SECURE energy services

Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2013 and 2012

(Expressed in Canadian Dollars)

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Financial Position

($000's) (unaudited)	Notes	September 30, 2013	December 31, 2012
Assets			
Current assets			
Cash		8,909	7,506
Accounts receivable and accrued receivables		162,640	125,006
Prepaid expenses and deposits		4,501	3,997
Inventories	4	38,086	42,618
		214,136	179,127
Assets under construction	5	97,090	103,179
Property, plant and equipment	6	467,904	313,426
Intangible assets		82,975	79,663
Goodwill		100,731	92,516
Total Assets		962,836	767,911
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		124,084	106,233
Current income tax liability		2,513	263
Finance lease liabilities		5,491	4,114
		132,088	110,610
Long term borrowings	7	210,489	122,810
Asset retirement obligations	8	31,303	24,274
Finance lease liabilities		9,351	4,158
Deferred income tax liability		36,851	27,660
Total Liabilities		420,082	289,512
Shareholders' Equity			
Issued capital	9	452,786	415,288
Share-based payment reserve	10	13,028	9,400
Foreign currency translation reserve		1,449	(1,091)
Retained earnings		75,491	54,802
Total Shareholders' Equity		542,754	478,399
Total Liabilities and Shareholders' Equity		962,836	767,911

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

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Comprehensive Income

($000's except per share and share data) (unaudited)	Notes	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Revenue		**443,760**	249,208	**1,104,591**	750,583
Operating expenses		**403,285**	224,435	**1,010,000**	678,506
General and administrative		**16,941**	11,390	**45,082**	32,005
Business development		**2,889**	1,015	**6,828**	2,831
Interest, accretion and finance costs		**2,140**	1,323	**4,706**	3,844
Total expenses		**425,255**	238,163	**1,066,616**	717,186
Other (expenses)/income	**6**	**(604)**	-	**1,071**	-
Earnings for the period before income taxes		**17,901**	11,045	**39,046**	33,397
Current income tax expense		**4,496**	2,022	**8,076**	5,047
Deferred income tax expense		**1,369**	2,669	**3,552**	5,932
		5,865	4,691	**11,628**	10,979
Net earnings for the period		**12,036**	6,354	**27,418**	22,418
Other comprehensive income/(expense)					
Foreign currency translation adjustment		**1,449**	(1,815)	**2,540**	(2,034)
Total comprehensive income for the period		**13,485**	4,539	**29,958**	20,384
Earnings per share					
Basic, earnings for the period per common share		**0.11**	0.06	**0.26**	0.24
Diluted, earnings for the period per common share		**0.11**	0.06	**0.25**	0.23
Weighted average shares oustanding - basic	**9**	**108,648,873**	98,724,604	**106,750,533**	93,655,304
Weighted average shares oustanding - diluted	**9**	**111,500,617**	101,492,349	**109,537,459**	96,645,131

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

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Changes in Shareholders' Equity

($000's) (unaudited)	Notes	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total Shareholders' Equity
Balance at December 31, 2012		**415,288**	**9,400**	**(1,091)**	**54,802**	**478,399**
Net earnings for the period		-	-	-	27,418	**27,418**
Dividends declared	**9**	-	-	-	(6,729)	**(6,729)**
Shares issued under dividend reinvestment plan	**9**	833	-	-	-	**833**
Foreign currency translation adjustment		-	-	2,540	-	**2,540**
Issue of share capital for business acquisition	**3**	29,236	-	-	-	**29,236**
Exercise of options		7,619	(1,822)	-	-	**5,797**
Share issue costs, net of tax	**9**	(190)	-	-	-	**(190)**
Share-based payments	**10**	-	5,450	-	-	**5,450**
Balance at September 30, 2013		**452,786**	**13,028**	**1,449**	**75,491**	**542,754**
Balance at December 31, 2011		**321,498**	**5,558**	**231**	**21,750**	**349,037**
Net earnings for the period		-	-	-	22,418	22,418
Foreign currency translation adjustment		-	-	(2,034)	-	(2,034)
Issue of share capital for business acquisition	**3**	5,753	-	-	-	5,753
Issue of share capital, net of tax		86,250	-	-	-	86,250
Exercise of options and warrants		4,980	(1,151)	-	-	3,829
Share issue costs, net of tax		(3,623)	-	-	-	(3,623)
Share-based payments		-	3,752	-	-	3,752
Balance at September 30, 2012		**414,858**	**8,159**	**(1,803)**	**44,168**	**465,382**

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

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Cash Flows

($000's) (unaudited)	Notes	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Cash flows from operating activities					
Net earnings for the period		12,036	6,354	27,418	22,418
Adjustments for non-cash items:					
Depreciation, depletion and amortization		18,711	11,260	46,832	30,047
Accretion	8	187	85	486	261
Deferred income tax expense		1,369	2,669	3,552	5,932
Amortization of financing fees	7	70	107	207	321
Unrealized foreign exchange loss		171	117	234	56
Impairment loss	6	(1,661)	-	1,052	-
Share-based payments	10	2,186	1,287	5,891	3,976
Funds from operations		33,069	21,879	85,672	63,011
Change in accounts receivable and accrued receivables, current income tax asset related to operating activities, and prepaid expenses and deposits		(47,900)	(32,210)	(28,979)	14,296
Change in inventories		(1,741)	(348)	4,489	772
Change in accounts payable, accrued liabilities and current income tax liability related to operating activities		45,141	12,155	19,654	(26,239)
Net cash flows from operating activities		28,569	1,476	80,836	51,840
Cash flows from investing activities					
Purchase of property, plant and equipment		(54,321)	(43,363)	(133,918)	(103,195)
Business combinations, net of cash acquired	3	(21,335)	(6,882)	(26,683)	(30,788)
Change in non-cash working capital		(13,689)	17,586	(5,944)	24,953
Net cash flows used in investing activities		(89,345)	(32,659)	(166,545)	(109,030)
Cash flows from financing activities					
Shares issued		2,295	82,525	6,433	85,254
Draw/(Repayments) on credit facility	7	66,000	(46,000)	87,500	(30,000)
Financing fees		-	(29)	(28)	(204)
Dividends paid	9	(4,058)	-	(6,729)	-
Net cash flows from financing activities		64,237	36,496	87,176	55,050
Effect of foreign exchange on cash		(143)	45	(64)	43
Increase/(decrease) in cash		3,318	5,358	1,403	(2,097)
Cash, beginning of period		5,591	3,913	7,506	11,368
Cash, end of period		8,909	9,271	8,909	9,271
Taxes paid		1,669	1,616	8,572	6,450
Interest paid		1,732	1,119	4,384	3,243

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

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Secure Energy Services Inc. ("Secure") is incorporated under the Business Corporations Act of Alberta. Secure operates through a number of wholly-owned subsidiaries (together referred to as the "Corporation") which are managed through three operating segments. The processing, recovery and disposal services division ("PRD") is primarily engaged in providing services relating to clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal and oil purchase/resale service. The drilling services division ("DS") is primarily engaged in providing services relating to drilling fluids and supplying drilling equipment. The On Site division ("OS") is primarily engaged in providing services that include the full life cycle of pipeline and facility operations, waste management and environmental sciences, asset management and recovery, civil, remediation and reclamation earthworks as well as integrated water solution services.

The following entities have been consolidated within Secure's condensed consolidated financial statements for the period ended September 30, 2013:

			% Interest	
Subsidiary	**Country**	**Segment**	**Sept 30, 2013**	**Dec 31, 2012**
Secure Energy Services Inc. (parent company)	Canada	PRD/OS		
Marquis Alliance Energy Group Inc.	Canada	DS/OS	100%	100%
SES USA Holdings Inc.	USA	PRD/DS/OS	100%	0%
Secure Energy Services USA LLC	USA	PRD/OS	100%	0%
Marquis Alliance Energy Group USA LLC	USA	DS	100%	100%
Alliance Energy Services International Ltd.	Canada	DS	100%	100%
1658774 Alberta Inc.	Canada	DS	100%	100%
Frontline Integrated Services Ltd.	Canada	OS	100%	0%
Target Rentals Ltd.	Canada	DS	100%	0%

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. As a result, the movement of the heavy equipment required for drilling 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.

Basis of Presentation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Consolidated Financial Statements and notes thereto in the Corporation's 2012 Annual Report available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION (continued)

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

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to the determination of cash generating units, determination of fair value measurements for business combination, depreciation, depletion and amortization, income tax, asset retirement obligations, recoverability of assets, share-based payments, and provision for doubtful accounts. Actual results may differ from these estimates. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the condensed consolidated financial statements.

These condensed consolidated financial statements were approved by the Board of Directors on November 7, 2013. The address of the Corporation's registered office is Suite 1900, 205 - 5th Ave S.W. Calgary, Alberta, T2P 2V7.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2012, except as below:

Investments in joint operations, consolidation, associates and disclosures

On January 1, 2013, the Corporation adopted International Financial Reporting Standard ("IFRS") 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", and IFRS 12, "Disclosures of Interests in Other Entities", and the amendments to IAS 28, "Investments in Associates and Joint Ventures". The adoption of IFRS 10, IFRS 12, and the amendments to IAS 28 did not result in a change to the consolidation of the Corporation's wholly owned subsidiaries or the related disclosures.

Under IFRS 11, a joint operation is a joint arrangement whereby two or more parties have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. A portion of the Corporation's activities are conducted jointly with others and therefore, the Corporation as a joint operator recognizes in relation to its interest in a joint operation:

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Corporation accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS applicable to the particular assets, liabilities, revenues and expenses. The adoption of the new standard had no impact on the accounting for joint arrangements.

Fair value measurement

On January 1, 2013 the Corporation adopted IFRS 13, "Fair Value Measurement", and applied the standard prospectively as required by the transitional provisions. The standard provides a consistent definition of fair value and introduces consistent requirements for disclosures related to fair value measurement. There has been no change to how the Corporation measures the fair value of financial instruments upon adoption of this standard. The carrying value of the Corporation's cash, accounts receivable and accrued receivables, and accounts payable and accrued liabilities approximate their fair value due to the short term nature of these assets and liabilities. The carrying value of the long term borrowings, not including unamortized borrowing costs, approximates fair value because the interest rates approximate current market rates. Fair value of long term borrowings at September 30, 2013 was $211.0 million (as at December 31, 2012 – $123.5 million) (Note 7).

Presentation of items in comprehensive income

On January 1, 2013, the Corporation adopted the amendments to IAS 1, "Presentation of Financial Statements". These amendments require the Corporation to group other comprehensive income ("OCI") items by those that will be reclassified subsequently to earnings and those that will not. These changes did not result in any adjustments to OCI or comprehensive income.

Share based payment plans

In March 2013, the Corporation implemented a performance share unit ("PSU") plan for senior officers. The Board of Directors shall designate, at the time of grant, the date or dates which all or a portion of the PSUs shall vest and any performance conditions to such vesting. PSUs will be settled in equity or cash at the discretion of the Corporation, in the amount equal to the fair value of the PSU on that date. If the PSUs are equity settled, the fair value of the PSUs is determined on the grant date based on the market price of the common shares on the grant date. The fair value is expensed over the vesting term on a graded vesting basis and represents the fair value for the graded vested portion of the PSUs outstanding plus the graded vested portion of any dividends paid on common shares since the grant date. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of PSUs that vest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Corporation does not intend to make cash payments under the PSU and RSU plans ("PSU/RSU plans") and, as such, the RSUs are accounted for within shareholders' equity.

Reclassification of prior period amounts

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current year.

3. BUSINESS COMBINATION

Frontline Integrated Services Ltd.

On April 1, 2013, the Corporation acquired all of the issued and outstanding shares of Frontline Integrated Services Ltd. ("Frontline") for total cash consideration of $2.7 million, assumption of $2.7 million of debt, and the issuance of 1,394,616 common shares of the Corporation at a closing price of $12.19 per share for consideration of $22.4 million, which was adjusted to fair value consideration for accounting purposes to $19.3 million. The fair value for accounting purposes was determined using a discounted cash flow analysis and was adjusted after considering such factors as the escrow period (shares to be released over various periods, see Note 9a) and liquidity of the Corporation's shares in the market place.

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

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

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

3. BUSINESS COMBINATION (continued)

The acquisition has been accounted for using the acquisition method on April 1, 2013, whereby the assets acquired and the liabilities assumed were recorded at their fair values with the surplus of the aggregate consideration relative to the fair value of the identifiable net assets recorded as goodwill. The Corporation assessed the fair values of the net assets acquired based on management's best estimate of the market value, which takes into consideration the condition of the assets acquired, current industry conditions and the discounted future cash flows expected to be received from the assets as well as the amount it is expected to cost to settle the outstanding liabilities. Subsequent to the acquisition date, Frontline's operating results have been included in the Corporation's revenues, expenses and capital spending.

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

Balance, April 1, 2013	Amount ($000's)
Net working capital (excluding cash)	2,112
Property and equipment	5,610
Intangible assets	8,726
Goodwill	3,641
Deferred tax liability	(810)
	19,279

The allocations and determinations of the consideration described above are preliminary and subject to changes upon final adjustments. Pursuant to the purchase and sale agreement, $1.5 million of the cash consideration is held under trust conditions to account for any potential material accounts receivable allowances.

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

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

From the date of acquisition to September 30, 2013 Frontline contributed an estimated $17.8 million of revenue and $0.2 million of earnings before tax for the Corporation. If the business combination had been completed on January 1, 2013, the estimated revenue and earnings before income tax for the nine month period ending September 30, 2013 would have been $23.4 million and $0.2 million, respectively.

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

Target Rentals Ltd.

On July 2, 2013, the Corporation, through its wholly owned subsidiary Marquis Alliance Energy Group Inc., acquired all of the issued and outstanding shares of Target Rentals Ltd. ("Target") for a total fair value consideration of $36.6 million, comprising: total cash consideration of $18.7 million; assumption of $2.6 million of debt; and the issuance of 1,367,047 common shares of the Corporate at a closing price of $13.72 per share, which was adjusted to fair value consideration for accounting purposes to $36.6 million.

3. BUSINESS COMBINATION (continued)

The fair value for accounting purposes was determined using a discounted cash flow analysis and was adjusted after considering such factors as the escrow period (shares to be released over various periods, see Note 9b) and liquidity of the Corporation's shares in the market place.

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

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

Balance, July 2, 2013	Amount ($000's)
Cash paid	18,732
Shares issued	15,305
Assumption of bank debt	2,602
	36,639

The acquisition has been accounted for using the acquisition method on July 2, 2013, whereby the assets acquired and the liabilities assumed were recorded at their fair values with the surplus of the aggregate consideration relative to the fair value of the identifiable net assets recorded as goodwill. The Corporation assessed the fair values of the net assets acquired based on management's best estimate of the market value, which takes into consideration the condition of the assets acquired, current industry conditions and the discounted future cash flows expected to be received from the assets as well as the amount it is expected to cost to settle the outstanding liabilities. Subsequent to the acquisition date, Target's operating results have been included in the Corporation's revenues, expenses and capital spending.

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

Balance, July 2, 2013	Amount ($000's)
Net working capital	1,157
Property and equipment	33,000
Intangible assets	3,049
Goodwill	4,133
Deferred tax liability	(4,700)
	36,639

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

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

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

3. BUSINESS COMBINATION (continued)

From the date of acquisition, Target contributed an estimated $4.2 million of revenue and $1.1 million of earnings for the period before tax of the Corporation. If the business combination had been completed on January 1, 2013, an estimated $12.2 million of revenue and $2.8 million of earnings before tax for the nine month period ending September 30, 2013 would have been recorded, respectively.

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

4. INVENTORIES

($000's)	Sept 30, 2013	Dec 31, 2012
Crude oil and natural gas liquids	3,435	3,192
Drilling fluids	34,282	39,077
Spare parts and supplies	369	349
Total inventories	38,086	**42,618**

Inventories are shown at the lower of cost and net realizable value. Crude oil, natural gas liquids and drilling fluids inventories recognized as operating expenses in the condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2013 were $340.2 million and $781.9 million, respectively (three and nine months ended September 30, 2012 – $186.6 million and $568.1 million, respectively).

Inventories are included in the general security agreements held by the banks as security for the Corporation's credit facility (Note 7).

5. ASSETS UNDER CONSTRUCTION

($000's)	Sept, 2013	Dec 31, 2012
Projects under construction	94,347	101,339
Equipment (under refurbishment)	2,743	1,840
Total assets under construction	97,090	**103,179**

The amounts included in the categories above consist of assets associated with a variety of ongoing projects. $1.6 million and $3.9 million of directly attributable capitalized salaries and overhead were added to assets under construction for the three and nine months ended September 30, 2013, respectively ($0.7 million and $1.3 million for the three and nine months ended September 30, 2012).

The Corporation's policy is to capitalize borrowing costs on projects with a substantial time to completion. Typically, borrowing costs are only capitalized on the construction of the Corporation's full-service terminals. The amount of borrowing costs capitalized to assets under construction for the three and nine months ended September 30, 2013 was $0.2 million and $1.2 million, respectively (three and nine months ended September 30, 2012 - $0.1 million and $0.3 million, respectively) based on a capitalized borrowing rate of 3.75% (2012 – 3.45%).

6. PROPERTY, PLANT AND EQUIPMENT

Included in operating expenses on the condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2013 is $14.1 million and $35.9 million, respectively, of depreciation and depletion expense (three and nine months ended September 30, 2012 - $11.2 million and $30.0 million, respectively), for the Corporation's property, plant and equipment.

During the three and nine months ended September 30, 2013, $59.1 million and $138.2 million, respectively, was transferred from assets under construction to property, plant and equipment for completed projects (three and nine months ended September 30, 2012 - $9.5 million and $64.5 million, respectively).

Included in property, plant, and equipment is equipment under finance lease arrangements with a net book value of $16.0 million at September 30, 2013 (December, 31 2012 - $14.5 million). The finance lease commitments over the next five years are disclosed in Note 11.

During the second quarter of 2013, the Corporation's Brazeau SWD facility was damaged by a lightning strike. During the third quarter, the Corporation was able to determine certain property that could be salvaged, which is included in other income in the condensed consolidated statements of comprehensive income. The facility will remain closed until repairs are completed in the fourth quarter of this year.

6. PROPERTY, PLANT AND EQUIPMENT (continued)

($000's)	Land	Buildings	Plant, Infrastructure, Equipment, and Landfill Cells	Rental Equipment	Mobile Equipment	Disposal Wells	Furniture and Fixtures	Computer Equipment and Software	Total
Cost:									
December 31, 2012	3,817	29,966	256,240	30,070	6,433	55,932	2,738	5,935	**391,131**
Additions from business combinations (Note 3)	-	-	5,403	-	-	-	75	132	**5,610**
Additions from business combinations (Note 3)	-	-	-	32,822	-	-	150	28	**33,000**
Additions	199	12,421	105,907	9,327	1,212	13,097	1,059	4,350	**147,572**
Impairment	-	(90)	(962)	-	-	-	-	-	**(1,052)**
Change in asset retirement cost	-	-	3,999	-	-	2,406	-	-	**6,405**
Disposals	-	-	(3,306)	-	(292)	(26)	-	-	**(3,624)**
Foreign exchange effect	8	84	655	259	2	256	(48)	5	**1,221**
September 30, 2013	**4,024**	**42,381**	**367,936**	**72,478**	**7,355**	**71,665**	**3,974**	**10,450**	**580,263**
Accumulated depreciation and depletion:									
December 31, 2012	-	(3,595)	(56,731)	(3,897)	(2,348)	(8,621)	(550)	(1,963)	**(77,705)**
Depreciation and depletion	-	(1,693)	(25,092)	(3,030)	(1,045)	(3,117)	(827)	(1,048)	**(35,852)**
Disposals	-	-	1,333	-	98	1	-	-	**1,432**
Foreign exchange effect	-	(13)	(112)	(90)	(1)	(10)	(1)	(7)	**(234)**
September 30, 2013	**-**	**(5,301)**	**(80,602)**	**(7,017)**	**(3,296)**	**(11,747)**	**(1,378)**	**(3,018)**	**(112,359)**
Net book value:									
September 30, 2013	**4,024**	**37,080**	**287,334**	**65,461**	**4,059**	**59,918**	**2,596**	**7,432**	**467,904**
December 31, 2012	3,817	26,371	199,509	26,173	4,085	47,311	2,188	3,972	**313,426**

7. LONG TERM BORROWINGS

($000's)	Sept 30, 2013	Dec 31, 2012
Amount drawn on credit facility	**211,000**	123,500
Unamortized transaction costs	**(511)**	(690)
Total long term borrowings	**210,489**	**122,810**

Existing credit facility

On November 5, 2012, the Corporation entered into an amended and extended $300.0 million revolving credit facility (the "existing credit facility"). The existing credit facility consists of a $290.0 million extendible revolving term credit facility and a $10.0 million revolving operating facility. The Corporation can borrow by way of Canadian dollar advances through Canadian Prime Rate Loans or Bankers Acceptances or United States dollar advances through US Base Rate Loans or Libor or letters of credit denominated in Canadian or U.S. dollars. The existing credit facility provides that the Corporation may borrow, repay, draw on and convert between types of borrowings at any time.

The existing credit facility bears interest ranging from 0.75% to 2.25% above the Canadian prime rate or Bankers Acceptances ranging from 1.75% to 3.25% above the Bankers' Acceptance rate depending on the Corporation's prevailing funded debt to EBITDA ratio, with any unused amounts subject to standby fees ranging from 0.40% to 0.74%. Funded debt includes all outstanding debt, including finance leases, and any outstanding letters of credit. The existing credit facility is to be used for working capital, to refinance existing debt, for capital expenditures including permitted acquisitions, and for general corporate purposes.

The existing credit facility is due on July 31, 2015 (the "maturity date"), and includes an option for the Corporation to extend the maturity date (once per annum) to a maximum of three years from the extension request date, subject to the approval of the Corporation's lenders. Repayment of any amounts drawn on the facility would therefore be repayable on the maturity date if the credit facility was not extended.

In conjunction with obtaining the existing credit facility, the Corporation incurred transaction costs in the amount of $0.7 million, of which the unamortized amount has been offset against the outstanding principle balance of the debt. Amortization of the transaction costs recognized in interest, accretion and finance costs on the condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2013 is $0.1 million and $0.2 million, respectively (three and nine months ended September 30, 2012 – $0.1 million and $0.3 million, respectively).

The following covenants apply to the existing credit facility:

- The Funded Debt to EBITDA Ratio shall not exceed 3:00:1; where EBITDA is adjusted for acquisitions on a pro-forma trailing twelve month basis;
- The ratio of Senior Debt to Senior Debt plus Equity shall not exceed 40%; and
- The Fixed Charge Coverage Ratio shall not be less than 1:00:1.

At September 30, 2013, and December 31, 2012, the Corporation was in compliance with all covenants.

7. LONG TERM BORROWINGS (continued)

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

The available existing credit facility is reduced by any outstanding letters of credit. As at September 30, 2013, the Corporation has $25.8 million in letters of credit issued by the Corporation's lenders (December 31, 2012 - $19.6 million). The letters of credit are issued to various government authorities for potential reclamation obligations in accordance with applicable regulations (Note 8) and crude oil marketing contracts.

($000's)	Sept 30, 2013	Dec 31, 2012
Credit facility	300,000	300,000
Amount drawn on credit facility	(211,000)	(123,500)
Letters of credit	(25,845)	(19,552)
Available amount	63,155	156,948

New credit facility

Subsequent to September 30, 2013, the Corporation entered into an amended and restated extendible $400 million revolving credit facility (the "new credit facility"). The existing credit facility was increased from $300 million to $400 million and includes an accordion feature which if exercised, would increase the new credit facility by $50 million. The new credit facility consists of a $390 million extendible revolving term credit facility and a $10 million revolving operating facility.

The new credit facility bears interest ranging from 0.50% to 1.75% above the Canadian prime rate or Bankers Acceptances ranging from 1.50% to 2.75% above the Bankers' Acceptance rate depending on the Corporation's prevailing funded debt to EBITDA ratio, with any unused amounts subject to standby fees ranging from 0.34% to 0.69%. Funded debt includes all outstanding debt, including finance leases, and any outstanding letters of credit. The new credit facility is to be used for working capital, to refinance existing debt, for capital expenditures including permitted acquisitions, and for general corporate purposes.

The new credit facility is due on July 31, 2016 (the "maturity date"), and includes an option for the Corporation to extend the maturity date (once per annum) to a maximum of three years from the extension request date, subject to the approval of the Corporation's lenders. Repayment of any amounts drawn on the facility would therefore be repayable on the maturity date if the new credit facility was not extended.

In conjunction with obtaining the new credit facilities, the Corporation incurred transaction costs in the amount of $1.0 million, of which the unamortized amount will be offset against the outstanding principle balance of the debt. Any transaction costs relating to the existing credit facility will be expensed in the fourth quarter of 2013.

The covenants and the form of borrowing under the new credit facility did not change from the existing credit facility.

8. ASSET RETIREMENT OBLIGATIONS

($000's)	
December 31, 2012	**24,274**
Arising during the year through development activities	6,324
Revisions during the period	2,434
Accretion	486
Change in discount rate	(2,353)
Foreign exchange effect	138
September 30, 2013	**31,303**

The Corporation's asset retirement obligations were estimated by a third party or management based on the Corporation's estimated costs to remediate, reclaim and abandon the Corporation's facilities and estimated timing of the costs to be incurred in future periods. The Corporation has estimated the net present value of its asset retirement obligations at September 30, 2013 to be $31.3 million (December 31, 2012 - $24.3 million) based on a total future liability of $43.4 million as at September 30, 2013 (December 31, 2012 - $32.3 million). These costs are expected to be incurred over the next twenty-five years. The Corporation used its risk-free interest rates of 0.94% to 4.07% (December 31, 2012 – 1.14% to 2.36%) and an inflation rate of 3.00% to calculate the net present value of its asset retirement obligations at September 30, 2013 (December 31, 2012 - 3.00%).

The Corporation has letters of credit issued by the Corporation's banker in relation to the Corporation's asset retirement obligations (Note 7).

9. SHAREHOLDERS' EQUITY

Authorized

Unlimited number of common voting shares of no par value
Unlimited number of preferred shares of no par value

	Number of Shares	Amount ($000's)
Balance, December 31, 2012	104,627,002	415,288
Options exercised	1,478,062	5,797
Transfer from reserves in equity	-	1,822
Shares issued through DRIP (Note 9c)	63,146	833
Adjustment to shares issued as consideration for business combination	(20,253)	-
Shares issued as consideration for business combination (Notes 3 and 9a)	1,394,616	13,931
Shares issued as consideration for business combination (Notes 3 and 9b)	1,367,047	15,305
Share issue costs (net of tax of $8)	-	(190)
Balance, September 30, 2013	**108,909,620**	**452,786**

As at September 30, 2013, there were 10,165,914 (December 31, 2012 – 10,764,197) common shares of the Corporation held in escrow in conjunction with the Corporation's business combinations.

a) On April 1, 2013, the Corporation acquired 100% of the issued and outstanding shares of Frontline for an aggregate purchase price of approximately $19.3 million including the issuance of 1,394,616 common shares of the Corporation (Note 3). The Frontline Agreement provides that 1,217,903 common shares issued by the Corporation will be held in escrow pursuant to which 1,139,080 of such shares will be released on a straight line basis annually over five years, 61,822 released 40% on the first anniversary after closing, and 30% on the second and third anniversaries after closing, and the remaining 17,001 shares released 60% on the first anniversary from closing, and 40% on the second anniversary after closing. Accordingly, as at September 30, 2013, 1,217,903 common shares were held in escrow.

b) On July 2, 2013, the Corporation acquired 100% of the issued and outstanding shares of Target for an aggregate purchase price of approximately $36.6 million including the issuance of 1,367,047 common shares of the Corporation (Note 3). The Target Agreement provides that 1,367,047 common shares issued by the Corporation will be held in escrow pursuant to which such shares will be released on a straight line basis annually over five years. Accordingly, as at September 30, 2013, 1,367,047 common shares were held in escrow.

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

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

9. SHAREHOLDERS' EQUITY (continued)

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

The Corporation declared dividends to holders of common shares for the three and nine months ended September 30, 2013, as follows:

	Dividend record date	Dividend payment date	Per common share ($)	Amount ($000's)
May	May 1, 2013	May 15, 2013	0.0125	1,333
June	June 1, 2013	June 14, 2013	0.0125	1,338
July	July 1, 2013	July 15, 2013	0.0125	1,339
August	August 1, 2013	August 15, 2013	0.0125	1,357
September	Sept 1, 2013	Sept 16, 2013	0.0125	1,362
Total dividends declared during the period			**0.0625**	**6,729**

Of the dividends declared, $0.3 million and $0.8 million for the three and nine months ended September 30, 2013, was reinvested in additional common shares through the DRIP. The Corporation has 586,854 common shares reserved for issue under the DRIP as at September 30, 2013.

Subsequent to September 30, 2013, the Corporation declared dividends to holders of common shares in the amount of $0.0125 per common share payable on October 15, 2013 and November 15, 2013, for shareholders of record on October 1, 2013 and November 1, 2013, respectively.

The basic and diluted number of common shares used to calculate earnings per share amounts are as follows:

	For the three months ended		For the nine months ended	
	Sept 30, 2013	**Sept 30, 2012**	**Sept 30, 2013**	**Sept 30, 2012**
Weighted average number of shares for basic earnings per share	**108,648,873**	98,724,604	**106,750,533**	93,655,304
Effect of dilution:				
Options and RSUs	**2,851,744**	2,767,745	**2,786,926**	2,989,827
Weighted average number of shares for diluted earnings per share	**111,500,617**	**101,492,349**	**109,537,459**	**96,645,131**

The above table excludes 404,961 options and RSUs and 1,440,384 options and RSUs for the three and nine months ended September 30, 2013, respectively (1,383,753 options and 1,902,459 options for the three and nine months ended September 30, 2012) that are considered to be anti-dilutive.

10. SHARE-BASED PAYMENT PLANS

The Corporation has a share-based payment plan (the "Plan") under which the Corporation may grant share options to its employees, employee directors and consultants. The exercise price of options granted under the Plan is calculated as the five-day weighted average trading price of the common shares for the five trading days immediately preceding the date the options are granted. Options issued under the Plan have a term of five years to expiry and vest over a three year period starting one year from the date of the grant.

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

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

	Sept 30, 2013		Dec 31, 2012	
	Outstanding options	Weighted average exercise price ($)	Outstanding options	Weighted average exercise price ($)
Balance - beginning of period	7,230,522	6.04	6,788,685	4.25
Granted	2,216,304	13.05	2,560,142	8.35
Exercised	(1,478,062)	3.93	(1,683,536)	1.92
Forfeited	(302,866)	8.03	(434,769)	7.64
Balance - end of period	**7,665,898**	**8.40**	**7,230,522**	**6.04**
Exercisable - end of period	**3,162,702**	**5.22**	**2,991,579**	**3.90**

The following table summarizes information about share options outstanding as at September 30, 2013:

	Options outstanding			Options exercisable	
Exercise price ($)	Outstanding options	Weighted average exercise price ($)	Weighted average remaining term (years)	Outstanding options	Weighted average exercise price ($)
2.50 - 4.00	1,772,108	2.91	1.24	1,772,108	2.91
4.01 - 5.50	149,785	5.03	2.16	87,693	5.03
5.51 - 7.00	97,565	6.10	2.44	64,593	6.10
7.01 - 8.50	1,849,331	7.89	3.43	537,422	7.89
8.51 - 10.00	1,417,471	9.05	3.12	700,886	8.94
10.01 - 11.50	202,203	10.09	4.19	-	-
11.51 - 13.00	737,051	11.55	4.45	-	-
13.01 - 14.50	1,440,384	13.81	4.65	-	-
	7,665,898	**8.40**	**3.18**	**3,162,702**	**5.22**

10. SHARE-BASED PAYMENT PLANS (continued)

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

	Sept 30, 2013	Dec 31, 2012
Volatility factor of expected market price (%)	40.00	42.57
Weighted average risk-free interest rate (%)	1.31	1.44
Weighted average expected life in years	4.1	4.1
Weighted average expected annual dividends per share (%)	0.7	Nil
Weighted average fair value per option ($)	4.04	2.95
Weighted average forfeiture rate (%)	5.25	3.57

The Corporation's stock has just over three years of trading history, therefore the Corporation has used a weighted average volatility consisting of its own historical volatility and the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model. The Corporation determines a forfeiture rate by using actual historical forfeiture rates.

Restricted share unit plan

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

Unless otherwise directed by the board of directors, one third of each RSU grant vests and becomes available for redemption on each of the first, second, and third anniversaries of the date of grant. RSUs terminate and cease to be redeemable on December 31 of the third year following the year in which the grant of the RSU was made.

The following table summarizes the RSUs outstanding:

	Sept 30, 2013	Dec 31, 2012
Balance - beginning of period	-	-
Granted	183,533	-
Redeemed for common shares	-	-
Forfeited	(17,887)	-
Balance - end of period	165,646	-

10. SHARE-BASED PAYMENT PLANS (continued)

Share-based payment reserves

For the three and nine months ended September 30, 2013, share-based payment expense of $2.6 million and $5.9 million, respectively (three and nine months ended September 30, 2012 - $0.7 million and $2.0 million, respectively) has been recognized for stock options and RSUs granted, and is included in general and administrative expenses on the condensed consolidated statements of comprehensive income. These costs are recorded as share-based payment expense with the offsetting amount being credited to share based payment reserve as shown in the following table:

($000's)	Sept 30, 2013	Dec 31, 2012
Balance - beginning of period	9,400	5,558
Share-based payments	5,450	5,097
Transfer to issued capital	(1,822)	(1,255)
Balance - end of period	13,028	9,400

Deferred Share Unit Plan

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

	Sept 30, 2013	Dec 31, 2012
Balance - beginning of period	28,864	-
Granted	23,356	28,864
Settled in cash	-	-
Forfeited	-	-
Balance - end of period	52,220	28,864
Exercisable - end of period	52,220	28,864

Share-based payment expense for DSUs is included in general and administrative expenses in the condensed consolidated statements of comprehensive income and credited to accounts payable and accrued liabilities on the condensed consolidated statement of financial position. As at September 30, 2013, $0.7 million (December 31, 2012 – $0.3 million) was included in accounts payable and accrued liabilities for outstanding DSUs and share based payment expense was $0.01 million and $0.4 million, respectively, for the three and nine months ended September 30, 2013 ($Nil and $0.2 million, respectively, for the three and nine months ended September 30, 2012).

11. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Operating lease commitments

The Corporation has entered into operating land lease agreements at the Corporation's facilities. In addition, the Corporation has entered into operating leases for office and warehouse spaces. The leases require future minimum lease payments as follows:

($000's)	Sept 30, 2013	Dec 31, 2012
Within one year	6,230	2,693
After one year but not more than five years	10,044	6,926
More than five years	1,553	888
	17,827	10,507

Finance lease commitments

The Corporation has entered into finance lease agreements for computer equipment, vehicles, and mobile equipment. The leases require future minimum lease payments as follows:

($000's)	Sept 30, 2013	Dec 31, 2012
Within one year	5,491	4,114
After one year but not more than five years	9,351	4,158
More than five years	-	-
	14,842	8,272

The average lease term is three years (December 31, 2012 – three years). The Corporation's obligations under finance leases are secured by the related assets. Interest rates underlying finance lease obligations are fixed at respective contract dates ranging from 0.0% to 16.7% (December 31, 2012 – 0.0% to 16.7%) per annum.

Earn out commitment

Pursuant to the Imperial Drilling Fluids Engineering Inc. ("IDF") acquisition, the Corporation is obligated to pay additional consideration consisting of a series of three annual earn out payments beginning in September 2013 to certain selling shareholders or employees, based on the achievement of a certain gross margin percentage. The potential annual earn out payments range from US$0.9 million to US$2.7 million for total earn out payments over the three year period ranging from US$2.7 million to US$8.1 million and are recorded in operating expenses on the condensed consolidated statements of comprehensive income. The estimated future payments are as follows:

($000's)	Sept 30, 2013	Dec 31, 2012
Within one year	4,001	2,210
After one year but not more than five years	2,200	4,371
More than five years	-	-
	6,201	6,581

11. COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

Capital commitments

As at September 30, 2013, the Corporation had committed $20.2 million (December 31, 2012 – $25.6 million) relating to various capital purchases for use in the Corporation's current and future capital projects. All amounts are current and due within one year.

Commodity contract purchase commitments

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

Litigation

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

A statement of defence was filed by the Secure Defendants on November 10, 2008, after the Court ordered Tervita to provide further particulars of its claim. The Secure Defendants then filed an Amended Statement of Defence (the "Defence"), and the Corporation filed an Amended Counterclaim (the "Counterclaim"), on October 9, 2009. In their Defence, the Secure Defendants deny all of the allegations made against them. In its Counterclaim, 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 Corporations 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. On February 25, 2013, the Federal Court of Appeal released its decision upholding the Competition Tribunals Order requiring that Tervita divest the Babkirk landfill site following its acquisition of Complete Environmental.

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.

11. COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

Guarantees

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

Letters of Credit

As at September 30, 2013, the Corporation has approximately $25.8 million in letters of credit issued by the Corporation's banker (December 31, 2012 - $19.6 million). All letters of credit are not cash secured and have been deducted from the Corporation's available long term borrowings (Note 7). The letters of credit relate to security for the Corporation's facilities and are held with provincial regulatory bodies (Note 8) and under certain crude oil marketing contracts.

12. OPERATING SEGMENTS

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

The Corporation has three reportable operating segments as follows:

- PRD division provides services relating to clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal and oil purchase/resale service;

- DS division provides services relating to drilling fluids and supplying drilling equipment;

- OS division provides services that include the full life cycle of pipeline and facility operations, waste management and environmental sciences, asset management and recovery, civil, remediation and reclamation earthworks, and integrated water solution services;

- The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees.

12. OPERATING SEGMENTS (continued)

($000's)	PRD division	DS division	OS division	Corporate	Total
	Three months ended Sept 30, 2013				
Revenue	337,331	87,622	18,807	-	443,760
Operating expenses	(319,109)	(68,913)	(14,980)	(283)	(403,285)
General and administrative	(6,560)	(6,609)	(1,647)	(2,125)	(16,941)
Business development	-	-	-	(2,889)	(2,889)
Depreciation, depletion and amortization	(12,003)	(5,184)	(1,241)	(283)	(18,711)
Interest, accretion and finance costs	(190)	-	-	(1,950)	(2,140)
Other income (loss)	(604)	-	-	-	(604)
Earnings (loss) before income taxes	10,868	12,100	2,180	(7,247)	17,901
	As at Sept 30, 2013				
Current assets	79,372	115,435	19,329	-	214,136
Total assets	557,557	355,223	43,903	6,153	962,836
Goodwill	12,403	84,687	3,641	-	100,731
Intangible assets	9,020	66,522	7,433	-	82,975
Property, plant and equipment and assets under construction	456,742	88,598	13,501	6,153	564,994
Current liabilities	80,640	44,016	7,432	-	132,088
Total liabilities	130,908	66,272	12,413	210,489	420,082

($000's)	PRD division	DS division	OS division	Corporate	Total
	Three months ended Sept 30, 2012				
Revenue	182,788	60,060	6,360	-	249,208
Operating expenses	(169,861)	(49,988)	(4,443)	(143)	(224,435)
General and administrative	(3,498)	(5,892)	(938)	(1,062)	(11,390)
Business development	-	-	-	(1,015)	(1,015)
Depreciation, depletion and amortization	(7,330)	(3,683)	(104)	(143)	(11,260)
Interest, accretion and finance costs	(85)	-	-	(1,238)	(1,323)
Earnings (loss) before income taxes	9,344	4,180	979	(3,458)	11,045
	As at December 31, 2012				
Current assets	59,258	110,878	8,991	-	179,127
Total assets	443,621	305,705	14,851	3,734	767,911
Goodwill	11,984	80,532	-	-	92,516
Intangible assets	10,484	69,179	-	-	79,663
Property, plant and equipment and assets under	362,254	45,116	5,501	3,734	416,605
Current liabilities	75,445	33,749	1,416	-	110,610
Total liabilities	113,844	52,488	370	122,810	289,512

($000's)	PRD division	DS division	OS division	Corporate	Total
	Nine months ended Sept 30, 2013				
Revenue	845,828	221,873	36,890	-	1,104,591
Operating expenses	(796,457)	(180,552)	(32,270)	(721)	(1,010,000)
General and administrative	(17,265)	(17,571)	(4,300)	(5,946)	(45,082)
Business development	-	-	-	(6,828)	(6,828)
Depreciation, depletion and amortization	(30,858)	(12,658)	(2,595)	(721)	(46,832)
Interest, accretion and finance costs	(488)	-	-	(4,218)	(4,706)
Other income	1,071	-	-	-	1,071
Earnings (loss) before income taxes	32,689	23,750	320	(17,713)	39,046

($000's)	PRD division	DS division	OS division	Corporate	Total
	Nine months ended Sept 30, 2012				
Revenue	557,310	177,240	16,033	-	750,583
Operating expenses	(522,147)	(145,383)	(10,645)	(331)	(678,506)
General and administrative	(8,433)	(16,844)	(2,825)	(3,903)	(32,005)
Business development	-	-	-	(2,831)	(2,831)
Depreciation, depletion and amortization	(20,146)	(9,340)	(230)	(331)	(30,047)
Interest, accretion and finance costs	(261)	-	-	(3,583)	(3,844)
Earnings (loss) before income taxes	26,470	15,013	2,563	(10,649)	33,397

12. OPERATING SEGMENTS (continued)

Geographical Financial Information

	Canada		USA		Total	
($000's)	2013	2012	2013	2012	2013	2012
Three months ended Sept 30						
Revenue	431,765	234,868	11,995	14,340	443,760	249,208
Nine months ended Sept 30						
Revenue	1,068,056	720,456	36,535	30,127	1,104,591	750,583
As at Sept 30, 2013 and Dec 31, 2012						
Total non-current assets	646,306	517,892	102,394	70,892	748,700	588,784

13. SUBSEQUENT EVENTS

Subsequent to September 30, 2013, the Corporation entered into an amended and restated extendible $400 million credit facility with a $50 million accordion feature. The credit facility consists of a $390 million extendible revolving term credit facility and a $10 million revolving operating facility is provided to the Corporation and all of its subsidiaries (Note 7).

Corporate Information

DIRECTORS

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

OFFICERS

Rene Amirault
President and Chief Executive Officer

Allen Gransch
Executive Vice President & Chief Financial Officer

Brian McGurk
Executive Vice President, Human Resources & Strategy

Dan Steinke
Executive Vice President, Operations, PRD

David Mattinson
Executive Vice President, On Site Services

George Wadsworth
Executive Vice President, Drilling Services & USA Operations

Nick Wieler
Executive Vice President, Crude Oil Marketing & Information Systems

STOCK EXCHANGE

Toronto Stock Exchange
Symbol: SES

AUDITORS

MNP LLP
Calgary, Alberta

LEGAL COUNSEL

Bennett Jones LLP
Calgary, Alberta

BANKERS

Alberta Treasury Branches

TRANSFER AGENT AND REGISTRAR

Olympia Trust Company
Calgary, Alberta

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