MANAGEMENT DISCUSSION AND ANALYSIS

(all tabular amounts are expressed in thousands of CDN dollars, except per share amounts)

Three and Six Months ended June 30, 2015 and 2014

The following management 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 July 29, 2015. The discussion and analysis is a review of the financial results of the Corporation based upon accounting principles that are generally accepted in Canada (the issuer's "GAAP"), which includes International Financial Reporting Standards ("IFRS").

The MD&A's focus is primarily a comparison of the financial performance for the three and six months ended June 30, 2015 and 2014 and should be read in conjunction with the Corporation's annual audited consolidated financial statements and notes thereto prepared under IFRS for the years ended December 31, 2014 and 2013 and the Corporation's condensed consolidated financial statements and notes thereto for the period ended June 30, 2015. The MD&A has been prepared as of July 29, 2015. Additional information regarding the Corporation is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

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 services and innovative 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 ("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, shipping and marketing of crude oil, oilfield waste disposal and recycling. More 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. 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") and full service rail facilities ("FSR").

DRILLING SERVICES DIVISION ("DS")

The DS division provides equipment and chemicals for building, maintaining, processing and recycling of drilling, completion and production fluids. The drilling fluids service line 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 DS division 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.

ONSITE SERVICES DIVISION ("OS")

The operations of the OS division include 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 ("IFS") 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.

For a complete description of services provided in the PRD, DS and OS divisions, please refer to the headings "Secure Energy Services Inc.", "Description of Business" in the Corporation's annual information form ("AIF") for the year ended December 31, 2014.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

During the three months ended June 30, 2015, Secure completed and commissioned two new SWDs located in the active Montney and Deep Basin resource plays. There is high demand for water disposal in these areas and as such, Secure anticipates these facilities to operate at full capacity with the ability to build out additional infrastructure in response to market activity. Seasonality of the oil and gas industry, including the length of spring break-up, weather conditions, and the timing of road bans has the most significant effect on second quarter results. Financial results were influenced by muted activity levels during the second quarter of 2015 due to an extended spring break-up and the decline in oil and gas prices. Total rig count and meters drilled across the WCSB were down 53% and 43% respectively, from the 2014 comparative period as drilling programs shut down near the end of March and did not begin to ramp-up until late June. For the three months ended June 30, 2015, Secure generated adjusted EBITDA of $17.5 million. Both revenue and adjusted EBITDA were in line with the Corporation's expectations for the period given the slow ramp-up in drilling activity, a decrease in activity levels typically associated with the second quarter due to seasonality, and the current commodity price environment.

The seasonal slowdown in industry activity, compounded by the weakness in commodity pricing, had the most significant impact on the DS division results as operations are tied directly to drilling activity. PRD division revenues are heavily concentrated in production related services and with the addition of seven new facilities since the second quarter of 2014, this alleviated a portion of the impact on consolidated results. The OS division continued to post solid results on the back of increased project work, integrated service offerings, and geographic expansion through acquisitions executed in 2014.

During the quarter, Secure focused on proactively working with its customers to lower their costs and create efficiencies in handling their fluids and solids by providing innovative and integrated service solutions. In addition, Secure continued to streamline and reduce its own cost structure through cost savings initiatives implemented in the first quarter of 2015 and identifying ways to bring capital projects online faster and more cost effectively. As such, Secure will continue its prudent approach to capital spending by allocating capital to projects that generate the highest rates of return.

Secure remained active in the second quarter evaluating various acquisition opportunities that complement the Corporation's existing service offerings and will expand the geographic presence to specific locations where customers are continuing with active drilling programs.

The operating and financial highlights for the three and six month periods ending June 30, 2015 can be summarized as follows:

($000's except share and per share data)	Three Months Ended June 30, 2015	2014	% change	Six Months Ended June 30, 2015	2014	% change
Revenue (excludes oil purchase and resale)	**112,533**	155,690	(28)	**282,185**	361,322	(22)
Oil purchase and resale	**244,036**	412,249	(41)	**440,931**	732,829	(40)
Total revenue	**356,569**	567,939	(37)	**723,116**	1,094,151	(34)
Adjusted EBITDA [(1)]	**17,507**	40,393	(57)	**57,668**	97,084	(41)
Per share ($), basic	**0.13**	0.34	(62)	**0.45**	0.82	(45)
Per share ($), diluted	**0.13**	0.33	(61)	**0.45**	0.80	(44)
Net (loss) earnings	**(16,780)**	6,564	(356)	**(20,003)**	29,553	(168)
Per share ($), basic	**(0.12)**	0.06	(300)	**(0.15)**	0.25	(160)
Per share ($), diluted	**(0.12)**	0.05	(340)	**(0.15)**	0.24	(163)
Adjusted net (loss) earnings[(1)]	**(16,244)**	6,564	(347)	**(15,296)**	29,553	(152)
Per share ($), basic	**(0.12)**	0.06	(300)	**(0.12)**	0.25	(148)
Per share ($), diluted	**(0.12)**	0.05	(340)	**(0.12)**	0.24	(150)
Funds from operations [(1)]	**17,022**	40,956	(58)	**53,247**	97,313	(45)
Per share ($), basic	**0.12**	0.35	(66)	**0.41**	0.83	(51)
Per share ($), diluted	**0.12**	0.34	(65)	**0.41**	0.80	(49)
Dividends per common share	**0.06**	0.05	20	**0.12**	0.09	33
Capital expenditures [(1)]	**21,961**	82,338	(73)	**67,634**	149,075	(55)
Total assets	**1,420,412**	1,157,212	23	**1,420,412**	1,157,212	23
Long-term borrowings	**234,671**	177,541	32	**234,671**	177,541	32
Common Shares - end of period	**136,440,802**	118,890,654	15	**136,440,802**	118,890,654	15
Weighted average common shares						
basic	**136,186,284**	118,489,217	15	**129,475,350**	117,865,604	10
diluted	**136,186,284**	121,757,066	12	**129,475,350**	121,100,256	7

[(1)] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

REVENUE OF $112.5 and $282.2 MILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

- Processing and disposal volumes at PRD facilities for the three and six months ended June 30, 2015 remained relatively consistent over the 2014 comparative periods; and recovery volumes increased 15% and 17% respectively over the 2014 comparative periods. The sustained and increased volumes achieved are due to the addition of seven new facilities completed and commissioned subsequent to the second quarter of 2014. Offsetting this increase was a 44% and 47% decrease in crude oil pricing from the 2014 comparative periods which negatively impacted recovered oil revenue. Overall, this resulted in the PRD divisions achieving revenue (excluding oil purchase/resale) for the three and six months ended June 30, 2015 of $57.2 million and $126.7 million down 14% and 3% respectively from the 2014 comparative periods.
- Oil purchase and resale revenue in the PRD division for the three and six months ended June 30, 2015 decreased by 41% and 40% from the 2014 comparative periods to $244.0 million and $440.9 million. The price of crude oil declined by 44% and 47% for the three and six months ended June 30, 2015 from the 2014 comparative periods which directly reduces volumes of oil purchased and resold during the quarter. Oil purchase/resale service revenue and expense are a direct offset; however, they are expected to fluctuate with the price of crude oil throughout 2015;
- Activity in the DS division is strongly correlated with oil and gas drilling activity in the WCSB which saw a decline in active rig count for the three and six months ended June 30, 2015 of 53% and 45% from the 2014 comparative periods. As a result, DS division revenue for the three and six months ended June 30, 2015 decreased 57% and 47% to $29.0 million and $97.9 million from the 2014 comparative periods. The second quarter typically experiences lower rig counts and drilling activity due to spring break-up. Through the three and six months ended June 30, 2015, the DS division maintained a 29% market share. The division's activity

has and will continue to trend with industry rig counts, oil and gas price variances, the customer base and their level of activity.

The decrease in revenues in the PRD and DS divisions for the three and six months ended June 30, 2015 were offset by the following:

- OS division revenue has remained strong for the three and six months ended June 30, 2015 increasing 24% and 28% to $26.3 million and $57.6 million over the 2014 comparative periods. The overall increase in 2015 revenues is a direct result of increased Projects service line work, and four acquisitions completed during 2014. The OS division continues to grow through larger scale project work, diversified and integrated services, and expansion into new geographic areas.

- ADJUSTED EBITDA OF $17.5 MILLION AND $57.7 MILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015
  - Diversification and integration across Secure's three divisions has contributed to positive EBITDA for the three and six months ended June 30, 2015 as certain service lines are not as directly impacted by drilling activity. Adjusted EBITDA for the three and six months ended June 30, 2015 was $17.5 million and $57.7 million, a 57% and 41% decrease from the 2014 comparative periods. Overall, this result was in line with Secure's expectation for the periods given a reduction in active rig count and meters drilled, primarily affecting the DS division, and reduced crude oil prices impacting both the PRD and DS divisions. These factors were offset by the addition of new facilities in 2014 and the first half of 2015 in the PRD division, and the solid performance of the OS division driven by project based work and strategic acquisitions completed during 2014.

- ADJUSTED NET LOSS OF $16.2 MILLION AND $15.3 MILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015
  - For the three and six months ended June 30, 2015, Secure's adjusted net loss is $16.2 million and $15.3 million as a result of the factors discussed above impacting adjusted EBITDA combined with the following: increased share-based compensation resulting from the timing of grants of options, RSU's and PSU's; increased depreciation expense from new PRD facilities commissioned in 2014 and 2015; increased amortization expense resulting from intangible assets acquired on the eight strategic acquisitions completed during 2014; and a $3.0 million tax impact due to recent corporate tax rate increases. These increased costs were partially offset by a change in the estimated useful life of property, plant and equipment at PRD facilities effective January 1, 2015 that resulted in a reduction in depreciation expenses.

- 2015 CAPITAL BUDGET
  - Secure's capital budget is expected to be in the range of $100.0 million to $150.0 million of committed capital for 2015. Total capital expenditures for the six months ended June 30, 2015 were $67.6 million, including both growth and expansion capital.
  - Major expenditures in 2015 include:
    - Three facilities were completed and commissioned in the first quarter of 2015: Tulliby Lake FST, 13 Mile FST conversion, and the Rycroft FSR;
    - Big Mountain SWD, completed and commissioned in June 2015, located south of Grande Prairie which will service customers operating in the Deep Basin. Additional infrastructure will be required at this location as the market develops and demand increases;
    - Wonowon SWD, completed and commissioned in June 2015, located in Northeast British Columbia which will service customers operating in the Montney formation. Additional infrastructure and capacity will be required as market demand increases;

- Rycroft FSR, expanded and commissioned the facility to include water disposal services during the second quarter;
- Commenced construction of additional landfill cells at the Willesden Green and Pembina Landfills in the second quarter, with the additional cell capacity to be available in the fourth quarter of 2015;
- Pre-design and engineering of future facility locations;
- Various expansions at existing facilities to increase capacity including treaters, disposal wells and tanks; and
- Specialized rental equipment for specific OS division projects.

  - Secure is expecting to reduce its capital cost to construct by 10-20% in 2015 as a result of identifying cost efficiencies and implementing cost saving strategies. This will allow Secure to provide additional services in a more timely and cost effective manner.

- RESEARCH & DEVELOPMENT
  - 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. Secure's current research and development initiatives include the following:
    - Water Recycling Initiative: Recycling of frac flow-back fluid received at the South Grande Prairie FST to enable producers to reuse the fluid in additional frac jobs. Secure has completed a three month trial during the three months ended June 30, 2015 to understand the range and types of flow back water able to be processed, and has assessed the economic feasibility of the process. Trials in the facility have proven successful, and Secure is now planning to execute field trials in the next stage of development;
    - Oil Based Mud ("OBM") Recycling: Secure is refining the technology to recycle OBM at the South Grande Prairie FST and will continue testing various grades of material received over the next six months;
    - Research Lab: In July 2014, Secure opened a 7,000 square foot, fully equipped state of the art research laboratory facility to work directly with customers to create innovative drilling fluid systems to enhance efficiencies and reduce customer drilling days and costs in this commodity environment. Secure continues to invest in production chemicals to assist customers with enhanced oil recovery and oilsands solutions.

- MERGERS & ACQUISITIONS
  - Secure has been active in discussions on various acquisition opportunities throughout the second quarter of 2015. Secure has issued letters of intent and has entered into confidentiality agreements to allow further evaluation of these opportunities into the third quarter of 2015. Secure remains patient in executing on any acquisition opportunity to ensure the right acquisitions are executed to complement existing services and/or expand geographical presence in key operating areas. Secure also continues to pursue oil and gas producer assets in active drilling formations that will provide a cash injection to producers and provide Secure the ability to increase capacity and operational efficiencies to service customers at these key locations.

- STRONG FINANCIAL POSITION
  - Secure's debt to trailing twelve month EBITDA ratio was 1.6 as of June 30, 2015 compared to 2.0 as at December 31, 2014.
  - As at June 30, 2015, the Corporation had $446.1 million available under its credit facility.

OUTLOOK

As expected, the second quarter of 2015 was impacted by an extended spring break-up, compounded by a weak commodity environment and a significant decrease in drilling and completion activity. In the third quarter of 2015, Secure expects a continued slow ramp-up of drilling and completion activity and anticipates that adjusted EBITDA will be consistent with the first quarter of 2015.

The Corporation is committed to creating capital efficiencies by identifying ways to bring projects online faster and more efficiently. As such, Secure will continue its prudent approach to capital spending by allocating capital to projects that generate the highest rates of return, including expansions of existing facilities. In addition to internal processes that have been successful at creating cost reductions and efficiencies, Secure is expecting a 10-20% decrease in capital cost estimates to construct facilities.

The long-term outlook on commodity prices and drilling and completion activity levels remains difficult to predict; however, Secure is well positioned for success in 2015 and beyond. In the PRD division, Secure now has 38 facilities that are strategically located in each of the high impact resource plays in Western Canada and North Dakota, including: Montney, Duvernay, Deep Basin, Cardium, Viking and the Bakken, which have all remained active during the relatively low oil and gas price environment. In the DS division, Secure continues to invest in research and development and successfully innovate new solutions to drive down the number of days it takes to drill a well, create efficiencies and lower costs. The production chemicals service line continues to find new ways to help customers. In the third quarter Secure will be conducting a chemical enhanced oil recovery pilot project in the Alberta oilsands. In the OS division, Secure has diversified its service lines through strategic acquisitions and achieves best in-class safety standards all of which assist the division in winning contracts with large customers. The OS division's first oilsands contract to manage solid waste was executed during the quarter.

Secure continues to maintain a strong balance sheet and is well positioned to respond to the market's needs now, and when industry activity resumes. Despite the continued relatively low commodity price environment and its impact on drilling and completions activity in the second quarter of 2015, Secure will maintain focus on organic growth to respond to customer demands, acquisition opportunities and continuous improvement initiatives to create efficiencies in internal processes and operations.

NON-GAAP MEASURES AND OPERATIONAL DEFINITIONS

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, and certain operational definitions used by the Corporation, are further explained below.

Operating margin

Operating margin is calculated as revenue less operating expenses which includes direct product costs but excludes depreciation, depletion and amortization, general and administrative, and oil purchase/resale services. Management analyzes operating margin as a key indicator of cost control and operating efficiency.

Operating days

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

Canadian market share

Canadian market share is calculated by comparing active rigs the DS division services to total active rigs in Western Canada. The CAODC publishes total active rigs in Western Canada on a semi-weekly basis.

EBITDA and adjusted EBITDA

EBITDA is a measure showing earnings before finance costs, taxes, depreciation, depletion, amortization, non-cash impairments on the Corporation's assets, share-based compensation and other income/expenses. EBITDA is not a recognized measure under IFRS.

Adjusted EBITDA is defined as EBITDA noted above and removes the impact of other adjustments that are considered non-recurring in nature. Adjusted EBITDA is not a recognized measure under IFRS.

Management believes that in addition to net earnings, EBITDA and adjusted EBITDA are useful supplemental measures as they provide 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, charges that are non-recurring in nature, and non-cash impairment charges as these are considered outside of the normal course of business.

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
Net (loss) earnings	(16,780)	6,564	(356)	(20,003)	29,553	(168)
Add (deduct):						
Depreciation, depletion and amortization	24,209	23,633	2	51,106	44,496	15
Current tax (recovery) expense	(5,351)	708	(856)	(5,802)	8,838	(166)
Deferred income tax expense	5,679	3,273	74	6,909	3,982	74
Share-based compensation	6,010	3,993	51	12,128	6,591	84
Interest, accretion and finance costs	3,016	2,222	36	6,969	4,138	68
Other income	-	-	-	-	(514)	(100)
EBITDA	16,783	40,393	(58)	51,307	97,084	(47)
Add:						
Inventory impairment	-	-	-	1,970	-	100
Severance	724	-	100	4,391	-	100
Adjusted EBITDA	17,507	40,393	(57)	57,668	97,084	(41)

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 charges that are non-recurring, and non-cash impairments. It also removes the impact of other adjustments that are considered non-recurring in nature. Adjusted net earnings is not a recognized measure under IFRS.

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Net (loss) earnings	**(16,780)**	6,564	(356)	**(20,003)**	29,553	(168)
Adjustments, net of estimated tax effect:						
Inventory impairment	**-**	-	-	**1,457**	-	100
Severance	**536**	-	100	**3,250**	-	100
Adjusted net (loss) earnings	**(16,244)**	6,564	(347)	**(15,296)**	29,553	(152)

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 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.

ADDITIONAL NON-GAAP MEASURES

Funds from operations

Funds from operations refer to cash flow from operations before changes in non-cash working capital. Secure's management views cash flow from operating activities before changes in non-cash working capital balances as a measure of liquidity and believes that funds from operations is a metric used by many investors to assess the financial performance of the Corporation. Any use of cash from an increase in working capital in a particular period will be financed by existing cash or by the credit facility.

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Net cash flows from operating activities	**51,324**	129,654	(60)	**84,665**	135,435	(37)
Add:						
Interest paid	**1,759**	1,879	(6)	**5,318**	3,714	43
Income taxes paid	**910**	3,049	(70)	**9,780**	11,683	(16)
Non-cash working capital changes	**(36,971)**	(93,626)	(61)	**(46,516)**	(53,519)	(13)
Funds from operations	**17,022**	40,956	(58)	**53,247**	97,313	(45)

SECURE energy services

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

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; the PRD division, the DS division and the OS division. Total general and administration expenses by division excludes share-based compensation and corporate expenses, as senior management looks at each period's earnings before corporate expenses and non-cash items such as share-based compensation, as one of the Corporation's important measures of divisional performance.

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
($000's except per share data)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Revenue	**356,569**	567,939	(37)	**723,116**	1,094,151	(34)
Operating expenses:						
Direct expenses	**322,486**	506,620	(36)	**632,200**	956,445	(34)
Depreciation, depletion and amortization	**24,209**	23,633	2	**51,106**	44,496	15
Operating expenses	**346,695**	530,253	(35)	**683,306**	1,000,941	(32)
General and administrative expenses:						
General and administrative	**15,029**	15,887	(5)	**33,065**	32,492	2
Share-based compensation	**6,010**	3,993	51	**12,128**	6,591	84
Business development	**2,271**	5,039	(55)	**6,544**	7,616	(14)
General and administrative expenses	**23,310**	24,919	(6)	**51,737**	46,699	11
Operating (loss) earnings	**(13,436)**	12,767	(205)	**(11,927)**	46,511	(126)
Interest, accretion and finance costs	**3,016**	2,222	36	**6,969**	4,138	68
(Loss) earnings for the period before tax	**(16,452)**	10,545	(256)	**(18,896)**	42,373	(145)
Current tax (recovery) expense	**(5,351)**	708	(856)	**(5,802)**	8,838	(166)
Deferred tax expense	**5,679**	3,273	74	**6,909**	3,982	74
	328	3,981	(92)	**1,107**	12,820	(91)
Net (loss) earnings for the period	**(16,780)**	6,564	(356)	**(20,003)**	29,553	(168)
Other comprehensive income						
Foreign currency translation adjustment	**(2,599)**	(4,926)	(47)	**12,652**	(540)	(2,443)
Tax on foreign currency translation adjustment	**439**	115	282	**(1,343)**	(444)	202
Total comprehensive (loss) income for the period	**(18,940)**	1,753	(1,180)	**(8,694)**	28,569	(130)
(Loss) earnings per share						
Basic	**(0.12)**	0.06	(300)	**(0.15)**	0.25	(160)
Diluted	**(0.12)**	0.05	(340)	**(0.15)**	0.24	(163)

PRD DIVISION OPERATIONS

For further clarity, the Corporation's PRD division's revenue has been split into two separate service lines: processing, recovery and disposal services; and oil purchase/resale services.

Processing, recovery and disposal services:

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 or transmission 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/resale service:

The purpose of providing this service 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 rail facilities offers producers an alternative solution to get their product to market through Secure's five rail terminals situated across Alberta and Saskatchewan which carry crude by rail to virtually all North American markets.

THREE AND SIX MONTHS ENDED JUNE 30, 2015

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Revenue						
PRD services (a)	**57,188**	66,843	(14)	**126,682**	130,146	(3)
Oil purchase and resale service	**244,036**	412,249	(41)	**440,931**	732,829	(40)
Total PRD division revenue	**301,224**	479,092	(37)	**567,613**	862,975	(34)
Operating Expenses						
PRD services	**29,902**	26,488	13	**63,732**	50,223	27
Deduct: non-recurring items						
Severance and other related costs	**-**	-	-	**(188)**	-	100
PRD services less non-recurring items (b)	**29,902**	26,488	13	**63,544**	50,223	27
Oil purchase and resale service	**244,036**	412,249	(41)	**440,931**	732,829	(40)
Total operating expenses	**273,938**	438,737	(38)	**504,663**	783,052	(36)
Operating Margin [(1)] [(a-b)]	**27,286**	40,355	(32)	**63,138**	79,923	(21)
Operating Margin [(1)] as a % of revenue (a)	**48%**	60%		**50%**	61%	

[(1)] **Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information**

Revenue (PRD division)

Secure's facilities are strategically located in high impact resource plays where producers have remained active in a lower commodity price environment. Facilities that were constructed during 2014 are now generating positive returns and contributing to 2015 results as these facilities can take twelve to eighteen months to ramp-up to full operating capacity.

The continued focus on expansion in key locations and capacity constrained markets resulted in the PRD division achieving revenue of $57.2 million and $126.7 million for the three and six months ended June 30, 2015 down 14% and 3% from the 2014 comparative periods. Results achieved during the comparative second quarter of 2014 are considered to be exceptional given record levels of drilling activity from a short spring break-up, high commodity prices and supportive crude oil differentials, driving revenues that are not predictive of a typical second quarter.

Processing: Processing volumes for the three and six months ended June 30, 2015 remained consistent with the 2014 comparative periods, and can be attributed to the addition of new facilities and expansions at current facilities subsequent to the second quarter of 2014 which include: completion of the Stanley FST in July 2014, Brazeau FST in December 2014, and the Tulliby Lake and 13 Mile FSTs in March 2015.

Recovery: Throughput at the Corporation's facilities increased 15% and 17% for the three and six months ended June 30, 2015 over the 2014 comparative periods. Offsetting the increase in throughput is the decline in crude oil pricing of 44% and 47% from the 2014 comparative periods, and a continued compression of crude oil differentials which limited the Corporation's ability to fully utilize its FSRs and capitalize on crude oil marketing activities at its pipeline connected FSTs. As a result, recovery revenues have decreased by 37% and 29% for the three and six month periods ending June 30, 2015 over the 2014 comparative periods.

Disposal: Disposal volumes for the three and six month periods ended June 30, 2015 were consistent with the 2014 comparative periods. Volumes have been maintained during a period of muted drilling activity due to the addition of new facilities subsequent to the second quarter of 2014 which include: completion of the Tulliby Lake landfill in November 2014, and the Big Mountain and Wonowon SWDs in June 2015. High demand for waste disposal has continued at both the Willesden Green and Pembina landfills therefore, construction of additional cells commenced in the second quarter of 2015, with the additional capacity anticipated to be available in the fourth quarter of 2015.

Oil purchase/resale service: Revenue from oil purchase and resale services for the three and six month periods ended June 30, 2015 have decreased by 41% and 40% respectively from the 2014 comparative period. The price of crude oil has a direct impact on the volume of oil purchased and resold during the periods which correlates to the decline in crude oil pricing of 44% and 47% from the 2014 comparative periods. Oil purchase /resale revenue and expense are a direct offset however, they are expected to fluctuate with the price of crude oil.

Operating Expenses (PRD division)

Operating expenses from PRD services for the three and six months ended June 30, 2015 increased 13% and 27% to $29.9 million and $63.7 million from $26.5 million and $50.2 million in the comparative periods of 2014. The increase in operating expenses relates to the new facilities and expansions added organically at existing facilities. This includes upfront commissioning costs, wages, and training associated with the 13 Mile and Tulliby Lake FST's, the Rycroft FSR, and the Big Mountain and Wonowon SWDs.

Operating margin as a percentage of revenue for the three and six months ended June 30, 2015 was 48% and 50% compared to 60% and 61% in the comparative periods of 2014. Margins are typically lower in the second quarter and are in line with management's expectations. Margins achieved in the 2014 comparative period are not typical of second quarter seasonal activity as weather conditions and activity were at all-time highs in the prior period. The decrease in margin for both the three and six months ended June 30, 2015 from the 2014 comparative periods resulted from: a reduction in recovered oil sales, upfront commissioning costs for new facilities, and price discounts on integrated service offerings leveraging all three of Secure's operating divisions. Increased activity and cost optimization measures taken in the first quarter of 2015 at the FSRs resulted in fixed costs being recovered through operations for the three months ended June 30, 2015.

Depreciation, Depletion and Amortization (PRD division)

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
Depreciation and depletion	11,825	14,502	(18)	26,145	27,611	(5)
Amortization	3,012	742	306	6,174	1,372	350
Depreciation, depletion and amortization	14,837	15,244	(3)	32,319	28,983	12

Depreciation and depletion expense relates to the PRD division's facilities and landfills. For the three and six months ended June 30, 2015 depreciation and depletion expense decreased 18% and 5% to $11.8 million and $26.1 million from $14.5 million and $27.6 million in the comparative periods of 2014. This decline is a result of a change in the estimated useful life of property, plant and equipment at PRD facilities effective January 1, 2015. Secure reassessed the useful lives of all its property, plant and equipment based on the current condition of the assets taking into consideration the operating history of the assets. Each significant component of property plant and equipment was assessed during the exercise. As a result of the change in estimated useful life, the depreciation expense for the three and six months ended June 30, 2015 decreased by approximately $5.9 million and $11.8 million in the PRD division, offset by the impact of new facilities commissioned in 2014 and 2015. The impact of the change in estimated useful life impacted the PRD division most significantly given the large capital investments made for PRD division facilities.

Amortization expense relates to the PRD division's intangible assets acquired through acquisitions. For the three and six months ended June 30, 2015, amortization expense increased 306% and 350% to $3.0 million and $6.2 million from $0.7 million and $1.4 million in the comparative periods of 2014 as a direct result of the acquisition of a rail infrastructure business completed in August, 2014.

General and Administrative (PRD division)

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
General and administrative [(1)]	5,716	6,204	(8)	12,965	11,765	10
Deduct: Non-recurring items						
Severance and other related costs	-	-	-	(728)	-	100
General and administrative less non-recurring items	5,716	6,204	(8)	12,237	11,765	4

[(1)] **Amounts have been reclassified in the comparative period to exclude non-cash share-based compensation.**

General and administrative ("G&A") expenses for the three months ended June 30, 2015 decreased 8% to $5.7 million from $6.2 million in the 2014 comparative period as a result of cost saving initiatives executed in the first quarter of 2015. G&A expenses for the six months ended June 30, 2015 increased 10% to $13.0 million from $11.8 million in the comparative period of 2014 due to non-recurring severance costs of $0.7 million and additional expenses incurred to support the opening of new facilities.

DS DIVISION OPERATIONS

The DS division's main geographic area of operations is the WCSB. The DS division also has operations in the Rocky Mountain Region in the U.S., primarily in North Dakota and Colorado.

Drilling services:

The DS division has two main service lines: drilling fluids, and fluids and solids equipment. The drilling fluids service line is the core service of the DS division and operates in the WCSB as well as the U.S. 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 drilling 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 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.

THREE AND SIX MONTHS ENDED JUNE 30, 2015

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
Revenue						
Drilling services (a)	29,039	67,574	(57)	97,903	186,256	(47)
Operating Expenses						
Drilling services	27,215	51,444	(47)	84,379	139,825	(40)
Deduct: non-recurring items						
Severance and other related costs	(471)	-	100	(2,003)	-	100
Inventory impairment	-	-	-	(1,970)	-	100
Drilling services less non-recurring items (b)	26,744	51,444	(48)	80,406	139,825	(42)
Operating Margin [(1) (a-b)]	2,295	16,130	(86)	17,497	46,431	(62)
Operating Margin [(1)] as a % of revenue (a)	8%	24%		18%	25%	

[(1)] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

Revenue (DS division)

Revenue in the DS division is directly correlated with oil and gas drilling activity in the WCSB, most notably active rig counts and meters drilled. Traditionally, the second quarter experiences lower rig counts, reduction in meters drilled and reduced drilling activity due to spring break-up. In addition, activity levels in the second quarter of 2014 were at record highs and are not considered typical results that would be achieved in a second quarter. For the three and six months ended June 30, 2015, industry rig counts declined 53% and 45%, while meters drilled declined 43% and 42% respectively, from the 2014 comparative periods. As a result, revenue from the DS division for the three and six months ended June 30, 2015 decreased 57% and 47% to $29.0 million and $97.9 million from $67.6 million and $186.3 million in the comparative periods of 2014. This decrease in revenues for the three and six months ended June 30, 2015 was consistent with Secure's expectation given the decline in drilling activity.

Revenue in the drilling fluids service line for the three and six months ended June 30, 2015 decreased 59% and 51% from the 2014 comparative periods. The decrease was a direct result of the decrease in active rig count and meters drilled from the 2014 comparative periods combined with a decline in the price of oil reducing revenue earned on oil based drilling fluid sold to customers, as the cost of oil based fluids fluctuates with the price of oil.

Secure has continued to focus on providing customers with innovative solutions for deeper and increasingly technically complex wells. This has enabled the division to maintain market share of 29% for the three and six months ended June 30, 2015, a slight decrease from 2014 comparative periods of 33% and 32%, respectively. As the rig count has dropped substantially over the 2014 comparative periods, the timing of when customers ramp-up or slow down drilling activities has a significant effect on market share at any point in time as one rig can change the percentage of market share held.

Revenue per operating day remained consistent at $8,357 and $7,609 for the three and six months ended June 30, 2015 from $8,430 and $7,606 in the comparative periods of 2014 driven by a 9% and 8% increase in depth per well as customers continue to drill deeper, more complex wells in order to maximize their return per well in the current commodity environment.

The fluids and solids equipment revenue is driven by the size of the available equipment fleet, utilization, and rental rates in any given period. Fluids and solids equipment revenues for the three and six months ended June 30, 2015 have decreased by 26% and 23% over the 2014 comparative periods. The decrease is due to a decrease in the utilization of the equipment fleet resulting from a slowdown in industry activity, pricing pressure on rental rates, and an extended spring break-up that impacted revenues for the three and six months ended June 30, 2015.

Operating Expenses (DS division)

DS Division operating expenses for the three and six months ended June 30, 2015 decreased by 47% and 40% to $27.2 million and $84.4 million from $51.4 million and $139.8 million in the 2014 comparative periods. Overall, the decrease in operating expenses over the 2014 comparative periods was a direct result of a decrease in revenues, cost saving initiatives implemented in the first quarter of 2015, and a reduction in cost of goods sold for oil based drilling fluids.

The operating margin for the three and six months ended June 30, 2015 was 8% and 18%, down from 24% and 25% in the 2014 comparative periods. The DS division achieved record results in the 2014 comparative periods resulting from strong crude oil prices combined with a shorter than normal spring break-up. DS division's operating margin for the three and six months ended June 30, 2015 was impacted by a significant reduction in drilling activity resulting in price discounts given to customers to reflect the depressed price of crude oil, losses realized on oil based drilling fluids and the higher cost of specialty chemicals purchased from the U.S. due to foreign exchange fluctuations. Further, the reduction in drilling activity resulted in lower revenues from higher margin complementary products which are used in various types of drilling activities.

The margin above for the three and six months ended June 30, 2015 excludes the impact of $0.5 million and $4.0 million respectively, of non-recurring operating costs for severance and non-cash inventory impairment. As producers begin to ramp-up drilling programs in the third quarter of 2015, the DS division operating margin percentage is expected to be comparable to the first quarter of 2015.

Depreciation and Amortization (DS division)

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Depreciation	**2,985**	3,193	(7)	**5,950**	5,996	(1)
Amortization	**2,892**	2,193	32	**5,975**	4,386	36
Depreciation and amortization	**5,877**	5,386	9	**11,925**	10,382	15

Depreciation expense for the three and six months ended June 30, 2015 remained relatively consistent from the 2014 comparative periods.

Amortization expense for the three and six months ended June 30, 2015 increased 32% and 36% to $2.9 million and $6.0 million from $2.2 million and $4.4 million in the 2014 comparative periods. Amortization expense relates to the DS division's intangible assets acquired through acquisitions. The increase in amortization expense over the 2014 comparative periods was a direct result of two acquisitions completed during the second quarter of 2014, and one acquisition in the fourth quarter of 2014 in the DS division.

General and Administrative (DS division)

($000's)	Three Months Ended June 30, 2015	2014	% Change	Six Months Ended June 30, 2015	2014	% Change
General and administrative [1]	5,896	6,093	(3)	12,999	13,150	(1)
Deduct: Non-recurring items						
Severance and other related costs	(105)	-	100	(585)	-	100
General and administrative less non-recurring items	5,791	6,093	(5)	12,414	13,150	(6)

[1] **Amounts have been reclassified in the comparative period to exclude non-cash share-based compensation.**

G&A expense for the three and six months ended June 30, 2015 decreased 3% and 1% from the comparative periods of 2014. The decreases resulted from streamlining internal processes to create efficiencies, and cost saving initiatives implemented in the first quarter of 2015.

OS DIVISION OPERATIONS

The OS division has three main service lines: Environmental services, Integrated Fluids Solutions, and Projects. Environmental services provides 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 provide pipeline integrity (inspection, excavation, repair, replacement and rehabilitation), demolition and decommissioning, and remediation and reclamation of former wellsites, facilities, commercial and industrial properties.

THREE AND SIX MONTHS ENDED JUNE 30, 2015

($000's)	Three Months Ended June 30, 2015	2014	% Change	Six Months Ended June 30, 2015	2014	% Change
Revenue						
OnSite services (a)	26,306	21,273	24	57,600	44,920	28
Operating Expenses						
OnSite services	21,333	16,439	30	43,158	33,568	29
Deduct: non-recurring items						
Severance and other related costs	-	-	-	(116)	-	100
OnSite services less non-recurring items (b)	21,333	16,439	30	43,042	33,568	28
Operating Margin [1] (a-b)	4,973	4,834	3	14,558	11,352	28
Operating Margin [1] **as a % of revenue (a)**	19%	23%		25%	25%	

[1] **Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information**

Revenue (OS division)

Diversified service lines and integrated service offerings, combined with the four strategic acquisitions completed in 2014, delivered strong results in the OS division for the three and six months ended June 30, 2015. Revenues increased by 24% and 28% to $26.3 million and $57.6 million from $21.3 million and $44.9 million in the 2014 comparative periods.

Projects revenue for the three and six months ended June 30, 2015 increased 57% and 67% due to an acquisition completed in April 2014 which added a new geographic area and increased customer base. In addition, there was an increase in large scale demolition and remediation projects that contributed to increased revenues over the 2014 comparative periods.

IFS revenue for the three months ended June 30, 2015 decreased 32% from the 2014 comparative period as a direct result of a longer spring break-up reflective of typical second quarter activity, and the late ramp-up of drilling activity into June

which delayed the start of projects. Revenue for the six months ended June 30, 2015 increased 8% over the 2014 comparative period due to one acquisition completed subsequent to the second quarter of 2014, fleet expansion, sustained equipment utilization during a period of slower industry activity, and increased offering of complementary services.

Environmental services revenue for the three and six months ended June 30, 2015 has remained relatively consistent from the 2014 comparative periods. CleanSite bins were added to the rental fleet during 2014 and early 2015 sustaining revenues from the 2014 comparative periods. In addition, integrated service offerings with the Projects service line has resulted in the award of larger scale projects during the three months ended June 30, 2015 that will drive revenue for the remainder of 2015 including management of a producer owned landfill in the Alberta oilsands.

Operating Expenses (OS division)

Operating expenses for the three and six months ended June 30, 2015 increased 30% and 29% to $21.3 million and $43.2 million from $16.4 million and $33.6 million in the 2014 comparative periods. The increase resulted from two acquisitions completed in February 2014, one acquisition completed in April 2014 and one acquisition completed in August 2014 combined with an overall increase in activity and revenues from the 2014 comparative periods.

Operating margins in the OS division are expected to be lower in the second quarter due to the timing of road bans and unpredictable weather that can cause project delays as equipment is not able to move out to site. Given the short spring break-up in 2014, equipment remained on site with little interruption to activity and completion of jobs. The extended spring break-up in 2015, influenced by muted drilling activity levels and commodity pricing, resulted in achieving an operating margin of 19% for the three months ended June 30, 2015, down from 23% in the 2014 comparative period.

Operating margin for the six months ended June 30, 2015 was 25%, consistent with the 2014 comparative period. The operating margin for the OS division fluctuates depending on the volume and type of projects undertaken and the blend of business between remediation and reclamation projects, demolition projects, pipeline integrity projects, site clean-up, and other services in any given period. Larger scale demolition and remediation projects undertaken in the six months ended June 30, 2015 contributed a higher margin that has resulted in the division maintaining a consistent operating margin for the six month period ended June 30, 2015.

Depreciation and Amortization (OS division)

	Three Months Ended June 30,			SIx Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Depreciation	**2,026**	1,761	15	**3,927**	2,766	42
Amortization	**1,340**	880	52	**2,680**	1,760	52
Depreciation and amortization	**3,366**	2,641	27	**6,607**	4,526	46

Depreciation expense for the three and six months ended June 30, 2015 increased 15% and 42% from the 2014 comparative periods. The increase in depreciation expense over the 2014 comparative periods is due to equipment and property additions from four acquisitions completed during 2014, and organic capital additions of various types of equipment for customer specific jobs.

Amortization expense for the three and six months ended June 30, 2015 increased to $1.3 million and $2.7 million from $0.9 million and $1.8 million in the comparative periods of 2014. The increase in amortization expense over the 2014 comparative periods is a direct result of the four acquisitions completed in the OS division during 2014.

General and Administrative (OS division)

	Three Months Ended June 30,			SIx Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
General and administrative [(1)]	**2,079**	1,574	32	**4,276**	3,206	33

[(1)] Amounts have been reclassified in the comparative period to exclude non-cash share-based compensation.

G&A expenses for the three and six months ended June 30, 2015 increased 32% and 33% to $2.0 million and $4.3 million from $1.6 million and $3.2 million in the comparative periods of 2014. G&A expenses increased due to four acquisitions completed in 2014, an increase in activity and operations in the division and costs associated with moving to a new OS division office in the second quarter of 2014. G&A is expected to fluctuate based on the growth and activity of the division.

OTHER INCOME AND EXPENSES

Corporate General and Administrative Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
Corporate general and administrative	1,338	2,016	(34)	2,825	4,371	(35)

Corporate G&A expenses for the three and six months ended June 30, 2015 decreased to $1.3 million and $2.8 million from $2.0 million and $4.4 million in the comparative periods of 2014. Included in corporate expenses are all public company costs, salaries, and office costs relating to corporate employees and officers. The decrease for the three and six months ended June 30, 2015 is attributed to cost reduction measures taken in the first and second quarters of 2015 as a response to the reduction in oil and gas activity levels which included a 10% salary reduction taken by executives and fees paid to the Board of Directors.

Share-based Compensation

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
Share-based compensation	6,010	3,993	51	12,128	6,591	84

Share-based compensation for the three and six months ended June 30, 2015 increased to $6.0 million and $12.1 million from $4.0 million and $6.6 million in the 2014 comparative periods. Share-based compensation fluctuates based on timing of the grant of options, restricted share units (RSUs), performance share units (PSUs), and deferred share units (DSUs), the effects of vesting, and changes in share price.

The RSU plan was implemented by the Corporation in May, 2013. Since implementation of the RSU plan, the number of RSUs issued has increased relative to options. The fair value calculation of RSUs results in a higher value attributed to these units than that of an option thereby increasing share-based compensation. In addition, the annual grant of share-based awards was completed in January 2015 versus May 2014 therefore increasing the share-based compensation expense for the three and six months ended June 30, 2015.

Business Development Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	2015	2014	% Change	2015	2014	% Change
Business development	2,271	5,039	(55)	6,544	7,616	(14)
Deduct: Non-recurring items						
Severance and other related costs	(150)	-	100	(773)	-	100
Business development less non-recurring items	2,121	5,039	(58)	5,771	7,616	(24)

Business development expenses for the three and six months ended June 30, 2015 decreased to $2.3 million and $6.5 million from $5.0 million and $7.6 million in the comparative periods of 2014. Business development expenses include prospect costs associated with organic growth and acquisition opportunities in Canada and the U.S. and research and development costs. Business development expenses decreased for the three and six months ended June 30, 2015 due to cost reduction measures taken in the first and second quarters of 2015 as a response to the reduction in oil and gas activity levels, completion of two acquisitions in the first quarter of 2014, and three acquisitions in the second quarter of 2014.

Secure's business development team has continued to advance certain organic projects and regulatory approvals to ensure they are project ready for the second half of 2015 or early 2016 to position Secure for continued market share growth and an expanded geographical presence. Secure continues to actively pursue various merger and acquisition opportunities as the current economic environment has enabled Secure to identify prospects that would complement Secure's existing service lines, increase market share, and expand geographical presence.

Interest and Financing costs

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Interest and finance costs	**2,648**	1,946	36	**6,218**	3,584	73

Interest and financing costs for the three and six months ended June 30, 2015 increased to $2.7 million and $6.2 million from $1.9 million and $3.6 million in the 2014 comparative periods. The average debt balance for the three and six months ended June 30, 2015 increased 21% and 87% respectively, from the comparative periods of 2014. The increase in interest and financing costs is a direct result of the increased average balance drawn on the credit facility for the three and six months ended June 30, 2015.

Foreign Currency Translation Adjustment

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Foreign currency translation adjustment	**(2,599)**	(4,926)	(47)	**12,652**	(540)	(2,443)
Tax on foreign currency translation adjustment	**439**	115	282	**(1,343)**	(444)	202
Foreign currency translation adjustment, net of tax	**(2,160)**	(4,811)	(55)	**11,309**	(984)	(1,249)

Included in Other Comprehensive Income (Loss) is $(2.2) million and $11.3 million for the three and six months ended June 30, 2015 of foreign currency translation adjustments relating to the conversion of the financial results of the U.S. operations as at June 30, 2015. The U.S. dollar decreased by 1% in value relative to the Canadian dollar during the three months ended June 30, 2015 and increased by 8% in value relative to the Canadian dollar during the six months ended June 30, 2015. The foreign currency translation adjustment included in the consolidated statements of comprehensive income (loss) does not impact net (loss) earnings for the period.

Income Taxes

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Income taxes						
Current tax (recovery) expense	**(5,351)**	708	(856)	**(5,802)**	8,838	(166)
Deferred tax expense	**5,679**	3,273	74	**6,909**	3,982	74
Total income taxes	**328**	3,981	(92)	**1,107**	12,820	(91)

Income tax expense for the three and six months ended June 30, 2015 decreased to $0.3 million and $1.1 million from an expense of $4.0 million and $12.8 million in the 2014 comparative periods. The decrease in the current income tax expense for the three and six months ended June 30, 2015 is due to the decrease in the Corporation's net earnings (loss) before income taxes from the 2014 comparative periods. The increase in deferred income tax expense relates to a combination of changes in the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes compared to the amounts used for taxation purposes, compounded by the recent corporate tax rate increase impacting future periods. The estimated impact of the corporate tax rate increases on deferred tax expense for the three and six months ended June 30, 2015 was $3.0 million.

SECURE energy services

SIGNIFICANT PROJECTS

Secure's 2015 capital expenditure program included a number of significant projects. For a discussion of the Corporation's 2015 capital expenditure program, see "***Liquidity and Capital Resources***" in this MD&A.

GEOGRAPHICAL FINANCIAL INFORMATION

	Canada		US		Total	
($000's)	2015	2014	2015	2014	2015	2014
Three Months Ended June 30,						
Revenue	338,782	547,887	17,787	20,052	356,569	567,939
Six Months ended June 30,	2015	2014	2015	2014	2015	2014
Revenue	681,633	1,058,340	41,483	35,811	723,116	1,094,151
As at June 30, 2015 and December 31, 2014						
Total non-current assets	1,024,230	1,006,518	182,755	177,480	1,206,985	1,183,998

The Corporation operates two SWDs, one landfill, and three FSTs in North Dakota; and offers fluids and solids equipment, and OnSite services throughout the U.S. Rocky Mountain region. The Corporation opened its first two FSTs in North Dakota during 2014, and the 13 Mile FST conversion was commissioned in the first quarter of 2015. Commissioning of the FSTs in the U.S. provides a more diverse service offering, and has positively impacted Secure's presence in the U.S. market.

U.S. based non-current assets as at June 30, 2015 of $182.8 million have increased 3% from $177.5 million as at December 31, 2014. The increase was a direct result of the 13 Mile SWD conversion to an FST commissioned in the first quarter of 2015.

Revenue from assets in the U.S. for the three months ended June 30, 2015 decreased 11% from the comparative period of 2014. The decrease in revenue relates to a decline in oil and gas industry activity in the U.S. market directly impacting the DS division results.

Revenue from assets in the U.S. for the six months ended June 30, 2015 increased 16%, from the comparative period of 2014. Revenue from the PRD division's services in the U.S. for the six months ended June 30, 2015 have continued to grow through the addition of new facilities and expansions at current facilities subsequent to the first quarter of 2014 which include: completion and commissioning of the Keene FST in the second quarter of 2014, Stanley FST in the third quarter of 2014, and 13 Mile FST conversion in the first quarter of 2015.

SUMMARY OF QUARTERLY RESULTS

Seasonality

Seasonality impacts the Corporation's operations. 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 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 and well servicing 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.

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

($000s except share and per share data)	2015		2014				2013	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue (excluding oil purchase and resale)	**112,533**	169,652	224,523	208,743	155,690	205,632	155,427	153,868
Oil purchase and resale	**244,036**	196,895	353,561	390,671	412,249	320,580	232,522	289,892
Total Revenue	**356,569**	366,547	578,084	599,414	567,939	526,212	387,949	443,760
Net (loss) earnings for the period	**(16,780)**	(3,223)	(13,659)	14,756	6,564	22,989	11,545	12,036
(Loss) earnings per share - basic	**(0.12)**	(0.03)	(0.11)	0.12	0.06	0.20	0.10	0.11
(Loss) earnings per share - diluted	**(0.12)**	(0.03)	(0.11)	0.12	0.05	0.19	0.10	0.11
Adjusted net (loss) earnings [1]	**(16,244)**	993	14,553	16,867	6,564	22,989	11,701	12,487
(Loss) earnings per share adjusted - basic	**(0.12)**	0.01	0.12	0.14	0.06	0.20	0.11	0.11
(Loss) earnings per share adjusted - diluted	**(0.12)**	0.01	0.12	0.14	0.05	0.19	0.10	0.11
Weighted average shares - basic	**136,186,284**	122,689,850	121,266,210	120,048,665	118,489,217	117,235,063	110,706,772	108,648,873
Weighted average shares - diluted	**136,186,284**	122,689,850	123,479,368	123,736,572	121,757,066	120,436,149	113,700,987	111,500,617
Adjusted EBITDA [1]	**17,507**	40,161	55,980	58,229	40,393	56,691	42,108	41,541

[1] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

Quarterly Review Summary

As illustrated above, quarterly performance is affected by seasonal variation; however, with Secure's significant growth and acquisitions completed in the twelve months ended June 30, 2015 and 2014, variations in quarterly results extend beyond seasonal factors. While Secure has experienced increased demand for its services over most of the last eight quarters, the most significant impact relates to new facilities, expansions of existing facilities and acquisitions. However, the significant decrease in the price of crude oil and natural gas in 2015 and the continued volatility in pricing has significantly reduced the outlook for oil and gas industry activity. For 2015, the Corporation's customers have significantly reduced capital budgets in response to uncertainty in the price of crude oil and natural gas. The reductions have impacted the results for the first and second quarters of 2015 which are explained in the commentary provided under "Results of operations for the three and six months ended June 30, 2015".

With the exception of the above impact to the first and second quarters of 2015, each previous quarter was 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, DS, and OS division business assets and operations, please refer to the headings "Secure Energy Services Inc.", and "Description of Business" in the Corporation's AIF for the year ended December 31, 2014 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 since June 30, 2014 that have impacted the 2015 quarterly results: In the third quarter of 2014, the Corporation commissioned the Stanley FST, completed the acquisition of the assets of a rail transloading infrastructure business, and a rentals based business in the OS division. In the fourth quarter of 2014, the Corporation opened the Tulliby Lake Landfill and completed the acquisition of an oilfield service company that has proprietary technology products that provide high impact solutions for production, drilling and completion fluids. In the first quarter of 2015, the Corporation commissioned the Tulliby Lake FST, the 13 Mile FST conversion and the Rycroft FSR. In the second quarter of 2015, the Corporation commissioned the Big Mountain and Wonowon SWDs, and expanded the Rycroft FSR to include water disposal services.

In addition to when the facility commenced operating activities or was acquired, the quarters were also impacted by the length of time required for several oil and natural gas producers to conduct their own individual audits of the facilities to ensure Secure meets all required internal specifications for disposal of oilfield waste. This process is conducted at all landfills, FSTs and SWDs before the producer will begin sending waste. Depending on the producer, this process can take several months.

By offering the oil purchase and resale service, Secure's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. The increases realized in the last eight quarters is a result of Secure becoming a single shipper at the Judy Creek FST in the third quarter of 2013. See the "Business Risks" section in this MD&A for further discussion on this service.

LIQUIDITY AND CAPITAL RESOURCES

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 has historically funded its operations, dividends and capital program primarily with equity financing, cash flow from operations and its credit facility. 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 increased cash flow so as to sustain future development of the business.

Cash Provided by Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Funds from operations [(1)]	**17,022**	40,956	(58)	**53,247**	97,313	(45)

[(1)] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

Funds from operations for the three and six months ended June 30, 2015 decreased to $17.0 million and $53.2 million from $41.0 million and $97.3 million in the 2014 comparative periods. Funds from operations for the three and six month periods ended June 30, 2015 were negatively impacted by reduced activity in the DS division as activity levels are directly correlated with drilling activity; PRD revenues were negatively impacted by the significant decline in oil prices offset by activity from new facility additions and expansions; and positively impacted by increased projects work in the OS division combined with four strategic acquisitions completed during 2014.

Investing Activities

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Capital expenditures [(1)]						
Expansion and growth capital expenditures	**20,997**	68,506	(69)	**65,356**	118,340	(45)
Acquisitions	**-**	13,209	(100)	**-**	29,630	(100)
Sustaining capital expenditures	**964**	623	55	**2,278**	1,105	106
Total capital expenditures	**21,961**	82,338	(73)	**67,634**	149,075	(55)

[(1)] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

The Corporation's growth and expansion capital expenditures for the three months ended June 30, 2015 decreased to $21.0 million from $68.5 million in the comparative period of 2014. Growth and expansion capital expenditures for the three months ended June 30, 2015 are allocated as follows:

- $19.4 million in PRD growth and expansion capital:
  - Two facilities were completed and commissioned in the second quarter of 2015: Big Mountain and Wonowon SWDs;
  - Expansion of the Rycroft FSR to include water disposal services in response to customer demand;
  - Pre-development for new facility locations;
  - Various expansions at existing facilities to increase capacity;
- $0.2 million for long-lead equipment and pre-spend for engineering and design for 2015 and 2016 capital projects; and
- $1.4 million for rental equipment for specific OS division projects and other miscellaneous capital expenditures.

The Corporation's growth and expansion capital expenditures for the six months ended June 30, 2015 decreased to $65.4 million from $118.3 million in the comparative period of 2014. Growth and expansion capital expenditures for the six months ended June 30, 2015 are allocated as follows:

- $58.8 million in PRD growth and expansion capital:
  - 2014 carry over projects which were completed and commissioned in the first quarter of 2015: Tulliby Lake FST, 13 Mile FST conversion, and the Rycroft FSR;
  - Big Mountain and Wonowon SWDs were completed and commissioned in the second quarter;

- o Expansion of the Rycroft FSR to include water disposal services was completed and commissioned in the second quarter;
- o Pre-development for new facility locations;
- o Various expansions at existing facilities to increase capacity;

- $0.6 million for long-lead equipment and pre-spend for engineering and design for 2015 and 2016 capital projects; and
- $6.0 million for rental equipment for specific OS division projects and other miscellaneous capital expenditures.

The Corporation did not complete any acquisitions during the three and six months ended June 30, 2015 compared to acquisition costs of $13.2 million and $29.6 million in the three and six months ended June 30, 2014. In the first quarter of 2014, the Corporation completed two acquisitions in the OS division for $16.4 million in cash consideration, with assets that contributed to the Corporation's IFS service line and established an OS division market presence in the U.S. In the second quarter of 2014, the Corporation completed three acquisitions: a mineral products plant which mainly processes barite that will allow the Corporation to vertically integrate the operations in the DS division to improve logistics and quality of product, a drilling fluids business that will provide additional drilling fluids systems for highly complex wells in the deep basin and key customer relationships, and an environmental contracting business that provides services relating to spill cleanup, pond construction, and contaminated soil excavation, stockpiling, treatment, transportation and disposal and will expand the service area of the OS division.

Sustaining capital or maintenance capital refers to capital expenditures in respect of capital asset additions, or replacements required to maintain ongoing business operations. The determination of what constitutes sustaining capital expenditures versus expansion and growth capital involves judgment by management. During the three and six month periods ended June 30, 2015, sustaining capital was $1.0 million and $2.3 million compared to $0.6 million and $1.1 million for the 2014 comparative periods. Sustaining capital is typically minimal in the first two years of operation of a facility because each facility is constructed with new equipment 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 will increase.

Financing Activities

	Three Months Ended June 30,			Six Months Ended June 30,		
($000's)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Shares issued, net of share issue costs	**4,002**	5,314	(25)	**198,732**	9,100	2,084
(Repayment) draw on credit facility	**(11,562)**	(42,000)	(72)	**(162,562)**	17,500	(1,029)
Dividends paid	**(8,163)**	(5,926)	38	**(15,454)**	(10,318)	50
Net cash flow (used in) from financing activities	**(15,723)**	(42,612)	(63)	**20,716**	16,282	27

On March 24, 2015, the Corporation closed a bought deal financing with a syndicate of underwriters for the purchase of 13,515,370 common shares (including overallotment) of the Corporation at a price of $14.65 per common share for gross proceeds of $198.0 million. In connection with the offering, the Corporation incurred approximately $8.5 million in transaction costs and agent fees.

In addition, the increase of common shares relates to the exercising of options in accordance with the Corporation's share-based compensation plan (the "Plan"). Under the Plan, the Corporation may grant share options to its employees and directors for up to 10% of the issued and outstanding common shares of the Corporation calculated on a non-diluted basis at the time of grant. 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. Lastly, the increase relates to the vesting of RSUs in accordance with the Corporation's RSU plan in which common shares were issued. RSUs issued vest in three equal portions on the first, second and third anniversary of the grant date and are settled in common shares of the Corporation.

As at June 30, 2015, the Corporation had drawn $235.6 million on its credit facility compared to $178.0 million as at June 30, 2014. The increase in the amount drawn on the credit facility primarily relates to excess funds required for acquisitions, capital expenditures, working capital requirements, tax installments and dividends over funds generated from operations and the bought deal equity financing completed in the first quarter of 2015. The Corporation had $446.1 million available under its credit facility as at June 30, 2015. The Corporation is well positioned, based on the available amount of its credit facility and expected funds from operations, to execute on the remaining 2015 capital program. At June 30, 2015, the Corporation was in compliance with all covenants.

At June 30, 2015, the Corporation had issued approximately $18.2 million in letters of credit and approximately $16.7 million of performance bonds to various environmental regulatory authorities in Alberta and British Columbia and letters of credit related to certain crude oil marketing contracts.

During the three and six months ended June 30, 2015, the Corporation paid dividends of $8.2 million and $15.5 million to holders of common shares. Of the dividends declared for the three and six months ended June 30, 2015, $1.7 million and $2.7 million was reinvested in additional common shares through the Corporation's Dividend Reinvestment Plan ("DRIP").

Subsequent to June 30, 2015, the Corporation declared dividends to holders of common shares in the amount of $0.02 per common share payable on July 15, 2015 for shareholders of record on July 1, 2015.

Contractual Obligations

The Corporation has a total of $284.8 million in commitments, excluding the above commitment relating to the credit facility. This amount includes commitments for operating and finance lease agreements including heavy equipment, vehicles, land leases, office space and rail car operating leases; committed crude oil volumes for pipeline throughput at certain of the Corporation's pipeline connected FSTs reflecting the total payment required should the corporation not fulfill the committed pipeline volumes; capital commitments relating to purchases for use in the Corporation's current and future capital projects; and inventory purchase commitments for use in the normal course of operations. Overall, the Corporation has sufficient funds from operations and availability through the credit facility to meet upcoming commitments.

($000's)	1 year or less	1-5 years	5 years and thereafter	Total
Finance leases	10,188	9,774	-	**19,962**
Operating leases	10,494	30,328	10,995	**51,817**
Crude oil transportation	19,402	88,648	49,578	**157,628**
Inventory purchases	10,463	35,100	-	**45,563**
Capital commitments	8,527	-	-	**8,527**
Earn out payments	1,332	-	-	**1,332**
Total commitments	**60,406**	**163,850**	**60,573**	**284,829**

In the normal course of operations, the Corporation is committed to the purchase and sale of volumes of commodities for use in the Corporation's operations and crude oil marketing activities. In addition, the Corporation is 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.

BUSINESS RISKS

A comprehensive listing of the Corporation's business risks are set out in the Corporation's Annual Information Form for the year ended December 31, 2014 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 occurs, 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 July 29, 2015, there were 136,627,541 Common Shares issued and outstanding. In addition as at July 29, 2015, there were 7,661,152 share options outstanding, of which 3,534,910 were exercisable, 1,341,099 RSUs outstanding, of which nil were redeemable, and 152,653 PSUs outstanding, of which nil were redeemable.

OFF-BALANCE SHEET ARRANGEMENTS

At June 30, 2015 and 2014, the Corporation did not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

For the three and six months ended June 30, 2015, the Corporation earned $2.7 million and $7.9 million of revenue and incurred $0.2 million and $0.8 million of expenses with related parties. Related parties include companies that have common directors, officers, employees and shareholders. The nature of the expenses relate to operating and general and administrative expenses for use in the Corporation's PRD, DS and OS divisions. 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 three and six months ended June 30, 2015, the Corporation has not recorded any impairment of receivables relating to amounts owed by related parties (three and six months ended June 30, 2014 - $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.

ACCOUNTING POLICIES

Secure's significant accounting policies are set out in Note 2 of the Corporation's annual audited consolidated financial statements for the year ended December 31, 2014 other than as described in Note 2 of the June 30, 2015 unaudited condensed consolidated financial statements.

FINANCIAL AND OTHER INSTRUMENTS

As at June 30, 2015, the Corporation's financial instrument assets include cash, accounts receivables and accrued receivables. The Corporation's financial instrument liabilities include accounts payable and accrued liabilities, and long-term borrowings. The fair values of these financial instruments approximate their carrying amount due to the short term maturity of these instruments except long-term borrowings. Long-term borrowings approximate their fair values due to the variable interest rates applied, which approximate market interest rates. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to foreign currency exchange rates or crude oil differentials. Fair values of derivative contracts fluctuate depending on the underlying estimates of future foreign currency exchange rates or the underlying estimates of crude oil differentials. The estimated fair value of all derivative financial instruments are based on observable market data. The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, and market risk. A discussion of how these and other risks are managed can be found in the "Business Risk" section of this MD&A. 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.

There are no off-balance sheet arrangements. Of the Corporation's financial instruments, only accounts receivable represent credit risk. 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. Funds drawn under the 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 is also exposed to credit risk with respect to its cash. However, the risk is minimized as all cash is held at a major Canadian financial institution.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the Corporation's condensed consolidated 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 condensed consolidated 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 condensed consolidated financial statements have been set out in the Corporation's MD&A for the year ended December 31, 2014 and the audited annual consolidated financial statements and notes thereto for the year ended December 31, 2014. Effective January 1, 2015, Secure reassessed the useful lives of property, plant and equipment based on the current condition of the assets taking into consideration the operating history of the assets. As a result of this change, there was a decrease in depreciation and depletion expense for the three and six months ended June 30, 2015 of $6.8 million and $13.6 million, respectively, and Secure anticipates a decrease of $27.2 million for the year ending December 31, 2015, notwithstanding additions during the year. Secure could not determine the effect of the change in estimate for future periods beyond 2015 as the information will not be meaningful as capital expenditures for future periods and timing of new facilities being commissioned are subject to a high level of uncertainty.

FUTURE ACCOUNTING PRONOUNCEMENTS

For the three months and six months ended June 30, 2015, there were no revised standards or amendments to IFRS issued.

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 and interim 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 have been no changes to the Corporation's ICFR during the three and six months ended June 30, 2015, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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, the Corporation claims damages in the amount of $37.9 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. As a result of the Corporation's application to the Chief Justice of the Alberta Queen's Bench, the Corporation has received permission of the Court to increase the Counterclaim to $97.8 million. The amended counterclaim will now include 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. A decision to that effect by the Competition Tribunal of Canada was reviewed by the Supreme Court of Canada. On January 22, 2015 the Supreme Court of Canada overturned the Federal Court of Appeal and decided in Tervita's favour. The conclusion of the action taken by the Competition Bureau does not bar Secure from pursuing the civil remedies available to it on its counterclaim as filed in the Queen's Bench of Alberta.

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.

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: corporate strategy; goals; general market conditions; the oil and natural gas industry; activity levels in the oil and gas sector, including market fundamentals and the impact to each division on revenue and operating margins, drilling levels, commodity prices for oil, natural gas liquids ("NGLs") and natural gas; industry fundamentals for the third and fourth quarters of 2015; capital forecasts and spending by producers; demand for the Corporation's services; expansion strategy; the impact of the reduction in oil and gas activity on 2015 activity levels; revenue and operating margin for the PRD, DS and OS divisions; the amount of the revised 2015 capital program; the amounts of the PRD, DS and OS divisions' proposed 2015 capital budgets and the intended use thereof; debt service; capital expenditures; completion of facilities; the impact of new facilities on the Corporation's financial and operational performance; future capital needs; access to capital; acquisition strategy; anticipated commissioning of the water recycling at South Grande Prairie FST, and the recovery of hydrocarbons technology.

Forward-looking statements concerning expected operating and economic conditions are based upon prior year results as well as the assumption that increases in market activity and growth will be consistent with industry activity in Canada, and the U.S. and growth levels in similar phases of previous economic cycles. 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 favourable 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 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 service industry will result in increased demand for the Corporation's services and its subsidiary's 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 and under the heading "Business Risks" and under the heading "Risk Factors" in the Corporation's AIF for the year ended December 31, 2014. 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 Secure's AIF, is available on SEDAR at www.sedar.com and on the Corporation's website at www.secure-energy.com.