it had completed the purchase of 100% of the issued and outstanding shares of TRAC, a private oilfield equipment rental company based in Nisku, Alberta which also has offices in Calgary. The purchase price for the acquisition was $17,813,300, subject to working capital and other normal closing adjustments, payable by cash in the amount of $11,730,113 and by the issuance of 2,027,729 common shares ("**Common Shares**") in the capital of CERF at a deemed price of $3.00 per Common Share. The existing management team of TRAC, namely, Mr. Cameron Miller and Mr. Travis Porter, are continuing as President and Vice President Sales and Marketing, respectively, of TRAC.

CERF announced that, in connection with the purchase of TRAC, it had increased its bank credit facilities to an aggregate of approximately $31.0 million.

5.2 Disclosure for Restructuring Transactions

Not Applicable

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

Not applicable

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

For further information, please contact:

Wayne Wadley, President & CEO at (403) 850-4095, by email at wwadley@cerfcorp.com or Ken Stephens, V.P. Finance & CFO at (403) 281-1042, by fax at (403)238-2720, by email at kstephens@cerfcorp.com.

Item 9 Date of Report

October 5, 2012

Advisory Regarding Forward-Looking Statements

Certain statements contained in this material change report constitute “forward-looking statements” under applicable securities laws. These statements regarding future events or future performance and are based on CERF’s current expectations, estimates, projections, assumptions and beliefs. Although CERF believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Accordingly, undue reliance should not be placed on these forward-looking statements. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking statements. All such forward-looking statements involve known and unknown risks and uncertainties, certain of which are beyond the control of CERF. The forward-looking statements contained in this material change report are made as of the date hereof and CERF does not intend, and does not assume any obligation, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws.