SECURE energy services

Condensed Consolidated Financial Statements (unaudited)

For the three and six months ended June 30, 2017 and 2016

(Expressed in Canadian Dollars)

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Financial Position

($000's) (unaudited)	Notes	As at June 30, 2017	December 31, 2016
Assets			
Current assets			
Cash		20,261	3,432
Accounts receivable and accrued receivables		201,524	206,154
Current tax assets		17,848	14,768
Prepaid expenses and deposits		6,304	8,380
Inventories		58,467	68,463
		304,404	301,197
Property, plant and equipment	4	1,002,041	1,011,990
Intangible assets		67,641	68,038
Goodwill		30,643	30,643
Deferred tax assets		12,643	13,382
Total Assets		1,417,372	1,425,250
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		158,852	156,107
Asset retirement obligations		2,877	102
Finance lease liabilities		4,945	5,164
		166,674	161,373
Long-term borrowings	5	219,114	208,042
Asset retirement obligations		66,566	80,012
Finance lease liabilities		5,417	4,000
Onerous lease liabilities		1,345	1,930
Deferred tax liabilities		47,380	42,846
Total Liabilities		506,496	498,203
Shareholders' Equity			
Issued capital	6	1,053,166	1,030,033
Share-based compensation reserve	7	47,566	51,441
Foreign currency translation reserve		26,376	32,049
Deficit		(216,232)	(186,476)
Total Shareholders' Equity		910,876	927,047
Total Liabilities and Shareholders' Equity		1,417,372	1,425,250

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

SECURE ENERGY SERVICES INC.
Consolidated Statements of Comprehensive Loss

		For the three months ended June 30,		For the six months ended June 30,	
($000's except per share and share data) (unaudited)	**Notes**	**2017**	**2016**	**2017**	**2016**
Revenue		**584,324**	268,608	**1,034,913**	477,740
Operating expenses:					
Direct expenses		**546,492**	247,963	**940,074**	421,145
Depreciation, depletion and amortization		**26,678**	24,085	**52,370**	50,144
		573,170	272,048	**992,444**	471,289
General and administrative expenses		**15,093**	11,096	**28,375**	22,326
Share-based compensation		**5,563**	5,959	**11,737**	10,853
Business development expenses		**2,312**	1,303	**3,952**	2,951
		22,968	18,358	**44,064**	36,130
Operating loss		**(11,814)**	(21,798)	**(1,595)**	(29,679)
Interest, accretion and finance costs		**4,111**	2,578	**6,995**	6,428
Loss before tax		**(15,925)**	(24,376)	**(8,590)**	(36,107)
Current tax recovery		**(3,307)**	(8,555)	**(3,332)**	(11,245)
Deferred tax expense		**911**	4,860	**4,831**	5,885
		(2,396)	(3,695)	**1,499**	(5,360)
Net loss		**(13,529)**	(20,681)	**(10,089)**	(30,747)
Other comprehensive loss					
Foreign currency translation adjustment		**(3,869)**	(977)	**(5,673)**	(10,860)
Total comprehensive loss		**(17,398)**	(21,658)	**(15,762)**	(41,607)
Basic and diluted loss per common share	**6**	**(0.08)**	(0.13)	**(0.06)**	(0.21)
Weighted average shares outstanding - basic and diluted	**6**	**162,776,950**	158,437,296	**162,421,437**	149,226,219

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

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

($000's) (unaudited)	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		-	-	-	(10,089)	**(10,089)**
Dividends declared	**6**	-	-	-	(19,667)	**(19,667)**
Shares issued through dividend reinvestment plan ("DRIP")	**6**	3,353	-	-	-	**3,353**
Foreign currency translation adjustment		-	-	(5,673)	-	**(5,673)**
Exercise of options and share units	**6**	19,780	(15,418)	-	-	**4,362**
Share-based compensation		-	11,543	-	-	**11,543**
Balance at June 30, 2017		**1,053,166**	**47,566**	**26,376**	**(216,232)**	**910,876**
Balance at January 1, 2016		**851,490**	**37,194**	**36,403**	**(100,575)**	**824,512**
Net loss		-	-	-	(30,747)	(30,747)
Dividends declared		-	-	-	(17,777)	(17,777)
Shares issued through DRIP		5,755	-	-	-	5,755
Foreign currency translation adjustment		-	-	(10,860)	-	(10,860)
Bought deal equity financing		149,558	-	-	-	149,558
Share issue costs, net of tax		(4,830)	-	-	-	(4,830)
Issue of share capital for business acquisition		5,932	-	-	-	5,932
Exercise of options and restricted share units ("RSUs")		8,971	(6,622)	-	-	2,349
Share-based compensation		-	10,003	-	-	10,003
Balance at June 30, 2016		**1,016,876**	**40,575**	**25,543**	**(149,099)**	**933,895**

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

SECURE ENERGY SERVICES INC.
Consolidated Statements of Cash Flows

($000's) (unaudited)	Notes	For the three months ended June 30, 2017	2016	For the six months ended June 30, 2017	2016
Cash flows from (used in) operating activities					
Net loss		**(13,529)**	(20,681)	**(10,089)**	(30,747)
Adjustments for non-cash items:					
Depreciation, depletion and amortization		**26,678**	24,085	**52,370**	50,144
Interest, accretion and finance costs	5	**4,111**	2,578	**6,995**	6,428
Current and deferred tax expense (recovery)		**(2,396)**	(3,695)	**1,499**	(5,360)
Other non-cash income		**(37)**	(702)	**(30)**	(1,215)
Share-based compensation		**5,563**	5,959	**11,737**	10,853
Interest paid		**(3,074)**	(1,550)	**(5,306)**	(3,625)
Income taxes recovered (paid)		**60**	-	**252**	(1,784)
Funds from operations		**17,376**	5,994	**57,428**	24,694
Change in non-cash working capital		**23,184**	19,808	**26,174**	39,902
Asset retirement obligations incurred		**(505)**	(270)	**(519)**	(318)
Net cash flows from operating activities		**40,055**	25,532	**83,083**	64,278
Cash flows used in investing activities					
Purchase of property, plant and equipment		**(19,385)**	(12,863)	**(31,481)**	(34,352)
Business acquisition	3	**(30,303)**	(61,493)	**(30,303)**	(61,493)
Change in non-cash working capital		**2,130**	(1,450)	**(261)**	(8,065)
Net cash flows used in investing activities		**(47,558)**	(75,806)	**(62,045)**	(103,910)
Cash flows from (used in) financing activities					
Shares issued, net of share issue costs	6	**2,095**	1,562	**4,362**	145,301
Draw (repayment) on credit facility		**33,239**	57,000	**12,239**	(86,000)
Financing fees		**(1,061)**	-	**(1,061)**	-
Capital lease obligation		**(1,936)**	(3,018)	**(3,425)**	(6,537)
Dividends paid	6	**(9,967)**	(6,292)	**(16,314)**	(12,022)
Net cash flows from (used in) financing activities		**22,370**	49,252	**(4,199)**	40,742
Effect of foreign exchange on cash		**210**	(259)	**(10)**	37
Increase (decrease) in cash		**15,077**	(1,281)	**16,829**	1,147
Cash, beginning of period		**5,184**	7,291	**3,432**	4,863
Cash, end of period		**20,261**	6,010	**20,261**	6,010

The accompanying notes are an integral part of these condensed 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 services and products to upstream oil and natural gas companies operating in western Canada and in certain regions in the United States ("U.S.").

The processing, recovery and disposal services division ("PRD") owns and operates midstream infrastructure that provides processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. More specifically these services are clean oil terminalling and rail transloading, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service. The drilling 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, demolition and decommissioning, and reclamation and remediation of former wellsites, facilities, commercial and industrial properties, and environmental construction projects; 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; and Integrated Fluid Solutions ("IFS") which include water management, recycling, pumping and storage solutions.

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

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

Basis of Presentation

The condensed consolidated financial statements of Secure have been prepared by management in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB") in effect at the closing date of June 30, 2017. The condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2016.

These condensed 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. Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

These condensed consolidated financial statements were approved by Secure's Board of Directors on August 1, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

Significant Accounting Policies

The significant accounting policies adopted in the preparation of these condensed consolidated financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2016. Unless otherwise stated, these policies have been consistently applied to all periods presented.

Significant Estimates and Judgments

The timely preparation of the Corporation's condensed 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 include those related to the determination of cash generating units, depreciation, depletion and amortization, recoverability of assets, asset retirement obligations and accretion, other provisions and contingent liabilities, inventories, share-based compensation, deferred income taxes, provision for doubtful accounts, purchase price equations, and net investments in foreign subsidiaries. Readers are cautioned that the preceding list is not exhaustive and other items may also be affected by estimates and judgments.

3. BUSINESS ACQUISITION

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 acquired assets will be integrated into the DPS division's Production Chemicals service line.

The following summarizes the purchase price equation:

Balance, April 13, 2017	Amount ($000's)
Cash paid	30,303
	30,303

Balance, April 13, 2017	Amount ($000's)
Inventory	8,909
Prepaid expenses and deposits	163
Property, plant and equipment	14,792
Intangible assets (1)	9,127
Finance lease liabilities	(2,688)
	30,303

(1) Consists of customer relationships of $3.5 million and intellectual property of $5.6 million.

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

The Corporation incurred costs related to the acquisition 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.

4. PROPERTY, PLANT AND EQUIPMENT

During the three and six months ended June 30, 2017, $1.1 million and $2.6 million ($1.8 million and $3.7 million for the three and six months ended June 30, 2016) 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 three and six months ended June 30, 2017 was $nil ($0.1 million for the three and six months ended June 30, 2016).

In the first quarter of 2017, the Company revised the inflation rate used to estimate the asset retirement provision to 2% (previously 3%), which decreased the provision and property, plant and equipment by $12.5 million.

4. 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, 2016	36,838	108,687	1,080,473	129,552	36,762	**1,392,312**
Additions from business acquisition (Note 3)	-	3,707	7,616	2,786	683	**14,792**
Additions [1]	33,962	615	8,372	3,276	3,980	**50,205**
Change in asset retirement cost	-	-	(10,516)	-	-	**(10,516)**
Disposals	-	(18)	(1,065)	(2,330)	-	**(3,413)**
Transfers [1]	(16,551)	-	-	-	-	**(16,551)**
Foreign exchange effect	(3)	(721)	(4,989)	(541)	(39)	**(6,293)**
June 30, 2017	**54,246**	**112,270**	**1,079,891**	**132,743**	**41,386**	**1,420,536**
Accumulated depreciation and depletion:						
December 31, 2016	-	(23,583)	(290,010)	(47,761)	(18,968)	**(380,322)**
Depreciation and depletion	-	(1,888)	(30,100)	(6,923)	(2,889)	**(41,800)**
Disposals	-	5	488	1,588	-	**2,081**
Foreign exchange effect	-	108	1,205	206	27	**1,546**
June 30, 2017	**-**	**(25,358)**	**(318,417)**	**(52,890)**	**(21,830)**	**(418,495)**
Net book value:						
June 30, 2017	**54,246**	**86,912**	**761,474**	**79,853**	**19,556**	**1,002,041**
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.

5. LONG-TERM BORROWINGS

($000's)	June 30, 2017	Dec 31, 2016
Amount drawn on credit facilities	221,239	209,000
Unamortized transaction costs	(2,125)	(958)
Total long-term borrowings	**219,114**	**208,042**

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 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 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.

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.

5. LONG TERM BORROWINGS (continued)

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

In connection with obtaining the two new credit facilities, the Corporation incurred transaction costs in the amount of $2.1 million, of which the unamortized amount will be offset against the outstanding principal balance of the long-term borrowings. Unamortized costs relating to the previous credit facility were expensed in the three months ended June 30, 2017.

($000's)	June 30, 2017	Dec 31, 2016
Credit facilities	600,000	700,000
Amount drawn on credit facilities	(221,239)	(209,000)
Letters of credit	(40,120)	(35,654)
Available amount	**338,641**	**455,346**

6. SHAREHOLDERS' EQUITY

	Number of Shares	Amount ($000's)
Balance at December 31, 2016	160,652,221	1,030,033
Options exercised	547,524	4,362
RSUs, PSUs and CSUs exercised	1,422,417	-
Transfer from reserves in equity	-	15,418
Shares issued through DRIP	326,998	3,353
Balance at June 30, 2017	**162,949,160**	**1,053,166**

As at June 30, 2017, there were 2,386,654 common shares of the Corporation held in escrow in conjunction with the Corporation's business acquisitions (December 31, 2016: 3,062,827).

The Corporation declared dividends to holders of common shares for the three and six months ended June 30, 2017 of $10.0 million and $19.7 million (three and six months ended June 30, 2016: $9.5 million and $17.8 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.

Commencing with the June 2017 dividend, the Corporation increased the monthly dividend from $.02 to $.02125 per common share.

Subsequent to June 30, 2017, the Corporation declared dividends to holders of common shares in the amount of $.02125 per common share payable on July 17 and August 15, 2017 for shareholders of record on July 1 and August 1, 2017, respectively.

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

	For the three months ended		For the six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Weighted average number of shares for basic loss per share	162,776,950	158,437,296	162,421,437	149,226,219
Effect of dilution:				
Options, RSUs, PSUs and CSUs	-	-	-	-
Weighted average number of shares for diluted loss per share	**162,776,950**	**158,437,296**	**162,421,437**	**149,226,219**

6. SHAREHOLDERS' EQUITY (continued)

The above table excludes the effect of all options, RSUs and PSUs for the three and six months ended June 30, 2017 and June 30, 2016 as they are considered to be anti-dilutive.

7. SHARE-BASED COMPENSATION PLANS

The Corporation has share-based compensation plans (the "Plans") under which the Corporation may grant share options, restricted share units ("RSUs"), performance share units ("PSUs") and compensation share units ("CSUs") to its employees and consultants. In addition, the Corporation has a deferred share unit ("DSU") plan for non-employee directors of the Corporation. The terms of the Plans and aggregate number of common shares issuable remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2016.

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

	June 30, 2017		Dec 31, 2016	
	Outstanding options	Weighted average exercise price ($)	Outstanding options	Weighted average exercise price ($)
Balance - beginning of period	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	(55,125)	7.78	(196,802)	9.15
Forfeited	(51,917)	14.80	(625,810)	14.93
Balance - end of period	6,604,573	13.62	**7,209,139**	**13.17**
Exercisable - end of period	4,853,814	14.81	**4,057,215**	**14.18**

Unit Incentive and DSU Plans

The following table summarizes the units outstanding:

For the six months ended June 30, 2017:	RSUs	PSUs	CSUs	DSUs
Balance - beginning of period	2,408,844	853,590	607,963	175,666
Granted	1,715,189	641,502	-	75,990
Reinvested dividends	37,280	16,801	1,144	2,660
Redeemed for common shares	(786,539)	(27,231)	(608,647)	-
Forfeited	(108,833)	-	(460)	-
Balance - end of period	3,265,941	1,484,662	-	254,316

As at June 30, 2017, $2.3 million (December 31, 2016: $2.1 million) was included in accounts payable and accrued liabilities for outstanding DSUs. Share-based compensation included in the consolidated statements of comprehensive loss related to the DSUs was a recovery of $0.2 million and an expense of $0.2 million for the three and six months ended June 30, 2017, respectively ($0.1 million and $0.8 million expense for the three and six months ended June 30, 2016).

8. CONTRACTUAL OBLIGATIONS

As at June 30, 2017

($000's)	Payments due by period: 1 year or less	1-5 years	5 years and thereafter	Total
Finance leases	5,100	5,694	-	10,794
Operating leases	13,625	34,993	10,266	58,884
Crude oil transportation [1]	37,293	130,616	129,251	297,160
Inventory purchases	34,508	18,244	-	52,752
Capital commitments	10,350	-	-	10,350
Total contractual obligations	**100,876**	**189,547**	**139,517**	**429,940**

[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.

9. 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.

($000's)

Three months ended June 30, 2017	PRD division	DPS division	OS division	Corporate	Total
Revenue	529,230	33,921	21,173	-	584,324
Direct expenses	(497,661)	(31,878)	(16,953)	-	(546,492)
Operating margin	**31,569**	**2,043**	**4,220**	**-**	**37,832**
General and administrative expenses	(4,415)	(3,555)	(2,168)	(4,955)	(15,093)
Share-based compensation	-	-	-	(5,563)	(5,563)
Business development expenses	-	-	-	(2,312)	(2,312)
Depreciation, depletion and amortization	(17,690)	(5,794)	(2,939)	(255)	(26,678)
Interest, accretion and finance costs	(350)	-	-	(3,761)	(4,111)
Earnings (loss) before tax	**9,114**	**(7,306)**	**(887)**	**(16,846)**	**(15,925)**

Six months ended June 30, 2017	PRD division	DPS division	OS division	Corporate	Total
Revenue	906,576	84,389	43,948	-	1,034,913
Direct expenses	(835,190)	(70,745)	(34,139)	-	(940,074)
Operating margin	**71,386**	**13,644**	**9,809**	**-**	**94,839**
General and administrative expenses	(8,377)	(7,004)	(4,246)	(8,748)	(28,375)
Share-based compensation	-	-	-	(11,737)	(11,737)
Business development expenses	-	-	-	(3,952)	(3,952)
Depreciation, depletion and amortization	(35,087)	(10,668)	(5,983)	(632)	(52,370)
Interest, accretion and finance costs	(772)	-	-	(6,223)	(6,995)
Earnings (loss) before tax	**27,150**	**(4,028)**	**(420)**	**(31,292)**	**(8,590)**

9. OPERATING SEGMENTS (continued)

($000's) Three months ended June 30, 2016	PRD division	DPS division	OS division	Corporate	Total
Revenue	239,910	11,235	17,463	-	268,608
Direct expenses	(222,130)	(12,396)	(13,437)	-	(247,963)
Operating margin	**17,780**	**(1,161)**	**4,026**	**-**	**20,645**
General and administrative expenses	(2,750)	(2,380)	(1,583)	(4,383)	(11,096)
Share-based compensation	-	-	-	(5,959)	(5,959)
Business development expenses	-	-	-	(1,303)	(1,303)
Depreciation, depletion and amortization	(14,931)	(5,542)	(3,315)	(297)	(24,085)
Interest, accretion and finance costs	(359)	-	-	(2,219)	(2,578)
Loss before tax	**(260)**	**(9,083)**	**(872)**	**(14,161)**	**(24,376)**

Six months ended June 30, 2016	PRD division	DPS division	OS division	Corporate	Total
Revenue	395,481	46,442	35,817	-	477,740
Direct expenses	(351,818)	(42,123)	(27,204)	-	(421,145)
Operating margin	**43,663**	**4,319**	**8,613**	**-**	**56,595**
General and administrative expenses	(6,002)	(5,703)	(2,899)	(7,722)	(22,326)
Share-based compensation	-	-	-	(10,853)	(10,853)
Business development expenses	-	-	-	(2,951)	(2,951)
Depreciation, depletion and amortization	(31,129)	(11,393)	(6,998)	(624)	(50,144)
Interest, accretion and finance costs	(934)	-	-	(5,494)	(6,428)
Earnings (loss) before tax	**5,598**	**(12,777)**	**(1,284)**	**(27,644)**	**(36,107)**

($000's) As at June 30, 2017	PRD division	DPS division	OS division	Corporate	Total
Current assets	180,635	99,178	24,591	-	304,404
Property, plant and equipment	852,509	111,331	32,199	6,002	1,002,041
Intangible assets	14,896	47,666	5,079	-	67,641
Goodwill	19,516	-	11,127	-	30,643
Total assets	1,067,554	270,819	72,997	6,002	1,417,372
Current liabilities	136,104	18,706	11,864	-	166,674
Total liabilities	236,920	36,972	13,490	219,114	506,496

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

Geographical Financial Information

($000's)	Canada		US		Total	
Three months ended June 30,	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**572,311**	261,207	**12,013**	7,401	**584,324**	268,608
Six months ended June 30,	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**1,010,888**	459,577	**24,025**	18,163	**1,034,913**	477,740
As at June 30, 2017 and December 31, 2016						
Total non-current assets	**965,002**	963,321	**147,966**	160,732	**1,112,968**	1,124,053

10. SUBSEQUENT EVENT

On May 15, 2017, the Corporation announced that it had entered into an arrangement agreement to acquire all of the issued and outstanding common shares of Ceiba Energy Services Inc. ("Ceiba"), a service provider of stand-alone water disposal and oil treating facilities in western Canada (the "Ceiba Acquisition").

The Ceiba Acquisition closed on August 1, 2017 and added ten facilities that fit within, and add capacity to, Secure's existing PRD facility network. The additional 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 $35.5 million in cash and issued 189,965 common shares for a total transaction value of approximately $37.0 million, subject to working capital and post-closing adjustments.

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)

OFFICERS
Rene Amirault
President & Chief Executive Officer

Allen Gransch
Executive Vice President & Chief Financial Officer

Brian McGurk
Executive Vice President, Human Resources & Strategy

Corey Higham
Executive Vice President, Midstream

Daniel Steinke
Executive Vice President, Corporate Development

David Engel
Executive Vice President, Processing, Recovery & Disposal

David Mattinson
Executive Vice President, OnSite Services

George Wadsworth
Executive Vice President, Drilling & Production Services

[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

BANKERS
Alberta Treasury Branches

TRANSFER AGENT AND REGISTRAR
Computershare
Calgary, Alberta