

Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2015 and 2014

(Expressed in Canadian Dollars)

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Financial Position

<i>(\$000's) (unaudited)</i>	Notes	September 30, 2015	December 31, 2014
Assets			
Current assets			
Cash		2,670	4,882
Accounts receivable and accrued receivables		146,973	228,642
Current tax asset		11,650	-
Prepaid expenses and deposits		6,601	8,396
Inventories	3	63,825	70,199
		231,719	312,119
Assets under construction		104,677	210,139
Property, plant and equipment	4	895,984	735,196
Intangible assets		74,668	124,102
Goodwill		91,847	111,650
Other assets		1,543	2,911
Total Assets		1,400,438	1,496,117
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		97,402	193,121
Asset retirement obligations	7	1,697	1,800
Current tax liability		-	5,886
Finance lease liabilities		10,011	10,458
		109,110	211,265
Long-term borrowings	6	256,593	397,385
Asset retirement obligations	7	77,145	70,639
Finance lease liabilities		8,156	12,060
Deferred income tax liability		35,968	42,473
Total Liabilities		486,972	733,822
Shareholders' Equity			
Issued capital	8	847,769	631,229
Share-based compensation reserve		33,959	25,227
Foreign currency translation reserve		37,240	14,629
(Deficit) retained earnings		(5,502)	91,210
Total Shareholders' Equity		913,466	762,295
Total Liabilities and Shareholders' Equity		1,400,438	1,496,117

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

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

(\$000's except per share and share data) (unaudited)	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2015	2014	2015	2014
Revenue		333,336	599,414	1,056,452	1,693,565
Operating expenses:					
Direct expenses	3	285,864	519,190	918,064	1,475,635
Depreciation, depletion and amortization		27,492	26,713	78,598	71,209
Operating expenses		313,356	545,903	996,662	1,546,844
General and administrative expenses:					
General and administrative		16,207	18,529	49,272	51,021
Share-based compensation		3,747	4,296	15,875	10,887
Business development		2,694	3,468	9,238	11,084
General and administrative expenses		22,648	26,293	74,385	72,992
Operating (loss) earnings		(2,668)	27,218	(14,595)	73,729
Interest, accretion and finance costs		2,665	2,954	9,634	7,092
Impairment	5	62,776	-	62,776	-
Other expense		-	2,740	-	2,740
(Loss) earnings for the period before tax		(68,109)	21,524	(87,005)	63,897
Current tax (recovery) expense		(542)	5,067	(6,344)	13,905
Deferred tax (recovery) expense		(14,525)	1,701	(7,616)	5,683
		(15,067)	6,768	(13,960)	19,588
Net (loss) earnings for the period		(53,042)	14,756	(73,045)	44,309
Other comprehensive (loss) income					
Foreign currency translation adjustment		12,709	7,059	25,361	6,074
Tax on foreign currency translation adjustment		(1,407)	(873)	(2,750)	(873)
Total comprehensive (loss) income for the period		(41,740)	20,942	(50,434)	49,510
(Loss) earnings per share					
Basic, (loss) earnings for the period per common share		(0.39)	0.12	(0.55)	0.37
Diluted, (loss) earnings for the period per common share		(0.39)	0.12	(0.55)	0.36
Weighted average shares outstanding - basic	8	136,944,300	120,048,665	131,992,359	118,601,288
Weighted average shares outstanding - diluted	8	136,944,300	123,736,572	131,992,359	121,988,685

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

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

<i>(\$000's) (unaudited)</i>	Notes	Issued capital	Share-based compensation reserve	Foreign currency translation reserve	(Deficit) retained earnings	Total Shareholders' Equity
Balance at January 1, 2015		631,229	25,227	14,629	91,210	762,295
Net loss for the period		-	-	-	(73,045)	(73,045)
Dividends paid	8	-	-	-	(23,667)	(23,667)
Shares issued through dividend reinvestment plan ("DRIP")	8	4,762	-	-	-	4,762
Foreign currency translation adjustment, net of tax		-	-	22,611	-	22,611
Issue of share capital for business combination	8	3,957	-	-	-	3,957
Bought deal equity financing	8	198,000	-	-	-	198,000
Exercise of options and RSUs	8	16,291	(7,766)	-	-	8,525
Share issue costs, net of tax	8	(6,470)	-	-	-	(6,470)
Share-based compensation		-	16,498	-	-	16,498
Balance at September 30, 2015		847,769	33,959	37,240	(5,502)	913,466
Balance at January 1, 2014		562,306	14,659	4,424	82,945	664,334
Net earnings for the period		-	-	-	44,309	44,309
Dividends paid		-	-	-	(16,309)	(16,309)
Shares issued through dividend reinvestment plan ("DRIP")		2,137	-	-	-	2,137
Foreign currency translation adjustment, net of tax		-	-	5,201	-	5,201
Issue of share capital for business combination		50,808	-	-	-	50,808
Bought deal equity financing		-	-	-	-	-
Exercise of options and RSUs		14,680	(4,183)	-	-	10,497
Share issue costs, net of tax		(63)	-	-	-	(63)
Share-based compensation		-	9,903	-	-	9,903
Balance at September 30, 2014		629,868	20,379	9,625	110,945	770,817

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

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Cash Flows

(\$000's) (unaudited)	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2015	2014	2015	2014
Cash flows from operating activities					
Net (loss) earnings for the period		(53,042)	14,756	(73,045)	44,309
Adjustments for non-cash items:					
Depreciation, depletion and amortization		27,492	26,713	78,598	71,209
Accretion	7	418	277	1,169	831
Interest expense		2,166	3,238	8,232	6,708
Current tax (recovery) expense		(542)	5,067	(6,344)	13,905
Deferred tax (recovery) expense		(14,525)	1,701	(7,616)	5,683
Amortization of financing fees		81	60	233	170
Unrealized foreign exchange loss (gain)		114	(102)	84	130
Other expense		-	2,740	-	2,226
Impairment of inventory	3	1,123	-	3,093	-
Impairment	5	62,776	-	62,776	-
Share-based compensation		3,747	4,296	15,875	10,887
Funds from operations		29,808	58,746	83,055	156,058
Change in non-cash working capital		(19,354)	(55,851)	27,276	(2,333)
Asset retirement obligations incurred	7	(185)	-	(299)	-
Cash generated from operations		10,269	2,895	110,032	153,725
Interest paid		(2,215)	(2,562)	(7,533)	(6,276)
Income taxes paid		(1,468)	(1,376)	(11,248)	(13,059)
Net cash flows from (used in) operating activities		6,586	(1,043)	91,251	134,390
Cash flows (used in) from investing activities					
Purchase of property, plant and equipment		(26,186)	(88,474)	(93,820)	(207,919)
Business combinations		(3,272)	(61,404)	(3,272)	(91,034)
Change in non-cash working capital		2,493	5,108	(34,951)	(6,083)
Net cash flows (used in) investing activities		(26,965)	(144,770)	(132,043)	(305,036)
Cash flows (used in) from financing activities					
Shares issued, net of share issue costs	8	3,914	3,471	202,646	12,571
Draw (repayment) on credit facility		22,062	157,000	(140,500)	174,500
Financing fees		(525)	(1,088)	(525)	(1,088)
Dividends paid	8	(8,213)	(5,991)	(23,667)	(16,309)
Net cash flows from financing activities		17,238	153,392	37,954	169,674
Effect of foreign exchange on cash		525	143	626	337
(Decrease) increase in cash		(2,616)	7,722	(2,212)	(635)
Cash, beginning of period		5,286	3,662	4,882	12,019
Cash, end of period		2,670	11,384	2,670	11,384

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

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2015 and 2014

1. NATURE OF BUSINESS

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

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

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. This limits the movement of the heavy equipment required for drilling and well servicing activities, and the level of activity of the Corporation's customers may, consequently, be reduced. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Historically, the Corporation's first, third and fourth quarters represent higher activity levels and operations. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements.

The condensed consolidated financial statements of the Corporation are stated in and recorded in thousands of Canadian dollars (\$), unless otherwise noted.

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2015 and 2014

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to the determination of cash generating units, depreciation, depletion and amortization, recoverability of assets, asset retirement obligations and accretion, inventories, share-based compensation, deferred income taxes, provision for doubtful accounts, and purchase price equations. Actual results may differ from these estimates.

These condensed consolidated financial statements were approved by the Board of Directors on November 5, 2015.

Significant Accounting Policies

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

Change in Accounting Estimate

Effective January 1, 2015, Secure reassessed the useful lives of property, plant and equipment based on the current condition of the assets and taking into consideration the operating history of the assets. As a result of this change, there was a decrease in depreciation and depletion expense for the three and nine months ended September 30, 2015 of \$6.8 million and \$20.4 million, respectively, and Secure anticipates a decrease of \$27.2 million for the year ending December 31, 2015, notwithstanding additions during the year. Secure could not determine the effect of the change in estimate for future periods beyond 2015 as the information will not be meaningful as capital expenditures for future periods and timing of new facilities being commissioned are subject to a high level of uncertainty. The estimated useful lives of the assets are as follows:

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

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

(\$000's)	Sept 30, 2015	Dec 31, 2014
Drilling fluids	43,672	54,755
Minerals and specialty chemicals	16,273	11,374
Crude oil and natural gas liquids	2,459	2,539
Spare parts and supplies	1,421	1,531
Total inventories	63,825	70,199

Inventories are shown at the lower of cost and net realizable value. Drilling fluids, minerals and specialty chemical inventories recognized as operating expenses in the condensed consolidated statements of comprehensive (loss) income for the three and nine months ended September 30, 2015 were \$36.0 million and \$96.2 million, respectively (\$63.5 million and \$175.0 million for the three and nine months ended September 30, 2014, respectively). Included in the expense for the three and nine months ended September 30, 2015 is \$1.1 million and \$3.1 million, respectively, for the impairment of inventory held in the DS division to net realizable value (\$nil for the three and nine months ended September 30, 2014).

Inventories are included in the general security agreements held by the banks as security for the Corporation's credit facility (Note 6).

4. PROPERTY, PLANT AND EQUIPMENT

The amount of borrowing costs capitalized to assets under construction for the three and nine months ended September 30, 2015 was \$nil and \$0.4 million, respectively (\$0.1 million and \$0.6 million for the three and nine months ended September 30, 2014, respectively). Directly attributable capitalized salaries and overhead of \$3.0 million and \$8.0 million were added to assets under construction for the three and nine months ended September 30, 2015, respectively (\$2.7 million and \$7.2 million for the three and nine months ended September 30, 2014, respectively).

During the three and nine months ended September 30, 2015, \$16.3 million and \$189.7 million, respectively, was transferred from assets under construction to property, plant and equipment for completed projects (\$59.3 million and \$125.6 million for the three and nine months ended September 30, 2014, respectively).

SECURE ENERGY SERVICES INC.

**Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three and nine months ended September 30, 2015 and 2014**

4. PROPERTY, PLANT AND EQUIPMENT (continued)

(\$000's)	Land and Buildings	Plant, Infrastructure, Equipment, Landfill Cells and Disposal Wells	Rental and Mobile Equipment	Office and Computer Equipment	Total
Cost:					
December 31, 2014	71,428	721,906	116,573	27,737	937,644
Additions	13,678	164,991	19,134	4,086	201,889
Change in asset retirement cost	-	3,047	-	-	3,047
Disposals	(2,309)	(3,356)	(6,724)	(909)	(13,298)
Foreign exchange effect	2,475	18,062	3,244	207	23,988
September 30, 2015	85,272	904,650	132,227	31,121	1,153,270
Accumulated depreciation and depletion:					
December 31, 2014	(9,204)	(159,424)	(25,583)	(8,237)	(202,448)
Depreciation and depletion	(3,635)	(35,075)	(12,749)	(4,844)	(56,303)
Disposals	157	767	3,752	400	5,076
Foreign exchange effect	(211)	(2,672)	(862)	134	(3,611)
September 30, 2015	(12,893)	(196,404)	(35,442)	(12,547)	(257,286)
Net book value:					
September 30, 2015	72,379	708,246	96,785	18,574	895,984
December 31, 2014	62,224	562,482	90,990	19,500	735,196

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2015 and 2014

5. IMPAIRMENT

As a result of the significant decline in commodity prices in 2015 there has been less oil and gas industry activity and reductions to capital budgets set by oil and gas producers. As such, the Corporation assessed all of its cash generating units ("CGUs") for indicators of impairment at September 30, 2015. As a result of the assessment, impairment tests were performed on the Corporation's rail transloading facilities and Drilling Services CGUs. Consequently, \$62.8 million of impairment was recognized in the three and nine months ended September 30, 2015 (\$nil for the three and nine months ended September 30, 2014). The impairment primarily relates to goodwill (\$21.2 million) and intangible assets (\$37.6 million) recorded on the acquisition of three rail transloading facilities in 2014. The Corporation's rail transloading facilities have been significantly impacted by lower levels of activity as a result of the severe weakening in crude oil prices and the narrowing of price differentials.

The impairment tests performed for the relevant CGUs involve considerable judgment and estimates. The Corporation used the value in use to determine the recoverable amount of its CGUs for the purpose of goodwill and finite life intangibles impairment testing, determined by using discounted cash flows. The cash flow projections included specific estimates for five years and a terminal valuation. The terminal valuation is determined based on management's estimate of the long-term compound growth rate of annual net earnings excluding depreciation, depletion, amortization, accretion, share-based compensation, interest, and taxes. The discount rate used to calculate the net present value of cash flows is based on estimates of the Corporation's weighted average cost of capital and taking into account the nature of the assets being valued and their specific risk profile. Changes in the general economic environment could result in significant changes to this estimate. The Corporation used a pre-tax discount rate range of 22.6% to 23.4% and a terminal growth rate of 5%. The estimated cash flows were based on the 2015 year to date run rate with revenue and margins changing in correlation with the anticipated oil and gas industry activity over the following five years, and a terminal value thereafter was applied.

At September 30, 2015, the current commodity price environment has created considerable uncertainty as to the level of exploration and development activity that will be undertaken by several of the Corporation's customers and considerably increases the estimation uncertainty associated with the future cash flows used in the impairment tests. Assumptions that are valid at the time of preparing the cash flow models may change significantly when new information becomes available.

The estimated value in use for the CGUs that were tested at September 30, 2015 are particularly sensitive to the following estimates:

- For the rail transloading facilities CGU, an increase of 1% in the pre-tax discount rate and a 1% decrease in the terminal growth rate would have increased the impairment by approximately \$1.1 million and \$1.8 million, respectively.
- For the Drilling Services CGU, an increase of 1% in the pre-tax discount rate continues to support no impairment charge, while a 1% decrease in the terminal growth rate results in an impairment charge of \$4.4 million.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2015 and 2014****6. LONG-TERM BORROWINGS**

(\$000's)	Sept 30, 2015	Dec 31, 2014
Amount drawn on credit facility	258,000	398,500
Unamortized transaction costs	(1,407)	(1,115)
Total long-term borrowings	256,593	397,385

The Corporation has a \$700.0 million syndicated credit facility (the "Credit Facility"). During the quarter, the maturity date of the Credit Facility was extended by one year, to September 26, 2019. The Credit Facility consists of a \$675.0 million extendible revolving term credit facility and a \$25.0 million revolving operating facility. The Credit Facility includes an accordion feature which, if exercised and approved by the Corporation's lenders, would increase the Credit Facility by \$100.0 million.

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

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

The amount available under the Credit Facility is reduced by any outstanding letters of credit. As at September 30, 2015, the Corporation has \$14.8 million (\$22.4 million as at December 31, 2014) in letters of credit issued by the Corporation's lenders. The letters of credit are issued to various government authorities for potential reclamation obligations in accordance with applicable regulations (Note 7) and crude oil marketing contracts.

(\$000's)	Sept 30, 2015	Dec 31, 2014
Credit facility	700,000	700,000
Amount drawn on credit facility	(258,000)	(398,500)
Letters of credit	(14,755)	(22,439)
Available amount	427,245	279,061

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2015 and 2014****7. ASSET RETIREMENT OBLIGATIONS**

(\$000's)	
December 31, 2014	72,439
Arising during the period through development activities	5,773
Revisions during the period	(1,682)
Accretion	1,169
Change in discount rate	(1,044)
Asset retirement obligations incurred	(299)
Foreign exchange effect	2,486
September 30, 2015	78,842

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

(\$000's)	Sept 30, 2015	Dec 31, 2014
Current	1,697	1,800
Non-current	77,145	70,639
Total asset retirement obligations	78,842	72,439

The Corporation has issued \$17.0 million (\$16.0 million as at December 31, 2014) of performance bonds and \$12.2 million for letters of credit in relation to the Corporation's asset retirement obligations (Note 6).

8. SHAREHOLDERS' EQUITY

	Number of Shares	Amount (\$000's)
Balance, December 31, 2014	121,367,451	631,229
Options exercised	1,423,315	8,525
Restricted Share Units ("RSUs") exercised	241,256	3,428
Transfer from reserves in equity	-	4,338
Bought deal equity financing (Note 8a)	13,515,370	198,000
Shares issued through DRIP (Note 8b)	385,043	4,762
Shares issued as consideration for business combination	365,342	3,957
Share issue costs, net of tax	-	(6,470)
Balance, September 30, 2015	137,297,777	847,769

As at September 30, 2015 there were 5,897,124 (9,528,483 as at December 31, 2014) common shares of the Corporation held in escrow in conjunction with the Corporation's business combinations.

- a) On March 24, 2015, the Corporation closed a bought deal financing (the "offering") with a syndicate of underwriters, pursuant to which the underwriters agreed to purchase for resale to the public 13,515,370 common shares (including overallotment) of the Corporation at a price of \$14.65 per common share for gross proceeds of \$198.0 million. In connection with the offering, the Corporation incurred approximately \$8.5 million in transaction costs which included \$7.9 million in agent fees. Total transaction costs, net of tax, were applied against the proceeds in share capital during the nine months ended September 30, 2015.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2015 and 2014****8. SHAREHOLDERS' EQUITY (continued)**

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

	Dividend record date	Dividend payment date	Per common share (\$)	Amount (\$000's)
January	Jan 1, 2015	Jan 15, 2015	0.02	2,429
February	Feb 1, 2015	Feb 16, 2015	0.02	2,429
March	Mar 1, 2015	Mar 16, 2015	0.02	2,433
April	April 1, 2015	April 15, 2015	0.02	2,715
May	May 1, 2015	May 15, 2015	0.02	2,721
June	June 1, 2015	June 15, 2015	0.02	2,727
July	July 1, 2015	July 15, 2015	0.02	2,729
August	Aug 1, 2015	Aug 17, 2015	0.02	2,740
September	Sept 1, 2015	Sept 15, 2015	0.02	2,744
Total dividends paid during the period				23,667

Of the dividends declared, \$2.1 million and \$4.8 million was reinvested in additional common shares through the DRIP for the three and nine months ended September 30, 2015, respectively (\$0.7 million and \$2.1 million for the three and nine months ended September 30, 2014). The Corporation has 217,223 common shares reserved for issue under the DRIP as at September 30, 2015.

Subsequent to September 30, 2015, the Corporation either declared or paid dividends to holders of common shares in the amount of \$0.02 per common share payable on October 15, 2015 and November 15, 2015, for shareholders of record on October 1, 2015 and November 1, 2015, respectively.

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

	For the three months ended		For the nine months ended	
	Sept 30, 2015	Sept 30, 2014	Sept 30, 2015	Sept 30, 2014
Weighted average number of shares for basic (loss) earnings per share	136,944,300	120,048,665	131,992,359	118,601,288
Effect of dilution:				
Options, RSUs & Performance Share Units ("PSUs")	-	3,687,907	-	3,387,397
Weighted average number of shares for diluted (loss) earnings per share	136,944,300	123,736,572	131,992,359	121,988,685

The above table excludes all options, RSUs and PSUs for the three and nine months ended September 30, 2015, (76,169 and 640,933 options, RSUs and PSUs for the three and nine months ended September 30, 2014) as they are considered to be anti-dilutive.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2015 and 2014****9. SHARE-BASED COMPENSATION PLANS**

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

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

	Sept 30, 2015		Dec 31, 2014	
	Outstanding options	Weighted average exercise price (\$)	Outstanding options	Weighted average exercise price (\$)
Balance - beginning of period	7,665,806	12.45	7,519,300	9.03
Granted	1,849,590	15.05	2,211,571	19.29
Exercised	(1,423,315)	5.98	(1,775,400)	6.22
Forfeited	(779,438)	14.96	(289,665)	13.92
Balance - end of period	7,312,643	14.12	7,665,806	12.45
Exercisable - end of period	3,505,241	11.93	3,210,619	8.34

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

	Sept 30, 2015	Dec 31, 2014
Volatility factor of expected market price (%)	39.87	38.00
Weighted average risk-free interest rate (%)	1.04	1.34
Weighted average expected life in years	3.96	3.98
Weighted average expected annual dividends per share (%)	1.69	1.05
Weighted average fair value per option (\$)	4.19	5.54
Weighted average forfeiture rate (%)	5.62	5.53

RSU Plan

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

The following table summarizes the RSUs outstanding:

	Sept 30, 2015	Dec 31, 2014
Balance - beginning of period	843,913	171,932
Granted	1,154,185	783,010
Redeemed for common shares	(241,256)	(50,357)
Forfeited	(390,337)	(60,672)
Balance - end of period	1,366,505	843,913

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2015 and 2014****9. SHARE-BASED COMPENSATION PLANS (continued)**

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

	Sept 30, 2015	Dec 31, 2014
Weighted average expected life in years	2.10	2.04
Weighted average expected annual dividends per share (%)	1.75	0.98
Weighted average fair value per RSU (\$)	14.05	20.11
Weighted average forfeiture rate (%)	13.83	7.65

PSU Plan

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

The following table summarizes the PSUs outstanding:

	Sept 30, 2015	Dec 31, 2014
Balance - beginning of period	21,620	-
Granted	131,916	21,620
Balance - end of period	153,536	21,620

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

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

DSU Plan

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

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

	Sept 30, 2015	Dec 31, 2014
Balance - beginning of period	79,427	52,220
Granted	32,721	27,207
Balance - end of period	112,148	79,427
Exercisable - end of period	112,148	79,427

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2015 and 2014****10. COMMITMENTS AND CONTINGENCIES**

(\$000's)	1 year or less	1-5 years	5 years and thereafter	Total
Finance leases	10,011	8,156	-	18,167
Operating leases	10,705	32,571	7,576	50,852
Crude oil transportation	20,536	84,453	55,508	160,497
Inventory purchases	9,337	37,483	-	46,820
Capital commitments	13,388	-	-	13,388
Total commitments	63,977	162,663	63,084	289,724

Crude oil transportation

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

In addition to the items in the table above, the Corporation is committed to purchasing commodities for use in its normal course of operations.

Litigation

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

A Statement of Defence was filed by the Secure Defendants on November 10, 2008, after the Court ordered Tervita to provide further particulars of its claim. The Secure Defendants then filed an Amended Statement of Defence (the "Defence"), and the Corporation filed an Amended Counterclaim (the "Counterclaim"), on October 9, 2009. In their Defence, the Secure Defendants deny all of the allegations made against them. In its Counterclaim, the Corporation claims damages in the amount of \$37.9 million against Tervita, alleging that Tervita has engaged in conduct constituting a breach of the Competition Act (Canada) and unlawful interference with the economic relations of the Corporation with the intent of causing injury to the Corporation. As a result of the Corporation's application to the Chief Justice of the Alberta Queen's Bench, the Corporation has received permission of the Court to increase the Counterclaim to \$97.8 million. The amended counterclaim now includes damages related to Tervita's acquisition of Complete Environmental Inc., the previous owner of the Babkirk landfill in northeast British Columbia.

The Corporation is a defendant and plaintiff in legal actions that arise in the normal course of business. The Corporation believes that any liabilities that might arise pertaining to such matters would not have a material effect on its consolidated financial position.

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2015 and 2014

11. OPERATING SEGMENTS

The Corporation has three reportable operating segments as follows:

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

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

(\$000's)

Nine months ended September 30, 2015	PRD division	DS division	OS division	Corporate	Total
Revenue	812,887	149,923	93,642	-	1,056,452
Direct expenses	(717,984)	(129,733)	(70,347)	-	(918,064)
Operating margin	94,903	20,190	23,295	-	138,388
General and administrative	(18,753)	(20,270)	(6,325)	(3,924)	(49,272)
Share-based compensation	-	-	-	(15,875)	(15,875)
Business development	-	-	-	(9,238)	(9,238)
Depreciation, depletion and amortization	(50,443)	(17,682)	(10,078)	(395)	(78,598)
Interest, accretion and finance costs	(1,169)	-	-	(8,465)	(9,634)
Impairment	(57,262)	(5,514)	-	-	(62,776)
(Loss) earnings before tax	(32,724)	(23,276)	6,892	(37,897)	(87,005)
Three months ended September 30, 2015					
Revenue	245,274	52,020	36,042	-	333,336
Direct expenses	(213,321)	(45,354)	(27,189)	-	(285,864)
Operating margin	31,953	6,666	8,853	-	47,472
General and administrative	(5,788)	(7,271)	(2,049)	(1,099)	(16,207)
Share-based compensation	-	-	-	(3,747)	(3,747)
Business development	-	-	-	(2,694)	(2,694)
Depreciation, depletion and amortization	(18,124)	(5,757)	(3,471)	(140)	(27,492)
Interest, accretion and finance costs	(418)	-	-	(2,247)	(2,665)
Impairment	(57,262)	(5,514)	-	-	(62,776)
(Loss) earnings before tax	(49,639)	(11,876)	3,333	(9,927)	(68,109)

Nine months ended September 30, 2014	PRD division	DS division	OS division	Corporate	Total
Revenue	1,323,360	289,737	80,468	-	1,693,565
Direct expenses	(1,199,811)	(217,290)	(58,534)	-	(1,475,635)
Operating margin	123,549	72,447	21,934	-	217,930
General and administrative	(18,491)	(21,063)	(5,234)	(6,233)	(51,021)
Share-based compensation	-	-	-	(10,887)	(10,887)
Business development	-	-	-	(11,084)	(11,084)
Depreciation, depletion and amortization	(47,045)	(16,005)	(7,422)	(737)	(71,209)
Interest, accretion and finance costs	(831)	-	-	(6,261)	(7,092)
Other expense	(2,740)	-	-	-	(2,740)
Earnings (loss) before tax	54,442	35,379	9,278	(35,202)	63,897

Three months ended September 30, 2014	PRD division	DS division	OS division	Corporate	Total
Revenue	460,384	103,481	35,549	-	599,414
Direct expenses	(416,759)	(77,465)	(24,966)	-	(519,190)
Operating margin	43,625	26,016	10,583	-	80,224
General and administrative	(6,726)	(7,913)	(2,028)	(1,862)	(18,529)
Share-based compensation	-	-	-	(4,296)	(4,296)
Business development	-	-	-	(3,468)	(3,468)
Depreciation, depletion and amortization	(18,062)	(5,623)	(2,896)	(132)	(26,713)
Interest, accretion and finance costs	(277)	-	-	(2,677)	(2,954)
Other expense	(2,740)	-	-	-	(2,740)
Earnings (loss) before tax	15,820	12,480	5,659	(12,435)	21,524

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2015 and 2014

11. OPERATING SEGMENTS (continued)

(\$000's)

As at September 30, 2015	PRD division	DS division	OS division	Corporate	Total
Current assets	87,690	112,847	31,182	-	231,719
Total assets	937,939	362,704	91,207	8,588	1,400,438
Goodwill	10,595	70,125	11,127	-	91,847
Intangible assets	4,329	58,487	11,852	-	74,668
Property, plant and equipment and assets under construction	835,325	119,702	37,046	8,588	1,000,661
Current liabilities	58,625	31,390	19,095	-	109,110
Total liabilities	155,470	53,034	21,875	256,593	486,972

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

Geographical Financial Information

(\$000's)	Canada		US		Total	
	2015	2014	2015	2014	2015	2014
Three months ended September 30,						
Revenue	316,584	575,888	16,752	23,526	333,336	599,414
Nine months ended September 30,						
Revenue	998,217	1,634,228	58,235	59,337	1,056,452	1,693,565
As at September 30, 2015 and December 31, 2014						
Total non-current assets	981,985	1,006,518	186,734	177,480	1,168,719	1,183,998

Corporate Information

DIRECTORS

Rene Amirault - Chairman

Brad Munro ⁽¹⁾ ⁽²⁾ ⁽³⁾

David Johnson ⁽²⁾ ⁽³⁾ ⁽⁴⁾

Daniel Steinke ⁽⁴⁾

Kevin Nugent ⁽¹⁾ ⁽³⁾

Murray Cobbe ⁽¹⁾ ⁽²⁾

Shaun Paterson ⁽¹⁾ ⁽⁴⁾

OFFICERS

Rene Amirault

President & Chief Executive Officer

Allen Gransch

Executive Vice President & Chief Financial Officer

Brian McGurk

Executive Vice President, Human Resources & Strategy

Corey Higham

Executive Vice President, Midstream

Daniel Steinke

Executive Vice President, Operations, PRD

David Mattinson

Executive Vice President, OnSite Services

George Wadsworth

Executive Vice President, Drilling Services & USA Operations

STOCK EXCHANGE

Toronto Stock Exchange

Symbol: SES

AUDITORS

KPMG LLP

Calgary, Alberta

LEGAL COUNSEL

Bennett Jones LLP

Calgary, Alberta

BANKERS

Alberta Treasury Branches

TRANSFER AGENT AND REGISTRAR

Computershare

Calgary, Alberta

¹ Audit Committee

² Compensation Committee

³ Corporate Governance Committee

⁴ Health, Safety & Environment Committee