

Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

SECURE ENERGY SERVICES INC.
Condensed Consolidated Statements of Financial Position

(\$000's) (unaudited)	Notes	As at	
		September 30, 2017	December 31, 2016
Assets			
Current assets			
Cash		2,943	3,432
Accounts receivable and accrued receivables		247,570	206,154
Current tax assets		3,525	14,768
Prepaid expenses and deposits		5,226	8,380
Inventories		64,712	68,463
		323,976	301,197
Property, plant and equipment	4	1,055,240	1,011,990
Intangible assets		66,312	68,038
Goodwill		30,643	30,643
Deferred tax assets		12,157	13,382
Total Assets		1,488,328	1,425,250
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		199,413	156,107
Asset retirement obligations		2,480	102
Finance lease liabilities		5,059	5,164
		206,952	161,373
Long-term borrowings	5	261,014	208,042
Asset retirement obligations		69,625	80,012
Finance lease liabilities		5,849	4,000
Onerous lease liabilities		1,237	1,930
Deferred tax liabilities		41,718	42,846
Total Liabilities		586,395	498,203
Shareholders' Equity			
Issued capital	6	1,056,839	1,030,033
Share-based compensation reserve	7	51,484	51,441
Foreign currency translation reserve		20,420	32,049
Deficit		(226,810)	(186,476)
Total Shareholders' Equity		901,933	927,047
Total Liabilities and Shareholders' Equity		1,488,328	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

(\$000's except per share and share data) (unaudited)	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2017	2016	2017	2016
Revenue		613,739	401,800	1,648,652	879,540
Operating expenses:					
Direct expenses		553,605	363,020	1,493,679	784,165
Depreciation, depletion and amortization		34,536	26,034	86,906	76,178
		588,141	389,054	1,580,585	860,343
General and administrative expenses		15,500	10,855	43,875	33,181
Share-based compensation		5,771	6,746	17,508	17,599
Business development expenses		1,322	1,185	5,274	4,136
		22,593	18,786	66,657	54,916
Operating income (loss)		3,005	(6,040)	1,410	(35,719)
Interest, accretion and finance costs		1,419	2,448	8,414	8,876
Income (loss) before tax		1,586	(8,488)	(7,004)	(44,595)
Current tax expense (recovery)		968	(448)	(2,364)	(11,693)
Deferred tax expense		797	81	5,628	5,966
		1,765	(367)	3,264	(5,727)
Net loss		(179)	(8,121)	(10,268)	(38,868)
Other comprehensive (loss) income					
Foreign currency translation adjustment		(5,956)	2,493	(11,629)	(8,367)
Total comprehensive loss		(6,135)	(5,628)	(21,897)	(47,235)
Basic and diluted loss per common share	6	0.00	(0.05)	(0.06)	(0.25)
Weighted average shares outstanding - basic and diluted	6	163,128,460	159,618,869	162,659,701	152,715,722

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		-	-	-	(10,268)	(10,268)
Dividends declared	6	-	-	-	(30,066)	(30,066)
Shares issued through dividend reinvestment plan ("DRIP")	6	3,353	-	-	-	3,353
Foreign currency translation adjustment		-	-	(11,629)	-	(11,629)
Issue of share capital for business acquisition	3	1,789	-	-	-	1,789
Exercise of options and share units	6	21,664	(17,302)	-	-	4,362
Share-based compensation		-	17,345	-	-	17,345
Balance at September 30, 2017		1,056,839	51,484	20,420	(226,810)	901,933
Balance at January 1, 2016		851,490	37,194	36,403	(100,575)	824,512
Net loss		-	-	-	(38,868)	(38,868)
Dividends declared		-	-	-	(27,348)	(27,348)
Shares issued through DRIP		9,765	-	-	-	9,765
Foreign currency translation adjustment		-	-	(8,367)	-	(8,367)
Bought deal equity financing		149,558	-	-	-	149,558
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")		10,964	(8,345)	-	-	2,619
Share-based compensation		-	16,662	-	-	16,662
Balance at September 30, 2016		1,022,803	45,511	28,036	(166,791)	929,559

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

SECURE ENERGY SERVICES INC.
Consolidated Statements of Cash Flows

		For the three months ended September 30,		For the nine months ended September 30,	
(\$000's) (unaudited)	Notes	2017	2016	2017	2016
Cash flows from (used in) operating activities					
Net loss		(179)	(8,121)	(10,268)	(38,868)
Adjustments for non-cash items:					
Depreciation, depletion and amortization		34,536	26,034	86,906	76,178
Interest, accretion and finance costs	5	1,419	2,448	8,414	8,876
Current and deferred tax expense (recovery)		1,765	(367)	3,264	(5,727)
Other non-cash income		(847)	(241)	(877)	(1,456)
Share-based compensation		5,771	6,746	17,508	17,599
Interest paid		(1,135)	(2,164)	(6,441)	(5,789)
Income taxes recovered		13,353	14,284	13,605	12,500
Funds from operations		54,683	38,619	112,111	63,313
Change in non-cash working capital		(51,462)	(21,361)	(25,288)	18,541
Asset retirement costs incurred		(357)	(215)	(876)	(533)
Net cash flows from operating activities		2,864	17,043	85,947	81,321
Cash flows (used in) from investing activities					
Purchase of property, plant and equipment		(53,972)	(12,889)	(85,453)	(47,241)
Business acquisitions	3	(24,266)	(26,735)	(54,569)	(88,228)
Change in non-cash working capital		31,322	1,224	31,061	(6,841)
Net cash flows used in investing activities		(46,916)	(38,400)	(108,961)	(142,310)
Cash flows from (used in) financing activities					
Shares issued, net of share issue costs	6	-	194	4,362	145,495
Draw (repayment) on credit facility		41,633	26,000	53,872	(60,000)
Financing fees		(1,062)	-	(2,123)	-
Capital lease obligation		(3,736)	(2,565)	(7,161)	(9,102)
Dividends paid	6	(10,399)	(5,561)	(26,713)	(17,583)
Net cash flows from financing activities		26,436	18,068	22,237	58,810
Effect of foreign exchange on cash					
		298	368	288	405
Decrease in cash		(17,318)	(2,921)	(489)	(1,774)
Cash, beginning of period		20,261	6,010	3,432	4,863
Cash, end of period		2,943	3,089	2,943	3,089

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

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2017 and 2016**

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 including facilities and pipelines providing processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. More specifically these services are clean oil terminalling, rail transloading, pipeline transportation, 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; 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.

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.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2017 and 2016**

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 September 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 November 9, 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.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2017 and 2016****3. BUSINESS 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.

The following summarizes the purchase price equations:

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

	Amount (\$000's)
Balance at acquisition date	
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.

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

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.

SECURE ENERGY SERVICES INC.
Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three and nine months ended September 30, 2017 and 2016
4. PROPERTY, PLANT AND EQUIPMENT

During the three and nine months ended September 30, 2017, \$1.6 million and \$4.2 million (\$0.4 million and \$4.1 million for the three and nine months ended September 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 nine months ended September 30, 2017 was \$0.1 million (\$0.1 million and \$0.2 million for the three and nine months ended September 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.

(\$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)	-	5,142	39,090	2,786	683	47,701
Additions ⁽¹⁾	92,774	878	20,006	6,050	4,701	124,409
Change in asset retirement cost	-	-	(13,943)	-	-	(13,943)
Disposals	-	(1,053)	(2,316)	(5,528)	(27)	(8,924)
Transfers ⁽¹⁾	(30,751)	-	-	-	-	(30,751)
Foreign exchange effect	(11)	(1,501)	(10,453)	(1,056)	(82)	(13,103)
September 30, 2017	98,850	112,153	1,112,857	131,804	42,037	1,497,701
Accumulated depreciation and depletion:						
December 31, 2016	-	(23,583)	(290,010)	(47,761)	(18,968)	(380,322)
Depreciation and depletion	-	(3,074)	(52,966)	(10,446)	(4,336)	(70,822)
Disposals	-	129	1,071	4,291	26	5,517
Foreign exchange effect	-	210	2,477	425	54	3,166
September 30, 2017	-	(26,318)	(339,428)	(53,491)	(23,224)	(442,461)
Net book value:						
September 30, 2017	98,850	85,835	773,429	78,313	18,813	1,055,240
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.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2017 and 2016****5. LONG-TERM BORROWINGS**

(\$000's)	Sept 30, 2017	Dec 31, 2016
Amount drawn on credit facilities	262,872	209,000
Unamortized transaction costs	(1,858)	(958)
Total long-term borrowings	261,014	208,042
Credit facilities	600,000	700,000
Amount drawn on credit facilities	(262,872)	(209,000)
Letters of credit	(56,683)	(35,654)
Available amount	280,445	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 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.

SECURE ENERGY SERVICES INC.**Notes to the Condensed Consolidated Financial Statements (unaudited)****For the three and nine months ended September 30, 2017 and 2016****5. LONG-TERM BORROWINGS (continued)**

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 September 30, 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 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 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. Unamortized costs relating to the previous credit facility were expensed in the three months ended June 30, 2017.

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	1,568,803	-
Transfer from reserves in equity	-	17,302
Shares issued through DRIP	326,998	3,353
Shares issued as consideration for business acquisition	189,965	1,789
Balance at September 30, 2017	163,285,511	1,056,839

As at September 30, 2017, there were 1,730,221 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 nine months ended September 30, 2017 of \$10.4 million and \$30.1 million (three and nine months ended September 30, 2016: \$9.5 million and \$27.3 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 \$0.02 to \$0.02125 per common share.

Subsequent to September 30, 2017, the Corporation declared dividends to holders of common shares in the amount of \$0.02125 per common share payable on October 16 and November 15, 2017 for shareholders of record on October 1 and November 1, 2017, respectively.

SECURE ENERGY SERVICES INC.
Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three and nine months ended September 30, 2017 and 2016
6. SHAREHOLDERS' EQUITY (continued)

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

	For the three months ended		For the nine months ended	
	Sept 30, 2017	Sept 30, 2016	Sept 30, 2017	Sept 30, 2016
Weighted average number of shares for basic loss per share	163,128,460	159,618,869	162,659,701	152,715,722
Effect of dilution:				
Options, RSUs, PSUs and CSUs	-	-	-	-
Weighted average number of shares for diluted loss per share	163,128,460	159,618,869	162,659,701	152,715,722

The above table excludes the effect of all options, RSUs and PSUs for the three and nine months ended September 30, 2017 and September 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:

	Sept 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	(96,301)	8.28	(196,802)	9.15
Forfeited	(119,728)	15.49	(625,810)	14.93
Balance - end of period	6,495,586	13.62	7,209,139	13.17
Exercisable - end of period	4,803,160	14.83	4,057,215	14.18

Unit Incentive and DSU Plans

The following table summarizes the units outstanding:

For the nine months ended Sept 30, 2017:	RSUs	PSUs	CSUs	DSUs
Balance - beginning of period	2,408,844	853,590	607,963	175,666
Granted	1,856,694	832,941	-	75,990
Reinvested dividends	62,524	28,470	1,144	4,657
Redeemed for common shares	(932,925)	(27,231)	(608,647)	-
Forfeited	(206,046)	-	(460)	-
Balance - end of period	3,189,091	1,687,770	-	256,313

As at September 30, 2017, \$2.2 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 an expense of \$nil and \$0.2 million for the three and nine months ended September 30, 2017 (\$0.1 million and \$0.9 million expense for the three and nine months ended September 30, 2016).

SECURE ENERGY SERVICES INC.
Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three and nine months ended September 30, 2017 and 2016
8. CONTRACTUAL OBLIGATIONS
As at September 30, 2017

(\$000's)	Payments due by period			Total
	1 year or less	1-5 years	5 years and thereafter	
Finance leases	5,396	5,883	-	11,279
Operating leases	13,219	32,509	9,784	55,512
Crude oil transportation ⁽¹⁾	36,866	128,574	119,922	285,362
Inventory purchases	50,818	11,403	-	62,220
Capital commitments	30,403	-	-	30,403
Total contractual obligations	136,702	178,369	129,706	444,776

⁽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 Sept 30, 2017					
	PRD division	DPS division	OS division	Corporate	Total
Revenue	517,156	60,041	36,542	-	613,739
Direct expenses	(478,559)	(46,895)	(28,151)	-	(553,605)
Operating margin	38,597	13,146	8,391	-	60,134
General and administrative expenses	(4,303)	(5,495)	(2,007)	(3,695)	(15,500)
Share-based compensation	-	-	-	(5,771)	(5,771)
Business development expenses	-	-	-	(1,322)	(1,322)
Depreciation, depletion and amortization	(25,970)	(5,586)	(2,698)	(282)	(34,536)
Interest, accretion and finance costs	(340)	-	-	(1,079)	(1,419)
Earnings (loss) before tax	7,984	2,065	3,686	(12,149)	1,586
Nine months ended Sept 30, 2017					
	PRD division	DPS division	OS division	Corporate	Total
Revenue	1,423,732	144,430	80,490	-	1,648,652
Direct expenses	(1,313,749)	(117,640)	(62,290)	-	(1,493,679)
Operating margin	109,983	26,790	18,200	-	154,973
General and administrative expenses	(12,680)	(12,499)	(6,253)	(12,443)	(43,875)
Share-based compensation	-	-	-	(17,508)	(17,508)
Business development expenses	-	-	-	(5,274)	(5,274)
Depreciation, depletion and amortization	(61,057)	(16,254)	(8,681)	(914)	(86,906)
Interest, accretion and finance costs	(1,112)	-	-	(7,302)	(8,414)
Earnings (loss) before tax	35,134	(1,963)	3,266	(43,441)	(7,004)

SECURE ENERGY SERVICES INC.
Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three and nine months ended September 30, 2017 and 2016
9. OPERATING SEGMENTS (continued)

(\$000's)					
Three months ended Sept 30, 2016	PRD division	DPS division	OS division	Corporate	Total
Revenue	352,309	26,824	22,667	-	401,800
Direct expenses	(324,962)	(21,617)	(16,441)	-	(363,020)
Operating margin	27,347	5,207	6,226	-	38,780
General and administrative expenses	(3,963)	(2,652)	(1,729)	(2,511)	(10,855)
Share-based compensation	-	-	-	(6,746)	(6,746)
Business development expenses	-	-	-	(1,185)	(1,185)
Depreciation, depletion and amortization	(17,596)	(5,030)	(3,132)	(276)	(26,034)
Interest, accretion and finance costs	(349)	-	-	(2,099)	(2,448)
Earnings (loss) before tax	5,439	(2,475)	1,365	(12,817)	(8,488)

Nine months ended Sept 30, 2016	PRD division	DPS division	OS division	Corporate	Total
Revenue	747,790	73,266	58,484	-	879,540
Direct expenses	(676,780)	(63,740)	(43,645)	-	(784,165)
Operating margin	71,010	9,526	14,839	-	95,375
General and administrative expenses	(9,965)	(8,355)	(4,628)	(10,233)	(33,181)
Share-based compensation	-	-	-	(17,599)	(17,599)
Business development expenses	-	-	-	(4,136)	(4,136)
Depreciation, depletion and amortization	(48,725)	(16,423)	(10,130)	(900)	(76,178)
Interest, accretion and finance costs	(1,283)	-	-	(7,593)	(8,876)
Earnings (loss) before tax	11,037	(15,252)	81	(40,461)	(44,595)

(\$000's)					
As at Sept 30, 2017	PRD division	DPS division	OS division	Corporate	Total
Current assets	174,909	114,602	34,465	-	323,976
Property, plant and equipment	907,008	110,424	32,074	5,734	1,055,240
Intangible assets	17,528	44,552	4,232	-	66,312
Goodwill	19,516	-	11,127	-	30,643
Total assets	1,118,959	281,736	81,899	5,734	1,488,328
Current liabilities	154,522	32,148	20,282	-	206,952
Total liabilities	254,512	49,265	21,604	261,014	586,395

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 Sept 30,	2017	2016	2017	2016	2017	2016
Revenue	600,403	392,826	13,336	8,974	613,739	401,800
Nine months ended Sept 30,	2017	2016	2017	2016	2017	2016
Revenue	1,611,292	852,403	37,360	27,137	1,648,652	879,540
As at Sept 30, 2017 and December 31, 2016						
Total non-current assets	1,027,112	963,321	137,240	160,732	1,164,352	1,124,053

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2017 and 2016

10. SUBSEQUENT EVENT

On November 9, 2017, Secure announced a 6% increase to its monthly dividend rate from \$0.02125 to \$0.0225 per common share commencing with the January 15, 2018 payment date for shareholders of record on January 1, 2018.

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2017 and 2016

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

BANKERS

Alberta Treasury Branches

TRANSFER AGENT AND REGISTRAR

Computershare

Calgary, Alberta

OFFICERS

Rene Amirault

President & Chief Executive Officer

Allen Gransch

Executive Vice President, Corporate Development

Chad Magus

Executive Vice President & Chief Financial Officer

Daniel Steinke

Executive Vice President, New Ventures & Government Affairs

Corey Higham

Executive Vice President, Processing, Recovery & Disposal

Brian McGurk

Executive Vice President, Human Resources & Strategy

George Wadsworth

Executive Vice President, Drilling & Production Services

Mike Mikuska

Executive Vice President, Commercial & Transportation

David Mattinson

Executive Vice President, OnSite Services

David Engel

Executive Vice President, Technical Services