SECURE
energy services

Consolidated Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Secure Energy Services Inc.

We have audited the accompanying consolidated financial statements of Secure Energy Services Inc., which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

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estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Secure Energy Services Inc. as at December 31, 2017 and December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

March 1, 2018
Calgary, Canada

SECURE ENERGY SERVICES INC.
Consolidated Statements of Financial Position
As at December 31,

($000's)	Notes	2017	2016
Assets			
Current assets			
Cash		9,730	3,432
Accounts receivable and accrued receivables	18	308,690	206,154
Current tax assets		5,925	14,768
Prepaid expenses and deposits		8,838	8,380
Inventories	6	72,225	68,463
		405,408	301,197
Property, plant and equipment	7	1,088,151	1,011,990
Intangible assets	8	51,212	68,038
Goodwill	9	11,127	30,643
Deferred tax assets	16	6,848	13,382
Total Assets		1,562,746	1,425,250
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		257,837	156,107
Asset retirement obligations	12	3,055	102
Finance lease liabilities		5,111	5,164
		266,003	161,373
Long-term borrowings	11	298,408	208,042
Asset retirement obligations	12	74,262	80,012
Finance lease liabilities		6,052	4,000
Onerous lease liabilities		1,761	1,930
Deferred tax liabilities	16	41,768	42,846
Total Liabilities		688,254	498,203
Shareholders' Equity			
Issued capital	13	1,057,505	1,030,033
Share-based compensation reserve	14	56,524	51,441
Foreign currency translation reserve		21,618	32,049
Deficit		(261,155)	(186,476)
Total Shareholders' Equity		874,492	927,047
Total Liabilities and Shareholders' Equity		1,562,746	1,425,250

Approved by the Board of Directors:

"SIGNED" — *Rene Amirault*

"SIGNED" — *Kevin Nugent*

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

SECURE ENERGY SERVICES INC.
Consolidated Statements of Comprehensive Loss
For the years ended December 31,

($000's except per share and share data)	**Notes**	**2017**	**2016**
Revenue		**2,328,208**	1,410,063
Operating expenses:			
Direct expenses	**17**	**2,104,492**	1,267,220
Depreciation, depletion and amortization		**118,611**	113,012
		2,223,103	1,380,232
General and administrative expenses		**59,950**	44,482
Share-based compensation	**14**	**23,257**	25,158
Business development expenses		**6,800**	5,401
		90,007	75,041
Operating income (loss)		**15,098**	(45,210)
Interest, accretion and finance costs		**12,425**	11,503
Impairment	**10**	**29,237**	-
Other expense		**1,286**	-
Loss before tax		**(27,850)**	(56,713)
Current tax recovery	**16**	**(4,816)**	(13,169)
Deferred tax expense	**16**	**11,168**	5,399
		6,352	(7,770)
Net loss		**(34,202)**	(48,943)
Other comprehensive loss			
Foreign currency translation adjustment		**(10,431)**	(4,354)
Total comprehensive loss		**(44,633)**	(53,297)
Basic and diluted loss per common share	**15**	**(0.21)**	(0.32)
Weighted average shares outstanding - basic and diluted	**15**	**162,827,541**	154,625,869

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

SECURE ENERGY SERVICES INC.

Consolidated Statements of Changes in Shareholders’ Equity

($000's)	Note	Issued capital	Share-based compensation reserve	Foreign currency translation reserve	Deficit	Total Shareholders' Equity
Balance at January 1, 2017		**1,030,033**	**51,441**	**32,049**	**(186,476)**	**927,047**
Net loss		-	-	-	(34,202)	**(34,202)**
Dividends declared	**13**	-	-	-	(40,477)	**(40,477)**
Shares issued through dividend reinvestment plan ("DRIP")	**13**	3,353	-	-	-	**3,353**
Foreign currency translation adjustment		-	-	(10,431)	-	**(10,431)**
Issue of share capital for business acquisition	**13**	1,789	-	-	-	**1,789**
Exercise of options and share units	**13**	22,330	(17,968)	-	-	**4,362**
Share-based compensation		-	23,051	-	-	**23,051**
Balance at December 31, 2017		**1,057,505**	**56,524**	**21,618**	**(261,155)**	**874,492**
Balance at January 1, 2016		**851,490**	**37,194**	**36,403**	**(100,575)**	**824,512**
Net loss		-	-	-	(48,943)	(48,943)
Dividends declared		-	-	-	(36,958)	(36,958)
Shares issued through DRIP		13,514	-	-	-	13,514
Foreign currency translation adjustment		-	-	(4,354)	-	(4,354)
Bought deal equity financing		149,513	-	-	-	149,513
Share issue costs, net of tax		(4,906)	-	-	-	(4,906)
Issue of share capital for business acquisition		5,932	-	-	-	5,932
Exercise of options and restricted share units ("RSUs")		14,490	(9,536)	-	-	4,954
Share-based compensation		-	23,783	-	-	23,783
Balance at December 31, 2016		**1,030,033**	**51,441**	**32,049**	**(186,476)**	**927,047**

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

SECURE ENERGY SERVICES INC.
Consolidated Statements of Cash Flows
For the years ended December 31,

($000's)	Notes	2017	2016
Cash flows from (used in) operating activities			
Net loss		**(34,202)**	(48,943)
Adjustments for non-cash items:			
Depreciation, depletion and amortization		**118,611**	113,012
Interest, accretion and finance costs	**12**	**12,425**	11,503
Current and deferred tax expense (recovery)		**6,352**	(7,770)
Other non-cash income		**(990)**	(1,479)
Impairment	**10**	**29,237**	-
Share-based compensation	**14**	**23,257**	25,158
Interest paid		**(11,161)**	(7,884)
Income taxes recovered		**13,657**	13,694
Change in non-cash working capital		**(47,332)**	(11)
Asset retirement costs incurred	**12**	**(982)**	(598)
Net cash flows from operating activities		**108,872**	96,682
Cash flows (used in) from investing activities			
Purchase of property, plant and equipment		**(137,268)**	(62,649)
Business acquisitions	**5**	**(54,569)**	(88,228)
Change in non-cash working capital		**41,944**	(7,744)
Net cash flows used in investing activities		**(149,893)**	(158,621)
Cash flows from (used in) financing activities			
Shares issued, net of share issue costs	**13**	**4,362**	147,785
Draw (repayment) on credit facility		**91,000**	(53,000)
Financing fees	**11**	**(2,123)**	-
Capital lease obligation		**(8,722)**	(11,076)
Dividends paid	**13**	**(37,124)**	(23,444)
Net cash flows from financing activities		**47,393**	60,265
Effect of foreign exchange on cash		**(74)**	243
Increase (decrease) in cash		**6,298**	(1,431)
Cash, beginning of year		**3,432**	4,863
Cash, end of year		**9,730**	3,432

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

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

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, production and completion fluids, and other specialized services and products. The Corporation owns and operates midstream infrastructure and provides solutions and products to upstream oil and natural gas companies operating in western Canada and in certain regions in the United States ("U.S.").

The processing, recovery and disposal services division ("PRD") owns and operates midstream infrastructure that provides processing, storing, pipelines, shipping and marketing of crude oil, oilfield waste disposal and recycling. The PRD division services include clean oil terminalling, rail transloading, pipelines, crude oil marketing, custom treating of crude oil, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service. The drilling and production services division ("DPS") provides equipment, product solutions and chemicals for drilling, completion and production operations for oil and gas producers in western Canada. The OnSite division ("OS") includes 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, and environmental construction projects (landfills, containment ponds, subsurface containment walls, etc.); Integrated Fluid Solutions ("IFS") which include water management, recycling, pumping and storage solutions; and Environmental services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, Naturally Occurring Radioactive Material ("NORM") management, waste container services and emergency response services.

The following entities have been consolidated within Secure's consolidated financial statements for the year ended December 31, 2017:

Subsidiaries	Country	Functional Currency	Segment	% Interest Dec 31, 2017 and 2016
Secure Energy Services Inc. (parent company)	Canada	Canadian Dollar	PRD/CORP	
True West Energy Ltd.	Canada	Canadian Dollar	PRD	100%
Chaleur Terminals Inc.	Canada	Canadian Dollar	PRD	100%
Secure Energy (Drilling Services) Inc.	Canada	Canadian Dollar	DPS	100%
Alliance Energy Services International Ltd.	Canada	Canadian Dollar	DPS	100%
Secure Energy (OnSite Services) Inc.	Canada	Canadian Dollar	OS	100%
Secure Energy (Logistics Services) Inc.	Canada	Canadian Dollar	DPS	100%
SES USA Holdings Inc.	USA	US Dollar	PRD/DPS/OS	100%
Secure Energy Services USA LLC	USA	US Dollar	PRD	100%
Secure Drilling Services USA LLC	USA	US Dollar	DPS	100%
Secure Minerals USA LLC	USA	US Dollar	DPS	100%
Secure OnSite Services USA LLC	USA	US Dollar	OS	100%

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION (continued)

Basis of Presentation

The consolidated financial statements of Secure have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at the closing date of December 31, 2017.

These consolidated financial statements are recorded and presented in Canadian dollars ($), which is Secure's functional currency, and have been prepared on a historical cost basis, except for certain financial instruments and share-based compensation transactions that have been measured at fair value. All values are rounded to the nearest thousand dollars ($000's), except where otherwise indicated. The accounting policies described in Note 2 have been applied consistently to all periods presented in these consolidated financial statements, except as noted herein. Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

The timely preparation of financial statements requires that management make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. See Note 3 for a description of significant estimates and judgments used in the preparation of the consolidated financial statements.

These consolidated financial statements were approved by Secure's Board of Directors on March 1, 2018. The head office of the Corporation is located at 3600, 205 – 5th Avenue S.W., Calgary, Alberta, Canada, T2P 2V7. The registered office of the Corporation is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 4K7.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

These consolidated financial statements include the accounts of Secure and its subsidiaries. All inter-company balances and transactions are eliminated on consolidation.

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgment on a case by case basis. If the acquisition meets the definition of a business combination, the assets acquired and liabilities assumed are classified or designated based on the contractual terms, economic conditions, the Corporation's operating and accounting policies, and other factors that exist on the acquisition date. Goodwill is measured at the acquisition date as the fair value of the consideration transferred less the net recognized amount (generally fair value) of the identifiable assets acquired and the liabilities assumed. The measurement of goodwill is inherently imprecise and requires judgment in the determination of the fair value of assets and liabilities.

Transaction costs associated with business combinations, other than those related to issuing debt or equity securities, are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Changes in the fair value of liability classified contingent consideration are recognized in net loss. If the contingent consideration is classified in equity, it is not remeasured and its final settlement is accounted for within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition

The Corporation has many different business lines offering services, products and integrated solutions to meet customer needs. Revenue is recognized when it is probable that any future economic benefit associated with the item of revenue will flow to the Corporation and the amount of revenue can be measured with reliability.

- Revenue associated with services provided in the PRD division such as processing, disposal, transportation, terminalling and rail transloading are recognized when the services are rendered.
- Revenue from the sale of crude oil and natural gas liquids is recorded when title to the product and risk of loss transfers to the customer.
- Revenue from pipeline tariffs and fees are based on volumes and rates as the pipeline is being used.
- Revenue from drilling services is recognized when services are provided and materials are utilized. Materials that are delivered and not utilized are shown as drilling fluids inventory.
- Revenue from rentals is recognized once the equipment is delivered, over the term of the rental agreement at pre-determined rates.
- Revenue from the sale of production chemicals and minerals inventories is recognized at the point of sale, when the customer takes ownership of the products.
- Revenue in the OS division is typically recognized when services are provided. For other projects where costs can be measured reliably, revenue may be recognized based on stage of completion of the contract, determined by the physical portion of work performed.
- Revenue is measured net of trade discounts and volume rebates.

d) Inventories

Inventories are comprised of crude oil, natural gas liquids, drilling fluids, minerals, speciality chemicals, production chemicals and spare parts. Inventories, other than crude oil and natural gas liquids held for trading purposes, are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The cost of drilling fluids is determined on a weighted average basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventory in transit is recognized at the point of shipment. Any inventory write-downs are included in operating expenses. The reversal of previous write-downs to inventories is permitted when there is a subsequent increase to the value of inventories.

Crude oil and natural gas liquids held for trading purposes are measured at fair value less costs to sell with changes to fair value less costs to sell recognized in net loss. The fair value is determined based on the market price of crude oil and natural gas liquids on the measurement date.

e) Property, plant and equipment

Land is measured at cost, net of accumulated impairment losses, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation, depletion and/or accumulated impairment losses, if any. Such costs include geological and geophysical, drilling of wells, labour and materials, site investigation, equipment and facilities, contracted services and borrowing costs for long-term construction projects if the recognition criteria are met. Overhead costs which are directly attributable to bringing an asset to the location and condition necessary for it to be capable of use in the manner intended by management are capitalized. These costs include compensation costs paid to internal personnel dedicated to capital projects. When significant parts of plant and equipment are required to be replaced, the Corporation recognizes such parts as individual assets with specific useful lives and depreciation, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

All other repair and maintenance costs are recognized in net loss as incurred. The present value of the expected cost for the asset retirement obligation of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Costs related to assets under construction are capitalized when incurred. Assets under construction or refurbishment are not depreciated until they are complete and available for use in the manner intended by management.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Corporation incurs in connection with the borrowing of funds.

An item of property, plant and equipment and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in net loss when the asset is derecognized.

f) Intangible assets

Intangible assets acquired outside business combinations are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets resulting from a business combination are initially recorded at fair value. Fair value is estimated by management taking into account its highest and best use associated with the intangible asset. Intangible assets with a finite life are amortized over the estimated useful life and intangible assets with an indefinite life are not subject to amortization and are tested for impairment at least annually.

g) Depreciation, depletion and amortization

Capital expenditures are not depreciated until assets are substantially complete and ready for their intended use. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and depletion

Depreciation of property, plant and equipment, other than landfill cells, is based on a straight line basis and is calculated over the estimated useful life of the asset as follows:

Buildings	10 to 45 years
Plant equipment and disposal wells	2 to 25 years
Rental and mobile equipment	2 to 25 years
Office and computer equipment	3 to 10 years

Landfill cells are depleted based on units of total capacity utilized in the period.

Amortization

Amortization of intangible assets is recorded on a straight line basis over the estimated useful life of the intangible asset as follows:

Non-competition agreements	2 to 5 years
Customer relationships	5 to 10 years
Licenses and patents	3 to 20 years

h) Impairment of non-financial assets

The non-financial assets of the Corporation are comprised of property, plant and equipment, goodwill and intangible assets.

The Corporation assesses at each reporting date whether there is an indication that an asset or cash-generating unit ("CGU") may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any indication of impairment exists, or when annual impairment testing for an asset is required, the Corporation estimates the CGU's recoverable amount. An asset or CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. In determining fair value less costs to sell, recent market transactions are taken into account, if available. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in net loss.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually. Goodwill impairment is tested at either the individual or group CGU level and is determined based upon the amount of future discounted cash flows generated by the individual CGU or group of CGUs compared to the individual CGU or group of CGUs' respective carrying amount(s).

For non-financial assets other than goodwill and intangible assets with an indefinite useful life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the non-financial asset's or CGU's recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Any reversal is limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the non-financial asset in prior periods. Such reversal is recognized in net loss.

Impairment losses related to assets under construction and property, plant and equipment are included with depreciation, depletion and amortization expense on the consolidated statements of comprehensive loss. Impairment losses related to goodwill and intangible assets are recorded on the impairment line on the consolidated statements of comprehensive loss.

i) Leases

Finance leases, which transfer to the Corporation substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in net loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight line basis in net loss.

j) Financial instruments

Recognition and Measurement

Financial instruments within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified upon initial recognition into one of the following categories: fair value through profit or loss ("FVTPL"), available for sale, held-to-maturity investments, loans and receivables, derivatives designated as hedging instruments in an effective hedge, and other financial liabilities. All financial instruments are recognized initially at fair value, net of any transaction costs except for financial instruments classified as FVTPL where transaction costs are expensed as incurred. Subsequent measurement of financial instruments is based on their classification.

The Corporation may utilize derivative financial instruments, such as, but not limited to, physical and financial contracts, futures, swaps and options, to manage certain exposures to fluctuations in commodity prices, foreign exchange rates and interest rates as part of its overall risk management program. These derivative financial instruments are not used for speculative purposes and are not designated as hedges. They are initially recognized at fair value at the date the derivative contracts are entered into on the Corporation's consolidated statements of financial position as either an asset, when the fair value is positive, or a liability, when the fair value is negative. The derivative contracts are subsequently remeasured to their fair value at the end of each reporting period, with the resulting gain or loss included in the statements of comprehensive loss.

Certain physical commodity contracts are deemed to be derivative financial instruments for accounting purposes. Physical commodity contracts entered into for the purpose of receipt or delivery of products in accordance with the Corporation's own purchase, sale or usage requirements are not considered to be derivative financial instruments. Settlement on these physical contracts is recognized in the comprehensive statements of loss over the term of the contracts as they occur.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Corporation has classified cash and accounts receivable and accrued receivables as loans and receivables; accounts payable and accrued liabilities and long-term borrowings as other financial liabilities, and derivative financial instruments as FVTPL.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value measurement

The Corporation has classified its financial instrument fair values based on the required three-level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Impairment of financial assets

The Corporation assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future expected credit losses that have not yet been incurred.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in net loss. The asset, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Corporation. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in net loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Provisions

Provisions are recognized when the Corporation has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Corporation expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a risk-free rate. Where discounting is used, the increase in the provision due to the passage of time is recognized in interest, accretion and finance costs in net loss.

l) Asset retirement obligations

Asset retirement obligations associated with well sites, facilities and landfills are measured at the present value of the expenditures expected to be incurred. The Corporation uses a risk-free rate in the measurement of the present value of its asset retirement obligations. The associated asset retirement cost is capitalized as part of the related asset. Changes in the estimated obligation resulting from revisions to estimated timing, amount of cash flows or changes in the discount rate are recognized as a change in the asset retirement obligation and the related asset retirement cost. Accretion is expensed as incurred and recognized in the consolidated statements of comprehensive loss as interest, accretion and finance costs. The estimated future costs of the Corporation's asset retirement obligations are reviewed at each reporting period and adjusted as appropriate.

m) Shareholders' equity

Common shares are presented in issued capital within shareholders' equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from issued capital, net of any tax effects.

n) Share-based compensation

Equity-settled transactions

The Corporation has a share option plan for eligible employees and consultants of the Corporation. The Corporation follows the fair-value method to record share-based compensation expense with respect to share options granted. The fair value of each option granted is estimated on the date of grant and that value is recorded as share-based compensation expense over the vesting period of those grants, with a corresponding increase to share-based compensation reserve less an estimated forfeiture rate. The consideration received by the Corporation on the exercise of share options is recorded as an increase to issued capital together with corresponding amounts previously recognized in the share-based compensation reserve. Forfeitures are estimated based on historical information for each reporting period, and adjusted as required to reflect actual forfeitures that have occurred in the period.

The Corporation also has a unit incentive plan ("UIP") under which the Corporation may grant restricted share units ("RSUs"), performance share units ("PSUs") and compensation share units ("CSUs") to its employees.

Under the terms of the UIP, the RSUs awarded will vest in three equal portions on the first, second and third anniversary of the grant date and will be settled in equity, in the amount equal to the fair value of the RSU on that date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of the RSUs issued is equal to the Corporation's five day weighted average share price on the grant date. The fair value is expensed over the vesting term on a graded vesting basis. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of RSUs that vest.

Under the terms of the UIP, the date or dates which all or a portion of the PSUs shall vest and any performance conditions to such vesting, is designated by the Board of Directors at the time of grant. PSUs will be settled in equity at the discretion of the Corporation, in the amount equal to the fair value of the PSU on that date. The fair value of the PSUs issued is equal to the Corporation's five day weighted average share price on the grant date and is adjusted for the estimate of the outcome of the performance conditions. The fair value is expensed over the vesting term on a graded vesting basis. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of PSUs that vest.

In 2016, the Corporation allowed employees to elect to reduce the cash compensation paid to them in exchange for a grant of CSUs. CSUs granted vested in January of the following calendar year from which they were issued and were equity settled. The Corporation contributed an additional 20% to 35% of the CSU award in recognition of the time value of money of the delayed compensation. The fair value of the CSUs issued was equal to the Corporation's five day weighted average share price on the grant date. The fair value was expensed over the vesting term. If an employee ceased to be employed by the Corporation prior to the CSU vesting date, the employee's earned portion of the contribution automatically vested and the Corporation's additional contribution was forfeited.

Cash-settled transactions

The Corporation has a deferred share unit ("DSU") plan for its non-employee directors. The DSUs vest immediately and the fair value of the liability and the corresponding expense is recognised in the consolidated statements of comprehensive loss at the grant date. Subsequently, at each reporting date between the grant date and settlement date, the fair value of the liability is revalued with any changes in the fair value recognized in net loss for the period. When the awards are surrendered for cash, the cash settlement paid reduces the outstanding liability. The liability is included in accounts payable and accrued liabilities in the consolidated statements of financial position and the expense is included in the share-based compensation expense in the consolidated statements of comprehensive loss.

o) Per share amounts

The Corporation calculates basic loss per share by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that would occur if in-the-money share options and other equity awards were exercised or converted into common shares. Diluted earnings per share is calculated by dividing net earnings available to common shareholders by the total of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding, utilizing the treasury method, arising from the exercise of in-the-money share options and other equity awards. The treasury method for outstanding options assumes that the use of proceeds that could be obtained upon exercise of options in computing diluted earnings per share are used to purchase the Corporation's common shares at the average market price during the period. For RSUs, PSUs and CSUs, the treasury stock method assumes that the deemed proceeds related to unrecognized share-based compensation are used to repurchase shares at the average market price during the period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in the various jurisdictions in which the Corporation operates. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, by the reporting date, in the various jurisdictions where the Corporation operates and generates taxable income.

Current income tax relating to items recognized directly in the consolidated statement of changes in shareholders' equity is recognized in the consolidated statement of changes in shareholders' equity and not in the consolidated statements of comprehensive loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate in accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Deferred income tax

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is expected to be settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items relating to items recognized outside of earnings are recognized in correlation to the underlying transaction either in other comprehensive loss or directly in shareholders' equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

q) Foreign currency translation and transactions

Entities who transact in currencies that are not their functional currency translate monetary assets and liabilities at period-end exchange rates and non-monetary items at historical rates. Income and expense accounts are translated at the average rates in effect during the period. Gains or losses from changes in exchange rates are recognized in net loss in the period of occurrence.

For foreign entities whose functional currency is not the Canadian dollar, the Corporation translates assets and liabilities at period-end rates and income and expense accounts at average exchange rates in effect during the period. Adjustments resulting from these translations are reflected in total comprehensive loss as foreign currency translation adjustments.

Foreign exchange gains or losses arising from a monetary item that is receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in the foreign currency translation reserve in the cumulative amount of foreign currency translation differences.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Segment reporting

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Corporation's Chief Executive Officer in order to make decisions regarding the allocation of resources to the segment. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Corporation's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses, gains, losses, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis, with any adjustments recognized in the period in which the estimate is revised.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below. Readers are cautioned that the following list is not exhaustive and other items may also be affected by estimates and judgments.

Significant judgments

Determining CGUs

For the purpose of assessing impairment of non-financial assets, the Corporation must determine its CGUs. Assets and liabilities are grouped into CGUs at the lowest level of separately identified cash flows. Determination of what constitutes a CGU is subject to management judgment. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU.

Management has determined that the appropriate CGUs for the Corporation are the DPS division, each service line in the OS division, and each facility type within the PRD division.

Significant estimates and assumptions

Depreciation, depletion and amortization

Determination of which components of an item of property, plant and equipment represent a significant cost to the asset as a whole and identifying the consumption patterns along with the useful lives and residual values of these significant parts involve management judgment and estimates. The actual lives of the assets and residual values are assessed annually taking into account factors such as technological innovation and maintenance programs. Amounts recorded for depletion on the landfill cells are based on estimates of the total capacity utilized in the period.

Recoverability of assets

The Corporation assesses impairment on its non-financial assets when it has determined that a potential indicator of impairment exists. The assessment of the existence of impairment indicators is based on various internal and external factors and involves management's judgment.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Goodwill is tested annually for impairment or when an indicator is present. Impairment exists when the carrying value of a non-financial asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The required valuation methodology and underlying financial information that is used to determine value in use requires significant estimates to be made by management. The key estimates the Corporation normally applies in determining the recoverable amount of an individual asset, CGU or group of CGUs include expected levels of activity within the oil and gas industry, future sustaining capital costs, discount rates, tax rates, and operating margins. Assumptions that are valid at the time of preparing the cash flow models may change significantly when new information becomes available. Changes to these estimates may affect the recoverable amounts of an individual asset, CGU or group of CGUs which may then require a material adjustment to their related carrying value.

Asset retirement obligations and accretion

The amounts recorded for asset retirement obligations and the related accretion expenses are based on management's best estimate of the costs to abandon and reclaim the wells, facilities and landfills, and the estimated time period in which these costs are expected to be incurred in the future. In determining the asset retirement obligation, assumptions and estimates are made in relation to discount rates, the expected cost for the reclamation, the expected cost to recover the asset and the expected timing of those costs. The Corporation's operations are affected by federal, provincial and local laws and regulations concerning environmental protection. The Corporation's provisions for future site restoration and reclamation are based on known requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

Other provisions and contingent liabilities

The determination of other provisions and contingent liabilities is a complex process that involves judgments about the outcomes of future events, estimates of timing and amount of future expenditures, the interpretation of laws and regulations, and discount rates. The amount recognized as a provision is management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Inventories

The Corporation evaluates its inventory to ensure it is carried at the lower of cost and net realizable value. Allowances are made against slow moving, obsolete, and damaged inventories and are charged to direct expenses. These allowances are assessed at each reporting date for adequacy. The reversal of any write-down of inventory arising from an increase in net realizable value is recognized as a reduction in direct expenses in the period in which the reversal occurred.

Share-based compensation

The Corporation provides share-based awards to certain employees in the form of share options, restricted share units, performance share units, and compensation share units (the "Awards"). The Corporation follows the fair-value method to record share-based compensation expense with respect to the Awards granted. In order to record share-based compensation expense, the Corporation estimates the fair value of the Awards granted using assumptions related to interest rates, expected lives of the Awards, volatility of the underlying security, forfeitures and expected dividend yields.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Corporation establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.

Provision for doubtful accounts

The provision for doubtful accounts is reviewed by management on a monthly basis. Accounts receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. Management makes these assessments after taking into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates. The Corporation's historical bad debt expenses have not been significant and are usually limited to specific customer circumstances. However, given the cyclical nature of the oil and natural gas industry along with the current economic operating environment, a customer's ability to fulfill its payment obligations can change suddenly and without notice.

Fair value of derivative financial instruments

The Corporation reflects the fair value of derivative financial instruments based on third party valuation models and methodologies that utilize observable market data, including forward commodity prices and foreign exchange rates. As a result of changes in key assumptions, the actual amounts may vary significantly from estimated amounts.

Purchase price equations

The acquired assets and assumed liabilities are generally recognized at fair value on the date the Corporation obtains control of a business. The estimate of fair value of the acquired intangible assets (including goodwill), property, plant and equipment, other assets and the liabilities assumed are based on information available on the acquisition date. The measurement is largely based on projected cash flows, discount rates and market conditions at the date of acquisition.

Net investments in foreign subsidiaries

Determination of whether an advance to a foreign subsidiary constitutes a net investment involves judgments about the outcomes of future events, specifically related to the timing and amount of repayment of the advance by the foreign subsidiary. Unrealized foreign gains and losses from advances classified as net investments are recorded as foreign currency translation adjustments in other comprehensive loss. The accumulated foreign currency translation adjustments are reclassified to net loss when the foreign subsidiary is disposed of, or the advance is repaid.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued and in effect

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing IFRS standards have been published and are in effect for periods beginning on or after January 1, 2018. Information on new standards, amendments and interpretations that are relevant to the Corporation's consolidated financial statements beginning in 2018 are provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's consolidated financial statements.

On July 24, 2014, the IASB issued IFRS 9 Financial Instruments, which addresses the classification and measurement of financial assets. The new standard defines two instead of four measurement categories for financial assets, with classification to be based partly on the Corporation's business model and partly on the characteristics of the contractual cash flows from the respective financial asset. The Corporation has assessed the impact of the adoption of IFRS 9 at January 1, 2018 on the Corporation's consolidated financial statements and has determined that the impact is insignificant.

On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard replaces the two main recognition standards IAS 18 Revenue, and IAS 11 Construction Contracts. The new standard provides a five step model framework as a core principle upon which an entity recognizes revenue. The Corporation has assessed the impact of the adoption of IFRS 15 at January 1, 2018 on the Corporation's consolidated financial statements and has determined that the impact on a retrospective basis is insignificant.

Standards issued but not effective

Certain new standards, amendments and interpretations to existing IFRS standards have been published but are not yet effective, and have not been adopted early by the Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's consolidated financial statements.

On January 13, 2016, the IASB issued IFRS 16 Leases which replaces IAS 17. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The standard becomes effective January 1, 2019. The full impact of the standard on the Corporation's consolidated financial statements is still being assessed at this time.

5. BUSINESS ACQUISITIONS

a) 2017 Acquisitions

On April 13, 2017, the Corporation acquired the Canadian division of a production chemicals business from a U.S. based multi-national company for an aggregate purchase price of $30.3 million with consideration paid in cash (the "Production Chemicals Acquisition"). The acquired assets have been integrated into the DPS division's Production Chemicals service line.

On August 1, 2017, the Corporation acquired all of the issued and outstanding common shares of Ceiba Energy Services Inc. (the "Ceiba Acquisition") and added ten facilities that fit within, and add capacity to, Secure's existing PRD facility network. The acquired facilities will provide customers with additional options to reduce their overall transportation for custom treating of crude oil, crude oil marketing, produced and waste water disposal and oilfield waste processing.

Pursuant to the Ceiba Acquisition, the Corporation paid approximately $24.3 million in cash and issued 189,965 common shares for total purchase consideration of approximately $26.1 million.

From the date of acquisitions to December 31, 2017, the assets of the acquisitions contributed an estimated $44.3 million of revenue and $1.2 million of loss before tax for the Corporation. If the business combinations had been completed on January 1, 2017, Secure's estimated revenue and loss before tax for the year ended December 31, 2017 would have been $2.4 billion and $33.4 million, respectively.

The Corporation incurred costs related to the acquisitions of $0.5 million relating to due diligence and external legal fees. These costs have been included in business development expenses on the consolidated statement of comprehensive loss.

The following summarizes the purchase price equations for the 2017 acquisitions:

Balance at acquisition date	Amount ($000's)
Cash paid	54,569
Shares issued	1,789
	56,358

Balance at acquisition date	Amount ($000's)
Inventory	8,909
Prepaid expenses and deposits	2,851
Property, plant and equipment	47,701
Intangible assets [(1)]	13,074
Net working capital	(804)
Debt assumed	(12,601)
Asset retirement obligations	(6,531)
Finance lease liabilities	(2,688)
Deferred tax assets	6,447
	56,358

[(1)] Consists of customer relationships of $7.5 million and intellectual property of $5.6 million.

b) 2016 Acquisitions

On June 1, 2016, the Corporation acquired all of the operating assets (excluding working capital) and inventory of PetroLama Energy Canada Inc. ("PetroLama"), for aggregate consideration of $67.6 million, comprised of $61.7 million in cash and the balance of $5.9 million through the issuance of common shares of the Corporation.

5. BUSINESS ACQUISITIONS (continued)

The main asset acquired by the Corporation from PetroLama was a crude oil terminal in Alida, Saskatchewan which is connected to the Tundra Energy Marketing Limited (formerly Enbridge Pipelines (Saskatchewan) Inc.) pipeline system and includes truck unload risers and storage tanks. Secure also acquired various marketing contracts relating to the purchase, sale and transportation of propane, butane and condensate, including access to crude oil storage at Cushing, Oklahoma. With the acquisition of PetroLama's assets, Secure expanded its market presence and enhanced its current service offering for continued midstream growth.

On July 12, 2016, Secure acquired the remaining 50% interest in all of the joint venture assets of the La Glace and Judy Creek facilities for aggregate cash consideration of $26.6 million. The La Glace and Judy Creek facilities were initially constructed as a joint operation between Secure and other joint venture participants in 2008 and 2013, respectively, and had been owned and operated in accordance with their respective joint operating agreements since construction. This acquisition relieved Secure of the administrative requirements of operating these facilities under a joint venture structure, while adding additional cash flow from the increased ownership.

From the date of acquisition to December 31, 2016, the assets of the acquisitions contributed an estimated $346.4 million of revenue and $6.4 million of earnings before tax for the Corporation. If the business combinations had been completed on January 1, 2016, Secure's estimated revenue and loss before tax for the year ended December 31, 2016 would have been $1.7 billion and $54.6 million, respectively.

The following summarizes the purchase price equations for the 2016 acquisitions:

Balance at acquisition date	Amount ($000's)
Cash paid	88,228
Shares issued	5,932
	94,160

Balance at acquisition date	Amount ($000's)
Inventory	14,102
Net working capital	2,323
Property, plant and equipment	45,384
Intangible assets (1)	16,022
Goodwill (2)	19,516
Asset retirement obligations	(2,069)
Finance leases	(36)
Deferred tax liabilities	(1,082)
	94,160

(1) Consists of customer relationships of $11.3 million and non-compete agreements of $4.7 million.
(2) $13.8 million of the goodwill arising on the acquisitions is deductible for tax purposes.

The goodwill arose as a result of the synergies existing with the acquired business and also the synergies expected to be achieved as a result of combining the acquisitions with the rest of the Corporation.

The Corporation incurred costs related to the acquisitions of $0.2 million relating to due diligence and external legal fees. These costs have been included in business development expenses on the consolidated statement of comprehensive loss.

6. INVENTORIES

($000's)	Dec 31, 2017	Dec 31, 2016
Drilling fluids	35,266	23,056
Minerals	12,414	19,295
Crude oil and natural gas liquids	12,346	21,740
Production chemicals	10,579	2,612
Spare parts and supplies	1,620	1,760
Total inventories	**72,225**	68,463

Drilling fluids, minerals and production chemicals inventories recognized as operating expenses in the consolidated statements of comprehensive loss for the year ended December 31, 2017 were $128.6 million (2016: $70.9 million).

Inventories are included in the general security agreements held by the banks as security for the Corporation's credit facilities (Note 11).

7. PROPERTY, PLANT AND EQUIPMENT

The amounts included in assets under construction consist of assets associated with a variety of ongoing projects. During the year ended December 31, 2017, $5.9 million (2016: $6.4 million) of directly attributable capitalized salaries and overhead were added to property, plant and equipment. The amount of borrowing costs capitalized to property, plant and equipment for the year ended December 31, 2017 was $0.2 million (2016: $0.2 million) based on a capitalized borrowing rate of 2.9% (2016: 2.8%) incurred only on facilities and projects that have a longer construction period.

During the year ended December 31, 2017, $76.5 million (2016: $93.2 million) was transferred from assets under construction to property, plant and equipment for completed projects.

Included in property, plant, and equipment is equipment under finance lease arrangements with a net book value of $15.3 million at December 31, 2017 (2016: $14.4 million).

Included in depreciation, depletion and amortization expense in the consolidated statements of comprehensive loss for the year ended December 31, 2017 is $1.5 million relating to impairment of property, plant and equipment (2016: $8.0 million). Impairment losses are incurred on projects where the development plans are uncertain, and where equipment was withdrawn from active use in the year where it could not be repurposed or otherwise deployed.

7. PROPERTY, PLANT AND EQUIPMENT (continued)

($000's)	Assets Under Construction	Land and Buildings	Plant Equipment, Landfill Cells and Disposal Wells	Rental and Mobile Equipment	Office and Computer Equipment	Total
Cost:						
December 31, 2015	60,257	103,884	974,061	131,338	32,591	**1,302,131**
Additions from business acquisitions (Note 5b)	-	3,051	42,233	100	-	**45,384**
Additions [1]	69,996	4,366	79,489	5,928	4,282	**164,061**
Change in asset retirement cost	-	-	(5,963)	-	-	**(5,963)**
Disposals	-	(1,980)	(4,761)	(7,245)	(71)	**(14,057)**
Transfers [1]	(93,194)	-	-	-	-	**(93,194)**
Foreign exchange effect	(221)	(634)	(4,586)	(569)	(40)	**(6,050)**
December 31, 2016	36,838	108,687	1,080,473	129,552	36,762	**1,392,312**
Additions from business acquisition (Note 5a)	-	5,142	39,090	2,786	683	**47,701**
Additions [1]	144,597	2,010	62,381	10,368	5,723	**225,079**
Change in asset retirement cost	-	-	(9,107)	-	-	**(9,107)**
Disposals	-	(1,059)	(4,525)	(6,478)	(27)	**(12,089)**
Transfers [1]	(76,524)	-	-	-	-	**(76,524)**
Foreign exchange effect	(16)	(1,379)	(9,588)	(982)	(75)	**(12,040)**
December 31, 2017	**104,895**	**113,401**	**1,158,724**	**135,246**	**43,066**	**1,555,332**
Accumulated depreciation and depletion:						
December 31, 2015	-	(20,301)	(223,003)	(37,550)	(13,651)	**(294,505)**
Depreciation and depletion	-	(3,427)	(69,172)	(15,129)	(5,380)	**(93,108)**
.	-	93	1,597	4,777	50	**6,517**
Foreign exchange effect	-	52	568	141	13	**774**
December 31, 2016	-	(23,583)	(290,010)	(47,761)	(18,968)	**(380,322)**
Depreciation and depletion	-	(4,255)	(73,039)	(13,898)	(5,543)	**(96,735)**
Disposals	-	131	1,609	5,154	26	**6,920**
Foreign exchange effect	-	194	2,318	395	49	**2,956**
December 31, 2017	**-**	**(27,513)**	**(359,122)**	**(56,110)**	**(24,436)**	**(467,181)**
Net book value:						
December 31, 2017	**104,895**	**85,888**	**799,602**	**79,136**	**18,630**	**1,088,151**
December 31, 2016	**36,838**	**85,104**	**790,463**	**81,791**	**17,794**	**1,011,990**

[1] Costs related to assets under construction are transferred to property, plant and equipment and classified by nature of the asset when available for use in the manner intended by management.

8. INTANGIBLE ASSETS

($000's)	Non-competition agreements	Customer relationships	Licenses & Patents	Total
Cost:				
December 31, 2015	**66,576**	**98,837**	**17,219**	**182,632**
Additions through business acquisitions (Note 5b)	4,733	11,289	-	**16,022**
Additions	-	-	920	**920**
Foreign exchange effect	(176)	(127)	(21)	**(324)**
December 31, 2016	**71,133**	**109,999**	**18,118**	**199,250**
Additions through business acquisitions (Note 5a)	-	7,480	5,594	**13,074**
Additions	-	-	403	**403**
Foreign exchange effect	(384)	(277)	(75)	**(736)**
December 31, 2017	**70,749**	**117,202**	**24,040**	**211,991**
Accumulated amortization:				
December 31, 2015	**(57,075)**	**(48,025)**	**(7,209)**	**(112,309)**
Amortization	(6,247)	(11,440)	(1,431)	**(19,118)**
Foreign exchange effect	176	39	-	**215**
December 31, 2016	**(63,146)**	**(59,426)**	**(8,640)**	**(131,212)**
Amortization	(4,981)	(12,987)	(2,401)	**(20,369)**
Impairment (Note 10)	(986)	(8,735)	-	**(9,721)**
Foreign exchange effect	384	137	2	**523**
December 31, 2017	**(68,729)**	**(81,011)**	**(11,039)**	**(160,779)**
Net book value:				
December 31, 2017	**2,020**	**36,191**	**13,001**	**51,212**
December 31, 2016	**7,987**	**50,573**	**9,478**	**68,038**

9. GOODWILL

($000's)	Dec 31, 2017	Dec 31, 2016
Balance - beginning of year	**30,643**	11,127
Additions through business acquisitions (Note 5b)	**-**	19,516
Impairment of goodwill (Note 10)	**(19,516)**	-
Foreign exchange effect	**-**	-
Balance - end of year	**11,127**	**30,643**

The remaining carrying amount of goodwill at December 31, 2017 is allocated to the OS division (2016: $19.5 million to the PRD Division and $11.1 million to the OS Division).

10. IMPAIRMENT

The Corporation's non-current assets are tested for impairment in accordance with the accounting policy stated in note 2(h). The Corporation assesses at each reporting date whether there is an indication that an asset or CGU may be impaired. As a result of achieving lower than forecast results in 2017, the Corporation completed an impairment test at year end on the assets acquired from PetroLama in 2016 (refer to note 5(b)).

10. IMPAIRMENT (continued)

The Corporation used the value in use method to determine the recoverable amount of the assets acquired from PetroLama, including the crude oil terminal in Alida, Saskatchewan, and associated intangibles assets and goodwill. The cash flow projections included specific estimates for five years and a terminal valuation. The estimated cash flows were based on the 2017 run rate with revenue and margins increasing in correlation with anticipated oil and gas industry activity and oil price differentials over the following five years, and a terminal value thereafter was applied. The terminal valuation is determined based on management's estimate of the long-term compound growth rate of annual net earnings excluding depreciation, depletion, amortization and accretion, share-based compensation expense, interest, and taxes, consistent with the assumption that a market participant would make. The Corporation used a terminal growth rate of 3%. The discount rate used to calculate the net present value of cash flows is based on estimates of the Corporation's weighted average cost of capital, taking into account the nature of the assets being valued and their specific risk profile. The Corporation used a pre-tax discount rate range of 16.8%.

As a result of the impairment test performed, the Corporation is recognizing impairment of $29.2 million (2016: $nil) against the PRD division's goodwill ($19.5 million) and intangible assets ($9.7 million). The recoverable amount of the assets tested were assessed at $17.3 million, supporting the carrying value of the Alida facility's property, plant and equipment. The impairment charge has been recorded in the impairment line on the consolidated statements of comprehensive loss.

Assumptions that are valid at the time of preparing the cash flow projections may change significantly when new information becomes available. The estimated value in use for the assets tested are particularly sensitive to the following estimates:

- An increase of 1% in the pre-tax discount rate and a 1% decrease in the terminal growth rate would have increased the impairment by approximately $1.0 million and $0.7 million, respectively.

Regardless if any indicators of impairment are present, the Corporation must complete an annual impairment assessment for any CGU, or group of CGUs, whose net carrying value includes indefinite-life intangible assets or an allocation of goodwill. Secure completed this review as at December 31, 2017, which included impairment tests for the Corporation's OnSite division Projects and IFS CGUs. No impairment was recorded as a result of these impairment tests.

11. LONG-TERM BORROWINGS

($000's)	Dec 31, 2017	Dec 31, 2016
Amount drawn on credit facilities	300,000	209,000
Unamortized transaction costs	(1,592)	(958)
Total long-term borrowings	**298,408**	**208,042**
Credit facilities	600,000	700,000
Amount drawn on credit facilities	(300,000)	(209,000)
Letters of credit	(39,713)	(35,654)
Available amount	**260,287**	**455,346**

On June 30, 2017, Secure entered into a new $470 million first lien credit facility ("First Lien Facility") with a syndicate of ten financial institutions and Canadian Chartered banks. In addition, the Corporation entered into a new $130 million second lien credit facility ("Second Lien Facility") with a syndicate of three financial institutions and Canadian Chartered banks. The combined facilities total $600 million, replacing the

11. LONG-TERM BORROWINGS (continued)

Corporation's previous $700 million syndicated facility. The reduction in the total facilities allow the Corporation to optimize its debt structure to reduce costs associated with standby fees on undrawn amounts while maintaining target levels of liquidity.

The First Lien Facility consists of a four year $445 million revolving credit facility and a $25 million revolving operating facility with a maturity date of June 30, 2021. The First Lien Facility is secured by a $1 billion floating charge debenture and negative pledge from the Corporation creating a security interest over all of the Corporation's present and after acquired personal property and floating charge over all of its present and after acquired real property.

The First Lien Facility is subject to customary terms, conditions and covenants, including the following financial covenants:

- the senior debt to EBITDA ratio where EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortization, and is adjusted for non-recurring losses, any non-cash impairment charges and any other non-cash charges, and acquisitions is not to exceed 3.5 to 1.0,
- the total debt to EBITDA ratio is not to exceed 5.0 to 1.0, and
- the EBITDA to financing charges ratio is not less than 2.5 to 1.0.

Senior debt includes amounts drawn under the First Lien Facility and financial leases entered into by the Corporation, less cash balances in excess of $5 million. Total debt includes senior debt plus amounts drawn under the Second Lien Facility, and should the Corporation issue any unsecured notes in the future total debt would also include the principal amount of the notes. Financing charges are defined to include interest expense on total debt.

The Corporation also covenants the following:

- the aggregate principal amount of unsecured notes, if any, will not exceed $500 million, and
- the aggregate principal amount of any unsecured notes, principal amount outstanding under the First Lien Facility and the principal amount outstanding under Second Lien Facility will not exceed $800 million.

Amounts borrowed under the First Lien Facility will bear interest at the Corporation's option of either the Canadian prime rate plus 0.45% to 2.00% or the banker acceptance rate plus 1.45% to 3.00%, depending, in each case, on the ratio of senior funded debt to EBITDA.

The Second Lien Facility is a four year plus one month $130 million term credit facility with a maturity date of July 31, 2021. The Second Lien Facility is subject to customary terms, conditions and covenants, including financial covenants consistent with the First Lien Facility.

The security provided by the Corporation under the Second Lien Facility is the same as the First Lien Facility but is subordinate to the First Lien Facility lenders. As at December 31, 2017, the full amount of the $130 million Second Lien Facility was drawn.

The Corporation has entered into interest rate swaps to fix the interest rate at 5% for the first three years and 5.5% thereafter under the Second Lien Facility.

The two credit facilities are to be used for working capital, refinance pre-existing debt, for capital expenditures including permitted acquisitions, and for general corporate purposes.

In connection with obtaining the two credit facilities, the Corporation incurred transaction costs in the amount of $2.1 million, of which the unamortized amount is offset against the outstanding principal balance of the long-term borrowings.

12. ASSET RETIREMENT OBLIGATIONS

($000's)	Dec 31, 2017	Dec 31, 2016
Balance - beginning of year	**80,114**	85,987
Arising during the year through acquisitions and development activities	**10,052**	5,064
Revisions during the year	**(11,077)**	(9,612)
Accretion	**1,513**	1,508
Change in discount rate	**(1,552)**	(1,415)
Asset retirement obligations incurred	**(982)**	(598)
Foreign exchange effect	**(751)**	(820)
Balance - end of year	**77,317**	**80,114**

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 December 31, 2017 to be $77.3 million (December 31, 2016: $80.1 million) based on a total future liability of $117.1 million as at December 31, 2017 (December 31, 2016: $125.8 million). The Corporation used its risk-free interest rates of 1.7% to 2.7% (December 31, 2016: 0.7% to 2.9%) and an inflation rate of 2.0% to calculate the net present value of its asset retirement obligations at December 31, 2017 (December 31, 2016: 3.0%).

The Corporation expects to incur the majority of the costs over the next 25 years. The amount expected to be incurred within the next 12 months is related to the capping of a number of the Corporation's landfill cells and retirement of wells.

The Corporation has issued $30.7 million (December 31, 2016: $21.7 million) of performance bonds and $9.2 million (December 31, 2016: $10.9 million) for letters of credit issued by the Corporation's lenders in relation to the Corporation's asset retirement obligations.

13. SHAREHOLDERS' EQUITY

Authorized

Unlimited number of common voting shares of no par value.

Unlimited number of preferred shares of no par value, none of which have been issued.

	Number of Shares	Amount ($000's)
Balance, December 31, 2015	137,708,127	851,490
Options exercised	597,119	4,954
RSUs and CSUs exercised	502,189	-
Transfer from reserves in equity	-	9,536
Bought deal equity financing	19,550,000	149,513
Shares issued through DRIP	1,629,814	13,514
Shares issued as consideration for business acquisition	664,972	5,932
Share issue costs, net of tax	-	(4,906)
Balance at December 31, 2016	160,652,221	1,030,033
Options exercised	547,524	4,362
RSUs, PSUs and CSUs exercised	1,635,864	-
Transfer from reserves in equity	-	17,968
Shares issued through DRIP	326,998	3,353
Shares issued as consideration for business acquisition	189,965	1,789
Balance at December 31, 2017	**163,352,572**	**1,057,505**

13. SHAREHOLDERS' EQUITY (continued)

As at December 31, 2017, there were 1,508,564 common shares of the Corporation held in escrow in conjunction with the Corporation's business combinations (2016: 3,062,827).

Commencing with the June 2017 dividend, the Corporation increased the monthly dividend from $0.02 to $0.02125 per common share. Commencing with the January 2018 dividend, the Corporation further increased the monthly dividend from $0.02125 to $0.0225 per common share.

The Corporation declared dividends to holders of common shares for the year ended December 31, 2017 of $40.5 million (2016: $37.0 million). Of the dividends declared, $3.4 million were reinvested in additional common shares through the DRIP for the year ended December 31, 2017 (2016: $13.5 million). Commencing with the April 2017 dividend declaration, the Corporation suspended its Dividend Reinvestment Plan ("DRIP"). Shareholders participating in the DRIP at that time received cash dividends starting with the April 17, 2017 dividend payment date.

Subsequent to December 31, 2017, the Corporation declared dividends to holders of common shares in the amount of $0.0225 per common share payable on January 15, February 15, and March 15, 2018, for shareholders of record on January 1, February 1, and March 1, 2018, respectively.

14. SHARE-BASED COMPENSATION PLANS

The Corporation has share-based compensation plans (the "Plans") under which the Corporation may grant share options, RSUs, PSUs and CSUs to its employees and consultants. In addition the Corporation has a DSU plan for non-employee directors of the Corporation.

The aggregate number of common shares issuable pursuant to the exercise of options, RSUs, PSUs and CSUs granted under the Plans shall not exceed ten percent of the issued and outstanding common shares of Secure calculated on a non-diluted basis at the time of the grant.

At December 31, 2017, a total of 16.3 million common shares were reserved for issuance under the Corporation's Share Option Plan and Unit Incentive Plan ("UIP").

Share Option Plan

The exercise price of options granted under the Share Option Plan is calculated as the five day weighted average trading price of the common shares for the five trading days immediately preceding the date the options are granted. Options issued under the Share Option Plan have a term of five years to expiry and vest over a three year period starting one year from the date of the grant.

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

	Dec 31, 2017		Dec 31, 2016	
	Outstanding options	Weighted average exercise price ($)	Outstanding options	Weighted average exercise price ($)
Balance - beginning of year	7,209,139	13.17	8,608,870	12.88
Granted	50,000	11.48	20,000	8.23
Exercised	(547,524)	7.97	(597,119)	8.30
Expired	(337,778)	9.49	(196,802)	9.15
Forfeited	(219,912)	16.11	(625,810)	14.93
Balance - end of year	**6,153,925**	**13.71**	**7,209,139**	**13.17**
Exercisable - end of year	**4,534,175**	**15.07**	**4,057,215**	**14.18**

14. SHARE-BASED COMPENSATION PLANS (continued)

The following table summarizes information about share options outstanding as at December 31, 2017:

	Options outstanding			Options exercisable	
Exercise price ($)	Outstanding options	Weighted average exercise price ($)	Weighted average remaining term (years)	Outstanding options	Weighted average exercise price ($)
7.82 - 7.85	1,605,333	7.82	3.01	494,002	7.82
7.86 - 14.19	1,509,321	12.65	0.64	1,410,316	12.80
14.20 - 16.16	1,416,119	15.43	1.95	1,006,705	15.40
16.17 - 19.40	730,022	18.07	1.22	730,022	18.07
19.41 - 25.51	893,130	19.82	1.39	893,130	19.82
	6,153,925	**13.71**	**1.74**	**4,534,175**	**15.07**

Unit Incentive Plan

The Corporation has a UIP which allows the Corporation to issue RSUs, PSUs and CSUs that are redeemable for the issuance of common shares.

Unless otherwise directed by the Board of Directors, one third of each RSU grant vests and is redeemed on each of the first, second, and third anniversaries of the date of grant. RSUs terminate and cease to be redeemable on December 31st of the third year following the year in which the grant of the RSU was made.

The Corporation issues PSUs to senior management. 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.

In 2016, the Corporation allowed employees to elect to reduce the cash compensation paid to them in exchange for a grant of CSUs. CSUs granted vested in January of the following calendar year from which they were issued. Secure contributed an additional 20% to 35% of the CSU award in recognition of the time value of money of the delayed compensation. There were no CSU's granted in 2017.

DSU Plan

The Corporation has a DSU plan for non-employee members of the Board of Directors. Under the terms of the plan, DSUs awarded will vest immediately and will be settled in cash in the amount equal to the previous five day's weighted average price of the Corporation's common shares on the date the members of the Board of Directors specify upon the holder resigning from the Board of Directors.

The following table summarizes the units outstanding under the UIP and DSU Plan:

For the year ended December 31, 2017:	RSUs	PSUs	CSUs	DSUs
Balance - beginning of year	2,408,844	853,590	607,963	175,666
Granted	1,961,950	835,082	-	75,990
Reinvested dividends	86,637	41,536	1,144	6,649
Redeemed for common shares	(999,986)	(27,231)	(608,647)	-
Forfeited	(331,650)	(8,761)	(460)	-
Balance - end of year	3,125,795	1,694,216	-	258,305

For the year ended December 31, 2016:	RSUs	PSUs	CSUs	DSUs
Balance - beginning of year	1,348,879	154,708	-	113,010
Granted	1,844,850	677,850	606,282	58,070
Reinvested dividends	66,422	21,032	8,849	4,586
Redeemed for common shares	(500,897)	-	(1,292)	-
Forfeited	(350,410)	-	(5,876)	-
Balance - end of year	2,408,844	853,590	607,963	175,666

14. SHARE-BASED COMPENSATION PLANS (continued)

The fair value of the RSUs, PSUs, CSUs and DSUs issued is determined using the five day volume weighted average share price at the grant date.

As at December 31, 2017, $2.3 million (2016: $2.1 million) was included in accounts payable and accrued liabilities for outstanding DSUs and share-based compensation included in the statements of consolidated loss was an expense of $0.2 million for the year ended December 31, 2017 (2016: expense of $1.4 million).

Employee Share Ownership Plan

The Employee Share Ownership Plan ("ESOP") allows employees to contribute up to 20% of their base salaries to purchase common shares of Secure. The Corporation will match contributions, subject to certain limitations. Shares purchased for both the employee contributions and Corporation's matching contributions are purchased on the open market. The Corporation's matching expense for the year ended December 31, 2017 was $1.2 million (2016: $nil) and is recognized in either operating expenses or general and administrative expenses on the consolidated statements of comprehensive loss.

15. PER SHARE AMOUNTS

The following reflects the share data used in the basic and diluted loss per share computations:

	For the years ended	
	Dec 31, 2017	**Dec 31, 2016**
Weighted average number of shares for basic loss per share	**162,827,541**	154,625,869
Effect of dilution:		
Options, RSUs, PSUs and CSUs	**-**	-
Weighted average number of shares for diluted loss per share	**162,827,541**	**154,625,869**

The above calculation excludes the effect of all options, RSUs, PSUs and CSUs for the years ended December 31, 2017 and December 31, 2016 as they are considered to be anti-dilutive.

16. INCOME TAXES

($000's)	**Dec 31, 2017**	**Dec 31, 2016**
Current tax expense (recovery)		
Current year	**(4,878)**	(13,145)
Adjustments related to prior years	**62**	(24)
	(4,816)	(13,169)
Deferred tax expense (recovery)		
Current year	**11,104**	5,572
Adjustments related to prior years	**64**	(173)
	11,168	5,399
Total tax expense (recovery)	**6,352**	**(7,770)**

The income tax expense (recovery) differs from that expected by applying the combined federal and provincial income tax rates of 27% (2016: 27.0%) to loss before tax for the following reasons:

16. INCOME TAXES (continued)

($000's)	Dec 31, 2017	Dec 31, 2016
Loss before tax	(27,850)	(56,713)
Combined federal and provincial income tax rate	27.0%	27.0%
Expected combined federal and provincial income tax recovery	(7,520)	(15,313)
Foreign and other statutory rate differences	5,115	640
Non-deductible impairments	1,536	-
Share-based compensation	6,254	6,793
Non-deductible expenses	841	307
Adjustments related to prior years	126	(197)
Total tax expense (recovery)	**6,352**	**(7,770)**

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act significantly revising the U.S. federal income tax law affecting the Corporation's U.S. subsidiary resulting in a $4.3 million decrease to the Corporation's deferred tax asset at December 31, 2017, and is included in foreign and other statutory rate differences. This is primarily due to the reduction of the U.S. federal statutory tax rate from 35% to 21%.

The components of the net deferred tax asset related to the U.S. and the net liability related to Canada as at December 31, 2017 and 2016 are as follows:

($000's)	Dec 31, 2017	Dec 31, 2016
Deferred tax assets:		
Non-capital loss carry forwards	16,619	33,869
Property, plant and equipment	(18,082)	(35,444)
Goodwill and intangible assets	4,785	8,512
Asset retirement obligations	2,875	5,285
Other	651	1,160
	6,848	13,382
Deferred tax liabilities:		
Property, plant and equipment	(77,208)	(64,045)
Goodwill and intangible assets	14,512	5,297
Non-capital loss carry forwards	12,706	6,918
Asset retirement obligations	5,777	4,593
Share issue costs	2,132	3,123
Other	313	1,268
	(41,768)	(42,846)
Net deferred tax liabilities	(34,920)	(29,464)

Included above in the deferred tax assets are $114.0 million (2016: $113.6 million) of gross non-capital losses that can be carried forward to reduce taxable income in future years. The gross non-capital losses in the U.S. are $66.9 million (2016: $87.9 million) and expire between 2032 and 2036. The gross non-capital losses in Canada are $47.1 million (2016: $25.6 million) and expire between 2030 and 2037. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. The recognition involves the Corporation assessing when the deferred tax assets are likely to reverse, and a judgment as to whether or not there will be sufficient taxable income available to offset the tax assets when they do reverse. This assessment requires assumptions and assessments regarding future taxable income, and is therefore inherently uncertain.

The movements in the Corporation's temporary differences are as follows:

16. INCOME TAXES (continued)

($000's)	Dec 31, 2017	Dec 31, 2016
Movement in deferred tax balances during the year		
Net deferred tax liabilities at beginning of year	(29,464)	(24,463)
Recognized in profit or loss	(11,168)	(5,399)
Deferred tax liabilities from acquisitions	6,447	(1,082)
Foreign exchange adjustments and other	(735)	1,480
Net deferred tax liabilities	(34,920)	(29,464)

17. DIRECT EXPENSES

Included in direct expenses for the year ended December 31, 2017 is employee compensation and benefits of $95.9 million (2016: $74.2 million).

18. FINANCIAL INSTRUMENTS

Non-derivative financial instruments

Non-derivative financial instruments consist of cash, accounts receivable and accrued receivables, accounts payable and accrued liabilities, and long-term borrowings.

The carrying value of cash, accounts receivable and accrued receivables, and accounts payable and accrued liabilities is estimated to be their fair value. This is due to the fact that transactions which give rise to these balances arise in the normal course of trade, have industry standard payment terms and are of a short-term nature.

The Corporation's long term-borrowings are recorded at amortized cost using the effective interest rate method ("EIR"). Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest, accretion and finance costs on the consolidated statements of comprehensive loss. The fair value of long-term borrowings is based on pricing sourced from market data. The carrying value of long-term borrowings (excluding transaction costs) at December 31, 2017 and 2016 of $300.0 million and $209.0 million approximates fair values due to the variable interest rates applied to these facilities, which approximate market interest rates.

Derivative financial instruments

The Corporation periodically enters into derivative contracts in order to manage exposure to commodity price risk associated with sales, purchases and inventories of crude oil, natural gas liquids and petroleum products. The Corporation may also enter into derivative contracts to manage risk associated with foreign exchange movements on its estimated future net cash inflows denominated in U.S. dollars and interest rate risk. These risk management derivatives are a component of the Corporation's overall risk management program.

The following is a summary of the Corporation's risk management contracts outstanding:

18. FINANCIAL INSTRUMENTS (continued)

	December 31, 2017		December 31, 2016	
($000's)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Commodity futures	2,019	1,309	1,110	689
Commodity swaps	-	-	477	144
Commodity options	32	-	4	19
Foreign currency forwards	604	-	-	169
Interest rate swaps	1,845	-	-	-
	4,500	1,309	1,591	1,021

The changes in the fair value of the Corporation's risk management contracts are as follows:

($000's)	**Commodity Contracts**	**Foreign Currency Contracts**	**Interest Rate Swaps**	**Total**
Fair value of contracts outstanding at December 31, 2015	-	(75)	-	(75)
Fair value of contracts realized during the year	146	-	-	146
Changes in fair value during the year	593	(94)	-	499
Fair value of contracts outstanding at December 31, 2016	739	(169)	-	570
Fair value of contracts realized during the year	(3,032)	-	-	(3,032)
Changes in fair value during the year	3,085	773	1,845	5,703
Foreign exchange effect	(50)	-	-	(50)
Fair value of contracts outstanding at December 31, 2017	742	604	1,845	3,191

The impact of the movement in fair value of commodity derivative financial instruments has been included in revenue. The impact of the movement in fair value of foreign currency derivative financial instruments and interest rate derivative financial instruments have been included in interest, accretion and finance costs.

Fair value hierarchy

The table below analyses financial instruments by fair value hierarchy:

	December 31, 2017			
($000's)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Commodity futures	-	2,019	-	2,019
Commodity options	-	32	-	32
Foreign currency forwards	-	604	-	604
Interest rate swaps	-	1,845	-	1,845
	-	4,500	-	4,500
Financial liabilities:				
Long-term borrowings	-	300,000	-	300,000
Commodity futures	-	1,309	-	1,309
	-	301,309	-	301,309

18. FINANCIAL INSTRUMENTS (continued)

		December 31, 2016		
($000's)	Level 1	Level 2	Level 3	Total
Financial assets:				
Commodity futures	-	1,110	-	1,110
Commodity swaps	-	477	-	477
Commodity options	-	4	-	4
	-	1,591	-	1,591
Financial liabilities:				
Long-term borrowings	-	209,000	-	209,000
Commodity futures	-	689	-	689
Commodity swaps	-	144	-	144
Commodity options	-	19	-	19
Foreign currency forwards	-	169	-	169
	-	210,021	-	210,021

There were no transfers between levels in the hierarchy in the year ended December 31, 2017 (2016: nil).

Risk Management

The Corporation is exposed to a number of different risks arising from financial instruments. These risk factors include market risks (commodity price risk, foreign currency risk and interest rate risk), credit risk, and liquidity risk.

a) Market Risk

Market risk is the risk or uncertainty arising from market price movements and their impact on the future performance of the business.

i) Commodity price risk

The Corporation is exposed to changes in the price of crude oil, natural gas liquids, and oil related products, such as inventory purchased as base stock for drilling fluids. Crude oil prices have historically fluctuated widely and are affected by numerous factors outside of the Corporation's control. Crude oil prices are primarily based on West Texas Intermediate ("WTI") plus or minus a differential to WTI based on the crude oil type and other contributing market conditions. As part of normal operating activities, the Corporation is required to hold a certain amount of inventory in any given month.

In addition, changes in the prices of crude oil and natural gas can impact overall drilling activity and demand for the Corporation's products and services. In the DPS division, the Corporation purchases various minerals, chemicals, and oil-based products and is directly exposed to changes in the prices of these items.

The Corporation may use crude oil and NGL priced futures, options and swaps to manage the exposure to these commodities' price movements. These derivative financial instruments are not used for speculative purposes and are not designated as hedges.

The marketing contracts related to the purchase, sale and transportation of certain NGL products not designated as for 'own use' are considered derivatives for accounting purposes. The fair value of these contracts are initially recorded at fair value as either an asset or liability on the consolidated statement of financial position, and are subsequently remeasured at each period end, with the change in fair value recorded to Revenue.

The following table summarizes the impact to net loss from the Corporation's outstanding financial and physical derivative contracts resulting from a 10% change in crude oil and NGL prices, leaving all other variables constant.

18. FINANCIAL INSTRUMENTS (continued)

($000's)	Dec 31, 2017	Dec 31, 2016
Favourable 10% change	43	4
Unfavourable 10% change	(43)	(4)

The Corporation's profit or loss is also exposed to various risks from its physical oil purchase and resale trading activities. These risks depend on a variety of factors, including: changes in the prices of commodities; foreign exchange rates; changes in value of different qualities of a commodity; changes in the relationships between commodity prices and the contracts; physical loss of product through operational activities; disagreements over terms of deals and/or contracts; and pipeline apportionment. These risks are mitigated by the fact that the Corporation trades physical volumes, and the volumes are typically traded over a short period. The oil and gas producer forecasts or nominates crude oil volumes expected to be delivered to the Corporation's facilities in advance of the production month as part of normal oil and gas operations.

As part of the Corporation's processing, and facility operations, Secure will use net buy and net sell crude oil contracts for marketing and trading of crude oil. In addition, the Corporation has developed detailed policies, procedures and controls over the trading activities, which include oversight by experienced management.

The Corporation defines an "open position" as the difference between physical deliveries of all crude oil buy contracts, offset against the physical deliveries of all crude oil sales contracts. The open position is subject to commodity price risk. As a result, the Corporation's strategy is to reduce all open positions for any given month. The Corporation does hold open positions; however, these positions are closed within a relatively short period after the production month and therefore the overall exposure to the Corporation is significantly reduced. At December 31, 2017, the Corporation's open position was not significant.

ii) Foreign currency risk

Foreign currency risk is the risk that the value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Corporation's foreign currency risk arises from its purchase and sale of crude oil, working capital balances denominated in foreign currencies and on the translation of its foreign operations. Foreign currency risk on the purchase and sale of crude oil is mitigated as the majority of the activities occur in the same period, therefore foreign currency risk exposure is limited to crude oil held in inventory. The Corporation also has foreign currency risk arising from the translation of amounts receivable from and payable to its foreign subsidiary.

The Corporation also has loans that are considered to form part of the net investment and foreign exchange gains and losses are therefore recognized in the foreign currency translation reserve. The Corporation manages and mitigates foreign currency risk by monitoring exchange rate trends, forecasted economic conditions, and forward currency contracts.

The Corporation may enter into foreign currency forward contracts to manage the foreign currency risk that arises from the purchase and sale of crude oil in the PRD division. These derivative financial instruments are not used for speculative purposes and are not designated as hedges.

The following table summarizes the impact to net loss resulting from the Corporation's outstanding foreign currency contracts resulting from a 10% change in the Canadian dollar relative to the U.S. dollar, with all other variables held constant.

($000's)	Dec 31, 2017	Dec 31, 2016
Favourable 10% change	44	(12)
Unfavourable 10% change	(44)	12

18. FINANCIAL INSTRUMENTS (continued)

iii) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Corporation is exposed to interest rate risk as it has borrowed funds at variable interest rates on its First Lien credit facility. A 1% increase or decrease is used when management assesses changes in interest rate risk internally. If interest rates had been 1% higher/lower, and all other variables were held constant, the Corporation's consolidated net loss for the year would be approximately $1.8 million lower/higher for the year ended December 31, 2017 (2016: $1.5 million).

The Corporation has entered into interest rate swaps to mitigate the Corporation's exposure to interest rate fluctuations. The swaps fix the interest rate at 5% for the first three years and 5.5% thereafter on the Second Lien credit facility. These derivative financial instruments are not used for speculative purposes and are not designated as a hedges.

b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to meets its contractual obligations. The Corporation provides credit to its customers in the normal course of operations. This includes credit risk on trading activities as the Corporation is at risk for potential losses if the counterparties do not fulfill their contractual obligations. In order to mitigate collection risk, the Corporation assesses the credit worthiness of customers or counterparties by assessing the financial strength of the customers or counterparties through a formal credit process and by routinely monitoring credit risk exposures. In addition, the Corporation uses standard agreements that allow for the netting of exposures associated with a single counterparty. Where the Corporation has a legally enforceable right to offset, the amounts are recorded on a net basis.

A substantial portion of the Corporation's accounts receivable are with customers or counterparties involved in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices. Collection of these receivables could be influenced by economic factors affecting this industry. The carrying value of trade accounts receivable reflects management's assessment of the associated risks.

The following is a schedule of the Corporation's trade accounts receivable:

($000's)	Dec 31, 2017	Dec 31, 2016
Less than 30 days	167,656	122,503
31 to 60 days	40,081	19,573
61 to 90 days	12,608	5,469
Greater than 90 days	7,762	2,093
	228,107	149,638
Allowance for doubtful accounts	1,357	1,253

The balance of $167.7 million under 30 days includes $112.3 million of crude oil contracts settled as part of the trading activities for December 2017. The entire amount of $112.3 million is due from numerous counterparties and relates to crude oil payments, which as part of industry practice, are settled within 30 days of the production month. The remainder of accounts receivable and accrued receivables not included in the trade accounts receivable schedule above relates to accrued revenue and other non-trade receivables.

The counterparties noted above are approved by the Corporation's risk management committee in accordance with the Corporation's Energy Marketing Risk Policy relating to crude oil payments. The

18. FINANCIAL INSTRUMENTS (continued)

Corporation's credit exposure to any crude oil contracts settled is limited to transactions occurring over a 60 day period. Of the receivables relating to crude oil payments, approximately 93% are due from counterparties with a credit rating of B or higher.

The change in the allowance for doubtful accounts is as follows:

($000's)	Dec 31, 2017	Dec 31, 2016
Balance - beginning of year	1,253	1,673
Additional allowance	728	429
Amounts used	(336)	(801)
Foreign exchange effect	(288)	(48)
Balance - end of year	**1,357**	1,253

When determining whether amounts that are past due are collectible, management assesses the credit worthiness and past payment history of the counterparty, as well as the nature of the past due amount. The Corporation considers all amounts greater than 90 days to be past due. As at December 31, 2017, $7.8 million (2016: $2.1 million) of accounts receivable are past due and a provision of $1.4 million (2016: $1.3 million) has been established as an allowance for doubtful accounts. All other amounts past due are considered to be collectible.

The Corporation is also exposed to credit risk with respect to its cash. However, the risk is minimized as cash is held at major financial institutions.

Maximum credit risk is calculated as the total recorded value of cash, and accounts receivable and accrued receivables as at the date of the consolidated statement of financial position.

c) Liquidity risk

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 its liquidity reflects estimates, assumptions and judgments relating to current market conditions. As at December 31, 2017, the Corporation has $9.7 million in cash and $260.3 million in capacity on its revolving credit facilities (Note 11). The timing of cash outflows relating to financial liabilities, including estimated interest payments, are outlined in the table below:

($000's)	Due within 1 year	Between 1-5 years	Greater than 5 years
Accounts payable and accrued liabilities	256,528	-	-
Derivative liability	1,309	-	-
Finance lease obligations	5,598	6,101	-
Long-term borrowings [1]	11,465	327,991	-
	274,900	**334,092**	**-**

[1] Interest on First Lien Facility is estimated using Secure's average bankers acceptance rate for 2017. Interest on Second Lien Facility is estimated using rates consistent with the interest rate swaps as outlined in Note 11.

The Corporation anticipates that cash flows from operations, working capital, and other sources of financing will be sufficient to meet its debt repayments and obligations and will provide sufficient funding for anticipated capital expenditures.

19. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of the following:

($000's)	Dec 31, 2017	Dec 31, 2016
Current assets	405,408	301,197
Current liabilities	(266,003)	(161,373)
Amount drawn on credit facilities	300,000	209,000
Shareholders' equity	874,492	927,047
	1,313,897	1,275,871

The Corporation's objective in capital management is to ensure adequate sources of capital are available to carry out its planned capital program, while maintaining operational growth, payment of dividends and increased cash flow so as to sustain future development of the business and to maintain creditor and shareholder confidence. Management considers capital to be the Corporation's current assets less current liabilities, total amounts drawn on debt facilities and shareholders' equity as the components of capital to be managed.

The Corporation's overall capital management strategy remains unchanged in 2017. 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 and senior and total debt to adjusted EBITDA. The Corporation is subject to certain financial covenants in its credit facility. The Corporation is in compliance with all financial covenants. Management will manage its debt to maintain compliance with the various financial covenants contained within its long-term borrowings (Note 11).

20. RELATED PARTY DISCLOSURES

Transactions with key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel of the Corporation include its executive officers and the Board of Directors. In addition to the salaries and short-term benefits paid to the executive officers and fees paid to the directors, the Corporation also provides compensation under its share-based compensation plans and ESOP (Note 14).

The compensation related to key management personnel is as follows:

($000's)	Dec 31, 2017	Dec 31, 2016
Salaries and short-term employee benefits	6,476	2,213
Share-based compensation	7,718	7,384
	14,194	9,597

21. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

As at December 31, 2017

	Payments due by period			
($000's)	1 year or less	1-5 years	5 years and thereafter	Total
Finance leases	5,598	6,101	-	11,699
Operating leases	14,184	30,045	8,787	53,016
Crude oil transportation [1]	37,214	129,078	111,990	278,282
Inventory purchases	40,824	9,122	-	49,946
Capital commitments	40,981	-	-	40,981
Total contractual obligations	**138,801**	**174,346**	**120,777**	**433,924**

[1] Crude oil transportation includes rail car operating lease commitments and crude oil transportation volumes for pipeline throughput at certain pipeline connected full service terminals.

Finance lease commitments

The Corporation has entered into finance lease agreements for computer equipment, vehicles, and mobile equipment. The average lease term is three years (2016: three years). The Corporation's obligations under finance leases are secured by the related assets. Interest rates underlying finance lease obligations are fixed at respective contract rates.

Operating lease commitments

The Corporation has entered into operating land lease agreements for certain of the Corporation's facilities. In addition, the Corporation has entered into operating leases for office and warehouse spaces.

Crude oil transportation commitments

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

Inventory purchase commitments

The Corporation has inventory purchase commitments related to its minerals product plant in order to meet expected operating requirements.

Capital commitments

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

Fixed price contracts

In the normal course of operations, the Corporation enters into contracts that contain fixed selling prices within its OS division and therefore the Corporation is exposed to variability in input costs.

21. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES (continued)

Litigation

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

A Statement of Defence was filed by the Secure Defendants on November 10, 2008, after the Court ordered Tervita to provide further particulars of its claim. The Secure Defendants then filed an Amended Statement of Defence (the "Defence"), and the Corporation filed an Amended Counterclaim (the "Counterclaim"), on October 9, 2009. In their Defence, the Secure Defendants deny all of the allegations made against them. In its Counterclaim, the Corporation claims damages in the amount of $97.8 million against Tervita, alleging that Tervita has engaged in conduct constituting a breach of the Competition Act (Canada), unlawful interference with the economic relations of the Corporation and conspiracy, including conduct related to Tervita's acquisition of Complete Environmental Inc., the previous owner of the Babkirk landfill in northeast British Columbia.

The Corporation is a defendant and plaintiff in various other 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.

22. 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 described in Note 1. The Corporation also reports activities not directly attributable to an operating segment under Corporate. 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.

Year ended December 31, 2017	PRD division	DPS division	OS division	Corporate	Total
Revenue	1,999,159	205,833	123,216	-	2,328,208
Direct expenses	(1,842,442)	(166,568)	(95,482)	-	(2,104,492)
Operating margin	**156,717**	**39,265**	**27,734**	**-**	**223,716**
General and administrative expenses	(17,360)	(17,459)	(8,332)	(16,799)	(59,950)
Share-based compensation	-	-	-	(23,257)	(23,257)
Business development expenses	-	-	-	(6,800)	(6,800)
Depreciation, depletion and amortization	(83,980)	(22,037)	(11,478)	(1,116)	(118,611)
Interest, accretion and finance costs	(1,503)	-	-	(10,922)	(12,425)
Impairment	(29,237)	-	-	-	(29,237)
Other (expense) income	-	-	-	(1,286)	(1,286)
Earnings (loss) before tax	**24,637**	**(231)**	**7,924**	**(60,180)**	**(27,850)**

Year ended December 31, 2016	PRD division	DPS division	OS division	Corporate	Total
Revenue	1,215,717	111,329	83,017	-	1,410,063
Direct expenses	(1,108,524)	(95,516)	(63,180)	-	(1,267,220)
Operating margin	**107,193**	**15,813**	**19,837**	**-**	**142,843**
General and administrative expenses	(12,821)	(10,995)	(6,520)	(14,146)	(44,482)
Share-based compensation	-	-	-	(25,158)	(25,158)
Business development expenses	-	-	-	(5,401)	(5,401)
Depreciation, depletion and amortization	(77,231)	(21,288)	(13,286)	(1,207)	(113,012)
Interest, accretion and finance costs	(1,632)	-	-	(9,871)	(11,503)
Earnings (loss) before tax	**15,509**	**(16,470)**	**31**	**(55,783)**	**(56,713)**

As at December 31, 2017	PRD division	DPS division	OS division	Corporate	Total
Current assets	239,253	121,147	45,008	-	405,408
Property, plant and equipment	934,896	109,311	37,488	6,456	1,088,151
Intangible assets	6,422	41,367	3,423	-	51,212
Goodwill	-	-	11,127	-	11,127
Total assets	1,180,570	278,674	97,046	6,456	1,562,746
Current liabilities	214,144	29,536	22,323	-	266,003
Total liabilities	319,674	46,410	23,762	298,408	688,254

As at December 31, 2016	PRD division	DPS division	OS division	Corporate	Total
Current assets	182,694	91,971	26,532	-	301,197
Property, plant and equipment	871,286	100,575	33,256	6,873	1,011,990
Intangible assets	17,353	43,948	6,737	-	68,038
Goodwill	19,516	-	11,127	-	30,643
Total assets	1,090,849	249,876	77,652	6,873	1,425,250
Current liabilities	130,343	18,827	12,203	-	161,373
Total liabilities	239,086	36,725	14,350	208,042	498,203

22. OPERATING SEGMENTS (continued)

Geographical Financial Information

($000's)	Canada		US		Total	
Year ended December 31,	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**2,272,677**	1,371,513	**55,531**	38,550	**2,328,208**	1,410,063
As at December 31,						
Total non-current assets	**1,027,962**	963,321	**129,376**	160,732	**1,157,338**	1,124,053

CORPORATE INFORMATION

DIRECTORS

Rene Amirault - Chairman
Brad Munro (1) (2) (3)
David Johnson (2) (3) (4)
Daniel Steinke (4)
Kevin Nugent (1) (3)
Murray Cobbe (1) (2) (5)
Shaun Paterson (1) (4)

[1] Audit Committee
[2] Compensation Committee
[3] Corporate Governance Committee
[4] Health, Safety & Environment Committee
[5] Lead Director

STOCK EXCHANGE

Toronto Stock Exchange
Symbol: SES

AUDITORS

KPMG LLP
Calgary, Alberta

LEGAL COUNSEL

Bennett Jones LLP
Calgary, Alberta

LEAD BANKERS

ATB Financial
National Bank of Canada

TRANSFER AGENT AND REGISTRAR

Computershare
Calgary, Alberta

OFFICERS

Rene Amirault
President & Chief Executive Officer

Chad Magus
Executive Vice President & Chief Financial Officer

Corey Higham
Executive Vice President, Processing, Recovery & Disposal

George Wadsworth
Executive Vice President, Drilling & Production Services

David Mattinson
Executive Vice President, OnSite Services

Allen Gransch
Executive Vice President, Corporate Development

Daniel Steinke
Executive Vice President, New Ventures & Government Affairs

Brian McGurk
Executive Vice President, Human Resources & Strategy

Mike Mikuska
Executive Vice President, Commercial & Transportation

David Engel
Executive Vice President, Technical Services