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

May 28, 2014

Item 3 News Release

A press release was disseminated on May 28, 2014 via Marketwired.

Item 4 Summary of Material Change

CERF announced that it had purchased the business and assets (the "**Acquisition**") of Empire Tool Inc. ("**Empire")** a Calgary-based, privately owned oilfield service and rental business through its subsidiary TRAC Energy Services Ltd. ("**TRAC**"). The purchase price for the Acquisition was approximately $9.3 million.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

CERF announced that it had purchased the business and assets of Empire, a Calgary-based, privately owned oilfield service and rental business through its subsidiary TRAC. The purchase price for the Acquisition was approximately $9.3 million.

"The acquisition of Empire complements TRAC's oilfield service capability within Western Canada, and enhances our overall earnings ability," said Wayne Wadley, President of CERF. "We are excited to welcome Empire's management team to TRAC, who will be instrumental in integrating Empire's assets, sales capacity, and oilfield capabilities into our well established operating model."

The Empire assets will immediately enhance TRAC's capability to provide new and existing customers with more equipment used in directional drilling applications including: specialty and heavy weight drill pipe; drill collars and related handling equipment. Empire's assets operate primarily in the deep horizontal plays of Western Alberta and Northeast British Columbia.

Empire generated approximately $4.2 million in revenue and $2.8 million in adjusted and normalized EBITDA in the year ending March 31, 2014, and is expected to be immediately accretive to CERF shareholders. The Acquisition is payable by cash in the amount of $6.1 million, subject to a one year, $2 million hold back provision and through the issuance of $3.2 million in CERF common shares.

Raymond James Ltd. acted as financial advisor to Empire.

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 and CEO at (403) 850-4095 or by email at wwadley@cerfcorp.com or Ken Stephens, Vice President, Finance & CFO at (780) 410-2998 ext 371, by fax at (780) 417-4929, or by email at kstephens@cerfcorp.com.

Item 9 Date of Report

May 28, 2014

Advisory Regarding Forward-Looking Information

This material change report contains forward-looking information. All statements, other than those of historical fact, which address activities, events, outcomes, results or developments that CERF anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking information. In particular, this material change report refers to CERF's and TRAC's anticipated benefits of the Acquisition, integration of the acquired assets with TRAC's business, the enhancement of TRAC's capability to serve new and existing customers, and the expectation the transaction will be immediately accretive to CERF shareholders, all of which are forward-looking information. This forward-looking information is based upon on various assumptions, including assumptions regarding the integration of the acquired assets. Readers are cautioned that there is no assurance that the matters referenced herein will proceed as set forth herein. Many factors could cause the performance or achievement by CERF and TRAC to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking information. These factors include the failure to achieve the anticipated benefits of the Acquisition. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking information contained in this material change report is expressly qualified by this cautionary statement. CERF is not under any duty to update any of the forward-looking information after the date of this material change report or to conform such statements to actual results or to changes in CERF's expectations and CERF disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.