Management's Discussion & Analysis

2024 First Quarter Report

SECURE

CONTENTS

ABOUT THIS MD&A

The following management's discussion and analysis ("MD&A") of the financial position and results of operations of SECURE Energy Services Inc. ("SECURE", the "Corporation", "we", or "our") has been prepared by management as of, and reviewed and approved by the Board of Directors of SECURE (the "Board") on April 24, 2024. The MD&A is a review of the financial results of the Corporation prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

This MD&A's primary focus is a comparison of the financial performance for the three months ended March 31, 2024 to the three months ended March 31, 2023, and should be read in conjunction with the Corporation's condensed consolidated financial statements and notes thereto for the three months ended March 31, 2024 and 2023 ("Interim Financial Statements") and the Corporation's annual audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022 ("Annual Financial Statements").

All amounts are presented in Canadian dollars, unless otherwise stated, and all tabular amounts are in millions of Canadian dollars, except share and per share amounts or as otherwise noted. Certain comparative figures have been reclassified to conform to the MD&A presentation adopted for 2024.

This MD&A contains references to the following financial measures that do not have a standardized meaning as prescribed under IFRS ("non-GAAP and other specified financial measures"): Adjusted EBITDA, Adjusted EBITDA per share basic and diluted, Adjusted EBITDA Margin, Total Segment Profit Margin, discretionary free cash flow, discretionary free cash flow per share basic and diluted, Working Capital, Total Debt, Liquidity and certain supplemental financial measures. Refer to the "Non-GAAP and other specified financial measures" section of this MD&A for a full discussion on management's use of non-GAAP and other specified financial measures, including, where applicable, reconciliations to the most directly comparable IFRS measure.

CORPORATE OVERVIEW

SECURE is a leading waste management and energy infrastructure business headquartered in Calgary, Alberta. The Corporation's extensive infrastructure network located throughout western Canada and North Dakota includes waste processing and transfer facilities, industrial landfills, metal recycling facilities, crude oil and water gathering pipelines, crude oil terminals and storage facilities. Through this infrastructure network, the Corporation carries out its principal business operations, including the processing, recovery, recycling and disposal of waste streams generated by our energy, mining and industrial customers and gathering, optimization and storage of crude oil and natural gas liquids. The solutions the Corporation provides are designed not only to help reduce costs, but also lower emissions, increase safety, manage water, recycle by-products and protect the environment.

SECURE's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "SES" and is a constituent of the S&P/TSX Composite Index.

SECURE's Waste Management reportable segment includes a network of waste processing facilities, produced water pipelines, industrial landfills, waste transfer stations, metal recycling facilities, and specialty chemicals. Through this infrastructure network, the Corporation carries out business operations including the processing, recovery, recycling and disposal of waste streams generated by our energy and industrial customers. Services include produced and waste water disposal, hazardous and non-hazardous waste processing and transfer, treatment of crude oil emulsions, metal recycling, drilling waste management and specialty chemicals.

SECURE's Energy Infrastructure reportable segment includes a network of crude oil gathering pipelines, terminals and storage facilities. Through this infrastructure network, the Corporation engages in the transportation, optimization, terminalling and storage of crude oil.

For a complete description of services provided by the Corporation, please refer to the heading '*Description of the Business and Facilities'* section of the Corporation's Annual Information Form for the year ended December 31, 2023 ("AIF") which is available under SECURE's profile on the System for Electronic Document Analysis and Retrieval + ("SEDAR +") at www.sedarplus.ca and our website at www.SECURE-energy.com. Other than the information set out under the heading '*Risk Factors'* in the AIF, which is incorporated by reference herein, the AIF does not constitute part of this MD&A.

Asset Divestiture

In December 2023, the Corporation entered into a definitive agreement (the "Divestiture Agreement") with a subsidiary of Waste Connections, Inc. to sell 29 facilities (the "Facilities") all formerly owned by Tervita Corporation ("Tervita") for $1.075 billion in cash plus $74 million for certain adjustments as provided in the Divestiture Agreement for total cash proceeds of $1.149 billion. The Corporation closed the sale on February 1, 2024 (the "Sale Transaction").

OPERATIONAL DEFINITIONS

Certain operational definitions used throughout this MD&A are further explained below.

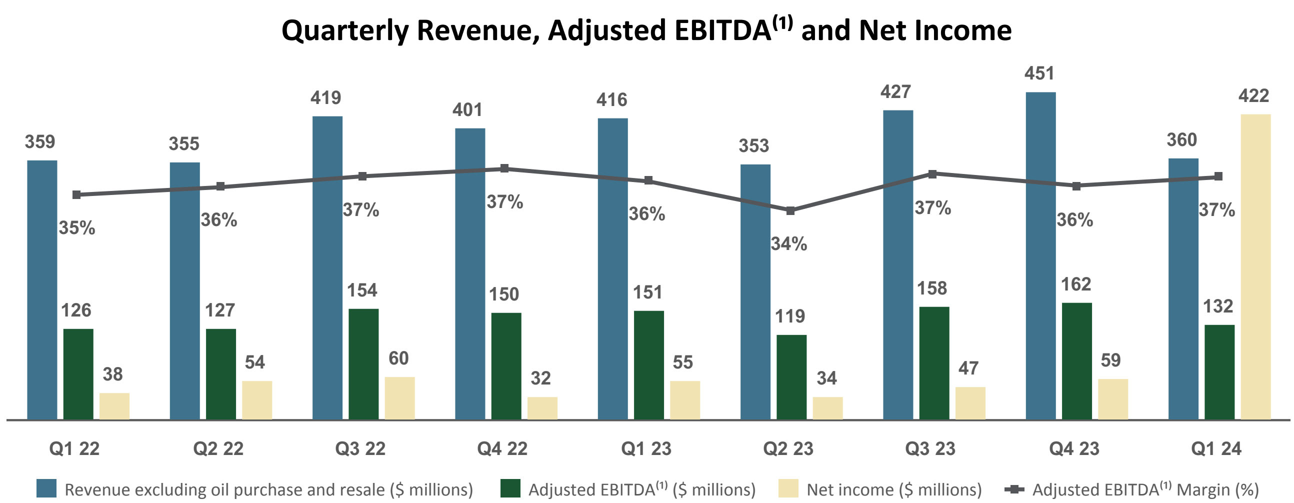
Capital Expenditures

The Corporation classifies capital expenditures as either growth, acquisition or sustaining capital. Growth and acquisition capital are capital expenditures with the intent to expand or restructure operations, enter into new locations or emerging markets, or complete a business or asset 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 growth capital involves judgment by management.

Oil Prices

Canadian Light Sweet crude oil price is the benchmark price for light crude oil (40 American Petroleum Institute gravity) at Edmonton, Alberta. West Texas Intermediate ("WTI") crude oil is the North American benchmark price for light crude oil at Cushing, Oklahoma.

FINANCIAL AND OPERATING HIGHLIGHTS



1. Refer to the "Non-GAAP and other specified financial measures" section in this MD&A for further information.

The Corporation's operating and financial highlights for the three months ended March 31, 2024 and 2023 can be summarized as follows:

	Three months ended March 31,		
($ millions except share and per share data)	**2024**	**2023**	**% change**
Revenue (excludes oil purchase and resale)	**360**	416	(13)
Oil purchase and resale	**2,489**	1,491	67
Total revenue	**2,849**	1,907	49
Adjusted EBITDA [1]	**132**	151	(13)
Per share ($), basic [1]	**0.47**	0.49	(4)
Per share ($), diluted [1]	**0.46**	0.49	(6)
Net income	**422**	55	667
Per share ($), basic	**1.50**	0.18	733
Per share ($), diluted	**1.47**	0.18	717
Funds flow from operations	**108**	136	(21)
Per share ($), basic and diluted [1]	**0.38**	0.44	(14)
Discretionary free cash flow [1]	**93**	122	(24)
Per share ($), basic [1]	**0.33**	0.40	(18)
Per share ($), diluted [1]	**0.32**	0.39	(18)
Capital expenditures [1]	**19**	46	(59)
Dividends declared per common share	**0.1000**	0.1000	—
Total assets	**2,645**	2,830	(7)
Long-term liabilities	**543**	1,184	(54)
Common shares - end of period	**279,071,264**	300,818,846	(7)
Weighted average common shares:			
Basic	**281,557,907**	306,517,269	(8)
Diluted	**286,486,941**	310,026,987	(8)

[1] Refer to the "*Non-GAAP and other specified financial measures*" and "*Operational Definitions*" sections in this MD&A for further information.

FIRST QUARTER HIGHLIGHTS

- **Closed the sale of 29 Tervita facilities for $1.149 billion, in an all-cash Sale Transaction** - proceeds from the Sale Transaction included $1.075 billion in cash plus $74 million for certain adjustments as provided in the Divestiture Agreement for total cash proceeds of $1.149 billion. The Corporation closed the Sale Transaction on February 1, 2024.
- **Fully repaid the outstanding balance on the credit facility and redeemed the 2025 senior secured notes -** with proceeds from the Sale Transaction, SECURE fully repaid the outstanding balance on the credit facility (excluding letters of credit) of $421 million. Additionally, the Corporation used proceeds from the Sale Transaction to redeem the outstanding US$153 million aggregate principal amount of 11% senior secured notes due December 1, 2025 (the "2025 senior secured notes") at the redemption price of 105.50% of the principal amount, plus accrued and unpaid interest. The total payment was $223 million, comprised of principal of $207 million (US$153 million), unpaid interest of $5 million and a premium of $11 million.
- **Closed offering of $300 million aggregate principal notes and redeemed the 2026 unsecured notes** - on March 22, 2024 the Corporation closed an offering of $300 million aggregate principal amount of 6.75% senior unsecured notes due March 22, 2029 (the "2029 unsecured notes") at an issue price of $100.00 (the "Offering"). The Corporation used the net proceeds of the Offering, along with cash on hand, to fund the redemption of the outstanding $340 million aggregate principal amount of 7.25% senior

unsecured notes due December 30, 2026 (the "2026 unsecured notes") at the redemption price of 103.625% of the principal amount, plus accrued and unpaid interest. The total payment was $358 million, comprised of principal of $340 million, unpaid interest of $6 million and a premium of $12 million, resulting in a loss on extinguishment of debt of $16 million.

- **Buyback of 12,055,510 common shares through the NCIB** - in the first quarter of 2024 the Corporation purchased common shares at a weighted average price per share of $10.47 for a total of $126 million, reducing our shares outstanding by 4.2% in the first quarter. The weighted average basic shares outstanding were also 8% lower than the first quarter of 2023.
- **Revenue (excluding oil purchase and resale) of $360 million** - a decrease of 13% from the first quarter of 2023, primarily related to the impact of the Sale Transaction, and the divestiture of two non-core oilfield service business units in 2023. This decrease was partially offset by higher volumes and improved margins across the Corporation's remaining infrastructure network, as well as higher revenues from the Metal Recycling business unit, driven by higher processed ferrous volumes and increased ferrous prices.
- **Net income of $422 million and $1.50 per basic share** - an increase of $367 million or $1.32 per basic share compared to the first quarter of 2023. The increase in net income over the prior year quarter was primarily driven by the gain of $520 million recognized on the Sale Transaction, offset by current and deferred tax expenses resulting from the gain.
- **Adjusted EBITDA[1] of $132 million and $0.47 per basic share[1]** - a decrease of 13% to Adjusted EBITDA and 4% per basic share compared, respectively, to the first quarter of 2023. This decrease was attributed to the divestiture of the Facilities in the Sale Transaction. However, the decrease in Adjusted EBITDA per basic share was partially offset by a reduction in the number of common shares outstanding, resulting from ongoing share repurchases over the past year.
- **Funds flow from operations of $108 million and $0.38 per basic share[1]** - a decrease of 21% of funds from operations and 14% per basic share, respectively, compared to the first quarter of 2023. The decreases are primarily attributed to the lower operating profits resulting from the Sale Transaction, however, on a per basic share basis, this decrease was partially offset due to share repurchases.
- **Discretionary free cash flow[1] of $93 million and $0.33 per basic share[1]** - a decrease of 24% to discretionary free cash flow and flat per basic share, respectively, compared to the first quarter of 2023. This decrease resulted from lower operating profits due to the Sale Transaction, however, the decrease was partially offset by reduced spending on sustaining capital in the first quarter of 2024 compared to the same period in the previous year, attributed to variations in the timing of capital expenditures, and a reduction in the number of common shares outstanding.
- **Declared dividends of $28 million** - a quarterly dividend of $0.10 per common share, declared in the first quarter of 2024, was paid to shareholders on April 15, 2024.
- **Growth capital[2] expenditures of $11 million** - primarily for additional investments made in the Clearwater heavy oil terminalling and gathering infrastructure to enhance capacity, with expected completion in the second quarter of 2024. Additional growth capital includes new rail cars for the Metal Recycling business unit and enhancements to the WiQ application, a transparent e-ticketing system that ensures compliance and standardization for the documentation of waste and recyclables.
- **Sustaining capital[2] expenditures of $8 million** - related to asset integrity programs and asset purchases for our metal recycling and waste service operations, well and facility improvements at waste management facilities, landfill cell expansions, and laboratory enhancements for the Specialty Chemicals business unit.

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[1] *Refer to the "Non-GAAP and other specified financial measures" section in this MD&A for further information.*

- **Reduced our Total Debt[2] to EBITDA covenant ratio[4] to 0.5x** - a significant reduction resulting from the repayment of the revolving credit facility and redemption of the 2025 senior secured notes and 2026 unsecured notes.
- **Liquidity[3] of $1.015 billion** - as at March 31, 2024, the Corporation had $1.015 billion of Liquidity (being the available capacity under SECURE's credit facilities and cash-on-hand, subject to covenant restrictions), compared to $356 million at December 31, 2023.

OUTLOOK

SECURE is well positioned for success with a strong industry backdrop, growth opportunities, and the financial capacity to execute on our strategic initiatives and deliver enhanced shareholder returns. With the Trans Mountain pipeline expansion scheduled to begin operations in the second quarter, our customers can gain take away capacity and stronger pricing with access to global markets paving the way for sustained and expanded activity levels in the years ahead. We expect industry fundamentals will drive increased volumes and overall demand for SECURE's infrastructure. With our waste processing facilities currently operating at approximately 60 percent utilization, we have ample capacity to accommodate growing customer needs for processing, disposal, recycling, recovery, and terminalling, all with minimal incremental fixed costs or additional capital investment.

Proceeds from the Sale Transaction, as well as continued strong free cash flow generation, provides the Corporation with significant capital allocation optionality for 2024 and beyond, facilitating our ability to execute on all SECURE's strategic priorities. With a solid foundation and clear direction, we're confident in our ability to protect the base business and seize new opportunities to create value for our shareholders. We also remain committed to enhanced shareholder returns through share repurchases and our $0.40 per share annualized dividend, all while maintaining low leverage.

2024 EXPECTATIONS

- Adjusted EBITDA of $450-$465 million, the high end of the range previously provided of $440-$465 million. Excluding Corporate costs, SECURE anticipates approximately 70% of Adjusted EBITDA will be attributable to the Waste Management reporting segment in 2024, with the remaining approximately 30% of Adjusted EBITDA generated from the Energy Infrastructure segment.
- Continued robust Adjusted EBITDA margins as we focus on optimizing the business, targeting additional operating efficiencies, and continually improving operating cash flow.
- High discretionary free cash flow conversion with low sustaining capital and debt service requirements.
- Growth capital expenditures will increase by $25 million to approximately $75 million for 2024. The increase relates to customer agreements for a produced water pipeline to a waste processing facility, as well as processing equipment for phase three at the Clearwater heavy oil terminal.
- With a solid pipeline of organic growth opportunities, the Corporation continues to pursue growth strategies to expand its infrastructure network with new project announcements following the finalization of customer agreements. Additionally, the Corporation will consider acquisitions that meet its investment criteria and enhance its core operations in waste management and energy infrastructure.
- Sustaining capital expenditures of approximately $60 million, including landfill expansions.
- Asset retirement obligation expenditures of approximately $15 million.
- Continued share repurchases, including by means of a Substantial Issuer Bid in the second quarter of 2024, based on, among other things, market conditions and the discretion of the Board of Directors.

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2 *Refer to the "Operational Definitions" section in this MD&A for further information.*

3 *Capital management measure. Refer to the "Non-GAAP and other specified financial measures" section in this MD&A for further information.*

4 *Calculated in accordance with the Corporation's credit facility agreements. Refer to the "Liquidity and Capital Resources" section of this MD&A for additional information.*

- Annualized base dividend of $0.40 per share, which equates to a total of approximately $110 million per year based on current issued and outstanding shares.
- Allen Gransch, President, to succeed Rene Amirault as Chief Executive Officer effective May 1, 2024. Rene intends to remain on the Board of Directors as Vice Chair.
- Election of Allen Gransch to the Board of Directors at the Corporation's Annual General Meeting of Shareholders on April 26, 2024. The Board of Directors is expected to remain at 8 directors, with Brad Munro not seeking re-election.
- Release of our 2023 Sustainability Report and second Task Force on Climate-Related Financial Disclosures ("TCFD") report in May 2024, demonstrating our ongoing commitment to transparent reporting.

The Corporation has a strong team of dedicated employees in place to execute on its strategic objectives, while continuing to provide best-in-class customer service. The leadership transition with Allen Gransch assuming the role of President and CEO following Rene Amirault's retirement effective May 1, 2024, marks the beginning of an exciting new chapter for the Corporation.

NON-GAAP AND OTHER SPECIFIED FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed under IFRS and are considered non-GAAP and other specified financial measures as defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure*. These measures are identified and presented, where appropriate, together with reconciliations to the most directly comparable IFRS measure. 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.

This MD&A includes the following non-GAAP and other specified financial measures: Adjusted EBITDA and discretionary free cash flow (non-GAAP Financial Measures), Adjusted EBITDA Margin, Adjusted EBITDA per basic and diluted share and discretionary free cash flow per basic and diluted share (non-GAAP Financial Ratios), Total Segment Profit Margin (Total of Segment Measure), Working Capital, Total Debt and Liquidity (Capital Management Measures), and certain supplemental financial measures as discussed in this section. These non-GAAP and other specified financial measures are further explained below.

Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA per share

Adjusted EBITDA is calculated as noted in the table below and reflects items that the Corporation considers appropriate to adjust including share-based compensation, unrealized gains or losses on mark to market transactions, other income and expenses, transaction costs and items that do not relate to the primary operations of the business. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue (excluding oil purchase and resale). Adjusted EBITDA per basic and diluted share is defined as Adjusted EBITDA divided by basic and diluted weighted average common shares.

Adjusted EBITDA and Adjusted EBITDA Margin are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

Management believes that in addition to net income, Adjusted EBITDA is a useful supplemental measure to enhance investors' 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 Margin is used as a supplemental measure by investors and management to evaluate cost efficiency.

The following table reconciles the Corporation's net income, being the most directly comparable financial measure disclosed in the Corporation's Interim Financial Statements, to Adjusted EBITDA for the three months ended March 31, 2024 and 2023. For all prior periods, Adjusted EBITDA is reconciled to its most directly comparable financial measure under IFRS in SECURE's MD&A for the respective period. All such reconciliations are in the non-GAAP and other specified financial measures advisory section of the applicable MD&A, each of which are available on SECURE's SEDAR+ profile at www.sedarplus.ca and each such reconciliation is incorporated by reference herein.

	Three months ended March 31,		
	2024	**2023**	**% Change**
Net income	**422**	55	667
Adjustments:			
Depreciation, depletion and amortization [(1)]	**45**	54	(17)
Share-based compensation [(1)]	**14**	9	56
Interest, accretion and finance costs	**18**	23	(22)
Gain on asset divestitures	**(520)**	—	100
Other expense (income)	**14**	(8)	(275)
Unrealized loss (gain) on mark to market transactions [(2)]	**1**	(3)	(133)
Current tax expense	**27**	3	800
Deferred tax expense	**111**	15	640
Transaction and related costs	**—**	3	(100)
Adjusted EBITDA	**132**	151	(13)

[(1)] Included in cost of sales and/or G&A expenses on the Consolidated Statements of Comprehensive Income.

[(2)] Includes amounts presented in revenue on the Consolidated Statements of Comprehensive Income. Excludes mark to market transactions in connection with inventory storage positions.

In the three months ended March 31, 2024, the Corporation realized a gain of $520 million for the Sale Transaction net of $20 million of advisory and legal fees, severance and restructuring costs.

For the three months ended March 31, 2024 and 2023, in determining Adjusted EBITDA net income has been adjusted for transaction and related costs as they are costs outside the normal course of business. For the three months ended March 31, 2023, the Corporation incurred transaction and related costs of $1 million related to legal and advisory fees for the competition review process, and $2 million of integration costs primarily related to the implementation of a new enterprise resource planning system.

In the three months ended March 31, 2024, other expenses include the loss on debt extinguishment of $16 million related to the redemption of the 2026 unsecured notes. In the three months ended March 31, 2023, the Corporation recognized gains aggregating to $9 million related to the sale of a water pumping business unit and a rail terminal.

Discretionary Free Cash Flow and Discretionary Free Cash Flow per share

Discretionary free cash flow is defined as funds flow from operations adjusted for sustaining capital expenditures, lease payments and transaction costs. The Corporation may deduct or include additional items in its calculation of discretionary free cash flow that are unusual, non-recurring, or non-operating in nature. Discretionary free cash flow per basic and diluted share is defined as discretionary free cash flow divided by basic and diluted weighted average common shares. For the three months ended March 31, 2023, in determining discretionary free cash flow, transaction and related costs have been adjusted as they are costs outside the normal course of business.

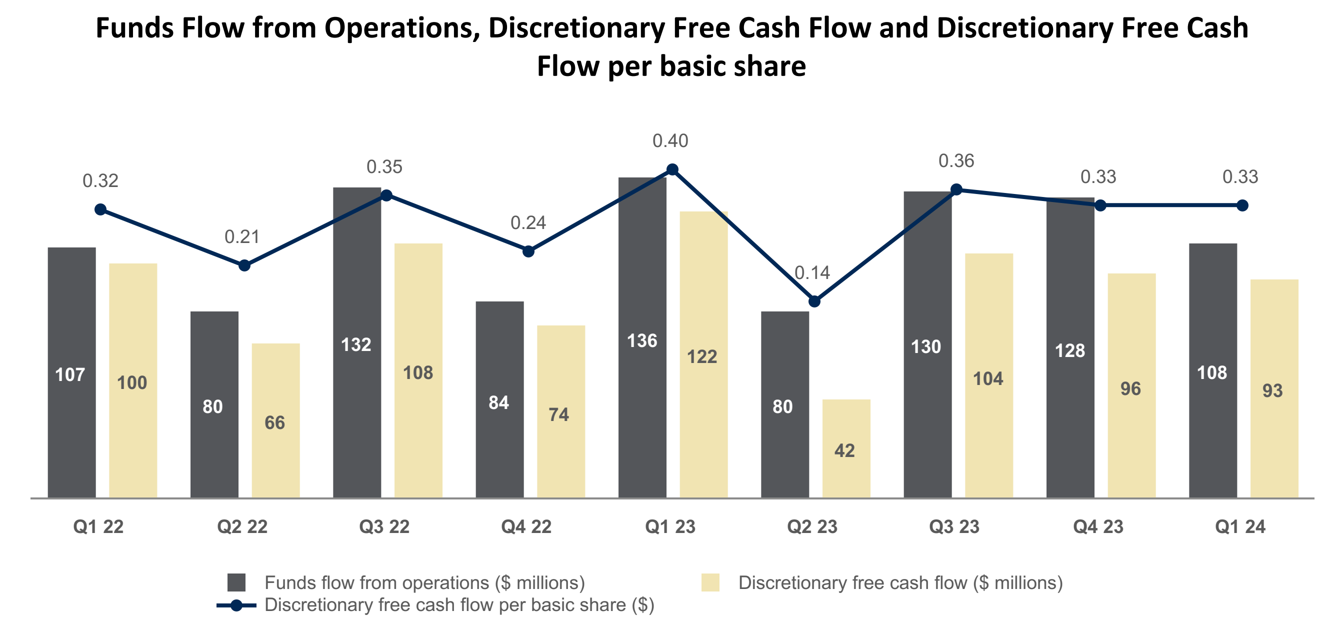
Discretionary free cash flow and discretionary free cash flow per share are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

Discretionary free cash flow and discretionary free cash flow per share are used by investors and management to assess the level of cash flow generated from ongoing operations. Management uses the discretionary free cash flow and discretionary free cash flow per share measures to evaluate the adequacy of internally generated cash flow to manage debt levels, invest in the growth of the business, or return capital to our shareholders.

The following table reconciles the Corporation's funds flow from operations, being the most directly comparable financial measure disclosed in the Corporation's Interim Financial Statements, to discretionary free cash flow.

	Three months ended March 31,		
	2024	**2023**	**% Change**
Funds flow from operations	**108**	136	(21)
Adjustments:			
Sustaining capital [1]	(8)	(10)	(20)
Lease liability principal payments and other	(7)	(7)	—
Transaction and related costs	—	3	(100)
Discretionary free cash flow	**93**	122	(24)

[1] Refer to the "*Operational Definitions*" section of this MD&A for further information.



Total Segment Profit Margin

Segment Profit Margin is calculated as the difference between revenue and cost of sales, excluding depreciation, depletion, amortization and impairment. Management analyzes Segment Profit Margin as a key indicator of segment profitability. Segment Profit Margin is also used by management to quantify the operating costs inherent in the Corporation's business activities, prior to operational related depreciation, depletion and amortization, impairment and share-based compensation, and to evaluate segment cost control and efficiency. The following table reconciles the Corporation's gross margin, being the most directly comparable financial measure disclosed in the Corporation's Interim Financial Statements, to total and consolidated Segment Profit Margin.

	Three months ended March 31,		
	2024	**2023**	**% Change**
Gross margin	**116**	127	(9)
Add:			
Depreciation, depletion and amortization [1]	**42**	53	(21)
Total Segment Profit Margin	**158**	180	(12)

[1] Included in cost of sales on the Consolidated Statements of Comprehensive Income.

Capital Management Measures

This MD&A includes the following capital management measures: Working Capital, Liquidity and Total Debt. Working Capital is calculated as the difference between current assets less accounts payable and accrued liabilities and customer prepayments. Liquidity is calculated as the total of cash and the available borrowing amount under the Corporation's $800 million senior secured revolving credit facility (the "Revolving Credit Facility") and SECURE's $50 million unsecured letter of credit facility guaranteed by Export Development Canada (the "Letter of Credit Facility"). Total Debt is calculated as the total of amounts drawn on the Corporation's Revolving Credit Facility, the principal amount outstanding on the 2029 unsecured notes, lease liabilities and financial letters of credit. Management analyzes Working Capital, Total Debt and Liquidity as part of the Corporation's overall capital management strategy to ensure adequate sources of capital are available to maintain operational activities, carry out the Corporation's planned capital program, fund dividend payments and have sufficient cash sources to sustain the business for the long-term. Refer to Notes 9, 10 and 16 of the Interim Financial Statements for additional information.

Supplemental Financial Measures

This MD&A includes funds flow from operations per basic and diluted share as a supplemental financial measure and is calculated as funds flow from operations, as determined in accordance with IFRS, divided by basic and diluted weighted average common shares.

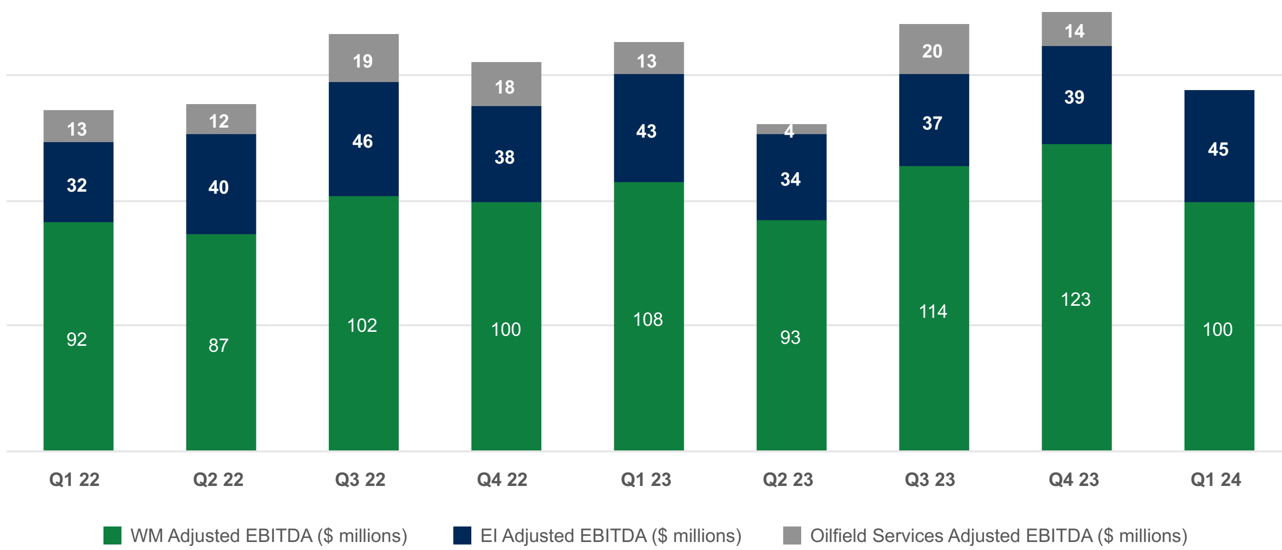
RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2024

In order to discuss the factors that have caused period to period variations in operating activities, the Corporation has divided the business into three reportable segments for the three months ended March 31, 2024, as outlined in the "*Corporate Overview*" above, and presented in Note 18 of the Interim Financial Statements.

The 2023 Annual MD&A for the three and twelve months ended December 31, 2023 included the Oilfield Services segment which included drilling fluid management, and project management services. As a result of the divestiture of the Projects business unit in December 2023, the drilling fluid management services business unit does not meet the quantitative thresholds to be reported as a separate segment, and as a result, this business unit is included in the Waste Management segment prospectively. No changes were implemented with respect to comparative information or the consolidated data.

Total Segment Adjusted EBITDA excludes corporate G&A expenses and share-based compensation, as senior management reviews each segment's earnings before these expenses in assessing profitability and performance.

Quarterly Segment Adjusted EBITDA[(1)]



1. Refer to the "Non-GAAP and other specified financial measures" section in this MD&A for further information.
2. Two Oilfield Services business were divested in 2023. As a result, the Oilfield Services segment is not reported starting in 2024.

The tables below outline the results by reportable segment for the three months ended March 31, 2024 and 2023:

Three months ended March 31, 2024	Waste Management	Energy Infrastructure	Corporate	Total
Revenue excluding oil purchase and resale	296	64	—	360
Oil purchase and resale	—	2,489	—	2,489
Total revenue	**296**	**2,553**	**—**	**2,849**
Cost of sales excluding items listed separately below	(185)	(2,506)	—	(2,691)
Segment profit margin	**111**	**47**	**—**	**158**
G&A expenses excluding items listed separately below	(11)	(3)	(13)	(27)
Depreciation, depletion and amortization [(1)]	(39)	(5)	(1)	(45)
Share-based compensation [(1)]	—	—	(14)	(14)
Interest, accretion and finance costs	(3)	(1)	(14)	(18)
Gain on asset divestiture	—	—	520	520
Other expense	—	—	(14)	(14)
Income before tax	**58**	**38**	**464**	**560**

Three months ended March 31, 2023	Waste Management	Energy Infrastructure	Oilfield Services	Corporate	Total
Revenue excluding oil purchase and resale	256	52	108	—	416
Oil purchase and resale	—	1,491	—	—	1,491
Total revenue	**256**	**1,543**	**108**	**—**	**1,907**
Cost of sales excluding items listed separately below	(143)	(1,496)	(88)	—	(1,727)
Segment profit margin	**113**	**47**	**20**	**—**	**180**
G&A expenses excluding items listed separately below	(5)	(1)	(7)	(13)	(26)
Depreciation, depletion and amortization [1]	(44)	(5)	(5)	—	(54)
Share-based compensation [1]	—	—	—	(9)	(9)
Interest, accretion and finance costs	(3)	—	—	(20)	(23)
Transaction and related costs	—	—	—	(3)	(3)
Other income	3	—	5	—	8
Income (loss) before tax	**64**	**41**	**13**	**(45)**	**73**

[1] Depreciation, depletion and amortization, and share-based compensation have been allocated to cost of sales and G&A expenses on the Consolidated Statements of Comprehensive Income based on function of the underlying asset or individual to which the charge relates.

WASTE MANAGEMENT SEGMENT

The Waste Management operating segment includes a network of waste processing facilities, produced water pipelines, industrial landfills, waste transfer and metal recycling facilities and specialty chemicals. Through this infrastructure network, the Corporation carries out business operations including the processing, recovery, recycling and disposal of waste streams generated by our energy and industrial customers. Services include produced and waste water disposal, hazardous and non-hazardous waste processing and transfer, treatment of crude oil emulsions, metal recycling and specialty chemicals.

The table below outlines the operational and financial results for the segment for the three months ended March 31, 2024 and 2023.

	Three months ended March 31,		
	2024	**2023**	**% Change**
Volumes			
Produced water (in 000's m^3)	**1,643**	2,032	(19)
Waste processing (in 000's m^3)	**741**	960	(23)
Oil recovery (in 000's m^3)	**50**	61	(18)
Industrial landfill (in 000's m^3)	**570**	739	(23)
Waste Management Revenue	**296**	256	16
Cost of Sales			
Cost of sales excluding items noted below	**185**	143	29
Depreciation, depletion and amortization	**37**	43	(14)
Waste Management Cost of Sales	**222**	186	19
G&A expense (including depreciation not in cost of sales)	**13**	6	117
Segment income before tax	**58**	64	(9)

Volumes

For the three months ended March 31, 2024, produced water, waste processing, oil recovery, and industrial landfill volumes decreased in comparison to the first quarter of 2023. This decrease was attributed to the reduction in the number of waste management facilities and landfills divested in the Sale Transaction. The 2024 volumes include contributions from the divested facilities for January, as the sale was completed on February 1, 2024. As a result of the Sale Transaction, SECURE divested of 17 treatment, recovery and disposal facilities, 6 landfills, 4 water disposal wells and 2 disposal caverns all formerly owned by Tervita, all within the Waste Management segment.

Financial Results

Revenue increased 16% for the first quarter of 2024 compared to the same quarter of 2023, mainly due to the inclusion of the Drilling Fluid Management business unit into the segment during the current quarter. Additionally, revenues from the Metals Recycling business unit increased by 21% in the current quarter compared to the first quarter of 2023, driven by higher ferrous volumes processed and higher ferrous prices as a result of strong demand for recycled metals. This increase in activity in our facilities is attributed to the continued sustaining and growth capital invested in the Metals Recycling business unit. These above noted increases in revenues were partially offset by the loss of revenues associated with the divested waste management facilities and landfills in the Sale Transaction.

During the first quarter of 2024, cost of sales excluding depreciation, depletion and amortization, increased 29% from the first quarter of 2023. This increase was primarily due to the inclusion of the Drilling Fluid Management business unit into the segment during the current quarter, in addition to higher cost of sales in the Metals & Mining business unit, where the cost of sales increased alongside elevated activity during the quarter.

For the three months ended March 31, 2024, there was a 14% decrease in operational depreciation and amortization compared to the same period in 2023. This reduction was a result of the divestiture of $380 million of property, plant, and equipment in the Sale Transaction, leading to a corresponding decrease in depletion, depreciation, and amortization offset by drilling fluid management amortization.

During the first quarter of 2024, G&A expenses increased by $7 million compared to the same period in 2023, largely attributed to the inclusion of the Drilling Fluid Management business unit into the Waste Management segment during the current quarter.

During the three months ended March 31, 2024, the segment's pre-tax income decreased by 9% from the corresponding period in 2023 to $58 million. This decrease was primarily due to higher cost of sales and G&A expenses, partially offset by higher revenues and lower depreciation and amortization.

ENERGY INFRASTRUCTURE SEGMENT

The Energy Infrastructure segment has two separate business lines: energy infrastructure and oil purchase and resale.

Energy Infrastructure

Energy infrastructure includes a network of crude oil gathering pipelines, terminals and storage facilities. Through this infrastructure network, the Corporation engages in the transportation, optimization, terminalling and storage of crude oil.

Oil Purchase and Resale

SECURE’s oil purchase and resale enhances the service offering associated with SECURE’s business of terminalling and marketing. By offering this service, SECURE’s customers gain efficiencies in transporting and handling of their crude oil to the pipeline. At the Corporation’s terminals, SECURE meters the crude oil volumes and purchases the crude oil directly from customers. The Corporation then processes and handles the shipment of crude oil down the pipeline. The Corporation may also purchase and resell crude oil to take advantage of changing market prices and price differentials to enhance profitability.

The tables below outline average benchmark prices, operational and financial results for the three months ended March 31, 2024 and 2023.

	Three months ended March 31,		
	2024	**2023**	**% Change**
Average Benchmark Prices and Volumes			
WTI (US$/bbl)	$ 76.96	$ 76.13	1
WCS average differential (US$/bbl)	$ 19.25	$ 20.98	(8)
Average exchange rate CAD/USD	0.74	0.74	—
Canadian Light Sweet ($/bbl)	$ 95.45	$ 99.73	(4)
Crude oil terminalling and pipeline volumes (in 000's m^3)	1,666	1,337	25
Revenue (excluding oil purchase and resale)	64	52	23
Oil purchase and resale	2,489	1,491	67
Energy Infrastructure Revenue	2,553	1,543	65
Cost of Sales			
Cost of sales excluding items noted below	17	5	240
Depreciation and amortization	5	5	—
Oil purchase and resale	2,489	1,491	67
Energy Infrastructure Cost of Sales	2,511	1,501	67
G&A expense	3	1	200
Segment income before tax	38	41	(7)

Volumes

For the three months ended March 31, 2024, crude oil pipeline and terminalling volumes increased by 25% from the respective 2023 comparative period. The increase is due to significant volume contributions from the Clearwater heavy oil terminal which commenced operations in the fourth quarter of 2023, partially offset by volumes attributed to assets divested in the Sale Transaction.

Crude oil and natural gas liquids inventory (refer to Note 7 of the Interim Financial Statements) consists of inventory stored at terminals in anticipation of the Trans Mountain Pipeline expansion becoming operational in the coming months.

Financial Results

In the quarter ended March 31, 2024, revenue (excluding oil purchase and resale) of $64 million increased by $12 million from the first quarter of 2023 driven by higher volumes.

Oil purchase and resale revenue increased 67% to $2.5 billion for the three months ended March 31, 2024 compared to the same quarter in the previous year. Higher oil purchase and resale revenue driven by additional volumes acquired through third-party pipelines, which allowed SECURE to capitalize on arbitrage opportunities, leveraging price differentials between markets to enhance profitability.

For the three months ended March 31, 2024, cost of sales, excluding depreciation, amortization and oil purchase and resale, increased by $12 million or 240% from the respective 2023 period. The increase in cost of sales is primarily due to higher transportation charges in line with higher throughput volumes and resulting higher revenues.

Operating depreciation expense included in cost of sales relates primarily to the Energy Infrastructure segment's oil pipelines, terminals and storage facilities. For the three months ended March 31, 2024, operating depreciation remained consistent compared to the corresponding period in 2023. The decrease in operating depreciation attributed to the divested Facilities was offset by depreciation of the Clearwater heavy oil terminalling and gathering infrastructure following the initiation of operations in the fourth quarter of 2023.

For the three months ended March 31, 2024, G&A expenses were higher than the prior year comparative period primarily due to higher salaries and wages due to increases during the second quarter of 2023 to keep pace with inflation.

During the three months ended March 31, 2024, the segment's income before tax decreased by $3 million due to higher cost of sales and higher G&A expenses more than offsetting higher revenues.

CORPORATE INCOME AND EXPENSES

	Three months ended March 31,		
	2024	**2023**	**% Change**
G&A expenses excluding items noted below	**13**	13	—
Depreciation and amortization	**1**	—	100
Share-based compensation expense	**14**	9	56
Total Corporate G&A expenses	**28**	**22**	**27**
Interest and finance costs	**14**	20	(30)
Transaction and related costs	**—**	3	(100)
Gain on asset divestiture	**(520)**	—	100
Other expense	**14**	—	100
Income taxes	**138**	18	667

Included in Corporate G&A expenses are all public company costs, personnel, office and other administrative costs relating to corporate employees and officers, support services shared across all operational business units, and share-based compensation for all employees.

During the three months ended March 31, 2024, Corporate G&A expenses excluding depreciation, amortization and share-based compensation remained consistent compared to the prior year quarter. Salaries and wages increased in the second quarter of 2023, however these were offset by a decrease in general and administrative expenses resulting from the reduction of employees who transitioned with the Sale Transaction.

For the three months ended March 31, 2024, share-based compensation included in Corporate G&A expenses of $14 million increased by $5 million from the prior year comparative period, primarily as a result of additional performance share units issued under the Corporation's unit incentive plan ("UIP") for the performance factor multiple in addition to UIP awards issued at a higher share price resulting in a higher expense.

Interest and finance costs for the three months ended March 31, 2024 decreased by $6 million, compared to the same periods in the prior year. This decrease was mainly due to full repayment of the Revolving Credit Facility in February 2024 utilizing proceeds from the Sale Transaction.

For the three months ended March 31, 2023, the Corporation incurred transaction and related costs of $1 million related to legal and advisory fees for the competition review process, and $2 million of integration costs primarily related to the implementation of a new enterprise resource planning system.

In the three months ended March 31, 2024, the Corporation realized a gain of $520 million from the Sale Transaction.

In the three months ended March 31, 2024, other expense included the loss on debt extinguishment of $16 million related to the redemption of the 2026 unsecured notes.

For the three months ended March 31, 2024, the Corporation's income tax expense was $138 million, compared to $18 million in first quarter of 2023, due to higher taxable income primarily resulting from the gain recognized on the Sale Transaction.

SUMMARY OF QUARTERLY RESULTS

Seasonality

In western Canada, the level of activity is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. This limits the movement of heavy equipment and the transportation of heavy waste loads is restricted, resulting in smaller loads and a general reduction in the volume of waste delivered to SECURE's facilities. Accordingly, while the Corporation's facilities are open and accessible year-round, spring break-up reduces the Corporation's waste volumes received and sales of specialty chemicals. The second quarter has generally been the slowest quarter as a result of spring break-up. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

The table below summarizes unaudited consolidated quarterly information for each of the eight most recently completed fiscal quarters.

	2024	2023				2022		
($ millions except share and per share data)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenue (excluding oil purchase and resale)	360	451	427	353	416	401	419	355
Oil purchase and resale	2,489	1,889	1,788	1,429	1,491	1,624	1,730	1,723
Total revenue	2,849	2,340	2,215	1,782	1,907	2,025	2,149	2,078
Net income	422	59	47	34	55	32	60	54
Per share - basic	1.50	0.20	0.16	0.11	0.18	0.10	0.19	0.17
Per share - diluted	1.47	0.20	0.16	0.11	0.18	0.10	0.19	0.17
Weighted average shares - basic	281,557,907	288,968,141	292,043,344	296,343,936	306,517,269	309,956,766	309,912,215	309,831,621
Weighted average shares - diluted	286,486,941	293,212,504	294,929,189	298,407,348	310,026,987	314,248,785	313,278,309	313,071,825
Adjusted EBITDA (1)	132	162	158	119	151	150	154	127

(1) Refer to the "*Non-GAAP measures*" section of this MD&A for further information.

Quarterly Review Summary

As illustrated above, quarterly performance is affected by seasonal variation; however, with fluctuating commodity prices impacting industry activity, and SECURE's historical growth and acquisitions, variations in quarterly results are also attributable to several other factors.

Since the close of the the Corporation's acquisition of Tervita in the third quarter of 2021, through 2022, the Corporation executed on realizing the integration of cost savings identified at the time of the transaction. This along with strong commodity prices and corresponding increase in industry activity, had positive impacts on quarterly results through 2022.

During the second quarter of 2023, the Corporation was impacted by wildfires in western Canada which occurred in May 2023, resulting in temporary facility closures in the Waste Management segment, reduced activity from evacuations in certain areas and reduced revenues from energy producers that shut in operations in affected areas and actioned precautionary measures.

During the fourth quarter of 2023, the Corporation experienced a substantial rise in revenues, driven by enhanced activity across all business units within the Waste Management and Energy Infrastructure segments. This increase in activity was spurred by higher growth and sustaining capital expenditures invested during the year. Key contributors to the Corporation's improved earnings included produced water growth across our network in western Canada, the completion of the Clearwater heavy oil terminalling and gathering infrastructure, the expansion of a Montney water disposal facility, and investments in equipment for metal recycling.

The divestiture of 29 facilities in the first quarter of 2024 had a notable impact on the Corporation's operating and financial results. Consequently, both revenues and expenses (excluding oil purchase and resale) experienced a decline due to this divestiture. As a result of the Sale Transaction, the Corporation recorded a gain of $520 million in the quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's objective in capital program management is to ensure adequate sources of capital are available to carry out our capital plan, while maintaining operational growth, payment of dividends and stable cash flow, to sustain the business for the long-term.

Management considers capital to be the Corporation's working capital (current assets less accounts payable and accrued liabilities and interest payable), total amounts drawn on debt borrowings (Revolving Credit Facility and 2029 unsecured notes) and shareholders' equity.

The Corporation's overall capital management strategy remains unchanged from prior periods. Management controls its capital structure through detailed forecasting and budgeting, as well as established policies and processes over monitoring planned capital and operating expenditures. This includes the Board reviewing the Corporation's results and approving capital spending limits on a quarterly basis.

The key measures management uses to monitor its capital structure are incurred capital expenditures compared to authorized limits, Adjusted EBITDA on all of its operations, discretionary free cash flow and the covenant ratios as defined in the Corporation's lending agreements which are discussed further below.

Debt Borrowings

The Corporation's debt borrowings as at March 31, 2024 consisted of:

- The Revolving Credit Facility, an $800 million three-year revolving credit facility with nine financial institutions, maturing in July 2025. No amounts were drawn at the end of the period. All amounts borrowed under the Revolving Credit Facility are secured by substantially all tangible and intangible assets owned by the Corporation.
- The 2029 unsecured notes, consisting of $300 million aggregate principal amount of 6.75% unsecured notes due March 22, 2029.
- A total of $99 million of letters of credit issued against the Revolving Credit Facility and Letter of Credit Facility.

Amounts borrowed under the Revolving Credit Facility bear interest at the Corporation's option of either the Canadian prime rate or US Base Rate plus 0.625% to 2.50% or the bankers' acceptance rate or Secured Overnight Financing Rate ("SOFR") rate plus 1.625% to 3.50%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility.

On February 5, 2024, the Corporation fully repaid the outstanding balance on the Revolving Credit Facility with proceeds from the Sale Transaction.

On February 22, 2024, the Corporation used proceeds from the Sale Transaction to redeem the outstanding 2025 senior secured notes at the redemption price of 105.50% of the principal amount, plus accrued and unpaid interest. The total payment was $223 million, comprised of principal of $207 million (US$153 million), unpaid interest of $5 million and a premium of $11 million.

On March 22, 2024 the Corporation closed the Offering. The Corporation used the net proceeds of the Offering, along with cash on hand, to fund the redemption of the 2026 unsecured notes at the redemption price of 103.63% of the principal amount, plus accrued and unpaid interest. The total payment was $358 million, comprised of principal of $340 million, unpaid interest of $6 million and a premium of $12 million, resulting in a loss on extinguishment of debt of $16 million.

The interest payments on the 2029 unsecured notes occur in March and September during the term of the debt. This typically results in lower discretionary free cash flow generated in the first and third quarter.

Credit Ratings

The Corporation's credit ratings issued by S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") provide increased transparency and comparability for debt investors and other capital market participants. The Corporation's credit ratings as at March 31, 2024 are as follows:

	S&P	Fitch
Corporate Rating	B+	BB-
2029 unsecured notes	BB-	BB-

During the first quarter of 2024, S&P upgraded the Corporation's credit rating to B+ (B at December 31, 2023) and both S&P and Fitch issued a BB- rating on the 2029 unsecured notes. The Corporation also determined that it did not require ratings by three agencies, and as a result the Corporation has discontinued coverage by Moody's Investors Service, Inc.

Revolving Credit Facility Covenants

At March 31, 2024, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility.

The following table outlines SECURE's covenant ratios, calculated in accordance with the Revolving Credit Facility, at March 31, 2024, and December 31, 2023:

	Covenant	March 31, 2024	December 31, 2023	% Change
Senior Debt to EBITDA	not to exceed 2.75	(0.2)	1.0	(120)
Total Debt to EBITDA	not to exceed 4.5	0.5	1.9	(74)
Interest coverage	not to be less than 2.5	5.1	6.2	(18)

Issued capital

Issued capital of $1.4 billion at March 31, 2024 decreased from $1.5 billion at December 31, 2023, with common shares repurchased and cancelled under the NCIB.

On December 14, 2023, the Corporation renewed the previous NCIB, which was completed in September 2023 upon the Corporation acquiring the maximum number of common shares purchasable thereunder. Pursuant to the renewed NCIB, the Corporation is authorized to purchase and cancel up to a maximum of 23,196,967 common shares of the Corporation representing approximately 8% of the Corporation's outstanding shares as at December 8, 2023, or 10% of the Corporation's public float. The NCIB will terminate on December 13, 2024 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or terminated at the Corporation's election.

The table below summarizes the purchases under the NCIB for the three months ended March 31, 2024 and 2023:

	Three months ended March 31,		
	2024	2023	% Change
Shares repurchased and cancelled under the NCIB	12,055,510	9,595,200	26
Weighted average price per share	$ 10.47	$ 7.24	45
Total consideraton	$ 126	$ 69	83

Subsequent to March 31, 2024, the Corporation repurchased 2,812,700 additional shares at a weighted average price per share of $11.46 for a total of $32 million.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet our financial obligations when they are due. The Corporation manages its liquidity risk through cash and debt management. Management's assessment of the Corporation's liquidity reflects estimates, assumptions and judgments relating to current market conditions.

The Corporation's customers are impacted by fluctuations in oil and gas prices, which may lead to volatility affecting drilling and completion activity. However, SECURE's business units primarily centered on production volumes which are recurring. In addition, a portion of these production volumes are contracted and/or fee-for-service contracts that are expected to provide a degree of cash flow stability.

Starting on December 15, 2022, SECURE declared an increase of the quarterly dividend to $0.10 per common share. The decision whether or not to pay dividends and the amount of any such dividends are subject to the sole discretion of the Board, which regularly evaluates the Corporation's proposed dividend payments.

SECURE believes the sharing of excess cash flows with shareholders is a core business principle; as a result, management and the Board will continue to monitor the Corporation's dividend policy with respect to forecasted Adjusted EBITDA, debt, capital expenditures and other investment opportunities including share buybacks, as well as expected interest, lease, tax and transaction costs, and will look for opportunities to return additional capital as business conditions warrant. While the Corporation is recording current income taxes in the first quarter of 2024, it does not expect to pay the corresponding material cash tax until 2025.

To meet financial obligations, the Corporation may adjust the amount of its dividends, draw on the Revolving Credit Facility up to the covenant restrictions, divest assets, issue subordinated debt, or obtain equity financing. The declaration and payment of dividends is at the discretion of the Board and is dependent upon, among other things, financial performance, compliance with debt covenants and the factors referred to under the heading "*Risk Factors"* in the AIF. While the Corporation has had success in obtaining financing in the past, access to capital may be more difficult in the future depending on the economic and operating environment. Refer to the "*Access to Capital and Financing Future Growth Expansion"* discussion in the "*Risk Factors"* sections of the AIF.

As at March 31, 2024, the Corporation had $1.015 billion in Liquidity consisting of $264 million in cash and $751 million in available borrowing capacity on its Revolving Credit Facility and Letter of Credit Facility, subject to covenant restrictions. Refer to Note 21 of the Annual Financial Statements for further disclosure regarding the Corporation's liquidity risk and Note 17 of the Interim Financial Statements for details of the Corporation's contractual obligations and contingencies at March 31, 2024, which notes are incorporated by reference into this MD&A and available on SEDAR+ at www.sedarplus.ca and on the Corporation's website www.SECURE-energy.com.

The following provides a summary and comparison of the Corporation's operating, investing and financing cash flows for the three months ended March 31, 2024 and 2023.

Net Cash Flows from Operating Activities

	Three months ended March 31,		
	2024	**2023**	**% Change**
Net cash flows from operating activities	**8**	97	(92)

The Corporation generated net cash flows from operating activities totaling $8 million for the three-month period ending March 31, 2024, a decrease of $89 million compared to the corresponding period in the prior year. This decrease in cash flows from operating activities was primarily attributed to the divestiture of the Facilities in the Sale Transaction. Furthermore, there was an increase in working capital compared to the first quarter of the previous year, driven by the higher crude oil inventory balance in the current quarter.

Investing Activities

During the three months ended March 31, 2024, the Corporation received cash proceeds of $1.149 billion from the Sale Transaction.

The Corporation's total capital expenditures decreased by $27 million in the first quarter of 2024 compared to the corresponding period in the previous year, largely due to the timing of expenditures on various capital projects.

	Three months ended March 31,		
	2024	**2023**	**% Change**
Capital expenditures [(1)]			
Growth capital expenditures	**11**	36	(69)
Sustaining capital expenditures	**8**	10	(20)
Total capital expenditures	**19**	46	(59)

[(1)] Refer to the "*Operational definitions*" section of this MD&A for further information.

Growth capital of $11 million for three months ended March 31, 2024 was primarily for phase two investments made in the Clearwater heavy oil terminalling and gathering infrastructure to enhance capacity, with expected completion in the second quarter of 2024. Additional growth capital includes new rail cars for the Metals Recycling business unit and enhancements to the WiQ application, a transparent e-ticketing system that ensures compliance and standardization for the documentation of waste and recyclables.

Sustaining capital of $8 million for the three months ended March 31, 2024, included capital expenditures for asset integrity programs and asset purchases for our metal recycling and waste service operations, well and facility improvements at waste management facilities, landfill cell expansions, and laboratory enhancements for the Specialty Chemicals business unit.

Financing Activities

	Three months ended March 31,		
	2024	**2023**	**% Change**
(Repayment) draw of credit facilities	**(421)**	60	(802)
Settlement of notes	**(571)**	—	100
Issuance of unsecured notes	**300**	—	100
Financing fees	**(6)**	—	100
Lease liability principal payments	**(7)**	(8)	(13)
Dividends declared	**(28)**	(30)	(7)
Repurchase and cancellation under NCIB	**(126)**	(69)	83
Settlement of share units	**—**	(14)	(100)
Net cash flows used in financing activities	**(859)**	(61)	1,308

During the three months ended March 31, 2024, with proceeds from the Sale Transaction, the Corporation fully repaid the outstanding balance on the Revolving Credit Facility and redeemed the outstanding 2025 senior secured notes at the redemption price of 105.50% of the principal amount plus accrued and unpaid interest.

On March 22, 2024, the Corporation closed the Offering. The Corporation used proceeds from the Offering, and cash on hand, to redeem all of the outstanding 2026 unsecured notes at the redemption price of 103.63% of the principal amount plus accrued and unpaid interest.

During the first quarter of 2024, principal payments on lease liabilities amounted to $7 million. The slight reduction in lease payments results from the disposal of leases during the fourth quarter of 2023 as part of the sale of the Projects business unit.

The Corporation declared dividends to holders of common shares for the three months ended March 31, 2024 of $28 million (March 31, 2023: $30 million). On March 15, 2024, the Corporation declared a dividend in the amount of $0.10 per common share. Subsequent to March 31, 2024, the Corporation paid out this dividend to holders of common shares on record on April 1, 2024.

For the three months ended March 31, 2024, the Corporation purchased 12,055,510 common shares at a weighted average price per share of $10.47 for a total of $126 million under the terms of the NCIB. The repurchase of common shares under the NCIB was funded through discretionary cash flows and proceeds from the Sale Transaction.

CONTRACTUAL OBLIGATIONS

Refer to Note 17 of the Interim Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

A detailed discussion of SECURE's business risks and uncertainties are set out in the "*Risk Factors" section of the AIF,* which is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website www.SECURE-energy.com, which is incorporated by reference herein.

OUTSTANDING SHARE CAPITAL

As at April 24, 2024, there are 276,701,030 common shares issued and outstanding. In addition, as at April 24, 2024, the Corporation had the following share-based awards outstanding and exercisable or redeemable:

Balance as at April 24, 2024	Issued	Exercisable
Restricted Share Units	2,291,307	—
Performance Share Units	3,269,369	—

OFF-BALANCE SHEET ARRANGEMENTS

At March 31, 2024 and December 31, 2023, the Corporation did not have any material off-balance sheet arrangements.

FINANCIAL AND OTHER INSTRUMENTS

As at March 31, 2024, the Corporation's financial instruments included cash and cash equivalents, restricted cash, accounts receivable and accrued receivables, accounts payable and accrued liabilities, customer prepayments, the Revolving Credit Facility, 2029 unsecured notes, lease liabilities and derivative instruments. The fair values of these financial instruments approximate their carrying amount due to the short-term maturity of the instruments, except for the Revolving Credit Facility, and 2029 unsecured notes. The Revolving Credit Facility's carrying value approximates its fair value due to the variable interest rates applied, which approximate market interest rates. The fair value of the 2029 unsecured notes is influenced by changes in risk-free interest rates and the market assessment of credit risk.

Derivative instruments are fair valued at each period end in accordance with their classification of fair value through profit or loss. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices, foreign currency exchange rates and interest rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity price curves, foreign currency exchange rates and interest rates. The estimated fair value of all derivative financial instruments is based on observable market data.

The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, interest rate and market risk. A discussion of how these and other risks are managed can be found in the AIF under the heading '*Risk Factors'* and a discussion of the corresponding classification and amounts of income, expenses, gains and losses associated with these financial instruments and their fair value can be found in Note 21 of the Corporation's Annual Financial Statements.

Of the Corporation's financial instruments, cash and cash equivalents, restricted cash, accounts receivable and accrued receivables and derivative instruments contain credit risk. The credit risk associated with cash and cash equivalents is minimized as all is held at major Canadian financial institutions. The Corporation provides credit to customers in the normal course of operations. The Corporation's credit risk policy includes performing credit evaluations of its customers. A significant portion of the Corporation's accounts receivable are due from companies in the oil and natural gas industry and are subject to normal industry credit risks. Where credit risk associated with a counterparty is high, the Corporation requires prepayments from customers. Given the policies and procedures in place, management is appropriately managing its credit risk.

The Corporation's exposure to losses in the event that counterparties to derivative instruments are unable to meet the terms of the contracts is considered very low as commodity derivative trades are all done with a large commodity futures exchange, and interest rate and foreign exchange hedges are done with major Canadian financial institutions.

Funds drawn under the Revolving Credit Facility are managed through a combination of bankers' acceptance loans and U.S. dollar SOFR loans which bear interest at a floating interest. To the extent that the Corporation borrows under the Revolving Credit Facility, the Corporation is at risk to rising interest rates and foreign exchange rates.

ACCOUNTING POLICIES

SECURE's material accounting policies are set out in Note 2 of the Annual Financial Statements. There were no new accounting standards or amendments to IFRS issued that materially impacted the Interim Financial Statements.

FUTURE ACCOUNTING PRONOUNCEMENTS

On June 26, 2023, the International Sustainability Standards Board ("ISSB") issued IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after January 1, 2024. The sustainability standards as issued by the ISSB provide for transition relief in IFRS S1 that allow a reporting entity to report only on climate-related risks and opportunities, as set out in IFRS S2, in the first year of reporting under the sustainability standards.

The Canadian Securities Administrators ("CSA") are responsible for determining the reporting requirements for public companies in Canada and are responsible for decisions related to the adoption of the sustainability disclosure standards, including the effective annual reporting dates. The CSA issued proposed National Instrument *51-107 – Disclosure of Climate-related Matters* in October 2021. The CSA has indicated it will consider the ISSB sustainability standards and developments in the United States in its decisions related to developing climate-related disclosure requirements for reporting issuers in Canada. The CSA will involve the Canadian Sustainability Standards Board ("CSSB") for their combined review of the ISSB issued sustainability standards for their suitability for adoption in Canada. Until such time as the CSA and CSSB make decisions on sustainability standard adoption here in Canada, there is no requirement for public companies in Canada to adopt the sustainability standards. The Corporation is actively evaluating the potential effects of the ISSB issued sustainability standards; however, at this time, the Corporation is not able to determine the impact on future financial statements, nor the potential costs to comply with these sustainability standards.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the Corporation's Interim Financial Statements, management has made judgments, estimates and assumptions that affect the recorded amounts of revenues, expenses, assets, liabilities and the disclosure of commitments, contingencies and guarantees. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the Interim Financial Statements are prepared. Actual results could differ from these estimates. The most significant estimates and judgments used in the preparation of the Corporation's Interim Financial Statements have been set out in Note 3 of the Corporation's Interim and Annual Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P") as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") means the controls and other procedures of SECURE that are designed to provide reasonable assurance that information required to be disclosed by SECURE in its annual fillings, interim fillings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by SECURE in its annual fillings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to SECURE's management including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting ("ICFR"), as defined in NI 52-109 means a process designed by, or under the supervisions of SECURE's CEO and CFO, and effected by the Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation used the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission in the design of its ICFR. SECURE's ICFR includes policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of SECURE;
- Are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of SECURE are being made only in accordance with authorizations of management and directors; and
- Are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of SECURE's assets that could have a material effect on the financial statements.

There was no change to the Corporation's ICFR that occurred during the most recent interim or annual period ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

Management, including the CEO and CFO, does not expect that the Corporation's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within the Corporation have been detected.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Refer to Note 17 of the Corporation's Interim Financial Statements for disclosure related to legal proceedings and regulatory actions and its impact on contingencies.

RELATED PARTIES

Refer to Note 23 of the Corporation's Annual Financial Statements for disclosure of related parties. There have been no other material related party transactions or significant changes to those disclosed in the Annual Financial Statements.

FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this MD&A 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 MD&A, the words "achieve", "advance", "anticipate", "believe", "can be", "capacity", "commit", "continue", "could", "deliver", "drive", "enhance", "ensure", "estimate", "execute", "expect", "focus", "forecast", "forward", "future", "goal", "grow", "integrate", "intend", "may", "maintain", "objective", "ongoing", "opportunity", "outlook", "plan", "position", "potential", "prioritize", "realize", "remain", "result", "seek", "should", "strategy", "target", "will", "would" and similar expressions, as they relate to SECURE, its management, or the combined company, are intended to identify forward-looking statements. Such statements reflect the current views of SECURE and speak only as of the date of this MD&A.

In particular, this MD&A contains or implies forward-looking statements pertaining but not limited to: SECURE's expectations and priorities for 2024 and beyond and its ability and position to achieve such priorities; lower interest expenses; debt repayment; SECURE’s expectations for 2024, including growth opportunities and sustaining capital expenditures; the ability of SECURE to execute on its strategic initiatives; SECURE’s capital allocation priorities and strategies, including its intention to initiate a substantial issuer bid and the timing thereof, capital structure improvements, repayment of debt, payment of dividends and the amounts thereof, growing our base infrastructure with customer-backed contracts and share repurchases; expectations regarding sustained and expanded activity levels; the ability to create value for its shareholders; construction activities on the Clearwater heavy oil terminal and expected timing of the second phase operation; allocation of spending of the capital budget, including on landfill expansions and retirement obligations; repurchase of shares under the NCIB; ability of the Corporation to reduce the valuation gap of the common shares; capacity to enhance returns to shareholders and the ability to strategically expand in the industrial and energy waste markets; higher and sustained volumes and activity levels; shifting supply and demand dynamics driving commodity price volatility; stability in the industrial sector; discipline and modest production growth by the Corporation's customers; SECURE's business and demand for SECURE's products and services for the remainder of 2024; opportunities as a result of production growth; SECURE's infrastructure network capacity and costs to meet growing demand; SECURE's long-term take or pay contracts; directing significant discretionary free cash toward capital allocation priorities; expectation the Corporation will not pay material cash tax until 2025 or later; Canada's role in responsibly meeting growing demand for energy; the significance of oil and natural gas; the effect of expanded access from new pipeline infrastructure, and new natural gas liquids marine export terminals on domestic production; long-term investment by energy producers, resulting in sustained and growing activity levels; the impact of the Sale Transaction on discretionary free cash compared to 2023; SECURE's position to benefit from increased activity for the long-term; the benefit of recurring volumes on SECURE's industrial landfills as a result of government regulations; the stability and resilience of SECURE's operations and the drivers thereof; the ability of the Corporation to realize the anticipated benefits of acquisitions or dispositions; SECURE's vision of being a leader in environmental, waste management and energy infrastructure; value creation for SECURE's customers through reliable, safe, and environmentally responsible infrastructure; SECURE's ability to help their customers achieve operational excellence and leading ESG standards; the costs and the proceeds of sale should SECURE be required to divest of any facilities and SECURE's ability to maximize such proceeds; the use of such proceeds of sale and their ability to mitigate the impact of such sale; maintaining SECURE's Total Debt to EBITDA covenant ratio; SECURE's capital program management and ability to ensure adequate sources of capital to carry out its capital plan; maintaining operational growth, payment of dividends and stable cashflow; sustaining capital growth for the long-term; SECURE's capital allocation priorities, including share repurchases; SECURE’s ability to optimize its portfolio; the renewal of SECURE's NCIB; the Corporation's ability to capitalize on its strategic initiatives and divestitures; increased industry activity, including related to abandonment, remediation and reclamation and the impacts thereof; expected capital expenditures and the timing of the completion of projects related thereto; the contribution of completed projects to SECURE's results and the timing thereof; SECURE's ability to repay debt and achieve its near-term debt targets; sustained inflationary pressures and increased interest rates, their impact on SECURE's business and SECURE's ability to manage such pressures; the impact of new or existing regulatory requirements, including mandatory spend requirements for retirement obligations, on SECURE's business, and the introduction of such requirements; seasonal slowdowns in energy industry activity; SECURE's dividend policy, the declaration, timing and amount of dividends thereunder and the continued monitoring of such policy by the Board and management; the Corporation's ability to fund its capital needs and the amount thereof; methods and sources of liquidity to meet SECURE's financial obligations, including adjustments to dividends, drawing on credit facilities, issuing debt, obtaining equity financing or divestitures; SECURE's liquidity position and access to capital; maintaining financial resiliency; and the contribution of completed projects to SECURE’s results and the timing thereof.

Forward-looking statements are based on certain assumptions that SECURE has made in respect thereof as at the date of this MD&A regarding, among other things: SECURE's 2024 expectations; economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, exchange rates, and inflation; ability to enter into signing agreements with customers to backstop the investments and acquisition opportunities present; continued demand for the Corporation's infrastructure services and activity linked to long-term and recurring projects; the changes 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; increased capacity and stronger pricing with access to global markets through new infrastructure; the impact of any new pandemic or epidemic and other international or geopolitical events, including government responses related thereto and their impact on global energy pricing, oil and gas industry exploration and development activity levels and production volumes; anticipated sources of funding being available to SECURE on terms favourable to SECURE; the success of the Corporation's operations and growth projects; the impact of seasonal weather patterns; the Corporation's competitive position, operating, acquisition and sustaining costs remaining substantially unchanged; the Corporation's ability to attract and retain customers; that counterparties comply with contracts in a timely manner; current commodity prices, forecast taxable income, existing tax pools and planned capital expenditures; that counterparties comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion and operation of the relevant facilities; that there are no unforeseen material costs in relation to the Corporation's facilities and operations; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; increases to the Corporation's share price and market capitalization over the long term; disparity between the Corporation's share price and the fundamental value of the business; the Corporation's ability to repay debt and return capital to shareholders; credit ratings; the Corporation's ability to obtain and retain qualified personnel (including those with specialized skills and knowledge), technology and equipment in a timely and cost-efficient manner; the Corporation's ability to access capital and insurance; operating and borrowing costs, including costs associated with the acquisition and maintenance of equipment and property; the ability of the Corporation and our subsidiaries to successfully market our services in western Canada and the U.S.; an increased focus on ESG, sustainability and environmental considerations in the oil and gas industry; the impacts of climate-change on the Corporation's business; the current business environment remaining substantially unchanged; present and anticipated programs and expansion plans of other organizations operating in the energy service industry resulting in an increased demand for the Corporation's and our subsidiaries' services; future acquisition and maintenance costs; the Corporation's ability to achieve its ESG and sustainability targets and goals and the costs associated therewith; and other risks and uncertainties described in the AIF and from time to time in filings made by SECURE with securities regulatory authorities.

Forward-looking statements involve significant known and unknown 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: general global financial conditions, including general economic conditions in Canada and the U.S.; the effect of any pandemic or epidemic, inflation and international or geopolitical events and governmental responses thereto on economic conditions, commodity prices and the Corporation's business and operations; changes 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; a transition to alternative energy sources; the Corporation's inability to retain customers; risks inherent in the energy industry, including physical climate-related impacts; the Corporation's ability to generate sufficient cash flow from operations to meet our current and future obligations; the seasonal nature of the oil and gas industry; increases in debt service charges including changes in the interest rates charged under the Corporation's current and future debt agreements; inflation and supply chain disruptions; the Corporation's ability to access external sources of debt and equity capital and insurance; disruptions to our operations resulting from events out of our control; the timing and amount of stimulus packages and government grants relating to site rehabilitation programs; the cost of compliance with and changes in legislation and the regulatory and taxation 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; ability to maintain and renew the Corporation's permits and licenses which are required for its operations; competition; impairment losses on physical assets; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; supply chain disruption; the Corporation's ability to effectively complete acquisition and divestiture transactions on acceptable terms or at all; failure to realize the benefits of acquisitions or dispositions and risks related to the associated business integration; risks related to a new business mix and significant shareholder; liabilities and risks, including environmental liabilities and risks inherent in SECURE's operations; the Corporation's ability to invest in and integrate technological advances and match advances of our competition; the viability, economic or otherwise, of such technology; 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; the Corporation's or our customers' ability to perform their obligations under long-term contracts; misalignment with our partners and the operation of jointly owned assets; the Corporation's ability to source products and services on acceptable terms or at all; the Corporation's ability to retain key or qualified personnel, including those with specialized skills or knowledge; uncertainty relating to trade relations and associated supply disruptions; the effect of changes in government and actions taken by governments in jurisdictions in which the Corporation operates, including in the U.S.; the effect of climate change and related activism on our operations and ability to access capital and insurance; cyber security and other related risks; 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 our proprietary technology and our intellectual property rights; legal proceedings and regulatory actions to which the Corporation may become subject, including in connection with any claims for infringement of a third parties' intellectual property rights; the Corporation's ability to meet its ESG targets or goals and the costs associated therewith; claims by, and consultation with, Indigenous Peoples in connection with project approval; disclosure controls and internal controls over financial reporting; and other risk factors identified in the AIF and from time to time in filings made by the Corporation with securities regulatory authorities.

The guidance in respect of the Corporation's expectations of Adjusted EBITDA and discretionary free cash flow in 2024 contained in this MD&A may be considered to be a financial outlook for the purposes of applicable Canadian securities laws. Such information is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and which may become available in the future. These projections constitute forward-looking statements and are based on several material factors and assumptions set out above. Actual results may differ significantly from such projections. See above for a discussion of certain risks that could cause actual results to vary. The financial outlook contained in this MD&A has been approved by management as of the date of this MD&A. Readers are cautioned that any such financial outlook contained herein should not be used for purposes other than those for which it is disclosed herein. The Corporation and its management believe that the financial outlook contained in this MD&A has been prepared based on assumptions that are reasonable in the circumstances, reflecting management's best estimates and judgments, and represents, to the best of management's knowledge and opinion, expected and targeted financial results. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

Although forward-looking statements contained in this MD&A 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 MD&A are made as of the date hereof and are expressly qualified by this cautionary statement. Unless otherwise required by applicable securities laws, SECURE does not intend, or assume any obligation, to update these forward-looking statements.

ADDITIONAL INFORMATION

Additional information, including the AIF and the Annual Financial Statements, is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.SECURE-energy.com. Other than the information set out under the heading "*Risk Factors*" section in the AIF, which is incorporated by reference herein, the AIF and any information on the Corporation's website referred to in this MD&A do not constitute part of this MD&A.