

Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2015 and 2014

(Expressed in Canadian Dollars)

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Financial Position

<i>(\$000's) (unaudited)</i>	Notes	June 30, 2015	December 31, 2014
Assets			
Current assets			
Cash		5,286	4,882
Accounts receivable and accrued receivables		130,100	228,642
Current tax asset		9,330	-
Prepaid expenses and deposits		7,825	8,396
Inventories	3	60,886	70,199
		213,427	312,119
Assets under construction		99,959	210,139
Property, plant and equipment	4	883,124	735,196
Intangible assets		110,006	124,102
Goodwill		112,355	111,650
Other assets		1,541	2,911
Total Assets		1,420,412	1,496,117
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		93,473	193,121
Asset retirement obligations	6	1,598	1,800
Current tax liability		-	5,886
Finance lease liabilities		10,188	10,458
		105,259	211,265
Long-term borrowings	5	234,671	397,385
Asset retirement obligations	6	70,677	70,639
Finance lease liabilities		9,774	12,060
Deferred income tax liability		48,529	42,473
Total Liabilities		468,910	733,822
Shareholders' Equity			
Issued capital	7	837,978	631,229
Share-based compensation reserve		31,833	25,227
Foreign currency translation reserve		25,938	14,629
Retained earnings		55,753	91,210
Total Shareholders' Equity		951,502	762,295
Total Liabilities and Shareholders' Equity		1,420,412	1,496,117

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

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Comprehensive (Loss) Income

(\$000's except per share and share data) (unaudited)	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2015	2014	2015	2014
Revenue		356,569	567,939	723,116	1,094,151
Operating expenses:					
Direct expenses		322,486	506,620	632,200	956,445
Depreciation, depletion and amortization		24,209	23,633	51,106	44,496
Operating expenses		346,695	530,253	683,306	1,000,941
General and administrative expenses:					
General and administrative		15,029	15,887	33,065	32,492
Share-based compensation		6,010	3,993	12,128	6,591
Business development		2,271	5,039	6,544	7,616
General and administrative expenses		23,310	24,919	51,737	46,699
Operating (loss) earnings		(13,436)	12,767	(11,927)	46,511
Interest, accretion and finance costs		3,016	2,222	6,969	4,138
(Loss) earnings for the period before tax		(16,452)	10,545	(18,896)	42,373
Current tax (recovery) expense		(5,351)	708	(5,802)	8,838
Deferred tax expense		5,679	3,273	6,909	3,982
		328	3,981	1,107	12,820
Net (loss) earnings for the period		(16,780)	6,564	(20,003)	29,553
Other comprehensive (loss) income					
Foreign currency translation adjustment		(2,599)	(4,926)	12,652	(540)
Tax on foreign currency translation adjustment		439	115	(1,343)	(444)
Total comprehensive (loss) income for the period		(18,940)	1,753	(8,694)	28,569
(Loss) earnings per share					
Basic, (loss) earnings for the period per common share		(0.12)	0.06	(0.15)	0.25
Diluted, (loss) earnings for the period per common share		(0.12)	0.05	(0.15)	0.24
Weighted average shares outstanding - basic	7	136,186,284	118,489,217	129,475,350	117,865,604
Weighted average shares outstanding - diluted	7	136,186,284	121,757,066	129,475,350	121,100,256

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

<i>(\$000's) (unaudited)</i>	Notes	Issued capital	Share-based compensation reserve	Foreign currency translation reserve	Retained earnings	Total Shareholders' Equity
Balance at January 1, 2015		631,229	25,227	14,629	91,210	762,295
Net loss for the period		-	-	-	(20,003)	(20,003)
Dividends paid	7	-	-	-	(15,454)	(15,454)
Shares issued under dividend reinvestment plan ("DRIP")	7	2,641	-	-	-	2,641
Foreign currency translation adjustment, net of tax		-	-	11,309	-	11,309
Issue of share capital	7	198,000	-	-	-	198,000
Exercise of options and RSUs	7	12,590	(5,846)	-	-	6,744
Share issue costs, net of tax	7	(6,482)	-	-	-	(6,482)
Share-based compensation	8	-	12,452	-	-	12,452
Balance at June 30, 2015		837,978	31,833	25,938	55,753	951,502
Balance at January 1, 2014		562,306	14,659	4,424	82,945	664,334
Net earnings for the period		-	-	-	29,553	29,553
Dividends paid		-	-	-	(10,318)	(10,318)
Shares issued under DRIP		1,410	-	-	-	1,410
Foreign currency translation adjustment, net of tax		-	-	(984)	-	(984)
Issue of share capital for business combination		11,810	-	-	-	11,810
Exercise of options and RSUs		10,893	(3,136)	-	-	7,757
Share issue costs, net of tax		(67)	-	-	-	(67)
Share-based compensation		-	5,666	-	-	5,666
Balance at June 30, 2014		586,352	17,189	3,440	102,180	709,161

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 June 30,		For the six months ended June 30,	
		2015	2014	2015	2014
Cash flows from operating activities					
Net (loss) earnings for the period		(16,780)	6,564	(20,003)	29,553
Adjustments for non-cash items:					
Depreciation, depletion and amortization		24,209	23,633	51,106	44,496
Accretion	6	368	276	751	554
Interest expense		2,572	1,887	6,066	3,470
Current tax (recovery) expense		(5,351)	708	(5,802)	8,838
Deferred tax expense		5,679	3,273	6,909	3,982
Amortization of financing fees		76	55	152	110
Unrealized foreign exchange loss (gain)		239	567	(30)	233
Other (income) expense		-	-	-	(514)
Impairment of inventory	3	-	-	1,970	-
Share-based compensation		6,010	3,993	12,128	6,591
Funds from operations		17,022	40,956	53,247	97,313
Change in accounts receivable and accrued receivables, prepaid expenses and deposits and other assets		38,956	75,949	102,792	418
Change in inventories		(1,579)	(6,604)	7,661	(2,095)
Change in accounts payable and accrued liabilities related to operating activities		(364)	24,281	(63,823)	55,196
Asset retirement obligations incurred	6	(42)	-	(114)	-
Cash generated from operations		53,993	134,582	99,763	150,832
Interest paid		(1,759)	(1,879)	(5,318)	(3,714)
Income taxes paid		(910)	(3,049)	(9,780)	(11,683)
Net cash flows from operating activities		51,324	129,654	84,665	135,435
Cash flows used in investing activities					
Purchase of property, plant and equipment		(21,961)	(69,129)	(67,634)	(119,445)
Business combinations		-	(13,209)	-	(29,630)
Change in non-cash working capital		(12,693)	(10,478)	(37,444)	(11,191)
Net cash flows used in investing activities		(34,654)	(92,816)	(105,078)	(160,266)
Cash flows (used in) from financing activities					
Shares issued, net of share issue costs	7	4,002	5,314	198,732	9,100
(Repayment) draw on credit facility		(11,562)	(42,000)	(162,562)	17,500
Dividends paid	7	(8,163)	(5,926)	(15,454)	(10,318)
Net cash flows (used in) from financing activities		(15,723)	(42,612)	20,716	16,282
Effect of foreign exchange on cash		(137)	89	101	192
Increase (decrease) in cash		810	(5,685)	404	(8,357)
Cash, beginning of period		4,476	9,347	4,882	12,019
Cash, end of period		5,286	3,662	5,286	3,662

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

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2015 and 2014

1. NATURE OF BUSINESS

Secure Energy Services Inc. ("Secure" or the "Corporation") provides innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry. The fluids and solids solutions are provided through an integrated service and product offering that includes midstream services, environmental services, systems and products for drilling, production and completion fluids, and other specialized services and products. The Corporation also owns and operates midstream infrastructure and provides services and products to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin ("WCSB") and the Rocky Mountain Region in the United States ("U.S.").

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

In 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. This limits the movement of the heavy equipment required for drilling and well servicing activities, and the level of activity of the Corporation's customers may, consequently, be 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.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 annual audited consolidated financial statements.

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.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, depreciation, depletion and amortization, recoverability of assets, asset retirement obligations and accretion, inventories, share-based compensation, deferred income taxes, provision for doubtful accounts, and purchase price allocations. Actual results may differ from these estimates.

These condensed consolidated financial statements were approved by the Board of Directors on July 29, 2015.

Significant Accounting Policies

The significant accounting policies adopted in the preparation of these condensed consolidated financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2014. Unless otherwise stated, these policies have been consistently applied to all periods presented.

Change in Accounting Estimate

Effective January 1, 2015, Secure reassessed the useful lives of property, plant and equipment based on the current condition of the assets and 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. The estimated useful lives of the assets are as follows:

Buildings	10 to 45 years
Landfill cells	Units of total capacity utilized in the period
Mobile equipment	5 to 7 years
Plant infrastructure, equipment and disposal wells	2 to 25 years
Rental equipment	2 to 25 years
Furniture and fixtures	7.5 years
Leasehold improvements	10 years
Computer equipment and software	3 to 5 years

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****3. INVENTORIES**

(\$000's)	June 30, 2015	Dec 31, 2014
Drilling fluids	38,260	54,755
Minerals and specialty chemicals	17,205	11,374
Crude oil and natural gas liquids	4,050	2,539
Spare parts and supplies	1,371	1,531
Total inventories	60,886	70,199

Inventories are shown at the lower of cost and net realizable value. Drilling fluids, minerals and specialty chemical inventories recognized as operating expenses in the condensed consolidated statements of comprehensive (loss) for the three and six months ended June 30, 2015 were \$18.5 million and \$60.2 million, respectively (\$40.4 million and \$111.5 million for the three and six months ended June 30, 2014, respectively). Included in the expense for the three and six months ended June 30, 2015 is \$nil and \$2.0 million, respectively, for the impairment of inventory held in the DS division to net realizable value (\$nil for the three and six months ended June 30, 2014).

Inventories are included in the general security agreements held by the banks as security for the Corporation's credit facility (Note 5).

4. PROPERTY, PLANT AND EQUIPMENT

The amount of borrowing costs capitalized to assets under construction for the three and six months ended June 30, 2015 was \$0.2 million and \$0.4 million, respectively (\$0.2 million and \$0.5 million for the three and six months ended June 30, 2014, respectively). Directly attributable capitalized salaries and overhead of \$3.6 million and \$5.0 million were added to assets under construction for the three and six month ended June 30, 2015, respectively (\$2.4 million and \$4.6 million for the three and six months ended June 30, 2014, respectively).

During the three and six months ended June 30, 2015, \$52.1 million and \$173.4 million, respectively, was transferred from assets under construction to property, plant and equipment for completed projects (\$58.4 million and \$95.9 million for the three and six months ended June 30, 2014, respectively).

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2015 and 2014

4. PROPERTY, PLANT AND EQUIPMENT (continued)

(\$000's)	Land and Buildings	Plant, Infrastructure, Equipment, Landfill Cells and Disposal Wells	Rental and Mobile Equipment	Office and Computer Equipment	Total
Cost:					
December 31, 2014	71,428	721,906	116,573	27,737	937,644
Additions	12,768	149,732	14,952	3,084	180,536
Change in asset retirement cost	-	(2,340)	-	-	(2,340)
Disposals	(2,306)	(1,802)	(4,372)	(333)	(8,813)
Foreign exchange effect	1,116	10,335	1,679	104	13,234
June 30, 2015	83,006	877,831	128,832	30,592	1,120,261
Accumulated depreciation and depletion:					
December 31, 2014	(9,204)	(159,424)	(25,583)	(8,237)	(202,448)
Depreciation and depletion	(1,420)	(23,896)	(8,422)	(2,674)	(36,412)
Disposals	156	379	2,507	201	3,243
Foreign exchange effect	(82)	(973)	(425)	(40)	(1,520)
June 30, 2015	(10,550)	(183,914)	(31,923)	(10,750)	(237,137)
Net book value:					
June 30, 2015	72,456	693,917	96,909	19,842	883,124
December 31, 2014	62,224	562,482	90,990	19,500	735,196

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****5. LONG-TERM BORROWINGS**

(\$000's)	June 30, 2015	Dec 31, 2014
Amount drawn on credit facility	235,634	398,500
Unamortized transaction costs	(963)	(1,115)
Total long-term borrowings	234,671	397,385

The Corporation has a \$700.0 million syndicated credit facility (the "Credit Facility"). The Credit Facility consists of a \$675.0 million extendible revolving term credit facility and a \$25.0 million revolving operating facility. The Credit Facility includes an accordion feature which, if exercised and approved by the Corporation's lenders, would increase the Credit Facility by \$100.0 million.

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

The Corporation is subject to certain covenants under the credit facility which remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2014. The Corporation was in compliance with all of its debt covenants as at June 30, 2015.

The amount available under the Credit Facility is reduced by any outstanding letters of credit. As at June 30, 2015, the Corporation has \$18.2 million (\$22.4 million as at December 31, 2014) in letters of credit issued by the Corporation's lenders. The letters of credit are issued to various government authorities for potential reclamation obligations in accordance with applicable regulations (Note 6) and crude oil marketing contracts.

(\$000's)	June 30, 2015	Dec 31, 2014
Credit facility	700,000	700,000
Amount drawn on credit facility	(235,634)	(398,500)
Letters of credit	(18,234)	(22,439)
Available amount	446,132	279,061

6. ASSET RETIREMENT OBLIGATIONS

(\$000's)	
December 31, 2014	72,439
Arising during the period through development activities	2,728
Revisions during the period	(2,703)
Accretion	751
Change in discount rate	(2,365)
Asset retirement obligations incurred	(114)
Foreign exchange effect	1,539
June 30, 2015	72,275

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****6. ASSET RETIREMENT OBLIGATIONS (continued)**

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

(\$000's)	June 30, 2015	Dec 31, 2014
Current	1,598	1,800
Non-current	70,677	70,639
Total asset retirement obligations	72,275	72,439

The Corporation has issued \$16.7 million (\$16.0 million as at December 31, 2014) of performance bonds and \$16.1 million for letters of credit in relation to the Corporation's asset retirement obligations (Note 5).

7. SHAREHOLDERS' EQUITY

	Number of Shares	Amount (\$000's)
Balance, December 31, 2014	121,367,451	631,229
Options exercised	1,184,372	6,744
Restricted Share Units ("RSUs") exercised	194,957	3,288
Transfer from reserves in equity	-	2,558
Bought-deal equity financing (Note 7a)	13,515,370	198,000
Shares issued through DRIP (Note 7b)	178,652	2,641
Share issue costs, net of tax	-	(6,482)
Balance, June 30, 2015	136,440,802	837,978

As at June 30, 2015 there were 7,098,744 (9,528,483 as at December 31, 2014) common shares of the Corporation held in escrow in conjunction with the Corporation's business combinations.

- a) On March 24, 2015, the Corporation closed a bought deal financing (the "offering") with a syndicate of underwriters, pursuant to which the underwriters agreed to purchase for resale to the public 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 which included \$7.9 million in agent fees. Total transaction costs, net of tax, were applied against the proceeds in share capital during the six months ended June 30, 2015.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****7. SHAREHOLDERS' EQUITY (continued)**

- b) The Corporation declared dividends to holders of common shares for the six months ended June 30, 2015, as follows:

	Dividend record date	Dividend payment date	Per common share (\$)	Amount (\$000's)
January	Jan 1, 2015	Jan 15, 2015	0.02	2,429
February	Feb 1, 2015	Feb 16, 2015	0.02	2,429
March	Mar 1, 2015	Mar 16, 2015	0.02	2,433
April	April 1, 2015	April 15, 2014	0.02	2,715
May	May 1, 2015	May 15, 2014	0.02	2,721
June	June 1, 2015	June 15, 2014	0.02	2,727
Total dividends paid during the period				15,454

Of the dividends declared, \$1.7 million and \$2.7 million was reinvested in additional common shares through the DRIP for the three and six months ended June 30, 2015, respectively (\$0.8 million and \$1.4 million for the three and six months ended June 30, 2014). The Corporation has 223,614 common shares reserved for issue under the DRIP as at June 30, 2015.

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.

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

	For the three months ended		For the six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Weighted average number of shares for basic (loss) earnings per share	136,186,284	118,489,217	129,475,350	117,865,604
Effect of dilution:				
Options, RSUs & Performance Share Units ("PSUs")	-	3,267,849	-	3,234,652
Weighted average number of shares for diluted (loss) earnings per share	136,186,284	121,757,066	129,475,350	121,100,256

The above table excludes all options, RSUs and PSUs for the three and six months ended June 30, 2015, (370,722 and 770,288 options, RSUs and PSUs for the three and six months ended June 30, 2014) as they are considered to be anti-dilutive.

8. SHARE-BASED COMPENSATION PLANS

The Corporation has share-based compensation plans (the "Plans") under which the Corporation may grant share options, RSUs and PSUs to its employees and employee directors. In addition, the Corporation has a Deferred Share Unit ("DSU") Plan for non-employee directors of the Corporation. The terms of the Plans and aggregate number of common shares issuable remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2014.

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2015 and 2014

8. SHARE-BASED COMPENSATION PLANS (continued)

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

	June 30, 2015		Dec 31, 2014	
	Outstanding options	Weighted average exercise price (\$)	Outstanding options	Weighted average exercise price (\$)
Balance - beginning of period	7,665,806	12.45	7,519,300	9.03
Granted	1,683,918	15.49	2,211,571	19.29
Exercised	(1,184,372)	5.74	(1,775,400)	6.22
Forfeited	(326,777)	14.31	(289,665)	13.92
Balance - end of period	7,838,575	14.05	7,665,806	12.45
Exercisable - end of period	3,667,928	11.59	3,210,619	8.34

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

	June 30, 2015	Dec 31, 2014
Volatility factor of expected market price (%)	38.48	38.00
Weighted average risk-free interest rate (%)	0.89	1.34
Weighted average expected life in years	3.88	3.98
Weighted average expected annual dividends per share (%)	1.64	1.05
Weighted average fair value per option (\$)	3.94	5.54
Weighted average forfeiture rate (%)	6.16	5.53

RSU Plan

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

The following table summarizes the RSUs outstanding:

	June 30, 2015	Dec 31, 2014
Balance - beginning of period	843,913	171,932
Granted	930,281	783,010
Redeemed for common shares	(194,957)	(50,357)
Forfeited	(232,161)	(60,672)
Balance - end of period	1,347,076	843,913

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

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****8. SHARE-BASED COMPENSATION PLANS (continued)**

	June 30, 2015	Dec 31, 2014
Weighted average expected life in years	2.04	2.04
Weighted average expected annual dividends per share (%)	1.64	0.98
Weighted average fair value per RSU (\$)	14.32	20.11
Weighted average forfeiture rate (%)	21.28	7.65

PSU Plan

The Corporation has a PSU plan which allows the Corporation to issue PSUs to senior officers that are redeemable for the issuance of common shares. The Board of Directors shall designate, at the time of grant, the date or dates which all or a portion of the PSUs shall vest and any performance conditions to such vesting.

The following table summarizes the PSUs outstanding:

	June 30, 2015	Dec 31, 2014
Balance - beginning of period	21,620	-
Granted	131,033	21,620
Balance - end of period	152,653	21,620

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

	June 30, 2015	Dec 31, 2014
Weighted average expected life in years	2.00	2.00
Weighted average expected annual dividends per share (%)	1.64	0.90
Weighted average fair value per PSU (\$)	15.04	18.12
Weighted average forfeiture rate (%)	0.00	0.00

DSU Plan

The Corporation has a DSU plan for non-employee members of the Board of Directors.

A summary of the status of the Corporation's DSU plan is as follows:

	June 30, 2015	Dec 31, 2014
Balance - beginning of period	79,427	52,220
Granted	32,074	27,207
Balance - end of period	111,501	79,427
Exercisable - end of period	111,501	79,427

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014****9. COMMITMENTS AND CONTINGENCIES**

(\$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

Crude oil transportation

Included in this number are committed crude oil volumes for pipeline throughput at certain of the Corporation's pipeline connected FSTs. This amount reflects the total payment that would have to be made should the Corporation not fulfill the committed pipeline volumes.

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. In addition, the Corporation is committed over the next twelve months to purchasing oil and non-oil commodities for use in the normal course of operations of the DS and PRD divisions.

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 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

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2015 and 2014**

9. COMMITMENTS AND CONTINGENCIES (continued)

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.

10. OPERATING SEGMENTS

The Corporation has three reportable operating segments as follows:

- PRD division owns and operates midstream infrastructure that provides processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. 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.
- DS division provides equipment and chemical solutions for building, maintaining, processing and recycling of drilling, production and completion fluids.
- OS division includes environmental services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, laboratory services, and "CleanSite" waste container services; integrated fluid solutions which include water management, recycling, pumping and storage solutions; and Projects which include pipeline integrity (inspection, excavation, repair, replacement and rehabilitation); demolition and decommissioning, and reclamation and remediation of former wellsites, facilities, commercial and industrial properties.

SECURE ENERGY SERVICES INC.
Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three and six months ended June 30, 2015 and 2014
10. OPERATING SEGMENTS (continued)

(\$000's)

Six Months Ended June 30, 2015	PRD division	DS division	OS division	Corporate	Total
Revenue	567,613	97,903	57,600	-	723,116
Direct expenses	(504,663)	(84,379)	(43,158)	-	(632,200)
Operating margin	62,950	13,524	14,442	-	90,916
General and administrative	(12,965)	(12,999)	(4,276)	(2,825)	(33,065)
Share-based compensation	-	-	-	(12,128)	(12,128)
Business development	-	-	-	(6,544)	(6,544)
Depreciation, depletion and amortization	(32,319)	(11,925)	(6,607)	(255)	(51,106)
Interest, accretion and finance costs	(751)	-	-	(6,218)	(6,969)
Earnings (loss) before tax	16,915	(11,400)	3,559	(27,970)	(18,896)
Three Months Ended June 30, 2015					
Revenue	301,224	29,039	26,306	-	356,569
Direct expenses	(273,938)	(27,215)	(21,333)	-	(322,486)
Operating margin	27,286	1,824	4,973	-	34,083
General and administrative	(5,716)	(5,896)	(2,079)	(1,338)	(15,029)
Share-based compensation	-	-	-	(6,010)	(6,010)
Business development	-	-	-	(2,271)	(2,271)
Depreciation, depletion and amortization	(14,837)	(5,877)	(3,366)	(129)	(24,209)
Interest, accretion and finance costs	(368)	-	-	(2,648)	(3,016)
Earnings (loss) earnings before tax	6,365	(9,949)	(472)	(12,396)	(16,452)

Six Months Ended June 30, 2014	PRD division	DS division	OS division	Corporate	Total
Revenue	862,975	186,256	44,920	-	1,094,151
Direct expenses	(783,052)	(139,825)	(33,568)	-	(956,445)
Operating margin	79,923	46,431	11,352	-	137,706
General and administrative	(11,765)	(13,150)	(3,206)	(4,371)	(32,492)
Share-based compensation	-	-	-	(6,591)	(6,591)
Business development	-	-	-	(7,616)	(7,616)
Depreciation, depletion and amortization	(28,983)	(10,382)	(4,526)	(605)	(44,496)
Interest, accretion and finance costs	(554)	-	-	(3,584)	(4,138)
Earnings (loss) before tax	38,621	22,899	3,620	(22,767)	42,373

Three Months Ended June 30, 2014	PRD division	DS division	OS division	Corporate	Total
Revenue	479,092	67,574	21,273	-	567,939
Direct expenses	(438,737)	(51,444)	(16,439)	-	(506,620)
Operating margin	40,355	16,130	4,834	-	61,319
General and administrative	(6,204)	(6,093)	(1,574)	(2,016)	(15,887)
Share-based compensation	-	-	-	(3,993)	(3,993)
Business development	-	-	-	(5,039)	(5,039)
Depreciation, depletion and amortization	(15,244)	(5,386)	(2,641)	(362)	(23,633)
Interest, accretion and finance costs	(276)	-	-	(1,946)	(2,222)
Earnings (loss) before tax	18,631	4,651	619	(13,356)	10,545

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2015 and 2014

10. OPERATING SEGMENTS (continued)

(\$000's)

As at June 30, 2015	PRD division	DS division	OS division	Corporate	Total
Current assets	101,672	90,556	21,199	-	213,427
Total assets	988,605	340,394	82,240	9,173	1,420,412
Goodwill	31,102	70,126	11,127	-	112,355
Intangible assets	39,894	56,976	13,136	-	110,006
Property, plant and equipment and assets under construction	815,938	121,195	36,777	9,173	983,083
Current liabilities	72,063	17,055	16,141	-	105,259
Total liabilities	173,031	41,253	19,955	234,671	468,910

As at December 31, 2014	PRD division	DS division	OS division	Corporate	Total
Current assets	104,874	169,084	38,161	-	312,119
Total assets	959,980	426,002	100,183	9,952	1,496,117
Goodwill	30,397	70,125	11,128	-	111,650
Intangible assets	45,809	62,536	15,757	-	124,102
Property, plant and equipment and assets under construction	778,899	121,347	35,137	9,952	945,335
Current liabilities	141,569	45,628	24,068	-	211,265
Total liabilities	239,102	68,778	28,557	397,385	733,822

Geographical Financial Information

(\$000's)	Canada		US		Total	
	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,						
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

Corporate Information

DIRECTORS

Rene Amirault - Chairman

Brad Munro ⁽¹⁾ ⁽²⁾ ⁽³⁾

David Johnson ⁽²⁾ ⁽³⁾ ⁽⁴⁾

Daniel Steinke ⁽⁴⁾

Kevin Nugent ⁽¹⁾ ⁽³⁾

Murray Cobbe ⁽¹⁾ ⁽²⁾

Shaun Paterson ⁽¹⁾ ⁽⁴⁾

OFFICERS

Rene Amirault

President & Chief Executive Officer

Allen Gransch

Executive Vice President & Chief Financial Officer

Brian McGurk

Executive Vice President, Human Resources & Strategy

Corey Higham

Executive Vice President, Midstream

Daniel Steinke

Executive Vice President, Operations, PRD

David Mattinson

Executive Vice President, OnSite Services

George Wadsworth

Executive Vice President, Drilling Services & USA Operations

STOCK EXCHANGE

Toronto Stock Exchange

Symbol: SES

AUDITORS

KPMG LLP

Calgary, Alberta

LEGAL COUNSEL

Bennett Jones LLP

Calgary, Alberta

BANKERS

Alberta Treasury Branches

TRANSFER AGENT AND REGISTRAR

Computershare

Calgary, Alberta

¹ Audit Committee

² Compensation Committee

³ Corporate Governance Committee

⁴ Health, Safety & Environment Committee