Management's Discussion & Analysis

2021 Annual and Fourth Quarter Report

SECURE ENERGY

CONTENTS

ABOUT THIS MD&A

The following management's discussion and analysis ("MD&A") of the financial position and results of operations of SECURE Energy Services Inc. ("SECURE", the "Corporation", "we", or "our") has been prepared by management and reviewed and approved by the Board of Directors of SECURE (the "Board") on March 2, 2022. The MD&A is a review of the financial results of the Corporation prepared in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

This MD&A's primary focus is a comparison of the financial performance for the three and twelve months ended December 31, 2021 to the three and twelve months ended December 31, 2020, and should be read in conjunction with the Corporation's annual audited consolidated financial statements and notes thereto for the years ended December 31, 2021 and 2020 ("Annual Financial Statements").

All amounts are presented in Canadian dollars, unless otherwise stated, and all tabular amounts are in millions of Canadian dollars, except share and per share amounts or as otherwise noted. Certain comparative figures have been reclassified to conform to the MD&A presentation adopted for the current year. Effective July 1, 2021, SECURE voluntarily changed its accounting policy with respect to the discounting of asset retirement obligations and as a result certain comparative information has been restated in this MD&A. Refer to the "Accounting Policies" section of this document for a description of the changes and the impact on the Corporation's Annual Financial Statements.

This MD&A contains references to the following financial measures that do not have a standardized meaning as prescribed under IFRS ("Non-GAAP and other financial measures"): Adjusted EBITDA, Adjusted EBITDA per share, Adjusted EBITDA Margin, Total Segment Profit Margin, Discretionary Free Cash Flow, Discretionary Free Cash Flow per share, Working Capital, Liquidity and certain supplemental financial measures. Refer to the "Non-GAAP and other financial measures" section of this MD&A for a full discussion on management's use of non-GAAP and other financial measures, including, where applicable, reconciliations to the most directly comparable IFRS measure.

On July 2, 2021 (the "Acquisition Date"), pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita Corporation ("Tervita") and subsequently Tervita was amalgamated with SECURE (collectively, the "Transaction"). Following completion of the Transaction, Tervita ceased to make separate filings as a reporting issuer. The Annual Financial Statements and this MD&A include financial results for Tervita since the Acquisition Date, unless otherwise stated. Refer to Note 4 in the Annual Financial Statements and the "Tervita Merger" section in this MD&A for additional information.

CORPORATE OVERVIEW

SECURE is a publicly traded energy infrastructure and environmental business listed on the Toronto Stock Exchange ("TSX"). SECURE provides industry leading midstream infrastructure and environmental and fluid management to predominantly upstream oil and natural gas companies operating in western Canada and certain regions in the United States ("U.S.").

SECURE's Midstream Infrastructure reportable segment includes a network of midstream processing and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada, North Dakota and Oklahoma. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing.

SECURE's Environmental and Fluid Management reportable segment includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste management and disposal, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, waste treatment & recycling, emergency response, rail services, metal recycling services, as well as fluid management for drilling, completion and production activities.

For a complete description of services provided by the Corporation, please refer to the heading '*Description of the Business and Facilities'* in the Corporation's Annual Information Form for the year ended December 31, 2021 ("AIF") which is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and our website at www.secure-energy.com and does not constitute part of this MD&A.

OPERATIONAL DEFINITIONS

Certain operational definitions used throughout this MD&A are further explained below.

Capital expenditures

The Corporation classifies capital additions as either growth, acquisition or sustaining capital. Growth and acquisition capital are capital expenditures with the intent to expand or restructure operations, enter into new locations or emerging markets, or complete a business or asset acquisition. Sustaining capital refers to capital expenditures in respect of capital asset additions, replacements or improvements required to maintain ongoing business operations. The determination of what constitutes sustaining capital expenditures versus growth capital involves judgment by management.

Oil prices

Canadian Light Sweet crude oil price is the benchmark price for light crude oil (40 American Petroleum Institute gravity) at Edmonton, Alberta. West Texas Intermediate ("WTI") crude oil is the North American benchmark price for light crude oil.

2021 EXECUTIVE SUMMARY

In 2021, we saw the oil and gas industry recover at a substantial rate from the dramatic decline in oil prices beginning in March 2020, and the COVID-19 pandemic that resulted in an unprecedented global crisis and severely curtailed oil and gas industry activity. Oil prices have now increased to their highest levels seen in several years with benchmark crude oil prices, on average, increasing by 72% compared to 2020. Strong oil prices, in part due to increased demand for oil as COVID-19 pandemic impacts lessen, are supporting the economics for producers to increase capital spending which has had a positive impact on drilling and completions activity throughout the year.

At the start of the third quarter of 2021, the Corporation closed the Transaction. Through the Transaction SECURE has increased its Midstream Infrastructure footprint and expanded its service offerings in the Environmental and Fluid Management segment.

The key benefits of the Transaction included:

a. Highly complementary midstream infrastructure asset bases and environmental service lines provide for enhanced scale, utilization, efficiencies, geographic and expanded services for SECURE's customers.
b. Significant estimated annual integration cost savings impacting Adjusted EBITDA of at least $75 million expected to be achieved by the end of 2022[1].
c. Results that are immediately accretive to funds flow from operations and discretionary free cash flow per share for all SECURE shareholders.
d. Significantly improved cost structure to serve a growing and consolidating customer base through the full business cycle.
e. Stronger financial position with attractive discretionary free cash flow generation expected to reduce debt.
f. Enhanced scale anticipated to provide greater access to capital markets and the ability to partner with our customers to execute on a strong pipeline of organic growth projects.
g. A combination of two strong corporate cultures driven by highly talented teams with shared commitments to environmental, social, governance, safety, performance, customer service and profitability.

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[1] *See Financial and Operating Highlights for the Corporation's Adjusted EBITDA for the three and twelve months ended December 31, 2021 and 2020 and refer to the "Forward-Looking Statements" and "Business Risks" section of this MD&A.*

h. An elevated position to advance and deliver on environmental and social sustainability initiatives for the combined company and its customers.

Strong financial results

SECURE has employed strategies over the past several years to increase the stability of the Corporation's cash flows, including the addition of oil and water pipelines underpinned by long-term contracts, crude oil storage, production chemicals and recurring environmental project work. Following the acquisition in the third quarter, the Corporation expanded its Midstream Infrastructure facility footprint and associated processing, treating and disposal capacity and enhanced SECURE's environmental management service offerings providing increased scale, utilization, efficiencies, and expanded services for SECURE's customers. In 2021, SECURE generated a net loss attributable to shareholders of $203 million which included a non-cash impairment charge of $269 million ($204 million after tax) predominantly attributable to the suspension or closure of facilities in order to achieve the efficiencies provided by the Transaction and assets identified and assigned value in the purchase price allocation of the Tervita acquisition that do not have continuing value to SECURE, including intangible assets such as trade names. As a result of the Transaction and due to the positive impacts of the improved oil and gas industry fundamentals, SECURE's Adjusted EBITDA[2] increased by 110% to $286 million in 2021. The 2021 results include the contributions from the Tervita acquired business only for the second half of 2021, illustrating the significant Adjusted EBITDA growth that the Transaction achieved.

Also, as a result of the Transaction and the improved market conditions underpinned by stronger oil and gas prices, the following results were achieved in 2021:

- Increased revenue (excluding oil purchase and resale) by 94% to $893 million.
- Overall increase in Midstream Infrastructure segment's volumes. Disposal volumes increased by 46%, processing volumes by 97% and oil volumes recovered through our processing operations by 124%.
- Increased Adjusted EBITDA margin[3] to 32% from 30%.
- Maintained the Midstream Infrastructure segment's profit margin as a percentage of revenue (excluding oil purchase and resale) at 61%.
- Increased the Environmental and Fluid Management segment's profit margin as a percentage of revenue to 27%, up from 23% in the prior year.
- Cost savings achieved in 2021 positively impacted Adjusted EBITDA by $18 million equating to $40 million on an annual run-rate basis (53% of our initial target). The savings are predominantly a result of reductions in headcount and public company costs, operational optimizations and facility rationalizations. It is expected that the $75 million target will be achieved on schedule by the end of 2022.

The 2020 comparative results were positively impacted by $23 million of Canada Emergency Wage Subsidy ("CEWS") recoveries, which had an insignificant impact in 2021.

Financial Flexibility

Maintaining a strong balance sheet has always been a key priority for the Corporation. In connection with the closing of the Transaction, SECURE entered into an $800 million three-year senior secured revolving credit facility (the "Revolving Credit Facility") with nine financial institutions. The Revolving Credit Facility was used to replace and repay SECURE's first and second lien credit facilities, Tervita's first lien credit facility, and SECURE's two bilateral letter of credit facilities totaling $75 million. SECURE also entered into a $30 million unsecured letter of credit facility guaranteed by Export Development Canada (the "SECURE LC Facility"), providing additional stability and capacity to the Corporation's capital structure.

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[2] *Non-GAAP financial measure. Refer to the "Non-GAAP and other financial measures" section of this MD&A.*

[3] *Non-GAAP financial ratio. Refer to the "Non-GAAP and other financial measures" section of this MD&A.*

Through the Transaction, SECURE assumed Tervita's US$500 million of 11% senior secured notes due December 1, 2025 and since the Transaction has redeemed US$200 million of these senior secured notes by closing private offerings of $340 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026. SECURE used the proceeds from these private offerings to fund the redemption of US$200 million of the 2025 senior secured notes at a redemption price of 105.5%.

These transactions bring stability and financial flexibility to the balance sheet with debt that has no near-term maturities. Currently, the first debt maturity of the Corporation is its Revolving Credit Facility in 2024. In addition, these transactions are expected to provide interest cost savings of approximately $9 million per year that are in addition to the $75 million of Adjusted EBITDA synergies discussed previously.

The improved market conditions and the Transaction significantly increased Discretionary Free Cash Flow[4] in 2021 by 80% to $171 million. In the near term the Discretionary Free Cash Flow will be used to reduce outstanding debt currently on the Revolving Credit Facility. Funds flow from operations increased by 68% to $176 million.

Environmental, Social and Governance ("ESG")

SECURE recognizes that the long-term success of the Corporation goes beyond the financial results generated by the Corporation. SECURE is focused on connecting our strong employee culture with our corporate strategies to drive improved ESG performance. We are continually refining our strategies and processes to further enhance the sustainability of our business by incorporating ESG factors into our overall business strategy, risk management and business development. Our commitments to sustainability, including putting safety first, minimizing the environmental impacts of our operations, and creating positive relationships with stakeholders in the communities where we live and work, guide these strategies. Over the past year, the Corporation continued to prioritize the advancement of its ESG practices by taking the following actions to advance our ESG framework and address key issues:

- Completed a framework for an ESG education and awareness program for employees and commenced associated employee training;
- Completed the development of short and mid-term energy usage and emissions targets as we map out milestones towards achieving a 5% reduction in water usage in 2022, lower greenhouse gas emission intensity by 15% by 2024 and our long-term objectives of 50% reduction of our carbon intensity by 2030 and achieving net zero emissions by 2050;
- Completed base line work to create a diversity and inclusion strategy;
- Maintained the number of women on the Board at 25% subsequent to the Transaction;
- On close of the Transaction, appointed an independent director as Chairman of the Board; and
- Installed temporary caps at some of our closed landfill cells to reduce the amount of leachate generated and to reduce environmental impacts associated with leachate generation.

SECURE will be publishing our 2021 Sustainability Report in the second quarter of 2022.

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[4] *Non-GAAP financial measure. Refer to the "Non-GAAP and other financial measures" section of this MD&A.*

FINANCIAL AND OPERATING HIGHLIGHTS

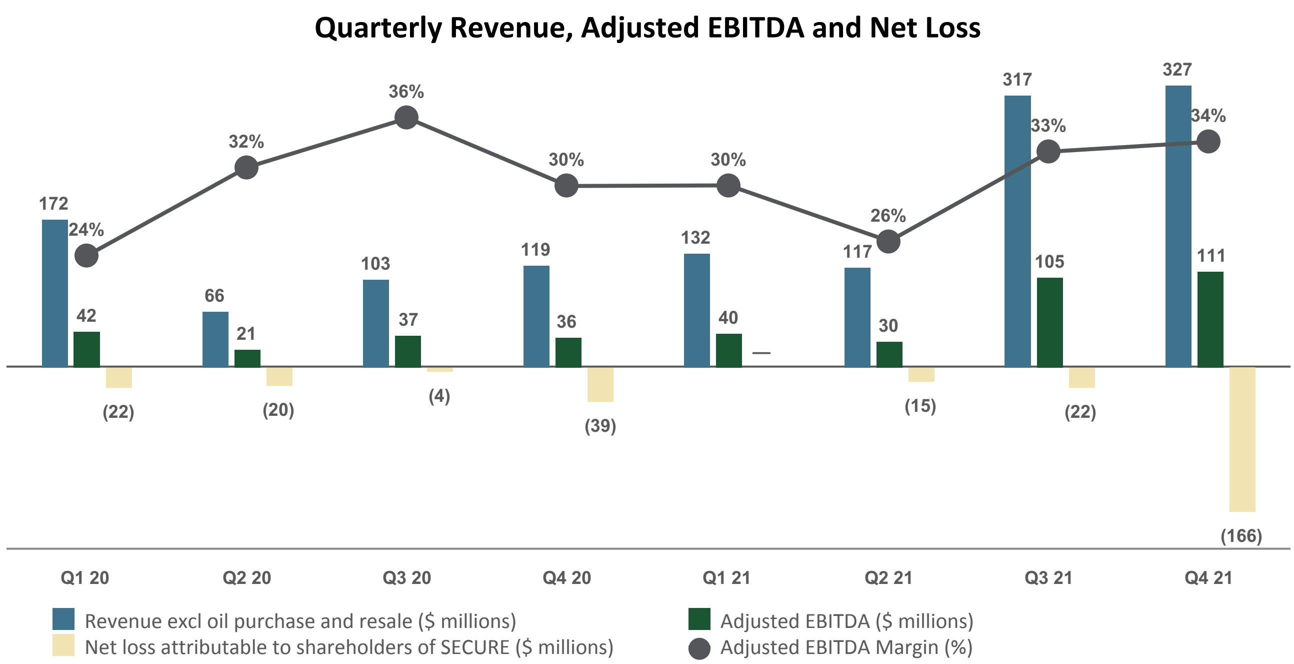
The Corporation's operating and financial highlights for the three and twelve months ended December 31, 2021 and 2020 can be summarized as follows:

	Three months ended December 31,			Twelve months ended December 31,		
($ millions except share and per share data)	**2021**	**2020**	**% change**	**2021**	**2020**	**% change**
Revenue (excludes oil purchase and resale)	**327**	119	175	**893**	460	94
Oil purchase and resale	**1,013**	356	185	**2,873**	1,364	111
Total revenue	**1,340**	475	182	**3,766**	1,824	106
Adjusted EBITDA [(1)]	**111**	36	208	**286**	136	110
Per share ($), basic and diluted [(1)]	**0.36**	0.23	57	**1.22**	0.86	42
Net loss attributable to shareholders of SECURE [(2)(3)]	**(166)**	(39)	326	**(203)**	(85)	139
Per share ($), basic and diluted	**(0.54)**	(0.25)	116	**(0.87)**	(0.54)	61
Funds flow from operations	**54**	27	100	**176**	105	68
Per share ($), basic and diluted [(1)]	**0.18**	0.17	6	**0.75**	0.66	14
Discretionary free cash flow [(1)]	**47**	25	88	**171**	95	80
Per share ($), basic and diluted [(1)]	**0.15**	0.16	(6)	**0.73**	0.60	22
Capital expenditures [(1)]	**17**	9	89	**43**	71	(39)
Dividends per common share	**0.0075**	0.0075	—	**0.0300**	0.1100	(73)
Total assets [(2)]	**2,937**	1,376	113	**2,937**	1,376	113
Long-term liabilities [(2)]	**1,498**	502	198	**1,498**	502	198
Common shares - end of period	**308,158,691**	158,700,373	94	**308,158,691**	158,700,373	94
Weighted average common shares - basic and diluted	**308,135,731**	158,664,323	94	**234,226,176**	158,561,369	48

(1) Refer to "*Non-GAAP and other financial measures*" and "*Operational Definitions*" sections in this MD&A for further information.

(2) Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

(3) Includes non-cash impairment charges of $247 million and $34 million for the three months ended December 31, 2021 and 2020, respectively and $269 million and $50 million for the twelve months ended December 31, 2021 and 2020, respectively.



FOURTH QUARTER HIGHLIGHTS

- **Revenue (excluding oil purchase and resale) of $327 million** - an increase of 175% compared to the fourth quarter of 2020 with Midstream Infrastructure revenue (excluding oil purchase and resale) increasing by $91 million to $138 million and Environmental and Fluid Management revenue increasing by $117 million to $189 million for the quarter. These increases were primarily due to additional revenue associated with the Transaction and the increase in activity levels. Both reportable segments benefited from improved industry activity levels, driving incremental volumes at Midstream Infrastructure facilities and industrial landfills, and demand for drilling and completion related services as evidenced by an increase in average active rig count of approximately 75%. Higher crude oil pricing in 2021 also positively impacted recovered oil revenue and increased oil purchase and resale revenue by 185% to $1.0 billion.

- **Net loss attributable to shareholders of $166 million** - an increase of $127 million compared to the fourth quarter of 2020. The increase was primarily driven by the impact of the Transaction which includes a $247 million non-cash impairment charge recorded in the quarter. The non-cash impairment charge is predominantly attributable to the suspension or closure of facilities in order to achieve the integration cost savings related to the Transaction as discussed below and assets identified and assigned value in the purchase price allocation of the Transaction that do not have continuing value to SECURE, including intangible assets such as trade names. In addition, higher depreciation, depletion and amortization ("DD&A"), $23 million of higher finance costs associated with debt assumed during the Transaction and incurring $10 million of transaction costs were partially offset by higher period over period Adjusted EBITDA as described below and an increase in the deferred tax recovery of $45 million.

- **Adjusted EBITDA of $111 million** - an increase of 208% compared to the fourth quarter of 2020, primarily due to improved market conditions and synergies as a result of the Transaction, which demonstrates the strength and scale of the combined business. In addition, higher oil prices resulted in increased activity levels in the Corporation's operating areas, which led to higher processing and disposal volumes at our Midstream Infrastructure facilities and landfills and increased demand for drilling and completion services within the Environmental and Fluid Management segment.

- **Integration cost savings of $40 million realized** - achieved $11 million of cost savings impacting Adjusted EBITDA in the fourth quarter of 2021, and $40 million on an annual run-rate basis for realized cost savings of 53% of the $75 million target after six months of integration following completion of the Transaction. The $11 million achieved in the quarter is mainly a result of a reduction of headcount and operational optimizations and facility rationalizations. The Corporation suspended or closed 17 facilities in order to achieve the cost savings associated with facility rationalizations. As we suspend facilities and redirect water and waste volumes to another location it improves overall utilization and lowers greenhouse gas emissions intensity. In the three months ended December 31, 2021, $10 million of costs related to the Transaction and integration of the business were incurred.

- **Adjusted EBITDA margin of 34%** - increased from 30% in the fourth quarter of 2020, due to the positive impact from the cost savings mentioned above and higher revenue contributing to improved fixed cost absorption particularly in the service lines impacted by the increased drilling and completion activity. In the prior year, Adjusted EBITDA margin in the fourth quarter benefited from wage subsidies under the CEWS program.

- **Discretionary free cash flow of $47 million** - which was primarily used to fund the increase in working capital from higher activity levels, as well as pay the Corporation's quarterly dividend, transaction costs and growth capital expenditures. Funds flow from operations were $54 million in the quarter, an increase of $27 million from the prior year comparative period. Higher Adjusted EBITDA in the fourth quarter of 2021 was offset by transaction costs incurred and the payment of the semi-annual interest payments on the Corporation's unsecured and senior secured notes.

- **Liquidity[5] of $289 million** - decreased by $11 million from September 30, 2021 primarily due to increased investment in working capital associated with higher activity levels and transaction-related costs incurred, partially offset by discretionary free cash flow generated during the fourth quarter of 2021.
- **Total capital expenditures of $17 million** - consisting of $4 million growth capital and $13 million of sustaining capital. Growth capital included spend related to increasing the handling capacity at a water disposal facility and optimization upgrades to facility equipment. Sustaining capital relates primarily to landfill cell expansions, well and facility maintenance, spare parts, asset integrity and inspection programs.
- G&A expense before depreciation, depletion, amortization and share-based compensation expense as a percentage of revenue (excluding oil purchase and resale) was 8%, which improved by two percentage points compared to the fourth quarter of 2020.
- **Private offering of $140 million** - Completed an additional private offering of $140 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026 ("2026 unsecured notes") at an issue price of $100.75, representing a yield of approximately 7%. The proceeds were primarily used to fund the redemption of US$100 million aggregate principal amount of the US$500 million aggregate principal amount of 11.00% senior second lien secured notes previously issued by Tervita due December 1, 2025 (the "2025 senior secured notes"), at a redemption price of 105.5%, plus accrued but unpaid interest to, but not including, the applicable redemption date. The redemptions were completed on October 7 and 8, 2021.

  These redemptions of 2025 senior secured notes, along with the redemption of another US$100 million aggregate principal amount of 2025 senior secured notes completed on July 16, 2021, are anticipated to result in annual interest cost savings of approximately $9 million.
- **Declared dividends of $2 million** - representing $0.0075 (0.75 cents) per common share for the quarter.
- The Corporation was added to the S&P/TSX Composite index on December 20, 2021. The S&P/TSX Composite is the headline index for the Canadian equity market and tracks the performance of the largest companies listed on the TSX and is used as the benchmark for Canadian equity performance.

ANNUAL HIGHLIGHTS

- **Revenue (excluding oil purchase and resale) of $893 million** - an increase of 94% compared to 2020. The increase was primarily due to same factors that impacted the quarter, partially offset by lower drilling and completion and project activity in the first quarter of 2021.
- **Net loss attributable to shareholders of $203 million** - an increase of $118 million compared to 2020. The increase was primarily driven by the same factors that impacted the quarter. The net loss for 2021 included a non-cash impairment charge of $269 million. The non-cash impairment charge is predominantly attributable to the suspension or closure of facilities in order to achieve the integration cost savings related to the Transaction and assets identified and assigned value in the purchase price allocation of the Tervita acquisition that do not have continuing value to SECURE, including intangible assets such as trade names. Refer to Note 9 of the Annual Financial Statements for additional information.
- **Adjusted EBITDA of $286 million** - an increase of 110% compared to 2020, primarily due to the same factors that impacted the quarter. Adjusted EBITDA in 2021 benefited from the cost savings achieved from the Transaction and the cost reduction measures that took effect in April 2020 to align the Corporation's fixed cost structure to levels consistent with industry activity levels. The measures in April 2020 included organizational restructuring and associated personnel reductions. These positive factors were partially offset by $23 million of CEWS benefits received in 2020.

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[5] *Capital management measure. Refer to the "Non-GAAP and other financial measures" section of this MD&A.*

- **Discretionary free cash flow of $171 million** - an increase of $76 million from the prior year which was used to pay costs associated with the Transaction, fund growth capital expenditures and the Corporation's quarterly dividend, as well as increased working capital associated with higher activity levels. In 2021, the Corporation generated funds flow from operations of $176 million, an increase of 68% from 2020. The increase was driven by the same factors that impacted the quarter. At December 31, 2021, SECURE carried working capital[6] of $183 million compared to $64 million at December 31, 2020, the increase being primarily due to the increased scale of the Corporation's operations and the investment associated with higher activity levels.
- **Total capital expenditures of $43 million** - consisting of $14 million growth capital and $29 million of sustaining capital. Growth capital included spend related to connecting an additional segment of the East Kaybob oil pipeline, increasing the handling capacity at a water disposal facility and optimization upgrades. Sustaining capital related primarily to well and facility maintenance, spare parts, asset integrity and inspection programs.
- Financial capacity
    - In connection with the closing of the Transaction, SECURE entered into the Revolving Credit Facility and SECURE LC Facility, providing additional stability and capacity to the Corporation's capital structure.
    - During 2021, the Corporation closed private offerings totaling $340 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026. SECURE used the proceeds from these private offerings primarily to fund the redemption of US$200 million aggregate principal amount of the 2025 senior secured notes previously issued by Tervita and assumed in the Transaction, at a redemption price of 105.5%. The remaining proceeds have been used to repay indebtedness, pay fees and expenses incurred in connection with the note issuance and for general corporate purposes.
    - The above financing transactions provide stability to the Corporation's capital structure with no near term fixed debt maturities. In addition, the financing transactions are estimated to save approximately $9 million a year in interest charges.
    - As at December 31, 2021, the Corporation had drawn $460 million aggregate principal amount on the Revolving Credit Facility and a total of $91 million of letters of credit ("LCs") have been issued against SECURE's facilities resulting in $289 million of Liquidity (available capacity under the Revolving Credit Facility, the SECURE LC Facility and cash on hand, subject to covenant restrictions).
- The following table outlines SECURE's covenant ratios[7], calculated in accordance with the Corporation's credit facilities, at December 31, 2021, and December 31, 2020:

	December 31, 2021	Covenant	December 31, 2020
Senior Debt to EBITDA	1.5	not to exceed 3.0	2.2
Total Debt to EBITDA	3.4	not to exceed 4.75	3.2
Interest coverage	3.4	not to be less than 2.5	6.4

- Received the following credit ratings from S&P Global Ratings ("S&P"), Fitch Ratings ("Fitch") and Moody's Investor Service, Inc. ("Moody's"), providing increased transparency and comparability for debt investors and other capital market participants:

[6] *Capital management measure. Refer to the "Non-GAAP and other financial measures" section of this MD&A.*

[7] *Calculated in accordance with the Corporation's credit facility agreements. Refer to the "Liquidity and Capital Resources" section for additional information.*

	S&P	Fitch	Moody's
Corporate Rating	B	B+	B1
2025 senior secured notes	BB-	BB	B1
2026 unsecured notes	B	B+	B3

Prior to completion of the Transaction, the 2025 senior secured notes were rated CCC+ by S&P and B3 by Moody's.

- **Declared dividends of $7 million** - representing $0.03 (3 cents) per common share for the year.
  - SECURE believes sharing excess cash flows with its shareholders is a core business principle; as a result, management and the Board will continue to monitor the Corporation's dividend policy with respect to forecasted Adjusted EBITDA, debt, capital expenditures and other investment opportunities, as well as expected interest, lease, tax and transaction costs, and will look for opportunities to return additional capital after the successful integration with Tervita and as business conditions warrant.

OUTLOOK

The Corporation's 2021 results exceeded expectations as rising crude oil, liquids and natural gas prices and producer cash flows drove industry activity, including increased demand for drilling and completion services, incremental facility volumes, increased recovered oil revenue and crude oil marketing opportunities. Benchmark crude oil prices recently reached seven-year highs, with macroeconomic factors including significant inflationary pressures, geopolitical risk premium due to current world events, as well as lessening COVID-19 demand impacts, supporting current prices. The higher prices and broader economic factors lead us to believe that oil and gas producers will spend capital on both maintaining and growing production levels. In early 2022, industry fundamentals have continued to be very strong and SECURE anticipates significantly higher discretionary free cash flow for 2022 based on the following expectations:

- Increased activity in drilling and completions along with higher production volumes. To date in the first quarter of 2022, the average active rig count in the WCSB is approximately 2% higher than in the first quarter of 2019 (the most recent first quarter in which there were no COVID-19 related impacts), and 20% above the first quarter of 2021.
- Increased utilization at our midstream processing facilities as higher drilling, completion and production volumes from increased activity levels require additional treating, processing, terminalling and disposal. The Corporation has significant capacity to increase facility throughput and disposal with minimal incremental fixed costs or additional capital. Higher drilling and completion activity is expected to have a positive impact on our drilling and production services business within the Environmental and Fluid Management segment.
- Increased volumes at the Corporation's industrial landfills as both industry activity and abandonment, remediation and reclamation material and activity continue to trend higher as a result of the Canadian Federal Government's $1.7 billion stimulus package to help fund the closure and reclamation of orphan and inactive wells in the WCSB within Alberta, Saskatchewan and British Columbia, which is scheduled to end in December of 2022. In addition, there is recent direction from the Alberta Energy Regulator requiring energy producers and other companies that have retirement obligations related to inactive (non-producing) wells and facilities to spend an amount each year towards addressing those obligations. SECURE expects both of these programs and policy changes to increase abandonment, remediation and reclamation activity to positively impact all Canadian operations in 2022, particularly within the Environmental and Fluid Management segment as a result of higher demand for environmental site assessments, onsite abandonment, remediation and reclamation management and decommissioning work. In 2023, the Saskatchewan provincial government will enact a mandatory spending program similar to the new program of the Alberta Energy Regulator.

- SECURE's focus for 2022 is to continue to successfully integrate and optimize the addition of the legacy Tervita facilities and operating networks acquired pursuant to the Transaction and deliver on expected integration cost savings to become a more resilient, profitable, and efficient business. In 2021, the increased contribution to Adjusted EBITDA from the realization of synergies was $18 million. By the end of 2021, we realized $40 million of synergies impacting Adjusted EBITDA on an annual run-rate basis. During 2022, the Corporation expects to execute on the remaining $35 million of administrative and operational synergies. The operational synergies include optimizations and facility rationalizations with the expectation that the synergies will contribute a partial benefit in 2022 with the full run rate of $75 million cost savings in 2023. Additional savings through initiatives such as improving our capital structure as well as minimizing sustaining capital by managing underutilized assets, are expected to provide incremental discretionary free cash flow beyond our $75 million cost savings target that impact Adjusted EBITDA.

SECURE's key priority in 2022 is to use increased discretionary free cash flow including any proceeds from non-core asset sales to drive further debt reduction during the year; in the medium-term we are committed to allocating capital towards increased shareholder returns as an important element of our capital allocation framework, as well as incremental organic growth opportunities that provide stable cash flow. These shareholder returns may include further debt repayment, increased dividends, share buybacks, or a combination thereof. SECURE will continue to work diligently to manage inflationary costs throughout the year; including purchasing materials in bulk, working with customers and negotiating with suppliers or finding alternate suppliers.

A full evaluation of the Corporation's capital project opportunities is ongoing, and the capital budget may be revised in accordance with opportunities to connect producers to existing midstream infrastructure to further increase volumes and utilization on a long-term basis. We expect sustaining capital in 2022 to be approximately $40 million, and additional sustaining capital related to landfill expansions of approximately $15 million, which assumes growth in industry activity from 2021 levels. We anticipate that the majority of our growth capital in 2022 will be focused on projects that both reduce our customer's costs and lower emissions as we build oil and water gathering pipelines. We expect to spend approximately $45 million on growth capital opportunities in 2022. Assisting customers to recycle and reduce wherever possible continues to be part of our long-term strategy and other long-term opportunities such as carbon dioxide sequestration infrastructure will continue to be evaluated as part of our ESG goals.

Progression of the Capital Structure

The Corporation's current capital structure consists of no near-term maturities, as well as flexibility with an early redemption option available on the 2026 unsecured notes, and capacity on the Revolving Credit Facility, subject to covenant restrictions. The Corporation's current capital structure includes:

- $800 million Revolving Credit Facility (which matures in July 2024). Total amount drawn on the Revolving Credit Facility as at December 31, 2021 was $460 million. LCs issued against the Revolving Credit Facility in the amount of $66 million reduce the amount available to be drawn under the Revolving Credit Facility. As a result, at December 31, 2021, the Corporation had availability of $274 million on the Revolving Credit Facility, subject to covenant restrictions. The Corporation incurred an average interest rate of approximately 3.8% for funds drawn on the Revolving Credit Facility in the fourth quarter of 2021.
- $30 million SECURE LC Facility. As at December 31, 2021, SECURE has issued LCs in the amount of approximately $25 million against this SECURE LC Facility.
- US$300 million aggregate principal amount of 2025 senior secured notes.
- $340 million aggregate principal amount of 2026 unsecured notes.

Since the end of 2021 the Corporation has used cash flow to pay down $47 million on the Revolving Credit Facility, resulting in $413 million drawn as at February 28, 2022.

The Corporation will continue to focus on maintaining financial resiliency and prioritize the repayment of debt to best position the Corporation for long-term success.

Enhanced ESG platform

The Corporation's business is inherently environmentally responsible and uniquely positioned to deliver economic and environmental solutions that make the oil and gas industry more efficient and sustainable. We are committed to work with our customers to challenge what's possible and develop innovative solutions that lower their cost structure, improve capital efficiency, and minimize the environmental impacts associated with the development of our shared resources. SECURE's platform provides the size and scale, utilization, and efficiencies to enhance the services and capabilities the Corporation provides our customers to help achieve their objectives of responsible development, while reducing costs. We believe, by working collaboratively, Canada's energy industry can have the lowest cost structure and operate with the highest ESG standards in the world.

SECURE continues to implement its ESG strategy which prioritizes the initiatives that will establish SECURE as an ESG leader. Performance improvements include proactive measures to reduce the environmental impact of our operations, and to positively contribute to the health, safety, social and economic well-being of our employees and the communities where we live and work. The Transaction elevates our position to accelerate the Corporation's environmental and social sustainability initiatives for the benefit of all stakeholders. SECURE has set short and long-term emission reduction targets to guide our efforts to manage climate risk and meet our net zero greenhouse gas emission commitment by 2050. We will also begin to integrate ESG initiatives deeper into our business.

Conclusion

In summary, industry fundamentals remain favourable and provide support for our business outlook in 2022. Our priorities are to achieve the remaining $35 million of run-rate synergies impacting Adjusted EBITDA and to use our discretionary free cash flow to strengthen our balance sheet. With our efforts to date and the continuing hard work of our employees, we believe we are well positioned to achieve both of these priorities in 2022.

NON-GAAP AND OTHER FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed under IFRS and are considered non-GAAP and other financial measures as defined in National Instrument 52-112. These measures are identified and presented, where appropriate, together with reconciliations to the most directly comparable IFRS measure. These measures are intended as a complement to results provided in accordance with IFRS. The Corporation believes these measures provide additional useful information to analysts, shareholders and other users to understand the Corporation's financial results, profitability, cost management, liquidity and ability to generate funds to finance its operations.

This MD&A includes the following non-GAAP and other financial measures: Adjusted EBITDA and Discretionary Free Cash Flow (non-GAAP Financial Measures), Adjusted EBITDA Margin, Adjusted EBITDA per basic and diluted share and Discretionary Free Cash Flow per basic and diluted share (non-GAAP Financial Ratios), Segment Profit Margin (Total of Segment Measure), Working Capital and Liquidity (Capital Management Measures), and certain supplemental financial measures as discussed in this section. These non-GAAP and other financial measures are further explained below.

Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA per basic and diluted share

Adjusted EBITDA is calculated as noted in the table below and reflects items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue (excluding oil purchase and resale). Adjusted EBITDA per basic and diluted share is defined as Adjusted EBITDA divided by basic and diluted weighted average common shares.

Adjusted EBITDA and Adjusted EBITDA margin are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

Management believes that in addition to net income (loss), Adjusted EBITDA is a useful supplemental measure to enhance investors' understanding of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed, how the results are taxed, how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of SECURE's core operations. Management calculates these adjustments consistently from period to period to enhance comparability of this MD&A. Adjusted EBITDA is used by management to determine SECURE's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. Adjusted EBITDA is also used internally to set targets for determining employee variable compensation, largely because management believes that this measure is indicative of how the fundamental business is performing and being managed. Adjusted EBITDA margin is used as a supplemental measure by investors and management to evaluate cost efficiency.

The following table reconciles the Corporation's net loss, being the most directly comparable financial measure disclosed in the Corporation's Annual Financial Statements, to Adjusted EBITDA.

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Net loss (1)	**(166)**	(39)	326	**(204)**	(86)	137
Add:						
Depreciation, depletion and amortization (1) (2)	**51**	39	31	**173**	141	23
Impairment (2)	**247**	34	626	**269**	50	438
Current tax expense	**(2)**	—	100	**(2)**	1	(300)
Deferred tax recovery	**(56)**	(11)	409	**(67)**	(24)	179
Share-based compensation (2)	**3**	3	—	**13**	10	30
Interest, accretion and finance costs (1)	**28**	5	460	**60**	28	114
Unrealized loss on mark to market transactions (3)	**2**	—	100	**2**	—	100
Other expense	**(6)**	—	100	**3**	—	100
Transaction and restructuring costs	**10**	5	100	**39**	16	144
Adjusted EBITDA	**111**	36	208	**286**	136	110

(1) Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

(2) Included in cost of sales and/or general and administrative expenses on the Consolidated Statements of Comprehensive Loss.

(3) Net balance. Includes amounts presented in revenue and cost of sales on the Consolidated Statements of Comprehensive Loss.

In the prior year, restructuring costs relate primarily to severance incurred to reduce the Corporation's cost structure to align with expected industry activity levels. In the three and twelve months ended December 31, 2021, transaction costs of $10 million and $39 million, respectively, related to costs associated with the Transaction and integration of the acquired Tervita business. The Corporation also added back other expense of $3 million for the twelve months ended December 31, 2021, resulting from realized and unrealized foreign exchange gains or losses, realized and unrealized gains or losses related to the cross currency swaps to hedge foreign exchange exposure on U.S. dollar denominated debt and other non-cash expenses including the loss of control of a former subsidiary, partially offset by a gain on extinguishment of 2025 senior secured notes.

Discretionary Free Cash Flow and Discretionary Free Cash Flow per share

Discretionary free cash flow is defined as funds flow from operations adjusted for sustaining capital expenditures, and lease payments (net of sublease receipts). The Corporation may deduct or include additional items in its calculation of discretionary free cash flow that are unusual, non-recurring, or non-operating in nature. Discretionary free cash flow per basic and diluted share is defined as discretionary free cash flow divided by basic and diluted weighted average common shares. For the three and twelve months ended December 31, 2021, transaction costs have been adjusted as they are costs outside the normal course of business. In the prior year comparative period, restructuring costs have been adjusted for as these charges were irregular in nature.

Discretionary free cash flow and discretionary free cash flow per share are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

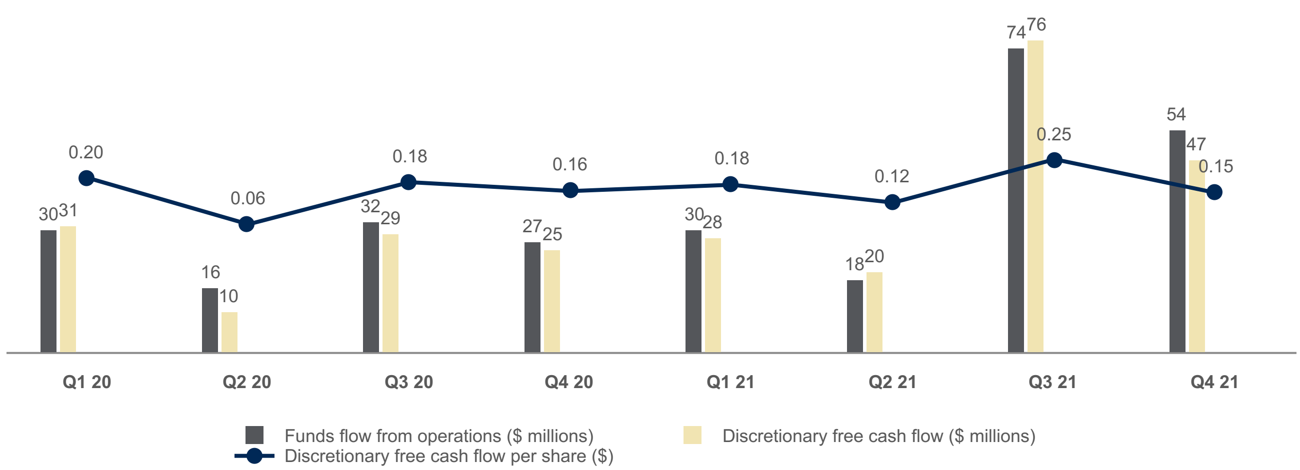
Discretionary free cash flow and discretionary free cash flow per share are used by investors and management to assess the level of cash flow generated from ongoing operations. Management uses the discretionary free cash flow and discretionary free cash flow per share measures to evaluate the adequacy of internally generated cash flow to manage debt levels, invest in the growth of the business, or return capital to our shareholders.

The following table reconciles the Corporation's funds flow from operations, being the most directly comparable financial measure disclosed in the Corporation's Annual Financial Statements, to discretionary free cash flow.

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Funds flow from operations	**54**	27	100	**176**	105	68
Adjust:						
Sustaining capital [1]	**(13)**	(3)	333	**(29)**	(9)	222
Lease liability principal payment (net of sublease receipts)	**(4)**	(4)	—	**(15)**	(17)	(12)
Transaction and restructuring costs	**10**	5	100	**39**	16	144
Discretionary free cash flow	**47**	25	88	**171**	95	80

[1] Refer to "*Operational Definitions*" for further information.

Funds Flow from Operations, Discretionary Free Cash Flow and Discretionary Free Cash Flow per share



Total Segment Profit Margin

Segment profit margin is calculated as the difference between revenue and cost of sales, excluding depreciation, depletion, amortization, impairment, and share-based compensation expenses. Management analyzes segment profit margin and segment profit margin as a percentage of revenue (excluding oil purchase and resale) by segment as a key indicator of segment profitability. Segment profit margin is also used by management to quantify the operating costs inherent in the Corporation's business activities, prior to operational related depreciation, depletion and amortization, impairment and share-based compensation, and to evaluate segment cost control and efficiency.

The following table reconciles the Corporation's gross margin, being the most directly comparable financial measure disclosed in the Corporation's Annual Financial Statements, to total and consolidated segment profit margin.

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Gross margin [1]	**(157)**	(23)	583	**(60)**	2	(3,100)
Add:						
Depreciation, depletion and amortization [1] [2]	**47**	36	31	**158**	129	22
Impairment [2]	**243**	34	615	**265**	50	430
Share-based compensation [2]	**1**	—	100	**2**	3	(33)
Segment profit margin	**134**	47	185	**365**	184	98

[1] Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

[2] These charges are included in cost of sales on the Corporation's Consolidated Statements of Comprehensive Loss.

Working capital and liquidity

Working capital is calculated as the difference between current assets less accounts payable and accrued liabilities and interest payable. Liquidity is calculated as the total of cash and the available borrowing amount under the Corporation's Revolving Credit Facility and SECURE LC Facility. Management analyzes Working Capital and Liquidity as part of the Corporation's overall capital management strategy to ensure adequate sources of capital are available to maintain operational activities, carry out the Corporation's planned capital program, fund dividend payments and have sufficient cash sources to sustain the business for the long-term. Refer to Note 21 and Note 22 of the Annual Financial Statements for additional information.

Supplemental financial measures

This MD&A includes funds flow from operations per basic and diluted share as a supplemental financial measure and is calculated as funds flow from operations, as determined in accordance with IFRS, divided by basic and diluted weighted average common shares.

RESULTS OF OPERATIONS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2021

In order to discuss the factors that have caused period to period variations in operating activities, the Corporation has divided the business into two reportable segments, as outlined in the '*Corporate Overview*' above, and presented in Note 25 of the Annual Financial Statements.

- **Midstream Infrastructure** includes a network of midstream processing and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada, North Dakota and Oklahoma. Midstream Infrastructure services include clean oil terminalling and storage, crude oil marketing, pipeline transportation, custom treating of crude oil, produced and waste water disposal, oilfield waste processing, and oil purchase/resale service.
- **Environmental and Fluid Management** includes a network of industrial landfills, hazardous and non-hazardous waste management and disposal; onsite abandonment, environmental solutions for site remediation and reclamation management, bio-remediation, waste treatment and recycling, emergency response, rail services, metal recycling services; a suite of comprehensive environmental management solutions provided by the Corporation to a diversified customer base; and fluid management for drilling, completion and production activities.

Total general and administration expenses by segment excludes corporate expenses and share-based compensation, as senior management reviews each segment's earnings before these expenses in assessing profitability and performance. The tables below outline the results by reportable segment for the three and twelve months ended December 31, 2021 and 2020:

Three months ended December 31, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	138	189	—	327
Oil purchase and resale service	1,013	—	—	1,013
Total revenue	**1,151**	**189**	**—**	**1,340**
Cost of sales excluding items listed separately below	(1,070)	(136)	—	(1,206)
Segment profit margin	**81**	**53**	**—**	**134**
G&A expenses excluding items listed separately below	(8)	(7)	(10)	(25)
Depreciation, depletion and amortization [(1)]	(32)	(17)	(2)	(51)
Share-based compensation [(1)]	—	—	(3)	(3)
Interest, accretion and finance costs	(4)	(2)	(22)	(28)
Impairment [(1)]	(202)	(41)	(4)	(247)
Transaction costs	—	—	(10)	(10)
Other expense	(2)	—	8	6
Loss before tax	**(167)**	**(14)**	**(43)**	**(224)**

Twelve months ended December 31, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	368	525	—	893
Oil purchase and resale service	2,873	—	—	2,873
Total revenue	**3,241**	**525**	**—**	**3,766**
Cost of sales excluding items listed separately below	(3,016)	(385)	—	(3,401)
Segment profit margin	**225**	**140**	**—**	**365**
G&A expenses excluding items listed separately below	(26)	(23)	(32)	(81)
Depreciation, depletion and amortization [(1)]	(112)	(53)	(8)	(173)
Share-based compensation [(1)]	—	—	(13)	(13)
Interest, accretion and finance costs	(5)	(4)	(51)	(60)
Impairment [(1)]	(218)	(47)	(4)	(269)
Transaction costs	—	—	(39)	(39)
Other expense	(4)	—	1	(3)
Income (loss) before tax	**(140)**	**13**	**(146)**	**(273)**

Three months ended December 31, 2020	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	47	72	—	119
Oil purchase and resale service	356	—	—	356
Total revenue	403	72	—	475
Cost of sales excluding items listed separately below	(375)	(53)	—	(428)
Segment profit margin	**28**	**19**	**—**	**47**
G&A expenses excluding items listed separately below	(2)	(4)	(5)	(11)
Depreciation, depletion and amortization [(1)] [(2)]	(26)	(12)	(1)	(39)
Share-based compensation [(1)]	—	—	(3)	(3)
Interest, accretion and finance costs [(2)]	(1)	(1)	(3)	(5)
Impairment [(1)]	(34)	—	—	(34)
Restructuring costs	—	(3)	(2)	(5)
Loss before tax	**(35)**	**(1)**	**(14)**	**(50)**

Twelve months ended December 31, 2020	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	201	259	—	460
Oil purchase and resale service	1,364	—	—	1,364
Total revenue	**1,565**	**259**	**—**	**1,824**
Cost of sales excluding items listed separately below	(1,440)	(200)	—	(1,640)
Segment profit margin	**125**	**59**	**—**	**184**
G&A expenses excluding items listed separately below	(14)	(17)	(17)	(48)
Depreciation, depletion and amortization [(1)] [(2)]	(96)	(40)	(5)	(141)
Share-based compensation [(1)]	—	—	(10)	(10)
Interest, accretion and finance costs [(2)]	(4)	—	(24)	(28)
Impairment [(1)]	(34)	(16)	—	(50)
Restructuring costs	(4)	(9)	(3)	(16)
Loss before tax	**(27)**	**(23)**	**(59)**	**(109)**

[(1)] Depreciation, depletion and amortization, share-based compensation and impairment have been allocated to cost of sales and general and administrative expenses on the Consolidated Statements of Comprehensive Loss based on function of the underlying asset or individual to which the charge relates.
[(2)] Prior year amounts have been restated, refer to the "Accounting Policies" section for additional information.

MIDSTREAM INFRASTRUCTURE SEGMENT

The Midstream Infrastructure segment has two separate business lines: Midstream Infrastructure and oil purchase and resale.

Midstream Infrastructure

The Midstream Infrastructure segment owns and operates a network of facilities throughout western Canada, North Dakota and Oklahoma. These facilities provide processing, storing, shipping and marketing of crude oil; processing of waste; and waste treatment and disposal. SECURE also transports oil and water through pipelines direct to SECURE facilities. Processing services are primarily performed at midstream processing facilities and include waste processing and crude oil emulsion treating. SECURE's midstream processing facilities that are connected to export oil pipelines provide customers with an access point to process and/or treat their crude oil for shipment to market. Crude oil that does not meet pipeline specifications is processed through a crude oil emulsion treater. Clean crude oil and treated crude oil may be aggregated and stored on site temporarily until the volumes are ready to be shipped through gathering, transmission or feeder pipelines. Disposal services include produced and waste water disposal services through a network of disposal wells.

Oil purchase and resale

SECURE's oil purchase and resale enhance the service offering associated with SECURE's business of terminalling, transloading and marketing. By offering this service, SECURE's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. At the Corporation's midstream processing facilities, SECURE meters the crude oil volumes and purchases the crude oil directly from customers. The Corporation then processes, transports to a pipeline-connected midstream processing facility, if necessary, and handles the shipment of crude oil down the pipeline. The Corporation may also purchase and resell crude oil to take advantage of marketing opportunities and increase profitability.

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Revenue (excluding oil purchase and resale)	**138**	47	194	**368**	201	83
Oil purchase and resale	**1,013**	356	185	**2,873**	1,364	111
Midstream Infrastructure Revenue	**1,151**	403	186	**3,241**	1,565	107
Cost of Sales						
Cost of sales excluding items noted below	**57**	19	200	**143**	76	88
Depreciation (1)	**28**	25	12	**98**	90	9
Amortization	**3**	—	100	**9**	2	350
Impairment	**202**	34	494	**218**	34	541
Oil purchase and resale	**1,013**	356	185	**2,873**	1,364	111
Midstream Infrastructure Cost of Sales	**1,303**	434	200	**3,341**	1,566	113
Segment Profit Margin (2)	**81**	28	189	**225**	125	80
Segment Profit Margin (2) as a % of revenue (3)	**59%**	60%		**61%**	62%	

(1) Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

(2) Calculated as revenue less cost of sales excluding depreciation, depletion, amortization and impairment.

(3) Excluding oil purchase and resale.

Revenue (Midstream Infrastructure segment)

Revenue (excluding oil purchase and resale) of $138 million for the three months ended December 31, 2021, increased 194% from the 2020 comparative period. Through the Transaction, SECURE increased its facility footprint substantially, which when combined with increasing oil and gas activity, results in an increase in revenue. In the prior year comparative period, production shut-ins and minimal drilling and completion activity across the WCSB and North Dakota as a result of extremely low crude oil and liquids pricing negatively impacted volumes at the Corporation's midstream processing facilities, limited crude oil optimization opportunities and negatively impacted recovered oil pricing. For the three months ended December 31, 2021, higher crude oil pricing and more stable market dynamics led to increased drilling, completion and production volumes, which drove increased revenues from processing, disposal and recovered oil. Additionally, improved commodity pricing along with volatility in oil quality differentials and higher number of pipeline connected midstream processing facilities through the Transaction provided increased opportunities for price optimization at the Corporation's pipeline connected midstream processing facilities and terminals, resulting in higher revenues generated from crude oil marketing in the current year period.

For the twelve months ended December 31, 2021, revenue (excluding oil purchase and resale) increased 83% from the 2020 comparative period driven by the same factors described above.

The table below outlines average benchmark prices and volumes received at the Corporation's facilities for the three and twelve months ended December 31, 2021 and 2020. Through the Transaction, SECURE increased its facility footprint resulting in a substantial increase in volumes. Secondary drivers of the increase in volumes are discussed below.

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Average Benchmark Prices and Volumes						
WTI (US$/bbl)	**$ 77.19**	$ 42.66	81	**$ 67.91**	$ 39.40	72
Canadian Light Sweet ($/bbl)	**$ 92.14**	$ 49.17	87	**$ 80.31**	$ 45.42	77
Water disposal volumes (in 000's m3)	**2,414**	1,013	138	**6,765**	4,624	46
Processing volumes (in 000's m3)	**909**	273	233	**2,581**	1,308	97
Recovery volumes (in 000's m3)	**97**	21	362	**213**	95	124
Crude oil terminalling and pipeline volumes (in 000's m3)	**1,244**	773	61	**4,074**	3,409	20

Disposal volumes for the three months ended December 31, 2021, increased by 138% from the 2020 comparative period as higher activity levels and a higher facility footprint drove increased volumes. Produced water also increased from the comparative period of 2020 which was negatively impacted by production shut-ins in the second quarter of 2020. For the twelve months ended December 31, 2021, disposal volumes increased by 46% from 2020 driven by the increases noted above, offset by lower volumes for the first two months of 2021 corresponding to reduced year over year producer completion activity, overflow volumes from producers with capacity to handle their own product, and customer storage of production water for anticipated completions.

Processing volumes for the three months ended December 31, 2021, increased by 233% from the 2020 comparative period as a result of higher emulsion treating volumes from improved overall production levels, and higher waste processing volumes corresponding to increased drilling and completion activity. For the twelve months ended December 31, 2021, processing volumes excluding volumes associated with the acquired Tervita business, decreased marginally from the 2020 comparative period as the factors noted above were offset by lower activity in January and February 2021 compared to the first two months of 2020.

Oil volumes recovered through our processing operations increased by 362% and 124% for the three and twelve months ended December 31, 2021, respectively, from the corresponding 2020 comparative periods, consistent with overall volume variances at the Corporation's midstream processing facilities as described above. Improved benchmark oil pricing in the current year periods drove higher recovered oil revenue for both the three and twelve months ended December 31, 2021.

Crude oil terminalling and pipeline volumes increased by 61% for the three months ended December 31, 2021, from the respective 2020 comparative periods. The increase was a result of increased terminalling at certain facilities due to higher production and an increase in volumes associated with the contracted Kerrobert crude oil pipeline. For the twelve months ended December 31, 2021, crude oil terminalling and pipeline volumes increased by 20% due to the addition of the contracted East Kaybob oil pipeline in June 2020 and an increase in volumes associated with the contracted Kerrobert crude oil pipeline, partially offset by a decrease in terminalling volumes at certain facilities due to lower production.

Oil purchase and resale revenue for the three and twelve months ended December 31, 2021, increased 185% and 111% from the 2020 comparative periods to $1.0 billion and $2.9 billion, respectively. The increase is primarily driven by the increase in marketing volumes associated with the midstream facilities acquired through the Transaction. In addition, revenue increased as a result of an 87% and 77% increase in Canadian light oil benchmark pricing during the three and twelve months ended December 31, 2021.

Cost of Sales (Midstream Infrastructure segment)

Cost of sales from Midstream Infrastructure services, excluding DD&A, impairment and oil purchase and resale, increased 200% for the three months ended December 31, 2021, from the 2020 comparative period. The increase in cost of sales is primarily a result of higher costs associated with the increase in the Midstream Infrastructure segment's facility footprint and associated activity levels, consistent with the increase in revenue. Additionally, the prior year comparative period benefited from CEWS reimbursements. For the twelve months ended December 31, 2021, cost of sales, excluding DD&A, impairment and oil purchase and resale, increased 88%, consistent with the increase in revenue for the same period, offset by the impact of cost reduction measures taken since the first quarter of 2020 to align the segment's fixed cost structure with anticipated activity levels and by CEWS reimbursements received in the prior year.

Operating DD&A expense included in cost of sales relates primarily to the Midstream Infrastructure segment's facilities, and any gains or losses on the sale or disposal of equipment. For the three and twelve months ended December 31, 2021, operational DD&A increased by 24% and 16% from the respective 2020 comparative periods. The increase in operational DD&A is primarily attributable to the increase in asset base associated with the Transaction, offset by write-downs recorded for assets taken out of use or related to certain projects in development that were delayed or suspended in the prior year comparative periods at the onset of the economic downturn. For the three and twelve months ended December 31, 2021, the Midstream Infrastructure segment recognized non-cash impairment charges of $202 million and $218 million, respectively, which primarily relate to impairments attributable to the suspension or closure of facilities in order to achieve the integration cost savings related to the Transaction and assets identified and assigned value in the purchase price allocation of the Transaction that does not have continuing value to SECURE, including intangible assets such as trade names. Refer to Note 9 of the Annual Financial Statements for additional information related to the non-cash impairment charges.

Segment Profit Margin (Midstream Infrastructure segment)

The Midstream Infrastructure segment's profit margin increased 189% for the three months ended December 31, 2021, from the 2020 comparative period consistent with the increase in revenue described above. As a percentage of Midstream Infrastructure revenue (excluding oil purchase and resale), segment profit margin was 59% for the three months ended December 31, 2021, compared to 60% for the same period of 2020 which benefited from CEWS recoveries.

For the twelve months ended December 31, 2021, the Midstream Infrastructure segment's profit margin increased 80% to $225 million from the 2020 comparative period due to the factors described above. As a percentage of Midstream Infrastructure revenue (excluding oil purchase and resale), segment profit margin decreased marginally to 61% for the twelve months ended December 31, 2021, compared to 62% in 2020, which benefited from CEWS recoveries.

General and Administrative ("G&A") Expenses (Midstream Infrastructure segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
G&A expense excluding depreciation and amortization	**8**	2	300	**26**	14	86
Depreciation and amortization	**1**	1	—	**5**	4	25
Midstream Infrastructure G&A expense	**9**	3	200	**31**	18	72
% of Midstream Infrastructure revenue [(1)]	**6%**	4%		**7%**	7%	

[(1)] Calculated based on G&A expense excluding depreciation and amortization and revenue excluding oil purchase and resale.

G&A expense excluding depreciation and amortization of $8 million and $26 million for the three and twelve months ended December 31, 2021, increased by $6 million and $12 million from the respective 2020 comparative periods. The increase is primarily due to incremental expenses associated with the Tervita business acquired in the Transaction and wage subsidies associated with CEWS received in the prior year periods which were booked as a recovery to G&A expense. The Corporation continues to maintain cost control measures limiting discretionary spending.

Income Before Tax (Midstream Infrastructure segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Midstream Infrastructure Loss before Tax	**(167)**	(35)	377	**(140)**	(27)	419

The Midstream Infrastructure segment's loss before tax was $167 million for the three months ended December 31, 2021, compared to $35 million in the prior year comparative period. The increase is due to non-cash impairment charges, higher G&A expense and depreciation and amortization expense, partially offset by improving segment profit margin.

For the twelve months ended December 31, 2021, the Midstream Infrastructure segment generated a loss of $140 million, an increase of $113 million from the prior year. The increase is due to the same factors as above.

ENVIRONMENTAL AND FLUID MANAGEMENT SEGMENT

The Environmental and Fluid Management segment includes a network of industrial landfills, hazardous and non-hazardous waste management and disposal, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, waste treatment & recycling, emergency response, rail services, metal recycling services, as well as fluid management for drilling, completion and production activities. Services offered include disposal of oilfield and industrial solid wastes into SECURE's owned, operated or managed landfill network located in western Canada and North Dakota; project assessment and planning; demolition and decommissioning; reclamation and remediation; and emergency response. Recycling services include the purchase and processing of ferrous and non-ferrous metals recovered from demolition sites and other locations.

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Environmental and Fluid Management Revenue	189	72	163	525	259	103
Cost of Sales						
Cost of sales excluding items noted below	136	53	157	385	200	93
Depreciation [1]	11	7	57	35	25	40
Depletion [1]	5	4	25	15	8	88
Amortization [1]	—	—	—	1	4	(75)
Impairment	41	—	100	47	16	194
Environmental and Fluid Management Cost of Sales	193	64	202	483	253	91
Segment Profit Margin [1]	53	19	179	140	59	137
Segment Profit Margin [1] as a % of revenue	28%	26%		27%	23%	

[1] Calculated as revenue less cost of sales excluding depreciation, depletion, amortization and impairment.

Revenue (Environmental and Fluid Management segment)

The Environmental and Fluid Management segment revenue increased 163% to $189 million for the three months ended December 31, 2021, from the 2020 comparative period. The increase was largely driven by the impacts of the Transaction which increased revenue in SECURE's existing environmental management service offerings as well revenue related to new services that expanded its environmental management service offerings to include hazardous and non-hazardous waste disposal facilities, waste treatment, metal recycling facilities and rail services. Through the Transaction, the Corporation acquired additional metal recycling facilities which benefited from record high metal prices in 2021.

The revenue increase was also driven by substantial growth in drilling and completion activity compared to the corresponding 2020 period which had minimal activity resulting from low commodity prices and market instability. The higher activity levels resulted in increased drilling waste volumes at the Corporation's industrial landfills. The higher drilling and completion activity, along with increased production since the producer production shut-ins in the second quarter of 2020, positively impacted the drilling fluids and production chemicals business.

For the twelve months ended December 31, 2021, Environmental and Fluid Management segment revenue increased 103% to $525 million driven by the same factors described above, partially offset by the impact of lower drilling and completion activity in the first quarter of 2021, which reduced drilling waste volumes at the Corporation's landfills and demand for drilling fluids.

Cost of Sales (Environmental and Fluid Management segment)

Cost of sales excluding DD&A and impairment increased 157% and 93% to $136 million and $385 million for the three and twelve months ended December 31, 2021, respectively, from the corresponding 2020 comparative periods. The increase is primarily due to the impacts from the Transaction. In addition, a majority of the Environmental and Fluid Management segment's cost of sales are variable and will fluctuate with corresponding changes in activity levels and job mix. For the 2021 periods, the Corporation also benefited from its continued focus on managing costs, realized savings from initiatives reducing fixed costs beginning in the second quarter of 2020 and significantly lower leachate disposal costs at the Corporation's landfills due to relatively dry conditions compared to the prior year. In addition, favourable product mix of drilling fluids and production chemicals positively contributed to lower expenses. These positive factors were partially offset by reduced recoveries associated with CEWS compared to 2020 periods.

Operating DD&A expense increased by 45% to $16 million and 38% to $51 million for the three and twelve months ended December 31, 2021, respectively, from the 2020 comparative periods. The DD&A increase relates primarily to higher landfill cell depletion resulting from higher volumes in 2021 and the incremental depreciation associated with the assets acquired in the Transaction. For the three and twelve months ended December 31, 2021, the Environmental and Fluid Management segment recognized non-cash impairment charges of $41 million and $47 million, respectively, which included the impairment of assets assigned fair value in the purchase price allocation that do not have continuing value to SECURE and assets identified by the Corporation as it continues to integrate the assets acquired from Tervita and rationalize operations. Refer to Note 9 of the Annual Financial Statements for additional information related to the non-cash impairment charges.

Segment Profit Margin (Environmental and Fluid Management segment)

Segment profit margin increased 179% and 137% to $53 million and $140 million for the three and twelve months ended December 31, 2021, respectively, from the corresponding 2020 comparative periods. For the three and twelve months ended December 31, 2021, segment profit margin as a percentage of revenue was 28% and 27%, compared to 26% and 23% in the prior year comparative periods. The profit margin improvements are primarily a result of higher revenue contributing to improved fixed cost absorption, favorable product and service mix, and fixed cost reductions following the first quarter of 2020, partially offset by reduced recoveries associated with CEWS recorded in the current year compared to comparative 2020 periods.

G&A Expenses (Environmental and Fluid Management segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
G&A expense excluding depreciation and amortization	**7**	4	75	**23**	17	35
Depreciation and amortization	**1**	1	—	**2**	3	(33)
Environmental and Fluid Management G&A Expense	**8**	5	60	**25**	20	25
% of Environmental and Fluid Management revenue [1]	**4%**	6%		**4%**	7%	

[1] Calculated based on G&A expense excluding depreciation and amortization.

G&A expenses of $7 million and $23 million for the three and twelve months ended December 31, 2021, respectively, increased $3 million and $6 million from the 2020 comparative periods. The increase is primarily due to incremental expenses associated with the Tervita business acquired pursuant to the Transaction and wage subsidies associated with CEWS received in the prior year periods which were booked as a recovery to G&A expense. The increase for the twelve months ended December 31, 2021 was partially offset by the benefit in 2021 of the full run rate of cost reductions which began to take effect in April 2020. Excluding depreciation, amortization and impairment, G&A expenses as a percentage of the segment's revenue was 4% for the three and twelve months ended December 31, 2021, compared to 6% and 7% in the comparative prior year periods, respectively.

Income Before Tax (Environmental and Fluid Management segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Environmental and Fluid Management (Loss) Income before Tax	**(14)**	(1)	1,300	**13**	(23)	(157)

The Environmental and Fluid Management segment loss before tax increased by $13 million to $14 million for the three months ended December 31, 2021. The increase is primarily due to higher depreciation, depletion, amortization and impairment, partially offset by improved segment profit margin as described above. For the twelve months ended December 31, 2021, the segment recorded income before tax of $13 million, compared to a loss before tax of $23 million in 2020. The improvements in segment profit margin exceeded the increases in depreciation, depletion, amortization and impairment.

CORPORATE INCOME AND EXPENSES

Corporate Cost of Sales

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Cost of Sales						
Share-based compensation expense	1	—	100	2	3	(33)

Corporate cost of sales of $1 million and $2 million for the three and twelve months ended December 31, 2021, respectively, is comprised of share-based compensation for employees directly associated with the revenue generating operations of the Corporation. Share-based compensation fluctuates based on the share price at the time of grant, any forfeitures of share-based awards, and the effects of vesting.

Corporate G&A Expenses

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
G&A expenses excluding items noted below	10	5	100	32	17	88
Depreciation and amortization	2	1	100	8	5	60
Impairment	4	—	100	4	—	100
Share-based compensation expense	2	3	(33)	11	7	57
Total Corporate G&A expenses	18	9	100	55	29	90

Included in Corporate G&A expenses are all public company costs, salaries, and office costs relating to corporate employees and officers, any support services that are shared across all operational business segments, and share-based compensation for all employees, other than as recorded to Corporate cost of sales as noted above.

Corporate G&A expenses excluding DD&A, impairment and share-based compensation expense increased $5 million to $10 million for the three months ended December 31, 2021, from the comparative 2020 period, primarily as a result of a larger Corporate function due to the increased size of SECURE following the completion of the Transaction. For the twelve months ended December 31, 2021, G&A expenses increased 88% to $32 million due to the same factors described above offset by lower personnel costs resulting from prior year restructuring efforts which began to take effect in April 2020.

The three and twelve months ended December 31, 2021 included a non-cash impairment charge of $4 million related to assets that were acquired from Tervita and written off as they were are no longer used by SECURE.

Share-based compensation included in G&A expenses of $2 million for the three months ended December 31, 2021 decreased marginally by $1 million from the corresponding prior year comparative period. For the twelve months ended December 31, 2021 share-based compensation included in G&A expenses increased by $4 million from the prior year. The increase was primarily a result of forfeitures associated with headcount reductions in the prior year, along with revaluing the liability associated with cash-settled share units at a higher period end share price at the end of 2021.

Transaction Costs and Restructuring

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Transaction costs	10	—	100	39	—	100
Restructuring costs	—	2	(100)	—	3	(100)

Transaction costs were recorded to the Corporate segment of $10 million and $39 million for the three and twelve months ended December 31, 2021, respectively. The transaction costs for the twelve months ended December 31, 2021 primarily related to legal and advisory fees of $25 million for the completion of the Transaction, including the competition review process, and $14 million of integration costs.

For the twelve months ended December 31, 2020, the Corporation recorded $3 million of restructuring costs related to severance paid to corporate employees or officers as a result of measures taken to reduce the Corporation's cost structure to align with expected industry activity levels.

Interest and Finance Costs

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Interest and finance costs	22	3	633	51	24	113

Corporate interest and finance costs includes interest expense (net of amortization of the fair value premium associated with the 2025 senior secured notes), amortization of financing fees, interest expense on lease liabilities and all realized and unrealized gains or losses related to interest rate swaps on the Corporation's senior secured credit facilities.

Overall interest and finance costs increased 633% and 113% to $22 million and $51 million for the three and twelve months ended December 31, 2021, respectively, from the 2020 comparative periods. On the completion of the Transaction, SECURE assumed Tervita's debt which included amounts owing under a revolving credit facility and the 2025 senior secured notes. The assumption of Tervita's debt resulted in an increase to average debt outstanding and a higher weighted average interest rate than the comparative prior year periods. During 2021, the Corporation closed private offerings totaling $340 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026. SECURE used the proceeds from these private offerings to fund the redemption of US$200 million aggregate principal amount of the 2025 senior secured notes assumed from Tervita, at a redemption price of 105.5%. Refer to the Liquidity and Capital Resources section for details of SECURE's debt borrowings and Note 19 in the Annual Financial Statements for additional information related to interest and finance costs.

Other Expense

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Other expense	(8)	—	100	(1)	—	100

Other expense includes all realized and unrealized foreign exchange gains and losses, all realized and unrealized gains or losses related to the cross currency swaps to hedge foreign exchange exposure on U.S. dollar denominated debt, loss associated with the loss of control of a former controlling interest and a gain on extinguishment of US$200 million aggregate principal amount of 2025 senior secured notes.

Foreign Currency Translation Adjustment

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Foreign currency translation loss, net of tax	—	(8)	(100)	(3)	(3)	—

For the three months ended December 31, 2021, the foreign currency translation amounted to $nil. For the twelve months ended December 31, 2021, the foreign translation adjustment was a loss of $3 million mainly due to the appreciation of the Canadian dollar relative to the U.S. dollar during the period. The foreign currency translation adjustment included in the consolidated statements of comprehensive loss does not impact net loss for the period.

Income Taxes

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Income taxes						
Current tax recovery	**(2)**	—	100	**(2)**	1	(300)
Deferred tax recovery	**(56)**	(11)	409	**(67)**	(24)	179
Total income tax recovery	**(58)**	(11)	427	**(69)**	(23)	200

For the three and twelve months ended December 31, 2021, the Corporation's income tax recovery was $58 million and $69 million, respectively, compared to $11 million and $23 million for the prior year comparative periods. The variances are as a result of higher pre-tax losses in the current year period.

SUMMARY OF QUARTERLY RESULTS

Seasonality

In Canada, the level of activity in the oilfield is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. This limits the movement of the heavy equipment required for drilling and well servicing activities, and the level of activity of the Corporation's customers may, consequently, be reduced. In addition, the transportation of heavy waste loads is restricted, resulting in smaller loads and a general reduction in the volume of waste delivered to SECURE's facilities. Accordingly, while the Corporation's facilities are open and accessible year-round, spring break-up reduces the Corporation's midstream infrastructure and fluid management activity levels. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Environmental management project activity tends to be lower in the first half of the year due to the previously described factors and challenges of completing excavation work on frozen terrain in the first quarter. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

The table below summarizes unaudited consolidated quarterly information for each of the eight most recently completed fiscal quarters.

	2021				2020			
($ millions except share and per share data)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue (excluding oil purchase and resale)	**327**	317	117	132	119	103	66	172
Oil purchase and resale	**1,013**	936	395	529	356	349	226	433
Total revenue	**1,340**	1,253	512	661	475	452	292	605
Net (loss) income attributable to shareholders of SECURE (1)	**(166)**	(22)	(15)	—	(39)	(4)	(20)	(22)
Per share - basic and diluted	**(0.54)**	(0.07)	(0.09)	—	(0.25)	(0.03)	(0.13)	(0.14)
Weighted average shares - basic and diluted	**308,135,731**	306,474,523	160,358,466	159,540,722	158,664,323	158,577,224	158,488,825	158,513,800
Adjusted EBITDA (2)	**111**	105	30	40	36	37	21	42

(1) Represents net (loss) income from continuing operations and total net (loss) income attributable to shareholders of SECURE. Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

(2) Refer to "*Non-GAAP measures*" for further information.

Quarterly Review Summary

As illustrated above, quarterly performance is affected by seasonal variation; however, with fluctuating commodity prices impacting industry activity, and SECURE's historical growth and acquisitions, variations in quarterly results are attributable to several other factors as well.

The rapid and dramatic decline in crude oil prices at the end of the first quarter of 2020 resulting from oil demand destruction caused by COVID-19 and over supply concerns stemming from failed negotiations between OPEC+ countries on production curtailments began to have an adverse impact on the Corporation's results in March 2020, and resulted in negative quarter over quarter variances throughout the remainder of 2020 compared to 2019.

Starting in the first quarter of 2021, higher crude oil prices resulted in improved activity levels across all business units and increased utilization at the Corporation's midstream processing facilities and landfills as higher drilling, completion and production volumes from increased activity levels required treating, processing and disposal. The higher drilling and completion activity positively impacted the drilling fluids and production services business in the Environmental and Fluid Management segment.

Each previous quarter was also impacted by the date at which an acquisition occurred or any one of the constructed or acquired facilities commenced operations. For a complete description of SECURE's assets and operations, please refer to the headings '*General Development of the Business*' and '*Description of Business'* in the AIF.

The following summarizes the facilities commissioned and acquisitions completed that have impacted the quarterly results for the past two years:

- In July 2020, the Corporation's East Kaybob oil pipeline commenced operations.
- The close of the Transaction significantly impacted the results in the second half of 2021 as SECURE increased its Midstream Infrastructure footprint and expanded its Environmental and Fluid Management services offering.

SUMMARY OF SELECT ANNUAL RESULTS

The table below summarizes consolidated annual information for three most recently completed years.

	Twelve months ended December 31,		
($ millions except share and per share data)	**2021**	**2020**	**2019**
Revenue (excludes oil purchase and resale)	**893**	460	613
Oil purchase and resale	**2,873**	1,364	2,440
Total revenue	**3,766**	1,824	3,053
Adjusted EBITDA [(1)]	**286**	136	180
Per share ($), basic	**1.22**	0.86	1.13
Per share ($), diluted	**1.22**	0.86	1.11
Net loss attributable to shareholders of SECURE [(2)]	**(203)**	(85)	1
Per share ($), basic and diluted	**(0.87)**	(0.54)	0.01
Dividends per common share	**0.0300**	0.1100	0.2700
Total assets [(2)]	**2,937**	1,376	1,607
Long-term liabilities [(2)]	**1,498**	502	581
Common shares - end of period	**308,158,691**	158,700,373	156,460,158
Weighted average common shares			
Basic	**234,226,176**	158,561,369	158,984,770
Diluted	**234,226,176**	158,561,369	161,817,532

(1) Refer to "*Non-GAAP and other financial measures*" and "*Operational Definitions*" for further information.

(2) Represents net (loss) income from continuing operations and total net (loss) income attributable to shareholders of SECURE. Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

In the last several months of 2018, crude oil benchmark prices and commodity price differential volatility resulting from a lack of pipeline egress out of the WCSB resulted in oil and gas producers reducing their budgets for 2019. Weather related issues also had an impact on activity levels during 2019, with a prolonged spring break-up and an unusually wet fourth quarter. Producers were unwilling to incur additional costs due to weather related issues if the oil and gas activity could be delayed until ground conditions improved. The poor weather also impacted the execution of planned remediation and demolition programs and landfill disposal volumes in the Environmental and Fluid Management segment.

In addition to the above, refer to the "Summary of Quarterly Results" section above and discussions through out this MD&A for other factors that impacted each year's results.

TERVITA MERGER

On the Acquisition Date, pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita and subsequently Tervita was amalgamated with SECURE. SECURE issued approximately 147.6 million common shares following which Tervita amalgamated with SECURE. The common shares of Tervita were delisted from the TSX at the close of market on July 6, 2021. For the purchase price allocation and additional information related to the Transaction, refer to Note 4 of the Annual Financial Statements.

The statutory waiting period for the completion of the Transaction under the Competition Act expired on June 30, 2021. On June 29, 2021 the Commissioner of Competition filed an application under Section 92 of the Competition Act (the “Section 92 Application”) with the Competition Tribunal, which was amended following completion of the Transaction to seek the dissolution of the Transaction or the divestiture of unspecified assets. The Commissioner has subsequently advised SECURE and the Competition Bureau that he intends to narrow the scope of his application and relief sought, and will no longer seek a dissolution of the Transaction, with a formal amendment to the Commissioner’s application forthcoming. A hearing of the Section 92 Application is scheduled to occur before the Competition Tribunal in the second quarter of 2022. SECURE believes the resolution of such proceedings will not be material to the Corporation's asset base or Adjusted EBITDA. See "Risk Factors – Competition Act Matters" for further information on the proceedings under the Competition Act relating to the Transaction.

With the closing of the Transaction, all litigation between SECURE and Tervita has been discontinued.

In connection with the closing of the Transaction, SECURE’s debt structure changed significantly. Refer to the “Liquidity and Capital Resources” section for further details.

The below tables present the financial results of the combined company as if the Transaction closed on January 1, 2021. The SECURE net loss financial information is derived from the twelve months ended December 31, 2021 segment table included in Note 25 of the Annual Financial Statements. The unaudited Tervita financial information represents the financial results for Tervita for the six months ended June 30, 2021 and was not adjusted for the impact of the purchase price allocation or the changes in the debt structure. The SECURE and Tervita financial information was adjusted to exclude any transaction costs incurred and expensed prior to the Acquisition Date. The Pro Forma Adjusted EBITDA and Pro Forma Discretionary Free Cash Flow presented below was calculated consistently with the definitions included in the “Non-GAAP and other financial measures” section.

Pro Forma Net Loss before Tax

	SECURE	Tervita	Pro Forma Total
Revenue excluding oil purchase and resale service	893	267	1,160
Oil purchase and resale service	2,873	648	3,521
Total revenue	**3,766**	**915**	**4,681**
Cost of sales excluding items listed separately below	(3,401)	(798)	(4,199)
Segment profit margin	**365**	**117**	**482**
G&A expenses excluding items listed separately below	(81)	(17)	(98)
Depreciation	(146)	(40)	(186)
Depletion	(15)	(5)	(20)
Amortization	(12)	(5)	(17)
Share-based compensation	(13)	—	(13)
Interest, accretion and finance costs	(60)	(48)	(108)
Impairment	(269)	(7)	(276)
Transaction costs	(29)	—	(29)
Other expense	(3)	(3)	(6)
Loss before tax	**(263)**	**(8)**	**(271)**

Pro Forma Adjusted EBITDA

	SECURE	Tervita	Pro Forma Total
Net loss	(194)	(7)	(201)
Add:			
Depreciation, depletion and amortization	173	50	223
Impairment	269	7	276
Current tax expense	(2)	(1)	(3)
Deferred tax recovery	(67)	—	(67)
Share-based compensation	13	—	13
Interest, accretion and finance costs	60	48	108
Unrealized (gain) loss on mark to market transactions	2	—	2
Other expense	3	3	6
Transaction costs	29	—	29
Adjusted EBITDA	**286**	**100**	**386**

Pro Forma Discretionary free cash flow

	SECURE	Tervita	Pro Forma Total
Funds flow from operations	186	44	230
Adjust:			
Sustaining capital	(29)	(14)	(43)
Lease liability principal payment (net of sublease receipts)	(15)	(6)	(21)
Transaction costs	29	—	29
Discretionary free cash flow	**171**	**24**	**195**

LIQUIDITY AND CAPITAL RESOURCES

The Corporation’s objective in capital program management is to ensure adequate sources of capital are available to carry out our capital plan, while maintaining operational growth, payment of dividends and stable cash flow, to sustain the business for the long-term.

Management considers capital to be the Corporation’s current assets less accounts payable and accrued liabilities and interest payable, debt borrowings (Revolving Credit Facility, 2025 senior secured notes and 2026 unsecured notes) plus shareholders’ equity. The Corporation’s overall capital management strategy remains unchanged from prior periods. Management controls its capital structure through detailed forecasting and budgeting, as well as established policies and processes over monitoring planned capital and operating expenditures. This includes the Board reviewing the Corporation’s results on a monthly basis, and capital spending to approved limits on a quarterly basis.

The key measures management uses to monitor its capital structure are incurred capital expenditures compared to authorized limits, Adjusted EBITDA on all of its operations, discretionary free cash flow and the covenant ratios as defined in the Corporation's lending agreements which are discussed further below.

Debt Borrowings

Prior to the closing of the Transaction, SECURE’s senior secured credit facilities consisted of a $600 million first lien credit facility (“First Lien Facility”) with a syndicate of ten financial institutions (with a maturity date of June 30, 2023), a $130 million second lien credit facility (“Second Lien Facility”) with a syndicate of three financial institutions (with a maturity date of July 31, 2022) and two bilateral Letter of Credit Facilities totaling $75 million (“$75 million LC Facilities”) with two financial institutions.

On July 2, 2021, in connection with the closing of the Transaction, SECURE entered into the $800 million three-year Revolving Credit Facility with nine financial institutions (with a maturity date of July 2, 2024). The Revolving Credit Facility was used to replace and repay SECURE's First Lien Facility and Second Lien Facility, Tervita's first lien credit facility, and letters of credit outstanding against the $75 million LC Facilities. SECURE also entered into the $30 million SECURE LC Facility guaranteed by Export Development Canada.

On June 30, 2021, the Corporation closed the offering of $200 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026. The net proceeds of the offering were deposited into an escrow account pending the satisfaction of certain conditions, including the completion of the Transaction. The escrow release conditions were satisfied on July 2, 2021.

On July 16, 2021, SECURE used a portion of these proceeds to fund the redemption of US$100 million aggregate principal amount of 2025 senior secured notes, at a redemption price of 105.50%, plus accrued but unpaid interest to, but not including, the redemption date. The remaining proceeds were used to repay indebtedness, pay fees and expenses incurred in connection with the 2026 unsecured notes issuance and for general corporate purposes.

On October 4, 2021, we closed an additional private offering of $140 million aggregate principal amount of 2026 unsecured notes at an issue price of $100.75, representing a yield of approximately 7% and the proceeds were primarily used to redeem another US$100 million aggregate principal amount of the 2025 senior secured notes at a redemption price of 105.5%, plus accrued but unpaid interest to, but not including, the redemption date. The redemptions occurred on October 7 and 8, 2021.

The Corporation’s debt borrowings as at December 31, 2021 consisted of:

- $800 million Revolving Credit Facility maturing July 2024. Total amount drawn totaled $460 million. LCs issued against the Revolving Credit Facility in the amount of approximately $66 million reduce the amount available to be drawn under the facility.
- $30 million SECURE LC Facility. At December 31, 2021, SECURE has currently issued LCs in the amount of approximately $25 million against the SECURE LC Facility.
- US$300 million aggregate principal amount of 2025 senior secured notes.
- $340 million aggregate principal amount of 2026 unsecured notes.

Amounts borrowed under the Revolving Credit Facility bear interest at the Corporation's option of either the Canadian prime rate plus 1.50% to 3.00% or the bankers acceptance rate plus 2.50% to 4.00%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility. Interest on $130 million of the Revolving Credit Facility has been fixed at 5.5% per annum through the use of interest rate swaps until July 31, 2022 as a result of the previous Second Lien Facility.

The interest payments on the 2025 senior secured notes and 2026 unsecured notes occur in June and December during the term of the debt. This will typically result in lower discretionary free cash flow generated in the second and fourth quarter.

The Corporation has entered into cross currency swaps to hedge foreign exchange exposure on the U.S. dollar denominated 2025 senior secured notes, fixing the exchange rate on US$300 million principal repayments and a portion of the interest payments. The liability balance of these derivative contracts amounted to $19 million at December 31, 2021 and was recorded in other liabilities on the statements of financial position.

Revolving Credit Facility Covenants

The Revolving Credit Facility is subject to customary terms, conditions and covenants, including the following financial covenants:

- the Senior Debt to EBITDA ratio is not to exceed (i) 3.0 to 1.0 for the first fiscal quarter immediately following the effective date (September 30, 2021) and the next two fiscal quarters immediately thereafter (December 31, 2021 and March 31, 2022) and (ii) 2.75 to 1.0 at the end of each fiscal quarter thereafter;
- the Total Debt to EBITDA ratio is not to exceed (i) 4.75 to 1.0 for the first fiscal quarter immediately following the effective date and the next two fiscal quarters immediately thereafter and (ii) 4.5 to 1.0 at the end of each fiscal quarter thereafter; and
- the Interest Coverage Ratio (defined as EBITDA to Interest charges) is not to be less than 2.5 to 1.0.

The Revolving Credit Facility also requires that the aggregate principal amount of all senior secured and unsecured notes and the principal amount outstanding under the Revolving Credit Facility will not exceed $1.5 billion.

Total Debt as defined by the Revolving Credit Facility includes the aggregate of all debt (including lease liabilities) minus the aggregate amount of readily available cash, cash equivalents and investment grade securities in excess of $5 million. Senior Debt is defined as Total Debt excluding the principal amount outstanding under the 2025 senior secured notes and the principal amount outstanding under any unsecured notes, including the 2026 unsecured notes.

EBITDA is defined in the Revolving Credit Facility as earnings before interest, taxes, depreciation, depletion and amortization, and is adjusted for non-recurring losses, any non-cash impairment charges and any other non-cash charges, and acquisitions on a pro-forma basis. Interest charges are defined to include interest expense on Total Debt.

At December 31, 2021, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility.

The following table outlines SECURE's covenant ratios, calculated in accordance with the Corporation's credit facilities, at December 31, 2021, and December 31, 2020:

	December 31, 2021	December 31, 2020	% Change
Senior Debt to EBITDA	**1.5**	2.2	(32)
Total Debt to EBITDA	**3.4**	3.2	6
Interest coverage	**3.4**	6.4	(47)

The covenant ratio calculations at December 31, 2021 were calculated based on leases accounted for in accordance with IFRS 16, *Leases* as compared to International Accounting Standard 17, *Leases* for the December 31, 2020 covenant ratio calculations.

Issued capital

Issued capital of $1.7 billion increased 61% at December 31, 2021, compared to December 31, 2020, as a result of shares issued as consideration in the Transaction and the shares issued through the conversion of restricted share units and performance share units into common shares under the Corporation's Unit Incentive Plan during the twelve months ended December 31, 2021.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet our financial obligations at the point at which they are due. The Corporation manages its liquidity risk through cash and debt management. Management's assessment of the Corporation's liquidity reflects estimates, assumptions and judgments relating to current market conditions.

Market events that resulted in low and volatile oil prices beginning in March 2020 resulted in lower revenue and cash flows for the Corporation due to reduced drilling, completion and production volumes and demand for associated services as customers reduced spending levels and shut-in uneconomic production and naturally declining production due to reduced reinvestment. SECURE's Midstream Infrastructure reportable segment is highly concentrated on production volumes or related services that historically represent approximately 75% of the segment's segment profit margin. A portion of these production volumes are contracted and/or fee-for-service contracts that are expected to provide a degree of cash flow stability.

On March 24, 2020, the Corporation announced that the monthly dividend would be reduced to $0.0025 (0.25 cents) per common share, effective for the May 2020 dividend. This reduction of the dividend resulted in annualized cash savings of approximately $38 million. Additionally, following the June 2020 dividend, the Corporation moved to a quarterly dividend, with the first payment of $0.0075 (0.75 cents) per common share made in October 2020. Subsequent to the close of the Transaction, the Corporation maintained the quarterly dividend at $0.0075 (0.75 cents) per common share. The decision whether or not to pay dividends and the amount of any such dividends are subject to the sole discretion of the Board, which regularly evaluates the Corporation's proposed dividend payments.

SECURE believes the sharing of excess cash flows with shareholders is a core business principle; as a result, management and the Board will continue to monitor the Corporation's dividend policy with respect to forecasted Adjusted EBITDA, debt, capital expenditures and other investment opportunities, as well as expected interest, lease, tax, transaction and implementation costs, and will look for opportunities to return additional capital after the successful integration of the business acquired pursuant to the Transaction and as business conditions warrant.

To meet financial obligations, the Corporation may further adjust the amount of its dividends, draw on the Revolving Credit Facility up to the covenant restrictions, divest assets, issue subordinated debt, or obtain equity financing. The declaration and payment of dividends is at the discretion of the Board and is dependent upon, among other things, financial performance, compliance with debt covenants and the factors referred to under the heading "*Risk Factors*" in the AIF. While the Corporation has had success in obtaining financing in the past, access to capital may be more difficult in the future depending on the economic and operating environment. Refer to the *"Access to Capital"* discussion in the *"Risk Factors"* section of the Corporation's AIF.

Following the Transaction, SECURE's borrowings increased substantially. The Corporation expects to direct a majority of its Discretionary Free Cash Flow to repaying debt in 2022 which should result in improvement in the Corporation's liquidity position.

As at December 31, 2021, the Corporation has $289 million in liquidity consisting of $10 million in cash and $279 million in available borrowing capacity on its Revolving Credit Facility and SECURE LC Facility, subject to covenant restrictions. Refer to Note 21 of the Annual Financial Statements for further disclosure of the Corporation's liquidity risk and Note 24 for details of the Corporation's contractual obligations and contingencies at December 31, 2021.

The following provides a summary and comparison of the Corporation's operating, investing and financing cash flows for the three and twelve months ended December 31, 2021 and 2020.

Net Cash Flows from Operating Activities

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Net cash flows from operating activities	28	42	(33)	74	149	(50)

The Corporation generated cash flows from operating activities of $28 million for the three months ended December 31, 2021, a decrease of $14 million from the prior year comparative period. Higher Adjusted EBITDA in the current year period was more than offset by higher interest paid due to larger debt borrowings and an outflow associated with increased investment in non-cash working capital associated with higher activity levels, compared to a recapture of non-cash working capital in the fourth quarter of 2020. For the twelve months ended December 31, 2021, the Corporation generated cash flows from operating activities of $74 million, a decrease of 50% from 2020. The decrease was driven by the same factors described above as well as an outflow to pay costs associated with the Transaction. At December 31, 2021, SECURE carried total net working capital, excluding cash, of $183 million compared to $64 million at December 31, 2020.

Investing Activities

	Three months ended December 31,			Twelve months ended December 31,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Capital expenditures [1]						
Growth capital expenditures	**4**	6	(33)	**14**	62	(77)
Sustaining capital expenditures	**13**	3	333	**29**	9	222
Total capital expenditures	**17**	9	89	**43**	71	(39)

[1] Refer to "*Operational definitions*" for further information.

The Corporation's capital expenditures increased by $8 million and decreased by $28 million for the three and twelve months ended December 31, 2021, respectively, from the corresponding 2020 comparative periods. Of the total spend, $13 million and $29 million related to sustaining capital expenditures during the three and twelve months ended December 31, 2021. Growth capital of $4 million and $14 million for the three and twelve months ended December 31, 2021, related largely to connecting an additional segment of the East Kaybob oil pipeline, increasing the throughput capacity at a contracted water disposal facility, and optimization spend at facilities acquired from Tervita. Sustaining capital of $13 million was higher than our previous guidance due mainly to accelerating spending on required maintenance to mitigate against supply chain issues and higher inflation.

In the prior year comparative periods, growth capital expenditures incurred related to progressing construction of the East Kaybob oil pipeline system; certain carryover costs related to the tie in of two disposal wells drilled and completed in 2019 in North Dakota; and increasing processing and disposal capacity and creating efficiencies at various other facilities.

During the second half of 2021, SECURE closed the Transaction. The Transaction was funded through the issuance of approximately 147.6 million common shares with a fair value of $621 million based on the June 30, 2021 closing share price of $4.21. For the purchase price allocation and additional information related to the Transaction, refer to Note 4 of the Annual Financial Statements.

Financing Activities

	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	**2021**	2020	% Change
Draw on (repayment of) credit facilities	**9**	(32)	(128)	**(57)**	(55)	4
Redemption of 2025 senior secured notes	**(132)**	—	100	**(264)**	—	100
Issuance of unsecured notes	**141**	—	100	**341**	—	100
Financing fees	**(2)**	—	100	**(17)**	—	100
Settlement of debt-related derivatives	**(4)**	—	100	**(8)**	—	100
Lease liability principal payments	**(4)**	(4)	—	**(16)**	(17)	(6)
Dividends	**(2)**	(2)	—	**(7)**	(17)	(59)
Contingent consideration payments	**—**	—	100	**—**	—	100
Repurchase and cancellation of shares under NCIB	**—**	—	—	**—**	(2)	(100)
Sublease payments received	**—**	—	—	**1**	—	100
Changes in non-cash working capital	**—**	1	(100)	**1**	1	—
Net cash flows from (used in) financing activities	**6**	(37)	(116)	**(26)**	(90)	(71)

During the twelve months ended December 31, 2021, the Corporation's debt structure changed as a result of the Transaction and closing of related financing transactions. Refer to the Debt borrowings section above for additional information of the financing activities during the quarter.

The Corporation currently pays a quarterly dividend of $0.0075 (0.75 cents), resulting in a spend of $2 million and $7 million for the three and twelve months ended December 31, 2021, respectively. On December 13, 2021, the Corporation declared the next quarterly dividend of $0.0075 (0.75 cents), which was paid to shareholders of record on January 1, 2022.

During the second quarter of 2020, SECURE renewed the normal course issuer bid ("NCIB") whereby the Corporation could repurchase up to a maximum of 10,796,069 common shares of the Corporation from May 28, 2020 to May 27, 2021, subject to daily limits in accordance with the terms of the NCIB. The NCIB expired on May 27, 2021, and was not renewed. There were no repurchases under the NCIB during the three and twelve months ended December 31, 2021. For the three and twelve months ended December 31, 2020, the Corporation repurchased and cancelled 336,500 common shares.

CONTRACTUAL OBLIGATIONS

Refer to Note 21 and Note 24 of the Annual Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

A discussion of SECURE's business risks is set out in the Corporation's AIF under the heading *'Risk Factors',* which is incorporated by reference herein, including risks related to the Transaction and the business acquired in connection therewith. This section does not describe all risks applicable to the Corporation, its industry or its business, and is intended only as a summary of certain material risks of significance to this MD&A. If any of the risks or uncertainties set out in the AIF and this MD&A actually occur, the Corporation's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified by the Corporation, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on SECURE, our stakeholders, and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Oil Prices and the COVID-19 Pandemic

The rapid global spread of COVID-19, and its variants, and measures taken in response by governments and health authorities around the world, including travel restrictions, quarantines, business and school closures, and restrictions on public gatherings, resulted, and may continue to result in, the significant slow-down in economic activity and reduced the demand for and price of commodities closely linked to SECURE's business and financial condition. The Corporation's business, operations and financial condition could be materially adversely affected by the COVID-19 pandemic or other outbreaks, epidemics, or other health crises.

While oil prices have stabilized at the highest levels seen in several years, demand is normalizing and many jurisdictions have adjusted restrictions in response to changing infection rates, the situation remains fluid as COVID-19 and its variants, some of which may be more transmissible and carry increased health risks, continue to be a concern. Governments are continuing to closely monitor the spread of COVID-19 and its variants, which may lead to the maintenance or reintroduction of emergency measures to counter any resurgence of such viruses. Accordingly, ongoing uncertainty with respect to the pandemic may continue to have significant adverse impacts on the Corporation, including, but not limited to:

- Public health measures effected by local governments to protect the health system and slow the spread of COVID-19 could result in the temporary suspension of operations which could have material impacts on the Corporation's financial results;
- Material declines in revenue and cash flows due to reduced drilling, completion and production volumes and demand for associated services if customers reduce spending levels and shut-in uneconomic production;
- Declines in revenue and operating activities could result in increased impairment charges on long-term assets;
- Increased risk of non-performance by the Corporation's customers which could materially increase collection risk of accounts receivable and customer defaults on contracts; and
- Increased restructuring charges as the Corporation aligns its structure and personnel to the dynamic environment.

The situation is dynamic and the ultimate duration and scope of the effect of the COVID-19 pandemic on future developments that cannot be predicted at this time, including the severity, transmission rate and resurgence of the COVID-19 or any variants thereof; the timing, extent and effectiveness of local and global efforts to contain and treat COVID-19, including the effectiveness, availability, distribution and public uptake of vaccines and boosters, the rate and extent to which normal economic and operating conditions resume; and the impact of these and other factors on SECURE's stakeholders, particularly those upon whom the Corporation has a major reliance, including its customers, vendors and employees. Estimates and judgments made by management in the preparation of the Annual Financial Statements are subject to a higher degree of measurement uncertainty during this volatile period. For a full discussion of SECURE's risks related to the COVID-19 pandemic, see *"Risk Factors – COVID-19 Pandemic"* in the AIF.

Pro Forma Financial Information may not be Indicative of SECURE's Future Financial Condition or Results of Operations

The unaudited *pro forma* financial information contained in the joint information circular prepared in connection with the Transaction dated May 6, 2021 (the "Joint Information Circular"), which is available on SEDAR at www.sedar.com, and this MD&A was presented for illustrative purposes only as of its respective dates and may not be indicative of the future financial condition or results of operations of SECURE following completion of the Transaction for several reasons. The unaudited *pro forma* financial information was derived from the respective historical financial statements of SECURE and Tervita, and certain adjustments and assumptions made as of the dates indicated therein were made to give effect to the Transaction. The information upon which these adjustments and assumptions were made was preliminary and such adjustments and assumptions are difficult to make with complete accuracy. Moreover, the unaudited pro forma financial information does not include, among other things, estimated costs or cost savings, adjustments related to restructuring or integration activities, or future acquisitions or disposals not yet known or probable. Therefore, the pro forma financial information contained in the Joint Information Circular was presented for informational purposes only and is not necessarily indicative of what SECURE's actual financial condition or results of operations would have been had the Transaction been completed on the dates indicated. Accordingly, the combined business, assets, results of operations and financial condition may differ significantly from those indicated in the unaudited pro forma financial information.

Credit Ratings

During the second quarter of 2021, SECURE received its first public credit ratings following the announcement of the Transaction and in connection with the 2026 unsecured note offering. In the third quarter, SECURE also received credit ratings on the 2025 senior secured notes as SECURE became the obligor thereunder upon completion of the Transaction. Credit ratings are intended to provide an independent measure of the credit quality of an issuer of securities and are subject to ongoing evaluation by credit rating agencies. The credit rating assigned by a rating agency is not a recommendation to purchase, hold or sell securities nor does the rating comment on market price or suitability for a particular investor. A rating may not remain in effect for any given period of time and may be revised or withdrawn entirely by a rating agency at any time in the future, if, in its judgment, circumstances so warrant. There can be no assurance that a credit rating will be maintained in the future. Downgrades in SECURE's credit rating could adversely affect SECURE's business, cash flows, financial condition, operating results and share and debt prices.

Competition Act Matters

On June 29, 2021, the Commissioner of Competition (the "Commissioner") served SECURE with a notice of application to block the closing of the Transaction under Section 92 of the Competition Act. The Commissioner also served SECURE with an application under Section 104 of the Competition Act, which sought an interim order from the Competition Tribunal to block the closing of the Transaction. The Commissioner also made an interim application to prevent closing of the Transaction pending the outcome of the application under Section 104 of the Competition Act, but the Commissioner's application was denied by the Competition Tribunal on July 1, 2021, and the Commissioner's emergency appeal of that decision was rejected by the Federal Court of Appeal on July 2, 2021. The Transaction closed on July 2, 2021, and the Commissioner amended his application under Section 104 of the Competition Act to seek the unwinding of the Transaction, in the alternative an order for SECURE to hold separate the former business of Tervita, or in the further alternative an order for SECURE to not proceed with any further integration of Tervita's operations and to preserve all assets until such time as the application under Section 92 of the Competition Act is disposed of. On August 16, 2021, the Competition Tribunal rejected the Commissioner's application under Section 104 of the Competition Act and SECURE is currently not subject to any order in respect of the Transaction which restricts the ongoing integration of Tervita's operations or impacts SECURE's ability to carry on the combined company's business in the ordinary course. The Commissioner's application under Section 92 of the Competition Act is scheduled to be heard by the Competition Tribunal in the second quarter of 2022. The Commissioner's Section 92 Application was amended to seek the dissolution of the Transaction, or in the alternative, the divestiture of unspecified assets. The

Commissioner has subsequently advised SECURE and the Competition Bureau that he intends to narrow the scope of his application and relief sought, and will no longer seek a dissolution of the Transaction, with a formal amendment to the Commissioner's application forthcoming.

SECURE believes that the Transaction will be beneficial to customers and result in significant cost savings and other efficiencies that will benefit SECURE, its customers, and the Canadian economy. In connection with, or as a result of, a challenge by the Commissioner of the Transaction under the Competition Act, including the Commissioner's pending application under Section 92 of the Competition Act and any applications related thereto (collectively, "the Applications"), SECURE may be required to divest certain of its assets or be subject to another remedy (including a behavioral remedy) which in any case may adversely affect SECURE's ability to achieve the anticipated benefits of the Transaction and financial projections related thereto. SECURE may incur significant costs in connection with its defense of the Applications and any additional challenge by the Commissioner to the Transaction. SECURE believes the resolution of such proceedings will not be material to the Corporation's asset base or Adjusted EBITDA.

OUTSTANDING SHARE CAPITAL

As at March 2, 2022, there are 308,756,407 common shares issued and outstanding. In addition, as at March 2, 2022, the Corporation had the following share-based awards outstanding and exercisable or redeemable:

Balance as at March 2, 2022	Issued	Exercisable
Restricted Share Units	2,198,121	—
Performance Share Units	4,786,990	—

OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2021 and December 31, 2020, the Corporation did not have any material off-balance sheet arrangements.

FINANCIAL AND OTHER INSTRUMENTS

As at December 31, 2021, the Corporation's financial instruments include cash, accounts receivables and accrued receivables, accounts payable and accrued liabilities, interest payable, Revolving Credit Facility, 2026 unsecured notes, 2025 senior secured notes, lease liabilities and derivative instruments. The fair values of these financial instruments approximate their carrying amount due to the short-term maturity of the instruments, except for the Revolving Credit Facility, 2026 unsecured notes and the 2025 senior secured notes. The Revolving Credit Facility's carrying value approximate its fair values due to the variable interest rates applied, which approximate market interest rates. The fair value of 2026 unsecured notes and 2025 senior secured notes are influenced by changes in risk-free interest rates and the market assessment of credit risk.

Derivative instruments are fair valued at each period end in accordance with their classification of fair value through profit or loss. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices, foreign currency exchange rates and interest rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity price curves, foreign currency exchange rates and interest rates. The estimated fair value of all derivative financial instruments is based on observable market data.

The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, interest rate and market risk. A discussion of how these and other risks are managed can be found in the AIF under the heading *"Risk Factors"* and a discussion of the corresponding classification and amounts of income, expenses, gains and losses associated with these financial instruments and their fair value can be found in Note 21 of the Corporation's Annual Financial Statements.

Of the Corporation's financial instruments, cash, accounts receivable and accrued receivables and derivative instruments contain credit risk. The credit risk associated with cash is minimized as all cash is held at major financial institutions. The Corporation provides credit to customers in the normal course of operations. The Corporation's credit risk policy includes performing credit evaluations of its customers. A significant portion of the Corporation's accounts receivable are due from companies in the oil and natural gas industry and are subject to normal industry credit risks. Given the policies and procedures in place, management is appropriately managing its credit risk.

The Corporation's exposure to losses in the event that counterparties to derivative instruments are unable to meet the terms of the contracts is considered very low as commodity derivative trades are all done with a large commodity futures exchange, and interest rate and foreign exchange hedges are done with major financial institutions.

Funds drawn under the Revolving Credit Facility are managed through a combination of bankers' acceptance loans and U.S. dollar London Inter-bank Offered Rate ("LIBOR") loans which bear interest at a floating interest rate and the senior secured notes are U.S. dollar denominated debt. On March 5, 2021 the Financial Conduct Authority, the regulatory supervisor of USD LIBOR's administrator, announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, one-month, three-month, six-month and 12-month USD LIBOR tenor settings. A replacement for LIBOR, if and when concluded, will replace LIBOR as the benchmark for U.S. dollar loans under the terms of our Revolving Credit Facility. To the extent that the Corporation borrows under the Revolving Credit Facility, the Corporation is at risk to rising interest rates and foreign exchange rates in addition to its exposure to rising foreign exchange rates with respect to its senior secured notes. Exposure to foreign exchange rate changes is mitigated using cross currency swaps to hedge foreign exchange exposure on U.S. denominated debt, fixing the exchange rate on the U.S. dollar loan amounts for the purposes of interest and principal repayments. The Corporation has managed a portion of its interest rate risk through derivative instruments to effectively fix the interest rate on $130 million of funds drawn on its Revolving Credit Facility until July 31, 2022.

ACCOUNTING POLICIES

SECURE's significant accounting policies are set out in Note 2 of the Annual Financial Statements. The accounting policies described in Note 2 have been applied consistently to all periods presented in the Annual Financial Statements. There were no new accounting standards or amendments to IFRS issued that materially impacted the Annual Financial Statements.

Voluntary Change in Accounting Policy

Under the Corporation's previous accounting policy, SECURE used a risk-free discount rate based on the Bank of Canada published bond rates in the measurement of the present value of its asset retirement obligations. Effective July 1, 2021, the Corporation elected to change its policy for the measurement of asset retirement obligations to utilize a credit-adjusted risk-free discount rate. The use of a credit-adjusted risk-free rate results in reliable and more relevant information for the readers of the Annual Financial Statements as this methodology provides a more accurate representation of the value at which such liabilities could be transferred to a third party, provides a better indication of the risk associated with such obligations, and increases the comparability of the Corporation's financial statements to those of its peers.

Management has applied the voluntary change in accounting policy retrospectively. The Annual Financial Statements have been restated to reflect adjustments made as a result of this change. The tables below present the impact of the change in accounting policy to the consolidated statements of financial position, the consolidated statements of comprehensive loss and the statements of cash flows, for each of the line items impacted.

a) Impacts on the Consolidated Statements of Financial Position

As at	December 31, 2021	December 31, 2020			January 1, 2020		
	Adjustments	Previous policy	Adjustments	Restated	Previous policy	Adjustments	Restated
Assets							
Property, plant and equipment	(44)	1,155	(48)	1,107	1,233	(41)	1,192
Liabilities and equity							
Asset retirement obligations	(49)	108	(53)	55	94	(44)	50
Deferred tax liabilities	1	25	1	26	49	1	50
Deficit	4	(430)	4	(426)	(327)	3	(324)

b) Impacts on the Consolidated Statements of Comprehensive Loss

For the year ended December 31,	2021	2020		
	Adjustments	Previous policy	Adjustments	Restated
Cost of sales [(1)]	(2)	1,826	(4)	1,822
Interest, accretion and finance costs	1	25	3	28
Deferred tax recovery	—	(24)	—	(24)
Net loss	1	(87)	1	(86)

[(1)] The change in accounting policy impacted depreciation and depletion which is included in cost of sales

c) Impacts on the Consolidated Statements of Cash Flow

For the year ended December 31,	2021	2020		
	Adjustments	Previous policy	Adjustments	Restated
Net loss	1	(87)	1	(86)
Non-cash operating activities	(1)	210	(1)	209

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the Corporation's Annual Financial Statements, management has made judgments, estimates and assumptions that affect the recorded amounts of revenues, expenses, assets, liabilities and the disclosure of commitments, contingencies and guarantees. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the Annual Financial Statements are prepared. Actual results could differ from these estimates. The most significant estimates and judgments used in the preparation of the Corporation's Annual Financial Statements have been set out in Note 3 of the Corporation's Annual Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P") as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") means the controls and other procedures of SECURE that are designed to provide reasonable assurance that information required to be disclosed by SECURE in its annual fillings, interim fillings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by SECURE in its annual fillings or other reports filed or submitted under securities legislation is accumulated and communicated to SECURE's management including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting ("ICFR"), as defined in NI 52-109 means a process designed by, or under the supervisions of SECURE's CEO and CFO, and effected by the Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation used the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission in the design of its ICFR. SECURE's ICFR includes policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of SECURE;
- Are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of SECURE are being made only in accordance with authorizations of management; and
- Are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of SECURE's assets that could have a material effect on the financial statements.

There was no change to the Corporation's ICFR that occurred during the most recent interim or annual period ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

In accordance with the requirements of NI 52-109, an evaluation of the effectiveness of DC&P and ICFR was carried out under the supervision of the CEO and CFO at December 31, 2021. Based on this evaluation, the CEO and CFO have concluded that the Corporation's DC&P and ICFR were effective as at December 31, 2021, with the exception of the scope limitation discussed below.

On July 2, 2021, SECURE and Tervita closed the Transaction. As permitted by and in accordance with NI 52-109, Management has limited the scope and design of ICFR and DC&P to exclude the controls, policies and procedures in respect of the business acquired from Tervita. Such scope limitation is primarily due to the time required for Management to assess the ICFR and DC&P relating to the Tervita business in a manner consistent with SECURE's other operations. Further integration will take place throughout 2022 as processes and systems align.

Current assets and non-current assets attributable to the Tervita business represented $143 million and $1.5 billion, respectively, of SECURE's total current and non-current assets at December 31, 2021. Current liabilities and non-current liabilities attributable to the Tervita business represented $75 million and $654 million, respectively, of SECURE's total current and non-current liabilities at December 31, 2021. Revenue and net loss before tax attributable to the Tervita business represented $604 million and $150 million, respectively, of SECURE's revenue and net loss before tax for the six months ended December 31, 2021.

Management, including the CEO and CFO, does not expect that the Corporation's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within the Corporation have been detected.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Refer to Note 24 of the Corporation's Annual Financial Statements for disclosure related to legal proceedings and regulatory actions.

With the closing of the Transaction, all litigation between SECURE and Tervita has been discontinued.

RELATED PARTIES

Refer to Note 23 of the Corporation's Annual Financial Statements for disclosure related to related parties.

FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this MD&A constitute “forward-looking statements and/or “forward-looking information” within the meaning of applicable securities laws (collectively referred to as “forward-looking statements”). When used in this MD&A, the words “achieve”, “advance”, “anticipate”, “believe”, "can be", "capacity", “commit”, “continue”, “could”, “deliver”, “drive”, “enhance”, "ensure", “estimate”, “execute”, “expect”, “focus”, "forecast", “forward", "future", “goal”, “grow”, “integrate”, “intend”, “may”, “maintain”, "objective", “ongoing”, “opportunity”, "outlook", “plan”, “position”, "potential", “prioritize”, “realize”, “result”, "seek", "should", “strategy”, “target” “will”, and similar expressions, as they relate to SECURE, its management, or the combined company, are intended to identify forward-looking statements. Such statements reflect the current views of SECURE and speak only as of the date of this MD&A.

In particular, this MD&A contains or implies forward-looking statements pertaining but not limited to: the expected benefits of the Transaction, including expectations with respect to synergies, Adjusted EBITDA, cost savings and the timing thereof; the impact of financing transactions on the Corporation; the levels of discretionary free cash flow and uses thereof; disclosure with respect to ESG; the Corporation's priorities including sustainability and ESG targets; the successful execution of the Corporation’s goals; the integration of Tervita's legacy business; the Corporation's dividends policy or declarations and payments of dividends; expenditures by oil and gas producers; geopolitical conditions and the effects thereof; commodity prices; causes and effects of increased oil and gas activity and governmental policies on the Corporation's business; the Corporation's future focuses and priorities; debt repayment and reduction; increased shareholder returns; share buybacks; sustaining and growth capital, and the allocation thereof; the Corporation's commitment to ESG; specific ESG commitments, targets and ambitions, including emissions target reductions; discretionary spending and limits thereon; the Corporation’s access to capital markets and the resulting effect on its future growth and acquisition plans; the relevance of SECURE’s credit ratings to debt investors and capital market participants; the complementary nature of the Corporation’s asset base and environmental service lines following the Transaction, and the ability to enhance scale and increase utilization as a result thereof; the Corporation's expected discretionary free cash flow profile; plans of a 5% reduction in water usage in 2022, lower greenhouse gas emission intensity by 15% by 2024 and reduce carbon intensity in half by 2030 and achieving net zero emissions by 2050; the successful execution of the Corporation’s goals; SECURE's ability to deliver economic and environmental benefits; the outlook for oil and liquids prices; the effect of the current economic conditions on the future demand for SECURE’s services; capacity at the Corporation’s existing facilities; the introduction by the Alberta and Saskatchewan provincial governments of mandatory spending programs for well closure and reclamation obligations; the timing of the introduction of the new closure and reclamation program of the Saskatchewan provincial government; the impact of the Canadian Federal Government's orphan and inactive well stimulus package and the impact of similar programs of the Alberta and Saskatchewan provincial governments may have to the business, operations and results of the Corporation; increased abandonment and reclamation activity in the oil and gas industry and the related effect on SECURE’s results of operations and the timing thereof; the Corporation’s 2022 capital budget and the future evaluation of the Corporation’s capital project opportunities; debt service and the Corporation’s ability to meet obligations and commitments and operate within any credit facility restrictions, including the financial covenants related to our debt facilities; the sufficiency of the Corporation’s liquidity and expectations that our capital investment, working capital, debt repayment, share repurchases and cash dividends will be funded from internally generated cash flows; the Corporation’s credit risk levels; expected benefits customers will receive from our midstream and environmental solutions; key factors driving the Corporation’s success; demand for the Corporation’s services and products; industry fundamentals driving the success of SECURE’s core operations; future capital needs; and access to capital.

Forward-looking statements are based on certain assumptions that SECURE has made in respect thereof as at the date of this MD&A regarding, among other things: economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, exchange rates, and inflation; the changes in market activity and growth will be consistent with industry activity in Canada and the U.S. and growth levels in similar phases of previous economic cycles; the impact of COVID-19, including government responses related thereto and lower global energy pricing on oil and gas industry exploration and development activity levels and production volumes; the ability of the Corporation to realize the anticipated benefits of the Transaction; the resolution of the review of the Transaction under the Competition Act on terms acceptable to the Corporation; SECURE's ability to successfully integrate Tervita's legacy business; anticipated sources of funding being available to SECURE on terms favourable to SECURE; the success of the Corporation's operations and growth projects; the Corporation's competitive position remaining substantially unchanged; future acquisition and sustaining costs will not significantly increase from past acquisition and sustaining costs; the Corporation's ability to attract and retain customers (including Tervita's historic customers); that counterparties comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion and operation of the relevant facilities; that there are no unforeseen material costs in relation to the Corporation's facilities and operations; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; the end of the Canadian Federal Government's stimulus package; increases to the Corporation's share price and market capitalization over the long term; the Corporation's ability to repay debt and return capital to shareholders; the Corporation's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the Corporation's ability to access capital and insurance; operating and borrowing costs, including costs associated with the acquisition and maintenance of equipment and property; the ability of the Corporation and our subsidiaries to successfully market our services in the WCSB and the U.S.; an increased focus on environmental considerations in the oil and gas industry; the impacts of climate-change on the Corporation's business; the current business environment remaining substantially unchanged; present and anticipated programs and expansion plans of other organizations operating in the energy service industry resulting in an increased demand for the Corporation's services and our subsidiaries' services; future acquisition and maintenance costs; the Corporation's ability to achieve its ESG targets and commitments; and other risks and uncertainties described from time to time in filings made by SECURE with securities regulatory authorities.

Forward-looking statements involve significant known and unknown risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, including but not limited to: general global financial conditions, including general economic conditions in Canada and the U.S.; the effect of the COVID-19 pandemic (including its variants) and governmental responses thereto on economic conditions, commodity prices and the Corporation's business and operations; changes in the level of capital expenditures made by oil and natural gas producers and the resultant effect on demand for oilfield services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; a transition to alternative energy sources; the Corporation's inability to retain customers; risks inherent in the energy services industry, including physical climate-related impacts; the Corporation's ability to generate sufficient cash flow from operations to meet our current and future obligations; the seasonal nature of the oil and gas industry; increases in debt service charges including changes in the interest rates charged under the Corporation's current and future debt agreements; inflation and supply chain disruptions; the Corporation's ability to access external sources of debt and equity capital and insurance; disruptions to our operations resulting from events out of our control; the timing and amount of stimulus packages and government grants relating to site rehabilitation programs; the cost of compliance with and changes in legislation and the regulatory and taxation environment, including uncertainties with respect to implementing binding targets for reductions of emissions and the regulation of hydraulic fracturing services and services relating to the transportation of dangerous goods; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; competition; impairment losses on physical assets; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; supply chain disruption; the Corporation's ability to effectively complete acquisition and divestiture transactions on acceptable terms or at all; a failure to realize the benefits of the Transaction and risks related to the associated business integration; the inaccuracy of pro forma information prepared in connection with the Transaction; risks related to a new business mix and significant shareholder;

liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations, including those associated with the Transaction; the Corporation's ability to integrate technological advances and match advances of our competition; credit, commodity price and foreign currency risk to which the Corporation is exposed in the conduct of our business; compliance with the restrictive covenants in the Corporation's current and future debt agreements; the Corporation's or our customers' ability to perform their obligations under long-term contracts; misalignment with our partners and the operation of jointly owned assets; the Corporation's ability to source products and services on acceptable terms or at all; the Corporation's ability to retain key or qualified personnel; uncertainty relating to trade relations and associated supply disruptions; the effect of changes in government and actions taken by governments in jurisdictions in which the Corporation operates, including in the U.S.; the effect of climate change activism on our operations and ability to access capital and insurance; exposure of the Corporation's information technology systems to external threats and the effects of any unauthorized access to such system and potential disclosure of confidential information; the Corporation's ability to bid on new contracts and renew existing contracts; potential closure and post-closure costs associated with landfills operated by the Corporation; the Corporation's ability to protect our proprietary technology and our intellectual property rights; legal proceedings and regulatory actions to which the Corporation may become subject, including in connection with the review of the Transaction under the Competition Act and any claims for infringement of a third parties' intellectual property rights; the Corporation's ability to meet its ESG targets or commitments and the costs associated therewith; claims by, and consultation with, Indigenous Peoples in connection with project approval; disclosure controls and internal controls over financial reporting; and those risk factors identified from time to time in filings made by the Corporation with securities regulatory authorities.

Although forward-looking statements contained in this MD&A are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this MD&A are expressly qualified by this cautionary statement. Unless otherwise required by applicable securities laws, SECURE does not intend, or assume any obligation, to update these forward-looking statements.

ADDITIONAL INFORMATION

Additional information, including the AIF and the Joint Information Circular, is available on the SEDAR at www.sedar.com and on the Corporation's website at www.SECURE-energy.com. The AIF and any information on the Corporation's website do not constitute part of this MD&A.