MANAGEMENT'S DISCUSSION AND ANALYSIS

Three months ended March 31, 2018 and 2017

The following management's discussion and analysis ("MD&A") of the financial position and results of operations of Secure Energy Services Inc. ("Secure" or the "Corporation") has been prepared by management and reviewed and approved by the Board of Directors of Secure on April 30, 2018. The discussion and analysis is a review of the financial results of the Corporation prepared in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

The MD&A's primary focus is a comparison of the financial performance for the three months ended March 31, 2018 to the three months ended March 31, 2017 and should be read in conjunction with the Corporation's condensed consolidated financial statements and notes thereto for the three months ended March 31, 2018 and 2017 ("Interim Financial Statements") and the Corporation's annual audited consolidated financial statements and notes thereto for the years ended December 31, 2017 and 2016 ("Annual Financial Statements").

All amounts are presented in Canadian dollars, unless otherwise stated and all tabular amounts are in thousands of Canadian dollars, except share amounts or as otherwise noted. Certain comparative figures have been reclassified to conform to the MD&A presentation adopted for the current year.

CORPORATE OVERVIEW

Secure is a TSX publicly traded energy services company that provides safe, innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry. The Corporation owns and operates midstream infrastructure and provides environmental solutions and innovative products to upstream oil and natural gas companies operating in western Canada and certain regions in the United States ("U.S.").

The Corporation operates three divisions:

PROCESSING, RECOVERY AND DISPOSAL DIVISION ("PRD")

The PRD division owns and operates midstream infrastructure that provides processing, storing, pipelines, shipping and marketing of crude oil, oilfield waste disposal and recycling. The PRD division services include clean oil terminalling, rail transloading, pipelines, crude oil marketing, custom treating of crude oil, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service. Secure currently operates a network of facilities throughout western Canada and in North Dakota, providing these services at its full service terminals ("FST"), landfills, stand-alone water disposal facilities ("SWD"), full service rail facilities ("FSR") and crude oil terminalling facilities.

DRILLING AND PRODUCTION SERVICES DIVISION ("DPS")

The DPS division provides equipment, product solutions and chemicals for drilling, completion and production operations for oil and gas producers in western Canada. The drilling service line currently comprises the majority of the revenue for the division which includes the design and implementation of drilling fluid systems for producers drilling for oil, bitumen and natural gas. The drilling service line focuses on providing products and systems that are designed for more complex wells, such as medium to deep wells, horizontal wells and horizontal wells drilled into the oil sands. The production services line focuses on providing equipment and chemical solutions that optimize production, provide flow assurance and maintain the integrity of production assets.

ONSITE SERVICES DIVISION ("OS")

The operations of the OS division include Projects which include pipeline integrity (inspection, excavation, repair, replacement and rehabilitation), demolition and decommissioning, and reclamation and remediation of former well sites, facilities, commercial and industrial properties, and environmental construction projects (landfills, containment ponds, subsurface containment walls, etc.); Integrated Fluid Solutions ("IFS") which include water management, recycling, pumping and storage solutions; and Environmental Services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, Naturally Occurring Radioactive Material ("NORM") management, waste container services and emergency response services.

For a complete description of services provided in the PRD, DPS and OS divisions, please refer to the headings '*Secure Energy Services Inc*.' and '*Description of Business*' in the Corporation's Annual Information Form for the year ended December 31, 2017 ("AIF").

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Higher activity levels and growth initiatives over the last several years were key factors leading to a 29% increase in revenue from services, which drove a 13% increase in Adjusted EBITDA[1] of $47.8 million during the three months ended March 31, 2018 over the same period in 2017. Highlights from the first quarter include:

- The Corporation's PRD division continued to lead the Corporation's financial results, generating record revenue from services of $80.9 million, a 20% increase over the same period in 2017. Increased revenue is driven by higher processing and disposal volumes at the Corporation's PRD facilities, which experienced a 14% and 23% increase, respectively, over the first quarter of 2017. The increase in volumes can be attributed to higher activity levels, the continued trend of higher fluid volumes pumped per well while fracing in the Corporation's key service areas, the acquisition of new facilities and increases in disposal capacity at existing facilities;
- Revenue generated from the Corporation's facilities in North Dakota increased by 47% over the first quarter of 2017 as volumes continue to increase due to higher average crude oil prices and better market access which improved drilling and completion activity levels and positively impacted recovered oil revenues;
- The DPS division's drilling services generated average revenue per operating day of $7,791, an increase of 34% over the three months ended March 31, 2017, demonstrating the Corporation's expertise for dealing with more complex wells requiring specialized fluids and equipment;
- Revenue from the DPS division's production services increased for the fourth straight quarter following the acquisition of a production chemicals business in April 2017. During the three months ended March 31, 2018, production services contributed a higher percentage of the DPS division's total revenue as the Corporation continues to grow market share in western Canada leveraging off Secure's infrastructure, key relationships and proprietary patents. Diversified services lines and integrated service offerings are expected to mitigate the impact to the Corporation during periods of reduced oil and gas activity;
- The Corporation's OS division continued to experience strong results from all three service lines driven primarily by positive activity levels in the oil and gas sector. Integrated Fluid Solutions more than doubled its contribution to the Corporation's Adjusted EBITDA in the three months ended March 31, 2018 over the 2017 comparative period as a result of increased demand for water pumping services and rentals for fracing. Increased Project work, new customer and service additions, and geographic expansion also contributed to the OS division's success in the quarter;
- Secure invested growth and expansion capital of $54.8 million, advancing construction on several projects, including the Corporation's light oil feeder pipeline system and receipt terminal in the Kindersley-Kerrobert region of Saskatchewan and the Gold Creek SWD facility in the Montney region of Alberta. The Corporation also completed facility upgrades at the Big Mountain SWD which was commissioned and turned over to operations in April. A third well at Big Mountain was also drilled and completed, and is now taking disposal volumes. Additional growth and expansion capital in the quarter was incurred for long lead items and well additions related to two new SWD facilities in the Montney/Duvernay regions.

The operating and financial highlights for the three month periods ending March 31, 2018 and 2017 can be summarized as follows:

[1] Refer to the "*Non-GAAP Measures*" section herein.

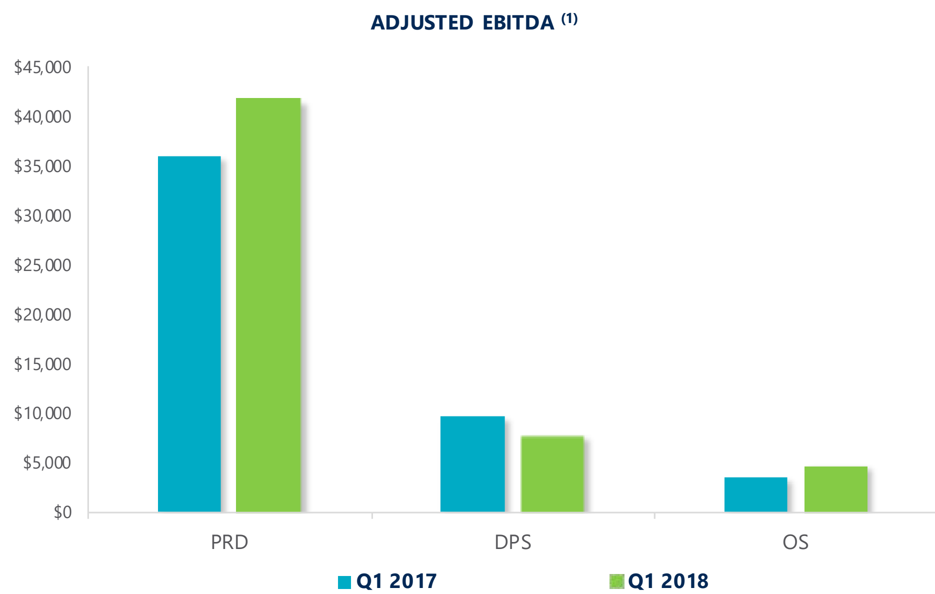
($000's except share and per share data)	Three months ended Mar 31, 2018	2017	% change
Revenue (excludes oil purchase and resale)	**181,698**	140,713	29
Oil purchase and resale	**523,747**	309,876	69
Total revenue	**705,445**	450,589	57
Adjusted EBITDA (1)	**47,807**	42,170	13
Per share ($), basic	**0.29**	0.26	12
Per share ($), diluted	**0.29**	0.25	16
Net earnings	**6,077**	3,440	77
Per share ($), basic and diluted	**0.04**	0.02	100
Adjusted net earnings (1)	**5,970**	3,502	70
Per share ($), basic and diluted	**0.04**	0.02	100
Cash flows from operating activities	**32,754**	43,028	(24)
Per share ($), basic	**0.20**	0.27	(26)
Per share ($), diluted	**0.20**	0.26	(23)
Funds flow (1)	**42,043**	40,052	5
Per share ($), basic	**0.26**	0.25	4
Per share ($), diluted	**0.25**	0.24	4
Dividends per common share	**0.07**	0.06	17
Capital expenditures (1)	**56,581**	12,096	368
Total assets	**1,579,907**	1,403,328	13
Net debt (1)	**193,058**	54,237	256
Common shares - end of period	**164,547,187**	162,580,599	1
Weighted average common shares			
basic	**164,009,829**	162,049,821	1
diluted	**166,079,649**	165,944,906	-

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

- REVENUE OF $705.4 MILLION FOR THE THREE MONTHS ENDED MARCH 31, 2018
  - Total processing, recovery and disposal volumes at PRD facilities for the three months ended March 31, 2018 increased from the 2017 comparative period due to higher activity levels in the Corporation's core service areas and the U.S., ongoing and moderately increasing production related volumes, and the contribution of volumes from facility acquisitions and expansions in 2017. Overall, this resulted in the PRD division achieving revenue (excluding oil purchase and resale) of $80.9 million in the three months ended March 31, 2018, an increase of 20% from 2017;
  - Oil purchase and resale revenue in the PRD division for the three months ended March 31, 2018 increased to $523.7 million due to higher volumes resulting from increased industry activity and higher takeaway capacity at certain of the Corporation's pipeline connected full service terminals, and a 16% increase in average crude oil prices over the comparative period of 2017;
  - DPS division revenue increased by 36% to $68.7 million in the three months ended March 31, 2018 compared to the three months ended March 31, 2017, primarily due to higher contributions from the Corporation's production services line resulting from the production chemicals business acquisition completed in April 2017 and organic growth in the service line;
  - Drilling services revenue increased slightly in the three months ended March 31, 2018 over the 2017 comparative period. Producers continue to drill longer and more complex wells, which require more sophisticated drilling fluid systems and expertise, resulting in a 34% increase in revenue per operating day, which more than offset the impact from a 13% decline in Secure's active rigs during the quarter compared to 2017;
  - OS division revenue increased 41% to $32.2 million in the three months ended March 31, 2018 primarily due to higher activity levels in the oil and gas sector over the prior year resulting in increased demand for oilfield services such as water pumping and storage, as well as increased Project work. Additionally, good

weather conditions conducive to project execution, new customer additions, and geographic expansion all contributed to higher revenue in the quarter.

- ADJUSTED EBITDA OF $47.8 MILLION FOR THE THREE MONTHS ENDED MARCH 31, 2018
  - Adjusted EBITDA of $47.8 million, a 13% increase from the three months ended March 31, 2017, resulted primarily from a $5.7 million increase in the PRD division as a result of increased oil and gas sector activity and additional volumes from acquisitions and facility expansions in 2017 which drove both PRD revenues and operating margins[1]. The DPS division's Adjusted EBITDA decreased slightly in the quarter over the three months ended March 31, 2017 as the impact of higher revenue from production services was offset by increased general and administrative expenses in the division to support the expanded production chemicals business. Adjusted EBITDA generated from the OS division increased 36% in the three months ended March 31, 2018 over the comparative period in 2017 primarily due to increased water pumping and storage activity.
  - The following graphs demonstrate the divisional impacts to Adjusted EBITDA, excluding Corporate costs, for the three months ended March 31, 2018 and 2017.



- NET EARNINGS OF $6.1 MILLION FOR THE THREE MONTHS ENDED MARCH 31, 2018
  - Net earnings for the three months ended March 31, 2018 were $6.1 million, an increase of $2.6 million over the comparative period of 2017. The variance is primarily due to a $5.6 million increase to Adjusted EBITDA resulting from the factors described above, partially offset by higher interest expense and depreciation and amortization expense resulting from organic development and acquisitions in the past year, as well as increased tax expense resulting from higher net earnings before non-deductible expenses.
- FINANCIAL FLEXIBILITY
  - The total amount drawn on Secure's credit facilities as at March 31, 2018 increased by 15% to $344.0 million compared to $300.0 million at December 31, 2017. The amount drawn on Secure's credit facilities increased in the quarter in order to fund the Corporation's organic capital program, partially offset by cash flows from operating activities.
  - As at March 31, 2018, the Corporation had $194.7 million available under its credit facilities, subject to covenant restrictions. The Corporation is well positioned, based on this availability and expected cash flows

[1] Refer to the "*Non-GAAP Measures*" section herein.

from operating activities, to pursue further accretive acquisition opportunities and execute on the 2018 capital program.

- Secure is in compliance with all covenants related to its credit facilities at March 31, 2018. The following table outlines Secure's senior and total debt to trailing twelve month EBITDA ratios at March 31, 2018 and December 31, 2017.

	Mar 31, 2018	Dec. 31, 2017	Threshold
Senior debt to EBITDA	1.4	1.1	3.5
Total debt to EBITDA	2.2	1.9	5.0

- Senior debt is equal to amounts drawn on the Corporation's first lien facility plus financial leases less any cash balances exceeding $5 million. Total debt includes senior debt plus the $130 million borrowed under the Corporation's second lien facility. EBITDA is defined in the lending agreement as earnings before interest, taxes, depreciation, depletion and amortization, and is adjusted for non-recurring losses, any non-cash impairment charges and any other non-cash charges, and acquisitions on a pro-forma basis.

- CAPITAL EXPENDITURES OF $56.6 MILLION FOR THE THREE MONTHS ENDED MARCH 31, 2018
  - Total capital expenditures for the three months ended March 31, 2018 of $56.6 million were comprised of $54.8 million related to growth and expansion projects, as described above, and $1.8 million of sustaining capital. There were no acquisitions completed during the quarter.

OUTLOOK

During the second quarter, results are typically impacted by seasonality as wet weather and road bans can significantly affect activity in certain areas. Secure anticipates that the typical spring break-up will be extended this year as winter conditions in Canada have stretched well into April as snow packs are well above normal across western Canada and the depth to which the ground froze was deeper than usual.

Overall, Secure expects 2018 Adjusted EBITDA to improve from 2017 as a result of additional revenue contributions from facility expansions and additions, including the addition of the Gold Creek SWD in the third quarter, and expanded service offerings, such as the Kindersley-Kerrobert pipeline system which is expected to be operational in the fourth quarter. Secure's strategy remains focused on working with customers to identify opportunities and integrated solutions where the Corporation can add value and lower customers' costs. By combining multiple services and focusing on new and innovative ways to offer solutions, Secure's customers will be able to gain capital efficiencies for drilling, completing and producing their reserves.

The fundamental drivers of Secure's business are expected to continue to provide meaningful avenues of growth during the remainder of 2018 and beyond:

- Produced water volumes continue to increase based on maturing basins and new shale completion techniques that result in increased water volumes per well. Disposal volumes for Secure are increasing and Secure expects the trend for more produced water volumes and disposal capacity to continue;
- Completion waters and processing volumes are also increasing as high intensity fracs continue to be applied in liquids rich natural gas shale reservoirs like the Montney and Duvernay formations. The increased use of proppants, the number of completion stages and length of the horizontal wells are expected to continue to drive more volumes to Secure's PRD facilities;
- Oil and condensate treatment volumes are increasing as producers bring on new production and are looking for incremental treating capacity while minimizing transportation costs. Secure's construction of the Kindersley-Kerrobert light oil feeder pipeline system to the Corporation's existing Kindersley FST, and further on to Kerrobert, is a growing trend where producers seek to reduce truck traffic and lower transport costs;
- Moving oil volumes on rail cars remains a viable option for oil supply to be transported out of western Canada, once rail service is enhanced. Secure could see activity materially increase as supply growth driven by large oil sands expansions has tightened pipeline takeaway capacity. Moreover, wide WTI – Brent oil differentials influence certain U.S. refiners to look for feedstock accessible by rail that is otherwise delivered by oil tanker;

- Innovative drilling fluid programs can be used to address technical challenges related to developing unconventional resources, such as deep shale reservoirs in Alberta, and improve producer economics by reducing the number of days to drill a well. This trend will continue throughout 2018 as Secure brings innovative products and drilling fluid systems to market from the Corporation's research lab;

- Demand for production chemicals is also increasing as producers bring on new oil, condensate and natural gas liquids ("NGLs"). Production chemicals optimize production, provide flow assurance and maintain the integrity of their production assets. The Corporation continues to grow market share in western Canada leveraging off Secure's infrastructure, key relationships and proprietary patents;
- As described above, completions in the oil and gas industry are growing more geographically concentrated and even more penetrating given the length of wells and amount of proppants used. As part of this growing trend, there is a significant need from Secure's customers for sourcing water, water logistics, storing water and overall water re-use where it is cost effective. Secure's business model provides the complete offering and is assisting customers with large completion programs where significant amounts of water are required to be managed at various stages; and
- Increased environmental regulations in all of our market areas have created opportunities to help our customers operate in a sustainable way with a focus on protecting the environment. Secure's OS division has seen increased proactive environmental projects that strive to prevent spills and reduce their future environmental liabilities.

All of these growth trends provide Secure with significant opportunities to grow and expand its business throughout the remainder of 2018 and beyond. Secure has made significant capital investments over the past few years to ensure the business is well positioned to capture new customer demand, and based on customer feedback there are more opportunities to continue to deploy capital in western Canada. The Corporation expects to incur up to $150 million of growth and expansion capital in 2018. The capital plan includes the completion of the Kerrobert-Kindersley pipeline system and receipt terminal and Gold Creek SWD, construction of an additional SWD facility in the Duvernay region, expansions at various existing facilities to increase disposal capacity (additional wells, four landfill cells), and equipment to support existing services. The amount of capital spending is dependent on the outcome of various opportunities in development, such as timing of obtaining regulatory approvals, development permits and other operating agreements.

Secure's strong balance sheet provides the Corporation the flexibility to grow organically and execute on strategic acquisition opportunities that align with the profitable growth strategy of Secure. Helping Secure's customers grow and being their trusted energy solutions partner will ensure that the Corporation continues to create long-term shareholder value.

Secure's operations and reliable cash flow continue to improve from already strong levels, and the Corporation's Board of Directors believes at times Secure's share price does not accurately reflect the underlying value of the Corporation. As a result, the Corporation intends to implement a normal course issuer bid ("NCIB") through the Toronto Stock Exchange and alternative Canadian trading platforms, pursuant to which the Corporation would have an option to repurchase its common shares for cancellation, which is expected to enhance shareholder value.

NON-GAAP MEASURES

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, are considered non-GAAP measures. These measures are described and presented in order to provide information regarding the Corporation's financial results, liquidity and its ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measure. However, they should not be used as an alternative to IFRS measures because they may not be consistent with calculations of other companies. These non-GAAP measures are further explained below.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before finance costs, taxes, depreciation, depletion, and amortization, non-cash impairments on the Corporation's non-current assets, unrealized gains or losses on mark to market transactions, share-based compensation, other income/expenses, and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations. Adjusted EBITDA is not a recognized measure under IFRS.

Management believes that in addition to net earnings, Adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed, how the results are taxed, non-cash charges, and charges that are irregular in nature or outside of the normal course of business. Management believes that these specific items are not reflective of the Corporation's underlying operations and calculates these adjustments consistently from period to period to enhance comparability of this MD&A. The following table reconciles the Corporation's net earnings to Adjusted EBITDA.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Net earnings	**6,077**	3,440	77
Add (deduct):			
Depreciation, depletion and amortization	**27,294**	25,692	6
Current tax expense (recovery)	**821**	(25)	(3,384)
Deferred tax expense	**3,928**	3,920	-
Share-based compensation	**5,628**	6,174	(9)
Interest, accretion and finance costs	**3,856**	2,884	34
Unrealized losses on mark to market transactions(1)	**203**	85	139
Adjusted EBITDA	**47,807**	42,170	13

(1) These charges are included in various captions within the Corporation's Consolidated Statements of Comprehensive Income, including revenue and direct expenses.

Operating margin

Operating margin is calculated as the difference between revenue and direct expenses. Operating margin is not a recognized measure under IFRS. Management analyzes operating margin as a percentage of revenue excluding oil purchase and resale by division as a key indicator of financial performance, cost control and operating efficiency. The following table reconciles the Corporation's operating income per the Interim Financial Statements to operating margin.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Operating income	**14,682**	10,219	44
Add:			
Depreciation, depletion and amortization	**27,294**	25,692	6
General and administrative expenses	**18,492**	13,282	39
Share-based compensation	**5,628**	6,174	(9)
Business development expenses	**1,306**	1,640	(20)
Operating margin	**67,402**	57,007	18

Adjusted net earnings

Adjusted net earnings is a measure of profitability. Adjusted net earnings provides an indication of the results generated by the principal business activities prior to recognizing certain charges that are considered by management to be outside of the Corporation's comparable operations. Management believes that these specific items are not reflective of the Corporation's underlying operations and calculates these adjustments consistently from period to period to enhance comparability of this MD&A. Adjusted net earnings is not a recognized measure under IFRS. The following table outlines these adjusted items, which have been tax effected accordingly and reconciles the Corporation's net earnings to Adjusted net earnings.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Net earnings	**6,077**	3,440	77
Adjustments, net of estimated tax effect:			
Unrealized (gain) loss on mark to market transactions	**(107)**	62	(273)
Adjusted net earnings	**5,970**	3,502	70

Net debt

Net debt is a measure of the Corporation's overall debt situation and is utilized by management as a key measure to assess the liquidity of the Corporation and monitor availability under its credit facilities. Net debt is calculated as the sum of total debt, which includes the principal amount of long-term borrowings plus non-current finance lease liabilities, less the working capital surplus. Working capital surplus is calculated as current assets less current liabilities.

($000's)	Mar 31, 2018	Dec 31, 2017	% Change
Long-term borrowings (principal amount)	**344,000**	300,000	15
Long-term finance lease liabilities	**7,097**	6,052	17
Current liabilities	**227,844**	266,003	(14)
Current assets	**(385,883)**	(405,408)	(5)
Net debt	**193,058**	166,647	16

Funds flow

Funds flow refers to net cash flows from operating activities before changes in non-cash working capital and asset retirement obligations incurred. Secure's management views funds flow as a key measure of liquidity and believes this is a metric used by many investors to assess the financial performance and leverage of the Corporation. The following table reconciles net cash flows from operating activities to funds flow.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Net cash flows from operating activities	**32,754**	43,028	(24)
Add:			
Changes in non-cash working capital	**9,282**	(2,990)	(410)
Asset retirement costs incurred	**7**	14	(50)
Funds flow	**42,043**	40,052	5

OPERATIONAL DEFINITIONS

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

Average crude oil prices

Average crude oil prices are calculated using West Texas Intermediate ("WTI") benchmark oil prices, translated from U.S. to Canadian dollars.

Operating days

Operating days are calculated by multiplying the average number of active rigs where the DPS division provides drilling fluids services by the number of days in the period.

DPS division market share

The DPS division market share is calculated by comparing active rigs the DPS division provides drilling fluids services to total active rigs in western Canada. The Canadian Association of Oilwell Drilling Contractors publishes total active rigs in western Canada on a semi-weekly basis.

Capital expenditures

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

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2018

In order to discuss the factors that have caused period to period variations in operating activities, the Corporation has divided the business into three reportable operating segments, as outlined in the '*Corporate Overview*' above. Total general and administration expenses by division excludes share-based compensation and corporate expenses, as senior management looks at each division's earnings before corporate expenses and non-cash items such as share-based compensation as an important measure of performance. The table below outlines the results by operating segment for the three months ended March 31, 2018 and 2017:

($000's)

Three months ended March 31, 2018	**PRD division**	**DPS division**	**OS division**	**Corporate**	**Total**
Revenue	604,602	68,679	32,164	-	705,445
Direct expenses	(557,198)	(55,316)	(25,529)	-	(638,043)
Operating margin	**47,404**	**13,363**	**6,635**	**-**	**67,402**
General and administrative expenses	(5,929)	(5,668)	(1,860)	(5,035)	(18,492)
Share-based compensation	-	-	-	(5,628)	(5,628)
Business development expenses	-	-	-	(1,306)	(1,306)
Depreciation, depletion and amortization	(18,718)	(5,515)	(2,742)	(319)	(27,294)
Interest, accretion and finance costs	(413)	-	-	(3,443)	(3,856)
Earnings (loss) before tax	**22,344**	**2,180**	**2,033**	**(15,731)**	**10,826**

($000's)

Three months ended March 31, 2017	**PRD division**	**DPS division**	**OS division**	**Corporate**	**Total**
Revenue	377,346	50,468	22,775	-	450,589
Direct expenses	(337,529)	(38,867)	(17,186)	-	(393,582)
Operating margin	**39,817**	**11,601**	**5,589**	**-**	**57,007**
General and administrative expenses	(3,962)	(3,449)	(2,078)	(3,793)	(13,282)
Share-based compensation	-	-	-	(6,174)	(6,174)
Business development expenses	-	-	-	(1,640)	(1,640)
Depreciation, depletion and amortization	(17,397)	(4,874)	(3,044)	(377)	(25,692)
Interest, accretion and finance costs	(422)	-	-	(2,462)	(2,884)
Earnings (loss) before tax	**18,036**	**3,278**	**467**	**(14,446)**	**7,335**

PRD DIVISION OPERATIONS

The PRD division has two separate service lines: processing, recovery and disposal services; and oil purchase and resale services.

Processing, recovery and disposal:

Processing services are primarily performed at FSTs and include waste processing and crude oil emulsion treating. Secure's FSTs that are connected to oil pipelines provide customers with an access point to process and/or treat their crude oil for shipment to market. The crude oil or oilfield waste is delivered by customers to Secure by tanker or vacuum truck. The FST will process oilfield waste to separate out solids, water and crude oil. Crude oil that does not meet pipeline specifications is processed through a crude oil emulsion treater. Recovery services include revenue from the sale of oil recovered through waste processing, crude oil handling, terminalling, transloading and marketing. Clean crude oil and treated crude oil are stored on site temporarily until the volumes are ready to be shipped through gathering, transmission or feeder pipelines, and via transloading facilities. Disposal services include produced and waste water disposal services through a network of disposal wells and disposal of oilfield solid wastes at the Corporation's landfills.

Oil purchase and resale:

The purpose of providing oil purchase and resale services is to enhance the service offering associated with Secure's business of produced water disposal, crude oil emulsion treating, terminalling, and marketing. By offering this service, Secure's customers gain efficiencies in transportation and handling of their crude oil to the pipeline or via rail. At Secure FSTs, Secure will meter the crude oil volumes and purchase the crude oil directly from customers. The Corporation will then process, transport to a pipeline connected FST if necessary, and handle the shipment of crude oil down the pipeline. Secure's four rail terminals situated across Alberta and Saskatchewan, which carry crude by rail to virtually all North American markets, offer producers an alternative solution to get their product to market. The Corporation may also purchase and resale crude oil to take advantage of marketing opportunities and increase profitability.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Revenue			
PRD services (a)	**80,855**	67,470	20
Oil purchase and resale service	**523,747**	309,876	69
Total PRD division revenue	**604,602**	377,346	60
Direct expenses			
PRD services (b)	**33,451**	27,653	21
Oil purchase and resale service	**523,747**	309,876	69
Total PRD division direct expenses	**557,198**	337,529	65
Operating Margin (1) (a-b)	**47,404**	39,817	19
Operating Margin (1) as a % of revenue (a)	**59%**	59%	

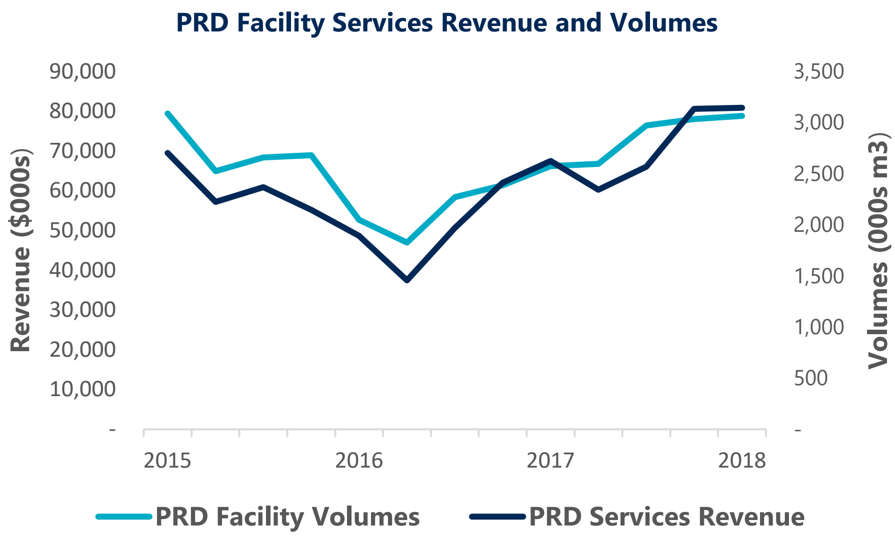
(1) Refer to "*Non-GAAP measures*" for further information.

	Three months ended Mar 31,		
	2018	**2017**	**% Change**
Average Benchmark Prices and Volumes (1)			
WTI (US$/bbl)	**$ 62.87**	$ 53.22	18
Canadian Light Sweet ($/bbl)	**$ 70.09**	$ 64.74	8
Processing volumes (in 000's m^3)	**553**	485	14
Recovery and terminalling volumes (in 000's m^3)	**401**	369	9
Disposal volumes (in 000's m^3)	**2,110**	1,721	23

(1) Crude, emulsion and water volumes are metered at the Corporation's facilities. Solid waste is weighed at landfills. All volumes are reviewed by customers and Secure's facility managers on a monthly basis.

Revenue (PRD division)

Processing, recovery and disposal services revenue of $80.9 million for the three months ended March 31, 2018 increased by 20% from the 2017 comparative period, driven by higher existing facility throughput, new facilities additions and expansions at certain of the Corporation's existing facilities in 2017, and higher recovered oil revenues resulting from increased average crude oil prices. The graph below illustrates the relationship between volumes and revenues earned at the Corporation's facilities. PRD services revenue is impacted by both the nature and amount of product received by Secure's facilities; pricing varies depending on the complexity to process and dispose.



The majority of the Corporation's facilities are located in high impact resource plays, such as the Montney and Duvernay regions, where producers have been most active in the Western Canadian Sedimentary Basin ("WCSB"). Fluids pumped from wells in these regions are also significantly higher than other regions of the WCSB, driving incremental volumes at Secure's facilities.

Processing volumes increased 14% in the three months ended March 31, 2018 from the comparative period due to higher waste processing, emulsion and completions processing volumes. Increased waste processing revenue generated from the Corporation's facilities in North Dakota accounted for roughly a quarter of the overall PRD services revenue variance in the three months ended March 31, 2018 over the comparative 2017 period. Higher volumes in North Dakota were a result of improved activity levels, including new drilling and frac completions as evidenced by a 32% increase in rig count, driven by higher average crude oil prices over the prior period, and the commissioning of the Dakota Access Pipeline in June 2017 which has improved economics for delivering producers' product to market.

Recovery revenues increased 44% in the three months ended March 31, 2018 from the comparative period, driven by higher volumes resulting from increased activity levels and a 16% increase in average crude oil prices over the 2017 comparative period.

Disposal volumes increased by 23% in the three months ended March 31, 2018 from the comparative period. Increased disposal of solid waste resulting from higher drilling activity levels and remediation work nearby Secure landfills resulted in a 20% increase in landfill revenues in the three months ended March 31, 2018 over the three months ended March 31, 2017. Further driving the increase in disposal volumes is increased produced, flowback, and waste water volumes across Secure's facilities from the comparative periods resulting from expansions at existing facilities to increase disposal capacity, increasing water production as wells mature and improved industry activity.

The addition of new facilities, all of which were acquired from Ceiba Energy Services Inc. ("Ceiba") in August 2017, accounted for $2.1 million of the PRD services revenue in the three months ended March 31, 2018, an impact of 3% when comparing to the same period of 2017.

Oil purchase and resale revenue in the PRD division for the three months ended March 31, 2018 increased to $523.7 million due to higher volumes resulting from increased industry activity and higher takeaway capacity at certain of the Corporation's pipeline connected full service terminals, and a 16% increase in average crude oil prices over the comparative period of 2017.

Direct expenses (PRD division)

Direct expenses from PRD services increased by 21% in the three months ended March 31, 2018 from the comparative period of 2017. The increase in direct expenses relates primarily to the increased revenue as the Corporation maintains its ability to respond to higher activity levels while managing its fixed and variable costs.

Operating margin as a percentage of PRD services revenue for the three months ended March 31, 2018 remained consistent at 59% compared to the three months ended March 31, 2017. The impact of higher revenues was offset by increased variable costs related to personnel, and higher facility repair and maintenance expenditures in the quarter over the three months ended March 31, 2017.

Depreciation, Depletion and Amortization (PRD division)

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
Depreciation, depletion and amortization	18,718	17,397	8

Depreciation, depletion and amortization expense relates primarily to the PRD division's facilities and landfills and includes non-cash impairment as well as any gains or losses on sale or disposal of equipment. For the three months ended March 31, 2018, depreciation, depletion and amortization expense has increased by 8% from the comparative period as a result of an increase to intangible assets and property, plant and equipment balances from the 2017 Ceiba acquisition, and other equipment put into use in 2017.

General and Administrative Expenses (PRD division)

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
General and administrative expenses	5,929	3,962	50
% of PRD services revenue	7%	6%	

General and administrative ("G&A") expenses of $5.9 million for the three months ended March 31, 2018 increased by 50% from the comparative period of 2017. Although the Corporation continues to minimize G&A costs by streamlining operations where possible, PRD G&A expenses have increased primarily due to overhead requirements to support new facilities and expansions. As a percentage of PRD revenue, G&A costs are 7% for the three months ended March 31, 2018 compared to 6% for the comparative period in 2017.

DPS DIVISION OPERATIONS

The DPS division consists of five complementary service lines that provide oil and gas producers with drilling fluids, fluids and solids control equipment, completion fluids, production chemicals and chemical EOR products.

Drilling fluid products are designed to optimize the efficiency of customer drilling operations through engineered solutions that improve drilling performance and penetration, while reducing non-productive time. Increasingly complex horizontal and directional drilling programs require experienced drilling fluid technical personnel who design adaptable drilling programs to meet the needs of drilling fluid customers. These programs can save customers significant amounts of money by proactively anticipating the drilling challenges the customers may encounter. The fluids and solids equipment service line works with the drilling fluids service line to ensure that the quality of drilling fluids used through the drilling cycle is maintained by continually processing and recycling the drilling fluids as they return to the surface. Fluids and solids equipment ensures the continual removal of drill cuttings and solids from the drilling fluid as well as provides a safe and more efficient way of storing oil based products in the "Target Tanks™", the Corporation's proprietary horizontal dual containment storage tanks. The current equipment fleet of high speed centrifuges, drying shakers, bead recovery units, "Target Tanks™", and ancillary equipment are offered as a stand-alone package or as part of an integrated drilling fluids and rentals package. The Corporation's production services, comprised of the completion fluids, production chemicals and chemical EOR service lines, provide equipment and chemical solutions that optimize production, provide flow assurance and maintain the integrity of production assets. Secure's production solutions help solve customer production issues by providing tailored solutions at both the field level and at the Corporation's 7,000 sq. ft. fully equipped, state of the art research laboratory in Calgary, Alberta as well as the recently acquired lab in Edmonton, Alberta through the production chemicals acquisition in 2017. The focus on testing, research and new product development conducted at the laboratories allows Secure to provide unique and tailored products to customers.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Revenue			
Drilling and production services (a)	**68,679**	50,468	36
Direct expenses			
Drilling and production services (b)	**55,316**	38,867	42
Operating Margin [1] (a-b)	**13,363**	11,601	15
Operating Margin [1] as a % of revenue (a)	**19%**	23%	

[1] **Refer to "*Non-GAAP measures*" for further information.**

Revenue (DPS division)

Secure continues diversification efforts in the DPS division to become less dependent on drilling activity through expansion of production services. Strategic relationships with key suppliers and ongoing product development has resulted in a significant expansion to Secure's product offering, leading to multiple commercial projects in 2017 and the first three months of 2018. The acquisition of a production chemicals business completed in April 2017 has strengthened Secure's position in the market by adding over 100 fully formulated proprietary products, as well as key infrastructure related to the product offering and an experienced and dedicated employee base. The production chemicals service line now has over 350 commercialized products and continues to win new bids and customers. As a result of increased contributions from production related services, revenue from the DPS division for the three months ended March 31, 2018 increased 36% to $68.7 million from the comparative period of 2017.

The majority of the DPS division's revenue comes from drilling services, which correlates with oil and gas drilling activity in the WCSB, most notably active rig counts and metres drilled. Commodity pricing and weather conditions both have a significant impact on the activity levels from oil and gas producers. For the three months ended March 31, 2018, industry rig counts in the WCSB decreased 5% and metres drilled increased 5% from the 2017 comparative period. As a result of these mixed activity levels, revenue from drilling services remained relatively stable in the three months ended March 31, 2018 from the comparative period.

Secure has focused on servicing more complex wells which require specialized fluids, equipment and expertise. During the quarter, the average depth per well drilled by Secure was 3,197 metres, up 20% from the 2017 comparative period, and 12% higher than the industry average. As a result, revenue per operating day increased 34% from $5,803 to $7,792 during the three months ended March 31, 2018. Revenue per operating day is dependent on the proportion of type of rigs serviced and location of wells which impacts the type of fluid used and depth of well. The incremental revenue generated on a per operating day was partially offset by the lower industry rig count, and a 3% decline in market share to 26% in the three months ended March 31, 2018 from the 2017 comparative period.

Direct expenses (DPS division)

The DPS division's direct expenses for the three months ended March 31, 2018 increased by 42% to $55.3 million from the 2017 comparative period. The increase in direct expenses was primarily due to increased activity levels and is consistent with the increased revenues discussed above. Additionally, direct expenses increased due to the higher cost of oil-based drilling fluids corresponding to increased oil prices.

The DPS division's operating margin for the three and twelve months ended December 31, 2017 improved by 15% from the 2017 comparative period to $13.4 million. Operating margin as a percentage of revenue declined to 19% in the three months ended March 31, 2018 from 23% in the comparative period. The decrease is primarily a result of a higher proportion of operating margin from production services, which currently generates a lower margin as a percentage of revenue than drilling services as we continue to develop the potential of the service line.

Depreciation and Amortization (DPS division)

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Depreciation and amortization	**5,515**	4,874	13

Depreciation and amortization expense relates primarily to intangible assets resulting from acquisitions, and rental equipment, and includes non-cash impairment as well as any gains or losses on sale or disposal of equipment. Depreciation and amortization expense increased 13% in the three months ended March 31, 2018 over the 2017 comparative period due primarily to the assets acquired through the production chemicals acquisition in April 2017.

General and Administrative Expenses (DPS division)

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
General and administrative expenses	**5,668**	3,449	64
% of DPS division revenue	**8%**	7%	

G&A expense for the three months ended March 31, 2018 increased by 64% from the comparative period of 2017. Although the Corporation continues to manage costs efficiently and proactively while still responding to customer demands and activity levels, G&A expenses have increased as a result of expanding the production chemicals service line, including as a result of the production chemicals acquisition in April 2017. Additionally, the prior year figure excludes all research and development costs associated with the Corporation's research lab as they were previously reported with the Corporation's business development expense. Secure continues to focus on research and development projects to expand the value chain of services offered to customers, and to provide innovative and cost-effective solutions to reduce waste in the drilling and production processes. As a percentage of DPS revenue, G&A expenses have increased to 8% from 7% in the three months ended March 31, 2018.

OS DIVISION OPERATIONS

The OS division has three main service lines: Projects; Integrated Fluids Solutions; and Environmental Services.

Projects:

Projects provide pipeline integrity (inspection, excavation, repair, replacement and rehabilitation), demolition and decommissioning, and remediation and reclamation of former well sites, facilities, commercial and industrial properties, and environmental construction projects (landfills, containment ponds, subsurface containment walls, etc.).

Integrated Fluid Solutions:

Integrated Fluid Solutions include fluid management and treatment, recycling, pumping and storage solutions.

Environmental Services:

Environmental Services provides pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, NORM management, waste container services and emergency response services.

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Revenue			
OnSite services (a)	**32,164**	22,775	41
Direct expenses			
OnSite services (b)	**25,529**	17,186	49
Operating Margin (1) (a-b)	**6,635**	5,589	19
Operating Margin (1) as a % of revenue (a)	**21%**	25%	

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

Revenue (OS division)

OS division revenue increased 41% to $32.2 million for the three months ended March 31, 2018 as improved commodity prices have led to increased customer activity, resulting in more Projects work and higher pumping and fluid storage rental activity. Geographic expansion into Manitoba and Ontario, new service offerings, and customer additions also contributed to increased revenue.

Projects revenue during the three months ended March 31, 2018 increased 57% from the 2017 comparative period. Projects revenue is dependent on the type and size of jobs as well as weather conditions which can vary quarter to quarter. For the three months ended March 31, 2018, Projects revenue increased primarily because of larger scale jobs awarded resulting from the division's expertise and management of pipeline integrity, remediation and decommissioning jobs. Projects revenue also increased due to new customer additions, geographic expansion and from the introduction of new service offerings such as the asset recovery long-term service agreement entered in the fourth quarter of 2017 to manage a scrap metal recycling program for a major oil sands producer. Projects continues to seek opportunities like this contract as they provide a steady stream of revenue over the life of the agreement.

Integrated Fluids Solutions revenue for the three months ended March 31, 2018 increased 78% from the 2017 comparative period. Pumping services and fluid storage rentals had increased job volumes and higher equipment utilization over the 2017 comparative period. Additionally, incremental revenue was generated from the rental of two water injection skids constructed by the OS division in late 2017.

Environmental Services revenue for the three months ended March 31, 2018 remained relatively consistent with the 2017 comparative period as higher drilling waste and bin revenue resulting from increased market share and higher customer activity was offset by decreased reclamation and remediation revenue as many customers have deferred this type of spending.

Direct expenses (OS division)

Direct expenses for the three months ended March 31, 2018 increased 49% to $25.5 million from the 2017 comparative period. In addition to increased direct expenses corresponding to changes in activity levels from the 2017 comparative period, the OS division incurred higher operating expenses from the start-up of new service offerings, geographic expansion and from the addition of personnel to initiate and manage other strategic growth initiatives. Repair and maintenance expenses also increased over the comparative period as a result of higher job volumes.

Operating margin for the three months ended March 31, 2018 improved by 19% to $6.6 million over the prior year comparative period due primarily to increased revenue. The OS division operating margin as a percentage of revenue for the three months ended March 31, 2018 was 21%, which decreased from 25% for the prior year three month comparative period. The OS division's operating margin as a percentage of revenue can fluctuate depending on the volume and type of projects undertaken and from the blend of business between remediation and reclamation projects, demolition projects, pipeline integrity projects, site clean-up, and other services provided in any given period. Additionally, margins in the quarter were negatively impacted by competitive pricing which decreased equipment and labour rates charged to customers for certain Project work, and from the impact of fixed costs associated with reclamation and remediation services due to reduced job volumes.

Depreciation and Amortization (OS division)

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
Depreciation and amortization	2,742	3,044	(10)

Depreciation and amortization expense relates primarily to heavy duty field and rental equipment required to execute the OS division's services and from intangible assets arising from previous acquisitions. Depreciation and amortization expense for the three months ended March 31, 2018 decreased by 10% as a result of fully amortized intangibles which reduces amortization expense.

General and Administrative Expenses (OS division)

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
General and administrative expenses	1,860	2,078	(10)
% of OnSite services revenue	6%	9%	

G&A expenses for the three months ended March 31, 2018 decreased by 10% from the 2017 comparative period to $1.9 million as certain personnel and office costs included in the comparative figure were transferred to the PRD division at the start of this year. The impact of this change is partially offset by additional business development expenses resulting from the OS division's growth initiatives. As a percentage of OS revenue, G&A expenses have decreased to 6% in the three months ended March 31, 2018 from 9% in the three months ended March 31, 2017, primarily due to the increase in revenue.

CORPORATE INCOME AND EXPENSES

Corporate General and Administrative Expenses

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
General and administrative expenses	5,035	3,793	33

Included in corporate G&A expenses are all public company costs, salaries, and office costs relating to corporate employees and officers, as well as additional support services that are shared across all three operational business units. Compared to the same period in 2017, corporate G&A expenses increased $1.2 million in the three months March 31, 2018 due to higher personnel, professional and information technology costs associated with higher activity levels.

Share-based Compensation

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
Share-based compensation	5,628	6,174	(9)

Share-based compensation for the three months ended March 31, 2018 was $5.6 million, a 9% decrease from the 2017 comparative period. Share-based compensation fluctuates based on timing of grants and any forfeitures of share-based awards, the effects of vesting, and changes in share price. Secure has moved to primarily granting unit incentives to employees, consisting of restricted share units ("RSUs") and performance share units ("PSUs") rather than share options. The decrease to share-based compensation expense is primarily due to lower expense related to share options partially offset by an increased expense related to unit incentives.

Business Development Expenses

($000's)	Three months ended Mar 31, 2018	2017	% Change
Business development	**1,306**	1,640	(20)

Business development expenses include prospect costs associated with organic growth and acquisition opportunities in Canada and the U.S. Business development expenses of $1.3 million for the three months ended March 31, 2018 decreased 20% from the comparative period in 2017. In the comparative period, business development costs included the DPS division's research and development costs. Following the production chemicals acquisition in April 2017, these costs have been recorded within the DPS division's G&A expense, or as an intangible asset where the criteria for capitalization have been met. Excluding this impact, business development costs have increased slightly due to a higher head count and associated personnel costs in the business development group.

Secure's business development team has continued to advance certain organic projects and regulatory approvals to ensure they are project ready to position Secure for continued market share growth and an expanded regional presence. Secure continually pursues various acquisition opportunities that would complement Secure's existing service lines, increase market share, and expand geographical presence.

Interest and Finance Costs

($000's)	Three months ended Mar 31, 2018	2017	% Change
Interest and finance costs	**3,443**	2,462	40

Interest and finance costs includes interest expense, amortization of financing fees, accretion expense realized with the passage of time on onerous lease contracts, all realized and unrealized foreign exchange differences arising from translation gains and losses that are not recorded to other comprehensive income and all realized and unrealized gains or losses related to interest rate swaps on the Corporation's second lien credit facility. The interest expense portion has varied as a direct result of the unrealized mark to market gain on the Corporation's interest rate swap, more than offset by the fluctuation in the average balance drawn on the credit facilities. The average long-term borrowings balance increased 62% in the three months ended March 31, 2018 from the 2017 comparative period.

Foreign Currency Translation Adjustment

($000's)	Three months ended Mar 31, 2018	2017	% Change
Foreign currency translation (gain) loss, net of tax	**(3,650)**	1,804	(302)

Included in other comprehensive (income) loss is a gain of $3.7 million for the three months ended March 31, 2018 related to foreign currency translation adjustments resulting from the conversion of the assets, liabilities and financial results of the Corporation's ongoing U.S. operations for the three months ended March 31, 2018. The foreign currency translation adjustment included in the consolidated statements of comprehensive income does not impact net earnings for the period.

Income Taxes

($000's)	Three months ended Mar 31, 2018	2017	% Change
Income taxes			
Current tax expense (recovery)	**821**	(25)	(3,384)
Deferred tax expense	**3,928**	3,920	-
Total income tax expense	**4,749**	3,895	22

Income tax expense for the three months ended March 31, 2018 was $4.7 million compared to $3.9 million in the 2017 comparative period. The overall increase in income tax expense is due primarily to higher pre-tax income in the three months ended March 31, 2018 compared to the 2017 comparative period.

SUMMARY OF QUARTERLY RESULTS

Seasonality

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. As a result, road bans are implemented prohibiting heavy loads from being transported in certain areas, limiting the movement of heavy equipment required for drilling and well servicing activities. In addition, the transportation of heavy waste loads is restricted resulting in smaller loads and a general reduction in the volume of waste delivered to Secure's facilities. Accordingly, while the Corporation's facilities are open and accessible year-round, spring break-up reduces the Corporation's activity levels. In the areas in which Secure operates, the second quarter has generally been the slowest quarter as a result of spring break-up. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

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

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue (excluding oil purchase and resale)	181,698	184,740	162,596	115,372	140,713	124,584	100,160	66,148
Oil purchase and resale	523,747	494,816	451,143	468,952	309,876	405,939	301,640	202,460
Total Revenue	705,445	679,556	613,739	584,324	450,589	530,523	401,800	268,608
Earnings (loss) for the period	6,077	(23,934)	(179)	(13,529)	3,440	(10,075)	(8,121)	(20,681)
Earnings (loss) per share - basic and diluted	0.04	(0.15)	0.00	(0.08)	0.02	(0.06)	(0.05)	(0.13)
Adjusted net earnings (loss)(1)	5,970	(2,057)	(1,218)	(13,315)	3,502	(11,430)	(7,617)	(20,467)
Earnings (loss) per share adjusted - basic and diluted(1)	0.04	(0.01)	(0.01)	(0.08)	0.02	(0.07)	(0.05)	(0.13)
Weighted average shares - basic	164,009,829	163,352,572	163,128,460	162,776,950	162,049,821	160,314,786	159,618,869	158,437,296
Weighted average shares - diluted	166,079,649	163,352,572	163,128,460	162,776,950	165,944,906	160,314,786	159,618,869	158,437,296
Adjusted EBITDA (1)	47,807	51,177	43,820	20,044	42,170	33,046	27,431	8,540

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

Quarterly Review Summary

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

During 2016, the Corporation's customers significantly reduced capital budgets in response to uncertainty in the price of crude oil and natural gas. The reductions impacted results in 2016. In 2017, customers began ramping up activity levels as oil prices stabilized at higher levels. These higher activity levels, combined with acquisitions and facility expansions have positively impacted results.

Each previous quarter was also impacted by the date at which an acquisition occurred or any one of the constructed or acquired FSTs, SWDs or landfills commenced operations. For a complete description of Secure's PRD, DPS, and OS division business assets and operations, please refer to the heading '*Description of Business*' in the AIF which includes a description of the date of acquisitions or on which each of Secure's facilities commenced operations.

The following summarizes the facilities commissioned and acquisitions completed in 2016 and 2017 that have impacted the quarterly results for the past two years:

- During the second quarter of 2016, Secure completed the acquisition of all of the operating assets of PetroLama Energy Canada Inc., including the Alida crude oil terminalling facility;
- During the third quarter of 2016, Secure acquired the outstanding 50% interest in the La Glace and Judy Creek joint ventures, and opened the Kakwa FST;
- In the second quarter of 2017, Secure completed the acquisition of a production chemicals business; and
- In the third quarter of 2017, Secure added ten facilities to the PRD network through the acquisition of Ceiba Energy Services Inc.

In addition to the above, Secure has completed several improvements and expansions to increase capacity and capabilities at existing facilities, primarily in the Montney and Duvernay regions of Alberta, and in North Dakota.

By offering the oil purchase and resale service, Secure's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. Revenue from this service is impacted by the change in oil prices. Additionally, volumes have been trending upward as a result of the 2016 capital additions of pipeline connected facilities, including the Alida crude oil terminalling facility, the Kakwa FST, and the increased ownership in the La Glace and Judy Creek FSTs.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's objective in capital program management is to ensure adequate sources of capital are available to carry out its capital plan, while maintaining operational growth, payment of dividends and stable cash flow so as to sustain future development of the business.

Secure expects cash flow to climb as a result of improving activity levels as well as contributions from capital investments made by Secure in key areas over the past several years. Given annual sustaining capital of approximately $20 million, cash interest expense of approximately $15 million and minimal cash taxes, the amount of free cash flow generated by the Corporation's assets can adequately fund annual dividends while still providing cash to fund growth capital, pay down debt, buy back shares and/or increase the dividend.

Management considers capital to be the Corporation's net debt and shareholders' equity. The Corporation's overall capital management strategy remains unchanged from prior periods. Management controls its capital structure through detailed forecasting and budgeting, as well as established policies and processes over monitoring planned capital and operating expenditures. This includes the Board 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, Adjusted EBITDA on all of its operations, and senior and total debt to Adjusted EBITDA.

The amount drawn on Secure's credit facilities increased by 15% to $344.0 million at March 31, 2018 compared to $300.0 million at December 31, 2017. The increase relates to consideration paid for organic growth and expansion projects previously described, partially offset by cash flows from operating activities. Refer to the '*Financing Activities*' section below for further information with regards to net debt.

Issued capital increased by 1% to $1.1 billion at March 31, 2018 from December 31, 2017. The slight increase is a result of capital issued through the exercise of options and the release of RSUs and PSUs under the Corporation's Unit Incentive Plan.

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 the Corporation's liquidity reflects estimates, assumptions and judgments relating to current market conditions. The Corporation intends to fund its operations, working capital requirements, dividends and capital program primarily with cash flow from operations and its credit facilities. At March 31, 2018, the Corporation had $194.7 million available under its credit facilities, subject to covenant restrictions.

The Corporation's credit facilities require that Secure maintain certain coverage ratios, as follows:

- The senior debt to EBITDA ratio shall not exceed 3.5:1;
- The total debt to EBITDA ratio shall not exceed 5.0:1; and
- The interest coverage ratio, defined as EBITDA divided by interest expense on total debt, shall not be less than 2.5:1.

As per the Corporation's credit facilities at March 31, 2018, senior debt includes amounts drawn on the first lien credit facility and finance leases, less cash balances above $5 million. Total debt is equal to senior debt plus amounts drawn under the second lien credit facility and any unsecured debt. EBITDA is adjusted for non-recurring losses, any non-cash impairment charges, any other non-cash charges, and acquisitions on a pro-forma trailing twelve month basis. At March 31, 2018, Secure was in compliance with all covenant requirements under the Corporation's credit facilities. The following table outlines the Corporation's financial covenant ratios as at March 31, 2018 and December 31, 2017.

	Mar 31, 2018	Dec. 31, 2017	% Change
Senior debt to EBITDA	1.4	1.1	27
Total debt to EBITDA	2.2	1.9	16
Interest coverage	11.7	12.5	(6)

Refer to Note 18 of the Annual Financial Statements for further disclosure of the Corporation's liquidity risk, and Note 9 of the Interim Financial Statements for details of the Corporation's contractual obligations and contingencies at March 31, 2018.

Management expects that the Corporation has sufficient liquidity and capital resources to meet the Corporation's obligations and commitments while managing within these covenants. However, oil and gas prices over the past several years continue to create a significant level of uncertainty in our industry which may challenge the assumptions and estimates used in the Corporation's forecasts. In light of this uncertainty, Secure will continue its prudent approach to capital spending and reduce operating costs where it does not impact safety, operations and environmental performance. To meet financial obligations, the Corporation may also adjust its dividends, draw on its first lien credit facility up to the covenant restrictions, divest assets, issue subordinated debt, or obtain equity financing.

While the Corporation has had success in obtaining financing in the past, access to capital may be more difficult in the current or future economic and operating environment. Refer to the '*Access to Capital*' discussion in the '*Risk Factors*' section of the Corporation's AIF.

The following provides a summary and comparative of the Corporation's operating, investing and financing cash flows for the three months ended March 31, 2018 and 2017.

Operating Activities

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Funds flow [1]	**42,043**	40,052	5

[1] **Refer to "*Non-GAAP Measures*" for further information.**

Funds flow, defined as cash flows from operating activities excluding changes in non-cash working capital and asset retirement costs, increased to $42.0 million for the three months ended March 31, 2018 from $40.1 million in the 2017 comparative period. Funds flow for the three months ended March 31, 2018 were positively impacted compared to the 2017 period from higher Adjusted EBITDA resulting from increased activity in the oil and gas sector, new facilities and expansions at existing facilities and improved average crude oil prices. The impact of higher Adjusted EBITDA was partially offset by increased interest paid due to a 62% increase in average debt outstanding during the three months ended March 31, 2018 over the 2017 comparative period, and higher income taxes paid corresponding to increased taxable income over the prior year.

Investing Activities

	Three months ended Mar 31,		
($000's)	**2018**	**2017**	**% Change**
Capital expenditures [1]			
Growth and expansion capital expenditures	**54,757**	7,672	614
Sustaining capital expenditures	**1,824**	4,424	(59)
Total capital expenditures	**56,581**	12,096	368

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

The Corporation's growth and expansion capital expenditures increased 614% to $54.8 million in the three months ended March 31, 2018 from the 2017 comparative period. Secure employs a prudent approach to capital spending and will continue to evaluate and allocate capital to projects which will generate the highest risk adjusted rates of return.

Growth and expansion capital expenditures for the three months ended March 31, 2018 related primarily to Kindersley-Kerrobert light oil feeder pipeline system and receipt terminal and construction of the new Gold Creek SWD facility expected to be commissioned in mid-2018, facility upgrades and the addition of a third well at the Big Mountain SWD, and long lead items and upfront engineering related to an additional SWD facility located in the Duvernay region.

During the three months ended March 31, 2018, sustaining capital was $1.8 million compared to $4.4 million in the 2017 comparative period. Sustaining capital during the quarter related primarily to operating equipment upgrades. Sustaining capital is typically minimal in the first two years of operation of a facility because each facility is constructed with new or refurbished equipment. Sustaining capital typically relates to pump and riser replacements or upgrades, and disposal well maintenance. As a facility matures, the amount of sustaining capital required generally increases. The Corporation expects to spend a similar amount on sustaining capital in 2018 as 2017, with the majority of the expenditures to occur in the second, third and fourth quarters.

Financing Activities

	Three months ended Mar 31,		
($000's)	2018	2017	% Change
Shares issued, net of share issue costs	55	2,267	(98)
Draw on credit facility	44,000	(21,000)	(310)
Capital lease obligation	(1,256)	(1,489)	(16)
Dividends paid	(11,057)	(6,347)	74
Net cash flow from financing activities	31,742	(26,569)	(219)

As at March 31, 2018, the Corporation had drawn $344.0 million on its credit facilities compared to $300.0 million as at December 31, 2017. The increase relates to growth and expansion capital, partially offset by cash flows from operating activities. As at March 31, 2018, the Corporation had $194.7 million available under its first lien credit facility, subject to covenant restrictions. The Corporation is well positioned, based on this available amount and expected cash flows from operating activities, to pursue further accretive acquisition opportunities and execute on the 2018 capital program. At March 31, 2018, the Corporation was in compliance with all covenants.

During the three months ended March 31, 2018 the Corporation declared dividends of $11.1 million to holders of common shares. In the comparative period of 2017, $9.7 million of dividends were declared, $3.4 million of which were reinvested in additional common shares through the Corporation's Dividend Reinvestment Plan ("DRIP"). Commencing with the April 2017 dividend declaration, the Corporation suspended the DRIP. Subsequently, all shareholders have received cash dividends.

Commencing with the June 2017 dividend, the Corporation increased the monthly dividend from $0.02 to $0.02125 per common share. On November 9, 2017, Secure announced a 6% increase to its monthly dividend rate from $0.02125 to $0.0225 per common share commencing with the January 15, 2018 dividend payment date for shareholders of record on January 1, 2018.

Management and the Board of Directors of the Corporation will monitor the Corporation's dividend policy with respect to forecasted Adjusted EBITDA, total and net debt, capital expenditures and other investment opportunities.

Subsequent to March 31, 2018, the Corporation declared dividends to holders of common shares in the amount of $0.0225 per common share payable on April 15, 2018 and May 15, 2018 for shareholders of record on April 1, and May 1, 2018, respectively.

CONTRACTUAL OBLIGATIONS

Refer to Note 9 of the Interim Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

A discussion of Secure's business risks is set out in the Corporation's AIF under the heading '*Business Risks*'. This section does not describe all risks applicable to the Corporation, its industry or its business, and is intended only as a summary of certain material risks. If any of such risks or uncertainties actually occur, the Corporation's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A.

OUTSTANDING SHARE CAPITAL

As at April 30, 2018, there are 164,547,187 common shares issued and outstanding. In addition, as at April 30, 2018, the Corporation had the following share-based awards outstanding and exercisable or redeemable:

Balance as at April 30, 2018	Issued	Exercisable
Share Options	5,595,996	4,950,911
Restricted Share Units	3,770,814	-
Performance Share Units	2,301,961	-

OFF-BALANCE SHEET ARRANGEMENTS

At March 31, 2018 and December 31, 2017, the Corporation did not have any off-balance sheet arrangements.

ACCOUNTING POLICIES

Secure's significant accounting policies are set out in Note 2 of the Annual Financial Statements, other than as described in Note 3 of the Interim Financial Statements.

FINANCIAL AND OTHER INSTRUMENTS

As at March 31, 2018, the Corporation's financial instruments include cash, accounts receivables and accrued receivables, accounts payable and accrued liabilities, long-term borrowings and derivative instruments. The fair values of these financial instruments approximate their carrying amount due to the short-term maturity of these instruments except long-term borrowings and derivative instruments. Long-term borrowings approximate their fair values due to the variable interest rates applied, which approximate market interest rates. Derivative instruments are fair valued at each period end in accordance with their classification of fair value through profit or loss. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices, foreign currency exchange rates and interest rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity price curves, foreign currency exchange rates and interest rates. The estimated fair value of all derivative financial instruments is based on observable market data. The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, interest rate and market risk. A discussion of how these and other risks are managed can be found in the AIF under the heading '*Business Risks*'. Further information on how the fair value of financial instruments is determined is included in the '*Critical Accounting Estimates and Judgments*' section of this MD&A.

Of the Corporation's financial instruments, cash, accounts receivable, and derivative instruments contain credit risk. The credit risk associated with cash is minimized as all cash is held at major financial institutions. The Corporation provides credit to customers in the normal course of operations. The Corporation's credit risk policy includes performing credit evaluations of its customers. Substantially all of the Corporation's accounts receivable are due from companies in the oil and natural gas industry and are subject to normal industry credit risks. Given the policies and procedures in place, management views the credit risk related to accounts receivable as low. The Corporation's exposure to losses in the event that counterparties to derivative instruments are unable to meet the terms of the contracts is considered very low as commodity derivative trades are all done with a large commodity futures exchange, and interest rate and foreign exchange hedges are done with major financial institutions.

Funds drawn under the first lien credit facility bear interest at a floating interest rate. Therefore, to the extent that the Corporation borrows under this facility, the Corporation is at risk to rising interest rates. The Corporation has managed a portion of its interest rate risk through derivative instruments to effectively fix the interest rate on the $130 million second lien credit facility until July 31, 2021.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

FUTURE ACCOUNTING PRONOUNCEMENTS

For the three months ended March 31, 2018, there were no revised standards or amendments to IFRS issued that significantly impacted the Interim Financial Statements, other than as described in Note 3 of the Interim Financial Statements. Additionally, refer to Note 3 of the Corporation's Interim Financial Statements for a description of IFRS standards issued but not yet effective that are expected to have an impact on the Corporation's financial statements in the years adopted.

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of Secure are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") for the Corporation.

DC&P are designed to provide reasonable assurance that material information relating to the Corporation is made known to the CEO and CFO by others, particularly in the period in which the annual filings are being prepared, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified in securities legislation, and includes controls and procedures designed to ensure that such information is accumulated and communicated to the Corporation's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation follows the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework.

Management, including the CEO and CFO, does not expect that the Corporation's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within the Corporation have been detected. There was no change to the Corporation's ICFR that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Refer to Note 21 of the Corporation's Annual Financial Statements for disclosure related to legal proceedings and regulatory actions.

RELATED PARTIES

Refer to Note 20 of the Corporation's Annual Financial Statements for disclosure related to related parties.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements" and/or "forward-looking information" within the meaning of applicable securities laws (collectively referred to as forward-looking statements). When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, as they relate to Secure, or its management, are intended to identify forward-looking statements. Such statements reflect the current views of Secure with respect to future events and operating performance and speak only as of the date of this document. In particular, this document contains or implies forward-looking statements pertaining to: key priorities for the Corporation's success; the oil and natural gas industry, including drilling and production trends; activity levels in the oil and gas sector, drilling levels, commodity prices for oil, natural gas liquids and natural gas; industry fundamentals for 2018; capital forecasts and spending by producers; demand for the Corporation's services and products; expansion strategy; the impact of oil and gas activity on 2018 activity levels; the Corporation's proposed 2018 capital expenditure program including expansion, growth and sustaining capital expenditures, and the timing of completion for projects, in particular the Kindersley-Kerrobert light oil feeder pipeline system and Gold Creek SWD; debt service; acquisition strategy and timing of potential acquisitions; the impact of new facilities, new service offerings, potential acquisitions, and prior year acquisitions on the Corporation's financial and operational performance and growth opportunities; 2018 Adjusted EBITDA; growth opportunities; future capital needs and how the Corporation intends to fund its operations, working capital requirements, dividends and capital program; access to capital; implementation of a NCIB to repurchase common shares and the impact of a NCIB on shareholder value; and the Corporation's ability to meet obligations and commitments and operate within any credit facility restrictions.

Forward-looking statements concerning expected operating and economic conditions are based upon prior year results as well as the assumption that levels of market activity and growth will be consistent with industry activity in Canada and the U.S. and similar phases of previous economic cycles. Forward-looking statements concerning the availability of funding for future operations are based upon the assumption that the sources of funding which the Corporation has relied upon in the past will continue to be available to the Corporation on terms favorable to the Corporation and that future economic and operating conditions will not limit the Corporation's access to debt and equity markets. Forward-looking statements concerning the relative future competitive position of the Corporation are based upon the assumption that economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest and foreign exchange rates, the regulatory framework regarding oil and natural gas royalties, environmental regulatory matters, the ability of the Corporation and its subsidiaries to successfully market their services and drilling and production activity in North America will lead to sufficient demand for the Corporation's services and its subsidiaries' services including demand for oilfield services for drilling and completion of oil and natural gas wells, that the current business environment will remain substantially unchanged, and that present and anticipated programs and expansion plans of other organizations operating in the energy industry may change the demand for the Corporation's services and its subsidiaries' services. Forward-looking statements concerning the nature and timing of growth are based on past factors affecting the growth of the Corporation, past sources of growth and expectations relating to future economic and operating conditions. Forward-looking statements in respect of the costs anticipated to be associated with the acquisition and maintenance of equipment and property are based upon assumptions that future acquisition and maintenance costs will not significantly increase from past acquisition and maintenance costs.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, including but not limited to those factors referred to under the heading "*Risk Factors*" in the AIF for the year ended December 31, 2017 and also includes the risks associated with the possible failure to realize the anticipated synergies in integrating the assets acquired in prior year acquisitions with the operations of Secure. Although forward-looking statements contained in this document are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this document are expressly qualified by this cautionary statement. Unless otherwise required by law, Secure does not intend, or assume any obligation, to update these forward-looking statements.

ADDITIONAL INFORMATION

Additional information, including the AIF, is available on available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Corporation's website at www.secure-energy.com.