NEWS RELEASE

SECURE ENERGY SERVICES ANNOUNCES FOURTH QUARTER AND ANNUAL 2014 RESULTS

CALGARY, ALBERTA – March 3, 2015

Secure Energy Services Inc. ("Secure" or the "Corporation") (TSX – SES) today announced financial and operational results for the three and twelve months ended December 31, 2014. The following should be read in conjunction with the management's discussion and analysis ("MD&A"), the annual audited consolidated financial statements and notes of Secure which are available on SEDAR at www.sedar.com.

2014 FINANCIAL AND OPERATIONAL HIGHLIGHTS

Secure's three operating divisions were very active in 2014 resulting in adjusted EBITDA and adjusted EBITDA per share growth of 54% and 38% respectively, for the twelve months ended December 31, 2014. During the year Secure continued to focus on its core business strategies by constructing seven new PRD facilities in key markets, by completing eight strategic acquisitions that enhanced the Corporation's service offering and by providing services that continually exceed customer expectations. In addition to delivering operational excellence, the Corporation increased its credit facility from $400.0 million to $700.0 million adding considerable financial flexibility to manage through periods of low commodity pricing and muted industry activity.

The operating and financial highlights for the twelve month period ending December 31, 2014 can be summarized as follows:

	Twelve Months Ended December 31,		
($000's except share and per share data)	**2014**	**2013**	**2012**
Revenue (excludes oil purchase and resale)	**794,590**	541,947	392,192
Oil purchase and resale	**1,477,061**	950,593	637,248
Total revenue	**2,271,651**	1,492,540	1,029,440
Adjusted EBITDA [(1)]	**211,293**	137,512	99,624
Per share ($), basic	**1.77**	1.28	1.03
Per share ($), diluted	**1.73**	1.24	1.00
Net earnings	**30,651**	38,963	33,052
Per share ($), basic	**0.26**	0.36	0.34
Per share ($), diluted	**0.25**	0.35	0.33
Adjusted Net earnings [(1)]	**60,973**	38,318	33,052
Per share ($), basic	**0.51**	0.36	0.34
Per share ($), diluted	**0.50**	0.35	0.33
Funds from operations [(1)]	**210,531**	140,342	87,796
Per share ($), basic	**1.77**	1.30	0.91
Per share ($), diluted	**1.72**	1.27	0.88
Cash dividends per common share	**0.19**	0.10	nil
Capital Expenditures [(1)]	**400,806**	224,861	201,587
Total assets	**1,496,117**	1,039,725	767,911
Long term borrowings	**397,385**	159,931	122,810
Total long term liabilities	**522,557**	240,913	178,902
Common Shares - end of period	**121,367,451**	116,574,147	104,627,002
Weighted average common shares			
basic	**119,272,994**	107,747,722	96,388,929
diluted	**122,364,419**	110,586,896	99,362,698

[(1)] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

- **REVENUE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 INCREASED 47%**
  - PRD division revenue (excluding oil purchase/resale) for the twelve months ended December 31, 2014 increased $91.9 million from the 2013 comparative period. Processing and disposal volumes increased 29% and 66% over the prior year comparative period as higher activity resulted in increased demand for services and the addition of seven new facilities that were completed and commissioned during 2014 that all contributed to the increase. Recovery revenues increased as a result of a 47% increase in throughput at the Corporation's facilities and the ability of the Corporation to capitalize on crude oil marketing opportunities at its pipeline connected FSTs and rail transloading facilities;
  - DS division revenue for the twelve months ended December 31, 2014 increased $90.8 million from the 2013 comparative period. Drilling fluids revenue increased 23% as a result of achieving a market share of 32% for the twelve month period ended December 31, 2014 combined with an increase of 7% in meters drilled in Western Canada. The increase in meters drilled resulted in revenue per operating day increasing 19% over the 2013 comparative period to $7,657. Revenue from fluids and solids equipment contributed 67% to the increase in DS division revenues as a direct result of organic growth in the equipment fleet combined with increased utilization;
  - OS division revenue for the twelve months ended December 31, 2014 increased $69.9 million from the 2013 comparative period. The increase is a direct result of increased project work from new and existing customers, four strategic acquisitions completed allowing OS to provide new and innovative full service solutions for fluid handling, and higher equipment utilization throughout the twelve months ended December 31, 2014 resulting from favourable weather conditions and robust activity; and
  - Oil purchase and resale revenue in the PRD division for the twelve months ended December 31, 2014 increased $526.5 million from the 2013 comparative period. Increased pipeline capacity added at the Judy Creek FST in the third quarter of 2013, increased oil throughput at the Corporation's pipeline connected FSTs, and crude oil volumes shipped via rail all contributed to the increase. Oil purchase/resale service revenue and expenses are a direct offset however, the revenue and costs are expected to decrease significantly in 2015 as a result of the lower price of crude oil.
- **ADJUSTED EBITDA INCREASES 54%, ADJUSTED NET EARNINGS INCREASES 59% FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**
  - For the twelve months ended December 31, 2014, the increase in adjusted EBITDA and adjusted net earnings is attributable to continued strong demand for the Corporation's services and products in all three operating divisions including: the addition of new facilities in the PRD division, increased volumes at existing facilities and the ability to capitalize on crude oil marketing opportunities through midstream infrastructure; increase in revenue per operating day in the DS division while continuing to hold market share and grow the fluids and solids equipment service offerings; and continued increases posted in the OS division as favourable weather conditions facilitated the completion of projects throughout the period combined with the addition of acquired assets from four acquisitions executed for the twelve months ended December 31, 2014.
  - During the twelve months ended December 31, 2014, the Corporation recorded a goodwill impairment of $32.3 million to net earnings. As a result of the significant decline in commodity prices in the fourth quarter of 2014 and reduced capital budgets set by oil and gas producers, the Corporation tested all of its assets for impairment. Based on the impairment tests performed, the Corporation recorded a goodwill write down of $32.3 million for the twelve months ended December 31, 2014 resulting in a 21% decrease in net earnings.
- **FUNDS FROM OPERATIONS INCREASES 50% FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014**
  - The 50% increase for the twelve month period ended December 31, 2014 is directly attributable to the solid results achieved in all three of the Corporation's divisions driven by increased demand, completion of eight strategic acquisitions and robust industry conditions experienced throughout the majority of 2014.
- **2014 ORGANIC CAPITAL BUDGET**
  - Secure's initial 2014 capital budget of $225.0 million was subsequently increased to $275.0 million in the third quarter of 2014 to capitalize on the abundance of market opportunities that were in play. The capital budget of $275.0 million includes $20.0 million of carry over capital from 2013 projects related to the Kindersley, Edson, and Keene FSTs. Total capital expenditures for the twelve months ended December 31,

2014 totaled $296.0 million for both growth and expansion capital. The additional $21.0 million spent above the announced 2014 budget was directly related to pre-spend on 2015 projects for preliminary engineering, design, and long lead items as no carryforward amounts were included in the $275.0 million announced spend. Major expenditures include:

- 2013 carry over capital of the Kindersley FST that was completed and operational during the first quarter, and the Edson and Keene FSTs that were completed and operational during the second quarter;
- Growth capital consisting of three SWD conversions to FSTs and four new PRD facilities with construction commencing or completed in 2014:
  - Three SWD conversions to FSTs: Conversion of the Stanley, Brazeau and 13 Mile SWDs to FSTs. Stanley was completed and commissioned in the third quarter of 2014, Brazeau was commissioned late in the fourth quarter of 2014, and 13 Mile in the first quarter of 2015;
  - Two Full Service Rail ("FSR") facilities: Rycroft and Kindersley are the Corporation's first organic oil by rail facilities. The Rycroft facility will offer treating, storage, disposal and transloading services. Rycroft was commissioned and operational in the first quarter of 2015 and it is anticipated that Kindersley will be commissioned in the second quarter of 2015;
  - One FST and one Landfill: Tulliby Lake FST and Landfill is the Corporation's first heavy oil and production sand treating, and landfill facility. The Landfill was commissioned and operational near the end of the fourth quarter of 2014 and the FST in the first quarter of 2015;
- Construction and completion of an oil based mud blending plant in Fox Creek with operations commencing in July 2014; and
- Various rental equipment, equipment for onsite projects, and long leads for upcoming 2015 projects.

- Expansion capital expenditures included the following:
  - Landfill cells at South Grande Prairie, Saddle Hills, and 13 Mile. The additional cell capacity at South Grande Prairie and Saddle Hills was available in the fourth quarter of 2014, 13 Mile is anticipated to be complete in the first quarter of 2015;
  - Waste expansion at the South Grande Prairie FST was completed in the third quarter;
  - Additional disposal wells at the Obed and Drayton Valley FSTs were completed and commissioned in the fourth quarter of 2014;
  - Additional crude oil treater was constructed and commissioned at the Kindersley FST in the fourth quarter;
  - Purchase of an office in Grande Prairie to accommodate growth of the Corporation and consolidate all three divisions into one space; and
  - Completion of the DS division's new state of the art laboratory facility that opened in July 2014.

- **COMPLETION OF EIGHT STRATEGIC ACQUISTIONS**
  - Secure executed two acquisitions in the first quarter for total consideration of $29.2 million paid in cash and shares of the Corporation. Both acquisitions are in the OS division with assets that will grow the Corporation's integrated fluid solutions service line and establish an onsite market presence in the US.
  - During the second quarter, Secure executed three acquisitions for total consideration of $17.0 million paid in cash and shares of the Corporation: A mineral products plant located in Alberta, an environmental contracting business, and a drilling fluids business. The mineral products plant mainly processes barite which is a product used in drilling fluids. The mineral products plant allows Secure to vertically integrate the operations in the DS division to improve supply logistics and quality. The environmental contracting

business provides services relating to spill cleanup, pond construction, and contaminated soil excavation, stockpiling, treatment, transportation and disposal and will expand the service area of the OS division. The drilling fluids business provides additional drilling fluid systems for highly complex wells in the deep basin and key customer relationships.

- In the third quarter, Secure closed the acquisition of the assets of Predator Midstream Ltd. ("Predator") and the assets of a fluid handling company for a total consideration of $106.2 million comprised of cash and common shares. Predator was a private midstream company that owns and operates three rail transloading terminals in Alberta. Predator transloads crude oil from truck to rail, where rail cars are aggregated and subsequently sold to refineries. The acquisition added three operational rail sites and, combined with Secure's completion and commissioning of the Rycroft FSR in Q1 2015, will provide an immediate rail terminal network from which to build on. The other acquisition specializes in providing water pumping and frac pond setup services, and provides miscellaneous equipment for rent. The acquisition will expand the service area and assets of the OS division.
- Secure completed the acquisition of a private oilfield service company in the fourth quarter for total consideration of $6.8 million. The oilfield service acquisition adds proprietary technology.

- **FINANCIAL FLEXIBILITY**
  - During the third quarter, Secure entered into an amended and restated $700.0 million syndicated credit facility (the "Credit Facility") that consists of a $675.0 million extendible revolving term credit facility and a $25.0 million revolving operating facility. The Credit Facility can be expanded to $800.0 million through the exercise of an additional $100.0 million accordion feature, available upon request by the Corporation subject to review and approval by the lenders.
  - Secure's debt to trailing twelve month EBITDA ratio was 2.04 as of December 31, 2014 compared to 1.38 as of December 31, 2013.
  - As at December 31, 2014, the Corporation had $279.1 million available under its Credit Facility.
  - Secure's board of directors approved two dividend increases during 2014: a 33% increase effective April 1, 2014 and a 20% increase effective January 1, 2015.

FOURTH QUARTER HIGHLIGHTS

($000's except share and per share data)	Three Months Ended December 31, 2014	2013	% change
Revenue (excludes oil purchase and resale)	**224,523**	155,427	44
Oil purchase and resale	**353,561**	232,522	52
Total revenue	**578,084**	387,949	49
Adjusted EBITDA [1]	**55,980**	42,108	33
Per share ($), basic	**0.46**	0.38	21
Per share ($), diluted	**0.45**	0.37	22
Net earnings (loss)	**(13,659)**	11,545	(218)
Per share ($), basic	**(0.11)**	0.10	(210)
Per share ($), diluted	**(0.11)**	0.10	(210)
Adjusted Net earnings [1]	**14,553**	11,701	24
Per share ($), basic	**0.12**	0.11	9
Per share ($), diluted	**0.12**	0.10	20
Funds from operations [1]	**54,471**	42,374	29
Per share ($), basic	**0.45**	0.32	41
Per share ($), diluted	**0.44**	0.31	42
Cash dividends per common share	**0.05**	0.04	25
Capital Expenditures [1]	**101,853**	64,260	59
Total assets	**1,496,117**	1,039,725	44
Long term borrowings	**397,385**	159,931	148
Total long term liabilities	**522,557**	240,913	117
Common Shares - end of period	**121,367,451**	116,574,147	4
Weighted average common shares			
basic	**121,266,210**	110,706,772	10
diluted	**123,479,368**	113,700,987	9

[1] Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information

- **REVENUE FOR THE THREE MONTHS ENDED DECEMBER 31, 2014 INCREASED 44%**
  - PRD division revenue (excluding oil purchase/resale) for the three months ended December 31, 2014 increased $19.8 million from the 2013 comparative period. Processing and disposal volumes increased 13% and 46% respectively over the prior year comparative period as higher activity resulted in increased demand for services and the addition of eight new facilities that were completed and commissioned subsequent to or late in the fourth quarter of 2013 that all contributed to the increase. Recovery revenues increased due to a 15% increase in throughput at the Corporation's facilities;
  - DS division revenue for the three months ended December 31, 2014 increased $22.9 million from the 2013 comparative period. Drilling fluids revenue increased 21% resulting from a market share of 30% combined with an increase in oil based mud and steam-assisted gravity drainage ("SAGD") wells drilled requiring more costly drilling fluids. These factors drove the increase in revenue per operating day of 22% to $8,334 from the 2013 comparative period;
  - OS division revenue for the three months ended December 31, 2014 increased $26.3 million from the 2013 comparative period. An increase in projects work combined with the four strategic acquisitions completed since the fourth quarter of 2014 contributed to the increase; and
  - Oil purchase and resale revenue in the PRD division for the three months ended December 31, 2014 increased $121.0 million from the 2013 comparative period. Increased oil throughput at the Corporation's pipeline connected FSTs, and crude oil volumes shipped via rail contributed to the increase.

- **ADJUSTED EBITDA INCREASES 33%, ADJUSTED NET EARNINGS INCREASES 24% FOR THE THREE MONTHS ENDED DECEMBER 31, 2014**
    - For the three months ended December 31, 2014, the increase in adjusted EBITDA and adjusted net earnings over the 2013 comparative period, is a result of continued strong demand for the Corporation's services and products in all three operating divisions; the addition of new facilities in the PRD division, increased volumes at existing facilities; the increase in revenue per operating day in the DS division as wells drilled continue to be longer and deeper in reach requiring specialized drilling fluids; and significant growth in the OS division through diversifying the complimentary services offered and expanded geographical presence.
    - During the three months ended December 31, 2014, the Corporation recorded a goodwill impairment of $30.5 million to net earnings. As a result of the significant decline in commodity prices in the fourth quarter of 2014 and reduced capital budgets set by oil and gas producers, the Corporation tested all of its assets for impairment. Based on the impairment tests performed, the Corporation recorded a goodwill write down reducing net earnings in the fourth quarter of 2014 by $30.5 million.

PRD DIVISION OPERATING HIGHLIGHTS

	Three Months Ended December 31,			Twelve Months Ended December 31,		
($000's)	2014	2013	% Change	2014	2013	% Change
Revenue						
Processing, recovery and disposal services (a)	71,422	51,586	38	271,281	179,343	51
Oil purchase and resale service	353,561	232,522	52	1,477,061	950,593	55
Total PRD division revenue	424,983	284,108	50	1,748,342	1,129,936	55
Operating Expenses						
Processing, recovery and disposal services (b)	31,350	20,857	50	107,541	68,385	57
Oil purchase and resale service	353,561	232,522	52	1,477,061	950,593	55
Depreciation, depletion, and amortization	19,270	13,749	40	66,315	44,607	49
Total operating expenses	404,181	267,128	51	1,650,917	1,063,585	55
General and administrative	9,680	5,982	62	33,178	23,247	43
Total PRD division expenses	413,861	273,110	52	1,684,095	1,086,832	55
Operating Margin [1] [a-b]	40,072	30,729	30	163,740	110,958	48
Operating Margin [1] as a % of revenue (a)	56%	60%		60%	62%	

Twelve Months Ended December 31, 2014 highlights for the PRD division included:

- Processing: For the twelve months ended December 31, 2014, processing volumes increased 29% from the comparative period in 2013. The increase in volumes and revenue is a result of an increase in overall demand for the PRD division's services and the addition of new facilities and expansions at current facilities late in 2013 and throughout 2014 which include: completion of the Kindersley FST in December 2013, Edson and Keene FSTs in April 2014, Stanley FST in July 2014, and Brazeau FST in December 2014.
- Recovery: Revenue from recovery for the twelve months ended December 31, 2014 increased by 41% from the comparative period in 2013. The increase in recovery revenue for the twelve months ended December 31, 2014 is a result of the Corporation's ability to capitalize on crude oil marketing opportunities at its pipeline connected FSTs and rail transloading facilities, and a 47% increase in throughput at Secure facilities.
- Disposal: Secure's disposal volumes for the twelve months ended December 31, 2014 increased by 66% from the comparative period of 2013. The increase in volumes is related to increased demand and the addition of new facilities subsequent to the third quarter of 2013 which include: completion of the 13 Mile Landfill in North Dakota in October 2013; Saddle Hills Landfill in November 2013; the Keene SWD in North Dakota in November 2013, and the Tulliby Lake Landfill in November 2014.

- Oil purchase/resale service: Revenue from oil purchase and resale services for the twelve months ended December 31, 2014 increased 55% to $1,477.1 million from $950.6 million in the comparative period of 2013. The increase in the period is due to increased pipeline capacity added at the Judy Creek FST in the third quarter of 2013, increased oil throughput at the Corporation's pipeline connected FSTs, and increased crude oil volumes shipped via rail.

- Operating margin as a percentage of revenue for the twelve months ended December 31, 2014 was 60% compared to 62% in the comparative period of 2013. The 2% decrease for the twelve months ended December 31, 2014 is a direct result of a $2.0 million increase in trucking charges over the 2013 comparative period and one-time liner repairs at one of the Corporation's landfills of approximately $2.8 million. Increased trucking charges are driven by the following: moving crude oil from FSTs that are not pipeline connected to pipeline connected facilities, move crude oil to rail terminals, higher disposal volumes that result in increased solids transferred from the Corporation's FSTs to Landfills, and a disposal well at one of the Corporation's FSTs was temporarily shut down during the year resulting in trucking costs incurred to move volumes received to a nearby facility.
- General and administrative ("G&A") expenses for the twelve months ended increased 43% to $33.2 million from $23.2 million in the comparative period of 2013. The increase in G&A over the 2013 comparative period is a result of additional employees to support the opening of new facilities and organic growth at existing facilities both in Canada and the US, additional office space, and an increase in costs related to Secure's rebranding initiative in the second quarter of 2014.

Three months ended December 31, 2014 highlights for the PRD division include the following:

- Processing: For the three months ended December 31, 2014, processing volumes increased 13% from the comparative period in 2013. The increase in volumes and revenue is a result of an increase in overall demand for the PRD division's services combined with the addition of new facilities, and expansions at current facilities during or subsequent to the fourth quarter of 2013 which include: completion of the Kindersley FST in late December 2013, Edson and Keene FSTs in April 2014, Stanley FST in July 2014, and Brazeau FST in December 2014.
- Recovery: Revenue from recovery for the three months ended December 31, 2014 increased by 15% from the comparative period in 2013. The increase in recovery revenue for the three months ended December 31, 2014 is a result of the Corporation's ability to capitalize on crude oil marketing opportunities at its pipeline connected FSTs and rail transloading facilities, and a 40% increase in throughput at Secure facilities. The increase was offset by lower recovered oil revenue in the fourth quarter of 2014 compared to 2013 as a result of the lower price of oil.
- Disposal: Secure's disposal volumes for the three months ended December 31, 2014 increased by 46% from the comparative period of 2013. The increase in volumes is related to increased demand and the addition of new facilities during or subsequent to the fourth quarter of 2013 which include: completion of the 13 Mile Landfill in North Dakota in October 2013; Saddle Hills Landfill in November 2013; the Keene SWD in North Dakota in November 2013, and the Tulliby Lake Landfill in November 2014.
- Oil purchase/resale service: Revenue from oil purchase and resale services for the three months ended December 31, 2014 increased 52% to $353.6 million from $232.5 million in the comparative period of 2013. The increase in the period is due to increased oil throughput at the Corporation's pipeline connected FSTs, and increased crude oil volumes shipped via rail.
- Operating margin as a percentage of revenue for the three months ended December 31, 2014 was 56% compared to 60% in the comparative period of 2013. The 4% decrease for the three months ended December 31, 2014 is a direct result of one-time costs of $1.9 million for upfront commissioning costs associated with organic capital including integration of the acquired rail facilities in the third quarter, and an increase of $0.9 million of trucking costs over the 2013 comparative period driven by higher disposal volumes that result in increased solids transferred from the Corporation's FSTs to Landfills, and a disposal well at two of the Corporation's FSTs were temporarily shut down in the quarter resulting in trucking costs incurred to move volumes received to a nearby facility.
- G&A expenses for the three months ended December 31, 2014 increased 62% to $9.7 million from $6.0 million in the comparative period of 2013. Major drivers for the increase over the 2013 comparative period are an increase relating to additional employees to support the opening of new facilities and organic growth at existing facilities both in Canada and the US, and additional office space to accommodate growth.

DS DIVISION OPERATING HIGHLIGHTS

($000's)	Three Months Ended December 31, 2014	2013	% Change	Twelve Months Ended December 31, 2014	2013	% Change
Revenue						
Drilling services (a)	109,226	86,287	27	398,965	308,160	29
Operating expenses						
Drilling services (b)	82,448	62,506	32	299,739	230,400	30
Depreciation and amortization	6,134	5,104	20	22,139	17,762	25
Total DS division operating expenses	88,582	67,610	31	321,878	248,162	30
General and administrative	9,035	5,978	51	32,959	23,549	40
Total DS division expenses	97,617	73,588	33	354,837	271,711	31
Operating Margin [(1) (a-b)]	26,778	23,781	13	99,226	77,760	28
Operating Margin % [(1)]	25%	28%		25%	25%	

[(1)] **Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information**

Twelve months ended December 31, 2014 highlights for the DS division included:

- Revenue from the DS division for the twelve months ended December 31, 2014 increased 29% to $399.0 million from $308.2 million in the comparative period of 2013. The increase in revenue for the twelve months ended December 31, 2014 is the result of a combined 23% increase in the drilling fluids service line revenue and 67% increase in revenue for the fluids and solids control equipment service line from the comparative period in 2013.
- The drilling fluids service line revenue will fluctuate each quarter based on market share, meters drilled per well, and the type of wells drilled which in turn drives revenue per operating day. The DS division market share in Canada for the twelve months ended December 31, 2014 was 32%, consistent with the 2013 comparative period. Meters drilled per well increased by 7% over the 2013 comparative period. As meters drilled per well increases, wells become more technically challenging requiring more costly drilling fluids, resulting in higher product usages, increased probability of lost circulation events and a higher usage of specialty chemicals. The number of wells drilled that used oil based mud increased by 18% over the 2013 comparative period as a result of an increase in horizontal and directional drilling in which these muds are utilized. Oil based muds contribute higher revenue that drives increases in revenue per operating day.
- As a result of the factors noted above, revenue per operating day increased to $7,657 for the twelve months ended December 31, 2014 from $6,430 in the 2013 comparative period. Operating rig days for the twelve months ended December 31, 2014 were 41,209 compared to 39,991 in the 2013 comparative period.
- The fluids and solids equipment revenue is driven by the size of the available equipment fleet, utilization, and rental rates in any given period. The increase in the fluids and solids equipment revenue for the twelve months ended December 31, 2014 over the 2013 comparative period, is a direct result of organic growth in the centrifuge and tank fleet and increased utilization of the available equipment fleet.
- Operating margin for the twelve months ended December 31, 2014 was 25%, consistent with the 2013 comparative period. The margin for the twelve months ended was impacted by a higher proportion of sales volume relating to the purchase and sale of low margin oil based stock used in oil based drilling. In periods of increased activity in oil based drilling fluids, revenue and product costs increase accordingly resulting in decreased margins on a percentage basis. In addition, an inventory write-down of $1.4 million was taken in the fourth quarter as a result of the average cost of inventory held exceeding the realizable value. To offset this, a significant portion of the growth in revenues from the 2013 comparative period is due to organic growth of the fluids and solids equipment which has inherently higher margins as a rentals based business.
- G&A expense for the twelve months ended December 31, 2014 increased 40% to $33.0 million from $23.5 million in the comparative period of 2013. Major drivers for the twelve months ended December 31, 2014 over the 2013 comparative period are an increase in staffing costs to support the three strategic acquisitions executed in Canada during 2014 and to support the organic growth in both drilling fluids and fluids and solids control equipment in Canada and the US, and increased costs related to Secure's rebranding initiative in the second quarter.

Three months ended December 31, 2014 highlights for the DS division include the following:

- Revenue from the DS division for the three months ended December 31, 2014 increased 27% to $109.2 million from $86.3 million in the comparative period of 2013. The increase in revenue for the three months ended December 31, 2014 is the result of a combined 21% increase in the drilling fluids service line revenue and 47% increase in revenue for the fluids and solids equipment service line from the comparative period in 2013.
- The DS division market share in Canada for the three months ended December 31, 2014 was 30%, a decrease of 1% from the 2013 comparative period. Meters drilled by the DS division's customers increased by 8% over the 2013 comparative period. The number of wells drilled that used oil based mud increased by 4% over the 2013 comparative period resulting from an increase in horizontal and directional drilling in which these muds are utilized. In addition, the number of SAGD wells increased by 4% over the 2013 comparative period. SAGD wells are more complex and require more costly drilling fluids which contribute to increased revenue per operating day. As a result of the factors noted above, revenue per operating day increased to $8,334 for the three months ended December 31, 2014 from $6,857 in the 2013 comparative period.
- The increase in the fluids and solids equipment revenue for the three months ended December 31, 2014 over the 2013 comparative period is a direct result of organic growth in the centrifuge and tank fleet.
- Operating margins for the three months ended December 31, 2014 decreased to 25% from 28% in the 2013 comparative period. The decrease in margin is a direct result of a higher proportion of sales volume relating to the purchase and sale of low margin oil based stock used in oil based drilling. In periods of increased activity using oil based drilling fluids, revenue and product costs increase accordingly resulting in decreased margins on a percentage basis. In addition, headcount increased over the 2013 comparative period resulting from acquisitions and anticipated increased activity for the winter drilling season which impacted margins as December activity dropped significantly due to the decrease in oil prices and reduction in producer spending. In addition, an inventory write-down of $1.4 million was taken in the fourth quarter as a result of the average cost of inventory held exceeding the realizable value.
- G&A expense for the twelve months ended December 31, 2014 increased 51% to $9.0 million from $6.0 million in the comparative period of 2013. Major drivers for the three months ended December 31, 2014 over the 2013 comparative period are an increase in staffing costs to support the three strategic acquisitions executed in Canada during 2014 and to support the organic growth in both drilling fluids and fluids and solids equipment in Canada and the US.

OS DIVISION OPERATING HIGHLIGHTS

	Three Months Ended December 31,			Twelve Months ended December 31,		
($000's)	**2014**	**2013**	**% Change**	**2014**	**2013**	**% Change**
Revenue						
Onsite services (a)	**43,875**	17,554	150	**124,344**	54,444	128
Operating expenses						
Onsite services (b)	**33,335**	14,477	130	**91,869**	44,152	108
Depreciation and amortization	**3,110**	1,425	118	**10,532**	4,020	162
Total OS division operating expenses	**36,445**	15,902	129	**102,401**	48,172	113
General and administrative	**1,770**	1,484	19	**7,450**	5,784	29
Total OS division expenses	**38,215**	17,386	120	**109,851**	53,956	104
Operating Margin [(1) (a-b)]	**10,540**	3,077	243	**32,475**	10,292	216
Operating Margin % [(1)]	**24%**	18%		**26%**	19%	

[(1)] **Refer to "Non GAAP measures and operational definitions" and "Additional GAAP measures" for further information**

Twelve Months Ended December 31, 2014 highlights for the OS division included:

- Revenue for the twelve months ended December 31, 2014 increased 128% to $124.3 million from $54.4 million in the comparative period of 2013. The overall increase for the twelve months ended December 31, 2014 is a direct result of increased project work, the four acquisitions completed during 2014, and a shortened spring break-up compared to the prior year as work continued when their has typically been a slowdown.
- Projects revenue for the twelve months ended December 31, 2014 increased due to the acquisition completed in April 2014 which added a new geographic area and increased customer base. Additionally, there was an increase in remediation and reclamation projects, pipeline integrity and demolition projects completed that contributed to increased revenues combined with higher utilization of equipment as a result of favourable weather conditions and robust industry activity as compared to the 2013 period.
- IFS revenue increased for the twelve months ended December 31, 2014 as a direct result of the acquisition completed in the first quarter of 2014 combined with an additional acquisition completed in August 2014 which added a new geographic area, and an increased customer base. High equipment utilization, addition of new customers, and the increased offering of complimentary and in demand services, has positively impacted IFS. As the winter drilling season was extended due to a late spring break-up, demand for an integrated fluids solutions package remained strong throughout the period.
- Environmental services revenue increased for the twelve months ended December 31, 2014 as the CleanSite waste container services was in the start-up phase in the fourth quarter of 2013. The increase in the available fleet and customer demand has driven the growth in this service line.
- For the twelve months ended December 31, 2014, operating margins increased to 26% from 19% in the 2013 comparative period. The operating margin for the OS division is expected to fluctuate depending on the volume and type of projects undertaken and the blend of business between remediation and reclamation projects, demolition projects, pipeline integrity projects, site clean-up, and other services in any given period. The increase in margin over the 2013 comparative period is a result of an increase in remediation and reclamation projects, pipeline integrity, and demolition projects which contribute higher margins combined with the acquisition of two rentals based business' during 2014, which inherently achieve higher margins.
- G&A expenses for the twelve months ended December 31, 2014 increased 29% to $7.5 million from $5.8 million in the comparative period of 2013. G&A expenses increased due to the four acquisitions completed, an overall increase in activity and operations in the division, increased costs related to Secure's rebranding initiative in the second quarter of 2014, and costs associated with moving to a new OS division office. G&A is expected to fluctuate based on the growth of the division.

Three months ended December 31, 2014 highlights for the OS division include the following:

- Revenue for the three months ended December 31, 2014 increased 150% to $43.9 million from $17.6 million in the comparative period of 2013. The overall increase for the three months ended December 31, 2014 is a direct result of increased project and environmental work, in conjunction with the four acquisitions completed since the fourth quarter of 2013.
- Projects revenue for the three months ended December 31, 2014 increased due to the acquisition completed in April 2014 which added a new geographic area and increased customer base. Additionally, there was an increase in demolition projects completed that contributed to increased revenues combined with overall higher utilization of equipment.
- IFS revenue increased for the three months ended December 31, 2014 as a direct result of the acquisition completed in the first quarter of 2014 combined with an additional acquisition completed in the third quarter of 2014 which added a new geographic area, and an increased customer base. High equipment utilization, addition of new customers, and the increased offering of complimentary and in demand services, has positively impacted IFS in the quarter.

- Environmental services revenue increased for the three months ended December 31, 2014 as the CleanSite waste container service was in the start-up phase in the 2013 comparative period. The increase in the available fleet and customer demand has driven the growth in this service line. In addition, a large liner removal project was undertaken in the quarter contributing to increased revenue.
- For the three months ended December 31, 2014, operating margins increased to 24% from 18% in the 2013 comparative period. The operating margin for the OS division is expected to fluctuate depending on the volume and type of projects undertaken and the blend of business between remediation and reclamation projects, demolition projects, pipeline integrity projects, site clean-up, and other services in any given period. The increase in margin over the 2013 comparative period is a result of an increase in demolition projects and the liner removal project both of which contributed higher margins combined with the acquisition of two rentals based business' during 2014, which inherently achieve higher margins.
- G&A expenses for the three months ended December 31, 2014 increased 19% to $1.8 million from $1.5 million in the comparative period of 2013. G&A expenses increased due to the four acquisitions completed since the fourth quarter of 2013, an overall increase in activity and operations in the division, and costs associated with moving to a new OS division office.

OUTLOOK

The significant decrease in the price of crude oil and natural gas over the past few months and the continued volatility in pricing has significantly reduced the outlook for oil and gas industry activity. For 2015, the Corporation's customers have significantly reduced capital budgets in response to uncertainty in the price of crude oil and natural gas.

The Canadian Association of Oilwell Drilling Contractors ("CAODC") recently updated their 2015 forecast reporting active rigs will decline by at least 45% in 2015 compared to 2014. This decrease in active rigs and the corresponding reduction in meters drilled will have an impact on all three of Secure's operating divisions to varying degrees.

In response to the reduction in oil and gas activity, Secure has implemented a number of initiatives to streamline processes and achieve cost reductions where applicable. This includes analyzing our workforce in an effort to eliminate redundant roles and consolidate finance and operations where possible. In addition, Secure has reduced discretionary spending where it does not impact safety, operations and environmental performance. Overall, based on the reduced activity levels and the Corporation's cost reduction initiatives implemented, the potential impact on 2015 annual results on each operating division from 2014 actual results are as follows:

- In the PRD division we anticipate revenue to be consistent with 2014, with the potential to be above 2014 levels by 10%. Effectively, reduced drilling and completion activities and the decline in recovered oil sales due to lower crude oil prices is offset by the additional revenue and operating margin contribution from facilities commissioned in 2014 and early 2015. These new facilities and expansion capital represent the majority of investments made in 2014, which will continue to provide revenue growth in both 2015 and in 2016. In addition, revenue from production related activities represents approximately 70% of the revenue. As a result, revenue in the division is more stable during a period of lower drilling and completion activity. Operating margins in this division may be reduced depending on potential price discounts and lower drilling activity levels;
- Activity levels in the DS division are expected to decline proportionally to the reduced rig count projected for 2015. Therefore, the Corporation expects revenue to be down approximately 40% to 45% from 2014. In addition, operating margins will be impacted as a result of higher cost of goods sold and customer price discounts; and
- The OS division anticipates a reduction in project related activity, environmental services, water management, pumping and storage solutions services to be reduced by approximately 10% to 15% from 2014. The project related activity is not directly correlated to drilling and completion work, therefore the expectation is that the division will not be as impacted by the 45% drop in active rigs. The operating margin for the OS division may be reduced depending on the volume and type of projects undertaken and the blend of business between remediation and reclamation projects, demolition projects, pipeline integrity projects, and site clean-up.

While there is uncertainty as to the full impact of the reduced activity on each division, we are confident that Secure's focus on the customer will remain strong. Secure's customer strategy in 2015 includes:

- Continually working with our customers to lower their costs by providing them integrated solutions in order to streamline processes and achieve cost reductions by combining multiple services; and
- Leveraging on all three operating divisions to gain efficiencies for our customers for drilling, completion and production services.

Secure has considerable financial flexibility and remains well positioned to react to opportunities in the current environment. Secure has always maintained a strong financial position and will use that position of strength to take advantage of opportunities that may arise as a result of the downturn in the market. Secure is experiencing, as a result of this environment, increased demand for outsourcing and Secure customers divesting their facilities. This short term window allows Secure to seek out and evaluate opportunities that provide meaningful growth for both 2015 and 2016. As a result of these opportunities, the 2015 organic capital program has been revised from $225.0 million to a capital program ranging from $50.0 million to $150.0 million, with $50.0 million being the minimum committed capital for 2015. The range provided is not an indication of lost organic opportunities but rather the Corporation strategically delaying certain organic capital projects in lieu of potential accretive acquisition opportunities that may arise under current market conditions that would be considered complimentary to Secure's service offering.

The Corporation continues to develop visible growth opportunities for the business beyond 2015. The business development team will continue to advance certain organic projects and regulatory approvals to ensure they are project ready for later this year or early next year. This does not change the fact that Secure remains focused on the continued execution of its core business strategies; specifically investment in organic development of new facilities in underserviced markets. This will position Secure for continued market share growth, expand geographical presence, and find new and innovative ways that not only meet but exceed customer expectations.

During the first quarter of 2015, the Corporation commissioned the 13 Mile SWD conversion to an FST in North Dakota, and commissioned the Rycroft FSR. The Tulliby Lake FST is expected to be commissioned in early March.

Secure understands the importance of protecting and reducing the industry's impact on the environment. To that end, Secure remains committed to investing in new technologies to recycle and reduce waste resulting from oil and gas drilling and production. In 2014, Secure commenced trials on a technology that recovers hydrocarbons used in the drilling process and water recycling technology that will allow producers to recycle and reuse flowback water. Secure continues to assess the economic feasibility of both technologies and is excited about the results achieved to date.

Into 2015 and beyond, Secure will remain focused on the long-term strategy of the Corporation. Secure has the right people and service offerings to position the company for long-term growth and profitability combined with a strong balance sheet, that will provide Secure with financial flexibility to effectively manage the business through a period of lower commodity pricing and industry activity.

FINANCIAL STATEMENTS AND MD&A

The audited consolidated financial statements and MD&A of Secure for the three and twelve months ended December 31, 2014 are available immediately on Secure's website at www.secure-energy.com. The audited consolidated financial statements and MD&A will be available tomorrow on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements" and/or "forward-looking information" within the meaning of applicable securities laws (collectively referred to as forward-looking statements). 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 or implies forward-looking statements pertaining to: corporate strategy; goals; general market conditions; the oil and natural gas industry; activity levels in the oil and gas sector, including market fundamentals and the impact to each division on revenue and operating margins, drilling levels, commodity prices for oil, natural gas liquids ("NGLs") and natural gas; industry fundamentals for the first quarter of 2015; capital forecasts and spending by producers; demand for the Corporation's services; expansion strategy; the impact of the reduction in oil

and gas activity on 2015 activity levels; revenue and operating margin for the PRD, DS and OS divisions; the amount of the revised 2015 capital program; the amounts of the PRD, DS and OS divisions' proposed 2015 capital budgets and the intended use thereof; debt service; capital expenditures; completion of facilities; the impact of new facilities on the Corporation's financial and operational performance; future capital needs; access to capital; acquisition strategy; anticipated commissioning of the water recycling at South Grande Prairie FST, and anticipated commissioning of the Tulliby Lake FST; Rycroft FSR; and 13 Mile SWD conversion.

Forward-looking statements concerning expected operating and economic conditions are based upon prior year results as well as the assumption that increases in market activity and growth will be consistent with industry activity in Canada, and the United States and growth levels in similar phases of previous economic cycles. Forward-looking statements concerning the availability of funding for future operations are based upon the assumption that the sources of funding which the Corporation has relied upon in the past will continue to be available to the Corporation on terms favourable to the Corporation and that future economic and operating conditions will not limit the Corporation's access to debt and equity markets. Forward-looking statements concerning the relative future competitive position of the Corporation are based upon the assumption that economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, the regulatory framework regarding oil and natural gas royalties, environmental regulatory matters, the ability of the Corporation and its subsidiaries' to successfully market their services and drilling and production activity in North America will lead to sufficient demand for the Corporation's services and its subsidiaries' services including demand for oilfield services for drilling and completion of oil and natural gas wells, that the current business environment will remain substantially unchanged, and that present and anticipated programs and expansion plans of other organizations operating in the energy service industry will result in increased demand for the Corporation's services and its subsidiary's services. Forward-looking statements concerning the nature and timing of growth are based on past factors affecting the growth of the Corporation, past sources of growth and expectations relating to future economic and operating conditions. Forward-looking statements in respect of the costs anticipated to be associated with the acquisition and maintenance of equipment and property are based upon assumptions that future acquisition and maintenance costs will not significantly increase from past acquisition and maintenance costs.

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. Readers are cautioned 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, including but not limited to those factors referred to and under the heading "Business Risks" and under the heading "Risk Factors" in the Corporation's annual information form ("AIF") for the year ended December 31, 2014. 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.

Non GAAP Measures and Operational Definitions

(1) The Corporation uses accounting principles that are generally accepted in Canada (the issuer's "GAAP"), which includes, International Financial Reporting Standards ("IFRS"). These financial measures are Non-GAAP financial measures and do not have any standardized meaning prescribed by IFRS. These non-GAAP measures used by the Corporation may not be comparable to a similar measures presented by other reporting issuers. See the management's discussion and analysis available at www.sedar.com for a reconciliation of the Non-GAAP financial measures and operational definitions. These non-GAAP financial measures and operational definitions are included because management uses the information to analyze operating performance, leverage and liquidity. Therefore, these non-GAAP financial measures and operational definitions should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

ABOUT SECURE ENERGY SERVICES INC.

SECURE is a TSX publicly traded energy services company that provides safe and environmentally responsible fluids and solids solutions to the oil and gas industry.

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. 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, landfills, stand-alone water disposal facilities, and rail transloading facilities.

Drilling Services Division ("DS"): The DS division provides equipment and chemicals for building, maintaining, processing and recycling of drilling and completion fluids. The drilling fluids 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 DS division 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.

On Site Division ("OS"): The operations of the OS division include environmental services which provide pre-drilling assessment planning, drilling waste management, remediation and reclamation assessment services, laboratory services, and "CleanSite" waste container services; integrated fluid solutions which include water management, recycling, pumping and storage solutions; and 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.

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