



2019
Sustainability Report

SECURE
ENERGY





Landscape near SECURE's Fox Creek Full Service Terminal

Message from the president

At SECURE ENERGY, we are proud of the role we play in safely delivering energy to the world. In our pursuit of Doing Midstream Differently, we are providing cost effective and environmentally responsible solutions to help our customers achieve their objectives of responsible, sustainable production of natural resources.

In addition to the work that we do for our customers, we have made significant progress to further embed sustainability throughout our own business. We strive to be a leader in our industry in the areas of health, safety, and environmental protection. We recognize the importance of these issues to our employees, our customers and to the communities where we live and work. We are continually improving our strategies and developing new processes to deliver on our commitments to sustainability. These commitments include:

- Putting safety first
- Minimizing the environmental impacts of our operations
- Managing the integrity of our assets
- Creating positive relationships with stakeholders in the communities where we live and work

Operating sustainably is a responsibility I take very seriously and one in which I am not alone. SECURE's workforce is made up of a diverse group of the best-of-the-best leaders and employees. They are the heartbeat of our company. I'm so proud to work alongside this group of dedicated and committed professionals. It's our innovative workforce who will drive us towards achieving our sustainability objectives in the 1,000 little things we do everyday.

I want to share with you this report that outlines our commitments to sustainability, the positive impacts made by our ongoing initiatives and information on how we plan to improve. These are transformative times and the demand for reliable energy is not going away.

I believe the world will need more energy to sustain a growing global economy for decades and beyond. The global population is expected to grow from 7.7 billion to 9.7 billion by 2050. All forms of energy will be required to meet this demand. There is need for more renewables; wind, solar, hydro and nuclear, but oil and natural gas will still be an essential energy source. The last barrels of oil and natural gas to be produced and delivered during the energy transition period should come from a politically stable country with the highest environmental, human-rights, safety and labour standards in the world. By helping deliver Canadian energy, we are truly helping people and communities thrive.



— Rene Amirault, President and CEO



Our story

We all have a story. Ours starts in 2007. We were founded for one specific reason - because our customers asked for help.

SECURE was started by an entrepreneurial group of six colleagues. Our first project was an oilfield landfill south of Grande Prairie, Alberta. Since then, our evolution has progressed with the goal of providing reliable and effective midstream infrastructure solutions to you.

Consistently listening to our customers, collaborating and putting them first is how we have grown into a strong midstream infrastructure organization that now has over 50 facilities across western Canada and the U.S.

In 2019, we updated our vision, purpose and mission. Our vision is to Do Midstream Differently. What does that mean?

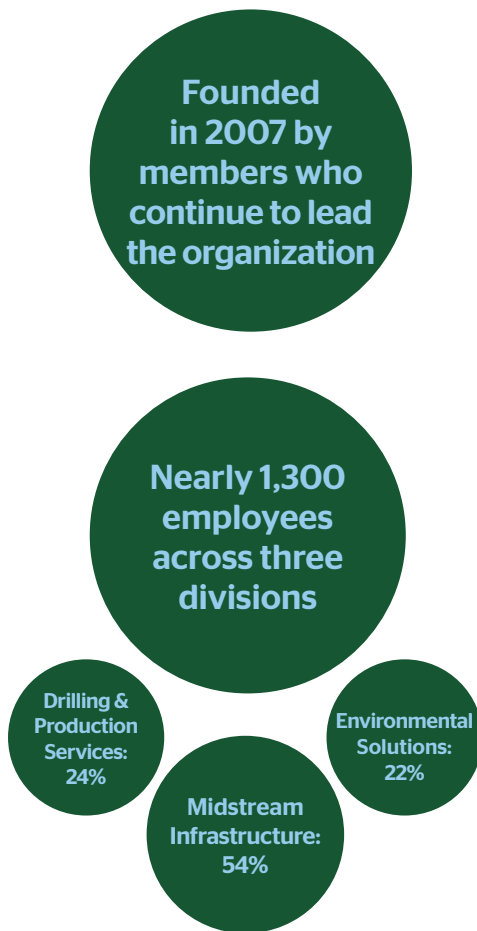
To us, that means prioritizing our customers' needs - their success is our success - while continuing to deliver value to all stakeholders.

VISION *WHAT*
Do midstream differently.

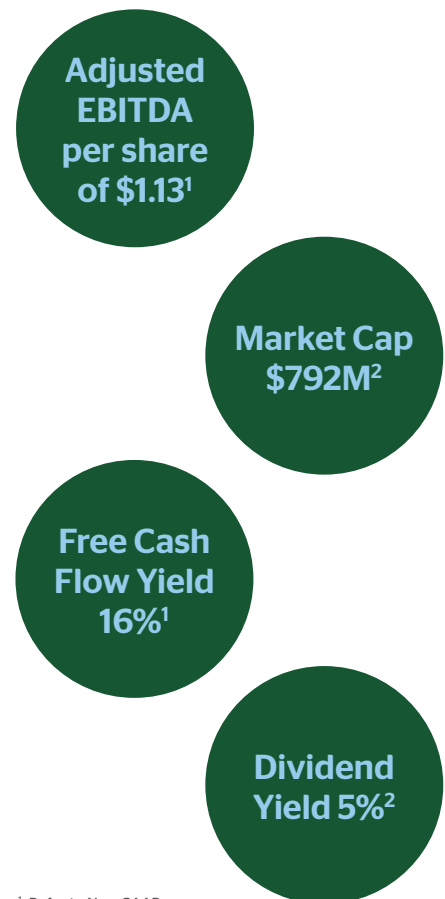
PURPOSE *WHY*
Deliver energy to the world so people and communities thrive.

MISSION *HOW*
To help our customers by challenging what's possible.

SECURE AT A GLANCE - 2019



FINANCIAL HIGHLIGHTS



¹ Refer to Non-GAAP measures
² At December 31, 2019

Our greatest impact is in the work we do for our customers

We are dedicated to creating value for our customers by providing innovative solutions that help reduce costs and the environmental impact associated with delivering energy to the world so people and communities thrive.

Our business is uniquely positioned to deliver economic and environmental benefits that make the oil and gas industry more efficient and sustainable. The midstream and environmental solutions we provide are designed not only to help reduce costs, but also lower emissions, increase safety, manage water, recycle by-products and protect the environment.

Our strategy includes designing facilities and pipelines to minimize the impact to the environment, through:

- Strategically locating midstream infrastructure near customer production to reduce greenhouse gas (GHG) emissions, road maintenance, and risks inherent in trucking oil, water and waste to our facilities
- Building oil and water pipelines that connect customer production to SECURE midstream processing facilities, reducing the emissions associated with trucking
- Consolidating volumes from multiple producers in fit for purpose facilities, reducing our customers' capital requirements and the overall environmental impact of midstream infrastructure

Here are some highlights of how we've helped our customers operate sustainably in 2019:

Fluids & Solids Management

Through our network of midstream processing facilities across western Canada and the U.S., we help our customers minimize their environmental footprint:

- Added four produced water pipelines, displacing nearly 14,000 truck loads and reducing emissions by 12,537 tonnes of carbon dioxide equivalent (CO₂e)
 - In addition to reducing GHG emissions, eliminating the need to haul produced water by truck increases road safety for all users
- Responsibly disposed of 7 million m³ of produced and waste-water through deep well injection at our midstream processing facilities
- Received and safely contained 1.2 million tonnes of solids waste into our engineered landfills
- Avoided trucks on the road travelling using SECURE's water pumping and management solutions for completions activities

Recycling, Reclamation & Conservation

Providing expertise to customers, managing their environmental liabilities and restoring land to its original state:

- Recovered nearly 140,000m³ of crude oil from waste
- Reclaimed approximately 190 hectares of land in 2019
- Diverted 42,000m³ of soil from landfill disposal through risk assessment
- Recycled over 77 million kilograms of scrap steel
- Drilling fluids practices and procedures are targeted at volume reduction, minimizing waste and environmental impact through:
 - Use of brine fluids and low-toxicity base oils
 - Employ mechanical separation to remove solids and recycle oil-based mud

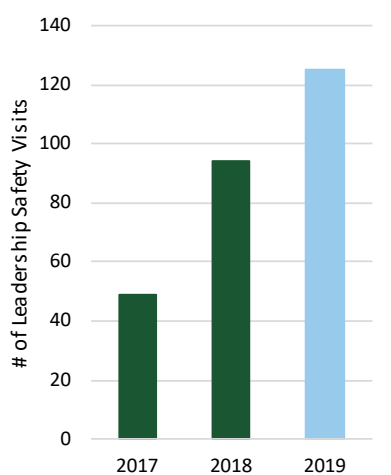
Putting the health and safety of our people and the public first

Everyone Goes Home Safe

Safety is foundational to our business. It starts with personal safety awareness and leadership that results in overall improved health and safety performance. Safety isn't just something we do, it's rooted in our culture.

Year-over-year, leadership safety interactions are increasing. This is a result of our proactive safety management system as we endeavour to become a **Level 5 - Leading Edge** safety organization.

Leadership Safety Visits¹



Competent, compliant and continually improving operational safety solutions through increasingly risk-based and proactive initiatives:

Achieved TRIR target <1.2

MVIR rate is down 16% year-over-year

	2019	2018	2017
Fatalities	0	0	0
Total recordable injury rate (TRIR) ²	1.09	1.02	1.07
Motor vehicle incident rate (MVIR) ³	1.80	2.14	2.66
Lost Time Injury Rate (LTIR) ⁴	0.16	0.07	0.25

¹ Includes leadership group and individual safety meetings, site visits, safety stand downs at the frontline.

² TRIR is the ratio of recordable injuries to hours worked. The ratio is used to normalize the recordable injuries and exposure hours back to how many workers would get injured for every 100 workers over the course of a year.

³ MVIR is the number of preventable motor vehicle incidents per 1,000,000 kilometres driven.

⁴ LTIR is number of lost time injuries x 200,000 / number of employee exposure hours.



A safety meeting at a SECURE work site

Serious Injuries and Fatalities (Potential) Rate (SIF(P)R)

All SIF(P), near misses and incidents are fully investigated, reviewed and the learnings are shared widely across the organization. Fully investigating all SIF(P) incidents helps determine the following:

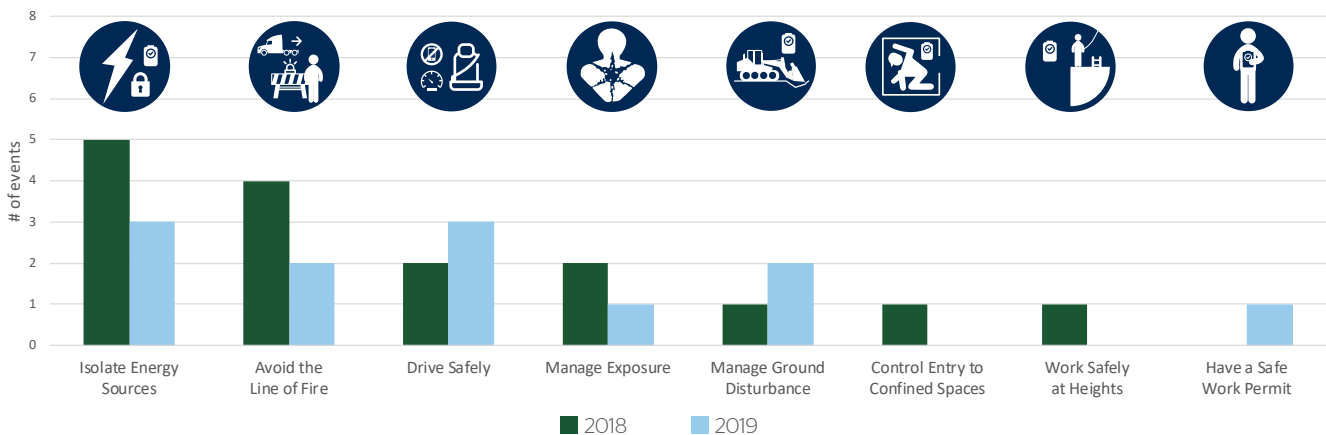
- Precursors - unmitigated high-risk situations that led to the incident
- Associated Life Saving Rule - the high-risk activity associated with the incident

Identifying the precursor and the associated Life Saving Rule enables us to knowledgably share learnings and introduce mitigative measures for each incident. The tracking and trending of SIF(P) with Life Saving Rules allows us to focus our communication on our practices and procedures related to specific high-risk activities.

Life Saving Rules

In 2018, SECURE developed 8 Life Saving Rules specific to the highest risk activities associated with our business. These rules have been integrated into all aspects of our safety management systems.

Life Saving Rules Related to SIF(P) Events



Mitigating and minimizing the environmental impacts of our operations

Taking measures to increase energy efficiency and reduce GHG at our midstream infrastructure facilities.

Climate change is a global challenge and every individual, organization, industry and government have a responsibility to transition towards a low carbon future, reducing GHG emissions and addressing climate related risks.

Climate Policy

SECURE has formalized a Climate Policy to help guide our efforts for undertaking climate actions. We commit to addressing climate considerations in our overall business strategy, corporate development, risk management and business models. We are engaged at all levels of the organization to improve the energy efficiency of our current operations, and future capital investments.

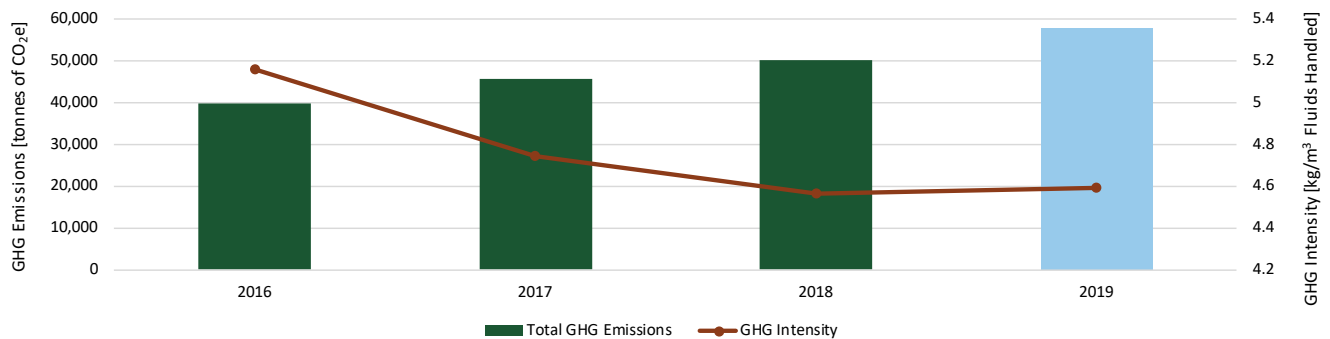
We are committed to developing and implementing new practices and technologies to achieve our objectives including reducing our carbon intensity in half by 2030 and reaching net zero emissions by 2050.

We will continue to investigate GHG emission reduction strategies, investing in automation and new technologies while sharing best practices.

Here are some of the things we are doing today that help minimize our environmental footprint and GHG emissions:

- Using solar power to achieve zero emissions at injection well sites
- Applying instrument air controls at our facilities to reduce overall emissions
- Taking measures to increase the energy efficiency of our pumps and treaters
 - Running variable frequency drives so the pumps are recirculating in a loop, using less energy
 - Replacing natural draft system with an energy efficient forced air burner treater system
- Evaluating nitrogen blanketing of tanks at our facilities by generating our own nitrogen on-site
- Encouraging the use of more fuel-efficient vehicles
- Tracking and monitoring idle time on our large equipment in an effort to reduce idle time and emissions
- Eliminating the need to blanket gas and flare by using floating roofs on holding tanks

GHG Emissions¹

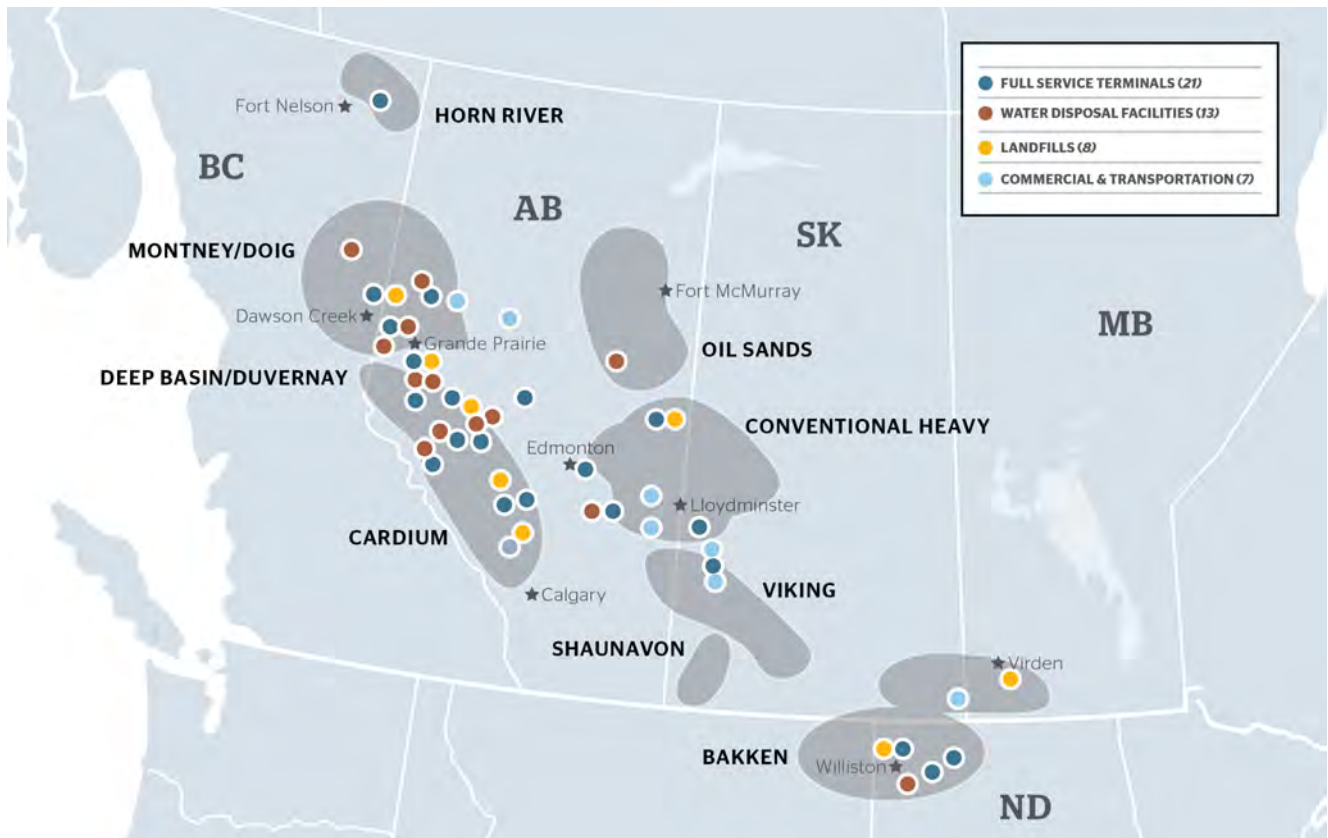


¹ Direct GHG Emissions (e.g. Scope 1) include emissions from all of the Midstream Infrastructure division's facilities, including emissions from operational stationary combustion equipment, fugitive component leaks, as well as venting emissions.

Managing the integrity of our midstream processing facilities and pipelines

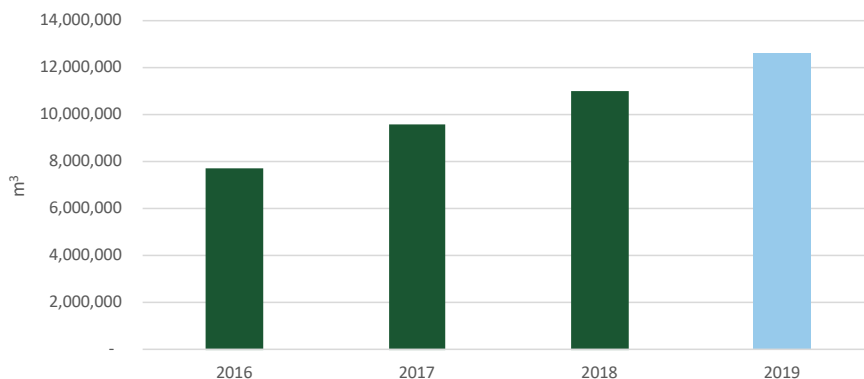
Providing safe and environmentally responsible solutions while meeting and exceeding regulatory requirements.

SECURE safely manages oil and water for our customers through our network of strategically located facilities across western Canada and North Dakota.



As the volume of fluids we handle at our midstream processing facilities increases year-over-year, our commitment to operating in a safe and environmentally responsible manner remains uncompromised.

Total Fluids Handled in Canada and US¹



¹ Internal Sources, fluids include oil and water shipped, processed or disposed at our midstream processing facilities





Kerrobart Pipeline System *Operational Success*

SECURE's Kerrobart pipeline system started operating in October 2018, providing an alternative method of transportation to customers operating in the Kindersley-Kerrobart region of Saskatchewan. In 2019, the system transported nearly 1.9 million cubic metres of crude oil to the SECURE Kerrobart Terminal and onto the Enbridge mainline. With the addition of two 130,000 barrel tanks in 2019, the receipt terminal has a total shell storage capacity of 420,000 barrels. This light oil gathering pipeline system and receipt terminal offer a reliable, cost-effective and environmentally responsible way to deliver oil to market.

2019 MILESTONES

**Almost 2M m³ of
oil passed through
the terminal**

**Zero safety or
environmental
incidents**

**No unscheduled
downtime**

ASSET INTEGRITY

SECURE's asset integrity management programs are essential to protecting the environment and the health and safety of the communities in which we operate.

When we start the process of building a new facility or pipeline, we think through the full project - from initial design and construction, monitoring and prevention, environmental impact, leak detection and community engagement to final decommissioning and demolition. Managing the integrity of our infrastructure is important to ensure our assets are operating safely, reliably and efficiently, for the long-term.

2019

\$ 1.1M Spend

✓ 313 Inspections

How we sustainably maintain and operate our facilities:

- Emissions management plan for the detection and management of emissions associated with leaks from equipment components.
- Monitoring and protection include:
 - Ground water monitoring wells at our facilities
 - Leak detection under facility waste pads
 - Produced water pipelines have dual liner systems for spill prevention
 - Facility tank farms have secondary containment
 - Internal tank inspections to prevent tank leaks
 - Reducing fugitive emissions through daily monitoring of vent gas systems resulting in reduced off-lease odors
 - Replacing pipe with fiber glass as needed for resistance to corrosion and extending the useful life
- Increased automation of processes at the Kerrobert Terminal resulting in reduced potential for operator exposure to risk



SECURE operator checking equipment at a Full Service Terminal



Pipestone Water Disposal Facility *Case Study*

The Pipestone water-disposal facility is an example of how we are challenging what's possible to help our customers. This project was built in partnership with a customer seeking water-disposal via pipeline. Eliminating the need for trucks on the road improves both safety and GHG emissions.

The Pipestone water-disposal facility incorporated ideas from our internal Water Summit which showcased cost saving and design optimization initiatives.

Vendor management was imperative in achieving the tight timeline. We used an integrated vendor strategy which means key vendors were involved in estimating and planning. This eliminated significant back and forth and idle-time. In addition, all field vendors and contractors met SECURE's safety standards.

SECURE has formalized supply chain best practices, requiring vendors to be qualified in meeting our safety standards through our contractor management system

PROJECT HIGHLIGHTS

Completed in six months and opened in October 2019

Since opening, displaced over 1,000 truck loads off the road

All provisions for future expansion were incorporated in the design

Over 8,000 hours of construction and no safety incidents

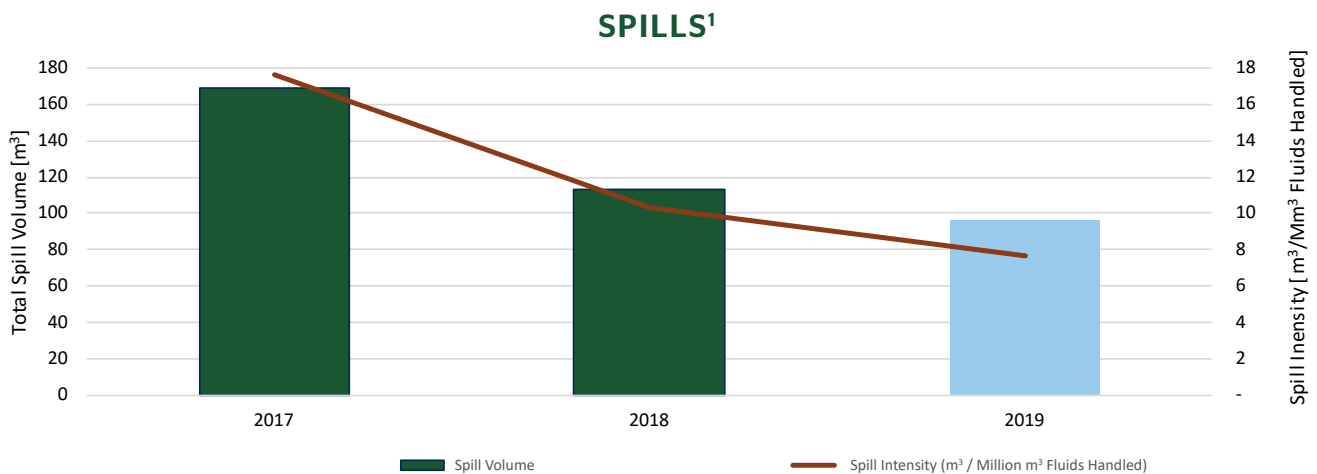
SPILL PREVENTION

Spill prevention is everyone's responsibility at SECURE, every drop that hits the ground matters.

In 2019, we implemented a spill prevention program called 'Every Drop Matters'. 'Every Drop Matters' showcases how everyone can make a difference around spill prevention to minimize negative impacts of our operations on the environment, maintain our social license to operate, and share best practices with employees and contractors.

The key considerations for spill prevention include equipment integrity, fluid transfer procedures, site engineering and design.

At our midstream infrastructure facilities in Canada and the U.S., we are seeing a decrease in the severity of spills. We believe this is a result of our strong reporting culture of Hazard IDs, meaning potential spills are being identified before a larger spill can occur.



¹ Products included in reportable spills are produced fluids, crude oil, solids, test fluids or production chemicals.

EMERGENCY PREPAREDNESS

A critical component of asset integrity management and safety is emergency preparedness and response planning. We have five full-time positions dedicated to enhancing our emergency management and security program. New manuals were created in 2019 following the Incident Command System (ICS) template and were delivered to all midstream facilities with training provided to 56% of employees.

30
Hours of emergency response training

235
Employees received emergency response training

44
Full scale/table-top exercises completed



An operator at SECURE's Big Mountain Water Disposal Facility

Creating positive relationships with stakeholders in the communities where we live and work

COMMUNITY INVESTMENT

We believe in giving back and sharing success with the local communities where we operate. True investment in our communities is formed through a combination of our time and giving.

It all starts where we live and work. We believe in sharing success with the local communities where we operate. In our communities, being a good neighbour means:

- Minimizing environmental impacts associated with our operations
- Investing in the community
- Working with local businesses to create mutual value

These responsibilities are shared between SECURE's employees, contractors and vendors and demonstrate our commitment to be respectful and responsible corporate neighbours.

United Way - Be the Change

Every year in October, SECURE participates in a week of giving through the United Way. SECURE has worked with United Way in some capacity for 11 years and has raised over \$1.2 million. In 2019, the challenge for us was to Be the Change.

2019 United Way Results:

- Raised over \$127,000 for United Way Calgary
- Over 340 hours of volunteer time during the week
 - Calgary Drop-in Centre
 - Women in Need Society

2019 CHARITABLE HIGHLIGHTS

\$422,341
in charitable contributions



Charitable Giving Pillars

- Youth
- Education & Training
- Community Enhancement



\$1.4M
invested into communities across western Canada and North Dakota

\$1.7M
invested into communities in 2018



\$1.1M
invested into communities in 2017

ABORIGINAL AND STAKEHOLDER ENGAGEMENT

We build lasting relationships through engagement and discussions with a focus on respect, diversity and inclusion.

We acknowledge the rights and interests of aboriginal communities and we are dedicated to promoting a business culture that is inclusive and respects diversity. SECURE endeavours to provide economic inclusion opportunities for First Nations and Métis communities in our projects. We strive to hire qualified individuals from local First Nations and Métis communities.

In the communities where we live and work, being a good neighbour means that we work to minimize impacts associated with our operations, invest in the community and work with local businesses to create mutual value. We believe these efforts support building and strengthening of effective business relationships, personal development and shared prosperity between aboriginal communities and our industry.

Our Stakeholder Engagement Program Includes:



	2019	2018	2017
Aboriginal suppliers utilized	51	36	31
Aboriginal spending (\$000's)	6,706	4,487	4,196



SECURE proudly entered into a joint venture partnership with Birch Mountain Enterprises, a 100% Aboriginal owned business



SECURE Employees participating in an internal training opportunity

DEVELOPING OUR PEOPLE

We believe there is Energy in Together. Cultivating a positive environment where each employee has purpose, opportunity, and knows that SECURE cares about them and their career. Investing in our people is good for them, and good for the business.

18,662

Hours of employee development training
(does not include safety or technical skills training)

116

Promotions

46

Transfers to new roles

7,040

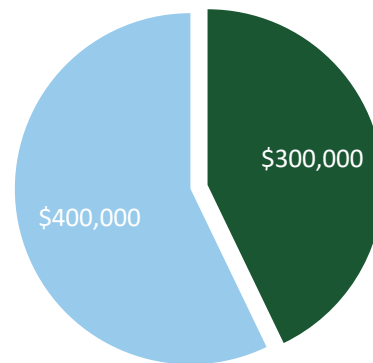
Hours of leadership and development training

EMPLOYEE ENGAGEMENT

SECURE facilitates an organization-wide employee engagement survey biennially. In 2019, we had a 92% employee participation rate and an overall engagement score of 65%, 3% higher than the global norm, outperforming market on 89% of the categories. The results of our employee engagement surveys continue to support our cultural and engagement improvement.

Leaders in the organization use the feedback received through the engagement survey to create targeted goals and identify areas of opportunity. Improving employee engagement helps contribute to the successful execution of our corporate strategies.

2019 Learning and Development Investment: \$700,000



■ Training ■ Leadership and Management Skills Development

	2019	2017
Participants (#)	1,167	999
Percentage of Permanent Employees	92%	77%
Score	65%	64%
Global Norm	62%	61%

Promoting the long-term interests of our shareholders through strong corporate governance

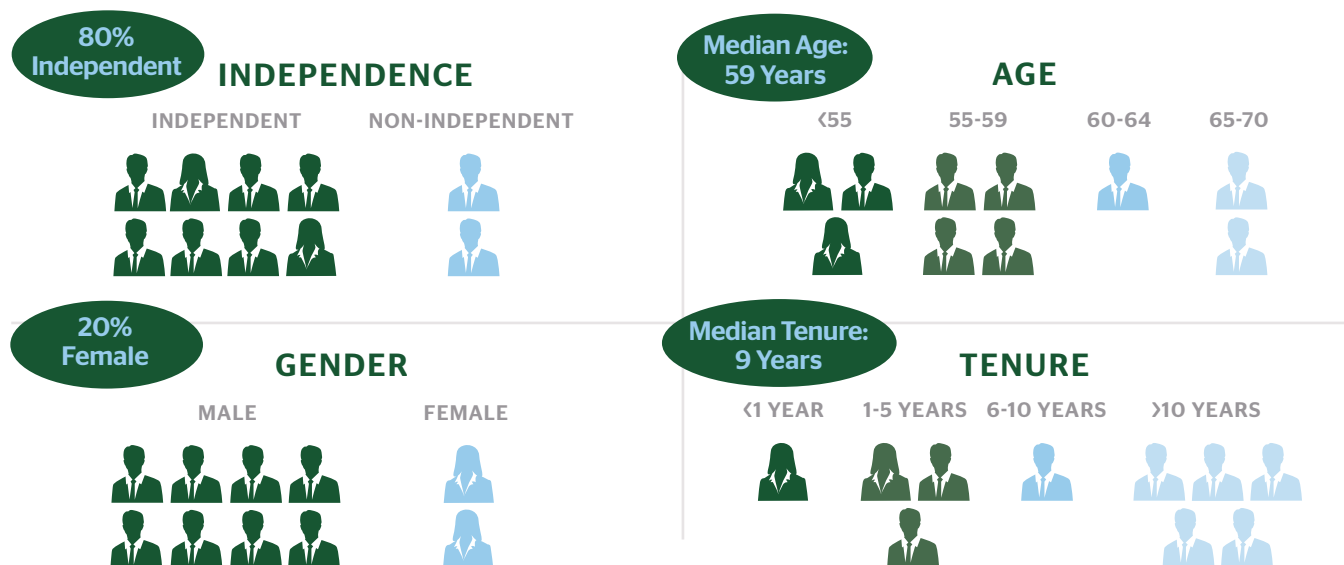
Our Board of Directors provide corporate governance on behalf of all shareholders by offering thoughtful leadership, compliance with all laws and adhering to the highest ethical standards.

Governance Practices

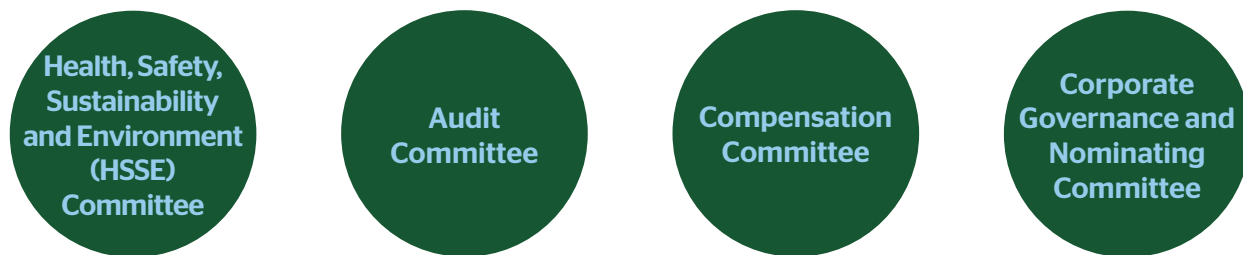
- Executive pay for performance
 - Target 75% pay at risk
 - Compensation tied to HSSE targets
- 98% vote in favour of Say on Pay to executive compensation at 2019 Annual and Special Meeting of Shareholders
- Increased midstream depth and diversity of Board with the addition of two new directors in 2019
- Director and executive share ownership requirements
- Emphasis on director education and development, annual Board, committee and director evaluations
- 90% of employees completed the Code of Business Conduct training in 2019

Added sustainability to HS&E Committee Mandate

In 2019, we expanded the mandate and name of the Board of Director's Health, Safety and Environmental Committee to include the development and monitoring of sustainability initiatives. The committee will review, approve and make recommendations to the Board with respect to sustainability topics, provide oversight of SECURE's performance and monitor against formalized targets.



BOARD OF DIRECTORS COMMITTEES



KEY SUSTAINABILITY METRICS

Health and Safety

	2019	2018	2017
Fatalities (#)	0	0	0
Total recordable injury rate (TRIR) ⁱ	1.09	1.02	1.07
Motor vehicle incident rate (MVIR) ⁱⁱ	1.80	2.14	2.66
Lost time injury rate (LTIR) ⁱⁱⁱ	0.16	0.07	0.25
Serious injuries and fatalities potential (SIF(P)) rate ^{iv}	0.94	0.87	0.16
Senior leader safety engagement ^v	125	94	49

Emissions

	2019	2018	2017
Direct greenhouse gas emissions (tCO ₂ e) ^{vi}	57,641	50,229	45,544
Direct greenhouse gas intensity (kg CO ₂ e/m ³) ^{vii}	4.59	4.56	4.74
Nitrogen Oxide (NOx) (t) ^{viii}	27.36	24.21	23.10
Particulate Matter (PM10) (t) ^{ix}	16.19	12.32	9.86

Fleet Fuel Use

	2019	2018	2017
Total fuel use (Litres)	2,632,881	2,788,457	2,808,489
GHG fleet emissions (tCO ₂ e) ^x	6,195	6,561	6,608

Electrical Power

	2019	2018	2017
Facilities (kWh) ^{xi}	82,620,762	N/A	N/A
Renewable Sources (kWh)	15,959,830	N/A	N/A

Spill Incidents

	2019	2018	2017
Significant spills (#) ^{xii}	1	-	-
Released substances from significant spills (m ³)	30	-	-
Reportable spills (#) ^{xiii}	24	18	24
Released substances from reportable spills (m ³)	96	113	169
Total spill intensity (m ³ spilled/Mm ³ handled)	7.6	10.3	17.6

Asset Integrity

	2019	2018	2017
Spend (\$000)	1,086	1,060	N/A
Inspections (#)	313	405	N/A

Hazardous Waste Generation

	2019	2018	2017
Canadian midstream processing facilities (t)	16,119	N/A	N/A

Water Usage

	2019	2018	2017
Fresh water usage (m ³) ^{xiv}	261,206	N/A	N/A

Community Investment

	2019	2018	2017
Charitable donations (\$000's)	492	473	293
Other community sponsorships and donations (\$000's)	604	567	390
Fundraising contributions (\$000's)	450	689	440
Total (\$000's)	1,546	1,729	1,123

Workforce

	2019	2018	2017
Permanent employees	1,293	1,474	1,359
Men	76%	77%	78%
Women	24%	23%	22%
Median age	38	37	37
Average tenure (years)	3.7	3.1	2.9

Employee Engagement

	2019	2018*	2017
Participation (#)	1,167	N/A	999
Employee participation rate (%)	92%	N/A	77%
Score	65%	N/A	64%
Global norm	62%	N/A	61%

*Survey occurs biennially

Aboriginal Relations

	2019	2018	2017
Aboriginal suppliers utilized	51	36	31
Aboriginal spending (\$000's)	6,706	4,487	4,196

Financial Overview

	2019	2018	2017
TSX common share trading price (\$/share) ^{xv}	5.06	7.01	8.76
TSX 52-week trading range (\$/share)	4.02 - 6.89	6.28 - 8.73	6.96 - 12.04
Market capitalization (\$ millions)	792	1,117	1,431
Enterprise value (\$ millions)	1,286	1,538	1,733
Dividend paid (\$/share)	0.27	0.27	0.25
Dividend yield (%)	5.3	3.9	2.8

Financial Results

	2019	2018	2017
Revenue (excluding oil purchase and resale) (\$000s)	632,409	698,172	603,421
Adjusted EBITDA ^{xvi}	180,172	190,521	157,211
Adjusted EBITDA per basic share (\$)	1.13	1.17	0.97

Capital Expenditures and Acquisitions

	2019	2018	2017
Growth and expansion capital spend (\$000s)	103,423	158,227	118,161
Acquisitions (\$000s) ^{xvii}	13,866	-	54,569
Total (\$000s)	117,289	158,227	172,730

SOURCES

ⁱ TRIR is the ratio of recordable injuries to hours worked. The ratio is used to normalize the recordable injuries and exposure hours back to how many workers would get injured for every 100 workers over the course of a year.

ⁱⁱ MVIR is the number of preventable motor vehicle incidents per 1,000,000 kilometres driven.

ⁱⁱⁱ LTIR is the ratio of lost time injuries to hours worked. The ratio is used to normalize the lost time injuries and exposure hours back to how many workers would get injured for every 100 workers over the course of one year.

^{iv} SIF(P)R is the ratio used to normalize the serious injury incidents or near misses and exposure hours back to how many workers would face a serious injury or near miss situation per 100 workers over the course of a year.

^v Number of leadership safety visits each year. This includes leadership groups and individual safety meetings, site visits, and safety stand downs.

^{vi} Direct GHG Emissions (e.g. Scope 1) sources in the reported data include emissions from all of the Midstream Infrastructure division's facilities, including emissions from operational stationary combustion equipment, fugitive component leaks, as well as vented emissions.

^{vii} Expressed in Kg CO₂e per m³ of fluids processed through our Midstream Infrastructure processing and disposal facilities. This includes all production fluids and crude oil received, processed, and shipped or disposed. Canadian facilities' Kg CO₂e per m³ of fluids determined using the Guide to Reporting the National Pollutant Release Inventory; Environment and Climate Change Canada. USA facilities' Kg CO₂e per m³ of fluids determined using Energy Intensity and Greenhouse Gas Emissions from Tight Oil Production in the Bakken Formation; American Chemical Society.

^{viii} Midstream Infrastructure division Canadian facilities. Determined using the Guide to Reporting the National Pollutant Release Inventory; Environment and Climate Change Canada.

^{ix} Midstream Infrastructure division Canadian facilities excluding landfills. Determined using the Guide to Reporting the National Pollutant Release Inventory; Environment and Climate Change Canada.

^x All company fleet vehicles. Determined using the B.C. Best Practices Methodology for Quantifying Greenhouse Gas Emissions; Table 7: Fleet Fuel Consumption.

^{xi} In 2019, the Corporation purchased a total 82,620,762 kWh of electricity from grids in British Columbia, Alberta, Saskatchewan and North Dakota. Of this total, 15,959,830 kWh was generated from renewable sources including wind, solar and hydroelectric, according to overall grid percentages of renewable generation in each jurisdiction.

^{xii} A significant spill is one that is outside of containment, impacts land or water, and triggers the activation of SECURE's Emergency Operating Centre. The significant spill in 2019 was related to water/methanol test fluids for pipeline integrity testing.

^{xiii} Reportable spills are determined by operating jurisdiction. Products included in reportable spills are produced fluids, crude oil, solids, test fluids or production chemicals.

^{xiv} Total water usage estimated at all of the Midstream Infrastructure division's facilities. The Corporation began tracking water consumption in 2019, as such data from 2018 and 2017 is not available.

^{xv} At December 31 each year

^{xvi} Adjusted EBITDA is defined as net income before finance costs, taxes, depreciation, depletion, and amortization, non-cash impairments on the Corporation's non-current assets, unrealized gains or losses on mark to market transactions, share-based compensation, other income/expenses, and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations. Adjusted EBITDA is not a recognized measure under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to "Non-GAAP Measures and Operational Definitions".

^{xvii} Acquisitions includes cash spend.

Forward looking statements and other advisories

Forward Looking Statements and Other Advisories:

Certain statements contained in this report 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 report, the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, “continues”, “maintains”, “target” 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 report. In particular, this report contains or implies forward-looking statements pertaining to: our ability to provide cost effective and environmentally responsible solutions to our customers; future global demand for energy and that oil and natural gas will remain an essential energy source; the positioning of our business to deliver economic and environmental benefits that make the oil and gas industry more efficient and sustainable, including through our network of midstream processing facilities; our intention to become a Level 5 - Leading Edge safety organization; the ability of our safety practices to mitigate future safety incidents; the ability of SECURE’s Climate Policy and other measures taken by SECURE to increase our energy efficiency and minimize our environmental footprint and GHG emissions; our ability to develop, invest in and implement new practices and technologies to achieve our environmental objectives, including reducing our carbon intensity in half by 2030 and reaching net zero emissions by 2050; the implementation of GHG emissions reduction strategies; our ability to provide safe and environmentally responsible solutions while meeting and exceeding regulatory requirements; our ability to operate in a safe and environmentally responsible manner as the volume of fluids we handle at our midstream facilities increases; the ability of our Kerrobert pipeline system to deliver oil to market in a reliable, cost-effective and environmentally responsible way; the effectiveness of our emissions management plan to detect and manage emissions associated with leaks; our belief that increased automation of processes at the Kerrobert Terminal will reduce operator exposure to risk; that our water-disposal facilities will improve safety and GHG emissions; that our contractor management system will identify vendors that meet our safety standards; that SECURE’s reporting practices decrease the severity of spills at our midstream infrastructure facilities; that SECURE is able to build lasting relationships with aboriginal communities through engagement and discussions; our ability to continue to provide economic inclusion opportunities for, and hire qualified individuals from, First Nations and Metis communities; the ability of our Board of Directors to provide corporate governance on behalf of all shareholders; and our ability to increase the transparency of environmental, social and governance matters at SECURE and provide stakeholders with more decision-useful data on material issues.

Forward-looking statements are based upon, among other things, factors, expectations and assumptions that: increases in market activity and growth will be consistent with industry activity in Canada and the U.S., and growth levels in similar phases of previous economic cycles; the sources of funding that 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; 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 our subsidiaries to successfully market our services in the Western Canadian Sedimentary Basin (“WCSB”) and the U.S. will lead to sufficient demand for the Corporation and our 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; that present and anticipated programs and expansion plans of other organizations operating in the energy service industry will result in an increased demand for the Corporation’s services and our subsidiaries’ services; past factors affecting the growth of the Corporation, past sources of growth and expectations relating to future economic and operating conditions; and that future acquisition and maintenance costs will not significantly increase from past acquisition and maintenance costs. Many of these factors, expectations and assumptions are based on management’s knowledge and experience in the industry and on public disclosure of industry participants and analysts relating to anticipated exploration and development programs of oil and natural gas producers, the effect of changes to regulatory, taxation and royalty regimes, expected industry equipment utilization in the WCSB and certain regions of the U.S., and other matters. The Corporation believes that the material factors, expectations and assumptions reflected in the forward-looking statements and information are reasonable; however, no assurances can be given that these factors, expectations and assumptions will prove to be correct.

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.

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 discussed under the heading “Risk Factors” in our Annual Information Form for the year ended December 31, 2019 and in our Management’s Discussion & Analysis of the December 31, 2019 audited financial statements, the most recent Information Circular and quarterly reports, material change reports and news releases. Such risk factors include but are not limited to: general global financial conditions, including general economic conditions in Canada and the U.S.; changes

Reporting and Transparency

We are working towards our goal of increasing the transparency of environmental, social and governance matters at SECURE, identifying the positive impacts made by our ongoing initiatives and providing information on how we plan to improve. We will continue to strive to provide stakeholders with more decision-useful data on material issues.

in the level of capital expenditures made by oil and natural gas producers and the resultant effect on demand for oilfield services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; risks inherent in the Corporation's ability to generate sufficient cash flow from operations to meet our current and future obligations; increases in debt service charges including changes in the interest rates charged under the Corporation's current and future debt agreements; the Corporation's ability to access external sources of debt and equity capital; changes in legislation and the regulatory environment, including uncertainties with respect to implementing binding targets for reductions of emissions and the regulation of hydraulic fracturing services and services relating to the transportation of dangerous goods; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; competition; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; the Corporation's ability to complete anticipated divestiture transactions on acceptable terms or at all; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; the Corporation's ability to integrate technological advances and match advances of completion; credit, commodity price and foreign currency risk to which the Corporation is exposed in the conduct of our business; compliance with the restrictive covenants in the Corporation's current and future debt agreements; customers' ability to perform their obligations under long-term contracts to use the Kerrobert Light Pipeline System; changes to the regulation and taxation of the energy industry; the timing of ratification of Canada-United States-Mexico Agreement and the effect it will have on oil and gas activity in the WCSB and certain regions of the U.S.; exposure of the Corporation's information technology systems to external threats and the effects of any unauthorized access to such system and potential disclosure of confidential information; the Corporation's ability to bid on new contracts and renew existing contracts; potential closure and post-closure costs associated with landfills operated by the Corporation; the Corporation's ability to protect the proprietary technology of the Corporation and our intellectual property rights; legal proceedings to which the Corporation may become subject, including actions identified in our Annual Information Form and any claims for infringement of a third parties' intellectual property rights; the availability and coverage of insurance; claims by, and consultation with, Aboriginal Peoples in connection with project approval; disclosure controls and internal controls over financial reporting; and changes to the royalty regimes applicable to entities operating in the WCSB or certain regions of the U.S.

Although forward-looking statements contained in this report 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:

The Corporation uses accounting principles that are generally accepted in Canada (the issuer's "GAAP"), which includes International Financial Reporting Standards ("IFRS"). Certain supplementary measures in this document do not have any standardized meaning as prescribed by IFRS. These measures are intended as a complement to results provided in accordance with IFRS. The Corporation believes these measures provide additional useful information to analysts, shareholders and other users to understand the Corporation's financial results, profitability, cost management, liquidity and ability to generate funds to finance its operations. However, they should not be used as an alternative to IFRS measures because they do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. These non-GAAP measures, and certain operational definitions used by the Corporation, are further explained in the Corporation's most recent MD&A, which includes reconciliations of the Non-GAAP measures to the most directly comparable measures calculated in accordance with IFRS except as described below.

Adjusted EBITDA is defined as net income before finance costs, taxes, depreciation, depletion, amortization, non-cash impairments on the Corporation's non-current assets, unrealized gains or losses on mark to market transactions, share-based compensation, other income/expenses, and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations. Adjusted EBITDA is not a recognized measure under IFRS and therefore may not be comparable to similar measures presented by other companies. Management believes that in addition to net income, Adjusted EBITDA is a useful supplemental measure to enhance understanding of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed, how the results are taxed, how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of SECURE's core operations. Management calculates these adjustments consistently from period to period to enhance comparability of this MD&A. Adjusted EBITDA is used by management to determine SECURE's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. Adjusted EBITDA is also used internally to set targets for determining employee variable compensation, largely because management believes that this measure is indicative of how the fundamental business is performing and being managed.

Adjusted EBITDA per share is determined using the weighted average basic shares outstanding in the period.

Free cash flow is calculated as Adjusted EBITDA less interest paid, sustaining capital expenditures and dividend payments. Free cash flow is not a recognized measure under IFRS and therefore may not be comparable to similar measures presented by other companies. Management uses free cash flow to assess the level of cash flow generated from ongoing operations and to evaluate the adequacy of internally generated cash flow to fund future growth, repurchase shares, repay debt or increase the dividend. Free cash flow yield is Adjusted EBITDA less interest paid and sustaining capital expenditures as a percentage of market capitalization.

Capital Expenditures: Expansion, growth or acquisition capital are capital expenditures with the intent to expand or restructure operations, enter into new locations or emerging markets, or complete a business acquisition. Sustaining capital refers to capital expenditures in respect of capital asset additions, replacements or improvements required to maintain ongoing business operations. The determination of what constitutes sustaining capital expenditures versus expansion capital involves judgment by management.