

SECURE Energy Services Announces New Credit Facilities Totaling \$600 Million

CALGARY, July 4, 2017 /CNW/ - Secure Energy Services Inc. ("Secure" or the "Corporation") (TSX – SES) is pleased to announce it has entered a new \$470 million first lien credit facility ("First Lien Facility") led by Alberta Treasury Branches ("ATB") with a syndicate of ten financial institutions and Canadian Chartered banks. In addition, the Corporation has entered into a new \$130 million second lien credit facility ("Second Lien Facility") led by National Bank of Canada with a syndicate of three financial institutions and Canadian Chartered banks. The combined facilities total \$600 million, and replace the Corporation's previous \$700 million syndicated facility. The reduction in the total facility allows 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 substantially all of the Corporation's assets and includes customary terms, conditions and covenants, including that the consolidated senior funded debt to EBITDA ratio does not exceed 3.5 to 1.0, the consolidated total funded debt to EBITDA ratio does not exceed 5.0 to 1.0 and the consolidated EBITDA to financing charges ratio is not less than 2.5 to 1.0. 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 consolidated 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 Corporation has entered into interest rate swaps to fix the interest rate at 5% for the first three years and 5.5% in the fourth year. The financial covenants are consistent with the First Lien Facility, and the security provided by the Corporation is the same as the First Lien Facility but is subordinate to the First Lien Facility lenders.

"The addition of a term facility to our capital structure creates the financial flexibility we require to continue our business strategy of adding production related services that deliver stable operating cash flow", said Allen Gransch, Chief Financial Officer of Secure, "These credit facilities also provide significant borrowing capacity while still maintaining a strong balance sheet."

NON-GAAP MEASURES

This press release contains references to EBITDA. This financial measure is not a measure that has any standardized meaning prescribed under International Financial Reporting Standards and is therefore referred to as non-GAAP measure. The non-GAAP measure used by the Corporation may not be comparable to a similar measure used by other companies. EBITDA is not a recognized measure under GAAP. Management believes that in addition to net income, EBITDA is a useful supplemental measure as it provides an indication of the results generated by the principal business activities prior to consideration of how those activities are financed or how the results are taxed. EBITDA is calculated as net income excluding depreciation, depletion and accretion, share-based payments, interest, and taxes. See the management's discussion and analysis available at www.sedar.com for a reconciliation of the Non-GAAP financial measures.

ABOUT SECURE ENERGY SERVICES INC.

Secure is a TSX publicly traded energy services company that provides safe, innovative, efficient and environmentally responsible fluids and solids solutions to the oil and gas industry. The Corporation owns and operates midstream infrastructure and provides environmental services and innovative products to upstream oil and natural gas companies operating 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 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. 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. The drilling service line comprises the majority of the revenue for the division which includes the design and implementation of drilling fluid systems for producers drilling for oil, bitumen and natural gas. The drilling service line 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. The production services line 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 operations of the OS division include 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.); 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.

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