

NEWS RELEASE

SECURE ENERGY SERVICES ANNOUNCES A 33% DIVIDEND INCREASE FOLLOWING A 38% INCREASE IN EBITDA FOR THE YEAR ENDED DECEMBER 31, 2013

CALGARY, ALBERTA – March 6, 2014

Secure Energy Services Inc. ("Secure" or the "Corporation") (TSX – SES) today announced financial and operational results for the three months and year ended December 31, 2013. 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.

2013 FINANCIAL AND OPERATIONAL HIGHLIGHTS

During 2013, Secure continued to execute on its corporate strategy to deliver solid operational and financial performance resulting in record results both on a quarterly and year to date basis. For the year ended December 31, 2013, revenue (excluding oil purchase and resale) and EBITDA increased 38% to \$541.9 million and \$137.5 million respectively, while total assets increased 35% to \$1,039.7 million over the year ended December 31, 2012, reflecting the continued focus on organic growth and expansion initiatives combined with the execution of strategic acquisitions to strengthen the value chain of services offered by the Corporation. The increase was driven by the commissioning of six new facilities during 2013 and the Rocky Mountain and Judy Creek FSTs that were part of the 2012 capital program in the Processing, Recovery and Disposal ("PRD") division; a 19% increase in revenue per operating day, and an increased rental fleet including the acquisition of Target in the Drilling Services Division ("DS"); and the acquisition of Frontline in the OnSite Services ("OS") division. As a result of the strong performance for the year, a strong balance sheet and stable cash flows, the board of directors have approved an increase to the dividend of \$0.05 per share to \$0.20 per share on an annualized basis.

The operating and financial highlights for the year ended December 31, 2013 are summarized as follows:

(\$000's except share and per share data)	Three Months Ended December 31,			Year Ended Dec 31,		
	2013	2012	% change	2013	2012	% change
Revenue (excludes oil purchase and resale)	155,427	108,356	43	541,947	392,192	38
Oil purchase and resale	232,522	170,501	36	950,593	637,248	49
Total revenue	387,949	278,857	39	1,492,540	1,029,440	45
EBITDA ⁽¹⁾	42,108	28,360	48	137,512	99,624	38
Per share (\$), basic	0.38	0.27	41	1.28	1.03	24
Per share (\$), diluted	0.37	0.26	42	1.24	1.00	24
Net earnings	11,545	10,634	9	38,963	33,052	18
Per share (\$), basic	0.10	0.10	-	0.36	0.34	6
Per share (\$), diluted	0.10	0.10	-	0.35	0.33	7
Funds from operations ⁽¹⁾	35,339	24,785	43	121,014	87,796	38
Per share (\$), basic	0.32	0.24	33	1.12	0.91	23
Per share (\$), diluted	0.31	0.23	35	1.09	0.88	24
Cash dividends per common share	0.04	nil	100	0.10	nil	100
Capital Expenditures ⁽¹⁾	64,260	67,604	(5)	224,861	201,587	12
Total assets	1,039,725	767,911	35	1,039,725	767,911	35
Long term borrowings	159,931	122,810	30	159,931	122,810	30
Total liabilities	240,913	178,902	35	240,913	178,902	35
Common Shares - end of period	116,574,147	104,627,002	11	116,574,147	104,627,002	11
Weighted average common shares						
basic	110,706,772	104,530,375	6	107,747,722	96,388,929	12
diluted	113,700,987	107,456,318	6	110,586,896	99,362,698	11

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

FULL YEAR REVENUE INCREASES

- Revenue (excluding oil purchase and resale) of \$541.9 million for the year ended December 31, 2013 increased 38% compared to 2012.
 - PRD division revenue (excluding oil purchase/resale) for the year ended December 31, 2013 increased 43% compared to 2012. Revenue increased as a result of increased demand and new facility additions and expansions including five facilities in Canada and three in North Dakota. Crude oil marketing revenue increased 131% for the year ended December 31, 2013 compared to the prior year as a result of increased throughput at the Corporation's pipeline connected full service terminals ("FSTs"), the Corporation's ability to capitalize on market spread differential opportunities (including maximizing crude oil marketing opportunities available by shipping crude oil via rail), and the Judy Creek FST becoming pipeline connected in the third quarter of 2013.
 - DS division revenue of \$308.2 million increased 27% compared to 2012. Drilling Fluids Canadian market share increased from 29% to 32% and revenue per operating day increased by 19% from 2012. Overall there was higher field activity as meters drilled in Canada increased by 4% for the year ended December 31, 2013 compared to the prior year as reported by the Canadian Association of Drilling Contractors ("CAODC"). The acquisition of Target in the second quarter increased the rental fleet and contributed to an increase of 31% in rental revenue for the year.
 - OS division revenue of \$54.4 million for the year ended December 31, 2013 increased by 131% over 2012. The acquisition of Frontline on April 1, 2013 significantly contributed to the increase in revenues combined with a 29% increase in environmental projects completed, and a full year of operations for the CleanSite business.
- Oil purchase and resale revenue in the PRD division increased 49% to \$950.6 million for the year ended December 31, 2013 compared to 2012. The increase resulted from increased throughput and crude oil marketing activity at existing facilities and the Judy Creek FST becoming pipeline connected in the third quarter of 2013.

• 38% INCREASE IN EBITDA TO \$137.5 MILLION

- For the year ended December 31, 2013, EBITDA increased 38% as compared to 2012. EBITDA increased in all three divisions through the addition of new facilities, capitalizing on crude oil marketing opportunities, and higher demand in the PRD division, increase in market share and revenue per operating day in the DS division combined with the acquisition of Target, and the acquisition of Frontline combined with an increase in the number of environmental projects in the OS division as detailed above in the revenue highlights.
- Earnings per share increased to \$0.36 from \$0.34 in the prior year. The growth in earnings per share is lower than the growth in EBITDA because of the addition of amortization and depreciation charges related to the Corporation's continued investment in long term strategic acquisitions and organic projects ahead of their contribution to earnings. In addition, issuance of shares through acquisitions and bought deal financings continue to increase the weighted average number of shares.

• INCREASED CAPITAL SPENDING THROUGH ORGANIC GROWTH AND STRATEGIC ACQUISITIONS

- Organic growth capital totaled \$193.8 million for the year ended December 31, 2013 and includes 2012 carryover capital related to the Judy Creek and Rocky FSTs. The Corporation increased its 2013 capital expenditure program from \$155.0 million to \$195.0 million during the year and in the fourth quarter announced the 2014 capital expenditure budget of \$225.0 million. Major expenditures for the year ended December 31, 2013 included:
 - 2012 carry over capital for the Rocky and Judy Creek FSTs, that were completed and commissioned during the second and third quarters of 2013;

- Growth capital consisting of eight new PRD facilities with construction commencing or completed in 2013:
 - Three FSTs – Kindersley FST (phase one treating and disposal) which was commissioned in late December, 2013, Edson, and Keene (North Dakota) which are expected to be opened at the start of the second quarter of 2014;
 - Three stand-alone water disposals (“SWDs”) – Kaybob, and Stanley (North Dakota) were completed and commissioned during the third and fourth quarter of 2013, Keene (North Dakota) was completed and commissioned in the fourth quarter;
 - Two landfills - Saddle Hills and 13 Mile (North Dakota) were completed and opened during the fourth quarter of 2013;
 - Expansion capital consisting of:
 - Landfill cells were completed during the year at Pembina, Fox Creek, and South Grande Prairie;
 - Second treaters at Fox Creek FST and Drayton Valley FST were completed, commissioned and were fully operational in the second half of 2013;
 - Second disposal well at 13 Mile (North Dakota) was completed and commissioned in the fourth quarter;
 - Various long lead purchases for 2014 PRD capital projects and rental equipment for the DS division. Both the PRD and DS divisions continue to heavily invest in business development, including research and development activities, pilot projects for water and oil recycling, and front end development for 2014 projects.
- During the year, the Corporation completed two strategic acquisitions;
 - On April 1, 2013 the Corporation acquired Frontline for an aggregate purchase price of \$22.4 million. Frontline’s core services include pipeline integrity; remediation and reclamation; and demolition and decommissioning performed throughout Western Canada. The Frontline acquisition created the OnSite Services division, which includes environmental services and the integrated water solutions group.
 - On July 2, 2013, the Corporation acquired Target for an aggregate purchase price, including assumed debt, of \$40.1 million. Target was a privately owned oilfield service company headquartered in Grande Prairie, Alberta that offers equipment rental and support services in both the drilling and completions sectors. Their core service is the supply of a patented dual containment fluid storage tank system for oil based drilling fluid applications. The “Target Tank” system provides customers with a safe, environmentally responsible, cost effective solution to storing oil based drilling fluids and other sensitive fluids at the drill site.
- BRAZEAU SWD UPDATE
 - During the fourth quarter, the Corporation completed the repairs to the facility as a result of the lightning strike in the second quarter of 2013 and the SWD is now operational.
- SOLID BALANCE SHEET
 - On October 29, 2013, the Corporation entered into an amended and extended \$400.0 million revolving credit facility (the “credit facility”). The previous revolving credit facility was increased from \$300.0 million to \$400.0 million and includes an accordion feature which if exercised, would increase the credit facility by \$50.0 million with the consent of the lenders. The credit facility consists of a \$390.0 million extendible revolving term credit facility and a \$10.0 million revolving operating facility. The credit facility was extended along with an interest rate reduction of 25 basis points.
 - On November 20, 2013, the Corporation entered into an agreement on a bought deal basis (the “offering”) with a syndicate of underwriters, pursuant to which the underwriters agreed to purchase for resale to the public 7,166,123 common shares (including overallotment) of the Corporation at a price of \$15.35 per common share for gross proceeds of \$110.0 million. The proceeds of the offering will be used by the Corporation to fund capital expenditures and for general working capital and corporate purposes.

- During the year, the Corporation announced it would begin paying a dividend commencing May 1, 2013. In conjunction with the dividend, the Corporation also announced the adoption of a Dividend Reinvestment Plan ("DRIP"). The DRIP provides eligible shareholders with the opportunity to reinvest their cash dividends into the Corporation.
- Secure's debt to EBITDA ratio was 1.38 as of December 31, 2013 compared to 1.51 as of December 31, 2012.
- **SUBSEQUENT EVENTS**
 - Subsequent to year end, Secure executed two strategic acquisitions for an aggregate purchase price of approximately \$28.7 million, paid in cash and shares of the Corporation. These acquisitions fall into the OS division with assets that will grow the Corporation's integrated water solutions service line and establish an onsite market presence in the US. This is a continuation of the Corporation's strategy to add complementary services along the energy services value chain.
 - In January of 2014, Secure entered into a purchase agreement for a mineral products plant in Alberta for total consideration of \$12.0 million. 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 into the DS division to improve supply logistics and quality. The transaction is pending and is anticipated to close in April of 2014.

FOURTH QUARTER HIGHLIGHTS

- Revenue (excluding oil purchase and resale) of \$155.4 million for the three months ended December 31, 2013 increased 43% compared to the same period in 2012.
 - PRD division revenue (excluding oil purchase/resale) for the three months ended December 31, 2013 increased 46% compared to the same period in 2012. Revenue for the quarter increased as a result of increased demand and new facility additions and expansions subsequent to the fourth quarter of 2012. Disposal volumes increased 36% over the comparative quarter of 2012 as a result of the Corporation commissioning landfills in the fourth quarter at 13 Mile, North Dakota and Saddle Hills, Alberta combined with cell expansions at the Fox Creek and South Grande Prairie landfills.
 - DS division revenue of \$86.3 million increased 32% compared to the same period in 2012. DS Canadian revenue per operating day increased 22% over the comparative quarter of 2012 combined with an overall higher field activity level as reported by the CAODC as average rig count increased 6% quarter over quarter. In addition, meters drilled in Canada increased by 8% in the fourth quarter of 2013. The acquisition of Target in the second quarter contributed to an increase of 43% in rental revenue in the quarter.
 - OS division revenue of \$17.6 million for the three months ended December 31, 2013 increased by 134% over the same period in 2012. The acquisition of Frontline on April 1, 2013 significantly contributed to the increase in revenue, combined with an increase in environmental projects completed resulting in an increase of 44% for the quarter, and a full quarter of operations for the CleanSite business which began operations in the fourth quarter of 2012.
- EBITDA increased 48% over 2012 fourth quarter
 - For the three months ended December 31, 2013, EBITDA increased 48% as compared to the same period in 2012. EBITDA increased in all three divisions through the addition of new facilities, capitalizing on crude oil marketing opportunities, and higher demand in the PRD division, increase in revenue per operating day in the DS division, combined with the acquisition of Target, contributed to higher margins for the quarter, and the increase in environmental project work and the acquisition of Frontline in the OS division as detailed above in the revenue highlights.

PRD DIVISION OPERATING HIGHLIGHTS

(\$000's)	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012	% Change	2013	2012	% Change
Revenue						
Processing, recovery and disposal services (a)	51,586	35,269	46	179,343	125,833	43
Oil purchase and resale service	232,522	170,502	36	950,593	637,248	49
Total PRD division revenue	284,108	205,771	38	1,129,936	763,081	48
Operating Expenses						
Processing, recovery and disposal services (b)	20,857	13,346	56	68,385	48,601	41
Oil purchase and resale service	232,522	170,502	36	950,593	637,248	49
Depreciation, depletion, and amortization	13,749	8,968	53	44,607	29,114	53
Total operating expenses	267,128	192,816	39	1,063,585	714,963	49
General and administrative	5,982	3,961	51	23,247	12,392	88
Total PRD division expenses	273,110	196,777	39	1,086,832	727,355	49
Operating Margin ⁽¹⁾ (a-b)	30,729	21,923	40	110,958	77,232	44
Operating Margin ⁽¹⁾ as a % of revenue (a)	60%	62%		62%	61%	

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

Full year highlights for the PRD division included:

- **Processing:** For the year ended December 31, 2013, processing volumes increased 20% from 2012. Part of the increase relates to the addition of the following new facilities and services added after the third quarter of 2012 ("new facilities and services"): completion of the Crosby SWD in North Dakota in December 2012; Fox Creek Landfill in December 2012; Edson temporary water injection facility in January 2013; Rocky and Judy Creek FST's in May 2013; Kaybob SWD in August 2013; Stanley SWD in North Dakota in September 2013; 13 Mile Landfill in North Dakota in October 2013; Keene SWD in North Dakota and Saddle Hills Landfill in November 2013; and the Kindersley FST in December 2013. Also contributing to the increase in revenue was an increase in overall demand for the PRD division's services.
- **Recovery:** Revenue from recovery includes revenue from the sale of oil recovered through waste processing, crude oil handling, marketing and terminalling. Revenue from recovery for the year ended December 31, 2013 increased by 63% from 2012. A significant portion of the increase in recovery revenue for the year ended December 31, 2013 is a result of the Corporation's ability to capitalize on crude oil marketing opportunities at its FSTs, higher throughput and an average 4% increase in the price of crude oil over 2012. Crude oil marketing revenue increased by 131% for the year ended December 31, 2013, from 2012. Increased oil throughput at the Corporation's pipeline connected FSTs, in conjunction with the Corporation's ability to capitalize on market spread differential opportunities (including maximizing crude oil marketing opportunities available by shipping crude oil via rail), led to the significant increases in revenue from this service line as compared to the same period of 2012. In addition, the Corporation's Dawson FST was fully operational in 2013, and the Judy Creek FST was pipeline connected and fully operational in the third quarter of 2013.
- **Disposal:** Secure's disposal volumes increased by 40% for the year ended December 31, 2013 from 2012. The following FSTs and landfills opened in the year contributed to the increase in volumes: Fox Creek Landfill in December 2012; Rocky and Judy Creek FST's in May 2013; 13 Mile Landfill in North Dakota in October 2013; and Saddle Hills Landfill in November 2013.
- **Oil purchase/resale service:** Revenue from oil purchase and resale services increased 49% to \$950.6 million over the prior year comparative period. The increase in the year is due to increased pipeline capacity added in the year at the Judy Creek FST in the third quarter, a 4% increase in crude oil prices, increased oil throughput at the Corporation's pipeline connected FSTs, and increasing crude oil volumes shipped via rail. The revenue from this service line will fluctuate monthly based on the factors described above.
- **Operating margin as a percentage of revenue** for the year ended December 31, 2013 was 62% compared to 61% for 2012. The 1% increase to operating margin for the year ended December 31, 2013 is a result of improvements in operating efficiencies at the facilities, increases in recovery including crude oil marketing activities at the Corporation's pipeline connected FSTs, and from volumes managed by rail at the Silverdale FST.

- General and administrative ("G&A") expenses for the year ended December 31, 2013 increased 88% to \$23.2 million from \$12.4 million in 2012. For the year ended December 31, 2013, G&A increased to 13% of revenue (excluding oil purchase/resale) from 10% in 2012. Major drivers of the increase on year to date comparatives is a 58% increase in wages and salaries to support the opening of new facilities and growth at existing facilities both in Canada and the US, a \$1.5 million increase in building and lease costs to accommodate growth of staff in Canada, a 132% increase in facility costs to support growth in North Dakota with the addition of four new facilities over the prior year, and a \$0.9 million increase in information technology expenses related to information technology systems and licensing of software to support the growth of the division and consolidate software systems used in the head office and the field to gain operational efficiencies. The increase in G&A is reflective of management's intention to prepare for the growth of the new and expanding facilities as well as the growth in the US PRD operations. It is management's expectation that G&A as a percentage of revenues will decrease as operations increase.

Fourth quarter highlights include the following:

- Processing: For the three months ended December 31, 2013, processing volumes increased 32% from the comparative period in 2012. Part of the significant increase relates to the addition of new facilities and expansions at current facilities as described in the results for the year ended December 31, 2013. Also contributing to the increase in revenue was an increase in overall demand for the PRD division's services.
- Recovery: Revenue from recovery for the three months ended December 31, 2013 increased by 55% from the comparative period in 2012. A significant portion of the increase in recovery revenue for the three months ended December 31, 2013 is a result of the Corporation's ability to capitalize on crude oil marketing opportunities at its FSTs, higher throughput and an increase in the price of crude oil of 12% as compared to the fourth quarter of 2012. Crude oil marketing revenue increased by 111% for the three months ended December 31, 2013, from the comparative period of 2012. Increased oil throughput at the Corporation's pipeline connected FSTs, in conjunction with the Corporation's ability to capitalize on market spread differential opportunities (including maximizing crude oil marketing opportunities available by shipping crude oil via rail), led to the significant increases in revenue from this service line as compared to the same period of 2012. In addition, the Corporation's Judy Creek FST was pipeline connected and fully operational in the third quarter of 2013 which contributed to an increase in the quarter.
- Disposal: Secure's disposal volumes increased by 36% for the three months ended December 31, 2013 from the comparative period of 2012. As described above, the increase is due to higher demand for the PRD division's services and commissioning of the landfills at 13 Mile, North Dakota and Saddle Hills combined with cell expansions at Fox Creek and South Grande Prairie in the fourth quarter of 2013.
- Operating margin as a percentage of revenue for the three months ended December 31, 2013 was 60% compared to 62% for the comparative period of 2012. The 2% decrease to operating margin for the three months ended December 31, 2013 is a direct result of one-time, non-recurring maintenance costs of approximately \$1.6 million. During the fourth quarter, two of the Corporation's disposal wells were down for non-recurring maintenance. As a result of the down time, produced water and waste water was diverted to Secure's other facilities resulting in increased trucking costs for the Corporation. In addition, the Corporation also incurred costs at one of its landfills for liner repairs.

DS DIVISION OPERATING HIGHLIGHTS

(\$000's)	Three Months Ended December 31,			Year Ended December 31,		
	2013	2012	% Change	2013	2012	% Change
Revenue						
Drilling services (a)	86,287	65,572	32	308,160	242,812	27
Operating expenses						
Drilling services (b)	62,506	49,142	27	230,400	185,185	24
Depreciation and amortization	5,104	2,968	72	17,762	12,308	44
Total DS division operating expenses	67,610	52,110	30	248,162	197,493	26
General and administrative	5,978	6,167	(3)	23,549	23,011	2
Total DS division expenses	73,588	58,277	26	271,711	220,504	23
Operating Margin ⁽¹⁾ (a-b)	23,781	16,430	45	77,760	57,627	35
Operating Margin % ⁽¹⁾	28%	25%		25%	24%	

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

Full year highlights for the DS division included:

- Revenue from the DS Division for the year ended December 31, 2013 increased 27% to \$308.2 million from \$242.8 million in 2012. The significant increase in revenue for the year ended December 31, 2013 is the result of a combined 26% increase in drilling fluids service line revenue and a 42% increase in revenue for the equipment rentals service line from 2012. Major drivers for the drilling fluids service line revenue increases in the year are due to increased market share, an increase in meters drilled, increase in revenue per operating day, and an increase in SAGD activity. The increase in the equipment rentals service line is a result of a 5% increase in equipment utilization over 2012, an increase in rental equipment market share as the division increased its rental fleet size, and the addition of Target on July 2, 2013.
- Drilling fluids revenue per operating day for the year ended December 31, 2013 increased to \$6,430 from \$5,419 in 2012. The increase in revenue per day for the year can be attributed to a 23% increase in meters drilled for the Corporation which led to higher product usages, increased probability of lost circulation events and a higher usage of specialty chemicals. In addition, the Corporation realized a 23% increase in the proportion of SAGD wells relative to 2012. SAGD wells are more complex and require more costly drilling fluids which contribute to the increase in revenue per operating day. For any given quarter, revenue per operating day can fluctuate significantly due to changes in the product mix, the type of well that is being drilled, and the timing of specific drilling events such as the loss of well bore control either due to pressure or lost circulation.
- WCSB market share increased by 3% for the year ended December 31, 2013 to 32% from 29% for 2012. The CAODC average monthly rig count for Western Canada provides the basis for market share calculations. Operating rig days for the year ended December 31, 2013 were 39,991 compared to 37,203 for 2012. Market share has continued to increase as a result of the addition of the Drayton Valley blending plant, increase in SAGD wells drilled where the Corporation has a higher market share than other operating areas, and the successful integration of the XL and New West Drilling Fluids Inc. ("New West") acquisitions.
- For the year ended December 31, 2013, operating margins increased to 25% from 24% in 2012. The 1% increase can be attributed to the shift in product mix. Equipment rentals, which have higher operating margins, made up a larger portion of DS revenue in 2013 as a result of the addition of Target and an increase in fleet utilization.
- G&A expense for the year December 31, 2013 increased to \$23.5 million from \$23.0 million in 2012. As a percentage of revenue for the year ended December 31, 2013, G&A expenses were 8% compared to 10% for 2012. The increase of \$0.5 million is a result of supporting the US operations and the acquisition of Target.

Fourth quarter highlights include the following:

- Revenue from the DS Division for the three months ended December 31, 2013 increased 32% to \$86.3 million from \$65.6 million in the comparative period of 2012. The significant increase in revenue for the three months ended December 31, 2013 is the result of a combined 26% increase in drilling fluids service line revenue and a 113% increase in revenue for the equipment rentals service line from the comparative period in 2012. Major drivers for the drilling fluids service line revenue increases in the fourth quarter are due to an increase in meters drilled, an increase in revenue per operating day, and an increase in SAGD activity in the quarter. The increase in the equipment rentals service line is a result of a 14% increase in equipment utilization over the comparative period of 2012, an increase in rental equipment market share as the division increased its rental fleet size, and the addition of Target on July 2, 2013.
- Drilling fluids revenue per operating day for the three months ended December 31, 2013 increased to \$6,857 from \$5,642 from the comparative period of 2012. The increase in revenue per day for the quarter can be attributed to a 17% increase in meters drilled for the Corporation which led to higher product usages, increased probability of lost circulation events and a higher usage of specialty chemicals. In addition, the Corporation realized an increase in the proportion of SAGD wells relative to the 2012 comparable period. SAGD wells are more complex and require more costly drilling fluids which contribute to the increase in revenue per operating day.
- WCSB market share increased by 1% for the three months ended December 31, 2013 to 31% from 30%, for the comparative period of 2012. The CAODC average monthly rig count for Western Canada provides the basis for market share calculations. Operating rig days for the three months ended December 31, 2013 were 10,526 compared to 9,616 for the 2012 comparative period.
- For the three months ended December 31, 2013, operating margins increased to 28% from 25% for the 2012 comparative period. The increase in margin over the prior period quarter is a direct result of the increase in rental equipment revenue, which contributes a higher margin percentage, and was up 9% over the prior year quarter.

OS DIVISION OPERATING HIGHLIGHTS

(\$000's)	Three Months Ended December 31,			Year ended December 31,		
	2013	2012	% Change	2013	2012	% Change
Revenue						
Onsite services (a)	17,554	7,514	134	54,444	23,547	131
Operating expenses						
Onsite services (b)	14,477	5,315	172	44,152	15,730	181
Depreciation and amortization	1,425	116	1,128	4,020	346	1,062
Total OS division operating expenses	15,902	5,431	193	48,172	16,076	200
General and administrative	1,484	1,032	44	5,784	3,857	50
Total OS division expenses	17,386	6,463	169	53,956	19,933	171
Operating Margin ⁽¹⁾ (a-b)	3,077	2,199	40	10,292	7,817	32
Operating Margin % ⁽¹⁾	18%	29%		19%	33%	

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

Full year highlights for the OS division included:

- Revenue for the year ended December 31, 2013 increased 131% to \$54.4 million from \$23.5 million for 2012 and is primarily due to the acquisition of Frontline effective April 1, 2013. The prior year comparative figures include environmental services revenue and integrated water solutions revenue. The environmental services and integrated water solutions groups were previously included in other divisions but were allocated into the OS division in conjunction with the Frontline acquisition. Environmental services revenue for the year ended December 31, 2013 increased 46% over 2012 due to an increase in the number of environmental projects completed and the start-up of the CleanSite business in the fourth quarter of 2012.

- Frontline utilization remained strong for the year despite a few projects being impacted by wet weather in both the second and the fourth quarter of 2013. Wet weather impacts the mobilization of equipment to the customer site, increases overhead and delays the start of projects. In addition, Frontline completed \$5.4 million of internal projects for the PRD division, of which intercompany profits are eliminated.
- Operating margin for the year ended December 31, 2013 was reduced to 19% as a result of combining the Frontline services in the second quarter of 2013 with that of the environmental services group. 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, work completed internally and other services in any given period.

Fourth quarter highlights include the following:

- Revenue for the three months ended December 31, 2013 increased 134% to \$17.6 million from \$7.5 million for the comparative period of 2012 and is primarily due to the acquisition of Frontline effective April 1, 2013. The prior year comparative figures include environmental services revenue and integrated water solutions revenue. The environmental services and integrated water solutions groups were previously included in other divisions but were allocated into the OS division in conjunction with the Frontline acquisition. Environmental services revenue for the three months ended December 31, 2013 increased 44% over 2012 comparative period due to an increase in the number of environmental projects completed and the start-up of the CleanSite business in the fourth quarter of 2012.
- Frontline utilization was lower than the third quarter of 2013 due to unfavorable weather conditions, longer than anticipated mobilization of equipment for a significant project in Northern British Columbia and shut down of projects over the holiday season in the last two weeks of December. In addition, Frontline completed \$2.1 million of internal projects for the PRD division, of which intercompany profits are eliminated.
- Operating margin for the fourth quarter of 2013 was reduced to 18% as a result of combining the Frontline services in the second quarter of 2013 with that of the environmental services group. 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, work completed internally and other services in any given period. During the fourth quarter, Frontline work was weighted towards reclamation, remediation and demolition projects which typically have lower margins.

OUTLOOK

The rig count in the fourth quarter of 2013 was up 6% from the previous year as a result of increased winter drilling activity, driven in part by resource play development. In addition, meters drilled in Canada increased 4% over the prior year. The increase in the number of meters drilled as a result of a continued emphasis on horizontal drilling is a positive indicator for the Corporation as it is anticipated it will create higher demand for the Corporation's products and services. Secure views meters drilled as a better indicator than the number of wells drilled of future macro trends impacting the Corporation's results.

Market indicators suggest activity will rise in 2014 given the active capital markets in the fourth quarter of 2013 and stronger balance sheets heading into 2014. This is expected to result in increased capital budgets by oil and gas producers with spending plans trending higher into 2014 compared to 2013. In addition, increased alternatives to crude transport such as rail have positively impacted producer outlook and activity levels. Overall, the longer term fundamentals of the North American oil and gas market are positive which will drive customer demand for services the Corporation offers.

In the first quarter of 2014, the Corporation expects activity levels to remain strong in both the PRD division and the DS division as a result of an expected increase in the number of wells and meters drilled. The OS division activity will also be strong as some project delays in the fourth quarter of 2013 will carry into the first quarter of 2014. An early or late spring break up period can impact revenue in all three divisions.

Secure recently announced its 2014 capital expenditure program of \$225.0 million, the largest in the Corporation's history. Spending on 2014 capital initiatives will have a minimal impact on 2014 results, which is typical for these projects considering the approval and construction timelines. Material cash flow effects from these projects will be seen in 2015. Included in the capital program is \$20.0 million of carry over capital from 2013 projects related to the Kindersley, Edson, and Keene FSTs. \$135.0 million of growth capital is allocated to the PRD division for completion of the Corporation's first full service rail facility, one FST, two SWDs, one landfill, and conversion of two existing SWDs to FSTs; \$45.0 million for expansion capital; and \$5.0 million for normal course maintenance capital. \$14.0 million has been allocated to the DS division for growth capital consisting of an oil based mud blending plant and rental equipment. \$6.0 million is allocated to the OS division for growth capital consisting of heavy duty equipment and specialized tools for ongoing OnSite projects.

Following the completion of the \$110.0 million offering and expansion of the credit facility by \$100.0 million in the fourth quarter, along with increasing cash flows from operations, the Corporation is well positioned to fund its capital program for 2014. Secure has a strong balance sheet that will allow the Corporation to continue in growth mode, capitalize on opportunities in underserved markets, and meet demand as it increases.

In 2014, Secure will continue to execute on its strategy of helping customers with new facilities and services in both under-served and capacity constrained markets, reduce waste, recycle and reuse fluids at Secure facilities and to provide full cycle environmental and midstream solutions in the energy services market. Secure's construction of five new facilities in Canada and three new facilities in the United States during 2013 will provides a solid platform for growth into 2014 and beyond.

Finally, Secure was strengthened at all levels through a focus on health and safety, with reportable incidents well below industry standards in 2013. These are numbers that Secure is proud of and will strive to improve this record in 2014. The commitment to talent development and recruitment of the right people enabled us to grow to over 1,000 employees. The Corporation strives to keep its agile and disciplined entrepreneurial culture to ensure that Secure's abundant opportunities are adequately financed and executed by the right people. Secure is excited about the future and providing safe and innovative solutions that create continued value for our customers and shareholders.

FINANCIAL STATEMENTS AND MD&A

The audited consolidated financial statements and MD&A of Secure for the three and twelve months ended December 31, 2013 are available immediately on Secure's website at www.secure-energy.ca. 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 press release 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 press release. In particular, this press release contains 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, drilling levels, commodity prices for oil, natural gas liquids ("NGLs") and natural gas; demand for the Corporation's services; expansion strategy; the amounts of the PRD, DS and OS divisions' proposed 2014 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; use of proceeds from the 2013 offering; future capital needs; access to capital; acquisition strategy; and the impact of the OWL program.

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, United States, and internationally 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 favorable 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, 2013. Although forward-looking statements contained in this Press Release 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 Press Release 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 focuses on providing specialized services to upstream oil and natural gas companies.

The Corporation operates three divisions:

Processing, Recovery and Disposal Division: Operating under the name Secure Energy Services Inc., 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 name Marquis Alliance Energy Group Inc. (together with its wholly owned subsidiaries "Marquis Alliance"), the trade name XL Fluids Systems Inc. ("XL Fluids") and the trade name Target Rentals Ltd. ("Target"), the Drilling Services division provides drilling fluid systems and drilling equipment rentals and services. 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 Drilling Services 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: The On Site division, operating under the name of Frontline, offers integrated water services through frac pond rentals; "CleanSite" waste container services, environmental services which include pre-drilling assessment planning, drilling waste management, remediation and reclamation of former wellsites, facilities, commercial, and industrial properties, and laboratory services; pipeline integrity (inspection, excavation, repair, replacement and rehabilitation); demolition and decommissioning. These services are offered throughout the WCSB.

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