



Condensed Consolidated Financial Statements (unaudited)

**For the three and six months ended June 30, 2014 and 2013**

*(Expressed in Canadian Dollars)*

**SECURE ENERGY SERVICES INC.**  
**Condensed Consolidated Statements of Financial Position**

<i>(\$000's) (unaudited)</i>	Notes	June 30, 2014	December 31, 2013
<b>Assets</b>			
<b>Current assets</b>			
Cash		3,662	12,019
Accounts receivable and accrued receivables		163,467	167,476
Prepaid expenses and deposits		6,216	6,014
Inventories		55,503	50,800
		<b>228,848</b>	<b>236,309</b>
Assets under construction		123,743	109,586
Property, plant and equipment	4	605,849	512,184
Intangible assets		86,236	79,722
Goodwill		109,510	101,924
Other assets		3,026	-
<b>Total Assets</b>		<b>1,157,212</b>	<b>1,039,725</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		164,901	120,145
Asset retirement obligations	6	2,023	2,807
Current income tax liability		2,363	5,277
Finance lease liabilities		7,996	6,249
		<b>177,283</b>	<b>134,478</b>
Long term borrowings	5	177,541	159,931
Asset retirement obligations	6	43,173	35,984
Finance lease liabilities		9,521	9,368
Deferred income tax liability		40,533	35,630
<b>Total Liabilities</b>		<b>448,051</b>	<b>375,391</b>
<b>Shareholders' Equity</b>			
Issued capital	7	586,352	562,306
Share-based payment reserve	8	17,189	14,659
Foreign currency translation reserve		3,440	4,424
Retained earnings		102,180	82,945
<b>Total Shareholders' Equity</b>		<b>709,161</b>	<b>664,334</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,157,212</b>	<b>1,039,725</b>

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

**SECURE ENERGY SERVICES INC.**  
**Condensed Consolidated Statements of Comprehensive Income**

(\$000's except per share and share data) (unaudited)	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2014	2013	2014	2013
<b>Revenue</b>		567,939	337,853	1,094,151	660,831
Operating expenses		530,253	324,587	1,000,941	606,715
General and administrative		19,880	14,002	39,083	28,141
Business development		5,039	2,146	7,616	3,939
Interest, accretion and finance costs		2,222	1,364	4,138	2,566
<b>Total expenses</b>		557,394	342,099	1,051,778	641,361
Other income		-	1,675	-	1,675
<b>Earnings (loss) for the period before income taxes</b>		10,545	(2,571)	42,373	21,145
Current income tax expense (recovery)		708	(1,692)	8,838	3,580
Deferred income tax expense		3,273	1,496	3,982	2,183
		3,981	(196)	12,820	5,763
<b>Net earnings (loss) for the period</b>		6,564	(2,375)	29,553	15,382
Other comprehensive income					
Foreign currency translation adjustment, net of tax		(4,811)	3,054	(984)	4,145
<b>Total comprehensive income (loss) for the period</b>		1,753	679	28,569	19,527
Earnings per share					
Basic, earnings for the period per common share		0.06	(0.02)	0.25	0.15
Diluted, earnings for the period per common share		0.05	(0.02)	0.24	0.14
Weighted average shares outstanding - basic	7	118,489,217	106,824,753	117,865,604	105,785,632
Weighted average shares outstanding - diluted	7	121,757,066	106,824,753	121,100,256	108,539,612

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

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

<i>(\$000's) (unaudited)</i>	Notes	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total Shareholders' Equity
<b>Balance at January 1, 2014</b>		<b>562,306</b>	<b>14,659</b>	<b>4,424</b>	<b>82,945</b>	<b>664,334</b>
Net earnings for the period		-	-	-	29,553	<b>29,553</b>
Dividends declared	7	-	-	-	(10,318)	<b>(10,318)</b>
Shares issued under dividend reinvestment plan	7	1,410	-	-	-	<b>1,410</b>
Foreign currency translation adjustment, net of tax		-	-	(984)	-	<b>(984)</b>
Issue of share capital for business combination	7	11,810	-	-	-	<b>11,810</b>
Exercise of options and RSUs	7	10,893	(3,136)	-	-	<b>7,757</b>
Share issue costs, net of tax	7	(67)	-	-	-	<b>(67)</b>
Share-based payments		-	5,666	-	-	<b>5,666</b>
<b>Balance at June 30, 2014</b>		<b>586,352</b>	<b>17,189</b>	<b>3,440</b>	<b>102,180</b>	<b>709,161</b>
<b>Balance at January 1, 2013</b>		<b>415,288</b>	<b>9,400</b>	<b>(1,091)</b>	<b>54,802</b>	<b>478,399</b>
Net earnings for the period		-	-	-	15,382	15,382
Dividends declared		-	-	-	(2,671)	(2,671)
Shares issued under dividend reinvestment plan		537	-	-	-	537
Foreign currency translation adjustment, net of tax		-	-	4,145	-	4,145
Issue of share capital for business combination		13,931	-	-	-	13,931
Exercise of options		4,877	(1,114)	-	-	3,763
Share issue costs, net of tax		(154)	-	-	-	(154)
Share-based payments		-	3,278	-	-	3,278
<b>Balance at June 30, 2013</b>		<b>434,479</b>	<b>11,564</b>	<b>3,054</b>	<b>67,513</b>	<b>516,610</b>

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

**SECURE ENERGY SERVICES INC.**  
**Condensed Consolidated Statements of Cash Flows**

(\$000's) (unaudited)	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2014	2013	2014	2013
<b>Cash flows from operating activities</b>					
Net earnings (loss) for the period		6,564	(2,375)	29,553	15,382
Adjustments for non-cash items:					
Depreciation, depletion and amortization		23,633	15,014	44,496	28,121
Accretion	6	276	159	554	298
Interest expense		1,887	849	3,470	2,268
Current income tax expense (recovery)		708	(1,692)	8,838	3,580
Deferred income tax expense		3,273	1,496	3,982	2,183
Amortization of financing fees		55	69	110	137
Unrealized foreign exchange (gain) loss		567	(1,243)	233	63
Other (income) expense		-	2,713	(514)	2,713
Share-based payments		3,993	2,026	6,591	3,705
<b>Funds from operations</b>		<b>40,956</b>	<b>17,016</b>	<b>97,313</b>	<b>58,450</b>
Change in accounts receivable and accrued receivables, and prepaid expenses and deposits		75,949	52,425	418	18,921
Change in inventories		(6,604)	1,038	(2,095)	6,230
Change in accounts payable, accrued liabilities related to operating activities		24,281	(1,704)	55,196	(21,779)
<b>Cash generated from operations</b>		<b>134,582</b>	<b>68,775</b>	<b>150,832</b>	<b>61,822</b>
Interest paid		(1,879)	(1,433)	(3,714)	(2,652)
Income taxes paid		(3,049)	(1,619)	(11,683)	(6,903)
<b>Net cash flows from operating activities</b>		<b>129,654</b>	<b>65,723</b>	<b>135,435</b>	<b>52,267</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(69,129)	(37,329)	(119,445)	(79,597)
Business combinations	3	(13,209)	(5,348)	(29,630)	(5,348)
Change in non-cash working capital		(10,478)	546	(11,191)	7,745
<b>Net cash flows used in investing activities</b>		<b>(92,816)</b>	<b>(42,131)</b>	<b>(160,266)</b>	<b>(77,200)</b>
<b>Cash flows from financing activities</b>					
Shares issued, net of share issue costs		5,314	3,173	9,100	4,138
(Repayment of) draw on credit facility		(42,000)	(24,000)	17,500	21,500
Financing fees		-	(3)	-	(28)
Dividends paid	7	(5,926)	(2,671)	(10,318)	(2,671)
<b>Net cash flows (used in) from financing activities</b>		<b>(42,612)</b>	<b>(23,501)</b>	<b>16,282</b>	<b>22,939</b>
<b>Effect of foreign exchange on cash</b>		<b>89</b>	<b>108</b>	<b>192</b>	<b>79</b>
Decrease (increase) in cash		(5,685)	199	(8,357)	(1,915)
Cash, beginning of period		9,347	5,392	12,019	7,506
<b>Cash, end of period</b>		<b>3,662</b>	<b>5,591</b>	<b>3,662</b>	<b>5,591</b>

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

## SECURE ENERGY SERVICES INC.

### Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2014 and 2013

#### 1. NATURE OF BUSINESS

Secure Energy Services Inc. ("Secure") is incorporated under the Business Corporations Act of Alberta. Secure operates through a number of wholly-owned subsidiaries (together referred to as the "Corporation") which are managed through three operating segments which provide innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry. The fluids and solids solutions are provided through an integrated service and product offering that includes midstream services, environmental services, systems and products for drilling fluids and other specialized services and products. The Corporation also owns and operates midstream infrastructure and provides services and products to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin ("WCSB") and the Rocky Mountain Region in the United States.

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

During the second quarter ended June 30, 2014, the Corporation rebranded all of its operating entities under the Secure Energy Services brand name and changed the legal name of its subsidiaries to reflect this. The following entities have been consolidated within Secure's condensed consolidated financial statements for the period ended June 30, 2014:

Subsidiary	Country	Functional Currency	Segment	% Interest	
				June 30, 2014	Dec 31, 2013
Secure Energy Services Inc. (parent company)	Canada	Canadian Dollar	PRD		
Secure Energy (Drilling Services) Inc. (formerly Marquis Alliance Energy Group Inc.)	Canada	Canadian Dollar	DS	100%	100%
Alliance Energy Services International Ltd.	Canada	Canadian Dollar	DS	100%	100%
Secure Minerals Inc.	Canada	Canadian Dollar	DS	100%	0%
Secure Energy (OnSite Services) Inc. (formerly Frontline Integrated Services Ltd.)	Canada	Canadian Dollar	OS	100%	100%
Secure Energy (Logistics Services) Inc. (formerly Target Rentals Ltd.)	Canada	Canadian Dollar	DS	100%	100%
SES USA Holdings Inc.	USA	US Dollar	PRD/DS/OS	100%	100%
Secure Energy Services USA LLC	USA	US Dollar	PRD	100%	100%
Secure Energy Services LLC (formerly Marquis Alliance Energy Group USA LLC)	USA	US Dollar	PRD	100%	100%
Secure Drilling Services USA LLC	USA	US Dollar	DS	100%	100%
Secure On-Site Services USA LLC	USA	US Dollar	OS	100%	100%

## **SECURE ENERGY SERVICES INC.**

### **Notes to the Condensed Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2014 and 2013**

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#### **1. NATURE OF BUSINESS (continued)**

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

#### **2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements and notes thereto in the Corporation's 2013 Annual Report available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

The condensed consolidated financial statements of the Corporation are stated in and recorded in thousands of Canadian dollars (\$) which is the Corporation's presentation currency and have been prepared on a historical cost basis, except for financial instruments and share-based payment transactions that have been measured at fair value.

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to the determination of cash generating units, depreciation, depletion and amortization, asset retirement obligations, fair values of financial instruments, recoverability of assets, income taxes, and share-based payments. Actual results may differ from these estimates.

These condensed consolidated financial statements were approved by the Board of Directors on August 12, 2014. The address of the Corporation's registered office is: Suite 3600, 205 - 5th Ave S.W. Calgary, Alberta, T2P 2V7.

##### **Significant Accounting Policies**

The significant accounting policies adopted in the preparation of these condensed consolidated financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2013. Unless otherwise stated, these policies have been consistently applied to all periods presented.

**SECURE ENERGY SERVICES INC.**  
**Notes to the Condensed Consolidated Financial Statements (unaudited)**  
**For the three and six months ended June 30, 2014 and 2013**

**3. BUSINESS COMBINATIONS**

**Second Quarter Acquisitions**

During the second quarter, the Corporation completed the acquisition of the assets of two private oilfield services companies for cash and shares, and the assets of a mineral products plant for cash (collectively, the "Second Quarter Acquisitions"). The total cash consideration paid was \$13.2 million, and 197,616 common shares of the Corporation were issued at a closing price of \$18.99 and \$19.68, for total consideration of \$17.0 million. The consideration was adjusted to fair value for accounting purposes to \$16.3 million which was determined using a discounted cash flow analysis considering such factors as the escrow period of the shares issued and liquidity of the Corporation's shares in the marketplace.

One of the businesses acquired specializes in environmental contracting by providing services relating to spill cleanup, pond construction, and contaminated soil excavation, stockpiling, treatment, transportation and disposal and will expand the service area of the OS division. The other business acquired will be part of the DS division and provides additional drilling fluid systems for highly complex wells. The mineral products plant mainly processes barite which is a product used in drilling fluids and allows Secure to vertically integrate the operations in the DS division to improve supply logistics and quality. The Second Quarter Acquisitions will support and expand the existing environmental management services of the Corporation's OS division and allow the DS division to control the quality of a key resource and expand its service offerings. The following summarizes the major classes of consideration transferred at the acquisition dates:

	<b>Amount (\$000's)</b>
Cash paid	13,209
Shares issued	3,087
	<b>16,296</b>

The following summarizes the allocation of the aggregate consideration for the Second Quarter Acquisitions:

	<b>Amount (\$000's)</b>
Inventory	2,586
Property, plant and equipment	8,646
Intangible assets	3,645
Goodwill	1,648
Deferred tax liability	(229)
	<b>16,296</b>

The allocations and determinations of the consideration described above are preliminary and subject to changes upon final adjustments.

The goodwill arises as a result of the synergies existing within the acquired businesses and also the synergies expected to be achieved as a result of combining the Second Quarter Acquisitions with the rest of the Corporation. \$1.2 million of the goodwill recognized is expected to be deductible for income tax purposes.



**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****3. BUSINESS COMBINATIONS (continued)**

The assets of the Second Quarter Acquisitions were acquired and integrated with the Corporation's existing operations and therefore specific income information in respect of these asset acquisitions are not included in these condensed consolidated financial statements.

The Corporation incurred costs related to the Second Quarter Acquisitions of \$0.3 million relating to due diligence and external legal fees. These costs have been included in business development costs on the condensed consolidated statements of comprehensive income.

**First Quarter Acquisitions**

During the first quarter, the Corporation completed the acquisitions of the assets of two private oilfield services companies (collectively, the "First Quarter Acquisitions") for total cash consideration of \$16.4 million, assumption of \$0.8 million of debt and the issuance of 738,070 common shares of the Corporation at a closing price of \$17.00 and \$16.22, for total consideration of \$29.2 million. The consideration was adjusted to fair value for accounting purposes to \$25.9 million which was determined using a discounted cash flow analysis considering such factors as the escrow period of the shares issued and liquidity of the Corporation's shares in the marketplace.

One of the businesses acquired specializes in analysis, containment, and management of naturally occurring radioactive materials within the US market. The other business provides industry leading electronic water management and pumping solutions to the oil and gas industry throughout the WCSB; they also provide well site compliance services and equipment rentals. These strategic First Quarter Acquisitions are a continuation of the Corporation's strategy to add complementary services along the energy services value chain. They will support and expand the existing water solutions and environmental management services of the Corporation's OS division and allow the OS division to expand into the US market. The following summarizes the major classes of consideration transferred at the acquisition dates:

	<b>Amount (\$000's)</b>
Cash paid	16,421
Shares issued	8,723
Assumption of capital leases	791
	<b>25,935</b>

The following summarizes the allocation of the aggregate consideration for the First Quarter Acquisitions:

	<b>Amount (\$000's)</b>
Property and equipment	9,350
Intangible assets	10,949
Goodwill	6,275
Deferred tax liability	(639)
	<b>25,935</b>

**SECURE ENERGY SERVICES INC.**

**Notes to the Condensed Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2014 and 2013**

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**3. BUSINESS COMBINATIONS (continued)**

The allocations and determinations of the consideration described above are preliminary and subject to changes upon final adjustments.

The goodwill arises as a result of the synergies existing within the acquired businesses and also the synergies expected to be achieved as a result of combining the First Quarter Acquisitions with the rest of the Corporation. \$4.2 million of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition to June 30, 2014, the First Quarter Acquisitions contributed an estimated \$10.7 million of revenue and \$1.9 million of earnings before tax for the Corporation. If the business combinations had been completed on January 1, 2014, the estimated revenue and earnings before income tax for the six month period ending June 30, 2014 would have been \$13.2 million and \$2.9 million, respectively.

The Corporation incurred costs related to the First Quarter Acquisitions of \$0.2 million relating to due diligence and external legal fees. These costs have been included in business development costs on the condensed consolidated statements of comprehensive income.

Both the First and Second Quarter Acquisitions have been accounted for using the acquisition method from the date of acquisition, whereby the assets acquired and the liabilities assumed were recorded at their fair values with the surplus of the aggregate consideration relative to the fair value of the identifiable net assets recorded as goodwill. The Corporation assessed the fair values of the net assets acquired based on management's best estimate of the market value, which takes into consideration the condition of the assets acquired, current industry conditions and the discounted future cash flows expected to be received from the assets as well as the amount it is expected to cost to settle the outstanding liabilities. Subsequent to the acquisition dates, the First and Second Quarter Acquisitions' operating results have been included in the Corporation's revenues and expenses.

**SECURE ENERGY SERVICES INC.**

**Notes to the Condensed Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2014 and 2013**

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**4. PROPERTY, PLANT AND EQUIPMENT**

Included in operating expenses on the condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2014 is \$19.6 million and \$36.8 million, respectively, of depreciation and depletion expense (\$11.2 million and \$21.8 million for the three and six months ended June 30, 2013, respectively), for the Corporation's property, plant and equipment. \$2.4 million and \$4.6 million of directly attributable capitalized salaries and overhead were added to assets under construction for the three and six months ended June 30, 2014, respectively (\$0.7 million and \$1.8 million for the three and six months ended June 30, 2013, respectively).

The Corporation's policy is to capitalize borrowing costs on projects with a substantial time to completion. Typically, borrowing costs are only capitalized on the construction of the Corporation's full-service terminals. The amount of borrowing costs capitalized to assets under construction for the three and six months ended June 30, 2014 was \$0.2 million and \$0.5 million, respectively (\$0.5 million and \$1.0 million for the three and six months ended June 30, 2013, respectively) based on a capitalized borrowing rate of 3.00% (3.45% for June 30, 2013).

During the three and six months ended June 30, 2014, \$58.4 million and \$95.9 million, respectively, was transferred from assets under construction to property, plant and equipment for completed projects (\$43.4 million and \$79.1 million for the three and six months ended June 30, 2013, respectively).

Included in property, plant, and equipment is equipment under finance lease arrangements with a net book value of \$17.7 million at June 30, 2014 (\$16.2 million as at December 31, 2013). There are no significant changes to the finance lease commitments over the next five years as described in the annual audited consolidated financial statements for the year ended December 31, 2013.

**SECURE ENERGY SERVICES INC.**  
**Notes to the Condensed Consolidated Financial Statements (unaudited)**  
**For the three and six months ended June 30, 2014 and 2013**

**4. PROPERTY, PLANT AND EQUIPMENT (continued)**

(\$000's)	Land	Buildings	Plant, Infrastructure, Equipment, and Landfill Cells	Rental Equipment	Mobile Equipment	Disposal Wells	Furniture and Fixtures	Computer Equipment and Software	Total
<b>Cost:</b>									
<b>December 31, 2013</b>	4,193	44,582	413,506	76,599	7,508	76,975	4,093	12,418	<b>639,874</b>
Additions from business combinations (Note 3)	1,690	910	14,661	-	647	-	8	80	<b>17,996</b>
Additions	3,253	7,954	68,972	10,569	699	12,648	2,004	2,800	<b>108,899</b>
Change in asset retirement cost (Note 6)	-	-	5,329	-	-	464	-	-	<b>5,793</b>
Disposals	-	-	(2,311)	(1,724)	-	(1,264)	(26)	(96)	<b>(5,421)</b>
Foreign exchange effect	3	(5)	8	(130)	-	231	1	1	<b>109</b>
<b>June 30, 2014</b>	<b>9,139</b>	<b>53,441</b>	<b>500,165</b>	<b>85,314</b>	<b>8,854</b>	<b>89,054</b>	<b>6,080</b>	<b>15,203</b>	<b>767,250</b>
<b>Accumulated depreciation and depletion:</b>									
<b>December 31, 2013</b>	-	(6,081)	(92,180)	(8,010)	(3,643)	(13,083)	(1,149)	(3,544)	<b>(127,690)</b>
Depreciation and depletion	-	(1,600)	(25,077)	(3,932)	(722)	(2,868)	(320)	(1,293)	<b>(35,812)</b>
Disposals	-	-	1,422	287	-	198	6	98	<b>2,011</b>
Foreign exchange effect	-	7	49	18	-	13	1	2	<b>90</b>
<b>June 30, 2014</b>	<b>-</b>	<b>(7,674)</b>	<b>(115,786)</b>	<b>(11,637)</b>	<b>(4,365)</b>	<b>(15,740)</b>	<b>(1,462)</b>	<b>(4,737)</b>	<b>(161,401)</b>
<b>Net book value:</b>									
<b>June 30, 2014</b>	<b>9,139</b>	<b>45,767</b>	<b>384,379</b>	<b>73,677</b>	<b>4,489</b>	<b>73,314</b>	<b>4,618</b>	<b>10,466</b>	<b>605,849</b>
December 31, 2013	4,193	38,501	321,326	68,589	3,865	63,892	2,944	8,874	512,184

**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****5. LONG TERM BORROWINGS**

(\$000's)	June 30, 2014	Dec 31, 2013
Amount drawn on credit facility	178,000	160,500
Unamortized transaction costs	(459)	(569)
<b>Total long term borrowings</b>	<b>177,541</b>	<b>159,931</b>

The Corporation has a \$400.0 million revolving credit facility. The credit facility includes an accordion feature which, if exercised, would increase the credit facility by \$50.0 million. The credit facility consists of a \$390.0 million extendible revolving term credit facility and a \$10.0 million revolving operating facility. The interest rates, standby fees, maturity date and option to extend remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2013.

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

The Corporation is subject to certain covenants under the credit facility which remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2013. The Corporation was in compliance with all of its debt covenants as at June 30, 2014.

The available credit facility is reduced by any outstanding letters of credit. As at June 30, 2014 the Corporation has \$23.8 million (\$19.2 million as at December 31, 2013) in letters of credit issued by the Corporation's lenders. The letters of credit are issued to various government authorities for potential asset retirement obligations in accordance with applicable regulations (Note 6) and crude oil marketing contracts.

(\$000's)	June 30, 2014	Dec 31, 2013
Credit facility	400,000	400,000
Amount drawn on credit facility	(178,000)	(160,500)
Letters of credit	(23,793)	(19,221)
<b>Available amount</b>	<b>198,207</b>	<b>220,279</b>

**6. ASSET RETIREMENT OBLIGATIONS**

(\$000's)	
<b>December 31, 2013</b>	<b>38,791</b>
Arising during the period through development activities	3,228
Revisions during the period	84
Accretion	554
Change in discount rate	2,481
Foreign exchange effect	58
<b>June 30, 2014</b>	<b>45,196</b>

**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****6. ASSET RETIREMENT OBLIGATIONS (continued)**

The Corporation's asset retirement obligations were estimated by a third party or management based on the Corporation's estimated costs to remediate, reclaim and abandon the Corporation's facilities and estimated timing of the costs to be incurred in future periods. The Corporation has estimated the net present value of its asset retirement obligations at June 30, 2014 to be \$45.2 million (\$38.8 million as at December 31, 2013) based on a total future liability of \$63.8 million as at June 30, 2014 (\$60.9 million as at December 31, 2013). The Corporation used its risk-free interest rates of 1.10% to 2.78% (0.94% to 4.23% as at December 31, 2013) and an inflation rate of 3.00% to calculate the net present value of its asset retirement obligations at June 30, 2014 (3.00% as at December 31, 2013).

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

(\$000's)	June 30, 2014	Dec 31, 2013
Current	2,023	2,807
Non-current	43,173	35,984
	<b>45,196</b>	<b>38,791</b>

The Corporation has issued \$10.2 million (\$7.2 million as at December 31, 2013) of performance bonds and has letters of credit issued by the Corporation's banker in relation to the Corporation's asset retirement obligations.

**7. SHAREHOLDERS' EQUITY****Authorized**

Unlimited number of common voting shares of no par value

Unlimited number of preferred shares of no par value

	Number of Shares	Amount (\$000's)
<b>Balance, December 31, 2013</b>	116,574,147	562,306
Options exercised	1,260,715	7,757
RSUs exercised	42,923	574
Transfer from reserves in equity	-	2,562
Shares issued as consideration for business combination (Notes 3 and 7a)	935,686	11,810
Shares issued through dividend reinvestment plan ("DRIP") (Note 7b)	77,183	1,410
Share issue costs	-	(67)
<b>Balance, June 30, 2014</b>	<b>118,890,654</b>	<b>586,352</b>

As at June 30, 2014 there were 8,967,337 (10,145,914 as at December 31, 2013) common shares of the Corporation held in escrow in conjunction with the Corporation's business combinations.

- a) Pursuant to the acquisitions described in Note 3, the Corporation issued 935,686 common shares. The acquisition agreements provide that all of the common shares issued by the Corporation will be held in escrow and will be released on a straight line basis annually over three, four or five years. Accordingly, as at June 30, 2014, all 935,686 common shares issued pursuant to the First Quarter Acquisitions and Second Quarter Acquisitions, were held in escrow.

**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****7. SHAREHOLDERS' EQUITY (continued)**

- b) The Corporation declared dividends to holders of common shares for the six months ended June 30, 2014, as follows:

	<b>Dividend record date</b>	<b>Dividend payment date</b>	<b>Per common share (\$)</b>	<b>Amount (\$000's)</b>
January	Jan 1, 2014	Jan 15, 2014	0.0125	1,457
February	Feb 1, 2014	Feb 17, 2014	0.0125	1,467
March	Mar 1, 2014	Mar 17, 2014	0.0125	1,468
April	April 1, 2014	April 15, 2014	0.0167	1,975
May	May 1, 2014	May 15, 2014	0.0167	1,976
June	June 1, 2014	June 16, 2014	0.0167	1,975
<b>Total dividends declared during the period</b>			<b>0.0876</b>	<b>10,318</b>

Of the dividends declared, \$0.8 million and \$1.4 million was reinvested in additional common shares through the DRIP for the three and six months ended June 30, 2014, respectively. The Corporation has 480,454 common shares reserved for issue under the DRIP as at June 30, 2014.

Subsequent to June 30, 2014, the Corporation declared dividends to holders of common shares in the amount of \$0.0167 per common share payable on July 15, 2014 and August 15, 2014, for shareholders of record on July 1, 2014 and August 1, 2014, respectively.

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>
Weighted average number of shares for basic earnings per share	118,489,217	106,824,753	117,865,604	105,785,632
Effect of dilution:				
Options and RSUs	3,267,849	-	3,234,652	2,753,980
Weighted average number of shares for diluted earnings per share	121,757,066	106,824,753	121,100,256	108,539,612

The above table excludes 370,722 and 770,288 options and RSUs for the three and six months ended June 30, 2014, respectively (2,985,201 and 224,452 options and RSUs for the three and six months ended June 30, 2013, respectively) that are considered to be anti-dilutive.

**SECURE ENERGY SERVICES INC.**

**Notes to the Condensed Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2014 and 2013**

**8. SHARE-BASED PAYMENT PLANS**

The Corporation has share-based payment plans (the "Plans") under which the Corporation may grant share options, Restricted Share Units ("RSU") and Performance Share Units ("PSU") to its employees and employee directors. In addition, the Corporation has a Deferred Share Unit ("DSU") Plan for non-employee directors of the Corporation. The terms of the Plans and aggregate number of common shares issuable remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2013.

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

	June 30, 2014		Dec 31, 2013	
	Outstanding options	Weighted average exercise price (\$)	Outstanding options	Weighted average exercise price (\$)
<b>Balance - beginning of period</b>	7,519,300	9.03	7,230,522	6.04
Granted	1,847,979	19.25	2,597,962	13.52
Exercised	(1,260,715)	6.16	(1,947,249)	4.03
Forfeited	(125,327)	11.49	(361,935)	8.50
<b>Balance - end of period</b>	<b>7,981,237</b>	<b>11.81</b>	<b>7,519,300</b>	<b>9.03</b>
<b>Exercisable - end of period</b>	<b>3,256,695</b>	<b>7.61</b>	<b>2,970,444</b>	<b>5.63</b>

The following table summarizes information about share options outstanding as at June 30, 2014:

Exercise price (\$)	Options outstanding			Options exercisable	
	Outstanding options	Weighted average exercise price (\$)	Weighted average remaining term (years)	Outstanding options	Weighted average exercise price (\$)
2.50 - 4.50	920,483	3.07	0.76	920,483	3.07
4.51 - 6.50	85,480	5.03	1.43	85,480	5.03
6.51 - 8.50	1,450,407	7.89	2.69	838,457	7.90
8.51 - 10.50	1,344,059	9.21	2.57	884,809	9.07
10.51 - 12.50	663,544	11.55	3.70	178,027	11.55
12.51 - 14.50	1,307,877	13.81	3.90	349,439	13.83
14.51 - 16.50	138,908	15.39	4.39	-	-
16.51 - 18.50	747,195	17.88	4.63	-	-
18.51 - 20.50	1,323,284	19.60	4.89	-	-
	<b>7,981,237</b>	<b>11.81</b>	<b>3.29</b>	<b>3,256,695</b>	<b>7.61</b>



**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****8. SHARE-BASED PAYMENT PLANS (continued)**

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

	June 30, 2014	Dec 31, 2013
Volatility factor of expected market price (%)	38.00	39.64
Weighted average risk-free interest rate (%)	1.35	1.33
Weighted average expected life in years	3.98	4.08
Weighted average expected annual dividends per share (%)	1.04	0.77
Weighted average fair value per option (\$)	5.50	4.14
Weighted average forfeiture rate (%)	5.52	5.28

The Corporation uses a weighted average historical trading volatility for input into the Black-Scholes Option Pricing Model. The forfeiture rate is estimated by using actual historical forfeiture rates.

**RSU plan**

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

The following table summarizes the RSUs outstanding:

	June 30, 2014	Dec 31, 2013
<b>Balance - beginning of period</b>	<b>171,932</b>	-
Granted	538,623	195,743
Redeemed for common shares	(42,923)	-
Forfeited	(23,988)	(23,811)
<b>Balance - end of period</b>	<b>643,644</b>	<b>171,932</b>

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

	June 30, 2014	Dec 31, 2013
Weighted average expected life in years	2.00	2.00
Weighted average expected annual dividends per share (%)	0.94	1.08
Weighted average fair value per RSU (\$)	17.50	13.97
Weighted average forfeiture rate (%)	18.91	5.94

**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****8. SHARE-BASED PAYMENT PLANS (continued)****PSU plan**

The Corporation has a PSU plan which allows the Corporation to issue PSUs to senior officers that are redeemable for the issuance of common shares. The Board of Directors shall designate, at the time of grant, the date or dates which all or a portion of the PSUs shall vest and any performance conditions to such vesting. PSUs will be settled in equity or cash at the discretion of the corporation, in the amount equal to the fair value of the PSU on that date. The Corporation intends to equity settle these units and as such, the fair value of the PSUs is determined on the grant date based on the market price of the common shares on the grant date and taking into account any performance conditions. The fair value is expensed over the vesting term on a graded vesting basis and represents the fair value for the graded vested portion of the PSUs outstanding plus the graded vested portion of any dividends paid on common shares since the grant date. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of PSUs that vest.

The following table summarizes the PSUs outstanding:

	June 30, 2014	Dec 31, 2013
<b>Balance - beginning of period</b>	-	-
Granted	21,515	-
Redeemed for common shares	-	-
Forfeited	-	-
<b>Balance - end of period</b>	<b>21,515</b>	-

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

	June 30, 2014	Dec 31, 2013
Weighted average expected life in years	3.00	-
Weighted average expected annual dividends per share (%)	1.07	-
Weighted average fair value per PSU (\$)	17.79	-
Weighted average forfeiture rate (%)	0.00	-

**Share-based payment reserve**

For the three and six months ended June 30, 2014, share-based payment expense of \$3.2 million and \$5.7 million, respectively (\$1.9 million and \$3.3 million for the three and six months ended June 30, 2013, respectively) has been recognized for stock options, RSUs, and PSUs granted, and is included in general and administrative expenses on the condensed consolidated statements of comprehensive income. These costs are recorded as share-based payment expense with the offsetting amount being credited to share based payment reserve as shown in the following table:

	June 30, 2014	Dec 31, 2013
<b>(\$000's)</b>		
<b>Balance - beginning of period</b>	<b>14,659</b>	9,400
Share-based payments	5,666	7,758
Transfer to issued capital	(3,136)	(2,499)
<b>Balance - end of period</b>	<b>17,189</b>	<b>14,659</b>

**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****8. SHARE-BASED PAYMENT PLANS (continued)****DSU Plan**

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

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

	June 30, 2014	Dec 31, 2013
<b>Balance - beginning of period</b>	<b>52,220</b>	28,864
Granted	26,100	23,356
Settled in cash	-	-
Forfeited	-	-
<b>Balance - end of period</b>	<b>78,320</b>	<b>52,220</b>
<b>Exercisable - end of period</b>	<b>78,320</b>	<b>52,220</b>

Share-based payment expense for DSUs is included in general and administrative expenses in the condensed consolidated statements of comprehensive income and credited to accounts payable and accrued liabilities on the condensed consolidated statement of financial position. As at June 30, 2014, \$1.9 million (\$0.9 million as at December 31, 2013) was included in accounts payable and accrued liabilities for outstanding DSUs and share based payment expense was \$0.8 million and \$0.9 million for the three and six months ended June 30, 2014 respectively (\$0.1 million and \$0.4 million for the three and six months ended June 30, 2013, respectively).

**9. COMMITMENTS AND CONTINGENCIES****Operating lease commitments**

The Corporation has entered into operating land lease agreements at the Corporation's facilities. In addition, the Corporation has entered into operating leases for office and warehouse spaces. The leases require future minimum lease payments as follows:

	June 30, 2014	Dec 31, 2013
<b>(\$000's)</b>		
Within one year	9,348	5,984
After one year but not more than five years	18,320	8,617
More than five years	9,088	1,238
	<b>36,756</b>	<b>15,839</b>

**Inventory purchase commitments**

The Corporation has entered into inventory purchase agreements which require future minimum payments as follows:

	June 30, 2014	Dec 31, 2013
<b>(\$000's)</b>		
Within one year	8,775	5,474
After one year but not more than five years	35,100	-
More than five years	-	-
	<b>43,875</b>	<b>5,474</b>

## SECURE ENERGY SERVICES INC.

### Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2014 and 2013

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## 9. COMMITMENTS, CONTINGENCIES AND GUARANTEES (continued)

### Capital commitments

As at June 30, 2014, the Corporation has committed \$26.3 million (\$12.7 million as at December 31, 2013) relating to various capital purchases for use in the Corporation's current and future capital projects. All amounts are current and due within one year.

### Commodity contract purchase commitments

In the normal course of operations, the Corporation is committed to volumes of commodities for use in the Corporation's crude oil marketing activities. The Corporation is also committed over the next 12 months to purchasing oil and non-oil commodities for use in the normal course of operations of the DS and PRD divisions.

### Litigation

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

A Statement of Defence was filed by the Secure Defendants on November 10, 2008, after the Court ordered Tervita to provide further particulars of its claim. The Secure Defendants then filed an Amended Statement of Defence (the "Defence"), and the Corporation filed an Amended Counterclaim (the "Counterclaim"), on October 9, 2009. In their Defence, the Secure Defendants deny all of the allegations made against them. In its Counterclaim, more recently amended on October 17, 2013, the Corporation claims damages in the amount of \$97.9 million against Tervita, alleging that Tervita has engaged in conduct constituting a breach of the *Competition Act (Canada)* and unlawful interference with the economic relations of the Corporation with the intent of causing injury to the Corporation. In addition, the Amended Counterclaim now includes damages related to Tervita's acquisition of Complete Environmental Inc., the previous owner of the Babkirk landfill in northeast British Columbia. The Corporation contends that Tervita purchased the landfill with the intention of maintaining its geographic monopoly and conspiring to cause injury to the Corporation. A decision to that effect by the Competition Tribunal of Canada is now under review by the Supreme Court of Canada.

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

**SECURE ENERGY SERVICES INC.**

**Notes to the Condensed Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2014 and 2013**

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**10. OPERATING SEGMENTS**

For management purposes, the Corporation is organized into divisions based on their products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Corporation has three reportable operating segments as follows:

- PRD division owns and operates midstream infrastructure that provides processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. Specifically these services are clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service.
- DS division provides equipment and chemicals for building, maintaining, processing and recycling of drilling and completion fluids.
- OS division includes environmental services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, laboratory services, and "CleanSite" waste container services; integrated fluid solutions which include water management, recycling, pumping and storage solutions; and projects which include pipeline integrity (inspection, excavation, repair, replacement and rehabilitation); demolition and decommissioning, and reclamation and remediation of former wellsites, facilities, commercial and industrial properties.
- The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees and officers.

**SECURE ENERGY SERVICES INC.**
**Notes to the Condensed Consolidated Financial Statements (unaudited)**
**For the three and six months ended June 30, 2014 and 2013**
**10. OPERATING SEGMENTS (continued)**

(\$000's)	PRD division	DS division	OS division	Corporate	Total
	Six Months Ended June 30, 2014				
Revenue	862,975	186,256	44,920	-	1,094,151
Operating expenses	(812,035)	(150,207)	(38,094)	(605)	(1,000,941)
General and administrative	(14,528)	(14,826)	(3,495)	(6,234)	(39,083)
Business development	-	-	-	(7,616)	(7,616)
Depreciation, depletion and amortization	(28,983)	(10,382)	(4,526)	(605)	(44,496)
Interest, accretion and finance costs	(558)	-	-	(3,580)	(4,138)
Earnings (loss) before income taxes	35,854	21,223	3,331	(18,035)	42,373
	Three Months Ended June 30, 2014				
Revenue	479,092	67,574	21,273	-	567,939
Operating expenses	(453,981)	(56,830)	(19,080)	(362)	(530,253)
General and administrative	(7,761)	(6,972)	(1,732)	(3,415)	(19,880)
Business development	-	-	-	(5,039)	(5,039)
Depreciation, depletion and amortization	(15,244)	(5,386)	(2,641)	(362)	(23,633)
Interest, accretion and finance costs	(280)	-	-	(1,942)	(2,222)
Earnings (loss) before income taxes	17,070	3,772	461	(10,758)	10,545

(\$000's)	PRD division	DS division	OS division	Corporate	Total
	Six Months Ended June 30, 2013				
Revenue	508,497	134,251	18,083	-	660,831
Operating expenses	(477,348)	(111,639)	(17,290)	(438)	(606,715)
General and administrative	(10,705)	(10,962)	(2,653)	(3,821)	(28,141)
Business development	-	-	-	(3,939)	(3,939)
Depreciation, depletion and amortization	(18,855)	(7,474)	(1,354)	(438)	(28,121)
Interest, accretion and finance costs	(298)	-	-	(2,268)	(2,566)
Other income	1,675	-	-	-	1,675
Earnings (loss) before income taxes	21,821	11,650	(1,860)	(10,466)	21,145
	Three Months Ended June 30, 2013				
Revenue	288,290	40,998	8,565	-	337,853
Operating expenses	(277,574)	(37,215)	(9,574)	(224)	(324,587)
General and administrative	(5,746)	(4,812)	(1,548)	(1,896)	(14,002)
Business development	-	-	-	(2,146)	(2,146)
Depreciation, depletion and amortization	(9,838)	(3,803)	(1,149)	(224)	(15,014)
Interest, accretion and finance costs	(159)	-	-	(1,205)	(1,364)
Other income	1,675	-	-	-	1,675
Earnings (loss) before income taxes	6,486	(1,029)	(2,557)	(5,471)	(2,571)

	PRD division	DS division	OS division	Corporate	Total
	As at June 30, 2014				
Current assets	99,868	111,411	17,569	-	228,848
Total assets	702,841	372,243	74,597	7,531	1,157,212
Goodwill	12,846	85,651	11,013	-	109,510
Intangible assets	7,208	61,850	17,178	-	86,236
Property, plant and equipment and assets under construction	582,920	110,305	28,836	7,531	729,592
Current liabilities	127,881	38,146	11,256	-	177,283
Total liabilities	190,772	62,802	16,936	177,541	448,051

	As at December 31, 2013				
	PRD division	DS division	OS division	Corporate	Total
Current assets	74,556	140,841	20,912	-	236,309
Total assets	606,907	380,807	45,379	6,632	1,039,725
Goodwill	12,805	85,205	3,914	-	101,924
Intangible assets	8,420	64,516	6,786	-	79,722
Property, plant and equipment and assets under construction	511,209	90,244	13,685	6,632	621,770
Current liabilities	84,813	41,335	8,330	-	134,478
Total liabilities	139,125	63,630	12,705	159,931	375,391

**SECURE ENERGY SERVICES INC.****Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and six months ended June 30, 2014 and 2013****10. OPERATING SEGMENTS (continued)****Geographical Financial Information**

(\$000's)	Canada		USA		Total	
	2014	2013	2014	2013	2014	2013
<b>Three Months Ended June 30</b>						
Revenue	547,887	325,716	20,052	12,137	567,939	337,853
<b>Six months ended June 30</b>						
Revenue	1,058,340	636,291	35,811	24,540	1,094,151	660,831
<b>As at June 30, 2014 and Dec 31, 2013</b>						
Total non-current assets	792,627	686,536	135,737	116,880	928,364	803,416

**11. SUBSEQUENT EVENTS**

On August 12, 2014, Secure announced the acquisition of the assets of Predator Midstream Ltd. ("Predator") for total consideration of \$107.0 million comprised of cash and common shares. Predator is a private midstream company that owns and operates three rail transloading terminals in Alberta. Predator transloads crude oil from truck to rail, where rail cars are aggregated and subsequently sold to refineries. The acquisition will add three operational rail sites and combined with Secure's current construction of the Rycroft Full Service Rail facility, will provide an immediate rail terminal network from which to build on. Closing is expected to occur on or about August 15, 2014.

## Corporate Information

### DIRECTORS

Rene Amirault - Chairman

Brad Munro <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>

David Johnson <sup>(2)</sup> <sup>(3)</sup> <sup>(4)</sup>

George Wadsworth <sup>(4)</sup>

Kevin Nugent <sup>(1)</sup> <sup>(3)</sup>

Murray Cobbe <sup>(1)</sup> <sup>(2)</sup>

Shaun Paterson <sup>(1)</sup> <sup>(4)</sup>

### OFFICERS

Rene Amirault

*President & Chief Executive Officer*

Allen Gransch

*Executive Vice President & Chief Financial Officer*

Brian McGurk

*Executive Vice President, Human Resources & Strategy*

Corey Higham

*Executive Vice President, Midstream*

Dan Steinke

*Executive Vice President, Operations, PRD*

David Mattinson

*Executive Vice President, OnSite Services*

George Wadsworth

*Executive Vice President, Drilling Services & USA Operations*

### STOCK EXCHANGE

Toronto Stock Exchange

Symbol: SES

### AUDITORS

MNP LLP

Calgary, Alberta

### LEGAL COUNSEL

Bennett Jones LLP

Calgary, Alberta

### BANKERS

Alberta Treasury Branches

### TRANSFER AGENT AND REGISTRAR

Olympia Trust Company

Calgary, Alberta

<sup>1</sup> Audit Committee

<sup>2</sup> Compensation Committee

<sup>3</sup> Corporate Governance Committee

<sup>4</sup> Health, Safety & Environment Committee