

MANAGEMENT DISCUSSION AND ANALYSIS

Three and Nine Months ended September 30, 2015 and 2014

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 November 5, 2015. 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 nine months ended September 30, 2015 to the three and nine months ended September 30, 2014 and should be read in conjunction with the Corporation's condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2015 and 2014 ("interim Consolidated Financial Statements"), as well as the Corporation's audited consolidated financial statements and notes thereto for the years ended December 31, 2014 and 2013 ("Consolidated Financial Statements") and the MD&A for the year ended December 31, 2014.

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.

CORPORATE OVERVIEW

Secure is a TSX publicly traded energy services company that provides safe, innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry. The Corporation owns and operates midstream infrastructure and provides environmental services and innovative products to upstream oil and natural gas companies operating in Western Canada and certain regions in the United States ("U.S.").

The Corporation operates three divisions:

PROCESSING, RECOVERY AND DISPOSAL DIVISION ("PRD")

The 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. Secure currently operates a network of facilities throughout western Canada and in North Dakota, providing these services at its full service terminals ("FST"), landfills, stand-alone water disposal facilities ("SWD") and full service rail facilities ("FSR").

DRILLING SERVICES DIVISION ("DS")

The DS division provides equipment and chemicals for building, maintaining, processing and recycling of drilling, completion and production fluids. The drilling fluids service line comprises the majority of the revenue for the division which includes the design and implementation of drilling fluid systems for producers drilling for oil, bitumen and natural gas. The DS division 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.

ONSITE SERVICES DIVISION ("OS")

The operations of the OS division include 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 ("IFS") which include water management, recycling, pumping and storage solutions; and Projects which include pipeline integrity (inspection, excavation, repair, replacement and rehabilitation); demolition and decommissioning, and reclamation and remediation of former wellsites, facilities, commercial and industrial properties.

For a complete description of services provided in the PRD, DS and OS divisions, please refer to the headings 'Secure Energy Services Inc.', 'Description of Business' in the Corporation's annual information form for the year ended December 31, 2014 ("AIF").

OPERATIONAL AND FINANCIAL HIGHLIGHTS

During the three and nine months ended September 30, 2015, Secure realized adjusted EBITDA of \$35.4 million and \$94.8 million, respectively. While financial results continue to be negatively influenced by reduced oil and gas activity levels due to low crude oil prices, both the PRD and OS divisions continued to show stable cash flows during the third quarter of 2015 on the back of production related volumes, ongoing project work, and integrated service offerings. The continued weakness in commodity pricing had the most significant impact on the DS divisional results as operations are tied directly to drilling activity. During the third quarter, the DS division results were lower based on continued muted drilling activity following spring break-up, as evidenced by industry rig counts declining 51%, while meters drilled declined 44% from 2014. Furthermore, the DS division incurred an additional \$2.8 million in fixed costs year to date associated with new services offered relating to production chemicals and chemical enhanced oil recovery, which primarily related to the third quarter of 2015.

Throughout 2015, Secure has taken measures to minimize future costs by streamlining operations and appropriately managing general and administrative expenses in the current oil and gas price environment. As part of this initiative, Secure was also able to minimize the impact on margins in the divisions by working with customers in order to find more efficient ways to manage their fluids and solids through more integrated offerings, volume-based contracts and reducing costs where it did not impact safety, operations and environmental performance. These initiatives included a further reduction to the Corporation's workforce in the third quarter by approximately 6% in an effort to eliminate redundant positions or positions significantly impacted by the decline in activity. In addition, Secure decided to exit the U.S. drilling fluids and drilling equipment rental market as the Corporation determined that having a market share of less than 5% did not provide the economies of scale to compete in both North Dakota and Colorado. For these services to be profitable, the Corporation determined more investment was required to gain these economies of scale. Given the opportunities in Canada and the rates of return achievable in less cyclical businesses, the Corporation determined it was prudent to wind down the drilling services business in the U.S. and focus its attention on opportunities in Canada, specifically production chemicals and chemical enhanced oil recovery ("EOR"). The costs to wind down operations and complete remaining work are shown as restructuring costs and are excluded from the DS division operating results as they are considered to be non-recurring following the exit of drilling services from the U.S.

In accordance with accounting standards, the Corporation reviews the carrying value of its long-lived assets at each reporting period for indications of impairment. With the significant decline in oil and natural gas prices and the resulting decrease in industry activity, Secure has reviewed the impact on its cash generating units ("CGUs"). Impairment is recognized when the carrying value of an asset or CGU exceeds its estimated recoverable amount, defined as the higher of its value in use or fair value less cost to sell. The recoverable amount of goodwill, intangibles and property plant and equipment was determined using a multi-year discounted cash flow with cash flow assumptions based on expected future results. Following the assessment, the Corporation realized an impairment on the goodwill and intangibles originally recorded on the acquisition of a crude by rail company in 2014. In addition, the Corporation also recorded impairment related to winding down the drilling service operations in the U.S. As a result, impairment provisions of \$62.8 million relating to goodwill, intangibles and property, plant and equipment were recognized. Management is of the opinion that the rail facilities remain as a key alternative for pipelines. However, the current uncertainty surrounding oil and gas prices and activity has created an environment where these assets are considered impaired for accounting purposes.

With the third quarter results, Secure has demonstrated with its current midstream infrastructure that positive cash flows are sustainable at the current oil and gas price and activity levels, and is well positioned to succeed in the event of a long-term economic downturn. The operating and financial highlights for the three and nine month periods ending September 30, 2015 compared to the same periods in 2014 can be summarized as follows:

(\$000's except share and per share data)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% change	2015	2014	% change
Revenue (excludes oil purchase and resale)	148,943	208,743	(29)	431,128	570,065	(24)
Oil purchase and resale	184,393	390,671	(53)	625,324	1,123,500	(44)
Total revenue	333,336	599,414	(44)	1,056,452	1,693,565	(38)
Adjusted EBITDA ⁽¹⁾	35,362	57,438	(38)	94,844	153,393	(38)
Per share (\$), basic	0.26	0.48	(46)	0.72	1.29	(44)
Per share (\$), diluted	0.26	0.46	(43)	0.72	1.26	(43)
Net (loss) earnings	(53,042)	14,756	(459)	(73,045)	44,309	(265)
Per share (\$), basic	(0.39)	0.12	(425)	(0.55)	0.37	(249)
Per share (\$), diluted	(0.39)	0.12	(425)	(0.55)	0.36	(253)
Adjusted net (loss) earnings ⁽¹⁾	(1,563)	16,219	(110)	(15,516)	44,540	(135)
Per share (\$), basic	(0.01)	0.14	(107)	(0.12)	0.38	(132)
Per share (\$), diluted	(0.01)	0.13	(108)	(0.12)	0.37	(132)
Funds from operations ⁽¹⁾	29,808	58,746	(49)	83,055	156,058	(47)
Per share (\$), basic	0.22	0.49	(55)	0.63	1.32	(52)
Per share (\$), diluted	0.22	0.47	(53)	0.63	1.28	(51)
Dividends per common share	0.06	0.05	20	0.18	0.14	29
Capital expenditures ⁽¹⁾	29,458	149,878	(80)	97,092	298,953	(68)
Total assets	1,400,438	1,428,857	(2)	1,400,438	1,428,857	(2)
Net debt ⁽¹⁾	143,547	245,737	(42)	143,547	245,737	(42)
Common Shares - end of period	137,297,777	121,199,763	13	137,297,777	121,199,763	13
Weighted average common shares						
basic	136,944,300	120,048,665	14	131,992,359	118,601,288	11
diluted	136,944,300	123,736,572	11	131,992,359	121,988,685	8

⁽¹⁾ Refer to "Non-GAAP measures and operational definitions" and "Additional GAAP measures" for further information.

- REVENUE OF \$148.9 and \$431.1 MILLION FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015
 - Total processing, recovery and disposal volumes at PRD facilities for the three and nine months ended September 30, 2015 remained relatively consistent over the 2014 comparative periods due to production related volumes and the addition of six new facilities subsequent to the third quarter of 2014, offset by the decline in drilling activity and lower recovered oil prices. Crude oil prices in the three and nine months ending September 30, 2015 decreased 53% and 49% from the 2014 comparative periods which negatively impacted recovered oil revenue. Overall, this resulted in the PRD division achieving revenue (excluding oil purchase and resale) for the three and nine months ended September 30, 2015 of \$60.9 million and \$187.6 million, down 13% and 6% respectively from the 2014 comparative periods;
 - Oil purchase and resale revenue in the PRD division for the three and nine months ended September 30, 2015 decreased by 53% and 44% from the 2014 comparative periods to \$184.4 million and \$625.3 million. The price of crude oil declined by 53% and 49% for the three and nine months ended September 30, 2015 from the 2014 comparative periods which directly reduced revenues from oil sales and also resulted in fewer volumes of oil being purchased and resold during the period;

- Activity in the DS division is strongly correlated with oil and gas drilling activity in the Western Canadian Sedimentary Basin (“WCSB”) which saw a decline in active rig count for the three and nine months ended September 30, 2015 of 51% and 47% from the 2014 comparative periods. As a result, DS division revenue for the three and nine months ended September 30, 2015 decreased 50% and 48% to \$52.0 million and \$149.9 million from the 2014 comparative periods. In the third quarter, the DS division increased its market share to 32%, up from the first six months of 2015 where it held a 29% market share;
- OS division revenue has remained strong for the three and nine months ended September 30, 2015 increasing 1% and 16% to \$36.0 million and \$93.6 million over the 2014 comparative periods. The overall increase in 2015 is significant considering 20% of the OS division revenue relates to completion activities, where activity levels are substantially lower given the current oil and gas price. The higher revenues that have offset this reduction relates to projects service line work, and the acquisitions completed during 2014. The OS division continues to grow through larger scale project work, diversified and integrated services, and expansion into new geographic areas.
- ADJUSTED EBITDA OF \$35.4 MILLION AND \$94.8 MILLION FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015
 - Diversification and integration across Secure’s three divisions has contributed to positive EBITDA for the three and nine months ended September 30, 2015 as certain service lines are not impacted by drilling activity and commodity prices. Adjusted EBITDA for the three and nine months ended September 30, 2015 was \$35.4 million and \$94.8 million, a 38% decrease from the 2014 comparative periods. Overall, this result was in line with Secure’s expectation given a reduction in drilling activity, primarily affecting the DS division, and reduced crude oil prices impacting both the PRD and DS divisions. These factors were partially offset by the addition of new facilities in 2014 and the first half of 2015 in the PRD division, and the strong performance of the OS division.
- NET LOSS OF \$53.0 MILLION AND \$73.0 MILLION FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015
 - For the three and nine months ended September 30, 2015, Secure’s net loss of \$53.0 million and \$73.0 million, compared to net earnings of \$14.8 million and \$44.3 million in the 2014 comparative periods, is a result of the factors discussed above impacting adjusted EBITDA, combined with the following: non-cash impairments of \$62.8 million resulting primarily from the write-down of intangible assets and goodwill associated with the Corporation’s rail facilities acquired in 2014; increased share-based compensation in the year to date resulting from the timing of grants of options, RSUs and PSUs; increased depreciation expense from new PRD facilities commissioned in 2014 and 2015, partially offset by a change in the estimated useful life of property, plant and equipment at PRD facilities effective January 1, 2015; and increased amortization expense resulting from intangible assets acquired on the eight strategic acquisitions completed during 2014.
- ADJUSTED NET LOSS OF \$1.6 MILLION AND \$15.5 MILLION FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015
 - For the three and nine months ended September 30, 2015, Secure’s adjusted net loss of \$1.6 million and \$15.5 million, compared to earnings of \$16.2 million and \$44.5 million from the 2014 comparative periods, is a result of the factors discussed above impacting net loss, excluding non-cash impairments and other non-recurring charges.

- 2015 CAPITAL EXPENDITURES

- Total capital expenditures for the three and nine months ended September 30, 2015 were \$29.5 million and \$97.1 million, respectively. The Corporation expects a total 2015 capital spend of approximately \$115 million, which includes initial costs for a new PRD FST expected to be completed and commissioned in the third quarter of 2016.
- Major expenditures in 2015 include:
 - Five facilities were completed and commissioned in the first half of 2015: Tulliby Lake FST, 13 Mile FST conversion, Rycroft FSR, Big Mountain SWD, and Wonowon SWD;
 - Construction of additional landfill cells at the Willesden Green and Pembina Landfills in the second quarter;
 - Commencement of construction of a new PRD full service terminal which is expected to be completed and commissioned in the third quarter of 2016;
 - Pre-design and engineering of future facility locations;
 - Various expansions at existing facilities to increase capacity including treaters, disposal wells and tanks; and
 - Specialized rental equipment for specific OS division projects.

- FINANCIAL FLEXIBILITY

- Secure's net debt as at September 30, 2015 was \$143.5 million compared to \$309.7 million at December 31, 2014. The Corporation has strengthened its balance sheet and increased its financial flexibility to take advantage of opportunities during the current low commodity price environment.
- Secure's debt to trailing twelve month EBITDA ratio was 1.9 as at September 30, 2015 compared to 2.0 as at December 31, 2014.
- As at September 30, 2015, the Corporation had \$427.2 million available under its credit facility.

OUTLOOK

There continues to be considerable uncertainty with regards to the short-term outlook on commodity prices. This uncertainty will influence activity levels for the remainder of the year and into 2016. The uncertainty has proven that Secure's infrastructure and diversified services continue to perform in a low commodity price environment. Most of Secure's 38 facilities are strategically located in each of the high impact resource plays in Western Canada and North Dakota. The core infrastructure is located in areas where production related volumes continue to support the required need for PRD facilities. Secure expected Drilling Services to be directly impacted by the decline in meters drilled but both PRD and OS have continued to show resilience through these muted activity levels.

Based on current activity levels and commodity prices, Secure expects:

- Similar drilling and completion activity in the fourth quarter and anticipates that Q4 2015 adjusted EBITDA to be in the range of \$25 to \$35 million. The range is predicated upon the start of the December holiday drilling slow-down;
- To gain further traction on new services and products associated with production chemicals and chemical EOR. The EOR pilot project has continued into the fourth quarter and to date Secure has seen positive results. Strategically, both the production chemicals and drilling fluids service lines can be supported by the 7,000 square foot, fully equipped state of the art research laboratory facility to work directly with customers to enhance production and create drilling efficiencies;
- To incur minimal restructuring costs for the remainder of the year. Costs incurred throughout the year, including costs associated with winding down U.S. drilling services, led to a reduction in headcount to match activity levels, salary rollbacks, role restructuring and office consolidations, creating numerous continuous improvements and operating efficiencies while still maintaining exceptional customer service;
- Activity and throughput at the Corporation's rail facilities to remain inconsistent. The market for crude-by-rail economics is challenged by narrowing crude spreads and by improved pipeline supply/demand balance. The strategy around rail remains unchanged: offer customers access close to the field level, ship raw versus diluted, provide access to other markets, and provide supplemental capacity to pipelines when they become constrained;
- To continue to work with customers on water recycling, storage and logistics. This market continues to expand as producers understand the need to reuse fluids during completion activities. Secure will work with its customers in 2015 and 2016 to execute on field trials and create long-term synergies to reduce the amount of freshwater used in completion activities;
- To continue its prudent approach to capital spending by allocating capital to projects that generate the highest rates of return, including expansions of existing facilities. The Corporation expects to spend approximately \$15 million in the fourth quarter to complete expansions at existing facilities and progress construction of a new FST. Secure will continue to focus on cost controls, which has resulted in a reduction in the capital costs to construct ranging from 15% to 20% in the second half of 2015;
- Further evaluation and assessment of merger and acquisition opportunities. Secure remains patient to ensure the right acquisitions are executed on to complement existing services and/or expand geographical presence in key operating areas, particularly in the current oil and gas environment. Over the past few months, expectations and valuations on these opportunities have continued to narrow. Secure has issued letters of intent and has entered into confidentiality agreements to allow further evaluation of these opportunities.

Overall, Secure has a solid balance sheet and is well positioned to respond with solutions and the right people to the market's needs today. When industry activity increases the Corporation will be able to respond quickly and remain agile. Given the Corporation's strong financial flexibility, Secure is preparing for a 2016 capital expenditure program between \$50 and \$125 million, consisting of new facilities, facility and disposal well expansions and specialized equipment. The range provided allows Secure to optimize rates of return on organic capital versus potential accretive acquisition opportunities that may arise under current market conditions.

NON-GAAP MEASURES AND OPERATIONAL DEFINITIONS

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 described and presented in order to provide information regarding the Corporation's financial results, liquidity and its ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measure. However, they should not be used as an alternative to IFRS measures because they may not be consistent with calculations of other companies. These non-GAAP measures, and certain operational definitions used by the Corporation, are further explained below.

Operating days

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

Canadian market share

Canadian market share is calculated by comparing active rigs the DS division services to total active rigs in Western Canada. The Canadian Association of Oilwell Drilling Contractors publishes total active rigs in Western Canada on a semi-weekly basis.

Operating margin

Operating margin is calculated as revenue less operating expenses which includes direct product costs but excludes depreciation, depletion and amortization, general and administrative, and oil purchase and resale services. Management analyzes operating margin as a key indicator of cost control and operating efficiency.

EBITDA and adjusted EBITDA

EBITDA is a measure showing earnings before finance costs, taxes, depreciation, depletion, amortization, and non-cash impairments on the Corporation's assets, share-based compensation and other income/expenses. EBITDA is not a recognized measure under IFRS.

Adjusted EBITDA is defined as EBITDA noted above, adjusted for other items that are considered non-recurring in nature. The Corporation has adjusted EBITDA for inventory impairments, severance payments to terminated employees, and Restructuring, as defined in this section. Adjusted EBITDA is not a recognized measure under IFRS.

Management believes that in addition to net earnings, EBITDA and adjusted EBITDA are useful supplemental measures as they provide an indication 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, non-cash charges, and charges that are non-recurring in nature or outside of the normal course of business. The following table reconciles the Corporation's net (loss) earnings to EBITDA and adjusted EBITDA.

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Net (loss) earnings	(53,042)	14,756	(459)	(73,045)	44,309	(265)
Add (deduct):						
Depreciation, depletion and amortization	27,492	26,713	3	78,598	71,209	10
Current tax (recovery) expense	(542)	5,067	(111)	(6,344)	13,905	(146)
Deferred tax (recovery) expense	(14,525)	1,701	(954)	(7,616)	5,683	(234)
Share-based compensation	3,747	4,296	(13)	15,875	10,887	46
Impairment	62,776	-	100	62,776	-	100
Other expense	-	2,740	(100)	-	2,228	(100)
Interest, accretion and finance costs	2,665	2,954	(10)	9,634	7,092	36
EBITDA	28,571	58,227	(51)	79,878	155,313	(49)
Add:						
Restructuring (Drilling Services U.S.)	4,984	(789)	(732)	8,224	(1,920)	(528)
Inventory impairment	-	-	-	1,970	-	100
Severance and related costs	1,807	-	100	4,772	-	100
Adjusted EBITDA	35,362	57,438	(38)	94,844	153,393	(38)

Adjusted net (loss) earnings

Adjusted net (loss) earnings is a measure of profitability. Adjusted net (loss) earnings provides an indication of the results generated by the principal business activities prior to recognizing charges that are non-recurring and non-cash impairments as these items are outside of the Corporation's normal course of business. Adjusted net (loss) earnings is not a recognized measure under IFRS. The following table outlines these non-recurring items.

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Net (loss) earnings	(53,042)	14,756	(459)	(73,045)	44,309	(265)
Adjustments, net of estimated tax effect:						
Impairment	46,454	-	100	46,454	-	100
Other expense	-	2,055	(100)	-	1,671	(100)
Restructuring (Drilling Services U.S.)	3,688	(592)	(723)	6,086	(1,440)	(523)
Inventory impairment	-	-	-	1,458	-	100
Severance and related costs	1,337	-	100	3,531	-	100
Adjusted net (loss) earnings	(1,563)	16,219	(110)	(15,516)	44,540	(135)

Net debt

Net debt is a measure of the Corporation's overall debt situation and is utilized by management as a key measure to assess the liquidity of the Corporation and monitor the availability under its credit facilities. Net debt is calculated as the sum of total debt, which includes the principal amount of long-term borrowings plus finance lease liabilities, less the working capital surplus. Working capital surplus is calculated as current assets less current liabilities.

(\$000's)	Sept 30, 2015	Dec 31, 2014	% Change
Long-term borrowings (principal amount)	258,000	398,500	(35)
Long-term finance lease liabilities	8,156	12,060	(32)
Current liabilities	109,110	211,265	(48)
Current assets	(231,719)	(312,119)	(26)
Net debt	143,547	309,706	(54)

Restructuring

Restructuring in the three and nine months ended September 30, 2015 and 2014 includes all the operating losses (earnings) related to drilling services operations in the U.S, including costs associated with winding down these operations in 2015. Specifically, this includes sale of remaining inventory, decommissioning warehouses, re-deploying equipment, severance payments to terminated employees, relocation costs and all other associated costs.

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 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.

ADDITIONAL GAAP MEASURES

The additional GAAP measures described below do not have a standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other entities.

Funds from operations

Funds from operations refer to cash flow from operations before changes in non-cash working capital, interest and income taxes paid, and asset retirement obligations incurred. Secure's management views funds from operations as a key measure of liquidity and believes that funds from operations is a metric used by many investors to assess the financial performance of the Corporation. The following table reconciles net cash flows from operating activities to funds from operations.

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Net cash flows from operating activities	6,586	(1,043)	(731)	91,251	134,390	(32)
Add:						
Interest paid	2,215	2,562	(14)	7,533	6,276	20
Income taxes paid	1,468	1,376	7	11,248	13,059	(14)
Non-cash working capital changes	19,354	55,851	(65)	(27,276)	2,333	(1,269)
Asset retirement obligations incurred	185	-	100	299	-	100
Funds from operations	29,808	58,746	(49)	83,055	156,058	(47)

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

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 operating segments, as outlined in the 'Corporate Overview' above. Total general and administration expenses by division excludes share-based compensation and corporate expenses, as senior management looks at each division's earnings before corporate expenses and non-cash items such as share-based compensation as an important measures of performance. The table below outlines the results by operating segment for the three and nine months ended September 30, 2015 and 2014:

(\$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

PRD DIVISION OPERATIONS

The PRD division has two separate service lines: processing, recovery and disposal services; and oil purchase and resale services.

Processing, recovery and disposal:

Processing services are primarily performed at FSTs and include waste processing and crude oil emulsion treating. Secure's FSTs that are connected to 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 or vacuum truck. 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. Recovery services include revenue from the sale of oil recovered through waste processing, crude oil handling, terminalling, transloading and marketing. Clean crude oil and treated crude oil are stored on site temporarily until the volumes are ready to be shipped through gathering or transmission pipelines, and 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 this service is to enhance the service offering associated with Secure's business of produced water disposal, crude oil emulsion treating, terminalling, 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 process, transport to a pipeline connected FST if necessary, and handle the shipment of crude oil down the pipeline. Secure's five 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.

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Revenue						
PRD services (a)	60,881	69,713	(13)	187,563	199,860	(6)
Oil purchase and resale service	184,393	390,671	(53)	625,324	1,123,500	(44)
Total PRD division revenue	245,274	460,384	(47)	812,887	1,323,360	(39)
Operating Expenses						
PRD services	28,928	26,088	11	92,660	76,311	21
Deduct: non-recurring items						
Severance and related costs	(119)	-	100	(307)	-	100
PRD services less non-recurring items (b)	28,809	26,088	10	92,353	76,311	21
Oil purchase and resale service	184,393	390,671	(53)	625,324	1,123,500	(44)
Total PRD division operating expenses	213,321	416,759	(49)	717,984	1,199,811	(40)
Operating Margin ⁽¹⁾ (a-b)	32,072	43,625	(26)	95,210	123,549	(23)
Operating Margin ⁽¹⁾ as a % of revenue (a)	53%	63%		51%	62%	

⁽¹⁾ Refer to "Non-GAAP measures and operational definitions" for further information.

Revenue (PRD division)

Revenue of \$60.9 million and \$187.6 million for the three and nine months ended September 30, 2015, is down 13% and 6% from the 2014 comparative periods. For the three months ended September 30, 2015, industry rig counts declined 51% and meters drilled declined 44% from the 2014 comparative periods. This reduction in activity has resulted in a significant decline in volumes associated with drilling and completion activities. However, offsetting the significant decline in drilling and completion volumes are production related volumes and additional capacity at the Corporation's existing facilities and new facilities constructed in 2014 and 2015. In addition, Secure's facilities are strategically located in high impact resource plays where producers have remained relatively active in a lower commodity price environment.

Processing: Processing volumes for the three and nine months ended September 30, 2015 remained relatively consistent with the 2014 comparative periods, which can be attributed to production related volumes and the addition of new facilities and expansions at existing facilities in the fourth quarter of 2014 and in 2015 to date, including the Brazeau FST in December 2014, and the Tulliby Lake and 13 Mile FSTs in March 2015. The increased volumes from the new facilities and expansions were offset by fewer volumes at existing facilities resulting from the lower drilling and completion activities.

Recovery: Recovery revenues have decreased by 16% and 27% for the three and nine month periods ending September 30, 2015 over the 2014 comparative periods as a result of the decline in crude oil pricing of 53% and 49% from the 2014 comparative periods directly impacting recovered oil revenue. In addition to lower recovered oil revenue, a continued compression of crude oil differentials has limited the Corporation's ability to fully utilize its FSR network.

Disposal: Disposal volumes for the three and nine months ended September 30, 2015 decreased 15% and 13%, respectively compared to the 2014 comparative period primarily due to a decrease in disposal of drilling waste in Secure's landfills and flow back water from completion activities as described above. Produced water has offset a portion of the decline as the Corporation continues to see more water volumes on maturing producing wells.

Oil purchase and resale revenue in the PRD division for the three and nine months ended September 30, 2015 decreased by 53% and 44% from the 2014 comparative periods to \$184.4 million and \$625.3 million. The price of crude oil declined by 53% and 49% for the three and nine months ended September 30, 2015 from the 2014 comparative periods which directly reduced revenues from oil sales and also resulted in fewer volumes of oil being purchased and resold during the period.

Operating Expenses (PRD division)

Operating expenses less non-recurring items from PRD services for the three and nine months ended September 30, 2015 increased 10% and 21% to \$28.8 million and \$92.4 million from \$26.1 million and \$76.3 million in the comparative periods of 2014. The increase in operating expenses relates primarily to the new facilities and expansions at existing facilities.

Operating margin as a percentage of revenue for the three and nine months ended September 30, 2015 was 53% and 51% compared to 63% and 62% in the comparative periods of 2014. The impact to the operating margin in 2015 for both the three and nine months ended September 30, 2015 compared to 2014 comparative periods is approximately 8% operating margin impact as a result of lower drilling and completion volumes, reduced recovered oil sales and costs associated with new facilities commissioned in the second quarter of 2015. The remaining margin impact related to fixed costs associated with rail car leases as tightened differentials during the three and nine months ended September 30, 2015 were not favorable to optimize the use of the rail transloading facilities. Overall, the operating margin continues to improve from the first and second quarter of 2015 as the Corporation continues to streamline and optimize operating efficiencies where possible.

Depreciation, Depletion and Amortization (PRD division)

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Depreciation and depletion	15,383	17,050	(10)	41,528	44,661	(7)
Amortization	2,741	1,012	171	8,915	2,384	274
Depreciation, depletion and amortization	18,124	18,062	-	50,443	47,045	7

Depreciation and depletion expense relates to the PRD division's facilities and landfills. For the three and nine months ended September 30, 2015 depreciation and depletion expense decreased 10% and 7% to \$15.4 million and \$41.5 million from \$17.1 million and \$44.7 million in the comparative periods of 2014. This decline is a result of a change in the estimated useful life of property, plant and equipment at PRD facilities effective January 1, 2015. Secure reassessed the useful lives of all its property, plant and equipment based on the current condition of the assets taking into consideration the operating history of the assets. Each significant component of property plant and equipment was assessed during the exercise. As a result of the change in estimated useful life, the depreciation expense for the three and nine months ended September 30, 2015 decreased by approximately \$5.9 million and \$17.7 million in the PRD division, partially offset by the impact of new facilities commissioned in the fourth quarter of 2014 and 2015 to date. The impact of the change in estimated useful life impacted the PRD division most significantly given the large capital investments made for PRD division facilities.

Amortization expense relates to the PRD division's intangible assets acquired through acquisitions. For the three and nine months ended September 30, 2015, amortization expense increased 171% and 274% to \$2.7 million and \$8.9 million from \$1.0 million and \$2.4 million in the comparative periods of 2014 as a result of the acquisition of a rail infrastructure business completed in August 2014.

General and Administrative (PRD division)

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
General and administrative ⁽¹⁾	5,788	6,726	(14)	18,753	18,491	1
Deduct: Non-recurring items						
Severance and related costs	(758)	-	100	(1,486)	-	100
General and administrative less non-recurring items	5,030	6,726	(25)	17,267	18,491	(7)
% of PRD services revenue	8%	10%		9%	9%	

⁽¹⁾ Amounts have been reclassified in the comparative period to exclude non-cash share-based compensation.

General and administrative ("G&A") expenses less non-recurring items for the three and nine months ended September 30, 2015 decreased 25% and 7% from the 2014 comparative periods to \$5.0 million and \$17.3 million as a result of cost saving initiatives undertaken 2015 as the Corporation continues to minimize future costs by streamlining operations in the current oil and gas price environment. Non-recurring items relate to severance payments made to terminated employees.

DS DIVISION OPERATIONS

The DS division has two main service lines: drilling fluids and production chemicals; and fluids and solids equipment.

Drilling fluids and production chemicals:

Drilling fluid products are designed to optimize the efficiency of customer drilling operations through engineered solutions that improve drilling performance and penetration, while reducing non-productive time. Increasingly complex horizontal and directional drilling programs require experienced drilling fluid technical personnel who design adaptable drilling programs to meet the needs of drilling fluid customers. These programs can save customers significant amounts of money by proactively anticipating the drilling challenges the customers may encounter. Production chemical solutions help solve customer production issues by providing tailored solutions at both the field level and at the Corporation's fully equipped, state of the art research laboratory. The focus on testing, research and new product development conducted at the laboratory allows Secure to provide unique and tailored products to customers.

Fluids and solids equipment:

The fluids and solids equipment service line works with the drilling fluids service line to ensure that the quality of drilling fluids used through the drilling cycle is maintained by continually processing and recycling the drilling fluids as they return to the surface. Fluids and solids equipment ensures the continual removal of drill cuttings and solids from the drilling fluid as well as provides a safe and more efficient way of storing oil based products in the "Target Tanks", the Corporation's proprietary horizontal dual containment storage tanks. The current equipment fleet of high speed centrifuges, drying shakers, bead recovery units, "Target Tanks", and ancillary equipment are offered as a stand-alone package or as part of an integrated drilling fluids and rentals package.

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Revenue						
Drilling services (a)	52,020	103,481	(50)	149,923	289,737	(48)
Operating Expenses						
Drilling services	45,354	77,465	(41)	129,733	217,290	(40)
Deduct: non-recurring items						
Inventory impairment	-	-	-	(1,970)	-	100
Severance and related costs	(262)	-	100	(909)	-	100
Drilling services less non-recurring items (b)	45,092	77,465	(42)	126,854	217,290	(42)
Operating Margin (a-b)	6,928	26,016	(73)	23,069	72,447	(68)
Adjust for: non-recurring items						
Restructuring (Drilling Services U.S.)	3,481	(2,170)	(260)	4,183	(5,720)	(173)
Operating Margin after Restructuring ⁽¹⁾	10,409	23,846	(56)	27,252	66,727	(59)
Operating Margin after Restructuring ⁽¹⁾ as a % of Canadian revenue	21%	26%		20%	25%	

⁽¹⁾ Refer to "Non-GAAP measures and operational definitions" for further information.

Revenue (DS division)

Revenue in the DS division is directly correlated with oil and gas drilling activity in the WCSB, most notably active rig counts and meters drilled. As a result, the weakness in commodity pricing and the resulting drop off in activity levels from oil and gas producers had a significant negative impact on the DS division in the three and nine months ended September 30, 2015. For the three and nine months ended September 30, 2015, industry rig counts declined 51% and 47%, while meters drilled declined 44% and 43% respectively, from the 2014 comparative periods. As a result, revenue from the DS division for the three and nine months ended September 30, 2015 decreased 50% and 48% to \$52.0 million and \$149.9 million from \$103.5 million and \$289.7 million in the comparative periods of 2014. This decrease in revenues for the three and nine months ended September 30, 2015 was consistent with Secure's expectation given the decline in drilling activity.

Drilling fluids and production chemicals: Revenue from the drilling fluids service line for the three and nine months ended September 30, 2015 decreased 52% and 51% from the 2014 comparative periods. The contribution from production chemicals is insignificant as these services were introduced to the market in the third quarter of 2015. The decrease of drilling fluids revenue was a direct result of the decrease in active rig count and meters drilled from the 2014 comparative periods, combined with a decline in the price of oil which reduced revenue earned on oil based drilling fluids sold to customers.

Secure has continued to focus on providing customers with innovative solutions for deeper and increasingly technically complex wells. This has enabled the division to achieve a Canadian market share of 30% for the nine months ended September 30, 2015, a slight decrease from 32% in the comparative period. As the rig count has dropped substantially over the 2014 comparative periods, the timing of when customers ramp-up or slow down drilling activities has a significant effect on market share at any point in time as one rig can change the percentage of market share held.

Revenue per operating day increased slightly to \$7,504 and \$7,575 for the three and nine months ended September 30, 2015 from \$7,137 and \$7,435 in the comparative periods of 2014. This increase was driven by a 5% and 7% increase in depth per well as customers continue to drill deeper, more complex wells which requires greater amounts of specialized drilling fluids.

Fluids and solids equipment: The fluids and solids equipment revenue is driven by the size of the available equipment fleet, utilization, and rental rates in any given period. Fluids and solids equipment revenues for the three and nine months ended September 30, 2015 have decreased by 56% and 35% over the 2014 comparative periods. The decrease is due primarily to lower utilization of the equipment fleet resulting from a slowdown in industry activity, and pricing pressure on rental rates. All of Secure's unutilized equipment can be put back into service at any time with minimal cost.

Operating Expenses (DS division)

DS Division operating expenses less non-recurring items for the three and nine months ended September 30, 2015 decreased by 42% to \$45.1 million and \$126.9 million from \$77.5 million and \$217.3 million in the 2014 comparative periods. Overall, the decrease in operating expenses over the 2014 comparative periods was a direct result of a decrease in revenues, cost saving initiatives implemented in the first quarter of 2015, and a reduction in cost of goods sold for oil based drilling fluids. In addition, the DS division incurred an additional \$2.8 million in fixed costs year to date associated with new services offered relating to production chemicals and chemical enhanced oil recovery, which primarily related to the third quarter of 2015. Finally, Secure has significantly reduced the DS division cost structure after winding down operations in the U.S. so management can focus its efforts on continuing to grow DS Division's core operations. Secure will continue to adjust its cost structure based on industry activity and operating conditions.

The operating margin for the three and nine months ended September 30, 2015 and 2014 excludes Restructuring related to the DS U.S. operations.

Operating margin after Restructuring was \$10.4 million and \$27.3 million, down 56% and 59% compared to the same periods in 2014. The DS division achieved record results in the 2014 comparative periods resulting from strong crude oil prices combined with exceptionally high activity levels resulting from a shorter than normal spring break-up. The DS division's adjusted operating margin for the three and nine months ended September 30, 2015 was impacted by a significant reduction in drilling activity resulting in under-utilized crews, price discounts given to customers to reflect the depressed price of crude oil, losses realized on oil based drilling fluids and the higher cost of specialty chemicals purchased from the U.S. due to foreign exchange fluctuations. Further, the reduction in drilling activity resulted in lower revenues from higher margin complementary products which are used in various types of drilling activities.

Depreciation and Amortization (DS division)

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Depreciation	3,036	3,010	1	8,986	9,006	-
Amortization	2,721	2,613	4	8,696	6,999	24
Depreciation and amortization	5,757	5,623	2	17,682	16,005	10

Depreciation expense relates primarily to fluids and solids equipment. For the three and nine months ended September 30, 2015, depreciation remained relatively consistent from the 2014 comparative periods.

Amortization expense for the three and nine months ended September 30, 2015 increased 4% and 24% to \$2.7 million and \$8.7 million from \$2.6 million and \$7.0 million in the 2014 comparative periods. Amortization expense relates to the DS division's intangible assets acquired through acquisitions. The increase in amortization expense over the 2014 comparative periods was a direct result of two acquisitions completed during the second quarter of 2014, and one acquisition in the fourth quarter of 2014 in the DS division.

General and Administrative (DS division)

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
General and administrative ⁽¹⁾	7,271	7,913	(8)	20,270	21,063	(4)
Deduct: Non-recurring items						
Restructuring (Drilling Services U.S.)	(1,503)	(1,381)	9	(4,039)	(3,800)	6
Severance and related costs	(488)	-	100	(1,003)	-	100
General and administrative less non-recurring items	5,280	6,532	(19)	15,228	17,263	(12)
% of Drilling services Canadian revenue	11%	7%		11%	7%	

⁽¹⁾ Amounts have been reclassified in the comparative period to exclude non-cash share-based compensation.

G&A expense less non-recurring items for the three and nine months ended September 30, 2015 decreased 19% and 12% from the comparative periods of 2014 as a result of cost saving initiatives undertaken 2015 as the Corporation continues to minimize future costs by streamlining operations in the current oil and gas price environment. Non-recurring items relate to the wind-down of the DS operations in the U.S., and severance costs incurred in Canada as the Corporation eliminated positions significantly impacted by the decline in activity.

OS DIVISION OPERATIONS

The OS division has three main service lines: Projects; Environmental services; and Integrated Fluids Solutions.

Projects:

Projects provide pipeline integrity (inspection, excavation, repair, replacement and rehabilitation), demolition and decommissioning, and remediation and reclamation of former wellsites, facilities, commercial and industrial properties.

Environmental services:

Environmental services provides pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, laboratory services, and waste container services.

Integrated fluids solutions:

Integrated fluid solutions include fluid management, recycling, pumping and storage solutions.

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Revenue						
OnSite services (a)	36,042	35,549	1	93,642	80,468	16
Operating Expenses						
OnSite services	27,189	24,966	9	70,347	58,534	20
Deduct: non-recurring items						
Severance and related costs	-	-	-	(116)	-	100
OnSite services less non-recurring items (b)	27,189	24,966	9	70,231	58,534	20
Operating Margin ⁽¹⁾ (a-b)	8,853	10,583	(16)	23,411	21,934	7
Operating Margin ⁽¹⁾ as a % of revenue (a)	25%	30%		25%	27%	

⁽¹⁾ Refer to "Non-GAAP measures and operational definitions" for further information.

Revenue (OS division)

Diversified service lines and integrated service offerings, combined with the four strategic acquisitions completed in 2014, delivered strong results in the OS division for the three and nine months ended September 30, 2015. Revenues increased by 1% and 16% to \$36.0 million and \$93.6 million from \$35.5 million and \$80.5 million in the 2014 comparative periods.

Projects: Projects revenue for the three and nine months ended September 30, 2015 increased 24% and 48% due to an acquisition completed in April 2014 which added a new geographic area and increased customer base. In addition, there was an increase in large scale demolition and remediation projects that contributed to increased revenues over the 2014 comparative periods. During the quarter, Secure also began a multi-year contract to manage a landfill in northern Alberta and diversified its offerings to industry sectors outside of oil and gas with additions to its customer base.

Environmental services: Environmental services revenue for the three and nine months ended September 30, 2015 increased 29% and 6% from the 2014 comparative periods. Environmental remediation volumes increased year over year and CleanSite bins were added to the rental fleet during 2014 and 2015, increasing revenues from the 2014 comparative periods. In addition, integrated service offerings with the Projects service line has resulted in the award of larger scale projects during the three and nine months ended September 30, 2015.

Integrated fluids solutions: IFS revenue for the three and nine months ended September 30, 2015 decreased 51% and 19% from the 2014 comparative periods as a result of decreased industry activity resulting in lower equipment utilization, and pricing pressures resulting from the current economic environment. The decrease was partially offset by one acquisition completed subsequent to the second quarter of 2014 and increased offering of complementary services.

Operating Expenses (OS division)

Operating expenses less non-recurring items for the three and nine months ended September 30, 2015 increased 9% and 20% to \$27.2 million and \$70.2 million from \$25.0 million and \$58.5 million in the 2014 comparative periods. Overall, the increase in operating expenses was a direct result of an increase in activity and revenues from the 2014 comparative periods.

The operating margin in the OS division of \$8.9 million in the third quarter was 16% lower compared to the prior year due to a slower ramp-up of activity following spring break-up, influenced by muted drilling activity levels and low commodity pricing. The operating margin for the nine months ended September 30, 2015 of \$23.4 million was 7% higher than the 2014 comparative period, primarily as a result of increased project revenue in the period. The operating margin as a percentage of revenue for the OS division in both the three and nine months ended September 30, 2015 was 25%, a slight decrease from 30% and 27% in the comparative 2014 periods. Operating margin as a percentage of revenue fluctuates 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. Larger scale and more technically challenging demolition and remediation projects undertaken in the nine months ended September 30, 2015 contributed a higher margin, which partially offset the impact of decreased industry activity and pricing pressures in the Environmental services and IFS service lines.

Depreciation and Amortization (OS division)

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Depreciation	2,131	1,078	98	6,058	3,844	58
Amortization	1,340	1,818	(26)	4,020	3,578	12
Depreciation and amortization	3,471	2,896	20	10,078	7,422	36

Depreciation expense relates primarily to heavy duty equipment required to execute the OS division's services, and rental equipment. Depreciation expense for the three and nine months ended September 30, 2015 increased 98% and 58% from the 2014 comparative periods. The increase in depreciation expense over the 2014 comparative periods is due to equipment and property additions from four acquisitions completed during 2014, and organic capital additions of various types of equipment for customer specific jobs.

Amortization expense for the three and nine months ended September 30, 2015 increased to \$1.3 million and \$4.0 million from \$1.8 million and \$3.6 million in the comparative periods of 2014. The increase in amortization expense over the 2014 comparative periods is a direct result of the four acquisitions completed in the OS division during 2014.

General and Administrative (OS division)

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
General and administrative ⁽¹⁾	2,049	2,028	1	6,325	5,234	21
% of OnSite services revenue	6%	6%		7%	7%	

⁽¹⁾ Amounts have been reclassified in the comparative period to exclude non-cash share-based compensation.

G&A expenses for the three and nine months ended September 30, 2015 increased 1% and 21% to \$2.0 million and \$6.3 million from \$2.0 million and \$5.2 million in the comparative periods of 2014. G&A expenses in the nine months ended September 30, 2015 increased due to four acquisitions completed in 2014, an increase in activity and operations in the division and costs associated with moving to a new OS division office in the second quarter of 2014, partially offset by cost saving initiatives taken across the organization. G&A is expected to fluctuate based on the growth and activity of the division.

CORPORATE INCOME AND EXPENSES

Corporate General and Administrative Expenses

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Corporate general and administrative	1,099	1,862	(41)	3,924	6,233	(37)

Corporate G&A expenses for the three and nine months ended September 30, 2015 decreased 41% and 37% to \$1.1 million and \$3.9 million from \$1.9 million and \$6.2 million in the comparative periods of 2014. Included in corporate expenses are all public company costs, salaries, and office costs relating to corporate employees and officers. The decrease for the three and nine months ended September 30, 2015 is attributed to cost reduction measures taken in 2015 as a response to the reduction in oil and gas activity levels, which included reducing the corporate head count, salary reductions taken by executives and various levels of employees, and reduced fees paid to the Board of Directors.

Share-based Compensation

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Share-based compensation	3,747	4,296	(13)	15,875	10,887	46

Share-based compensation for the three and nine months ended September 30, 2015 was \$3.7 million and \$15.9 million compared to \$4.3 million and \$10.9 million in the prior year. Share-based compensation fluctuates based on timing of grants and any forfeitures of share-based awards, the effects of vesting, and changes in share price.

The decrease in share-based compensation for the three months ended September 30, 2015 was primarily due to forfeitures which result in a reversal of previously recognized share-based compensation on unvested awards. The annual grant of share-based awards was completed in January of the current year, compared to May of the previous year, therefore increasing the share-based compensation expense for the nine months ended September 30, 2015.

Business Development Expenses

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Business development	2,694	3,468	(22)	9,238	11,084	(17)
Deduct: Non-recurring items						
Severance and related costs	(180)	-	100	(953)	-	100
Business development less non-recurring items	2,514	3,468	(28)	8,285	11,084	(25)

Business development expenses less non-recurring items for the three and nine months ended September 30, 2015 decreased to \$2.5 million and \$8.3 million from \$3.5 million and \$11.1 million in the comparative periods of 2014. Business development expenses include prospect costs associated with organic growth and acquisition opportunities in Canada and the U.S. and research and development costs. Business development expenses decreased for the three and nine months ended September 30, 2015 due to cost reduction measures taken in the first half of 2015 as a response to the reduction in oil and gas activity levels, and fewer acquisitions completed during the three and nine months ended September 30, 2015 compared to the comparative periods of 2014.

Secure's business development team has continued to advance certain organic projects and regulatory approvals to ensure they are project ready to position Secure for continued market share growth and an expanded geographical presence. Secure continues to actively pursue various merger and acquisition opportunities as the current economic environment has enabled Secure to identify prospects that would complement Secure's existing service lines, increase market share, and expand geographical presence. Secure also continues to focus on research and development projects to expand the value chain of services offered to customers, and to provide innovative and cost effective solutions to reduce waste in the drilling and production processes.

Interest and Finance Costs

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Interest and finance costs	2,247	2,677	(16)	8,465	6,261	35

Interest and finance costs for the three and nine months ended September 30, 2015 was \$2.2 million and \$8.5 million compared to \$2.7 million and \$6.3 million in the 2014 comparative periods. The average long-term borrowings balance decreased 4% in the three months ended September 30, 2015 compared to the prior year, and increased 27% in the nine months ended September 30, 2015 compared to the prior period. The increase in interest and finance costs year to date is a direct result of the increased average balance drawn on the credit facility.

Impairment

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Impairment	62,776	-	100	62,776	-	100

Impairment is recognized when the carrying value of an asset or CGU exceeds its estimated recoverable amount, defined as the higher of its value in use or fair value less cost to sell. The Corporation tested its rail transloading facilities for impairment at September 30, 2015 as various indications of impairment, including severe declines in crude oil prices and narrowing of price differentials, and actual results varying significantly from previously forecasted results, were present. As a result of the test performed, impairment of \$54.2 million for the three and nine months ended September 30, 2015 (2014 - \$nil) was recorded. Included in this amount is \$21.2 million relating to goodwill and \$33.0 million relating to intangible assets acquired in 2014.

The Corporation used the calculation of value in use to determine the recoverable amount of this CGU, 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 EBITDA. The pre-tax discount rate of 22.6% used to calculate the net present value of cash flows is based on estimates of the Corporation's weighted average cost of capital, estimates of an approximate industry peer group, the implied rate observed in market transactions for similar assets, and consideration of 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 current commodity price environment has created considerable uncertainty with respect to forecasting activity levels for transporting crude oil by rail. As a result, there is a high level of estimation and judgment required by management in projecting cash flows for this service. Assumptions that are valid at the time of preparing the cash flow models may change significantly when new information becomes available.

Secure assessed all other CGUs and, in certain situations, individual assets, for indicators of impairment at September 30, 2015. As a result of the assessment, the Corporation performed additional impairment tests which resulted in impairment of \$5.5 million related to assets specific to drilling services operations in the U.S., and \$3.1 million related to personnel and engineering costs recorded to assets under construction for projects which have been discontinued at September 30, 2015. The Corporation has focused its resources on projects that optimize rates of return for shareholders under current market conditions.

Foreign Currency Translation Adjustment

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Foreign currency translation adjustment	12,709	7,058	80	25,361	6,074	318
Tax on foreign currency translation adjustment	(1,407)	(873)	61	(2,750)	(873)	215
Foreign currency translation adjustment, net of tax	11,302	6,185	83	22,611	5,201	335

Included in other comprehensive (loss) income is \$11.3 million and \$22.6 million for the three and nine months ended September 30, 2015 of foreign currency translation adjustments relating to the conversion of the financial results of the U.S. operations as at September 30, 2015. The U.S. dollar increased by 7% and 15% in value relative to the Canadian dollar during the three and nine months ended September 30, 2015. The foreign currency translation adjustment included in the consolidated statements of comprehensive (loss) income does not impact net (loss) earnings for the period.

Income Taxes

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Income taxes						
Current tax (recovery) expense	(542)	5,067	(111)	(6,344)	13,905	(146)
Deferred tax (recovery) expense	(14,525)	1,701	(954)	(7,616)	5,683	(234)
Total income taxes	(15,067)	6,768	(323)	(13,960)	19,588	(171)

Income taxes for the three and nine months ended September 30, 2015 were a recovery of \$15.1 million and \$14.0 million compared to an expense of \$6.8 million and \$19.6 million in the 2014 comparative periods. The change in the current income tax (recovery) expense is due to the Corporation's net loss in 2015 compared to earnings in the 2014 comparative periods. The decrease in deferred income tax (recovery) expense from prior periods relates to a combination of changes in the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes compared to the amounts used for taxation purposes, primarily resulting from non-cash impairments recognized in the third quarter. Tax instalments of \$1.9 million and \$5.6 million have been paid in Canada in the three and nine months ended September 30, 2015.

SUMMARY OF QUARTERLY RESULTS

Seasonality

Seasonality impacts the Corporation's operations. 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 road bans are implemented prohibiting heavy loads from being transported in certain areas. As a result, the movement of the heavy equipment required for drilling and well servicing activities may be restricted, and the level of activity of the Corporation's customers may be consequently reduced. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Historically, the Corporation's first, third and fourth quarters represent higher activity levels and operations. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

The table below summarizes unaudited consolidated quarterly information for each of the eight most recently completed fiscal quarters:

(\$000s except share and per share data)	2015				2014			2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue (excluding oil purchase and resale)	148,943	112,533	169,652	224,523	208,743	155,690	205,632	155,427
Oil purchase and resale	184,393	244,036	196,895	353,561	390,671	412,249	320,580	232,522
Total Revenue	333,336	356,569	366,547	578,084	599,414	567,939	526,212	387,949
Net (loss) earnings for the period	(53,042)	(16,780)	(3,223)	(13,659)	14,756	6,564	22,989	11,545
(Loss) earnings per share - basic	(0.39)	(0.12)	(0.03)	(0.11)	0.12	0.06	0.20	0.10
(Loss) earnings per share - diluted	(0.39)	(0.12)	(0.03)	(0.11)	0.12	0.05	0.19	0.10
Adjusted net (loss) earnings ⁽¹⁾	(1,563)	(14,809)	856	14,266	16,219	6,035	22,286	11,187
Earnings (loss) per share adjusted - basic	(0.01)	(0.11)	0.01	0.12	0.14	0.05	0.19	0.10
Earnings (loss) per share adjusted - diluted	(0.01)	(0.11)	0.01	0.12	0.13	0.05	0.19	0.10
Weighted average shares - basic	136,944,300	136,186,284	122,689,850	121,266,210	120,048,665	118,489,217	117,235,063	110,706,772
Weighted average shares - diluted	136,944,300	136,186,284	122,689,850	123,479,368	123,736,572	121,757,066	120,436,149	113,700,987
Adjusted EBITDA ⁽¹⁾	35,362	19,446	40,037	55,597	57,438	39,690	56,265	41,423

Quarterly Review Summary

As illustrated above, quarterly performance is affected by seasonal variation; however, with Secure's significant growth and acquisitions, variations in quarterly results extend beyond seasonal factors. While Secure has experienced increased demand for its services over most of the last eight quarters, the most significant impact relates to new facilities, expansions of existing facilities and acquisitions. However, the significant decrease in the price of crude oil and natural gas in the past year and the continued volatility in pricing has significantly reduced the outlook for oil and gas industry activity. For 2015, the Corporation's customers have significantly reduced capital budgets in response to uncertainty in the price of crude oil and natural gas. The reductions have impacted the results for the first nine months of 2015 which are explained in the commentary provided under '*Results of operations for the three and nine months ended September 30, 2015*'.

As noted above, each previous quarter was impacted by the date at which an acquisition occurred or any one of the constructed or acquired FSTs, SWDs or landfills commenced operations. For a complete description of Secure's PRD, DS, and OS division business assets and operations, please refer to the headings '*Secure Energy Services Inc.*', and '*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 since September 30, 2014 that have impacted the 2015 quarterly results: In the fourth quarter of 2014, the Corporation opened the Tulliby Lake Landfill and completed the acquisition of an oilfield service company that has proprietary technology products that provide high impact solutions for production, drilling and completion fluids. In the first quarter of 2015, the Corporation commissioned the Tulliby Lake FST, the 13 Mile FST conversion and the Rycroft FSR. In the second quarter of 2015, the Corporation commissioned the Big Mountain and Wonowon SWDs, and expanded the Rycroft FSR to include water disposal services. During the third quarter of 2015, the Corporation acquired the assets of a private drilling fluids company.

In addition to when the facility commenced operating activities or was acquired, the quarters were also impacted by the length of time required for several oil and natural gas producers to conduct their own individual audits of the facilities to ensure Secure meets all required internal specifications for disposal of oilfield waste. This process is conducted at all landfills, FSTs and SWDs before the producer will begin sending waste. Depending on the producer, this process can take several months.

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 has been directly impacted by the decrease in oil prices and resulting decrease in volumes purchased and sold.

LIQUIDITY AND CAPITAL RESOURCES

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 equity financing, cash flow from operations and its credit facility. The Corporation may adjust its capital spending and dividends, draw on its existing credit facility up to the covenant restrictions, or issue subordinated debt to maintain liquidity.

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 increased cash flow so as to sustain future development of the business.

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 budget and approved authorizations for expenditures on a quarterly basis. The key measures management uses to monitor its capital structure are actual capital expenditures compared to authorized budgets, adjusted EBITDA on all of its operations, and return on investment.

Secure's net debt decreased 54% to \$143.5 million at September 30, 2015 compared to \$309.7 million at December 31, 2014. The decrease is primarily related to a bought deal financing completed in the first quarter of 2015 for gross proceeds of \$198.0 million. Refer to the 'Financing Activities' section below for further information with regards to net debt.

Issued capital increased 34% to \$847.8 million at September 30, 2015 compared to \$631.2 million at December 31, 2014, primarily as a result of the bought deal financing discussed above.

Management is satisfied that the Corporation has sufficient liquidity and capital resources to meet the Corporation's obligations and commitments.

The following provides a summary and comparative of the Corporation's operating, investing and financing cash flows for the three and nine months ended September 30, 2015 and 2014.

Cash Provided by Operations

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Funds from operations ⁽¹⁾	29,808	58,746	(49)	83,055	156,058	(47)

⁽¹⁾ Refer to "Additional GAAP measures" for further information.

Funds from operations for the three and nine months ended September 30, 2015 decreased to \$29.8 million and \$83.1 million from \$58.7 million and \$156.1 million in the 2014 comparative periods. Funds from operations for the three and nine month periods ended September 30, 2015 were negatively impacted by lower revenues resulting from decreased activity in the oil and gas sector resulting from the current commodity price environment.

Investing Activities

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Capital expenditures ⁽¹⁾						
Growth and expansion capital expenditures	21,672	86,472	(75)	87,028	204,812	(58)
Acquisitions	3,272	61,404	(95)	3,272	91,034	(96)
Sustaining capital expenditures	4,514	2,002	125	6,792	3,107	119
Total capital expenditures	29,458	149,878	(80)	97,092	298,953	(68)

⁽¹⁾ Refer to "Non-GAAP measures and operational definitions" for further information.

The Corporation's growth and expansion capital expenditures for the three months ended September 30, 2015 decreased 75% to \$21.7 million from \$86.5 million in the comparative period of 2014. Secure employs a prudent approach to capital spending and will continue to evaluate and allocate capital to projects which will generate the highest rates of return. The decrease in growth and expansion capital expenditures compared to the previous period is a result of Secure's careful management of capital expenditures and maintenance of prudent debt levels in response to the current oil and gas price environment.

Growth and expansion capital expenditures for the three months ended September 30, 2015 related primarily to expansions at existing PRD facilities to increase capacity and the commencement of construction of a new FST.

The Corporation's growth and expansion capital expenditures for the nine months ended September 30, 2015 decreased 58% to \$87.0 million from \$204.8 million in the comparative period of 2014. Growth and expansion capital expenditures for the nine months ended September 30, 2015 included the following:

- \$77.2 million in PRD growth and expansion capital:
 - 2014 carry over projects which were completed and commissioned in the first quarter of 2015: Tulliby Lake FST, 13 Mile FST conversion, and the Rycroft FSR;
 - Big Mountain and Wonowon SWDs were completed and commissioned in the second quarter;
 - Expansion of the Rycroft FSR to include water disposal services was completed and commissioned in the second quarter;
 - Commencement of construction of a new full service terminal which is expected to be completed and commissioned in the third quarter of 2016;
 - Pre-development for new facility locations;
 - Various expansions at existing facilities to increase capacity;
- \$2.1 million for long-lead equipment and pre-spend for engineering and design for 2015 and 2016 capital projects; and
- \$7.7 million for rental equipment for specific OS division projects and other miscellaneous capital expenditures.

The Corporation completed one acquisition during the three and nine months ended September 30, 2015 for cash consideration of \$3.3 million, compared to two and seven acquisitions for aggregate cash consideration of \$61.4 million and \$91.0 million in each respective comparative period.

During the three and nine month periods ended September 30, 2015, sustaining capital was \$4.5 million and \$6.8 million compared to \$2.0 million and \$3.1 million for the 2014 comparative periods. 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. Sustaining capital typically relates to pump and riser replacements or upgrades, and disposal well maintenance. As a facility matures, the amount of sustaining capital required increases.

Financing Activities

(\$000's)	Three months ended Sept 30,			Nine months ended Sept 30,		
	2015	2014	% Change	2015	2014	% Change
Shares issued, net of share issue costs	3,914	3,471	13	202,646	12,571	1,512
Draw (repayment) on credit facility	22,062	157,000	(86)	(140,500)	174,500	(181)
Financing costs	(525)	(1,088)	(52)	(525)	(1,088)	(52)
Dividends paid	(8,213)	(5,991)	37	(23,667)	(16,309)	45
Net cash flow from financing activities	17,238	153,392	(89)	37,954	169,674	(78)

On March 24, 2015, the Corporation closed a bought deal financing with a syndicate of underwriters for the purchase of 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 and agent fees.

In addition, the Corporation has issued common shares related to the exercise of stock options and vesting of Restricted Stock Units issued by the Corporation. Refer to Note 9 in the interim Consolidated Financial Statements for more information on these share-based awards.

As at September 30, 2015, the Corporation had drawn \$258.0 million on its credit facility compared to \$398.5 million as at December 31, 2014. The decrease in the amount drawn on the credit facility primarily relates to funds generated from operations and the bought deal equity financing completed in the first quarter of 2015 over funds required for acquisitions, capital expenditures, working capital requirements, tax installments and dividends. The Corporation had \$427.2 million available under its credit facility as at September 30, 2015. The Corporation is well positioned, based on the available amount of its credit facility and expected funds from operations, to execute on the remaining 2015 capital program. At September 30, 2015, the Corporation was in compliance with all covenants.

During the three and nine months ended September 30, 2015, the Corporation paid dividends of \$8.2 million and \$23.7 million to holders of common shares. Of the dividends declared for the three and nine months ended September 30, 2015, \$2.1 million and \$4.8 million were reinvested in additional common shares through the Corporation's Dividend Reinvestment Plan ("DRIP"). Management and the Board of Directors of the Corporation will monitor the Corporation's dividend policy with respect to forecasted EBITDA, net debt, capital expenditures and other investment opportunities.

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.

Contractual Obligations

Refer to Note 10 of the interim Consolidated Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

A comprehensive listing of the Corporation's business risks are set out in the Corporation's AIF under the heading '*Business Risks*'. 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 occurs, 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 November 5, 2015, there were 137,430,115 Common Shares issued and outstanding. In addition, as at November 5, 2015, there were 7,145,662 share options outstanding, of which 3,294,681 were exercisable, 1,399,333 Restricted Shares Units outstanding, of which nil were redeemable, and 153,536 Performance Shares Units outstanding, of which nil were redeemable.

OFF-BALANCE SHEET ARRANGEMENTS

At September 30, 2015 and 2014, 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 Consolidated Financial Statements other than as described in Note 2 of the interim Consolidated Financial Statements.

FINANCIAL AND OTHER INSTRUMENTS

As at September 30, 2015, the Corporation's financial instrument assets include cash, accounts receivables and accrued receivables. The Corporation's financial instrument liabilities include accounts payable and accrued liabilities, and long-term borrowings. The fair values of these financial instruments approximate their carrying amount due to the short term maturity of these instruments except long-term borrowings. Long-term borrowings approximate their fair values due to the variable interest rates applied, which approximate market interest rates. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to foreign currency exchange rates or crude oil differentials. Fair values of derivative contracts fluctuate depending on the underlying estimates of future foreign currency exchange rates or the underlying estimates of crude oil differentials. The estimated fair value of all derivative financial instruments are based on observable market data. The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, 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, only accounts receivable represent credit risk. 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. Funds drawn under the 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 is also exposed to credit risk with respect to its cash. However, the risk is minimized as all cash is held at a major Canadian financial institution.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the Corporation's interim Consolidated 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 Consolidated Financial Statements have been set out in the Corporation's Consolidated Financial Statements and MD&A for the year ended December 31, 2014. Effective January 1, 2015, Secure reassessed the useful lives of property, plant and equipment based on the current condition of the assets 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.

FUTURE ACCOUNTING PRONOUNCEMENTS

For the three months and nine months ended September 30, 2015, there were no revised standards or amendments to IFRS issued.

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of Secure are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") for the Corporation.

DC&P are designed to provide reasonable assurance that material information relating to the Corporation is made known to the CEO and CFO by others, particularly in the period in which the annual and interim filings are being prepared, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified in securities legislation, and includes controls and procedures designed to ensure that such information is accumulated and communicated to the Corporation's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. ICFR are designed 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 follows the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework.

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. There have been no changes to the Corporation's ICFR during the three and nine months ended September 30, 2015, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Refer to Note 10 of the Corporation's interim Consolidated Financial Statements for disclosure related to legal proceedings and regulatory actions.

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: corporate strategy; goals; general market conditions; the oil and natural gas industry; activity levels in the oil and gas sector, including market fundamentals and the impact to each division on revenue and operating margins, drilling levels, commodity prices for oil, natural gas liquids ("NGLs") and natural gas; industry fundamentals for the fourth quarter of 2015; capital forecasts and spending by producers; demand for the Corporation's services; expansion strategy; the impact of the reduction in oil and gas activity on 2015 activity levels; revenue and operating margin for the PRD, DS and OS divisions; the amount of the revised 2015 capital program; the amounts of the PRD, DS and OS divisions' proposed 2016 capital expenditure programs and the intended use thereof; debt service; completion of facilities; the impact of new facilities on the Corporation's financial and operational performance; future capital needs; access to capital; and acquisition strategy.

Forward-looking statements concerning expected operating and economic conditions are based upon prior year results as well as the assumption that increases in market activity and growth will be consistent with industry activity in Canada, and the U.S. and growth levels in 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 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 and its subsidiaries' 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 service industry will result in increased demand for the Corporation's services and its subsidiary's 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 and under the heading "Business Risks" and under the heading 'Risk Factors' in the AIF for the year ended December 31, 2014. 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.