

# NEWS RELEASE

## **SECURE ENERGY SERVICES INC. ANNOUNCES \$75 MILLION BOUGHT DEAL EQUITY FINANCING AND INCREASED 2012 CAPITAL EXPENDITURE PROGRAM**

### **NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES**

CALGARY, ALBERTA July 24, 2012 – Secure Energy Services Inc. ("Secure" or the "Corporation") (TSX – SES) announced today that it has entered into an agreement with a syndicate of underwriters co-led by Raymond James Ltd. and FirstEnergy Capital Corp. including National Bank Inc., CIBC World Markets, BMO Capital Markets, TD Securities Inc., Peters & Co. Limited and Paradigm Capital Inc. (the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 9,554,141 common shares (the "Common Shares") of the Corporation at a price of CDN\$ 7.85 (the "Offering Price") per Common Share for gross proceeds of approximately CDN\$ 75.0 million (the "Offering"). In addition, the Corporation will grant the Underwriters an over-allotment option, exercisable for a period of 30 days following closing of the Offering, to purchase up to 1,433,121 additional Common Shares at the Offering Price which if exercised in full would result in additional gross proceeds of approximately CDN\$ 11.2 million. The Common Shares will be issued pursuant to a short form prospectus to be filed by Secure in each of the provinces of Canada, and will also be offered for sale internationally pursuant to applicable registration or prospectus exemptions as permitted.

The proceeds of the Offering are expected to be used by the Corporation to fund a portion of the Corporation's increased 2012 organic capital budget of \$166 million, to fund the recent expansion of the Corporation's processing, recovery and disposal business into North Dakota and for working capital and general corporate purposes. Total capital, including approved organic capital and acquisitions to date, is approximately \$200 million. Closing of the Offering is anticipated to occur on or before August 14, 2012 and is subject to certain conditions, including all necessary regulatory approvals, including the approval of the Toronto Stock Exchange.

### **Increased 2012 Capital Budget**

Secure's board of directors has approved the addition of \$50 million to Secure's 2012 organic capital budget, increasing the budget from approximately \$116 million to approximately \$166 million.

All of the \$50 million addition to the 2012 organic capital budget will be allocated to the processing, recovery and disposal division ("PRD"); \$30 million will be used for additional growth capital and \$20 million for expansion capital. The growth capital will be used to purchase existing facilities, long lead items required for facilities to be constructed in 2013 and the construction of additional stand-alone water disposal facilities ("SWD") in 2012. The expansion capital will be used to expand the Obed and Dawson full service terminals ("FST") and for the construction of an additional cell at the Pembina Area Landfill.

Secure's increased 2012 capital budget is representative of the Corporation's aggressive expansion plans to invest in organic growth opportunities, recycling services and complimentary services at existing full service terminal locations. A portion of the proceeds from the Offering will be used to fund part of the increased 2012 capital budget; the Corporation intends to fund the remainder from cash flow from operations and the Corporation's credit facility. Consistent with the Corporation's approach to capital spending, Secure will respond accordingly to market dynamics and manage its expenditures to maintain its balance sheet strength in the future.

### **North Dakota Expansion**

On July 2, 2012 Secure expanded its PRD division into North Dakota through the acquisition from DRD Saltwater Disposal, LLC of two recently constructed fully operational SWD facilities serving the Bakken oil play. The total purchase price for these assets, including equity issued, was US\$29.9 million. The cash portion of Secure's aggregate acquisition cost was US\$20.9 million, which has been funded through Secure's credit facility. A portion of the proceeds of the Offering will be used to repay this indebtedness and permanently fund the acquisition. These facilities will eventually be expanded into FSTs as part of a long term North Dakota strategy to service the Corporation's customers.

### **About Secure Energy Services Inc.**

Secure is a TSX publicly traded energy services company that focuses on providing specialized services to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin.

The Corporation operates two divisions:

**Processing, Recovery and Disposal Division:** Operating under the trade name Secure Energy Services, the processing, recovery and disposal services division focuses on clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing, landfill disposal and oil purchase/resale service.

**Drilling Services Division:** Operating under the trade names Marquis Alliance and XL Fluids, the drilling services division focuses on drilling fluid systems, solids control, equipment rental service, drilling waste management and environmental services. The drilling fluids service line includes the design and implementation of drilling fluid systems for producers drilling for oil, bitumen and natural gas.

***This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the Common Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.***

## **Cautionary Statement Regarding Forward-Looking Information**

*Certain statements contained in this document constitute "forward-looking statements" within the meaning of securities laws, including the "safe harbor" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, as they relate to Secure, or its management, are intended to identify forward-looking statements. Such statements reflect the current views of Secure with respect to future events and operating performance and speak only as of the date of this document. In particular, this document contains forward-looking statements pertaining to: the anticipated date of closing of the Offering, the gross proceeds of the offering, the use of proceeds from the Offering, the amount of the increased 2012 capital budget, the allocation of the 2012 capital budget to growth and expansion capital, the intended use of the growth and expansion capital by the Corporation and the intention to develop full service terminals in North Dakota.*

*Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. We caution readers not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous unknown risks, uncertainties and other factors, many of which are beyond the control of Secure. These risks include, but are not limited to, the risks identified in Secure's Annual Information Form for the year ended December 31, 2011 under the heading "Risk Factors", in Secure's Management Discussion and Analysis for the three and twelve months ended December 31, 2011 and 2010 under the heading "Business Risks" and in Secure's Management Discussion and Analysis for the three months ended March 31, 2012 and 2011 under the heading "Business Risks" and also includes the risks associated with: failing to satisfy all conditions to closing the Offering; the possible failure to realize the anticipated benefits of the acquisition of the North Dakota assets; unexpected costs or liabilities related to the acquisition of the North Dakota assets; the expansion of the Corporation's business into North Dakota, a new operating jurisdiction for the Corporation; and the use of the proceeds of the Offering by the Corporation, which may differ from that described herein. The risks outlined above should not be construed as exhaustive. Although forward-looking statements contained in this document are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this document are expressly qualified by this cautionary statement. Unless otherwise required by law, Secure does not intend, or assume any obligation, to update these forward-looking statements.*

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