

SECURE Energy Services Announces Development of a Feeder Pipeline System and Terminal

CALGARY, Sept. 5, 2017 /CNW/ - Secure Energy Services Inc. ("Secure" or the "Corporation") (TSX – SES) is pleased to announce further growth of its midstream infrastructure through the construction of a light oil feeder pipeline system and receipt terminal in the Kindersley-Kerrobert region of Saskatchewan. Developed over two phases, this system will gather crude oil from multiple oil producers and transport the product to a newly constructed, Secure owned and operated terminal and tankage. From the terminal, the product will be delivered onto the Enbridge mainline at Kerrobert, SK.

All provincial regulatory and permitting requirements for the terminal have been achieved and engineering is complete with major equipment ordered.

Phase 1 – Pipeline

Currently under construction, the gathering pipeline system is an eight inch diameter line stretching approximately 10 kilometres, terminating at Secure's existing Kindersley Full Service Terminal. The construction of this gathering pipeline is currently 50% complete.

Additional facilities will be tied in to this gathering line by way of small diameter, lateral pipelines. Each location will have a Lease Automatic Custody Transfer unit to facilitate measurement and quality control.

Phase 2 – Terminal & Pipeline

Phase 2 of the project includes a new terminal to be constructed southeast of Kerrobert which will include all infrastructure required for connection onto the Enbridge mainline. Initial site preparation and development has commenced.

Construction of a ten inch diameter pipeline stretching 27 kilometres is expected to begin by mid-October. This pipeline will initiate at a pump station that will be constructed adjacent to Secure's existing Kindersley Full Service Terminal and will terminate at the new Secure Kerrobert Terminal.

Strategic Rationale

As part of the Corporation's long-term growth strategy, Secure is expanding its midstream infrastructure by adding transportation and commercial related opportunities in an effort to provide additional services to its customers. The project supports our customers with ongoing operations in the Kindersley area of Saskatchewan.

Secure is pursuing the development of this greenfield project as a strategic partnership with key Viking light oil producers. Connection to the Enbridge mainline at Kerrobert as the downstream carrier will provide shippers access to eastern Canada and export markets.

This project is a direct result of our customer focused approach of providing value-added services.

"In our experience, we have seen the need for an enhanced business relationship between producers and midstream companies. Secure is creating value for our customers around transparent opportunities where both the producer and Secure participate in the risk and can share in the benefits of midstream assets," said Rene Amirault, Secure's Chief Executive Officer.

The feeder pipeline project includes area dedication and contracted volume on both an annual and cumulative term basis over 10 years. The total project cost is estimated to be approximately \$75 million. It is anticipated Secure will incur approximately \$50 million in capital costs in 2017, with the remainder in 2018. The pipeline is expected to be operational in the fourth quarter of 2018.

"We appreciate this significant investment made by Secure Energy Services in the Province of Saskatchewan," said Energy and Resources Minister Nancy Heppner. "This infrastructure expansion shows continued strength and resilience of the oil and gas sector."

The growth and development of Secure's transportation and commercial business will increase cashflow, increase asset value and contribute to the Canadian transportation system of oil and gas production. Safe, reliable, efficient and sustainable operations is a priority for Secure on the Kerrobert Light Oil Pipeline. Synergistic to existing Secure divisions, the transportation and commercial business captures production based revenue from the oil and gas industry.

ABOUT SECURE ENERGY SERVICES INC.

Secure is a TSX publicly traded energy infrastructure and services company that provides safe, innovative, efficient and environmentally responsible management of fluids and solids solutions to the oil and gas industry in Western Canada and certain regions in the United States ("U.S."). The Corporation operates three divisions:

Processing, Recovery and Disposal Division ("PRD"): The PRD division owns and operates midstream infrastructure including facilities and pipelines providing processing, storing, shipping and marketing of crude oil, oilfield waste disposal and recycling. The PRD division services include clean oil terminalling, rail transloading, pipeline transportation, crude oil marketing, custom treating of crude oil, produced and waste water disposal, oilfield waste processing, landfill disposal, and oil purchase/resale service. Secure currently operates a network of facilities throughout Western Canada and in North Dakota, providing these services at its full service terminals ("FST"), landfills, stand-alone water disposal facilities ("SWD") and full service rail facilities ("FSR").

Drilling and Production Services Division ("DPS"): The DPS division provides equipment and product solutions for drilling, completion and production operations for oil and gas producers in Western Canada. Drilling services focuses on providing products and systems that are designed for more complex wells, such as medium to deep wells, horizontal wells and horizontal wells drilled into the oil sands. Production services focuses on providing equipment and chemical solutions that optimize production, provide flow assurance and maintain the integrity of production assets.

Onsite Services Division ("OS"): The OS division provides services that include pipeline integrity services (inspection, excavation, repair, replacement and rehabilitation), demolition and decommissioning, reclamation and remediation of former wellsites, facilities, 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.

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