

MESSAGE TO SHAREHOLDERS



**SECURE
ENERGY**



On behalf of the employees, executive team and the Board of Directors, I am pleased to report on SECURE Energy Services Inc.'s (SECURE) 2019 financial and operating results and provide an update on our priorities and strategies for the year to come.

2019 was a year filled with both accomplishments and challenges for the organization. During the year, SECURE successfully executed on its strategies to grow the core midstream infrastructure business, contributing to a strong foundation of recurring cash flows generated from production-related activities. The addition of the Kerrobert Light Pipeline System in the fourth quarter of 2018, crude oil storage added in two key markets during 2019, and new pipeline connected midstream water-disposal facilities contributed to higher, more stable Adjusted EBITDA from our Midstream Infrastructure division.

“ 2019 MARKED THE SHIFT SECURE HAS MADE TO RECURRING CASH FLOWS GENERATED FROM PRODUCTION-RELATED ACTIVITIES. INCREASING THE STABILITY OF OUR CASH FLOWS HAS BEEN A KEY PRIORITY FOR SECURE AS WE AIM TO REDUCE THE RISK OF OUR INVESTMENTS, MAXIMIZE THE RETURN AND VALUE FROM OUR EXISTING ASSETS AND ENSURE PROFITABLE GROWTH FOR OUR SHAREHOLDERS. ”

SECURE's efforts over the last several years to increase the resiliency of the Corporation during times of low drilling and completion activity have paid off. Successful project execution and strategic acquisitions within our midstream business, along with the growth of our production chemicals business and environmental work in northern Alberta, helped offset the impact of reduced oil and gas drilling and completion activity to the organization. As a result, SECURE's overall Adjusted EBITDA of \$180.2 million, equal to \$1.13 per share, was down just 3% compared to 2018, despite a 31% and 20% decrease in drilling and completions activity, respectively.

DOING MIDSTREAM DIFFERENTLY

In 2019, we updated our vision, purpose and mission. Our vision is to Do Midstream Differently. What does that mean?

To us, that means prioritizing our customers' needs - their success is our success - while continuing to deliver value to all stakeholders. We are doing this by:

- Working transparently with customers to understand their operational requirements;
- Forming long-term partnerships with customers to share the risks and benefits associated with owning and operating midstream infrastructure;
- Building and operating reliable, safe and environmentally responsible infrastructure, allowing customers to invest their capital where it generates the highest return;
- Reducing customers' transportation costs and environmental footprint by strategically placing facilities near customer production and pipeline connecting volumes;
- Empowering our employees to deliver solution-oriented customer service; and
- Delivering on our sustainability commitments.

VISION *WHAT*

Do midstream differently.

PURPOSE *WHY*

Deliver energy to the world so people and communities thrive.

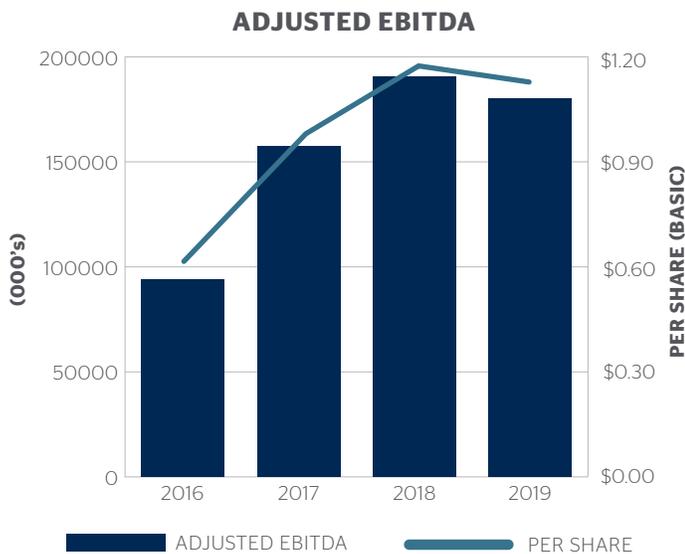
MISSION *HOW*

To help our customers by challenging what's possible.



FINANCIAL STRENGTH

Midstream growth initiatives over the past several years, including the addition of oil and water pipelines, crude oil storage and expanded marketing capabilities, have transformed the nature and reliability of SECURE's cash flows by significantly increasing our level of recurring production-based revenues. This helped mitigate the impact that reduced drilling and completion activities had on the Corporation's Environmental Solutions and Technical Solutions divisions in 2019. These divisions have a significant portion of service lines that support drilling and completion activities. Compared to 2016, a year with similar drilling and completion activity levels to 2019, SECURE's Adjusted EBITDA increased 91%.



SECURE exited 2019 with a strong balance sheet and added financial flexibility resulting from amendments to our First Lien Credit Facility, increasing our total credit capacity to \$805 million. We will continue to focus on managing our financial position throughout 2020. Funds flow from operations after sustaining capital and dividends can be used for debt reduction, continued midstream infrastructure growth where it is supported by highly reliable or contracted volumes, and opportunistic share buybacks.

STRATEGIC DIVESTITURES

As we continue to increase the stability of SECURE's cash flows, 2019 saw us initiating a formal sales process for specific service lines that support drilling and completion activities in order to reduce our exposure to their cyclical nature. We believe that now is the right time to monetize assets that do not have recurring or production-related revenue streams to help management focus on our longer-term midstream strategies, strengthen our balance sheet, provide incremental capital for continued midstream growth, support opportunistic share repurchases, and provide clarity to our valuation multiple. This will ultimately best position SECURE for sustainable growth and shareholder value creation in the midstream space.

SUSTAINABILITY INITIATIVES

At SECURE, we believe the success of our business goes beyond our financial results. We strive to be a leader in our industry in the areas of health, safety, and environmental protection. We recognize the importance of these issues to our employees, our customers and to the communities where we live and work. Over the past year, we have made significant progress to further embed sustainability throughout our business and are continually improving our strategies to deliver on our commitments to sustainability.

SAFETY

Our top priority at SECURE is that everyone goes home safe. SECURE's dedicated team achieved another outstanding year of safety performance. We maintained a low total recordable injury frequency for a third consecutive year and further reduced our motor vehicle incident rate by 16%. Safety is rooted in all we do here at SECURE and our focus in 2020 is to continue to improve our operational safety solutions through increasingly risk-based and proactive initiatives as we strive towards a leading edge safety culture.

ENVIRONMENTAL PROTECTION

During 2019, we expanded the mandate and name of the Board of Director's Health, Safety and Environmental Committee to include the development and monitoring of sustainability initiatives. The committee will review, approve and make recommendations to the Board with respect to sustainability topics, provide oversight of SECURE's performance and monitor against formalized targets.

Climate change is a global challenge and every individual, organization, industry and government has a responsibility to transition toward a low carbon future: reducing greenhouse gas (GHG) emissions and addressing climate related risks. We have recently formalized a Climate Policy to help guide our efforts for this transition. We are working to reduce the impact of our own operations on the environment with a focus on increasing energy efficiency and reducing GHG emissions at our midstream facilities. We are undertaking many climate actions to achieve targets of reducing our carbon intensity in half by 2030, and reaching net zero emissions by 2050.

2019 SUSTAINABILITY HIGHLIGHTS:

- Added 'Sustainability' to the mandate of the Health, Safety and Environmental Committee
- Published our first ever Climate Policy for increasing energy efficiency and reducing emissions
- Adopted an 'Every Drop Matters' campaign for spill prevention
- Formalized stakeholder relations and Aboriginal vendor policies
- Linked executive compensation targets to key corporate sustainability goals

Challenging What's Possible

Our business is uniquely positioned to deliver economic and environmental benefits that make the oil and gas industry more efficient and sustainable. The midstream and environmental solutions we provide are designed not only to help reduce costs, but also lower emissions, increase safety, manage water, recycle by-products, and protect the environment. Our Climate Policy outlines many objectives for reducing the overall industry's carbon footprint. I encourage you to read through our 2019 Sustainability Report for more information on the ways we have contributed to minimizing the negative impacts on the environment associated with delivering energy to the world in 2019.

“ WE ARE DEDICATED TO CREATING VALUE FOR OUR CUSTOMERS BY PROVIDING INNOVATIVE SOLUTIONS THAT HELP REDUCE COSTS AND THE ENVIRONMENTAL IMPACT ASSOCIATED WITH DELIVERING ENERGY TO THE WORLD, SO PEOPLE AND COMMUNITIES THRIVE. ”

GIVING BACK

Giving back to the communities where we live and work is deeply ingrained in our culture. We will continue to share our success with local communities through economic and social development support. In 2019, SECURE hosted and participated in fundraising events for KidSport, Providence, the Alberta Children's Hospital Foundation and the United Way for a combined total of over \$450,000. In addition, over \$1 million was invested back into local communities across western Canada and North Dakota.



LOOKING AHEAD

Over the past several years, ongoing environmental and political debates surrounding transportation of crude oil in Canada have resulted in significant delays of proposed pipeline projects, causing uncertainty for both the Canadian oil and gas industry and the investment community. In recent weeks, legal and regulatory wins for three major export pipeline projects have generated renewed optimism in the Canadian oil and gas space. Greater visibility around timing of additional egress capacity will help restore confidence and stimulate increased investment in western Canada.

The one thing that hasn't changed and will not is that the world needs more energy to sustain a growing global economy for decades and beyond. It is expected that the world's population will grow from 7.7 billion to 9.7 billion by 2050. All forms of energy will be required to meet this demand: there is need for more renewables; wind, solar, hydro and nuclear, but oil and natural gas will still be an essential energy source. The last

barrels of oil and natural gas to be produced and delivered during the energy transition period should come from a politically stable country with the highest environmental, human-rights, safety and labour standards in the world. By helping deliver Canadian energy, we are truly helping people and communities thrive.

Our customers are going to continue seeking solutions for managing increased production volumes. SECURE owned and operated infrastructure provides an efficient, safe and an environmentally responsible third-party option, allowing our customers to invest their capital where it generates the highest returns. With increased demand, we expect the need for additional facilities and/or expansions of existing facilities to meet incremental requirements for treating, processing and disposal capacity. Furthermore, volatile differentials and near term limited pipeline capacity will continue to provide opportunities to utilize crude oil storage and blending capabilities to optimize pricing and minimize egress constraints and provide crude by rail transport alternatives for access to higher priced markets.

2020 Capital Plan

SECURE's 2020 growth capital will be predominantly spent on the completion of the 120 kilometre East Kaybob oil gathering pipeline, connecting multiple producer batteries to SECURE's existing Fox Creek facility. This project is aligned with our midstream growth strategy, supported by 15-year fixed-fee contracts with multiple customers and is our second oil pipeline in the past two years. Construction of the pipeline commenced in the fourth quarter of 2019 and is expected to be operational mid-way through this year.

As we embark on 2020, I believe we can continue to help our customers by challenging what's possible and offering solutions that lower customer costs, optimize pricing for their product, and improve capital efficiency. Our shareholders will continue to get value through a stable dividend and opportunistic buybacks.

TEAM SECURE

Commitment to safety, focusing on what we can control and providing excellent customer service has resulted in a strategy for success by our workforce that is second to none. Thank you to everyone who is a part of the SECURE team - you are the best of the best and the heart of SECURE. Thank you to our shareholders and to our Board of Directors for their meaningful leadership and governance. SECURE has the vision, purpose and mission to adapt in this ever-changing industry and we are ready for a focused and successful 2020.

We believe there is *Energy in Together*.

A handwritten signature in black ink that reads 'R. Amirault'.

Rene Amirault
President and CEO