MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and Six Months ended June 30, 2019 and 2018

The following management's discussion and analysis ("MD&A") of the financial position and results of operations of Secure Energy Services Inc. ("Secure" or the "Corporation") has been prepared by management and reviewed and approved by the Board of Directors of Secure on July 30, 2019. The discussion and analysis is a review of the financial results of the Corporation prepared in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

The MD&A's primary focus is a comparison of the financial performance for the three and six months ended June 30, 2019 to the three and six months ended June 30, 2018 and should be read in conjunction with the Corporation's condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 2019 and 2018 ("Interim Financial Statements") and the Corporation's annual audited consolidated financial statements and notes thereto for the years ended December 31, 2018 and 2017 ("Annual Financial Statements").

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

CORPORATE OVERVIEW

Secure is a TSX publicly traded integrated energy business with midstream infrastructure, environmental and technical solutions divisions providing industry leading customer solutions to upstream oil and natural gas companies operating in western Canada and certain regions in the United States ("U.S."). The Corporation is managed through three complementary divisions that provide innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry.

MIDSTREAM INFRASTRUCTURE DIVISION

The Midstream Infrastructure division owns and operates a network of over fifty facilities throughout western Canada and certain regions in the U.S. The Midstream Infrastructure division services include clean oil terminalling, rail transloading, pipeline transportation, crude oil storage and marketing, custom treating of crude oil, produced and waste water disposal, oilfield waste processing, and oil purchase/resale service. Secure provides these services at its full service terminals ("FST"), full service rail facilities ("FSR"), crude oil pipelines, crude oil terminalling facilities, water disposal facilities, and landfills.

ENVIRONMENTAL SOLUTIONS DIVISION

The Environmental Solutions division provides comprehensive environmental solutions, from initial assessment and planning to reclamation and remediation. The operations of the Environmental Solutions division includes: pipeline integrity projects; demolition, decommissioning, reclamation and remediation of former well sites, facilities, commercial and industrial properties; environmental construction projects; onsite integrated fluid solutions (water management, recycling, pumping and storage); Naturally Occurring Radioactive Material ("NORM") management; waste container services; and emergency response services.

TECHNICAL SOLUTIONS DIVISION

The Technical Solutions division provides customer focused product solutions for drilling, completion and production operations for oil and gas producers in western Canada. The drilling fluids and equipment line includes the design and implementation of drilling fluid systems for producers drilling for oil, bitumen and natural gas. The Corporation focuses on providing products and systems that are designed for more complex wells, such as medium to deep wells, horizontal wells and horizontal wells drilled into the oil sands. The production chemicals and enhanced oil recovery ("EOR") line provides equipment and chemical solutions that optimize production, provide flow assurance and maintain the integrity of production assets.

For a complete description of services provided in the Midstream Infrastructure, Environmental Solutions and Technical Solutions divisions, please refer to the headings '*Secure Energy Services Inc*.' and '*Description of Business*' in the Corporation's Annual Information Form for the year ended December 31, 2018 ("AIF").

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Increasing Cash Flow Stability

Secure achieved Adjusted EBITDA[1] of $35.0 million during the second quarter of 2019, a 12% increase from the three months ended June 30, 2018 despite lower oil and gas activity levels. Along with the impact of the adoption IFRS 16, Leases[2] on January 1, 2019, growth initiatives over the last several years to increase capacity in response to customer demand and expand production-related service offerings more than offset the impact of lower revenues associated with reduced drilling and completion related volumes and related services. Secure's focus in recent years to capture new production-based revenue and long-term contracts has provided the Corporation with greater revenue stability. This shift into higher production-based exposure and contracted volumes significantly improves the predictability of Secure's cash flows, including during the second quarter where the Corporation's results are impacted by weather conditions resulting in road bans that hamper drilling and completion activity in Canada.

Executing Growth Strategy

During the second quarter, Secure added key storage infrastructure, continuing to add to the Corporation's midstream growth strategy. At the Kerrobert terminal, Secure expanded total crude oil storage to 420,000 barrels with the completion of the construction of two 130,000 barrel tanks. Secure also acquired a 27% interest in a crude oil storage facility located in Cushing, Oklahoma, and a 51% interest in an adjacent 80-acre parcel of undeveloped land. The Cushing storage facility was constructed in 2015 and is strategically located on 10 acres of land in South Cushing with long-term connection agreements in place, ultimately providing connectivity to all major inbound and outbound pipelines in Cushing. Secure's majority investment in the 80-acre parcel of land provides the Corporation with significant optionality to develop additional midstream infrastructure in one of North America's key storage and trading hubs. Having access to multiple Canadian crude streams and well-connected infrastructure at hubs across North America will benefit our customers getting their product to market at the optimum price and significantly expands Secure's commercial revenue generating opportunities.

During the quarter, Secure also continued to identify and develop infrastructure near customer production to provide transportation and disposal solutions to customers that increase their operating netbacks and capital efficiency. In June 2019, Secure commenced construction of a new water disposal facility and produced water pipeline in the Montney region of Alberta. The facility, which is expected to be completed during the fourth quarter of 2019, has multi-year contracted volumes through facility and well dedications with an anchor tenant, providing reliable cash flows over the contract term.

Other growth and expansion capital incurred in the three months ended June 30, 2019 included progressing construction of a produced water transfer and injection pipeline in the Montney region, the addition of two new disposal wells in North Dakota at the Keene and 13 Mile facilities, completion of a second well at Tony Creek, and construction of an additional landfill cell at Willesden Green. Additionally, the Corporation increased capacity and efficiencies through various other expansion projects at the Corporation's existing facilities. Secure continues to evaluate additional opportunities relating to new infrastructure across the WCSB and North Dakota based on customer demand. In total, the Corporation invested growth and expansion capital (including acquisitions) of $46.6 million during the three months ended June 30, 2019.

Improving Financial Flexibility

During the second quarter, Secure closed an amendment to its First Lien Credit Facility, increasing the facility by $130 million and extending the maturity date by two years to June 30, 2023. The amended First Lien Credit Facility also includes an accordion feature, which, if exercised and approved by the Corporation's lenders, would increase the revolving credit facility by an additional $100 million. Secure has also entered into a new $75 million bilateral Letter of Credit Facility with two major financial institutions. As a result of the amended First Lien Credit Facility and new Letter of Credit Facility, Secure has a total credit capacity of $805 million.

At June 30, 2019, Secure's Total Debt to EBITDA ratio, as defined in the Corporation's lending agreements, was 2.3 to 1. The strength of the Corporation's balance sheet and increased credit capacity achieved in the quarter provides sufficient financial flexibility and the incremental borrowing capacity required for Secure to continue to operate efficiently, grow the business organically and execute on strategic acquisition opportunities that align with the profitable growth strategy of Secure.

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

[2] Refer to the "*Reporting Changes*" section herein for more information on Secure's adoption of IFRS 16. Secure anticipates the impact of the new standard to result in an increase of approximately $12 to $14 million to Adjusted EBITDA for the 2019 year.

Creating Shareholder Value

During the quarter, Secure renewed the normal course issuer bid ("NCIB") first initiated in May 2018. During the three months ended June 30, 2019, Secure purchased and cancelled 3,070,100 common shares of the Corporation ("shares") at a weighted average price per share of $7.30 for a total of $22.4 million. Subsequent to quarter end, the Corporation has purchased 450,900 additional shares. In total, Secure has repurchased and cancelled 9,199,173 shares since May 2018, representing approximately 6% of the number of common shares outstanding at the time of commencement. The Corporation believes that, at times, the prevailing market price for Secure's shares does not reflect their underlying value.

The Corporation's operating and financial highlights for the three and six month periods ending June 30, 2019 and 2018 can be summarized as follows:

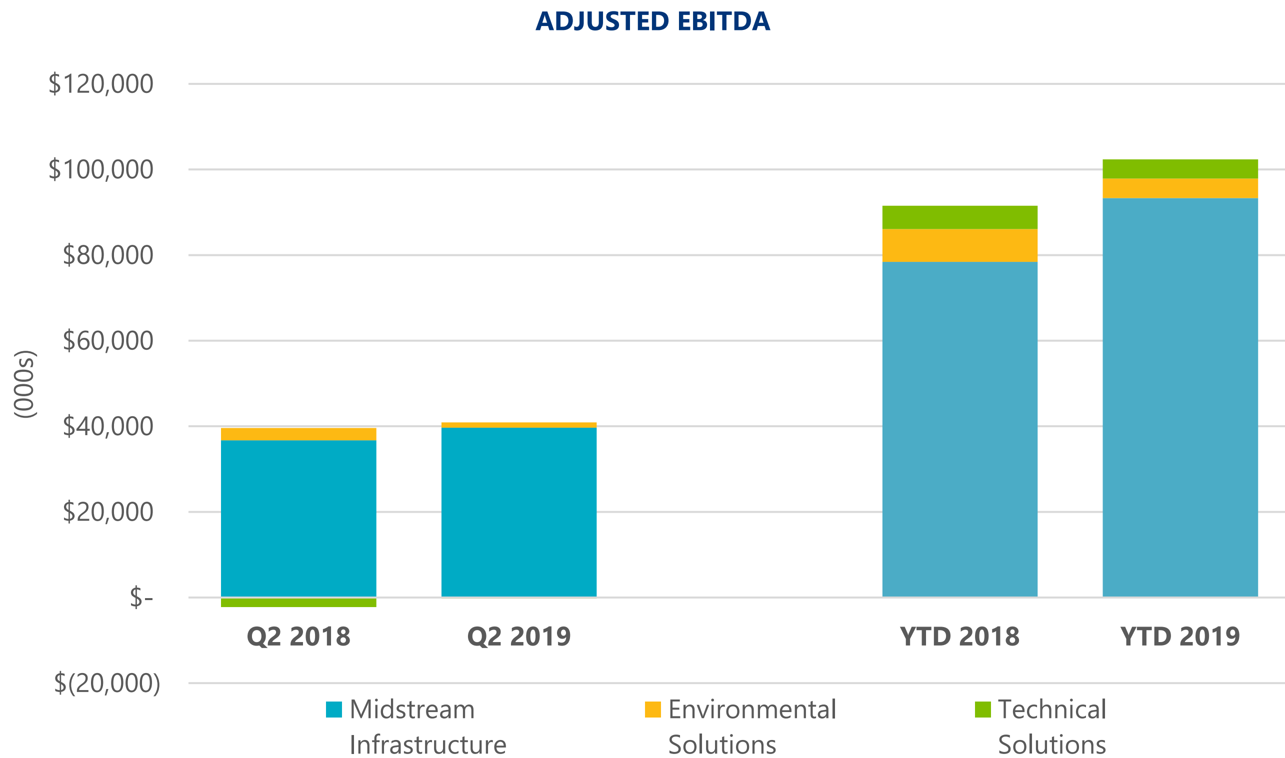
	Three months ended June 30,			Six months ended June 30,		
($000's except share and per share data)	**2019**	**2018**	**% change**	**2019**	**2018**	**% change**
Revenue (excludes oil purchase and resale)	**138,869**	141,249	(2)	**316,248**	322,947	(2)
Oil purchase and resale	**654,618**	578,674	13	**1,266,121**	1,102,421	15
Total revenue	**793,487**	719,923	10	**1,582,369**	1,425,368	11
Adjusted EBITDA [1]	**34,966**	31,158	12	**90,105**	78,965	14
Per share ($), basic and diluted	**0.22**	0.19	16	**0.56**	0.48	17
Net loss attributable to shareholders of Secure	**(1,678)**	(6,901)	(76)	**(419)**	(824)	49
Per share ($), basic and diluted	**(0.01)**	(0.04)	(75)	**-**	(0.01)	100
Cash flows from operating activities	**53,926**	74,572	(28)	**111,228**	107,326	4
Per share ($), basic and diluted	**0.34**	0.45	(24)	**0.69**	0.65	6
Dividends per common share	**0.0675**	0.0675	-	**0.1350**	0.1350	-
Capital expenditures [1]	**48,612**	36,263	34	**72,231**	92,844	(22)
Total assets	**1,605,988**	1,538,001	4	**1,605,988**	1,538,001	4
Long-term liabilities	**604,610**	457,994	32	**604,610**	457,994	32
Common shares - end of period	**158,452,248**	163,431,134	(3)	**158,452,248**	163,431,134	(3)
Weighted average common shares - basic and diluted	**160,371,354**	164,524,360	(3)	**160,405,924**	164,268,516	(2)

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

- REVENUE OF $793.5 MILLION AND $1.6 BILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019
  - The Midstream Infrastructure division's revenue (excluding oil purchase and resale) increased to $85.5 million and $179.7 million during the three and six months ended June 30, 2019, up 6% and 11%, respectively, from the comparative periods in 2018. The increase in revenues was driven by infrastructure added in 2018, which resulted in new revenue streams and increased disposal capacity, and the Corporation's continued commitment to optimize realized pricing by utilizing multiple crude oil and condensate streams at Secure's pipeline connected FSTs, benefiting both the Corporation and our customers. The increase in revenue was partially offset by lower drilling and completions related processing and disposal volumes resulting from a slowdown in Canadian drilling and completion activity. During the three and six months ended June 30, 2019, industry rig counts decreased 28% and 35% from the comparative periods of 2018, and completions decreased 26% and 25%;
  - Oil purchase and resale revenue in the Midstream Infrastructure division for the three and six months ended June 30, 2019 increased by 13% and 15% from the 2018 comparative periods to $654.6 million and $1.3 billion due to Secure's expanded commercial operations, particularly related to the Kerrobert crude oil pipeline system;

- Environmental Solutions division revenue of $16.0 million and $45.7 million for the three and six months ended June 30, 2019 decreased 38% and 21% from the respective comparative periods of 2018. The integrated fluids solutions service line was impacted by lower well completion activity in the WCSB and from reduced spending from major exploration and production companies in Canada. Project revenue decreased due to fewer reclamation and demolition jobs underway quarter over quarter and from the deferral of ongoing remediation and demolition jobs until the second half of the year as wet weather conditions in June limited field access to continue with these jobs. Increases in recurring revenue from the scrap metal recycling agreements combined with new project work in the Fort McMurray region partially offset the reduced revenue from the lower job volumes and program deferrals;
- Technical Solutions division revenue increased 7% to $37.3 million in the three months ended June 30, 2019 over the 2018 comparative period due to increased production services revenue from an expanded customer base. Drilling services revenue was relatively flat quarter over quarter as increased market share offset the impact of lower drilling activity in the WCSB. In the six months ended June 30, 2019, Technical Solutions revenue decreased 12% to $90.9 million as the impact of higher production services revenue was more than offset by the slowdown in drilling activity in Canada, as evidenced by a 35% decrease in rigs drilling in the WCSB from the same period in 2018.

- ADJUSTED EBITDA OF $35.0 MILLION AND $90.1 MILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019
  - Adjusted EBITDA of $35.0 million and $90.1 million increased 12% and 14% from the three and six months ended June 30, 2018, primarily from higher Midstream Infrastructure revenue (excluding oil purchase and resale), continued cost efficiencies, and the impact of the adoption of IFRS 16. These factors more than offset the decrease in drilling and completions related volumes and demand for related services. IFRS 16 was adopted by the Corporation on January 1, 2019 and resulted in the reclassification of certain lease payments previously included in the determination of EBITDA to depreciation and amortization expense and interest costs;
  - In the Midstream Infrastructure division, Adjusted EBITDA increased 8% in the second quarter of 2019 compared to the second quarter of 2018, and 19% during the six months ended June 30, 2019 over the same period in 2018. Higher water disposal volumes, new revenue streams, and Secure's utilization of multiple crude oil and condensate streams to optimize pricing at the Corporation's pipeline connected FSTs, benefiting both the Corporation and our customers, more than mitigated a decrease in facility volumes relating to less drilling and completions waste processing and disposal during the 2019 periods;
  - Adjusted EBITDA generated from the Environmental Solutions division decreased $1.6 million and $3.1 million for the three and six months ended June 30, 2019 from the respective comparative periods in 2018, primarily from revenue variances described above. The majority of the Environmental Solutions division's cost of sales are variable with fluctuations corresponding to changes in revenue;
  - The Technical Solutions division's Adjusted EBITDA improved $2.0 million during the three months ended June 30, 2019 over the 2018 comparative period primarily due to higher revenue from production services and lower general and administrative expenses following cost reductions initiated in late 2018 in response to lower oil and gas drilling activity. During the year to date, Adjusted EBITDA for the division decreased $1.0 million compared to the same period of 2018 primarily as a result of lower revenue driven by reduced drilling activity;
  - The following graphs illustrate the divisional impacts to Adjusted EBITDA, excluding Corporate costs, for the three and six months ("Q2" and "YTD", respectively) ended June 30, 2019 and 2018.



- NET LOSS ATTRIBUTABLE TO SHAREHOLDERS OF SECURE OF $1.7 MILLION AND $0.4 MILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019
  - For the three months ended June 30, 2019, net loss attributable to shareholders of Secure of $1.7 million decreased from a net loss of $6.9 million in the three months ended June 30, 2018. The variance is primarily due to a $3.8 million increase to Adjusted EBITDA resulting from the factors described above, and lower tax expense driven by a reduction in corporate tax rates. These positive variances were partially offset by higher depreciation expense resulting from the adoption of IFRS 16 and new assets put into use since the second quarter of 2018 and higher interest expense resulting from higher debt levels to fund organic development and acquisitions in the past year. During the six months ended June 30, 2019, the net loss attributable to shareholders of Secure was $0.4 million, down slightly from $0.8 million in the six months ended June 30, 2018. The decrease in the net loss is due to the $11.1 million increase to Adjusted EBITDA and lower tax expense as described above, partially offset by higher depreciation expense resulting from the adoption of IFRS 16 and new assets put into use since the first quarter of 2018, and higher interest expense from increased debt levels to fund growth initiatives in the past year.

- CAPITAL EXPENDITURES OF $48.6 MILLION AND $72.2 MILLION FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019
  - Total capital expenditures for the three months ended June 30, 2019 included $32.7 million of organic growth and expansion capital, $13.9 million of acquisition capital related to the two tuck-in acquisitions at Cushing, and $2.1 million of sustaining capital. Growth and expansion capital (excluding business acquisitions) of $53.3 million incurred in the six months ended June 30, 2019 related primarily to progressing construction of a produced water transfer and injection pipeline from a customer plant in the Montney region; the additional crude oil storage at the receipt terminal in Kerrobert; commencement of construction of the new Montney water disposal facility; the addition of three water disposal wells at existing facilities (Tony Creek, Keene and 13 Mile); increasing processing and disposal capacity and creating efficiencies at various other facilities, including purchasing equipment to support existing services; and long lead items and upfront costs for future projects. Sustaining capital incurred in the year to date of $5.0 million relates primarily to well and facility maintenance.

- FINANCIAL FLEXIBILITY
  - The total amount drawn on Secure's credit facilities as at June 30, 2019 increased by 6% to $437.0 million compared to $413.5 million at December 31, 2018. The amount drawn increased slightly in order to fund the Corporation's capital program;
  - As at June 30, 2018, the Corporation had $330.3 million available under its credit facilities, subject to covenant restrictions, up from $148.4 million at December 31, 2018. In April 2019, Secure closed an amendment to its First Lien Credit Facility, increasing the capacity by $130 million and issued a new $75 million bilateral Letter of Credit Facility, resulting in total credit capacity of $805 million. The Corporation is well positioned to pursue further accretive acquisition opportunities and execute on the expected 2019 capital program;
  - Secure is in compliance with all covenants related to its credit facilities at June 30, 2019. The following table outlines Secure's senior and total debt to trailing twelve month EBITDA ratios[1] at June 30, 2019 and December 31, 2018.

	Jun 30, 2019	Dec. 31, 2018	Threshold
Senior debt to EBITDA	1.6	1.6	3.5
Total debt to EBITDA	2.3	2.2	5.0

OUTLOOK

Secure's outlook for oil and gas activity levels in the second half of 2019 remains conservative in light of ongoing macro-economic factors affecting the Canadian energy sector. Producers are continuing to be cautious with spending, impacting new drilling and completion related volumes and demand for related services. Despite a difficult operating environment, Secure has demonstrated consistent growth over the past several years. The Corporation continues to find new and innovative ways to help our customers and deliver energy to the world, so people and communities thrive. Over the past two years, Secure has strategically invested in midstream infrastructure in high impact resource plays located near customer production, significantly increased the Corporation's exposure to production-based revenues and entered into long-term contracts for increased reliability of future cash flows. Secure expects that these factors will mitigate the impact reduced year over year activity levels will have on the Corporation's financial results in 2019.

Secure's strategy remains focused on what is in the Corporation's control: help our customers by challenging what's possible. By doing midstream differently, Secure can work with customers to identify opportunities and integrated solutions where the Corporation can add value by increasing customer operating netbacks and improving capital efficiency. The industry fundamentals driving the success of Secure's core operations remain unchanged:

- Trend towards increased outsourcing of midstream work by producers;
- Produced water increasing at a disproportionate rate relative to aggregate production as a result of larger fracs, aging wells and maturing basins in both Canada and the U.S.;
- Increasing opportunities relating to crude oil logistics as volatile differentials allow for opportunities related to crude oil storage, and transporting crude by rail and via pipeline;
- Well density improving economics to pipeline connect production volumes to midstream facilities;
- Forecast global oil and gas demand driving production growth in the WCSB; and
- Highly regulated and best in the world environmental standards.

These factors are expected to result in the need for additional facilities to meet incremental requirements for processing and disposal capacity. Secure has made significant capital investments to ensure the business is well positioned to capture new demand. By offering exceptional customer service and owning and operating midstream facilities near customer production, Secure expects these trends will drive more volumes to the Corporation's midstream facilities.

Additionally, customers continue to seek cost effective transportation solutions for water, oil and condensate volumes. Employing the Corporation's approach of doing midstream differently, Secure has created strategic partnerships with

[1] Refer to the "*Liquidity and Capital Resources*" section herein for details on the Corporation's covenant calculations.

customers leading to the recent development of the Kerrobert crude oil pipeline system and the ongoing construction of two produced water transfer pipelines. These feeder pipelines create value for Secure through fixed fee-for-service revenues and reliable volumes delivered to our facilities, and for our customers through lower transportation costs and higher operating netbacks.

The continued growth and development of the Corporation's midstream business, highlighted in the second quarter with the addition of storage infrastructure expanding Secure's strategic footprint at key North American crude hubs, provides Secure with the ability to offer customers market access flexibility to optimize pricing.

Secure's Technical and Environmental Solutions divisions offer significant torque to the Corporation's cash flows with increased commodity prices, improved producer spending and higher activity levels. Additionally, offering a suite of solutions across the energy life cycle creates synergies with the core business.

With the strength of the Corporation's balance sheet, experienced management team and proven track record, Secure is well positioned to execute on its growth strategy and respond with solutions to the market's requirements. The amendments to the Corporation's First Lien Credit Facility and the new Letter of Credit Facility during the second quarter increased the Corporation's total credit capacity to $805 million, providing financial flexibility and the borrowing capacity available for Secure to continue to operate efficiently and execute on the Corporation's growth and capital investment strategy. The Corporation has visible continued growth and expects to incur approximately $115 million of total growth and expansion capital in 2019 (acquisition and organic) depending on the outcome of various opportunities in development, such as regulatory approvals, development permits and other operating agreements. The current capital plan for the second half of the year includes completing the produced water transfer and injection pipelines in the Montney region; completing the new Montney water disposal facility and feeder pipeline; optimizing capabilities and increasing processing and disposal capacity at various other facilities, including additional disposal wells; and purchasing equipment to support existing services.

REPORTING CHANGES

The Corporation adopted International Financial Reporting Standard 16, Leases (the "new standard") as at the effective date of January 1, 2019 which replaced IAS 17, Leases ("IAS 17"). The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There was also no impact to lessor accounting from the adoption of IFRS 16.

Leases are recognized as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Corporation.

Lease liabilities are initially measured at the present value of unpaid lease payments, less any lease incentives. Lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. Lease payments are discounted using the Corporation's incremental borrowing rate where the rate implicit in the lease is not readily determinable.

Right-of-use assets are initially measured at the amount of the lease liability, plus any lease payments made at or before the commencement date, any initial direct costs, and estimated cost for dismantling or restoring the asset.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments on short-term leases or leases on which the underlying asset is of low value are accounted for as expenses on a straight-line basis in the consolidated statement of operations.

The Corporation elected the modified retrospective transition approach, which provides lessees a method for recording existing leases at adoption with no restatement of prior period financial information. Under this approach, a lease liability was recognized at January 1, 2019 in respect of leases previously classified as operating leases, measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition. The associated right-of-use assets were measured at amounts equal to the respective lease liabilities, subject to certain adjustments allowed under IFRS 16.

Adoption of the new standard at January 1, 2019 resulted in the recording of additional right-of-use assets and lease liabilities of $33.4 million and $35.9 million, respectively, related to office space, warehouses, surface land, rail cars and certain heavy equipment. The new standard did not materially impact consolidated net income as the depreciation of right-of-use assets and interest and finance costs related to the lease liabilities recognized under IFRS 16 were mostly offset by reductions in operating lease expense, which were previously recognized in cost of sales and general and administrative expenses. The adoption of IFRS 16 had no impact on cash flows.

NON-GAAP MEASURES

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, are considered non-GAAP measures. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measure. These measures are intended as a complement to results provided in accordance with IFRS. The Corporation believes these measures provide additional useful information to analysts, shareholders and other users to understand the Corporation's financial results, profitability, cost management, liquidity and ability to generate funds to finance its operations. However, they should not be used as an alternative to IFRS measures because they do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. These non-GAAP measures are further explained below.

Adjusted EBITDA

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

Management believes that in addition to net loss, Adjusted EBITDA is a useful supplemental measure to enhance understanding of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed, how the results are taxed, and how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of Secure's core operations. Management calculates these adjustments consistently from period to period to enhance comparability of this MD&A. Adjusted EBITDA is used by management to determine Secure's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. Adjusted EBITDA is also used internally to set targets for determining employee variable compensation, largely because management believes that this measure is indicative of how the fundamental business is performing and being managed.

The following table reconciles the Corporation's net income, being the most directly comparable measure calculated in accordance with IFRS, to Adjusted EBITDA.

	Three months ended June 30,			Six months ended June 30,		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Net loss	**(2,127)**	(6,901)	69	**(868)**	(824)	(5)
Add:						
Depreciation, depletion and amortization (1)	**33,975**	27,381	24	**65,874**	54,675	20
Current tax (recovery) expense	**(342)**	301	(214)	**(44)**	1,122	(104)
Deferred tax (recovery) expense	**(6,847)**	(639)	972	**(3,730)**	3,289	(213)
Share-based compensation (1)	**4,614**	5,487	(16)	**11,902**	11,115	7
Interest, accretion and finance costs	**6,242**	5,214	20	**13,033**	9,070	44
Unrealized (gain) loss on mark to market transactions (2)	**(549)**	315	(274)	**3,938**	518	660
Adjusted EBITDA	**34,966**	31,158	12	**90,105**	78,965	14

(1) Included in cost of sales and general and adminstrative expenses on the Consolidated Statements of Comprehensive Loss.

(2) Included in revenue on the Consolidated Statements of Comprehensive Loss.

Segment profit margin

Segment profit margin is calculated as the difference between revenue and cost of sales, excluding depreciation, depletion and amortization expense and share-based compensation expense. Segment profit margin is not a recognized measure under IFRS and therefore may not be comparable to similar measures presented by other companies. Management analyzes segment profit margin and segment profit margin as a percentage of revenue excluding oil purchase and resale by division as a key indicator of segment profitability. This non-GAAP measure is also used by management to quantify the operating costs inherent in the Corporation's business activities, prior to operational related depreciation, depletion and amortization and share-based compensation, and evaluate segment cost control and efficiency.

The following table reconciles the Corporation's gross margin, being the most directly comparable measure calculated in accordance with IFRS, to consolidated segment profit margin.

	Three months ended June 30,			Six months ended June 30,		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Gross margin	**20,740**	22,446	(8)	**60,646**	62,147	(2)
Add:						
Depreciation, depletion and amortization [1]	**30,592**	26,217	17	**59,167**	52,265	13
Share-based compensation [1]	**1,477**	1,702	(13)	**2,954**	3,355	(12)
Segment profit margin	**52,809**	50,365	5	**122,767**	117,767	4

[1] These charges are included in cost of sales on the Corporation's Consolidated Statements of Comprehensive Loss.

OPERATIONAL DEFINITIONS

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

Oil prices

Canadian Light Sweet crude oil price is the benchmark price for light crude oil (40 American Petroleum Institute ("API") gravity) at Edmonton, Alberta.

Operating netback

Operating netback is a common measure used in the oil and gas industry to measure results on a per barrel of equivalent basis and is typically calculated as oil and gas sales, less royalties, operating and transportation expenses.

Operating days

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

Capital expenditures

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

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019

In order to discuss the factors that have caused period to period variations in operating activities, the Corporation has divided the business into three reportable segments, as outlined in the '*Corporate Overview*' above, and presented in Note 12 of the Interim Financial Statements. Total general and administration expenses by division excludes corporate expenses and share-based compensation, as senior management reviews each division's earnings before these expenses in assessing profitability and performance. The table below outlines the results by operating segment for the three and six months ended June 30, 2019 and 2018:

($000's) Three months ended June 30, 2019	Midstream Infrastructure	Environmental Solutions	Technical Solutions	Corporate	Total
Revenue from services	85,544	16,027	37,298	-	138,869
Oil purchase and resale service	654,618	-	-	-	654,618
Total revenue	**740,162**	**16,027**	**37,298**	**-**	**793,487**
Cost of sales excluding items listed separately below	(694,037)	(13,371)	(33,270)	-	(740,678)
Segment profit margin	**46,125**	**2,656**	**4,028**	**-**	**52,809**
G&A expenses excluding items listed separately below	(5,911)	(1,412)	(4,283)	(5,688)	(17,294)
Depreciation, depletion and amortization (1)	(23,656)	(2,616)	(6,548)	(1,155)	(33,975)
Share-based compensation (1)	-	-	-	(4,614)	(4,614)
Interest, accretion and finance costs	(450)	-	-	(5,792)	(6,242)
Earnings (loss) before tax	**16,108**	**(1,372)**	**(6,803)**	**(17,249)**	**(9,316)**

($000's) Six months ended June 30, 2019	Midstream Infrastructure	Environmental Solutions	Technical Solutions	Corporate	Total
Revenue from services	179,682	45,699	90,867	-	316,248
Oil purchase and resale service	1,266,121	-	-	-	1,266,121
Total revenue	**1,445,803**	**45,699**	**90,867**	**-**	**1,582,369**
Cost of sales excluding items listed separately below	(1,344,777)	(38,035)	(76,790)	-	(1,459,602)
Segment profit margin	**101,026**	**7,664**	**14,077**	**-**	**122,767**
G&A expenses excluding items listed separately below	(11,639)	(3,108)	(9,612)	(12,241)	(36,600)
Depreciation, depletion and amortization (1)	(45,592)	(5,316)	(12,613)	(2,353)	(65,874)
Share-based compensation (1)	-	-	-	(11,902)	(11,902)
Interest, accretion and finance costs	(924)	-	-	(12,109)	(13,033)
Earnings (loss) before tax	**42,871**	**(760)**	**(8,148)**	**(38,605)**	**(4,642)**

($000's) Three months ended June 30, 2018	Midstream Infrastructure	Environmental Solutions	Technical Solutions	Corporate	Total
Revenue from services	80,496	26,043	34,710	-	141,249
Oil purchase and resale service	578,674	-	-	-	578,674
Total revenue	**659,170**	**26,043**	**34,710**	**-**	**719,923**
Cost of sales excluding items listed separately below	(616,470)	(21,100)	(31,988)	-	(669,558)
Segment profit margin	**42,700**	**4,943**	**2,722**	**-**	**50,365**
G&A expenses excluding items listed separately below	(6,287)	(2,055)	(4,972)	(6,208)	(19,522)
Depreciation, depletion and amortization (1)	(18,942)	(2,454)	(5,625)	(360)	(27,381)
Share-based compensation (1)	-	-	-	(5,487)	(5,487)
Interest, accretion and finance costs	(431)	-	-	(4,783)	(5,214)
Earnings (loss) before tax	**17,040**	**434**	**(7,875)**	**(16,838)**	**(7,239)**

($000's) Six months ended June 30, 2018	Midstream Infrastructure	Environmental Solutions	Technical Solutions	Corporate	Total
Revenue from services	161,351	58,207	103,389	-	322,947
Oil purchase and resale service	1,102,421	-	-	-	1,102,421
Total revenue	**1,263,772**	**58,207**	**103,389**	**-**	**1,425,368**
Cost of sales excluding items listed separately below	(1,173,668)	(46,629)	(87,304)	-	(1,307,601)
Segment profit margin	**90,104**	**11,578**	**16,085**	**-**	**117,767**
G&A expenses excluding items listed separately below	(12,216)	(3,915)	(10,640)	(12,549)	(39,320)
Depreciation, depletion and amortization (1)	(37,660)	(5,196)	(11,140)	(679)	(54,675)
Share-based compensation (1)	-	-	-	(11,115)	(11,115)
Interest, accretion and finance costs	(844)	-	-	(8,226)	(9,070)
Earnings (loss) before tax	**39,384**	**2,467**	**(5,695)**	**(32,569)**	**3,587**

(1) Depreciation, depletion and amortization and share-based compensation have been allocated to cost of sales and general and administrative expenses on the Condensed Consolidated Statements of Comprehensive Loss based on function of the underlying asset or individual to which the charge relates.

MIDSTREAM INFRASTRUCTURE DIVISION

The Midstream Infrastructure division has two separate business lines: Midstream Infrastructure services; and oil purchase and resale services.

Midstream Infrastructure services:

The Midstream Infrastructure division owns and operates a network of facilities throughout western Canada, in North Dakota, and, as of the second quarter of 2019, has added storage assets in Cushing, Oklahoma. These facilities provide processing, storing, shipping and marketing of crude oil; oilfield waste and water disposal; and recycling. Secure also offers transportation solutions through dedicated oil and water pipelines terminating at Secure facilities. Processing services are primarily performed at FSTs and include waste processing and crude oil emulsion treating. Secure's FSTs that are connected to export oil pipelines provide customers with an access point to process and/or treat their crude oil for shipment to market. The crude oil or oilfield waste is delivered by customers to Secure by tanker, vacuum truck or dedicated feeder pipeline. The FST will process oilfield waste to separate out solids, water and crude oil. Crude oil that does not meet pipeline specifications is processed through a crude oil emulsion treater. Clean crude oil and treated crude oil may be aggregated and stored on site temporarily until the volumes are ready to be shipped through gathering, transmission or feeder pipelines, or via transloading facilities. Disposal services include produced and waste water disposal services through a network of disposal wells and disposal of oilfield solid wastes at the Corporation's landfills.

Oil purchase and resale:

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

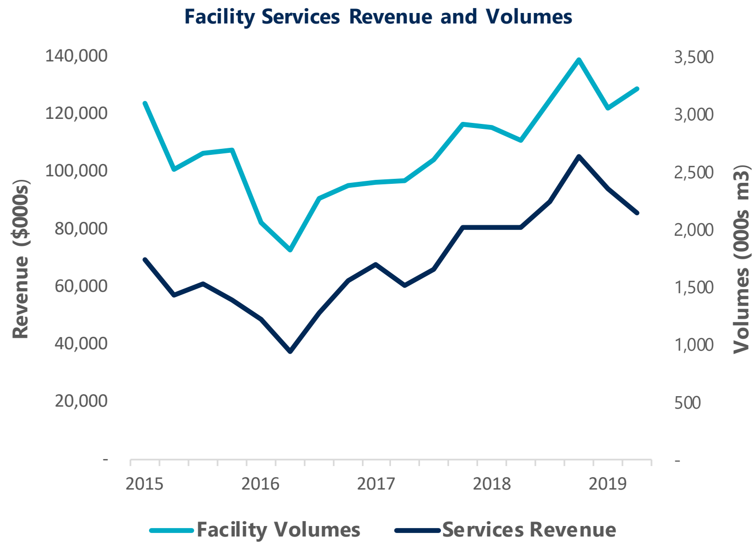
	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Revenue						
Midstream Infrastructure (a)	**85,544**	80,496	6	**179,682**	161,351	11
Oil purchase and resale	**654,618**	578,674	13	**1,266,121**	1,102,421	15
Total Midstream Infrastructure division revenue	**740,162**	659,170	12	**1,445,803**	1,263,772	14
Cost of Sales						
Midstream Infrastructure excluding items noted below	**39,419**	37,796	4	**78,656**	71,247	10
Depreciation, depletion and amortization	**21,945**	18,668	18	**42,308**	37,146	14
Oil purchase and resale	**654,618**	578,674	13	**1,266,121**	1,102,421	15
Total Midstream Infrastructure division cost of sales	**715,982**	635,138	13	**1,387,085**	1,210,814	15
Segment Profit Margin (1)	**46,125**	42,700	8	**101,026**	90,104	12
Segment Profit Margin (1) as a % of revenue (a)	**54%**	53%		**56%**	56%	

(1) Calculated as revenue less cost of sales excluding depreciation, depletion and amortization. Refer to "Non-GAAP measures" for further information.

Revenue (Midstream Infrastructure division)

Revenue generated from Midstream Infrastructure services of $85.5 million and $179.7 million for the three and six months ended June 30, 2019 increased by 6% and 11% from the 2018 comparative periods. The increase in revenue was primarily driven by higher volumes associated with new infrastructure, including the Kerrobert crude oil pipeline system and expansions at certain of the Corporation's existing facilities during 2018 and the first half of 2019. Further increases in revenue during the three and six months ended June 30, 2019 were due to Secure's continued utilization of multiple crude oil and condensate streams at the Corporation's pipeline connected FSTs to optimize realized pricing, which benefited both the Corporation and our customers. These increases to revenue were partially offset by a decrease in processing and disposal volumes tied to drilling and completion activity, wet weather in June resulting in extensive road bans, and lower realized pricing on recovered oil.

The graph below illustrates the relationship between volumes and revenues earned at the Corporation's facilities. Midstream Infrastructure services revenue is impacted by both the nature and amount of product received by Secure's facilities; pricing varies depending on the complexity to process and dispose.



	Three months ended June 30,			Six months ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Average Benchmark Prices and Volumes [(1)]						
WTI (US$/bbl)	$ 59.84	$ 68.16	(12)	$ 57.33	$ 65.51	(12)
Canadian Light Sweet ($/bbl)	$ 72.55	$ 77.18	(6)	$ 69.74	$ 73.63	(5)
Processing volumes (in 000's m^3)	373	535	(30)	823	1,108	(26)
Recovery, terminalling and pipeline volumes (in 000's m^3)	945	493	92	1,803	950	90
Disposal volumes (in 000's m^3)	1,862	1,747	7	3,599	3,594	-

(1) Crude, emulsion and water volumes are metered at the Corporation's midstream facilities. Solid waste is weighed at landfills.

Disposal volumes increased slightly in the three months ended June 30, 2019 over the 2018 comparative period as a 31% increase in produced water disposal volumes at the Corporation's facilities in Canada more than offset the impact on landfill volumes and waste water volumes resulting from slower drilling and completion activity. The majority of the Corporation's facilities are located in high impact resource plays, such as the Montney and Duvernay regions, where producers were most active in the WCSB during the quarter. Average fluids pumped per well in these regions are also significantly higher than other regions of the WCSB, driving incremental volumes at Secure's facilities. In the past year, Secure has strategically added new facilities, including the Gold Creek and Tony Creek water disposal facilities, and increased capacity for water disposal at various other facilities in these regions in response to customer demand. These additions and expansions were the driving force behind higher produced water volumes in the quarter. Disposal volumes were relatively flat in the six months ended June 30, 2019 compared to the same period in 2018 as the impact of higher produced water disposal volumes described above was offset by lower completion-related water volumes and reduced drilling waste disposed at the Corporation's landfills.

Processing volumes decreased by 30% and 26% in the three and six months ended June 30, 2019 from the 2018 comparative periods driven primarily by lower emulsion treating and waste processing over the comparative periods resulting from the slowdown of oil and gas activity due to challenging industry fundamentals stemming from volatile crude oil pricing, low natural gas prices and uncertainty with respect to the addition of pipeline capacity out of the WCSB. Additionally, cold weather in the first quarter of 2019 and a prolonged spring break-up due to rain in June impacted overall activity levels. In the WCSB, rig activity declined 28% and 35% in the three and six months ended June 30, 2019 from the 2018 comparative periods, and completions decreased 26% and 25% in these same periods.

The Kerrobert crude oil pipeline system commenced commercial operations on October 1, 2018, resulting in a new revenue source for the Corporation in the three and six months ended June 30, 2019 compared to the same periods of 2018 through pipeline tariffs. The feeder pipeline project includes area dedication and contracted volume on both an annual and cumulative term basis over a 10 year term.

Oil purchase and resale revenue in the Midstream Infrastructure division for the three and six months ended June 30, 2019 increased to $654.6 million and $1.3 billion driven by the addition of the Kerrobert crude oil pipeline system.

Cost of Sales (Midstream Infrastructure division)

Cost of sales from Midstream Infrastructure services, excluding depreciation, depletion and amortization, increased by 4% and 10% to $39.4 million and $78.7 million in the three and six months ended June 30, 2019 from the prior year comparative periods. The increase in cost of sales corresponds to the increased revenue in the period, partially offset by lease payments associated with the Corporation's rail car leases in the prior year, which were capitalized at January 1, 2019 in accordance with IFRS 16.

Operating depreciation, depletion and amortization ("DD&A") expense included within cost of sales relates primarily to the division's facilities, landfills, and rail car leases, and includes non-cash impairment as well as any gains or losses on sale or disposal of equipment. For the three and six months ended June 30, 2019, operational DD&A increased by 18% and 14% to $21.9 million and $42.3 million mainly due to depreciation associated with increases to property, plant and equipment from the Cushing storage facility acquisition, newly constructed facilities and other equipment put into use since the first quarter of 2018, and depreciation related to the Midstream Infrastructure division's right-of-use assets added as a result of the adoption of IFRS 16.

Segment Product Margin (Midstream Infrastructure division)

The Midstream Infrastructure's segment profit margin for the three and six months ended June 30, 2019 of $46.1 million and $101.0 million increased by 8% and 12% from the prior year comparative periods, driven by the impact of increased revenues, as discussed above. As a percentage of Midstream Infrastructure services revenue, segment profit margin increased slightly to 54% during the three months ended June 30, 2019 from 53% in the second quarter of 2018, and remained flat at 56% in the year to date compared to the first half of 2018.

General and Administrative Expenses (Midstream Infrastructure division)

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
G&A expense excluding depreciation and amortization	**5,911**	6,287	(6)	**11,639**	12,216	(5)
Depreciation and amortization	**1,711**	275	522	**3,284**	514	539
Total Midstream Infrastructure division G&A expense	**7,622**	6,562	16	**14,923**	12,730	17

General and administrative ("G&A") expenses of $7.6 million and $14.9 million for the three and six months ended June 30, 2019 increased from the respective 2018 comparative period balances of $6.6 million and $12.7 million. Excluding depreciation and amortization, G&A expenses decreased 6% and 5% during the three and six months ended June 30, 2019 from the respective 2018 comparative periods primarily due to the impact of IFRS 16 on office leases. The Corporation continues to minimize G&A costs by streamlining operations where possible.

Depreciation and amortization expenses have increased in the second quarter of 2019 and year to date over the respective 2018 comparative periods primarily due to intangible assets added as a result of the acquisition at Cushing, depreciation associated with property, plant and equipment put into use since the first quarter of 2018, and depreciation related to the right-of-use assets added as a result of the adoption of IFRS 16.

Earnings Before Tax (Midstream Infrastructure division)

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	2019	2018	% Change	2019	2018	% Change
Earnings before tax	16,108	17,040	5	42,871	39,384	9

Earnings before tax of $16.1 million for the three months ended June 30, 2019 decreased 5% from the three months ended June 30, 2018. The decrease is primarily a result of higher depreciation and amortization expense partially offset by a $3.4 million increase in segment profit margin in the 2019 period. Earnings before tax increased 9% for the six months ended June 30, 2019 over the 2018 comparative period. The increase is driven primarily by a $10.9 million increase in segment profit margin as a result of facilities added in the second half of 2018 and the Corporation's continued focus on efficient and proactive cost management. This increase was partially offset by higher overall G&A expenses.

ENVIRONMENTAL SOLUTIONS DIVISION

The Environmental Solutions division provides comprehensive environmental solutions, from initial assessment and planning, to construction, demolition and decommissioning, and reclamation and remediation. The operations of the Environmental Solutions division includes pipeline integrity projects (inspection, excavation, repair, replacement and rehabilitation), demolition and decommissioning, and reclamation and remediation of former well sites, facilities, commercial and industrial properties, and environmental construction projects (landfills, containment ponds, subsurface containment walls, etc.), onsite integrated fluid solutions (water management, recycling, pumping and storage), NORM management, waste container services and emergency response services.

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	2019	2018	% Change	2019	2018	% Change
Revenue						
Environmental Solutions	16,027	26,043	(38)	45,699	58,207	(21)
Cost of Sales						
Environmental Solutions excluding depreciation and amortization	13,371	21,100	(37)	38,035	46,629	(18)
Depreciation and amortization	2,453	2,236	10	4,990	4,633	8
Total Environmental Solutions division cost of sales	15,824	23,336	(32)	43,025	51,262	(16)
Segment Profit Margin (1)	2,656	4,943	(46)	7,664	11,578	(34)
Segment Profit Margin (1) **as a % of revenue**	17%	19%		17%	20%	

(1) Calculated as revenue less cost of sales excluding depreciation and amortization. Refer to "Non-GAAP measures" for further information.

Revenue (Environmental Solutions division)

Environmental Solutions division revenue of $16.0 million and $45.7 million for the three and six months ended June 30, 2019 decreased by 38% and 21% from the comparative periods of 2018. Onsite water management and pumping service revenue was negatively impacted by lower well completion activity in the WCSB and from significantly reduced spending from major exploration and development companies in Canada. Project services revenue decreased as there were fewer large scale job opportunities quarter over quarter. Revenue in the second quarter of 2018 included two large remediation jobs, a significant demolition job and revenue from an oil spill clean-up. The second quarter of 2019 did not have similar type of jobs occurring. Additionally, ongoing remediation and demolition programs during this quarter were delayed due to spring break up and wet conditions in June which limited field access to continue these jobs. The programs are scheduled to re-start in the second half of the year. Increases in Oil Sands recurring revenue from scrap metal recycling agreements combined with new project work in the region partially offset the reduced revenue from the lower volume of jobs and program deferrals.

Cost of Sales (Environmental Solutions division)

Cost of sales for the three and six months ended June 30, 2019 decreased 32% and 16% to $15.8 million and $43.0 million from the 2018 comparative periods. Most of the Environmental Solutions division's cost of sales are variable with fluctuations corresponding to change in revenue and project mix. The Environmental Solutions division continues to strategically manage its cost structure to minimize operating overhead expenses while remaining flexible for periods of increased activity.

Segment Product Margin (Environmental Solutions division)

Segment profit margin for the three and six months ended June 30, 2019 decreased by 46% and 34% to $2.7 million and $7.7 million from the prior year comparative periods due primarily to lower revenue. As a percentage of revenue, segment profit margin was 17% for both the three and six months ended June 30, 2019, down slightly from 19% and 20% in the three and six months ended June 30, 2018. The Environmental Solutions division's segment profit margin as a percentage of revenue can fluctuate depending on the volume and type of projects undertaken and the blend of business between remediation and reclamation projects, demolition projects, pipeline integrity projects, site clean-up, and other services in any given period. As a percentage of revenue, the segment profit margin in the first half of 2019 decreased primarily due to lower proportion of revenue from water pumping and fracing services, which typically generates higher margins than project type work. Additionally, competitive pricing due to lower market demand and limited water pumping opportunities decreased margin as a percentage of revenue for the integrated fluid solutions services in 2019 compared to 2018. The integrated services solutions margin decrease was partially offset by improving project type margins and higher margins associated with recurring revenue generated from the Oil Sands region.

General and Administrative Expenses (Environmental Solutions division)

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
G&A expense excluding depreciation and amortization	**1,412**	2,055	(31)	**3,108**	3,915	(21)
Depreciation and amortization	**163**	218	(25)	**326**	563	(42)
Total Environmental Solutions division G&A expense	**1,575**	2,273	(31)	**3,434**	4,478	(23)

G&A expense for the three and six months ended June 30, 2019 decreased 31% and 23% from the 2018 comparative periods to $1.6 million and $3.4 million as a result of ongoing initiatives to minimize costs to correspond to with activity levels.

(Loss) Earnings Before Tax (Environmental Solutions division)

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
(Loss) earnings before tax	**(1,372)**	434	(416)	**(760)**	2,467	(131)

During the three and six months ended June 30, 2019, the Environmental Solutions division had losses of $1.4 million and $0.8 million, respectively, compared to earnings of $0.4 million and $2.5 million during the three and six months ended June 30, 2018. The variances correspond primarily to the decrease in segment revenue and profit margin, offset by the positive impact of reduced G&A expense in the period.

TECHNICAL SOLUTIONS DIVISION

The Technical Solutions division provides innovative, customer focused solutions, along with technical expertise and experience, to enhance the performance and productivity of drilling, completions and production operations. The drilling fluids and equipment line focuses on providing products and systems that are designed for more complex wells, such as medium to deep wells, horizontal wells and horizontal wells drilled into the oil sands. The production chemicals and EOR line focuses on providing equipment and chemical solutions that optimize production, provide flow assurance and maintain the integrity of production assets.

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Revenue						
Technical Solutions	**37,298**	34,710	7	**90,867**	103,389	(12)
Cost of Sales						
Technical Solutions excluding depreciation and amortization	**33,270**	31,988	4	**76,790**	87,304	(12)
Depreciation and amortization	**6,194**	5,313	17	**11,869**	10,486	13
Total Technical Solutions division cost of sales	**39,464**	37,301	6	**88,659**	97,790	(9)
Segment Profit Margin [(1)]	**4,028**	2,722	48	**14,077**	16,085	(12)
Segment Profit Margin [(1)] **as a % of revenue**	**11%**	8%		**15%**	16%	

[(1)] Calculated as revenue less cost of sales excluding depreciation and amortization. Refer to "*Non-GAAP measures*" for further information.

Revenue (Technical Solutions division)

Technical Solutions division's revenue of $37.3 million in the three months ended June 30, 2019 increased 7% compared to the three months ended June 30, 2018. The increase in revenue was a result of higher contributions from production chemicals as the Corporation expands its customer base and product offerings. The division's drilling fluids and equipment revenue correlates with oil and gas drilling activity in the WCSB. During the three months ended June 30, 2019, rig activity and metres drilled in the WCSB decreased 28% and 13%, respectively, compared to the three months ended June 30, 2018. Despite the decrease in industry activity levels, revenue from drilling services was relatively flat in the three months ended June 30, 2019 from the comparative period of 2018 due to a steady number of operating days resulting from higher market share. During periods of low activity, such as the second quarter spring break-up where the average rig count is typically half of that in the first quarter of the year, the timing, type and location of one customer's drilling activities can create fluctuations in market share.

During the six month period, rig activity and metres drilled in the WCSB decreased 35% and 25%, respectively, compared to the first half of 2018. As a result, drilling services revenue was negatively impacted by fewer operating days and rigs serviced. Secure was able to partially mitigate the impact of reduced activity levels with the increased contribution from Secure's production chemicals related services. Overall revenue from the Technical Solutions division for six months ended June 30, 2019 decreased 12% to $90.9 million from the comparative period of 2018.

Cost of Sales (Technical Solutions division)

The Technical Solutions division's cost of sales for the three and six months ended June 30, 2019 increased by 6% and decreased by 9% from the 2018 comparative periods to $39.5 million and $88.7 million. The change in cost of sales is primarily a result of the fluctuating year over year activity levels and is consistent with the revenue changes discussed above.

Segment Profit Margin (Technical Solutions division)

The Technical Solutions division's segment profit margin of $4.0 million for the three months ended June 30, 2019 increased 48% from the comparative period of 2018. Segment profit margin as a percentage of revenue was 11%, up from 8% in the prior year second quarter. The increase is attributable to improved production services margins resulting from higher revenues with relatively flat overhead costs, favorable product mix, and the adoption of IFRS 16 which has positively impacted the segment profit margin as certain production chemical blending plants are operated under lease agreements. Lower product margins related to drilling fluids partially offset these factors due to competitive pricing and higher costs related to products sourced in U.S. dollars.

The Technical Solutions division's segment profit margin for the six months ended June 30, 2019 decreased 12% from the comparative period to $14.1 million as a result of lower revenue and proportionately lower expenses, as discussed above. Segment profit margin as a percentage of revenue was 15%, down from 16% in the six months ended June 30, 2018.

General and Administrative Expenses (Technical Solutions division)

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
G&A expense excluding depreciation and amortization	**4,283**	4,972	(14)	**9,612**	10,640	(10)
Depreciation and amortization	**354**	312	13	**744**	654	14
Total Technical Solutions division G&A expense	**4,637**	5,284	(12)	**10,356**	11,294	(8)

G&A expenses decreased 12% and 8% to $4.6 million and $10.4 million as a result of the Corporation's continued efforts to manage costs efficiently and proactively while still responding to customer demands and activity levels. This is partially offset by costs associated with research and development projects as Secure continues its focus on expanding the value chain of services offered to customers, including innovative and cost-effective solutions to reduce waste in the drilling and production processes.

Loss Before Tax (Technical Solutions division)

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Loss before tax	**(6,803)**	(7,875)	(14)	**(8,148)**	(5,695)	43

During the three and six months ended June 30, 2019, the Technical Solutions division had losses before tax of $6.8 million and $8.1 million compared to $7.8 million and $5.7 million in the three and six months ended June 30, 2018. The variance was a result of a changes to segment profit margin as described above and the decrease in G&A expense.

CORPORATE INCOME AND EXPENSES

Corporate Cost of Sales

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Cost of Sales						
Share-based compensation expense	**1,477**	1,702	(13)	**2,954**	3,355	(12)

Corporate cost of sales of $1.5 million and $3.0 million for the three and six months ended June 30, 2019 is comprised of share-based compensation for employees directly associated with the revenue generating operations of the Corporation. Share-based compensation fluctuates based on the share price at the time of grant, any forfeitures of share-based awards, and the effects of vesting.

Corporate General and Administrative Expenses

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
General and administrative expenses excluding items noted below	**5,688**	6,208	(8)	**12,241**	12,549	(2)
Depreciation and amortization	**1,155**	360	221	**2,353**	679	247
Share-based compensation expense	**3,137**	3,785	(17)	**8,948**	7,760	15
Total Corporate division G&A expenses	**9,980**	10,353	(4)	**23,542**	20,988	12

Included in corporate G&A expenses are all public company costs, salaries, and office costs relating to corporate employees and officers, business development costs, any support services that are shared across all three operational business units, and share-based compensation for all employees, other than as recorded to Corporate cost of sales as noted above.

Compared to the same periods in 2018, Corporate G&A expenses excluding depreciation and amortization and share-based compensation expense decreased 8% and 2% in the three and six months ended June 30, 2019 to $5.7 million and $12.2 million. These decreases are primarily due to the impact of IFRS 16 on leased office space and lower personnel costs.

Corporate depreciation and amortization expense of $1.2 million and $2.4 million during the three and six months ended June 30, 2019 increased $0.8 million and $1.7 million from the comparative periods of 2018 as a result of leased office space accounted for in accordance with IFRS 16 at January 1, 2019.

Share-based compensation included in G&A expenses for the three months ended June 30, 2018 of $3.1 million decreased $0.6 million from the 2018 comparative period as a result of a lower share price associated with 2019 grants and the impact of recording the deferred share units at fair value at period end. In the year to date period, share-based compensation included in G&A expenses increased 15% from the comparative period of 2018 primarily as a result of performance share units issued in the first quarter of 2019.

Interest and Finance Costs

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Interest, accretion and finance costs	**5,792**	4,783	21	**12,109**	8,226	47

Interest, accretion and finance costs includes interest expense, amortization of financing fees, interest expense related to lease liabilities, all realized and unrealized foreign exchange differences arising from translation gains and losses that are not recorded to other comprehensive income and all realized and unrealized gains or losses related to interest rate swaps on the Corporation's second lien credit facility. The interest expense portion has increased primarily as a result of a 27% and 35% increase in the average long-term borrowings balance in the three and six months ended June 30, 2019 over the 2018 comparative periods, the adoption of IFRS 16, and the unrealized mark to market loss on the Corporation's interest rate swap.

Foreign Currency Translation Adjustment

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Foreign currency translation loss (gain), net of tax	**4,116**	(3,264)	(226)	**7,213**	(6,914)	(204)

Included in other comprehensive loss is a loss of $4.1 million and $7.2 million for the three and six months ended June 30, 2019 related to foreign currency translation adjustments resulting from the conversion of the assets, liabilities and financial results of the Corporation's ongoing U.S. operations for the three and six months ended June 30, 2019. The foreign currency translation adjustment included in the consolidated statements of comprehensive loss does not impact net loss for the period.

Income Taxes

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Income taxes						
Current tax (recovery) expense	**(342)**	301	(214)	**(44)**	1,122	(104)
Deferred tax (recovery) expense	**(6,847)**	(639)	972	**(3,730)**	3,289	(213)
Total income tax (recovery) expense	**(7,189)**	(338)	2,027	**(3,774)**	4,411	(186)

Income tax recovery for the three months ended June 30, 2019 was $7.2 million compared to $0.3 million in the comparative period in 2018. Income tax recovery for the six months ended June 30, 2019 was $3.8 million compared to an expense of $4.4 million in the 2018 comparative period. The overall decreases in income tax expense is due primarily to a higher pre-tax loss for the three and six months ended June 30, 2019 from the respective 2018 comparative periods, and a deferred tax recovery of $5.9 million recorded in the second quarter of 2019 related to step reductions to the Alberta corporate income tax rates over a four year period effective July 1, 2019.

SUMMARY OF QUARTERLY RESULTS

Seasonality

In Canada, the level of activity in the oilfield is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads. As a result, road bans are implemented prohibiting heavy loads from being transported in certain areas, limiting the movement of heavy equipment required for drilling and well servicing activities. In addition, the transportation of heavy waste loads is restricted resulting in smaller loads and a general reduction in the volume of waste delivered to Secure's facilities. Accordingly, while the Corporation's facilities are open and accessible year-round, spring break-up reduces the Corporation's activity levels. In the areas in which Secure operates, the second quarter has generally been the slowest quarter as a result of spring break-up. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

The table below summarizes unaudited consolidated quarterly information for each of the eight most recently completed fiscal quarters. Overall, Secure has achieved 11 consecutive periods of quarterly Adjusted EBITDA growth over the prior year comparative period.

	2019		2018				2017	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue (excluding oil purchase and resale)	138,869	177,379	192,756	182,469	141,249	181,698	184,740	162,596
Oil purchase and resale	654,618	611,503	490,295	646,565	578,674	523,747	494,816	451,143
Total revenue	793,487	788,882	683,051	829,034	719,923	705,445	679,556	613,739
Net (loss) income attributable to shareholders of Secure	(1,678)	1,259	13,944	6,809	(6,901)	6,077	(23,934)	(179)
Per share - basic	(0.01)	0.01	0.09	0.04	(0.04)	0.04	(0.15)	0.00
Per share - diluted	(0.01)	0.01	0.08	0.04	(0.04)	0.04	(0.15)	(0.00)
Weighted average shares - basic	160,371,354	160,440,879	161,251,096	162,286,387	164,524,360	164,009,829	163,352,572	163,128,460
Weighted average shares - diluted	160,371,354	163,456,268	164,374,324	164,911,044	164,524,360	166,079,649	163,352,572	163,128,460
Adjusted EBITDA [(1)]	34,966	55,139	57,810	53,746	31,158	47,807	51,177	43,820

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

Quarterly Review Summary

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

During 2016, the Corporation's customers significantly reduced capital budgets in response to uncertainty in the price of crude oil and natural gas. In 2017, customers began ramping up activity levels as oil prices stabilized at higher levels, and activity remained at similar levels until near the end of 2018. These higher activity levels, combined with facility additions and expansions, and acquisitions positively impacted results. In the last several months of 2018, crude oil benchmark price and differential volatility resulted in a pull back on activity by producers. Activity levels have remained depressed during the first half of 2019 as producers remain cautious about ramping up spending until there is greater assurance around incremental pipeline egress out of the WCSB.

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

The following summarizes the facilities commissioned and acquisitions completed in 2017 and 2018 that have impacted the quarterly results for the past two years:

- In the third quarter of 2017, Secure added ten facilities to the Corporation's infrastructure network through the acquisition of Ceiba Energy Services Inc.;
- In the third quarter of 2018, the Corporation's Gold Creek and Tony Creek water disposal facilities commenced operations;
- In the fourth quarter of 2018, the Corporation's Kerrobert crude oil pipeline system commenced operations.

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

By offering the oil purchase and resale service, Secure's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. Revenue from this service is impacted by the change in oil prices and the number of pipeline connected facilities.

LIQUIDITY AND CAPITAL RESOURCES

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

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

Management considers capital to be the Corporation's net debt and shareholders' equity. The Corporation's overall capital management strategy remains unchanged from prior periods. Management controls its capital structure through detailed forecasting and budgeting, as well as established policies and processes over monitoring planned capital and operating expenditures. This includes the Board of Directors reviewing the Corporation's results on a monthly basis, and capital costs to approved limits on a quarterly basis.

The key measures management uses to monitor its capital structure are actual capital expenditures compared to authorized limits, Adjusted EBITDA on all of its operations, and Senior and Total Debt to Adjusted EBITDA.

The amount drawn on Secure's credit facilities increased by 6% to $437.0 million at June 30, 2019 compared to $413.5 million at December 31, 2018. The increase relates to draws on the Corporation's credit facilities in order to fund the Corporation's capital program, repurchase shares under the NCIB and pay out Secure's regular monthly dividend, which more than offset cash flows from operating activities. Refer to the '*Financing Activities*' section below for further information.

Issued capital was relatively flat at $1.0 billion at June 30, 2019 compared to December 31, 2018 as capital issued through the conversion of restricted share units and performance share units into common shares under the Corporation's Unit Incentive Plan during period, was offset by 3,201,600 shares repurchased in the first half of 2019 for $23.3 million under the Corporation's NCIB.

Liquidity risk is the risk that the Corporation will not be able to meet financial obligations at the point at which they are due. The Corporation manages its liquidity risk through cash and debt management. Management's assessment of the Corporation's liquidity reflects estimates, assumptions and judgments relating to current market conditions. The Corporation intends to fund its operations, working capital requirements, dividends and capital program primarily with cash flow from operations and its credit facilities. On April 29, 2019, Secure closed an amendment to its First Lien Credit Facility, extending the maturity date by two years to June 30, 2023, and increasing the borrowing capacity by $130 million. The amended First Lien Credit Facility also includes an accordion feature, which, if exercised and approved by the Corporation's lenders, would increase the revolving credit facility by an additional $100 million. In connection with the First Lien Credit Facility amendments, the Corporation also added a new $75 million bilateral Letter of Credit Facility. As a result, at June 30, 2019, the Corporation had $330.3 million available under its credit facilities, subject to covenant restrictions.

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

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

Senior and Total Debt and EBITDA are defined in the Corporation's lending agreements. Senior Debt is calculated as the amounts drawn on the Corporation's First Lien Credit Facility and finance leases entered into by the Corporation as defined by IAS 17, less cash balances above $5 million. Total Debt is equal to Senior Debt plus amounts drawn under the Corporation's Second Lien Credit Facility and any unsecured debt. EBITDA is defined in the lending agreement as earnings before interest, taxes, depreciation, depletion and amortization, less any operating lease payments as defined by IAS 17, minority interest losses, non-recurring losses, non-cash impairment charges and any other non-cash charges, and acquisitions on a pro-forma basis.

At June 30, 2019, Secure was in compliance with all covenant requirements under the Corporation's credit facilities. The following table outlines the Corporation's financial covenant ratios as June 30, 2019 and December 31, 2018.

	Jun 30, 2019	Dec 31, 2018	% Change
Senior Debt to EBITDA	1.6	1.6	-
Total Debt to EBITDA	2.3	2.2	5
Interest coverage	8.4	9.2	(9)

Refer to Note 18 of the Annual Financial Statements for further disclosure of the Corporation's liquidity risk and Note 11 of the Interim Financial Statements for details of the Corporation's contractual obligations and contingencies at June 30, 2019.

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

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

The following provides a summary and comparative of the Corporation's operating, investing and financing cash flows for the three and six months ended June 30, 2019 and 2018.

Net Cash Flows from Operating Activities

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Net cash flows from operating activities	**53,926**	74,572	(28)	**111,228**	107,326	4

Net cash flows from operating activities of $53.9 million in the three months ended June 30, 2019 were down 28% from the 2018 comparative period as higher Adjusted EBITDA was more than offset by a smaller change in non-cash working capital compared to the second quarter of 2018. Changes in non-cash working capital correspond to changes in activity levels and timing differences in payment and collection. Net cash flows from operating activities increased 4% in the year to date compared to the first six months of 2018 as a result of higher Adjusted EBITDA, with relatively consistent changes in non-cash working capital.

Investing Activities

	Three months ended June 30, 2019			Six months ended June 30, 2019		
($000's)	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Capital expenditures [(1)]						
Growth and expansion capital expenditures	**32,686**	33,930	(4)	**53,339**	89,266	(40)
Business acquisitions	**13,866**	-	100	**13,866**	-	100
Sustaining capital expenditures	**2,060**	4,307	(52)	**5,026**	6,131	(18)
Total capital expenditures	**48,612**	38,237	27	**72,231**	95,397	(24)

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

The Corporation's growth and expansion capital expenditures for the three months ended June 30, 2019 of $32.7 million were relatively flat compared to the second quarter of 2018. Secure employs a prudent approach to capital spending and will continue to evaluate and allocate capital to projects which will generate the highest risk adjusted rates of return. During the three months ended June 30, 2019, Secure completed construction of the additional storage tanks at the Kerrobert terminal, progressed construction of a produced water transfer and injection pipeline in the Montney region, added two new disposal wells in North Dakota at the Keene and 13 Mile facilities, completed a second well at the Tony Creek facility, and constructed an additional landfill cell at Willesden Green. In the six months ended June 30, 2019, growth and expansion capital expenditures of $53.4 million decreased 40% from the comparative period of 2018. In the first half of the prior year, Secure had finished construction of the Gold Creek water disposal facility and completed the majority of the Tony Creek facility, advanced construction of the Kerrobert crude oil pipeline system, and completed significant upgrades and expansions at the Big Mountain water disposal facility.

During the second quarter of 2019, Secure incurred $13.9 million to acquire a 27% interest in a crude oil storage facility located in Cushing, Oklahoma, and a 51% interest in an adjacent 80 acre parcel of undeveloped land. The facility was constructed in 2015 and is strategically located on 10 acres of land in South Cushing with long-term connection agreements in place, ultimately providing connectivity to all major inbound and outbound pipelines in Cushing. Having access to multiple Canadian crude streams and well-connected tankage will benefit our customers getting their product to market at the optimum price. Secure's majority investment in the 80 acre parcel of land provides the Corporation with significant optionality to develop additional midstream infrastructure in one of North America's key trading hubs. There were no business acquisitions completed during the three or six months ended June 30, 2018.

During the three and six months ended June 30, 2019, sustaining capital was $2.1 million and $5.0 million compared to $4.3 million and $6.1 million in the 2018 comparative periods. Sustaining capital in the three and six months ended June 30, 2019 related primarily to operating equipment upgrades and maintenance on Secure's disposal wells. Sustaining capital is typically minimal in the first two years of operation of a facility because each facility is constructed with new or refurbished equipment. The Corporation expects to spend a similar amount on sustaining capital in 2019 as 2018.

Financing Activities

($000's)	Three months ended June 30, 2019 2019	2018	% Change	Six months ended June 30, 2019 2019	2018	% Change
Shares issued, net of share issue costs	-	-	-	-	55	(100)
Repurchase and cancellation of shares under NCIB	(22,402)	(8,744)	156	(23,295)	(8,744)	166
Draw (repayment) on credit facility	31,766	(13,187)	(341)	23,550	30,813	(24)
Financing fees	(1,426)	-	(100)	(1,426)	-	(100)
Lease liability principal payment	(5,690)	(2,075)	174	(11,413)	(3,331)	243
Dividends paid	(10,856)	(11,111)	(2)	(21,662)	(22,168)	(2)
Net cash flows used in financing activities	(8,608)	(35,117)	(75)	(34,246)	(3,375)	915

As at June 30, 2019, the Corporation had drawn $437.0 million on its credit facilities compared to $413.5 million as at December 31, 2018. The increase relates to funding for growth and expansion capital. Subject to covenant restrictions, as at June 30, 2019, the Corporation had $330.3 million of available credit capacity, including $287.5 million available under its First Lien Credit Facility, and $42.8 million available under its bilateral Letter of Credit Facility. The Corporation is well positioned, based on this available amount and expected cash flows from operating activities, to pursue further accretive acquisition opportunities and execute on the 2019 capital program. At June 30, 2019, the Corporation was in compliance with all covenants.

In May 2018, Secure received approval from the Toronto Stock Exchange for an NCIB permitting the Corporation to repurchase up to a maximum of 8,227,359 from May 28, 2018 to May 27, 2019, subject to daily limits in accordance with the terms of the NCIB. Within that period, Secure repurchased 90% of the NCIB maximum for a total of $55.0 million, representing a weighted average share cost of $7.44. During the second quarter of 2019, Secure received approval from the TSX for a second NCIB whereby the Corporation can repurchase up to a maximum of 8,028,468 shares from May 29, 2019 to May 29, 2020, subject to daily limits in accordance with the terms of the NCIB. Transactions under the NCIB will depend on future market conditions. Secure retains the discretion whether to make purchases under the NCIB, and to determine the timing, amount and acceptable price of any such purchases, subject at all times to applicable TSX and other regulatory requirements. The following table outlines the shares repurchased and cancelled during the three and six months ended June 30, 2019 and 2018.

	For the three months ended, June 30, 2019	June 30, 2018	For the six months ended June 30, 2019	June 30, 2018
Shares repurchased and cancelled under the NCIB	3,070,100	1,193,173	3,201,600	1,193,173
Average price per share repurchased	$ 7.30	$ 7.33	$ 7.28	$ 7.33

During the three and six months ended June 30, 2019, the Corporation declared monthly dividends of $0.0225 per common share, for a total of $10.9 million and 21.7 million. In the three and six months ended June 30, 2018, $11.1 million and $22.2 million of dividends were declared.

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

Subsequent to June 30, 2019, the Corporation paid dividends to holders of common share of record on July 1, 2019 in the amount of $0.0225 per common share, and declared dividends to holders of common shares in the amount of $0.0225 per common share which are payable on August 15, 2019 for shareholders of record on August 1, 2019.

CONTRACTUAL OBLIGATIONS

Refer to Note 11 of the Interim Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

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

OUTSTANDING SHARE CAPITAL

As at July 30, 2019, there are 158,001,348 common shares issued and outstanding. In addition, as at July 30, 2019, the Corporation had the following share-based awards outstanding and exercisable or redeemable:

Balance as at July 30, 2019	Issued	Exercisable
Share Options	3,077,925	3,054,593
Restricted Share Units	3,503,941	-
Performance Share Units	2,434,037	-

OFF-BALANCE SHEET ARRANGEMENTS

At June 30, 2019 and December 31, 2018, the Corporation did not have any off-balance sheet arrangements.

ACCOUNTING POLICIES

Secure's significant accounting policies are set out in Note 2 of the Annual Financial Statements, other than as described in Note 3 of the Corporation's condensed consolidated financial statements and notes thereto for the three months ended March 31, 2019 and 2018.

FINANCIAL AND OTHER INSTRUMENTS

As at June 30, 2019, the Corporation's financial instruments include cash, accounts receivables and accrued receivables, accounts payable and accrued liabilities, long-term borrowings, lease liabilities and derivative instruments. The fair values of these financial instruments approximate their carrying amount due to the short-term maturity of these instruments except long-term borrowings and derivative instruments. Long-term borrowings approximate their fair values due to the variable interest rates applied, which approximate market interest rates. Derivative instruments are fair valued at each period end in accordance with their classification of fair value through profit or loss. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices, foreign currency exchange rates and interest rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity price curves, foreign currency exchange rates and interest rates. The estimated fair value of all derivative financial instruments is based on observable market data. The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, interest rate and market risk. A discussion of how these and other risks are managed can be found in the AIF under the heading '*Business Risks*'. Further information on how the fair value of financial instruments is determined is included in the '*Critical Accounting Estimates and Judgments*' section of this MD&A.

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

NEW ACCOUNTING POLICIES

On January 1, 2019, the Corporation adopted IFRS 16 Leases. Refer to Note 3 of the Corporation's condensed consolidated financial statements and notes thereto for the three months ended March 31, 2019 and 2018 for a description of the new standard and the impact to the Corporation's financial statements. There were no other revised standards or amendments to IFRS issued that impacted the Interim Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P") as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") means the controls and other procedures of Secure that are designed to provide reasonable assurance that information required to be disclosed by Secure in its annual fillings, interim fillings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by Secure in its annual fillings or other reports filed or submitted under securities legislation is accumulated and communicated to Secure's management including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting ("ICFR"), as defined in NI 52-109 means a process designed by, or under the supervisions of Secure's CEO and CFO, and effected by the Secure's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation used the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission in the design of its ICFR. Secure's ICFR includes policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Secure;
- Are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of Secure are being made only in accordance with authorizations of management;
- Are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Secure's assets that could have a material effect on the financial statements.

There was no change to the Corporation's ICFR that occurred during the most recent interim period ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

Management, including the CEO and CFO, does not expect that the Corporation's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within the Corporation have been detected.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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

RELATED PARTIES

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

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements" and/or "forward-looking information" within the meaning of applicable securities laws (collectively referred to as forward-looking statements). When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, as they relate to Secure, or its management, are intended to identify forward-looking statements. Such statements reflect the current views of Secure with respect to future events and operating performance and speak only as of the date of this document. In particular, this document contains or implies forward-looking statements pertaining to: key factors driving the Corporation's success; the Corporation's expected 2019 Adjusted EBITDA; the impact of new facilities, new service offerings, potential acquisitions, and prior year acquisitions on the Corporation's future financial results; demand for the Corporation's services and products; growth and expansion strategy; the Corporation's ability to continue to grow the business organically and execute on strategic growth opportunities based on current financial position; the oil and natural gas industry in Canada and the U.S., including 2019 and 2020 activity levels, spending by producers and the impact of this on Secure's activity levels; future pipeline development in Canada; industry fundamentals driving the success of Secure's core operations, including increased outsourcing of midstream work by producers, drilling, completion and production trends, opportunities relating to crude oil logistics, well density and economics for pipeline connecting production volumes to midstream facilities, and global oil and gas demand; the Corporation's proposed 2019 capital expenditure program including growth and expansion and sustaining capital expenditures, and the timing of completion for projects, in particular the new Montney water disposal facility; debt service; future capital needs and how the Corporation intends to fund its operations, working capital requirements, dividends and capital program; access to capital; and the Corporation's ability to meet obligations and commitments and operate within any credit facility restrictions.

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

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, including but not limited to those factors referred to under the heading "*Risk Factors*" in the AIF for the year ended December 31, 2018 and also includes the risks associated with the possible failure to realize the anticipated synergies in integrating the assets acquired in prior year acquisitions with the operations of Secure. Although forward-looking statements contained in this document are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this document are expressly qualified by this cautionary statement. Unless otherwise required by law, Secure does not intend, or assume any obligation, to update these forward-looking statements.

ADDITIONAL INFORMATION

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