Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

To the Shareholders of Secure Energy Services Inc. (the "Corporation"):

Management is responsible for the preparation, integrity and fair presentation of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and necessarily include amounts based on management's informed judgments and estimates within the acceptable limits of materiality. Financial information contained in management's discussion and analysis is consistent with the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control systems. The Audit Committee is composed of independent directors who are not employees of the Corporation. The Audit Committee is responsible for reviewing the consolidated financial statements and recommending them to the Board of Directors for approval. To discharge its duties the Audit Committee meets regularly with management and MNP LLP to discuss internal controls, accounting and financial reporting processes, audit plans and financial matters. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers the independence of the external auditors and reviews their fees.

MNP LLP, an independent firm of Chartered Accountants, is responsible for auditing the consolidated financial statements and expressing their opinion thereon and their report is presented separately. The external auditors have full and free access to, and meet regularly with, management and the Audit Committee.

March 3, 2015

"SIGNED"	*"SIGNED"*
Rene Amirault	Allen Gransch
President & Chief Executive Officer	Executive Vice President & Chief Financial Officer

Independent Auditors' Report

To the Shareholders of Secure Energy Services Inc.:

We have audited the accompanying consolidated financial statements of Secure Energy Services Inc. and its subsidiaries (the "Corporation") which comprise the consolidated statements of financial position as at December 31, 2014 and 2013 and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Secure Energy Services Inc. and its subsidiaries as at December 31, 2014 and 2013 and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter – Contingencies

We draw your attention to the disclosure made in note 22 of the consolidated financial statements concerning litigation involving the Corporation. This matter, as explained in note 22 of the consolidated financial statements, indicates the existence of a material contingency. No adjustment has been made to record this contingency. Our opinion is not qualified in respect of this matter.

MNP LLP

Chartered Accountants
March 3, 2015
Calgary, Alberta

MNP LLP

SECURE ENERGY SERVICES INC.
Consolidated Statements of Financial Position
As at December 31,

($000's)	Notes	December 31, 2014	December 31, 2013
Assets			
Current assets			
Cash		**4,882**	12,019
Accounts receivable and accrued receivables	6	**228,642**	167,476
Prepaid expenses and deposits		**8,396**	6,014
Inventories	7	**70,199**	50,800
		312,119	236,309
Assets under construction	8	**210,139**	109,586
Property, plant and equipment	9	**735,196**	512,184
Intangible assets	10	**124,102**	79,722
Goodwill	11	**111,650**	101,924
Other assets		**2,911**	-
Total Assets		**1,496,117**	1,039,725
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	**193,121**	120,145
Asset retirement obligations	14	**1,800**	2,807
Current income tax liability		**5,886**	5,277
Finance lease liabilities	22	**10,458**	6,249
		211,265	134,478
Long term borrowings	13	**397,385**	159,931
Asset retirement obligations	14	**70,639**	35,984
Finance lease liabilities	22	**12,060**	9,368
Deferred income tax liability	18	**42,473**	35,630
Total Liabilities		**733,822**	375,391
Shareholders' Equity			
Issued capital	15	**631,229**	562,306
Share-based payment reserve	16	**25,227**	14,659
Foreign currency translation reserve		**14,629**	4,424
Retained earnings		**91,210**	82,945
Total Shareholders' Equity		**762,295**	664,334
Total Liabilities and Shareholders' Equity		**1,496,117**	1,039,725

Approved by the Board of Directors:

"SIGNED" | *"SIGNED"*

Rene Amirault | *Kevin Nugent*

The accompanying notes are an integral part of these consolidated financial statements

SECURE ENERGY SERVICES INC.
Consolidated Statements of Comprehensive Income
For the years ended December 31,

($000's except per share and share data)	Notes	2014	2013
Revenue		**2,271,651**	1,492,540
Operating expenses		**2,076,178**	1,360,930
General and administrative		**84,867**	60,372
Business development		**15,477**	9,482
Interest, accretion and finance costs		**10,450**	7,433
Total expenses		**2,186,972**	1,438,217
Goodwill impairment	**11**	**(32,260)**	-
Other (expense) income	**9**	**(1,127)**	862
Earnings for the year before income taxes		**51,292**	55,185
Current income tax expense	**18**	**17,779**	12,624
Deferred income tax expense	**18**	**2,862**	3,598
		20,641	16,222
Net earnings for the year		**30,651**	38,963
Other comprehensive income			
Foreign currency translation adjustment, net of tax		**10,205**	5,515
Total comprehensive income for the year		**40,856**	44,478
Earnings per share			
Basic, earnings for the year per common share	**17**	**0.26**	0.36
Diluted, earnings for the year per common share	**17**	**0.25**	0.35

The accompanying notes are an integral part of these consolidated financial statements

SECURE ENERGY SERVICES INC.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31,

($000's)	Notes	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total Shareholders' Equity
Balance at January 1, 2014		**562,306**	**14,659**	**4,424**	**82,945**	**664,334**
Net earnings for the year		-	-	-	30,651	**30,651**
Dividends paid	**15**	-	-	-	(22,386)	**(22,386)**
Shares issued under dividend reinvestment plan	**15**	2,952	-	-	-	**2,952**
Foreign currency translation adjustment, net of tax		-	-	10,205	-	**10,205**
Issue of share capital for business combinations	**5**	50,808	-	-	-	**50,808**
Exercise of options and RSUs	**15**	15,483	(4,436)	-	-	**11,047**
Share issue costs, net of tax	**15**	(320)	-	-	-	**(320)**
Share-based payments	**16**	-	15,004	-	-	**15,004**
Balance at December 31, 2014		**631,229**	**25,227**	**14,629**	**91,210**	**762,295**
Balance at January 1, 2013		**415,288**	**9,400**	**(1,091)**	**54,802**	**478,399**
Net earnings for the year		-	-	-	38,963	38,963
Dividends paid		-	-	-	(10,820)	(10,820)
Shares issued under dividend reinvestment plan	**15**	1,265	-	-	-	1,265
Foreign currency translation adjustment, net of tax		-	-	5,515	-	5,515
Issue of share capital for business combinations	**5**	29,236	-	-	-	29,236
Issuance of share capital	**15**	110,000	-	-	-	110,000
Exercise of options	**15**	10,341	(2,499)	-	-	7,842
Share issue costs, net of tax	**15**	(3,824)	-	-	-	(3,824)
Share-based payments	**16**	-	7,758	-	-	7,758
Balance at December 31, 2013		**562,306**	**14,659**	**4,424**	**82,945**	**664,334**

The accompanying notes are an integral part of these consolidated financial statements

SECURE ENERGY SERVICES INC.
Consolidated Statements of Cash Flows
For the years ended December 31,

($000's)	Notes	2014	2013
Cash flows from operating activities			
Net earnings for the year		**30,651**	38,963
Adjustments for non-cash items:			
Depreciation, depletion and amortization		**99,837**	67,345
Accretion	14	**1,154**	729
Interest expense		**9,853**	6,704
Current income tax expense		**17,779**	12,624
Deferred income tax expense		**2,862**	3,598
Amortization of financing fees		**243**	772
Unrealized foreign exchange (gain) loss		**(143)**	144
Other expense (income)		**613**	1,052
Goodwill Impairment	11	**32,260**	-
Share-based payments	16	**15,422**	8,411
Funds from operations		**210,531**	140,342
Change in accounts receivable and accrued receivables, prepaid expenses and deposits, other assets		**(64,839)**	(31,942)
Change in inventories		**(16,209)**	(7,890)
Change in accounts payable and accrued liabilities related to operating activities		**93,226**	16,835
Asset retirement obligations incurred	14	**(1,564)**	-
Cash generated from operations		**221,145**	117,345
Interest paid		**(9,666)**	(6,360)
Income taxes paid		**(16,241)**	(11,383)
Net cash flows from operating activities		**195,238**	99,602
Cash flows from investing activities			
Purchase of property, plant and equipment		**(302,967)**	(198,178)
Business combinations	5	**(97,839)**	(26,683)
Change in non-cash working capital		**(29,825)**	(9,760)
Net cash flows used in investing activities		**(430,631)**	(234,621)
Cash flows from financing activities			
Shares issued, net of share issue costs	15	**13,679**	113,899
Draw on credit facility		**238,000**	37,000
Financing fees	13	**(1,210)**	(651)
Dividends paid	15	**(22,386)**	(10,820)
Net cash flows from financing activities		**228,083**	139,428
Effect of foreign exchange on cash		**173**	104
Increase (decrease) in cash		**(7,137)**	4,513
Cash, beginning of year		**12,019**	7,506
Cash, end of year		**4,882**	12,019

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Secure Energy Services Inc. ("Secure") is incorporated under the Business Corporations Act of Alberta. Secure operates through a number of wholly-owned subsidiaries (together referred to as the "Corporation") which are managed through three operating segments which provide safe, innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry. The fluids and solids solutions are provided through an integrated service and product offering that includes midstream services, environmental services, systems and products for drilling fluids and other specialized services and products. The Corporation also owns and operates midstream infrastructure and provides services and products to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin ("WCSB") and the Rocky Mountain Region in the United States.

The processing, recovery and disposal services division ("PRD") owns and operates midstream infrastructure that provides processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. Specifically these services are clean oil terminalling and rail transloading, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service. The drilling services division ("DS") provides equipment and chemical solutions for building, maintaining, processing and recycling of drilling and completion fluids. The OnSite division ("OS") includes environmental services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, laboratory services, and "CleanSite" waste container services; integrated fluid solutions which include water management, recycling, pumping and storage solutions; and projects which include pipeline integrity (inspection, excavation, repair, replacement and rehabilitation); demolition and decommissioning and reclamation and remediation of former wellsites, facilities, commercial and industrial properties.

In 2014 the Corporation rebranded all of its operating entities under the Secure Energy Services brand name and changed the legal name of its subsidiaries to reflect this. The following entities have been consolidated within Secure's consolidated financial statements for the year ended December 31, 2014:

Subsidiary	Country	Functional Currency	Segment	% Interest	
				Dec 31, 2014	Dec 31, 2013
Secure Energy Services Inc. (parent company)	Canada	Canadian Dollar	PRD		
True West Energy Ltd.	Canada	Canadian Dollar	PRD	100%	0%
Chaleur Terminals Inc.	Canada	Canadian Dollar	PRD	100%	0%
Secure Energy (Drilling Services) Inc. (formerly Marquis Alliance Energy Group Inc.)	Canada	Canadian Dollar	DS	100%	100%
Alliance Energy Services International Ltd.	Canada	Canadian Dollar	DS	100%	100%
Secure Minerals Inc.	Canada	Canadian Dollar	DS	100%	0%
Secure Energy (OnSite Services) Inc. (formerly Frontline Integrated Services Ltd.)	Canada	Canadian Dollar	OS	100%	100%
Secure Energy (Logistics Services) Inc. (formerly Target Rentals Ltd.)	Canada	Canadian Dollar	DS	100%	100%
Oilflow Solutions Inc.	Canada	Canadian Dollar	DS	100%	0%
SES USA Holdings Inc.	USA	US Dollar	PRD/DS/OS	100%	100%
Secure Energy Services USA LLC	USA	US Dollar	PRD	100%	100%
Secure Energy Services LLC (formerly Marquis Alliance Energy Group USA LLC)	USA	US Dollar	DS	100%	100%
Secure Drilling Services USA LLC	USA	US Dollar	DS	100%	100%
Secure Minerals USA LLC	USA	US Dollar	DS	100%	0%
Secure OnSite Services USA LLC	USA	US Dollar	OS	100%	100%

Nature of Business (continued)

In Canada, the level of activity in the oilfield services industry 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. As a result, the movement of the heavy equipment required for drilling, well servicing, and other onsite activities may be restricted, and the level of activity of the Corporation's customers may be consequently reduced. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Historically, the Corporation's first, third and fourth quarters represent higher activity levels and operations. 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.

Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in effect at the closing date of December 31, 2014.

The consolidated financial statements of Secure are stated in and recorded in Canadian dollars ($) which is Secure's functional and presentation currency and have been prepared on a historical cost basis, except for certain financial instruments and share-based payment transactions that have been measured at fair value.

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to the determination of cash generating units ("CGU"), depreciation, depletion and amortization, asset retirement obligations and accretion, recoverability of assets, inventories, income taxes, share-based payments, provision for doubtful accounts, and purchase price allocations. Actual results may differ from these estimates. See Note 3 for a description of significant estimates and judgments.

These consolidated financial statements were approved by the Board of Directors on March 3, 2015. The head office of the Corporation is located at 3600, 205 – 5th Avenue S.W., Calgary, Alberta, Canada, T2P 2V7. The registered office of the Corporation is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 4K7.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

These consolidated financial statements include the accounts of Secure and its subsidiaries and the proportionate share of the assets, liabilities, revenues, expenses and cash flows of its joint operations. All inter-company balances and transactions have been eliminated on consolidation.

The following accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

b) Revenue recognition

Revenue is recognized in the period services are provided or performed and when collectability is reasonably assured, economic benefits will flow to the Corporation and revenue can be reliably measured. Processing and disposal revenues are recorded at the time of delivery.

Revenue from the sale of crude oil and natural gas liquids is recorded when title passes to the customer and collection is reasonably assured. Revenue associated with the provision of services such as transportation, terminalling and rail transloading are recognized when the services are provided, the price is fixed and collection is reasonably assured. Revenue from pipeline tariffs and fees are based on volumes and rates as the pipeline is being used. Revenue from drilling services is recognized when services are provided and when rental equipment is delivered and materials are utilized. Materials that are delivered and not utilized are shown as drilling fluids inventory. Revenue from rentals is recognized over the term of the rental agreement at pre-determined rates. Revenue from OnSite services is recognized when services are provided. The following specific recognition criteria must also be met before revenue is recognized:

- The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the products sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and,
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Share-based payments

Equity-settled transactions

The Corporation has a share-based payment plan. The Corporation follows the fair-value method to record share-based payment expense with respect to stock options granted. The fair value of each option granted is estimated on the date of grant and that value is recorded as share-based payment expense over the vesting period of those grants, with a corresponding increase to share-based payment reserve less an estimated forfeiture rate. The consideration received by the Corporation on the exercise of share options is recorded as an increase to issued capital together with corresponding amounts previously recognized in share-based payment reserve. Forfeitures are estimated based on historical information for each reporting period, and adjusted as required to reflect actual forfeitures that have occurred in the period.

In order to record share-based payment expense, the Corporation estimates the fair value of share options granted using assumptions related to interest rates, expected lives of the options, volatility of the underlying security, forfeiture rates and expected dividend yields.

The Corporation has a performance share unit ("PSU") plan for senior officers. The Board of Directors shall designate, at the time of grant, the date or dates which all or a portion of the PSUs shall vest and any performance conditions to such vesting. PSUs will be settled in equity or cash at the discretion of the Corporation, in the amount equal to the fair value of the PSU on that date. If the PSUs are equity settled, the fair value of the PSUs is determined on the grant date based on the market price of the common shares on the grant date. The fair value is expensed over the vesting term on a graded vesting basis and represents the fair value for the graded vested portion of the PSUs outstanding plus the graded vested portion of any dividends paid on common shares since the grant date. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of PSUs that vest.

The Corporation also has a restricted share unit ("RSU") plan for eligible officers and employees of the Corporation. Under the terms of the RSU plan, the RSUs awarded will vest in three equal portions on the first, second and third anniversary of the grant date and will be settled in equity or cash at the discretion of the Corporation, in the amount equal to the fair value of the RSU on that date. If the RSUs are equity settled, the fair value of the RSUs issued is determined on the grant date based on the market price of the common shares on the grant date. The fair value is expensed over the vesting term on a graded vesting basis and represents the fair value for the graded vested portion of the RSUs outstanding plus the graded vested portion of any dividends paid on common shares since the grant date. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of RSUs that vest.

The Corporation does not intend to make cash payments and there is no history of the Corporation making cash payments under the PSU and RSU plans ("PSU/RSU plans") and, as such, the PSUs and RSUs are accounted for within shareholders' equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash-settled transactions

The Corporation has implemented a deferred share unit ("DSU") plan for its non-employee directors. The DSUs vest immediately and the fair value of the liability and the corresponding expense is charged to earnings in the consolidated statements of comprehensive income at the grant date. Subsequently, at each reporting date between the grant date and settlement date, the fair value of the liability is revalued with any changes in the fair value recognized in earnings for the period in the consolidated statements of comprehensive income. When the awards are surrendered for cash, the cash settlement paid reduces the outstanding liability. The liability is included in accounts payable and accrued liabilities in the consolidated statements of financial position and the expense is included in the general and administrative expenses in the consolidated statements of comprehensive income.

d) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss ("FVTPL"), available for sale, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Corporation determines the classification of its financial assets at initial recognition. The Corporation currently does not classify any financial instruments as available for sale.

All financial assets are recognized initially at fair value. Financial assets not recognized at FVTPL are recognized at fair value plus directly attributable transaction costs.

The Corporation accounts for its physical delivery purchase and sale contracts as executory contracts as they were entered into and continue to be held for the purpose of receipt or delivery of products in accordance with its expected purchase, sale or usage requirements. As such, these contracts are not considered to be derivative financial instruments. Settlement on these physical contracts is recognized in earnings over the term of the contracts as they occur.

The Corporation's financial assets include cash, and accounts receivable and accrued receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through profit or loss ("FVTPL")

FVTPL include financial assets held for trading and financial assets designated upon initial recognition at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Corporation that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. The Corporation does not designate any derivative financial instruments as hedging instruments. Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value, with changes in fair value recognized in interest, accretion and finance costs expense in the consolidated statements of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ("EIR") method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of comprehensive income. Any losses arising from impairment are recognized in the consolidated statements of comprehensive income in interest, accretion and finance costs. The Corporation has classified cash, and accounts receivable and accrued receivables, as loans and receivables.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The rights to receive cash flows from the asset have expired; or,
- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Corporation assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Corporation first assesses whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Corporation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future expected credit that has not yet been incurred. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the consolidated statements of comprehensive income. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Corporation. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to interest, accretion and finance costs in the consolidated statements of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39, Financial Instruments: Recognition and Measurement are classified as financial liabilities at FVTPL, other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Corporation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value. Other financial liabilities are recognized at fair value plus directly attributable transaction costs.

The Corporation's financial liabilities include accounts payable and accrued liabilities and long term borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category could include derivative financial instruments entered into by the Corporation that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives could also be classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive income.

Other financial liabilities

After initial recognition, interest-bearing other financial liabilities are subsequently measured at amortized cost using the effective interest rate method ("EIR"). Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs on the consolidated statements of comprehensive income.

The Corporation has designated accounts payable and accrued liabilities, and long term borrowings as other financial liabilities.

Derivative financial instruments

The Corporation entered into forward currency contracts during the year to manage the foreign currency risk that arises from the purchase and sale of crude oil in the PRD division. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the consolidated statements of comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Shareholders' equity

Common shares are presented in issued capital within shareholders' equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from issued capital, net of any tax effects.

g) Fair value measurement

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. The Corporation does not hold any such instruments as at December 31, 2014 and 2013.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same (to the extent possible); discounted cash flow analysis; or other valuation models.

The Corporation has classified its financial instrument fair values based on the required three-level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

h) Transaction costs

Transaction costs for financial instruments other than FVTPL are capitalized in the period they are incurred. Transaction costs for loan facilities that have durations longer than one year are capitalized and amortized using the EIR method over the period that corresponds with the term of the loan facilities.

i) Property, plant and equipment

Land is measured at cost. Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such costs include geological and geophysical, drilling of wells, labour and materials, site investigation, equipment and facilities, contracted services and borrowing costs for long-term construction projects if the recognition criteria are met. Overhead costs which are directly attributable to bringing an asset to the location and condition necessary for it to be capable of use in the manner intended by management are capitalized. These costs include compensation costs paid to internal personnel dedicated to capital projects. When significant parts of plant and equipment are required to be replaced, the Corporation recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in the consolidated statements of comprehensive income as incurred. The present value of the expected cost for the asset retirement obligation of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Note 14 for further information about the recognition and measurement of the asset retirement obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation, except for units of capacity, is based on a straight line basis and is calculated over the estimated useful life of the asset as follows:

Buildings	10 to 45 years
Landfill cells	Units of total capacity utilized in the period
Mobile equipment	5 years
Plant infrastructure and equipment	2 to 15 years
Rental equipment	2 to 15 years
Disposal wells	15 years
Furniture and fixtures	7.5 years
Leasehold improvements	10 years
Computer equipment and software	3 to 10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of comprehensive income when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Costs related to assets under construction are capitalized when incurred. Assets under construction or refurbishment are not depreciated until they are complete and available for use in the manor intended by management. When this occurs, the asset is transferred to property, plant and equipment and classified by the nature of the asset.

j) Leases

Finance leases, which transfer to the Corporation substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the consolidated statements of comprehensive income.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis in the consolidated statements of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Corporation incurs in connection with the borrowing of funds.

l) Business combinations

Business combinations are accounted for using the acquisition method. Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgment on a case by case basis. If the acquisition meets the definition of a business combination, the assets and liabilities are classified or designated based on the contractual terms, economic conditions, the Corporation's operating and accounting policies, and other factors that exist on the acquisition date. The acquired identifiable net assets are measured at their fair value at the date of acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Corporation incurs in connection with a business combination are expensed as incurred.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 either in earnings or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured and its final settlement shall be accounted for within equity.

m) Intangible assets

Intangible assets acquired outside business combinations are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only it, all of the following have been demonstrated: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets resulting from a business combination are recorded at fair value. Fair value is estimated by management taking into account its highest and best use associated with the intangible asset. Intangible assets with a finite life are amortized over the estimated useful life and intangible assets with an indefinite life are not subject to amortization and are tested for impairment annually.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Any impairment is identified by comparing the fair value of the indefinite life intangible asset to its carrying value. Any excess of the carrying value of the intangible asset over the implied fair value is the impairment amount and will be charged to earnings in the period of the impairment. The reversal of a previous impairment is permitted when there is an indication that the impairment loss may no longer exist and a new implied fair value is calculated. The reversal is limited so that the carrying amount of intangible asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the intangible asset in prior periods.

Amortization is based on a straight line basis and is calculated over the estimated useful life of the intangible asset as follows:

Non-competition agreements	3 to 5 years
Customer relationships	5 to 15 years
Licenses	10 years
Patents	11 to 13 years

n) Goodwill

The Corporation measures goodwill as the fair value of the consideration transferred less the net recognized amount (generally fair value) of the identifiable assets acquired and the liabilities assumed, all measured as of the acquisition date. Since goodwill results from the application of the acquisition method of accounting for a business combination, it is inherently imprecise and requires judgement in the determination of the fair value of assets and liabilities.

Goodwill is allocated to the Corporation's CGUs or group of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is not amortized, but is tested for impairment at least annually. An impairment loss in respect of goodwill is not reversed. On the disposal or termination of a previously acquired business, any remaining balance of associated goodwill is included in the determination of the gain or loss on disposal.

Any goodwill balances in subsidiaries whose functional currency is not the Canadian dollar are translated at period end exchange rates.

o) Inventories

Inventories are comprised of crude oil, natural gas liquids, drilling fluids (base oil, minerals and speciality chemicals) and spare parts that are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The volume of crude oil and the value of the crude oil in inventory will fluctuate based on the normal capacity of the facility and the market price of crude oil and natural gas liquids in any given month. Cost of drilling fluids is determined on a weighted-average basis and are measured at the lower of cost and net relaizable value. The cost of drilling fluids inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventory in transit is recognized at the point of shipment. The amount of drilling fluids inventory held will fluctuate depending on activity levels during a given period. The reversal of previous net realizable value write-downs to inventories is permitted when there is a subsequent increase to the value of inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Impairment of non-financial assets

The Corporation assesses at each reporting date whether there is an indication that an asset or CGU may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The non-financial assets of the Corporation are comprised of assets under construction, property, plant and equipment, goodwill and intangible assets as at December 31, 2014 and 2013. Impairment losses of continuing operations are recognized in the consolidated statements of comprehensive income in those expense categories consistent with the function and nature of the impaired asset.

Goodwill is reviewed for impairment annually or more frequently if there are indications that impairment may have occurred. Goodwill impairment is tested at either the individual or group CGU level and is determined based upon the amount of future discounted cash flows generated by the individual CGU or group of CGU's compared to the individual CGU or group of CGUs' respective carrying amount(s). If the impairment loss exceeds the carrying amount of goodwill, the goodwill is written off completely. Any impairment loss left over is allocated to the remaining assets of the individual CGU or group of CGU's.

For non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the non-financial asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the non-financial asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the non-financial asset in prior periods. Such reversal is recognized in the consolidated statements of comprehensive income. Any previously recognized impairment losses on goodwill are not reversed.

q) Provisions

Provisions are recognized when the Corporation has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Corporation expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a risk free rate. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Earnings per share

The Corporation uses the treasury method for outstanding options which assumes that the use of proceeds that could be obtained upon exercise of options in computing diluted per share are used to purchase the Corporation's common shares at the average market price during the period. The calculation of basic earnings per share has been calculated by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that would occur if in-the-money stock options were exercised. The calculation of diluted earnings per share has been calculated by dividing net earnings available to common shareholders by the total of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding, utilizing the treasury method, arising from the exercise of in-the-money share options.

s) Investments in joint operations, consolidation, associates and disclosures

A joint operation is a joint arrangement whereby two or more parties have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. A portion of the Corporation's activities are conducted jointly with others and therefore, the Corporation as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Corporation accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS applicable to the particular assets, liabilities, revenues and expenses.

t) Asset retirement obligations

Asset retirement obligations associated with well sites and facilities are measured at the present value of the expenditures expected to be incurred. The Corporation uses a risk-free rate in the measurement of the present value of its asset retirement obligations. The associated asset retirement cost is capitalized as part of the related asset. Changes in the estimated obligation resulting from revisions to estimated timing, amount of cash flows or changes in the discount rate are recognized as a change in the asset retirement obligation and the related asset retirement cost. Accretion is expensed as incurred and recognized in the consolidated statements of comprehensive income as interest, accretion and finance costs. The estimated future costs of the Corporation's asset retirement obligations are reviewed at each reporting period and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Foreign currency translation and transactions

For foreign entities whose functional currency is the Canadian dollar, the Corporation translates monetary assets and liabilities at period-end exchange rates and non-monetary items are translated at historical rates. Income and expense accounts are translated at the average rates in effect during the period. Gains or losses from changes in exchange rates are recognized in earnings in the period of occurrence.

For foreign entities whose functional currency is not the Canadian dollar, the Corporation translates assets and liabilities at period-end rates and income and expense accounts at average exchange rates. Adjustments resulting from these translations are reflected in the consolidated statements of comprehensive income as foreign currency translation adjustments.

Transactions of Canadian entities in foreign currencies are translated at rates in effect at the time of the transaction. Foreign currency monetary assets and liabilities are translated at current rates. Gains or losses from the changes in exchange rates are recognized in earnings in the period of occurrence. Foreign exchange gains or losses arising from a monetary item that is receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in the foreign currency translation reserve in the cumulative amount of foreign currency translation differences.

v) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities in the various jurisdictions in which the Corporation operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the various jurisdictions where the Corporation operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate in accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Deferred income tax

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is expected to be settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items relating to items recognized outside of earnings are recognized in correlation to the underlying transaction either in other comprehensive income or directly in shareholders' equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

Goods and Services tax ("GST") and Sales Tax

Revenues, expenses, liabilities and assets are recognized net of the amount of GST and sales tax. The net amount of GST and sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

w) Segment reporting

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Corporation's Chief Executive Officer in order to make decisions regarding the allocation of resources to the segment.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Corporation's consolidated financial statements requires management to make, at the end of the reporting period, judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to required estimates are recognized in the year in which the estimate is revised.

The key estimates and judgements concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below. Readers are cautioned that the following list is not exhaustive and other items may also be affected by estimates and judgements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Significant judgements

Determining CGU's

For the purpose of assessing impairment of tangible and intangible assets, assets are grouped at the lowest level of separately identified cash flows which make up the CGU. Determination of what constitutes a CGU is subject to management judgement. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. In assessing the recoverability of tangible and intangible assets, each CGU's carrying value is compared to the greater of its fair value less costs to sell and value in use. Management has determined that the appropriate CGU's for the Corporation is each service line in the DS division and OS division, and each facility that comprises the PRD division. The Corporation aggregates each service line in the DS division to test for impairment at the group CGU level and aggregates each rail transloading facility in the PRD division to test for impairment at the group CGU level.

Significant estimates and assumptions

Depreciation, depletion and amortization

Amounts recorded for depreciation and amortization are based on estimates including economic life of the asset and residual values of the asset at the end of its economic life. The actual lives of the assets and residual values are assessed annually taking into account factors such as technological innovation and maintenance programs. Amounts recorded for depletion on the landfill cells are based on estimates of the total capacity utilized in the period.

Recoverability of assets

The Corporation assesses impairment on its assets that are subject to depreciation when it has determined that a potential indicator of impairment exists. Goodwill is tested annually for impairment. Impairment exists when the carrying value of a non-financial asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The Corporation used the calculation of value in use to determine the fair value of its CGU's for the purpose of goodwill and finite life intangibles impairment testing, determined by using discounted cash flows. The cash flow projections included specific estimates for five years and a terminal valuation. The terminal valuation is determined based on management's estimate of the long-term compound growth rate of annual net earnings excluding depreciation, depletion, amortization and accretion, share-based payments expense, interest, and taxes ("EBITDA"), consistent with the assumption that a market participant would make. The discount rate used to calculate the net present value of cash flows is based on estimates of the Corporation's weighted average cost of capital, estimated of an approximate industry peer group, the implied rate seen in market transactions for similar assets and taking into account the nature of the assets being valued and their specific risk profile. Changes in the general economic environment could result in significant changes to this estimate.

At December 31, 2014, the current commodity price environment has created considerable uncertainty as to the level of exploration and development activity that will be undertaken by several of the Corporation's customers and considerably increases the estimation uncertainty associated with the future cash flows used in the impairment tests. Assumptions that are valid at the time of preparing the cash flow models may change significantly when new information becomes available.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Asset retirement obligations and accretion

The amounts recorded for asset retirement obligations and the related accretion expenses are based on management's best estimate of the costs to abandon and reclaim the wells and facilities and the estimated time period in which these costs are expected to be incurred in the future. In determining the fair value of the asset retirement obligation, assumptions and estimates are made in relation to discount rates, the expected cost for the reclamation, the expected cost to recover the asset and the expected timing of those costs. The Corporation's operations are affected by federal, provincial and local laws and regulations concerning environmental protection. The Corporation's provisions for future site restoration and reclamation are based on known requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

Inventories

The Corporation evaluates its inventory to ensure it is carried at the lower of cost and net realizable value. Allowances are made against slow moving, obsolete, and damaged inventories and are charged to cost of sales. These allowances are assessed at each reporting date for adequacy. The reversal of any write-down of inventory arising from an increase in net realizable value shall be recognized as a reduction in cost of sales in the period in which the reversal occurred.

Share - based payments

The Corporation provides share-based awards to certain employees in the form of stock options, restricted share unit plan, and performance share unit plan (the "Awards"). The Corporation follows the fair-value method to record share-based payment expense with respect to the Awards granted. In order to record share-based payment expense, the Corporation estimates the fair value of the Awards granted using assumptions related to interest rates, expected lives of the Awards, volatility of the underlying security, forfeitures and expected dividend yields.

Deferred income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Corporation establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Provision for doubtful accounts

The provision for doubtful accounts is reviewed by management on a monthly basis. Accounts receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. Management makes these assessments after taking into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The Corporation's historical bad debt expenses have not been significant and are usually limited to specific customer circumstances. However, given the cyclical nature of the oil and natural gas industry along with the current economic operating environment, a customer's ability to fulfill its payment obligations can change suddenly and without notice.

Purchase price allocations

The acquired assets and assumed liabilities are recognized at fair value on the date the Corporation effectively obtains control. The measurement of each business combination is based on the information available on the acquisition date. The estimate of fair value of the acquired intangible assets (including goodwill), property, plant and equipment, other assets and the liabilities assumed are based on assumptions. The measurement is largely based on projected cash flows, discount rates and market conditions at the date of acquisition.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing IFRS standards have been published but are not yet effective, and have not been adopted early by the Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's consolidated financial statements.

In 2010, the IASB issued IFRS 9 Financial Instruments, which addresses the classification and measurement of financial assets. The new standard defines two instead of four measurement categories for financial assets, with classification to be based partly on the Corporation's business model and partly on the characteristics of the contractual cash flows from the respective financial asset. An embedded derivative in a structured product will no longer have to be assessed for possible separate accounting treatment unless the host is a non-financial contract. A hybrid contract that includes a financial host must be classified and measured in its entirety. The IASB has determined the mandatory effective date of IFRS 9 to be January 1, 2018. IFRS 9 is still available for early adoption. The full impact of the standard on the Corporation's consolidated financial statements is still being assessed at this time.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

On May 28, 2014, the International Accounting Standards Board issued International Financial Reporting Standard ("IFRS") 15, "Revenue from Contracts with Customers", which is the result of the joint project with the Financial Accounting Standards Board. The new standard replaces the two main recognition standards IAS 18, "Revenue", and IAS 11, "Construction Contracts". The new standard provides a five step model framework as a core principle upon which an entity recognizes revenue and becomes effective January 1, 2017. The Corporation is currently assessing the potential impact of the adoption of IFRS 15 on the Corporation's financial statements.

5. BUSINESS COMBINATIONS

a) Predator Midstream Ltd.

On August 15, 2014, the Corporation completed the acquisition of the assets of Predator Midstream Ltd. ("Predator") for total cash consideration of $59.3 million, and 1,824,580 common shares of the Corporation issued at a closing price of $24.84 for total consideration of $104.6 million. The consideration was adjusted to fair value for accounting purposes to $97.3 million which was determined using a discounted cash flow analysis taking into consideration the escrow period (shares to be released over various periods, see Note 15a) of the shares issued.

Predator was a private midstream company that owned and operated three rail transloading terminals in Alberta that transload crude oil from truck to rail, where rail cars are aggregated and subsequently sold to refineries.

The following summarizes the allocation of the consideration for the acquisition:

Balance, August 15, 2014	Amount ($000's)
Cash paid	59,313
Shares issued	37,940
	97,253

The following summarizes the allocation of the aggregate consideration for the acquisition:

Balance, August 15, 2014	Amount ($000's)
Property and equipment	29,603
Intangible assets	43,269
Goodwill	32,197
Deferred revenue	(5,187)
Deferred tax liability	(2,629)
	97,253

The allocations and determinations of the consideration described above are preliminary and subject to changes upon final adjustments.

The goodwill arises as a result of the synergies existing within the acquired businesses and also the synergies expected to be achieved as a result of combining the acquisitions with the rest of the Corporation. $24.1 million of the goodwill recognized is expected to be deductible for income tax purposes.

5. BUSINESS COMBINATIONS (continued)

From the date of acquisition to December 31, 2014, the assets of Predator contributed an estimated $4.6 million of revenue and $0.4 million of earnings before tax for the Corporation. If the business combination had been completed on January 1, 2014, the estimated revenue and earnings before income tax for the year ending December 31, 2014 would have been $12.1 million and $2.7 million, respectively.

The Corporation incurred costs related to the acquisition of $0.2 million relating to due diligence and external legal fees. These costs have been included in business development costs on the consolidated statements of comprehensive income.

b) 2014 Acquisitions

During 2014, the Corporation completed the Acquisition of the assets of six private oilfield services companies and the shares of one private oilfield services company for total cash consideration of $38.5 million, assumption of $0.9 million of debt and the issuance of 987,596 common shares of the Corporation based on the closing price for total consideration of $54.6 million. The consideration was adjusted to fair value for accounting purposes to $52.3 million which was determined using a discounted cash flow analysis taking into consideration the escrow period (shares to be released over various periods, see Note 15a) of the shares issued.

Four of the acquisitions are included in the OS division including two water management and pumping businesses, an environmental contracting business, and a business that specializes in analysis, containment, and management of naturally occurring radioactive materials within the US market.

The other three acquisitions are included in the DS division: a mineral products plant that mainly processes barite which is a product used in drilling fluids and allows Secure to vertically integrate the operations in the DS division to improve supply logistics and quality; a drilling fluids Company that provides drilling fluids systems for highly complex wells; and a private company that adds proprietary technology products that provide high impact solutions for production, drilling, and completion fluids.

The following summarizes the allocation of the consideration for the acquisitions:

Balance 2014	Amount ($000's)
Cash paid	38,526
Shares issued	12,868
Assumption of debt	922
	52,316

The following summarizes the allocation of the aggregate consideration for the acquisitions:

Balance 2014	Amount ($000's)
Property and equipment	20,722
Inventory	2,831
Net w orking capital	(1,496)
Intangible assets	21,100
Goodw ill	9,026
Deferred tax asset	133
	52,316

The allocations and determinations of the consideration described above are preliminary and subject to changes upon final adjustments.

5. BUSINESS COMBINATIONS (continued)

These Acquisitions are a continuation of the Corporation's strategy to add complementary services along the energy services value chain. The goodwill arises as a result of the synergies existing within the acquired businesses and also the synergies expected to be achieved as a result of combining the acquisitions with the rest of the Corporation. $6.9 million of the goodwill recognized is expected to be deductible for income tax purposes.

The Corporation incurred costs related to the acquisitions of $0.7 million relating to due diligence and external legal fees. These costs have been included in business development costs on the consolidated statements of comprehensive income.

The assets of the Acquisitions were acquired and integrated with the Corporation's existing operations and therefore specific income information in respect of these asset acquisitions are not included in these consolidated financial statements.

c) Frontline Integrated Services Ltd.

On April 1, 2013, the Corporation acquired all of the issued and outstanding shares of Frontline Integrated Services Ltd. ("Frontline") for total cash consideration of $2.7 million, assumption of $2.7 million of debt, and the issuance of 1,394,616 common shares of the Corporation at a closing price of $12.19 per share for consideration of $22.4 million, which was adjusted to fair value consideration for accounting purposes to $19.3 million. The fair value for accounting purposes was determined using a discounted cash flow analysis taking into consideration the escrow period (shares to be released over various periods, see Note 15b) of the shares issued.

Frontline was an integrated service provider servicing the energy, resource, and civil construction industries. Frontline core services include pipeline integrity, repair, replacement, rehabilitation, remediation and reclamation, demolition and decommissioning. The Frontline acquisition is a continuation of the Corporation's strategy to add complementary services along the energy services value chain; it will support and expand the existing environmental and project management services of the Corporation's OS division.

The following summarizes the major classes of consideration transferred at the acquisition date:

Balance, April 1, 2013	Amount ($000's)
Cash paid	2,658
Shares issued	13,931
Assumption of bank debt (net of $1.1 million cash acquired)	2,690
	19,279

The following summarized the allocation of the aggregate consideration for the Frontline acquisition:

Balance, April 1, 2013	Amount ($000's)
Net working capital (excluding cash)	1,839
Property and equipment	5,610
Intangible assets	8,726
Goodwill	3,914
Deferred tax liability	(810)
	19,279

5. BUSINESS COMBINATIONS (continued)

Trade receivables, included in net working capital, are comprised of gross contractual amounts due of $5.4 million, all of which are considered to be collectible.

The goodwill arises as a result of the assembled workforce, the synergies existing within the acquired business and also the synergies expected to be achieved as a result of combining Frontline with the rest of the Corporation. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition to December 31, 2013 Frontline contributed an estimated $28.1 million of revenue and $0.7 million of losses before tax for the Corporation. If the business combination had been completed on January 1, 2013, the estimated revenue and losses before income tax for the year ending December 31, 2013 would have been $33.6 million and $0.7 million, respectively.

The Corporation incurred costs related to the acquisition of Frontline of $0.2 million relating to due diligence and external legal fees. These costs have been included in business development costs on the consolidated statements of comprehensive income.

d) Target Rentals Ltd.

On July 2, 2013, the Corporation, through its wholly owned subsidiary Secure Energy (Drilling Services) Inc. (formerly Marquis Alliance Energy Group Inc.), acquired all of the issued and outstanding shares of Target Rentals Ltd. ("Target") for a total consideration of $40.1 million, comprising: total cash consideration of $19.0 million; assumption of $2.6 million of debt; and the issuance of 1,367,047 common shares of the Corporation at a closing price of $13.72 per share, which was adjusted to fair value consideration for accounting purposes to $15.3 million. The fair value for accounting purposes was determined using a discounted cash flow analysis and was adjusted after consideration of the escrow period (shares to be released over various periods, see Note 15b) of the shares issued.

Target was a privately owned oilfield service company headquartered in Grande Prairie, AB offering a complete line of equipment rental and support services in both the drilling and completions sectors. Target's core service is the supply of a patented dual containment fluid storage tank system, for oil based drilling fluid applications. The Target acquisition is a continuation of the Corporation's strategy to add complementary services along the energy services value chain; it will support and expand the existing services of the Corporation's DS division.

The following summarized the major classes of consideration transferred at the acquisition date:

Balance, July 2, 2013	Amount ($000's)
Cash paid	18,989
Shares issued	15,305
Assumption of bank debt	2,602
	36,896

5. BUSINESS COMBINATIONS (continued)

The following summarized the allocation of the aggregate consideration for the Target acquisition:

Balance, July 2, 2013	Amount ($000's)
Net working capital	911
Property and equipment	33,000
Intangible assets	3,049
Goodwill	4,636
Deferred tax liability	(4,700)
	36,896

Trade receivables, included in net working capital, are comprised of gross contractual amounts due of $1.7 million, all of which are considered to be collectible.

The goodwill arises as a result of the assembled workforce, the synergies existing within the acquired business and also the synergies expected to be achieved as a result of combining Target with the rest of the Corporation. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Target contributed an estimated $7.8 million of revenue and $2.1 million of earnings for the period before tax of the Corporation. If the business combination had been completed on January 1, 2013, an estimated $21.8 million of revenue and $6.4 million of earnings before tax for the year ending December 31, 2013 would have been recorded, respectively.

The Corporation incurred costs related to the acquisition of Target of $0.2 million relating to due diligence and external legal fees. These costs have been included in business development costs on the consolidated statements of comprehensive income.

All of the above acquisitions have been accounted for using the acquisition method from the date of acquisition, whereby the assets acquired and the liabilities assumed were recorded at their fair values with the surplus of the aggregate consideration relative to the fair value of the identifiable net assets recorded as goodwill. The Corporation assessed the fair values of the net assets acquired based on management's best estimate of the market value, which takes into consideration the condition of the assets acquired, current industry conditions and the discounted future cash flows expected to be received from the assets as well as the amount it is expected to cost to settle the outstanding liabilities. Subsequent to the acquisition dates, the operating results have been included in the Corporation's revenues and expenses.

6. ACCOUNTS RECEIVABLE AND ACCRUED RECEIVABLES

($000's)	Dec 31, 2014	Dec 31, 2013
Trade accounts receivable and accruals	221,686	167,915
Related party receivables (Note 21)	7,864	50
Allowance for doubtful accounts	(908)	(489)
Total accounts receivable and accrued receivables	**228,642**	**167,476**

As at December 31, 2014, $0.9 million (2013 - $0.5 million) of trade receivables were considered impaired (Note 19).

7. INVENTORIES

($000's)	Dec 31, 2014	Dec 31, 2013
Drilling fluids	54,755	44,545
Minerals and specialty chemicals	11,374	-
Crude oil and natural gas liquids	2,539	5,595
Spare parts and supplies	1,531	660
Total inventories	**70,199**	**50,800**

Inventories are shown at the lower of cost and net realizable value. Crude oil, natural gas liquids, drilling fluids, minerals and specialty chemical inventories recognized as operating expenses in the consolidated statements of comprehensive income for the year ended December 31, 2014 were $1,721 million (2013: $1,129 million). Included in the expense is a write-down of inventory held in the DS division to net realizable value of $1.4 million (2013: nil).

Inventories are included in the general security agreements held by the banks as security for the Corporation's credit facility (Note 13).

8. ASSETS UNDER CONSTRUCTION

($000's)	Dec 31, 2014	Dec 31, 2013
Projects under construction	201,629	106,155
Long lead items and equipment under refurbishment	8,510	3,431
Total assets under construction	**210,139**	**109,586**

The amounts included in the categories above consist of assets associated with a variety of ongoing projects. During the year ended December 31, 2014, $11.8 million (2013: $5.5 million) of directly attributable capitalized salaries and overhead were added to assets under construction.

The Corporation's policy is to capitalize borrowing costs on projects with a substantial time to completion. Typically, borrowing costs are only capitalized on the construction of the Corporation's full service terminals and full service rail facilities. The amount of borrowing costs capitalized to assets under construction for the year ended December 31, 2014 was $1.0 million (2013: $1.3 million) based on a capitalized borrowing rate of 3.05% (2013: 3.42%).

9. PROPERTY, PLANT AND EQUIPMENT

Included in operating expenses on the consolidated statements of comprehensive income for the year ended December 31, 2014 is $78.6 million (2013: $52.2 million) of depreciation and depletion expense for the Corporation's property, plant and equipment. Included in the depreciation and depletion expense is $2.6 million relating to the loss on disposal of assets (2013: $2.0 million).

During the year ended December 31, 2014, $185.6 million (2013: $188.9 million) was transferred from assets under construction to property, plant and equipment for completed projects.

Included in property, plant, and equipment is equipment under finance lease arrangements with a net book value of $24.5 million at December 31, 2014 (2013: $16.2 million). The finance lease commitments over the next five years are disclosed in Note 22.

In June 2013, the Corporation's Brazeau stand-alone water disposal ("SWD") facility (the "Brazeau facility") was struck by lightning which caused extensive damage to specific assets at the facility. All fluids on site were contained without incident. The facility reopened in the fourth quarter of 2013. The Corporation estimates the net book value of the damage to assets at the facility to be $1.0 million, which resulted in an impairment write-down on that facility based on fair value less costs of disposal. The Corporation received $1.4 million of insurance proceeds during the year ended December 31, 2013 and accrued $0.4M of additional insurance proceeds for the remaining repair related costs through its insurance coverage. The proceeds were collected during 2014.

In August 2014, the Corporation's Watford, North Dakota SWD (the "Watford facility") was struck by lightning which caused extensive damage to specific assets at the facility. The Corporation has set up a temporary facility in order to continue operations.

9. PROPERTY, PLANT AND EQUIPMENT (continued)

The Corporation estimates the net book value of the damage to the assets at the facility to be $2.0 million, which resulted in an impairment write-down on that facility based on fair value less costs of disposal. The Corporation expects to be reimbursed up to the replacement value for the majority of repair related costs through its insurance coverage and has therefore accrued the related insurance proceeds of $0.9 million.

Both the impairment loss on assets of $2.0 million as at December 31, 2014 (2013: $1.0 million) and insurance recoverable of $0.9 million as at December 31, 2014 (2013: $1.9 million) are recorded in other (expense) income on the consolidated statements of comprehensive income for the year ended December 31, 2014. The impairment affects the PRD segment only and is recorded against plant infrastructure, equipment and landfill cells, and buildings. The above estimates are subject to measurement uncertainty as they are dependent on factors outside of management's control.

9. PROPERTY, PLANT AND EQUIPMENT (continued)

($000's)	Land	Buildings	Plant, Infrastructure, Equipment, and Landfill Cells	Rental Equipment	Mobile Equipment	Disposal Wells	Furniture and Fixtures, and leasehold improvements	Computer Equipment and Software	Total
Cost:									
At December 31, 2012	3,817	29,966	256,240	30,070	6,433	55,932	2,738	5,935	**391,131**
Additions from business combinations (Note 5c)	-	-	5,403	-	-	-	74	133	**5,610**
Additions from business combinations (Note 5d)	-	-	-	32,822	-	-	150	28	**33,000**
Additions	589	14,549	155,058	13,235	1,361	20,530	1,161	6,310	**212,793**
Impairment	-	(90)	(962)	-	-	-	-	-	**(1,052)**
Change in asset retirement cost	-	-	8	-	-	713	-	-	**721**
Disposals	(249)	(124)	(3,870)	-	(291)	(782)	-	(2)	**(5,318)**
Foreign exchange effect	36	281	1,629	472	5	582	(30)	14	**2,989**
December 31, 2013	4,193	44,582	413,506	76,599	7,508	76,975	4,093	12,418	**639,874**
Additions from business combinations (Note 5 a)	960	490	25,753	-	2,400	-	-	-	**29,603**
Additions from business combinations (Note 5 b)	1,690	910	15,426	-	2,587	-	18	91	**20,722**
Additions	5,169	13,446	113,958	18,337	16,720	44,025	5,679	5,897	**223,231**
Impairment	-	-	(1,829)	-	-	-	-	-	**(1,829)**
Change in asset retirement cost	-	-	19,230		-	14,231	-	-	**33,461**
Disposals	-	(980)	(1,875)	(4,552)	(3,309)	(1,266)	(52)	(490)	**(12,524)**
Foreign exchange effect	-	968	1,945	321	(38)	1,827	64	19	**5,106**
December 31, 2014	**12,012**	**59,416**	**586,114**	**90,705**	**25,868**	**135,792**	**9,802**	**17,935**	**937,644**
Accumulated depreciation and depletion:									
At December 31, 2012	-	(3,595)	(56,731)	(3,897)	(2,348)	(8,621)	(550)	(1,963)	**(77,705)**
Depreciation and depletion	-	(2,490)	(36,978)	(4,692)	(1,391)	(4,452)	(594)	(1,572)	**(52,169)**
Disposals	-	25	1,728	727	98	24	-	-	**2,602**
Foreign exchange effect	-	(21)	(199)	(148)	(2)	(34)	(5)	(9)	**(418)**
December 31, 2013	-	(6,081)	(92,180)	(8,010)	(3,643)	(13,083)	(1,149)	(3,544)	**(127,690)**
Depreciation and depletion	-	(3,446)	(49,080)	(6,039)	(9,756)	(6,567)	(784)	(2,859)	**(78,531)**
Disposals	-	385	1,302	553	1,234	197	6	115	**3,792**
Foreign exchange effect	-	(62)	133	(70)	148	(146)	(12)	(10)	**(19)**
December 31, 2014	**-**	**(9,204)**	**(139,825)**	**(13,566)**	**(12,017)**	**(19,599)**	**(1,939)**	**(6,298)**	**(202,448)**
Net book value:									
December 31, 2014	**12,012**	**50,212**	**446,289**	**77,139**	**13,851**	**116,193**	**7,863**	**11,637**	**735,196**
December 31, 2013	4,193	38,501	321,326	68,589	3,865	63,892	2,944	8,874	**512,184**

10. INTANGIBLE ASSETS

Amortization expense relating to intangible assets is included in operating expenses on the consolidated statements of comprehensive income.

($000's)	Non-competition agreements	Customer relationships	Licenses	Patents	Total
Cost:					
At December 31, 2012	**20,413**	**62,485**	**3,245**	**7,143**	**93,286**
Additions through business combinations (Note 5c)	6,313	2,413	-	-	**8,726**
Additions through business combinations (Note 5d)	621	2,178	-	250	**3,049**
Removals	(348)	-	-	-	**(348)**
Foreign exchange effect	623	291	-	-	**914**
December 31, 2013	**27,622**	**67,367**	**3,245**	**7,393**	**105,627**
Additions through business combinations (Note 5a)	24,950	17,750	569	-	**43,269**
Additions through business combinations (Note 5b)	9,648	5,629	1,981	3,842	**21,100**
Foreign exchange effect	847	409	42	-	**1,298**
December 31, 2014	**63,067**	**91,155**	**5,837**	**11,235**	**171,294**
Accumulated amortization:					
At December 31, 2012	**(5,460)**	**(6,496)**	**(865)**	**(802)**	**(13,623)**
Amortization	(6,368)	(5,257)	(324)	(519)	**(12,468)**
Removals	348	-	-	-	**348**
Foreign exchange effect	(145)	(17)	-	-	**(162)**
December 31, 2013	**(11,625)**	**(11,770)**	**(1,189)**	**(1,321)**	**(25,905)**
Amortization	(12,182)	(7,098)	(838)	(688)	**(20,806)**
Foreign exchange effect	(401)	(80)	-	-	**(481)**
December 31, 2014	**(24,208)**	**(18,948)**	**(2,027)**	**(2,009)**	**(47,192)**
Net book value:					
December 31, 2014	**38,859**	**72,207**	**3,810**	**9,226**	**124,102**
December 31, 2013	**15,997**	**55,597**	**2,056**	**6,072**	**79,722**

11. GOODWILL

($000's)	Dec 31, 2014	Dec 31, 2013
Balance - beginning of year	**101,924**	92,516
Additions through business comination (Note 5a)	**32,197**	-
Additions through business comination (Note 5b)	**9,026**	-
Additions through business comination (Note 5c)	**-**	3,914
Additions through business comination (Note 5d)	**-**	4,636
Impairment of Goodwill	**(32,260)**	-
Foreign exchange effect	**763**	858
Balance - end of year	**111,650**	**101,924**

As a result of the significant decline in commodity prices in the fourth quarter of 2014 and reduced capital budgets set by oil and gas producers, the Corporation tested all of its CGUs for impairment. As a result of the impairment tests performed, the Corporation recorded a goodwill write-down of $32.3 million for the year ended December 31, 2014 (2013: nil). The goodwill impairment recorded in the Drilling Services segment was $16.6 million and $15.7 million was recorded in the PRD segment.

The impairment tests performed for each CGU involves considerable judgement and estimates which are described in Note 3. The recoverable amount of the CGUs was based on their estimated value in use using a pre-tax discount rate which ranged from 18.6% to 20.6% and a terminal growth rate of 3% to 6% depending on the CGU being tested. The estimated cash flows were based on 2015 projections with revenue and margins increasing in correlation with the forecasted oil and gas industry activity over the following four years, and a terminal value thereafter was applied.

The estimated value in use for the CGUs are particularly sensitive to the following estimates:

- An increase of 1% in the pre-tax discount rate and a 1% decrease in the terminal growth rate for the Drilling Services CGU would have increased the impairment by approximately $23.1 million and $12.2 million, respectively.
- An increase of 1% in the pre-tax discount rate and a 1% decrease in the terminal growth rate for the PRD CGUs would have increased the impairment by approximately $5.5 million and $7.4 million, respectively.

The goodwill impairment of $32.3 million (2013: nil) is recorded in the goodwill impairment line on the consolidated statements of comprehensive income for the year ended December 31, 2014. The above estimates are subject to measurement uncertainty as they are dependent on factors outside of management's control.

The aggregate carrying amount of goodwill allocated to the DS division is $70.1 million (2013 - $85.2 million), $30.4 million (2013 - $12.8 million) allocated to the PRD division, and $11.1 million (2013 - $3.9 million) allocated to the OS division.

12. ACCOUNTS PAYABLE AND ACCRUED LIABLITIES

($000's)	Dec 31, 2014	Dec 31, 2013
Accounts payable and accrued liabilities	192,991	120,143
Related party payables (Note 21)	130	2
Total accounts payable and accrued liabilities	**193,121**	**120,145**

The Company's exposure to currency and liquidity risk related to accounts payable and accrued liabilities is disclosed in Note 19.

13. LONG TERM BORROWINGS

($000's)	Dec 31, 2014	Dec 31, 2013
Amount drawn on credit facility	398,500	160,500
Unamortized transaction costs	(1,115)	(569)
Total long term borrowings	397,385	159,931

On September 26, 2014, the Corporation entered into an amended and restated $700.0 million syndicated credit facility (the "Credit Facility"). The Credit Facility consists of a $675.0 million extendible revolving term credit facility and a $25.0 million revolving operating facility that replaced the Corporation's $400.0 million credit facility. The Credit Facility includes an accordion feature which, if exercised and approved by the Corporation's lenders, would increase the Credit Facility by $100.0 million.

Amounts borrowed under the Credit Facility will bear interest at the Corporation's option of either the Canadian prime rate plus 0.45% to 2.00% or the Bankers' Acceptance rate plus 1.45% to 3.00%, depending in each case on the ratio of consolidated Senior Debt to EBITDA ratio, with any unused outstanding amounts subject to standby fees ranging from 0.29% to 0.60%. Senior Debt includes amount drawn on the Credit Facility, finance leases, and any outstanding letters of credit. Total Debt is equal to Senior Debt plus any unsecured debt, excluding any convertible debentures. The Corporation currently does not have any unsecured debt and as a result, Total Debt is equal to Senior Debt. The Credit Facility is to be used for working capital purposes, capital expenditures, acquisitions, and general corporate purposes.

13. LONG TERM BORROWINGS (continued)

The Credit Facility is due on September 26, 2018 (the "maturity date"), and includes an option for the Corporation to extend the maturity date (once per annum) to a maximum of four years from the extension request date, subject to the approval of the Corporation's lenders. Repayment of any amounts drawn on the facility would therefore be repayable on the maturity date if the Credit Facility was not extended.

The following covenants apply to the existing Credit Facility:

- The Total Debt to EBITDA Ratio shall not exceed 5:00:1; where EBITDA is adjusted for acquisitions on a pro-forma trailing twelve month basis;
- The Senior Debt to EBITDA Ratio shall not exceed 3:5:1; and
- The Interest Coverage Ratio shall not be less than 2:50:1.

At December 31, 2014 and December 31, 2013, the Corporation was in compliance with all covenants.

In conjunction with obtaining the Credit Facility, the Corporation incurred transaction costs in the amount of $1.2 million, of which the unamortized amount will be offset against the outstanding principal balance of the debt. Transaction costs related to the previous credit facility were expensed in 2014.

As security for the Credit Facility, the Corporation granted its lenders a security interest over all of its present and after acquired property. A $1.0 billion debenture provides a first fixed charge over the Corporation's real properties and a floating charge over all present and after acquired property not subject to the fixed charge.

The amount available under the Credit Facility is reduced by any outstanding letters of credit. As at December 31, 2014, the Corporation has $22.4 million (2013: $19.2 million) in letters of credit issued by the Corporation's lenders. The letters of credit are issued to various government authorities for potential reclamation obligations in accordance with applicable regulations (Note 14) and crude oil marketing contracts.

($000's)	Dec 31, 2014	Dec 31, 2013
Credit facility	**700,000**	400,000
Amount drawn on credit facility	**(398,500)**	(160,500)
Letters of credit	**(22,439)**	(19,221)
Available amount	**279,061**	**220,279**

14. ASSET RETIREMENT OBLIGATIONS

($000's)	
December 31, 2012	**24,274**
Arising during the year through development activities	12,742
Revisions during the year	3,745
Accretion	729
Change in discount rate	(3,024)
Foreign exchange effect	325
December 31, 2013	**38,791**
Arising during the period through development activities	15,243
Revisions during the period	12,029
Accretion	1,154
Change in discount rate	6,189
Asset retirement obligations incurred	(1,564)
Foreign exchange effect	597
December 31, 2014	**72,439**

The Corporation's asset retirement obligations were estimated by a third party or management based on the Corporation's estimated costs to remediate, reclaim and abandon the Corporation's facilities and estimated timing of the costs to be incurred in future periods. The Corporation has estimated the net present value of its asset retirement obligations at December 31, 2014 to be $72.4 million (December 31, 2013: $38.8 million) based on a total future liability of $93.9 million as at December 31, 2014 (December 31, 2013: $60.9 million). The Corporation used its risk-free interest rates of 1.01% to 2.47% (December 31, 2013: 0.94% to 4.23%) and an inflation rate of 3.00% to calculate the net present value of its asset retirement obligations at December 31, 2014 (December 31, 2013 - 3.00%).

The Corporation expects to incur the majority of the costs over the next twenty-five years. The amount expected to be incurred within the next twelve months is related to the capping of a number of the Corporation's landfill cells and retirement of wells.

($000's)	Dec 31, 2014	Dec 31, 2013
Current	1,800	2,807
Non-current	70,639	35,984
	72,439	**38,791**

The Corporation has issued $16.0 million (December 31, 2013: $7.2 million) of performance bonds and has letters of credit issued by the Corporation's banker in relation to the Corporation's asset retirement obligations (Note 13).

15. SHAREHOLDERS' EQUITY

Authorized

Unlimited number of common voting shares of no par value

Unlimited number of preferred shares of no par value

	Number of Shares	Amount ($000's)
Balance, December 31, 2012	104,627,002	415,288
Options exercised	1,947,249	7,842
Transfer from reserves in equity	-	2,499
Shares issued through DRIP (Note 15d)	92,363	1,265
Adjustment to shares issued as consideration for business combination	(20,253)	-
Shares issued as consideration for business combinations (Notes 5c,d and 15b)	2,761,663	29,236
Bought-deal equity financing (Note 15c)	7,166,123	110,000
Share issue costs (net of tax of $1,304)	-	(3,824)
Balance, December 31, 2013	116,574,147	562,306
Options exercised	1,775,400	11,047
Restricted Share Units ("RSU") exercised	50,357	676
Transfer from reserves in equity	-	3,760
Shares issued as consideration for business combinations (Notes 5a,b and 15a)	2,812,176	50,808
Shares issued through dividend reinvestment plan ("DRIP") (Note 15d)	155,371	2,952
Share issue costs, net of tax	-	(320)
Balance, December 31, 2014	**121,367,451**	**631,229**

As at December 31, 2014, there were 9,528,483 (December 31, 2013: 10,145,914) common shares of the Corporation held in escrow in conjunction with the Corporation's business combinations.

a) Pursuant to the 2014 acquisitions described in Note 5a and b, the Corporation issued 2,812,176 common shares. The acquisition agreements provide that all of the common shares issued by the Corporation will be held in escrow and will be released over various dates, with the majority on a straight line basis over one to five years. Accordingly, as at December 31, 2014, 2,509,168 common shares issued pursuant to acquisitions, were held in escrow.

b) On April 1, 2013, the Corporation acquired 100% of the issued and outstanding shares of Frontline for an aggregate purchase price of approximately $19.3 million including the issuance of 1,394,616 common shares of the Corporation (Note 5c). The Frontline agreement provides that 1,217,903 common shares issued by the Corporation will be held in escrow pursuant to which 1,139,080 of such shares will be released on a straight line basis annually over five years, 61,822 released 40% on the first anniversary after closing, and 30% on the second and third anniversaries after closing, and the remaining 17,001 shares released 60% on the first anniversary from closing, and 40% on the second anniversary after closing.

   On July 2, 2013, the Corporation acquired 100% of the issued and outstanding shares of Target for an aggregate purchase price of approximately $36.9 million including the issuance of 1,367,047 common shares of the Corporation (Note 5d). The Target agreement provides that 1,367,047 common shares issued by the Corporation will be held in escrow pursuant to which such shares will be released on a straight line basis annually over five years.

15. SHAREHOLDERS' EQUITY (continued)

c) On November 20, 2013, the Corporation entered into an agreement on a bought deal basis (the "offering") with a syndicate of underwriters, pursuant to which the underwriters agreed to purchase for resale to the public 7,166,123 common shares (including overallotment) of the Corporation at a price of $15.35 per common share for gross proceeds of $110.0 million. In connection with the offering, the Corporation incurred approximately $5.1 million in transaction costs which included $3.8 million in agent fees. Total transaction costs, net of tax, were applied against the proceeds in share capital during the year ended December 31, 2013.

d) In March 2013, the Corporation's Board of Directors approved a monthly dividend to be paid to holders of common shares of the Corporation.

In conjunction with the approval of a monthly dividend, the Corporation's Board of Director's approved the adoption of a Dividend Reinvestment Plan ("DRIP") that provides eligible shareholders with the opportunity to reinvest their cash dividends, on each dividend payment date, in additional Common Shares ("Plan Shares"), which will be issued from treasury.

Under the terms of the DRIP, plan shares issued from treasury will be issued on the applicable dividend payment date to eligible shareholders at a 3% discount to the average market price of the Common Shares. Average market price is defined in the DRIP to be the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days preceding the dividend payment date.

The Corporation declared dividends to holders of common shares for the year ended December 31, 2014, as follows:

	Dividend record date	Dividend payment date	Per common share ($)	Amount ($000's)
January	Jan 1, 2014	Jan 15, 2014	0.0125	1,457
February	Feb 1, 2014	Feb 17, 2014	0.0125	1,467
March	Mar 1, 2014	Mar 17, 2014	0.0125	1,468
April	April 1, 2014	April 15, 2014	0.0167	1,975
May	May 1, 2014	May 15, 2014	0.0167	1,976
June	June 1, 2014	June 16, 2014	0.0167	1,975
July	July 1, 2014	July 15, 2014	0.0167	1,963
August	Aug 1, 2014	Aug 15, 2014	0.0167	2,012
September	Sept 1, 2014	Sept 15, 2014	0.0167	2,016
October	Oct 1, 2014	Oct 15, 2014	0.0167	2,025
November	Nov 1, 2014	Nov 17, 2014	0.0167	2,026
December	Dec 1, 2014	Dec 15, 2014	0.0167	2,026
Total dividends declared during the year			**0.1878**	**22,386**

Of the dividends declared, $3.0 million for the year ended December 31, 2014 (December 31, 2013: $1.3 million), was reinvested in additional common shares through the DRIP. The Corporation has 402,266 common shares reserved for issue under the DRIP as at December 31, 2014 (December 31, 2013: 557,637).

On November 6, 2014, the Corporation's board of directors approved a $0.04 per share increase to the annual dividend for a total annualized dividend of $0.24 per share, effective January 2015.

15. SHAREHOLDERS' EQUITY (continued)

Subsequent to December 31, 2014, the Corporation declared dividends to holders of common shares in the amount of $0.02 per common share payable on January 15, February 16, and March 16, 2015, for shareholders of record on January 1, February 1, and March 1, 2015, respectively.

16. SHARE-BASED PAYMENT PLANS

The Corporation has share-based payment plans (the "Plans") under which the Corporation may grant share options, RSUs and PSUs to its employees, employee directors and consultants. In addition the Corporation has a DSU plan for non-employee directors of the Corporation.

The aggregate number of common shares issuable pursuant to the exercise of options, RSUs, and PSUs granted under the Plans shall not exceed ten percent of the issued and outstanding common shares of Secure calculated on a non-diluted basis at the time of the grant.

Share Option Plan

The exercise price of options granted under the Plan is calculated as the five-day weighted average trading price of the common shares for the five trading days immediately preceding the date the options are granted. Options issued under the Plan have a term of five years to expiry and vest over a three year period starting one year from the date of the grant.

A summary of the status of the Corporation's share options is as follows:

	Dec 31, 2014		Dec 31, 2013	
	Outstanding options	Weighted average exercise price ($)	Outstanding options	Weighted average exercise price ($)
Balance - beginning of year	7,519,300	9.03	7,230,522	6.04
Granted	2,211,571	19.29	2,597,962	13.52
Exercised	(1,775,400)	6.22	(1,947,249)	4.03
Forfeited	(289,665)	13.92	(361,935)	8.50
Balance - end of year	**7,665,806**	12.45	**7,519,300**	**9.03**
Exercisable - end of year	**3,210,619**	**8.34**	**2,970,444**	**5.63**

16. SHARE-BASED PAYMENT PLANS (continued)

The following table summarizes information about share options outstanding as at December 31, 2014:

	Options outstanding			Options exercisable	
Exercise price ($)	Outstanding options	Weighted average exercise price ($)	Weighted average remaining term (years)	Outstanding options	Weighted average exercise price ($)
2.50 - 5.00	709,283	3.15	0.29	709,283	3.15
5.01 - 7.50	67,580	5.64	1.13	62,480	5.52
7.51 - 10.00	2,332,837	8.40	2.09	1,673,571	8.48
10.01 - 12.50	843,607	11.23	3.14	293,785	10.97
12.51 - 15.00	1,324,649	13.86	3.51	354,654	13.81
15.01 - 17.50	362,083	16.26	3.92	116,846	16.24
17.51 - 20.00	1,935,424	19.24	4.38	-	-
25.01 - 27.50	90,343	25.51	4.64	-	-
	7,665,806	**12.45**	**2.97**	**3,210,619**	**8.34**

The fair value of options granted to employees, employee directors and consultants was estimated at the date of grant using the Black-Scholes Option Pricing Model, including the following assumptions:

	Dec 31, 2014	Dec 31, 2013
Volatility factor of expected market price (%)	**38.00**	39.64
Weighted average risk-free interest rate (%)	**1.34**	1.33
Weighted average expected life in years	**3.98**	4.08
Weighted average expected annual dividends per share (%)	**1.05**	0.77
Weighted average fair value per option ($)	**5.54**	4.14
Weighted average forfeiture rate (%)	**5.53**	5.28

RSU plan

The Corporation has an RSU plan which allows the Corporation to issue RSUs that are redeemable for the issuance of common shares. The Corporation has granted RSUs to employees.

Unless otherwise directed by the Board of Directors, one third of each RSU grant vests and is redeemed on each of the first, second, and third anniversaries of the date of grant. RSUs terminate and cease to be redeemable on December 31 of the third year following the year in which the grant of the RSU was made.

The following table summarizes the RSUs outstanding:

	Dec 31, 2014	Dec 31, 2013
Balance - beginning of year	**171,932**	-
Granted	**783,010**	195,743
Redeemed for common shares	**(50,357)**	-
Forfeited	**(60,672)**	(23,811)
Balance - end of year	**843,913**	**171,932**

16. SHARE-BASED PAYMENT PLANS (continued)

The fair value of the RSUs issued is determined on the grant date based on the market price of the common shares on the grant date, and includes the following assumptions:

	Dec 31, 2014	Dec 31, 2013
Weighted average expected life in years	2.04	2.00
Weighted average expected annual dividends per share (%)	0.98	1.08
Weighted average fair value per RSU ($)	20.11	13.97
Weighted average forfeiture rate (%)	7.65	5.94

PSU plan

The Corporation has a PSU plan which allows the Corporation to issue PSUs to senior officers that are redeemable for the issuance of common shares. The Board of Directors shall designate, at the time of grant, the date or dates which all or a portion of the PSUs shall vest and any performance conditions to such vesting. PSUs will be settled in equity or cash at the discretion of the Corporation, in the amount equal to the fair value of the PSU on that date. The Corporation intends to equity settle these units and as such, the fair value of the PSUs is determined on the grant date based on the market price of the common shares on the grant date and taking into account any performance conditions. The fair value is expensed over the vesting term on a graded vesting basis and represents the fair value for the graded vested portion of the PSUs outstanding plus the graded vested portion of any dividends paid on common shares since the grant date. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of PSUs that vest.

The following table summarizes the PSUs outstanding:

	Dec 31, 2014	Dec 31, 2013
Balance - beginning of year	-	-
Granted	21,620	-
Redeemed for common shares	-	-
Forfeited	-	-
Balance - end of year	21,620	-

The fair value of the PSUs issued is determined on the grant date based on the market price of the common shares on the grant date, and includes the following assumptions:

	Dec 31, 2014	Dec 31, 2013
Weighted average expected life in years	2.00	-
Weighted average expected annual dividends per share (%)	0.90	-
Weighted average fair value per PSU ($)	18.12	-
Weighted average forfeiture rate (%)	0.00	-

16. SHARE-BASED PAYMENT PLANS (continued)

Share-based payment reserves

For the year ended December 31, 2014, share-based payment expense of $15.0 million (year ended December 31, 2013: $7.8 million) has been recognized for stock options, RSUs, and PSUs granted, and is included in general and administrative expenses on the consolidated statements of comprehensive income. These costs are recorded as share-based payment expense with the offsetting amount being credited to share based payment reserve as shown in the following table:

($000's)	Dec 31, 2014	Dec 31, 2013
Balance - beginning of year	14,659	9,400
Share-based payments	15,004	7,758
Transfer to issued capital	(4,436)	(2,499)
Balance - end of year	25,227	14,659

DSU Plan

The Corporation has a DSU plan for non-employee members of the Board of Directors. Under the terms of the plan, DSUs awarded will vest immediately and will be settled in cash in the amount equal to the previous five day's weighted average price of the Corporation's common shares on the date the members of the Board of Directors specify upon the non-employee director tendering their resignation from the Board of Directors. The specified date must be after the date in which the notice of redemption is filed with the Corporation and within the period from the non-employee director's termination date and December 31 of the first calendar year commencing after the non-employee's termination date. A summary of the status of the Corporation's DSU plan is as follows:

	Dec 31, 2014	Dec 31, 2013
Balance - beginning of year	52,220	28,864
Granted	27,207	23,356
Settled in cash	-	-
Forfeited	-	-
Balance - end of year	79,427	52,220
Exercisable - end of year	79,427	52,220

Share-based payment expense for DSUs is included in general and administrative expenses in the consolidated statements of comprehensive income and credited to accounts payable and accrued liabilities on the consolidated statements of financial position. As at December 31, 2014, $1.3 million (2013: $0.9 million) was included in accounts payable and accrued liabilities for outstanding DSUs and share based payment expense was $0.4 million for the year ended December 31, 2014 (2013: $0.6 million).

16. SHARE-BASED PAYMENT PLANS (continued)

Employee Share Ownership Plan

The Employee Share Ownership Plan ("ESOP") allows employees to purchase common shares of the Corporation. Employees may contribute up to 20% of their base salaries in the ESOP. For year ended December 31, 2014, employees contributed $4.7 million into the plan (2013 - $2.8 million). The Corporation will match contributions, subject to certain limitations, based on the employee's years of service with the Corporation. Shares purchased for both the employee contributions and Corporation's matching contributions are purchased on the open market. The Corporation's matching expense for the year ended December 31, 2014 was $2.2 million (2013 - $1.4 million) and is recognized in either operating expenses or general and administrative expenses on the consolidated statements of comprehensive income.

17. EARNINGS PER COMMON SHARE

Basic earnings per common share amounts are calculated by dividing net earnings for the year attributable to common shareholders of the Corporation by the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net earnings for the year attributable to common shareholders of the Corporation by the weighted average number of shares outstanding during the year plus the weighted average number of shares, if any, that would be issued on conversion of all the potential dilutive instruments utilizing the treasury method.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	For the year ended	
($000's)	Dec 31, 2014	Dec 31, 2013
Net earnings attributable to common shareholders for basic and diluted earnings per share	30,651	38,963

	For the year ended	
	Dec 31, 2014	Dec 31, 2013
Weighted average number of shares for basic earnings per share	119,272,994	107,747,722
Effect of dilution:		
Options, RSUs and PSUs	3,091,425	2,839,174
Weighted average number of shares for diluted earnings per share	122,364,419	**110,586,896**

For the year ended December 31, 2014, the above table excludes 90,343 options, RSUs, and PSUs (2013: 79,815 options) that are considered anti-dilutive.

18. INCOME TAXES

($000's)	Dec 31, 2014	Dec 31, 2013
Current income tax expense		
Current year	17,701	11,586
Adjustment for prior years	78	1,038
	17,779	12,624
Deferred income tax expense		
Current year	4,901	4,604
Adjustment for prior years	(2,039)	(1,006)
	2,862	3,598
Total income tax expense	20,641	**16,222**

The net income tax provision differs from that expected by applying the combined federal and provincial income tax rates of 25.00% (2013 – 25.00%) to earnings before income taxes for the following reasons:

($000's)	Dec 31, 2014	Dec 31, 2013
Earnings before income taxes	51,293	55,185
Combined federal and provincial income tax rate	25.00%	25.00%
Expected combined federal and provincial income tax	12,823	13,796
Statutory rate differences and other	5,438	(390)
Share-based payment	3,850	2,112
Non-deductible expenses	491	486
Adjustments related to prior years	(1,961)	218
	20,641	**16,222**

18. INCOME TAXES (continued)

The components of the net deferred income tax liability as at December 31, 2014 are as follows:

($000's)	Dec 31, 2014	Dec 31, 2013
Deferred income tax assets:		
Non-capital loss carry forwards	19,977	14,178
Property, plant and equipment	361	3,356
Share issue costs	1,558	2,498
Asset retirement obligations	10,506	2,155
Intangible assets & other	10,492	16
	42,894	22,203
Deferred income tax liabilities:		
Property, plant and equipment	(67,563)	(43,646)
Intangible assets	(17,294)	(13,200)
Other	(280)	(542)
Goodwill	(230)	(445)
	(85,367)	(57,833)
Net deferred income tax liabilities	(42,473)	(35,630)
Deferred income tax assets by jurisdiction:		
Canada	11,104	8,025
U.S.	27,638	14,178
	38,742	22,203
Deferred income tax liabilities by jurisdiction:		
Canada	(54,232)	(42,314)
U.S.	(26,983)	(15,519)
	(81,215)	(57,833)
Net deferred income tax liabilities	(42,473)	(35,630)

Included above in deferred tax assets is $52.9 million (2013 - $40.5 million) of gross non-capital losses that can be carried forward to reduce taxable income in future years. The gross non-capital losses for the United Stated are $48.0 million (2013 – $40.5 million) and expire between 2029 and 2034. The gross non-capital losses for Canada are $4.9 million (2013 – nil) and expire between 2028 and 2034. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. The recognition involves the Corporation assessing when the deferred tax assets are likely to reverse, and a judgment as to whether or not there will be sufficient taxable income available in the future to offset these tax assets when they do reverse. This assessment requires assumptions and assessments regarding future taxable income, and is therefore inherently uncertain.

18. INCOME TAXES (continued)

The movements in the Corporation's temporary differences are as follows:

($000's)	Dec 31, 2014	Dec 31, 2013
Movement in net deferred tax assets and liabilities		
Net deferred tax liabilities at beginning of year	(35,630)	(27,660)
Expense for the year in net earnings	(2,168)	(3,598)
Deferred tax liabilities from acquisitions	(1,980)	(7,711)
Foreign exchange adjustments and other	(2,695)	3,339
Net deferred income tax liabilities	(42,473)	(35,630)

19. FINANCIAL INSTRUMENTS

Carrying values and fair values

The Corporation's financial instruments consist of cash, accounts receivable and accrued receivables, accounts payable and accrued liabilities, derivative liability, and long term borrowings. The fair values of the Corporation's financial instruments are as follows:

	Dec 31, 2014				
($000's)	Loans and receivables	Fair value through pofit and loss	Other financial liabilities	Carrying amount	Fair value amount
Financial assets:					
Cash	4,882	-	-	4,882	4,882
Accounts receivable and accrued receivables	228,642	-	-	228,642	228,642
	233,524	-	-	233,524	233,524
Financial liabilities:					
Accounts payable and accrued liabilities	-	-	193,046	193,046	193,046
Derivative liability	-	75	-	75	75
Long term borrowings	-	-	397,385	397,385	398,500
	-	75	590,431	590,506	591,621

	Dec 31, 2013			
($000's)	Loans and receivables	Other financial liabilities	Carrying amount	Fair value amount
Financial assets:				
Cash	12,019	-	**12,019**	**12,019**
Accounts receivable and accrued receivables	167,476	-	**167,476**	**167,476**
	179,495	-	**179,495**	**179,495**
Financial liabilities:				
Accounts payable and accrued liabilities	-	120,145	**120,145**	**120,145**
Long term borrowings	-	159,931	**159,931**	**160,500**
	-	280,076	**280,076**	**280,645**

19. FINANCIAL INSTRUMENTS (continued)

The nominal value of cash, accounts receivable and accrued receivables, and accounts payable and accrued liabilities is deemed to reflect the fair value. This is due to the fact that transactions which give rise to these balances arise in the normal course of trade with industry standard payment terms and are of a short term nature. Derviate liabilities are stated at fair value as they are revalued at each reporting period based on using observable inputs from foreign currency curves.

The nominal value of long term borrowings (excluding transaction costs) approximate their fair values due to the variable interest rates applied to these facilities, which approximate market interest rates.

Fair value hierarchy

The table below analyses financial instruments, other than those already carried at fair value, by valuation method. The different levels have been defined in Note 2 (g):

	Dec 31, 2014			
($000's)	**Level 1**	**Level 2**	**Level 3**	**Total**
Long term borrowings	-	398,500	-	398,500
Forward Currency Contracts	-	75	-	75
Total financial liabilities	-	398,575	-	398,575

	Dec 31, 2013			
($000's)	**Level 1**	**Level 2**	**Level 3**	**Total**
Long term borrowings	-	160,500	-	**160,500**
Total financial liabilities	-	160,500	-	**160,500**

There were no transfers between levels in the hierarchy in the year ended December 31, 2014 (2013: nil).

Risks

Commodity price risk – non-trading

The value of the Corporation's crude oil inventory, including oil inventory purchased as base stock for drilling fluids, is impacted by the commodity price of crude oil. Crude oil prices have historically fluctuated widely and are affected by numerous factors outside of the Corporation's control. Crude oil prices are primarily based on West Texas Intermediate ("WTI") plus or minus a differential to WTI based on the crude oil type and other contributing market conditions. As part of normal operating activities, the Corporation is required to hold a certain amount of inventory in any given month. In addition, changes in the prices of crude oil and natural gas can impact overall drilling activity and demand for the Corporation's products and services. In the DS division, the Corporation purchases various minerals, chemicals, and oil-based products and is directly exposed to changes in the prices of these items. The Corporation has elected not to actively manage commodity price risk associated with crude oil and drilling fluids inventory at this time.

19. FINANCIAL INSTRUMENTS (continued)

Commodity price risk – trading

The Corporation is exposed to commodity price risk on its contracts. The physical trading activities related to the contracts exposes the Corporation to the risk of profit or loss depending on a variety of factors including: changes in the prices of commodities; foreign exchange rates; changes in value of different qualities of a commodity; changes in the relationships between commodity prices and the contracts; physical loss of product through operational activities; disagreements over terms of deals and/or contracts; and pipeline apportionment. These risks are mitigated by the fact that the Corporation only trades physical volumes, the volumes are traded over a short period, and the Corporation does not currently participate in the long term storage of the commodities. The oil and gas producer forecasts or nominates crude oil volumes expected to be delivered to the Corporation's facilities in advance of the production month as part of normal oil and gas operations. As part of the Corporation's processing, and facility operations, Secure will use net buy and net sell crude oil contracts for marketing and trading of crude oil.

In addition, the Corporation has developed detailed policies, procedures and controls over the trading activities, which include oversight by experienced management.

The Corporation defines an "open position" as the difference between physical deliveries of all net buy crude oil contracts offset against physical delivery of all net sell crude oil contracts. The open position is subject to commodity price risk. As a result, the Corporation's strategy is to reduce all open positions for any given month. The Corporation does hold open positions however, these positions are closed within a relatively short period after the production month and therefore the overall exposure to the Corporation is significantly reduced. The Corporation's risk policy allows a maximum aggregate open position of 186,000 barrels of crude oil into a subsequent period, the exposure to the Corporation on a 20% increase or decrease in the price of crude oil per barrel would be an increase or decrease in revenue of approximately $2.2 million, respectively.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to meets its contractual obligations. The Corporation provides credit to its customers in the normal course of operations. This includes credit risk on trading activities as the Corporation is at risk for potential losses if the counterparties do not fulfill their contractual obligations. In order to mitigate collection risk, the Corporation assesses the credit worthiness of customers or counterparties by assessing the financial strength of the customers or counterparties through a formal credit process and by routinely monitoring credit risk exposures. In addition, the Corporation uses standard agreements that allow for the netting of exposures associated with a single counterparty. Where the Corporation has a legally enforceable right to offset, the amounts are recorded on a net basis.

A substantial portion of the Corporation's accounts receivable are with customers or counterparties involved in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices. Collection of these receivables could be influenced by economic factors affecting this industry. The carrying value of trade accounts receivable reflects management's assessment of the associated risks.

19. FINANCIAL INSTRUMENTS (continued)

The following is a schedule of the Corporation's trade accounts receivable:

($000's)	Dec 31, 2014	Dec 31, 2013
Less than 30 days	105,189	69,674
31 to 60 days	42,128	34,599
61 to 90 days	11,311	12,063
Greater than 90 days	5,809	4,599
	164,437	120,935
Allowance for doubtful accounts	908	489

The balance of $105.2 million under 30 days includes crude oil contracts settled as part of the trading activities for December 2014. Of the $105.2 million, 37% of the receivable balance less than 30 days is due from twenty eight counter parties. The entire amount due from the twenty eight counterparties relate to crude oil payments, which as part of industry practice, are settled within 30 days of the production month.

These specific counterparties are approved by the Corporation's risk management committee in accordance with the Corporation's credit policy relating to crude oil payments. The Corporation's credit exposure to any crude oil contracts settled is limited to transactions occurring over a 60 day period. Of the receivables relating to crude oil payments, approximately 73% of the counter parties have a credit rating of B or higher.

Included within accrued receivables is $0.9 million of accrued insurance proceeds relating to the Watford facility lightning strike that occurred during the year ended December 31, 2014 (Note 9). The Corporation considers reimbursement of this amount virtually certain.

The change in the allowance for doubtful accounts is as follows:

($000's)	Dec 31, 2014	Dec 31, 2013
Balance - beginning of year	489	315
Additional allowance	1,694	224
Amounts used	(1,284)	(58)
Foreign exchange effect	9	8
Balance - end of year	908	489

When determining whether amounts that are past due are collectable, management assesses the credit worthiness and past payment history of the counterparty, as well as the nature of the past due amount. The Corporation considers all amounts greater than 90 days to be past due. As at December 31, 2014, $5.8 million (2013: $4.6 million) of accounts receivable are past due and a provision of $0.9 million (2013: $0.5 million) has been established as an allowance for doubtful accounts. All other amounts past due are considered to be collectable.

The Corporation is also exposed to credit risk with respect to its cash. However, the risk is minimized as cash is held at major financial institutions.

Maximum credit risk is calculated as the total recorded value of cash, and accounts receivable and accrued receivables as at the date of the consolidated statement of financial position.

19. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Corporation is exposed to interest rate risk as it has borrowed funds at variable interest rates on its credit facility. A 1% increase or decrease is used when management assesses changes in interest rate risk internally. If interest rates had been 1% higher/lower, and all other variables were held constant, the Corporation's consolidated earnings before income taxes for the year would be approximately $2.5 million lower/higher for the year ended December 31, 2014.

The Corporation currently does not use interest rate hedges or fixed interest rate contracts to mitigate the Corporation's exposure to interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet 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 its liquidity reflects estimates, assumptions and judgments relating to current market conditions. As at December 31, 2014, the Corporation has $4.9 million in cash and $279.1 million of available room on its revolving credit facility (Note 13). The timing of cash outflows relating to financial liabilities, including estimated interest payments, are outlined in the table below:

($000's)	Due within 1 year	Between 1-3 years	Between 4-5 years	Greater than 5 years
Accounts payable and accrued liabilities	193,046	-	-	-
Derivative liability	75	-	-	-
Current income tax liability	5,886	-	-	-
Finance and operating lease obligations	17,802	29,872	4,564	7,683
Long term borrowings	11,603	432,195	-	-
	228,412	**462,067**	**4,564**	**7,683**

For the foreseeable future, the Corporation anticipates that cash flows from operations, working capital, and other sources of financing will be sufficient to meet its debt repayments and obligations and will provide sufficient funding for anticipated capital expenditures.

Foreign currency risk

Foreign currency risk is the risk that the value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Corporation's foreign currency risk arises from its purchase and sale of crude oil, working capital balances denominated in foreign currencies and on the translation of its foreign operations. Foreign currency risk on the purchase and sale of crude oil is mitigated as the majority of the activities occur in the same period, therefore foreign currency risk exposure is limited to crude oil held in inventory. The Corporation also has foreign currency risk arising from the translation of amounts receivable from and payable to its foreign subsidiary. The amounts are considered to form part of the net investment and are therefore recognized in the foreign currency translation reserve. The Corporation manages and mitigates foreign currency risk by monitoring exchange rate trends, forecasted economic conditions, and forward currency contracts.

19. FINANCIAL INSTRUMENTS (continued)

The Corporation entered into forward currency contracts during the year to manage the foreign currency risk that arises from the purchase and sale of crude oil in the PRD division. Derivative financial instruments are measured at fair value through profit and loss. Derivative instruments are recorded on the consolidated statement of financial position at fair value. Changes in the fair value of these financial instruments are recognized in the consolidated statements of comprehensive income in the period in which they arise.

The fair values and carrying values of the derivative instruments are listed below and represent an estimate of the amount that the Corporation would receive (pay) if these instruments were settled at the end of the year:

As at Dec 31, 2014	Notional Volume[1]	Weighted Average Price ($USD)	Fair Value Hierchy Level	Net Fair Value $000's	Carrying Value $000's
Currency:					
Seller of forward contracts (maturing Jan 26, 2015)	USD 8,785,520	1.16	Level 2	(75)	(75)

Notes:

[1]All notional amounts represent actual volumes or actual prices and are not expressed in thousands.

The unrealized loss related to the financial instruments for the year ended December 31, 2014 of $0.1 million has been included in interest, accretion, and finance costs in the consolidated statements of comprehensive income. The associated derivative liability has been recorded in accounts payable as at December 31, 2014. The Corporation also has USD payables related to crude oil marketing activities which offset the loss on forward contracts to a nominal amount.

A 10% increase or decrease in foreign exchange rates would result in a $0.5 million decrease or increase in the Corporation's consolidated earnings before income taxes for the year ended December 31, 2014 (2013: $0.1 million).

20. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of the following:

($000's)	Dec 31, 2014	Dec 31, 2013
Current assets	312,119	236,309
Current liabilities	(211,265)	(134,478)
Long term borrowings	398,500	160,500
Shareholders' equity	762,295	664,334
	1,261,649	**926,665**

The Corporation's objective in capital management is to ensure adequate sources of capital are available to carry out its planned capital program, while maintaining operational growth, payment of dividends and increased cash flow so as to sustain future development of the business and to maintain creditor and shareholder confidence. Management considers capital to be the Corporation's current assets less current liabilities, total debt facilities and shareholders' equity as the components of capital to be managed.

20. CAPITAL MANAGEMENT (continued)

The Corporation's overall capital management strategy remains unchanged from 2013. 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 of Directors, reviewing the Corporation's results on a monthly basis, and capital costs to budget and approved authorizations for expenditures on a quarterly basis. The key measures management uses to monitor its capital structure are actual capital expenditures compared to authorized budgets, EBITDA on all of its operations, and return on investment. The Corporation is subject to certain financial covenants in its credit facility. The Corporation is in compliance with all financial covenants. Management will manage its debt to maintain compliance with the various financial covenants contained within its long term borrowings (Note 13).

21. RELATED PARTY DISCLOSURES

These consolidated financial statements include the Corporation's 50% share of two Full Service Terminals that are jointly controlled operations with Pembina Pipeline Corporation ("Pembina"). Management has determined that the arrangement is a joint operation based on the following assumption:

- the operation is jointly managed by the Corporation and Pembina; and
- the operation is not a separate legal entity.

The Corporation's 50% share of total comprehensive income from jointly controlled operations for the year ended December 31, 2014 is $4.3 million (2013: $2.5 million).

Significant transactions

The following table provides the total amount of transactions that have been entered into with related parties:

(000's)		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Related parties	December 31, 2014	39,003	3,447	7,864	130
	December 31, 2013	669	1,293	50	2

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are in the normal course of business and are at terms agreed to by the related parties. Related parties include companies that have common directors and officers. The nature of the expenses relate to operating and general and administrative expenses for use in the Corporation's activities. Amounts are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2014, the Corporation has not recorded any impairment of receivables relating to amounts owed by related parties (2013: Nil). This assessment is undertaken each financial reporting period through examining the financial position of the related party and the market in which the related party operates.

21. RELATED PARTY DISCLOSURES (continued)

Transactions with key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel of the Corporation include its executive officers and the board of directors. In addition to the salaries and short-term benefits paid to the executive officers and directors fees paid to the directors, the Corporation also provides compensation under the Corporation's ESOP (Note 16) to its executive officers. In addition, the Corporation provides compensation to both its executive officers and directors under its share-based payment plans (Note 16).

The compensation related to key management personnel is as follows:

($000's)	Dec 31, 2014	Dec 31, 2013
Salaries and short-term employee benefits	4,754	3,821
Share-based payments	2,973	1,958
	7,727	5,779

22. COMMITMENTS, CONTINGENCIES AND GUARANTEES

As at December 31, 2014

	Payments due by period			
($000's)	1 year or less	1-5 years	5 years and thereafter	Total
Finance leases	10,458	12,060	-	22,518
Operating leases	7,344	22,376	7,683	37,403
Crude oil transportation	24,029	92,085	86,650	202,764
Inventory purchases	19,575	35,100	-	54,675
Capital Commitments	11,679	-	-	11,679
Earn out payments	1,721	-	-	1,721
Total Commitments	74,806	161,621	94,333	330,760

As at December 31, 2013

	Payments due by period			
($000's)	1 year or less	1-5 years	5 years and thereafter	Total
Finance leases	6,249	9,368	-	15,617
Operating leases	5,984	8,617	1,238	15,839
Crude oil transportation	4,457	16,297	2,000	22,754
Inventory purchases	5,474	-	-	5,474
Capital purchases	12,670	-	-	12,670
Earn out payments	2,274	1,709	-	3,983
Total Commitments	37,108	35,991	3,238	76,337

22. COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

Operating lease commitments

The Corporation has entered into operating land lease agreements at the Corporation's facilities. In addition, the Corporation has entered into operating leases for office and warehouse spaces.

Crude oil transportation commitments

As a result of the acquisition of Predator, the Corporation has assumed certain rail car operating lease commitments and crude oil transportation commitments. During the year ended December 31, 2014, the Corporation also increased committed crude oil volumes for pipeline throughput at certain pipeline connected FSTs.

Inventory purchase commitments

During the year, the Corporation purchased a minerals product plant. As part of that acquisition, , the Corporation entered into inventory purchase commitments. These commitments were entered into in order to meet expected operation requirements and provide the required inventory to be used in operations.

Commodity contract purchase commitments

In the normal course of operations, the Corporation is committed to volumes of commodities for use in the Corporation's crude oil marketing activities. The Corporation is also committed over the next 12 months to purchasing oil and non-oil commodities for use in the normal course of operations of the DS and PRD divisions.

Finance lease commitments

The Corporation has entered into finance lease agreements for computer equipment, vehicles, and mobile equipment.

The average lease term is three years (2013: three years). The Corporation's obligations under finance leases are secured by the related assets. Interest rates underlying finance lease obligations are fixed at respective contract dates ranging from 0.0% to 6.4% (2013: 0.0% to 16.7%) per annum.

Earn out commitment

Pursuant to the Imperial Drilling Fluids Engineering Inc. ("IDF") acquisition on August 15, 2012, the Corporation is obligated to pay additional consideration consisting of a series of three annual earn out payments which began in September 2013 to certain selling shareholders or employees, based on the achievement of a certain gross margin percentage. The remaining potential annual earn out payment ranges from $0.9 million to $1.7 million and will be recorded in operating expenses on the consolidated statements of comprehensive income.

Capital commitments

As at December 31, 2014, the Corporation had committed $11.7 million (2013: $12.7 million) relating to various capital purchases for use in the Corporation's current and future capital projects. All amounts are current and due within one year.

22. COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

Fixed price contracts

In the normal course of operations, the Corporation enters into contracts that contain fixed selling prices within its OS division and therefore the Corporation is exposed to variability in input costs.

Litigation

On December 21, 2007, Tervita Corporation (formerly known as CCS Inc.) ("Tervita") filed a statement of claim commencing Action No. 0701-13328 (the "Tervita Action") in the Judicial District of Calgary of the Court of Queen's Bench of Alberta (the "Court") against the Corporation, certain of the Corporation's employees who were previously employed by Tervita (collectively, the "Secure Defendants") and others in which Tervita alleges that the defendants misappropriated business opportunities, misused confidential information, breached fiduciary duties owed to Tervita, and conspired with one another. Tervita seeks damages in the amount of $110.0 million, an accounting and disgorgement of all profits earned by the Corporation since its incorporation and other associated relief. The matters raised in the lawsuit are considered by the Corporation to be unfounded and unproven allegations that will be vigorously defended. Although no assurances can be given with respect to the outcome of such proceedings, the Corporation believes it has valid defences to this claim and accordingly has not recorded any related liability.

A Statement of Defence was filed by the Secure Defendants on November 10, 2008, after the Court ordered Tervita to provide further particulars of its claim. The Secure Defendants then filed an Amended Statement of Defence (the "Defence"), and the Corporation filed an Amended Counterclaim (the "Counterclaim"), on October 9, 2009. In their Defence, the Secure Defendants deny all of the allegations made against them. In its Counterclaim, more recently amended on October 17, 2013, the Corporation claims damages in the amount of $97.9 million against Tervita, alleging that Tervita has engaged in conduct constituting a breach of the Competition Act (Canada) and unlawful interference with the economic relations of the Corporation with the intent of causing injury to the Corporation. In addition, the Amended Counterclaim now includes damages related to Tervita's acquisition of Complete Environmental Inc., the previous owner of the Babkirk landfill in northeast British Columbia. The Corporation contends that Tervita purchased the landfill with the intention of maintaining its geographic monopoly and conspiring to cause injury to the Corporation.

The Corporation is a defendant and plaintiff in legal actions that arise in the normal course of business. The Corporation believes that any liabilities that might arise pertaining to such matters would not have a material effect on its consolidated financial position.

22. COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

Guarantees

The Corporation indemnifies its directors and officers against claims reasonably incurred and resulting from the performance of their services to the Corporation, and maintains liability insurance for its directors and officers. The Corporation may also provide indemnifications in the normal course of business that are often standard contractual terms to counterparties in certain transactions.

Letters of Credit

As at December 31, 2014, the Corporation has approximately $22.4 million in letters of credit issued by the Corporation's bankers (2013: $19.2 million). All letters of credit are not cash secured and have been deducted from the Corporation's available long term borrowings (Note 13). The letters of credit relate to security for the Corporation's facilities and are held with provincial regulatory bodies (Note 14) and under certain crude oil marketing contracts.

23. OPERATING SEGMENTS

On April 1, 2013, the Corporation reorganized its reporting structure into four reportable segments. The reportable segments were reorganized to reflect the Corporation's creation of a new OnSite division, to reflect the Corporation's value chain and anticipated growth opportunities. For management purposes, the Corporation is organized into divisions based on their products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Corporation has three reportable operating segments as follows:

- PRD division owns and operates midstream infrastructure that provides processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. Specifically these services are clean oil terminalling and rail transloading, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service.
- DS division provides equipment and chemicals for building, maintaining, processing and recycling of drilling and completion fluids.
- OS division includes environmental services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, laboratory services, and "CleanSite" waste container services; integrated fluid solutions which include water management, recycling, pumping and storage solutions; and projects which include pipeline integrity (inspection, excavation, repair, replacement and rehabilitation); demolition and decommissioning, and reclamation and remediation of former wellsites, facilities, commercial and industrial properties.
- The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees and officers.

23. OPERATING SEGMENTS (continued)

($000's)	PRD division	DS division	OS division	Corporate	Total
	Year Ended Dec 31, 2014				
Revenue	1,748,342	398,965	124,344	-	2,271,651
Operating expenses	(1,650,917)	(321,878)	(102,401)	(982)	(2,076,178)
General and administrative	(33,178)	(32,959)	(7,450)	(11,280)	(84,867)
Business development	-	-	-	(15,477)	(15,477)
Depreciation, depletion and amortization	(66,315)	(22,139)	(10,532)	(851)	(99,837)
Interest, accretion and finance costs	(1,019)	-	-	(9,431)	(10,450)
Goodwill Impairment	(15,704)	(16,556)	-	-	(32,260)
Other (expense) income	(1,127)	-	-	-	(1,127)
Earnings before income taxes	46,397	27,572	14,493	(37,170)	51,292
($000's)	Year Ended Dec 31, 2013				
Revenue	1,129,936	308,160	54,444	-	1,492,540
Operating expenses	(1,063,585)	(248,162)	(48,172)	(1,011)	(1,360,930)
General and administrative	(23,247)	(23,549)	(5,784)	(7,792)	(60,372)
Business development	-	-	-	(9,482)	(9,482)
Depreciation, depletion and amortization	(44,607)	(17,762)	(4,020)	(956)	(67,345)
Interest, accretion and finance costs	(739)	-	-	(6,694)	(7,433)
Goodwill Impairment	-	-	-	-	-
Other (expense) income	862	-	-	-	862
Earnings before income taxes	43,227	36,449	488	(24,979)	55,185

	PRD division	DS division	OS division	Corporate	Total
	As at Dec 31, 2014				
Current assets	104,874	169,084	38,161	-	312,119
Total assets	959,980	426,002	100,183	9,952	1,496,117
Goodwill	30,397	70,125	11,128	-	111,650
Intangible assets	45,809	62,536	15,757	-	124,102
Property, plant and equipment and assets under construction	778,899	121,347	35,137	9,952	945,335
Current liabilities	141,569	45,628	24,068	-	211,265
Total liabilities	239,102	68,778	28,557	397,385	733,822
	As at December 31, 2013				
Current assets	74,556	140,841	20,912	-	236,309
Total assets	606,907	380,807	45,379	6,632	1,039,725
Goodwill	12,805	85,205	3,914	-	101,924
Intangible assets	8,420	64,516	6,786	-	79,722
Property, plant and equipment and assets under construction	511,209	90,244	13,685	6,632	621,770
Current liabilities	84,813	41,335	8,330	-	134,478
Total liabilities	139,125	63,630	12,705	159,931	375,391

Geographical Financial Information

	Canada		USA		Total	
($000's)	2014	2013	2014	2013	2014	2013
Year ended December 31,						
Revenue	2,185,645	1,442,281	86,006	50,259	2,271,651	1,492,540
As December 31,						
Total non-current assets	1,006,518	686,536	177,480	116,880	1,183,998	803,416

Corporate Information

DIRECTORS
Rene Amirault - Chairman
Brad Munro [(1) (2) (3)]
David Johnson [(2) (3) (4)]
George Wadsworth [(4)]
Kevin Nugent [(1) (3)]
Murray Cobbe [(1) (2)]
Shaun Paterson [(1) (4)]

EXECUTIVE OFFICERS
Rene Amirault
President & Chief Executive Officer

Allen Gransch
Executive Vice President & Chief Financial Officer

Brian McGurk
Executive Vice President, Human Resources & Strategy

Corey Higham
Executive Vice President, Midstream

Dan Steinke
Executive Vice President, Operations, PRD

David Mattinson
Executive Vice President, OnSite Services

George Wadsworth
Executive Vice President, Drilling Services & USA Operations

STOCK EXCHANGE
Toronto Stock Exchange
Symbol: SES

AUDITORS
MNP LLP
Calgary, Alberta

LEGAL COUNSEL
Bennett Jones LLP
Calgary, Alberta

BANKERS
Alberta Treasury Branches

TRANSFER AGENT AND REGISTRAR
ComputerShare
Calgary, Alberta

[1] Audit Committee
[2] Compensation Committee
[3] Corporate Governance Committee
[4] Health, Safety & Environment Committee