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These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See “*Plan of Distribution*”.

PROSPECTUS

Initial Public Offering

March 23, 2010



SECURE ENERGY SERVICES INC.

Maximum: \$57,500,001 (19,166,667 Common Shares)

Minimum: \$40,000,002 (13,333,334 Common Shares)

This prospectus qualifies the distribution (the “**Offering**”) of a minimum of 13,333,334 common shares and a maximum of 19,166,667 common shares (“**Common Shares**”) of Secure Energy Services Inc. (“**Secure**” or the “**Corporation**”) at a price of \$3.00 per Common Share. FirstEnergy Capital Corp., Raymond James Ltd. and Peters & Co. Limited (the “**Agents**”) conditionally offer the Common Shares, on a reasonable commercial efforts basis subject to prior sale, if, as and when issued by the Corporation and accepted by the Agents in accordance with the conditions contained in the Agency Agreement as defined herein under the heading “*Plan of Distribution*”.

Price: \$3.00 per Common Share

	Price to the Public ⁽¹⁾	Agents' Fee ⁽²⁾	Net Proceeds to the Corporation ⁽³⁾
Per Common Share	\$3.00	\$0.18	\$2.82
Maximum Offering ⁽⁴⁾	\$57,500,001 ⁽⁴⁾	\$3,225,000 ⁽⁴⁾	\$54,275,001 ⁽⁴⁾
Minimum Offering	\$40,000,002	\$2,175,000	\$37,825,002

Notes:

- (1) The price of the Common Shares has been determined by negotiation between the Corporation and the Agents.
- (2) For services rendered in connection with the Offering, Secure will pay the Agents a cash commission (the “**Agents' Fee**”) equal to 6% of the gross proceeds of the Offering, provided that the Agents will only receive a fee of 3% in respect of subscriptions for up to \$7,500,000 from persons referred by the Corporation. See “*Plan of Distribution*”.
- (3) After deducting the Agents' Fee and assuming persons referred by the Corporation subscribe for Common Shares in an amount not less than \$7,500,000, but before deducting the estimated expenses of the Offering of approximately \$550,000, which expenses, together with the Agents' Fee, will be paid from the net proceeds of the Offering.
- (4) The Corporation has granted to the Agents an over-allotment option, exercisable for a period of 30 days from the closing of the Offering, to purchase that number of Common Shares equal to 15% of the Common Shares issued under the Offering on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). If the Over-Allotment Option is exercised in full and persons referred by the Corporation subscribe for Common Shares in an amount not less than \$7,500,000, the total “Price to the Public”, “Agents' Fee” and “Net Proceeds to the Corporation” will be \$66,125,001, \$3,742,500 and \$62,382,501, respectively (before deducting the estimated expenses of the Offering of approximately \$550,000). This prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares issuable upon the exercise of that option. A purchaser who acquires Common Shares forming any part of the Agents' over allocation position, if applicable, acquires those Common Shares under this prospectus regardless of whether the Agents' over allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

SECURE LOCATIONS & PROPOSED FACILITIES



SECURE
energy services

There is currently no market through which the Common Shares may be sold, and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “*Risk Factors*”.

An investment in Common Shares is subject to a number of risks that should be considered by a prospective purchaser. Investors should carefully review the risk factors outlined under the sections “*Risk Factors*” and “*General Matters – Forward Looking Statements*” in this prospectus before purchasing any Common Shares. Investors should read this entire prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

Investors should rely only on the information contained in this prospectus. Secure has not authorized anyone to provide investors with different information. Secure is not offering the Common Shares in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date of this prospectus.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will occur on or about March 30, 2010, or such later date as the Corporation and the Agents may agree to. Closing of the Offering may occur in one or more tranches. The Offering is subject to the approval of certain legal matters by Bennett Jones LLP on behalf of the Corporation and by McCarthy Tétrault LLP on behalf of the Agents. See “*Plan of Distribution*”.

Subject to applicable laws, the Agents may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price for the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

The following table sets forth the number of Common Shares that may be issued by Secure pursuant to the Over-Allotment Option.

Agents’ Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	15% of the Offering	At any time but not later than 30 days after the closing of the Offering	\$3.00

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Schedules

- Schedule "A" – Historical Consolidated Financial Statements
- Schedule "B" – Mandate of the Board of Directors
- Schedule "C" – Mandate of the Audit Committee
- Schedule "D" – Mandate of the Corporate Governance Committee
- Schedule "E" – Mandate of the Compensation Committee

GENERAL MATTERS

Forward-Looking Statements

Certain statements contained in this prospectus constitute “forward-looking statements”. When used in this prospectus, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, and similar expressions, as they relate to Secure, or its management, are intended to identify forward-looking statements. Such statements reflect the current views of Secure with respect to future events and operating performance and speak only as of the date of this prospectus. In particular, this prospectus contains forward-looking statements pertaining to: the use of the net proceeds realized by Secure in connection with the Offering, general market conditions, the oil and natural gas industry, commodity prices for oil, debt service, future capital needs, exchange rates, dependence on senior management, seasonality of customers’ operations, growth, acquisition strategy, the integration of businesses into Secure’s operations, potential liabilities from acquisitions, regulation, landfill operations, competition, risk of pending and future legal proceedings, employees, labour unions, fuel costs, access to industry and technology, possible volatility of the price for Common Shares, insurance, sales of additional Common Shares and income tax considerations.

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

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. 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 herein under the heading “*Risk Factors*”.

Although forward-looking statements contained in this prospectus 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.

Conventions

Certain terms used herein are defined in the “*Glossary*”.

Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

References

For the purposes of this prospectus, reference to the “initial period” or “2006-2007” shall encompass the entire period from April 25, 2006 to December 31, 2007, reference to “2008” shall mean the year ended December 31, 2008 and reference to “2009” shall mean the year ended December 31, 2009.

SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data contained elsewhere in this prospectus. Certain terms used in this summary are defined in the glossary.

The Offering

Offering Price \$3.00 per Common Share.

Offering Maximum: \$57,500,001 (19,166,667 Common Shares)
Minimum: \$40,000,002 (13,333,334 Common Shares)

Use of Proceeds Assuming the Maximum Offering, the gross proceeds (prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$57,500,001 (\$66,125,001 if the Over-Allotment Option is exercised in full). The net proceeds, after deducting the Agents' Fee and assuming persons referred by the Corporation subscribe for Common Shares in an amount not less than \$7,500,000 (but prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$54,275,001 (\$62,382,501 if the Over-Allotment Option is exercised in full).

Assuming the Minimum Offering, the gross proceeds (prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$40,000,002. The net proceeds, after deducting the Agents' Fee and assuming persons referred by the Corporation subscribe for Common Shares in an amount not less than \$7,500,000 (but prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$37,825,002.

The net proceeds of the Offering will be used to fund the Corporation's 2010 capital program as described herein under the heading "Use of Proceeds" and "Business of the Corporation – 2010 Capital Expenditure Program".

Closing The closing of the Offering is expected to occur on or about March 30, 2010 or such later date as the Corporation and the Agents may agree to.

Eligibility for Investment Subject to the provisions of any particular plan, the Common Shares will, if, as, and when listed on a "designated stock exchange" within the meaning of the *Income Tax Act* (Canada) (which includes the TSX), be qualified investments under the Tax Act and the regulations thereunder, as in effect on the date hereof, for a trust governed by a registered retirement savings plan, a registered education savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account. See "Eligibility for Investment".

Risk Factors There are risks associated with an investment in Common Shares including, but not limited to, demand for oilfield services and oil and natural gas industry activity levels, competition, capital requirements, access to capital markets, debt obligations, seasonality, technological obsolescence of operating equipment, customer credit risk, environmental liabilities, governmental regulations, risks inherent in the Corporation's operations and the inability to fully insure against such risks, market response to global demands to curtail the use of oil and natural gas, ability to fully integrate future acquisitions, terrorist attacks, vulnerability to market changes, potential conflicts of directors and officers, labour constraints, dependence on major customers, ongoing litigation, exposure to increasing interest rates, dependence on key personnel, unexpected

operating expenses, costs for legal and financial compliance, adequacy of disclosure controls and procedures and internal controls over financial reporting, and the other factors discussed herein under “*Risk Factors*”. In assessing the risks of an investment in Common Shares, subscribers must rely upon the ability and integrity of the management of the Corporation. **Subscribers should read this entire prospectus and consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Common Shares.** See “*Risk Factors*”.

Business Overview

Secure is an energy services company that focuses on providing specialized services to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin. The services provided by Secure assist these companies with the treatment and sale of crude oil and the handling of by-products associated with oil and natural gas development and production. The services provided by Secure include crude oil emulsion treatment, the terminalling, storage and marketing of crude oil, oilfield waste processing, tank washing, landfill disposal and disposal of produced and waste water. As at the date hereof, the Corporation’s services are provided at eight facilities in Alberta and one facility in British Columbia.

Since its inception in April of 2006, Secure has successfully executed an organic growth strategy focused on constructing facilities in key under-serviced and capacity constrained markets. During the initial period, Secure raised approximately \$23.7 million through private placement financings and constructed its first facility, the South Grande Prairie landfill, which commenced operations in October of 2007. In 2008, Secure raised approximately \$61 million through private placement financings, completed the construction of five facilities in Alberta and purchased one facility in British Columbia. In 2009, Secure raised approximately \$4.5 million through private placement financings and completed two additional facilities. Secure has also invested approximately \$7.3 million in capital expenditures for facilities that are not yet completed, including two SWD facilities and one landfill.

Secure has an experienced management team. Each member of Secure’s executive management team has 15 or more years of experience in the energy industry and Rene Amirault, Secure’s Chairman, President and Chief Executive Officer, has over 15 years of experience specifically in the oilfield treatment and disposal industry. In addition, Secure’s executive management team is a cohesive unit as a result of working together while at Secure and, prior thereto at a competing oilfield treatment and disposal company, for a total of approximately 10 years. See “*Business of the Corporation – General*”.

Services Offered

The Corporation provides specialized services to the upstream oil and natural gas sector to deal with the treatment of crude oil and handling of by-products produced through oil and natural gas activity. Oilfield waste is a broad term referring to substances that are created throughout the life-cycle of oil and natural gas wells. This includes waste created throughout the initial drilling and completion of an oil or natural gas well, produced water during a well’s operating life, contaminated soils that require treatment during site reclamation, and substances requiring cleanup after a spill or pipeline rupture. A significant portion of oilfield waste is generated by producing oil and natural gas wells, and, as a result, cash flows from oilfield waste processing are more stable than cash flows from oilfield services that are related to drilling and completions.

The Corporation’s broad service offerings ensure that its customers have a complete solution for their oil terminalling, processing and disposal requirements. All facilities are complementary to one another and create synergies for the Corporation and its customers.

The primary services provided by the Corporation are detailed below:

Crude Oil Emulsion Treatment

Crude oil production or emulsion contains by-products such as water, suspended solids and water-soluble salts. These contaminants must be removed before crude oil can be shipped through a pipeline to a refinery. Secure's emulsion treating service separates the oil from the by-products to create pipeline specification crude oil.

Clean Oil Terminalling, Storage and Marketing

All of Secure's FSTs are connected to oil pipelines through which Secure provides customers with an access point or terminal to transport their produced clean oil to market. Typically this oil is delivered by customers to Secure's facilities by truck and is stored on site until it is shipped through the gathering or transmission pipelines. Secure manages both the purchase of the oil and the subsequent payment to the producer of the delivered oil based on the initial quality received. Secure may upgrade the oil quality and enhance its value, thereby enabling Secure to generate crude oil marketing profits. The clean oil generated through the crude oil emulsion treatment process is dealt with in a similar fashion.

Oilfield Waste Processing

Waste is generated as a result of drilling, completions and production related activities. Secure's oilfield waste processing separates waste into three components: recoverable oil, waste water and residual solids. Recovered oil is treated and sold as detailed above. Residual waste water is deep well injected into Class IB Disposal Wells and separated solids are processed and transported to one of the Corporation's Class II Oilfield Landfills.

Tank Washing

Drilling, completions and workover activities typically require the transportation and storage of various drilling muds, frac fluids and flowback liquids. Oil and gas companies use oilfield service providers to transport and store these fluids in industry standard 400 barrel mobile tanks. Between uses the tanks must be cleaned internally to ensure any residual fluids are removed prior to being used for a new purpose or delivered to a new customer. Secure washes the tanks and disposes of the waste created through the cleaning process.

Landfill Disposal

The Corporation's landfills provide for the secure disposal of oilfield solid wastes. The landfills are approved as Class II Oilfield Landfills by AENV to dispose of waste associated with the following activities:

- Reclamation – contaminated soil associated with the clean up of past operating facilities;
- Production – disposal of soil contaminated as a result of spills or pipeline breaks; and
- Drilling – cuttings removed from the wellbore are contaminated based on the type of drilling mud used.

Produced Water and Waste Water Disposal

The Corporation provides produced and waste water disposal services through a network of Class IB Disposal Wells. Disposal wells are approved by the ERCB to dispose of the following sweet and sour fluids:

- Produced water associated with production of oil, bitumen, gas or coalbed methane;
- Water based pigging fluids utilized in the cleaning of collection and injection lines;
- Produced water and specific common oilfield waste fluids;
- Saline fluids from oilfield waste processing facilities; and
- Waste fluids from drilling and completion operations.

See "Business of the Corporation – Services Offered".

Growth History

The Corporation's first facility was the South Grande Prairie Class II Oilfield Landfill which commenced operations in October of 2007. Since that time, Secure has completed the construction of seven additional facilities and has acquired one other. The progression of Secure's expanding footprint is as follows:

Facility	Services Provided	Date Commissioned
Full Service Terminals (FST)	Oilfield waste processing, produced and waste water disposal, clean oil terminalling, storage and marketing, emulsion treatment and tank washing	
La Glace, AB ⁽¹⁾		August 2008
Fox Creek, AB		July 2009
Stand Alone Water Disposal Facilities (SWD)	Produced and waste water disposal	
Emerson, AB		April 2008
South Grande Prairie, AB		August 2008
Nosehill, AB ⁽²⁾		November 2008
Obed, AB		May 2009
Kotcho, BC ⁽³⁾⁽⁴⁾		October 2008
Landfills	Class II oilfield solids disposal	
South Grande Prairie, AB		October 2007
Willesden Green, AB		November 2008

Notes:

- (1) A 50% joint venture interest with Pembina Pipeline Corporation.
- (2) This facility also provides emulsion treatment services.
- (3) This facility also provides oilfield waste processing.
- (4) This facility was purchased on September 30, 2008. All of the other facilities were constructed by the Corporation.

See "*Business of the Corporation – Growth History*".

2010 Capital Expenditure Program

The scope of Secure's 2010 capital expenditure program will vary depending on the amount of the proceeds raised under the Offering as set forth below:

Description of Expenditure	Minimum Offering	Maximum Offering
Construction of one FST at Drayton Valley, Alberta	\$25,000,000	\$25,000,000
Construction of SWD facilities at Dawson Creek, British Columbia and Brazeau, Alberta	\$20,000,000	\$20,000,000
Expansion of services at existing locations	–	\$12,000,000
Total	\$45,000,000	\$57,000,000

Secure's 2010 capital program will continue the expansion of the network of Secure's facilities in keeping with Secure's business strategy (see "*Business of the Corporation – Business Strategy*"). In addition to the net proceeds of the Offering, the Corporation may finance a portion of the 2010 capital program with cash flow from operations and, subject to prudent fiscal management, with indebtedness drawn pursuant to the Credit Facility.

Secure's Drayton Valley FST and Brazeau SWD facilities will be located in the centre of the Pembina oil field, one of the largest and most prolific oil fields in the Western Canadian Sedimentary Basin. This area presents an excellent opportunity for Secure in that it has both a long history of stable oil and natural gas production, and a significant amount of current drilling activity driven by the success of the application of modern horizontal drilling technology in that area.

Secure's Dawson Creek SWD Facility will be located in the centre of the Montney unconventional shale natural gas play where the development of horizontal drilling and multi-stage frac technology have made the production of natural gas economic despite relatively low natural gas prices.

The expansion of services at existing locations will include the addition of oilfield waste processing services at the South Grand Prairie, Alberta and Obed, Alberta SWD facilities and the addition of tank wash services at the Fox Creek and La Glace FSTs.

Business Strategy

Secure is focused on strategic, disciplined growth and strives to achieve that growth by following these principles:

- *Locate core disposal and treating energy services in the heart of established oil and natural gas fields.* The Corporation locates its operations in well established basins that have proven production histories and remain active throughout high and low commodity pricing cycles. The Corporation believes that this improves the stability of its revenue stream by emphasizing Secure's production related services based on ongoing production from proven wells rather than exploratory activities driven by near-term fluctuations in oil and natural gas prices.
- *Construct facilities in key under-serviced and capacity constrained markets.* The Corporation has expanded its business by establishing lower capital cost facilities in close proximity to early stage or developing markets. For example, the Corporation has established a presence in the Horn River natural gas basin in British Columbia. In addition, facilities at Nosehill and Obed in Alberta service the deep gas basin north of the towns of Edson and Hinton. The Corporation believes that this strategy allows it to grow its service offerings to match the growing needs of the market place.
- *Strategic Acquisitions.* By purchasing small, independently operated facilities, or surplus facilities from oil and natural gas producers, the Corporation can gain faster access to a market by avoiding the time associated with obtaining regulatory approval for a greenfield location. Secure quickly gained exposure to the Horn River basin in British Columbia through the acquisition of TriPoint.
- *Expand services at existing facilities.* Management believes in incrementally investing capital to ensure that facilities are not constructed in locations where the demand is not sufficient to justify the investment. Accordingly, rather than constructing a FST at the outset, Secure will begin by constructing a SWD facility, and use that facility to gauge the demand for other services. If customer demand is sufficient, Secure will incrementally invest capital to offer a broader range of services. Expanding the service offerings of existing facilities in response to the demand of customers provides Secure with opportunities for growth with a degree of confidence that the location justifies the investment. As an example, in addition to water disposal, the Kotcho SWD provides customers with oilfield waste processing. The Corporation also intends on increasing its environmental recycling services.
- *Leverage management expertise and knowledge of regulations.* The market for oilfield waste management services has grown over time in part due to increasingly stringent regulations regarding the treatment, handling and disposal of oilfield waste. The process under the regulations for the siting and construction of facilities can be lengthy and expensive. As many oil and natural gas producers prefer to focus on their core production and exploration business, rather than investing resources to comply with these requirements, the Corporation believes that there is continued opportunity for increased outsourcing of oilfield waste management to third-party providers. Secure's executive management team has extensive experience in the oilfield treatment and disposal industry, which enables Secure to efficiently manage compliance with applicable regulations.

See "Business of the Corporation – Business Strategy".

Legal Proceedings

Secure is subject to an action, commenced on December 21, 2007, by CCS Inc. (“CCS”) pursuant to a statement of claim against the Corporation, certain of its employees who were previously employed by CCS and others in which CCS alleges that the defendants misappropriated business opportunities, misused confidential information, breached fiduciary duties owed to CCS, and conspired with one another. CCS seeks damages in the amount of \$110 million, an accounting and disgorgement of all profits earned by the Corporation since its incorporation and other associated relief. See “*Legal Proceedings and Regulatory Actions*” and “*Risk Factors – Risks Related to the Business – The CCS Action may negatively impact the Corporation and its business*”.

Selected Historical Financial Information and Historical Financial Statements

The following table presents a summary of certain selected financial information of the Corporation for the years ended December 31, 2009 and December 31, 2008 and for the period from April 25, 2006 to December 31, 2007. The following data should be read together with the consolidated financial statements and related notes of the Corporation which are attached hereto as Schedule “A”.

	as at and for the periods ended		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
(\$’s except share data)			
Revenue (audited)	\$22,376,595	\$ 7,436,551	\$ 1,029,139
Operating margin	\$12,294,241	\$ 4,554,438	\$ 740,327
Operating margin as % of revenue	55%	61%	72%
EBITDA	\$ 7,995,990	\$ 566,021	\$(1,657,778)
Per share (\$), basic	0.20	0.02	(0.09)
Per share (\$), diluted	0.19	0.02	(0.09)
Net earnings (loss) (audited)	\$(2,757,542)	\$(1,528,561)	\$(1,243,514)
Per share (\$), basic (audited)	(0.07)	(0.05)	(0.07)
Per share (\$), diluted (audited)	(0.07)	(0.05)	(0.07)
Funds from operations (audited)	\$ 7,958,559	\$ 1,241,998	\$(1,167,985)
Per share (\$), basic	0.19	0.04	(0.07)
Per share (\$), diluted	0.19	0.04	(0.07)
Cash dividends per common share (audited)	nil	nil	nil
Capital Expenditures (audited)	\$22,685,837	\$65,077,835	\$10,431,958
Total assets (audited)	\$96,979,564	\$97,887,114	\$24,913,928
Long term debt – including current portion (audited)	\$ 4,787,500	nil	nil
Total long term liabilities (audited)	\$ 8,149,413	\$ 2,863,079	\$ 402,237
Common Shares – end of period (audited)	41,631,991	39,962,075	19,260,760
Weighted average common shares (audited)			
basic (audited)	40,857,737	29,629,577	17,550,030
diluted (audited)	41,788,605	30,252,502	17,645,333

See “*Selected Historical Financial Information and Historical Financial Statements*”.

Management

The following individuals are the Corporation’s executive officers:

Name	Position
Rene Amirault	Chairman, President, Chief Executive Officer and Director
Nick Wieler	Vice President, Finance and Chief Financial Officer
Gary Perras	Vice President, Operations
Dan Steinke	Vice President, Business Development
Karen Myrheim	Vice President, Sales and Marketing

See “*Directors and Executive Officers*”.

GLOSSARY

In this prospectus, unless the context otherwise requires, the following words and phrases have the meanings set forth below.

“**1933 Act**” has the meaning ascribed thereto under the heading “*Plan of Distribution*”.

“**ABCA**” means the *Business Corporations Act* (Alberta) and the regulations thereunder.

“**AcSB**” has the meaning ascribed thereto under the heading “*Management’s Discussion and Analysis – Future Accounting Pronouncements – International Financial Reporting Standards*”.

“**AENV**” has the meaning ascribed thereto under the heading “*Business of the Corporation – Industry Factors that Impact Secure’s Business – Regulatory Environment*”.

“**Agency Agreement**” has the meaning ascribed thereto under the heading “*Plan of Distribution*”.

“**Agents**” means, collectively, FirstEnergy Capital Corp., Raymond James Ltd. and Peters & Co. Limited.

“**Agents’ Fee**” means the cash commission equal to 6% of the gross proceeds of the Offering payable to the Agents pursuant to the Agency Agreement, provided that the Agents will only receive a fee of 3% in respect of subscriptions for up to \$7,500,000 from persons referred by the Corporation.

“**Audit Committee**” means the audit committee of the Board of Directors.

“**BCMOE**” has the meaning ascribed thereto under the heading “*Business of the Corporation – Industry Factors that Impact Secure’s Business – Regulatory Environment*”.

“**BCOGC**” has the meaning ascribed thereto under the heading “*Business of the Corporation – Industry Factors that Impact Secure’s Business – Regulatory Environment*”.

“**Board of Directors**” means the board of directors of the Corporation.

“**CICA**” means the Canadian Institute of Chartered Accountants.

“**Class IB Disposal Well**” has the meaning ascribed thereto under the heading “*Business of the Corporation – Facilities – Stand-Alone Water Disposal Facility*”.

“**Class II Oilfield Landfill**” has the meaning ascribed thereto under the heading “*Business of the Corporation – Facilities – Class II Oilfield Landfill*”.

“**Closing**” means the closing of the Offering.

“**Closing Date**” means the date of the closing of the Offering, expected to be on or about March 30, 2010, or such other date as the Corporation and the Agents may agree to.

“**Code of Conduct**” means the Corporation’s Code of Business Conduct.

“**Common Shares**” means the common shares in the capital of the Corporation.

“**Compensation Committee**” means the compensation committee of the Board of Directors.

“**Conversion Project**” has the meaning ascribed thereto under the heading “*Management’s Discussion and Analysis – Future Accounting Pronouncements – International Financial Reporting Standards*”.

“**Convention**” has the meaning ascribed thereto under the heading “*Certain Canadian Federal Income Tax Considerations – Dividends on Common Shares*”.

“Corporate Governance Committee” means the corporate governance committee of the Board of Directors.

“CRA” means the Canada Revenue Agency.

“Credit Facility” has the meaning ascribed thereto under the heading *“Management’s Discussion & Analysis – Results of Operations – Liquidity and Capital Resources – Sources of Cash”*.

“Current Option Plan” has the meaning ascribed thereto under the heading *“Options to Purchase Securities – Description of the Current Stock Option Plan”*.

“diluted basis” means the number of Common Shares outstanding assuming the exercise of all outstanding options and other rights to acquire Common Shares.

“EBITDA” means earnings (net income) plus interest expense, income taxes, depreciation and amortization, less interest income. See *“Management’s Discussion and Analysis – Non-GAAP Financial Measure”*.

“ERCB” has the meaning ascribed thereto under the heading *“Business of the Corporation – Industry Factors that Impact the Business of Secure – Regulatory Environment”*.

“Exercise Period” has the meaning ascribed thereto under the heading *“Options to Purchase Securities – Description of New Option Plan – Term of Options”*.

“Exercise Price” has the meaning ascribed thereto under the heading *“Options to Purchase Securities – Description of New Option Plan – Exercise Price”*.

“Expiry Date” has the meaning ascribed thereto under the heading *“Options to Purchase Securities – Description of New Option Plan – Term of Options”*.

“Financial Statements” means the Corporation’s audited consolidated financial statements for the fiscal periods ended December 31, 2009, December 31, 2008 and December 31, 2007, which are attached as Schedule “A” hereto.

“FST” means a full service terminal.

“GAAP” means Canadian Generally Accepted Accounting Principles, consistently applied.

“Grant Date” has the meaning ascribed thereto under the heading *“Options to Purchase Securities – Description of New Option Plan – Exercise Price”*.

“Holders” has the meaning ascribed thereto under the heading *“Certain Canadian Federal Income Tax Considerations”*.

“IASB” has the meaning ascribed thereto under the heading *“Management’s Discussion and Analysis – Future Accounting Pronouncements – Property, Plant and Equipment”*.

“IFRS” has the meaning ascribed thereto under the heading *“Management’s Discussion and Analysis – Future Accounting Pronouncements – International Financial Reporting Standards”*.

“Market Price” has the meaning ascribed thereto under the heading *“Options to Purchase Securities – Description of New Option Plan – Exercise Price”*.

“Maximum Offering” means the offering under this prospectus of 19,166,667 Common Shares.

“MD&A” has the meaning ascribed thereto under the heading *“Management’s Discussion and Analysis”*.

“Minimum Offering” means the offering under this prospectus of 13,333,334 Common Shares.

“Named Executive Officers” or **“NEOs”** has the meaning ascribed thereto under the heading *“Executive Compensation – Introduction”*.

“**New Option Plan**” has the meaning ascribed thereto under the heading “*Options to Purchase Securities – Description of the Current Stock Option Plan*”.

“**Non-Resident Holder**” has the meaning ascribed thereto under the heading “*Certain Canadian Federal Income Tax Consideration – Holders Not Resident in Canada*”.

“**NI 58-101**” means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

“**NP 58-201**” means National Policy 58-201 *Corporate Governance Guidelines*.

“**Offering**” means the offering of Common Shares by the Corporation pursuant to this prospectus.

“**Offering Price**” means \$3.00 per Common Share.

“**Options**” has the meaning ascribed thereto under the heading “*Options to Purchase Securities – Outstanding Options*”.

“**Over-Allotment Option**” means the over-allotment option granted to the Agents to acquire a number of Common Shares equal to 15% of the Common Shares issued under the Offering at the Offering Price, which option may be exercised for a period of 30 days from the Closing Date.

“**OWL**” means Oilfield Waste Liability program.

“**Performance Warrants**” has the meaning ascribed thereto under the heading “*Options to Purchase Securities – Outstanding Performance Warrants*”.

“**Proposed Amendments**” has the meaning ascribed thereto under the heading “*Certain Canadian Federal Income Tax Considerations*”.

“**PSAC**” has the meaning ascribed thereto under the heading “*Directors and Executive Officers – Directors – Murray Cobbe, Director*”.

“**Secure**” or the “**Corporation**” means Secure Energy Services Inc., a corporation amalgamated under the ABCA.

“**Shareholder**” means a holder of Common Shares.

“**SRD**” has the meaning ascribed thereto under the heading “*Business of the Corporation – Industry Factors that Impact Secure’s Business – Regulatory Environment*”.

“**SWD**” means a stand-alone water disposal facility.

“**Tax Act**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**TFSA**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**Trican**” has the meaning ascribed thereto under the heading “*Directors and Executive Officers – Directors – Murray Cobbe, Director*”.

“**Tripoint**” means TriPoint Energy Solutions Inc.

“**TSX**” means the Toronto Stock Exchange.

CORPORATE STRUCTURE

Name, Address and Incorporation

Secure Energy Services Inc. was amalgamated on April 24, 2007 in accordance with the ABCA and is a successor entity of 1232711 Alberta Ltd. and Secure Energy Services Inc. The head office of the Corporation is located at 1201, 333 – 7th Avenue S.W., Calgary, Alberta, Canada, T2P 2Z1. The registered office of the Corporation is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 4K7.

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

General

Secure is an energy services company that focuses on providing specialized services to upstream oil and natural gas companies operating in the Western Canadian Sedimentary Basin. The services provided by Secure assist these companies with the treatment and sale of crude oil and the handling of by-products associated with oil and natural gas development and production. The services provided by Secure include crude oil emulsion treatment, the terminalling, storage and marketing of oil, oilfield waste processing, tank washing, landfill disposal and disposal of produced and waste water. As at the date hereof, the Corporation's services are provided at eight facilities in Alberta and one facility in British Columbia.

Since its inception in April of 2006, Secure has successfully executed an aggressive organic growth strategy focused on constructing facilities in key under-served and capacity constrained markets. During the initial period from incorporation to December of 2007, Secure raised approximately \$23.7 million through private placement financings and constructed its first facility, the South Grande Prairie landfill, which commenced operations in October of 2007. In 2008, Secure raised approximately \$61 million through private placement financings, completed the construction of five facilities in Alberta and purchased one facility in British Columbia. In 2009, Secure raised approximately \$4.5 million through private placement financings and completed two additional facilities. Secure has also invested approximately \$7.3 million in capital expenditures for facilities that are not yet completed, including two SWD facilities and one landfill.

Secure has an experienced management team. Each member of Secure's executive management team has 15 or more years of experience in the energy industry and Rene Amirault, Secure's Chief Executive Officer, has over 15 years of experience specifically in the oilfield treatment and disposal industry. In addition, Secure's executive management team is a cohesive unit as a result of working together while at Secure and, prior thereto at a competing oilfield treatment and disposal company, for a total of approximately 10 years.

Services Offered

The Corporation provides specialized services to the upstream oil and natural gas sector to deal with the treatment of crude oil and handling of by-products produced through oil and natural gas activity. Oilfield waste is a broad term referring to substances that are created throughout the life-cycle of oil and natural gas wells. This includes waste created throughout the initial drilling and completion of an oil or natural gas well, produced water during a well's operating life, contaminated soils that require treatment during site reclamation, and substances requiring cleanup after a spill or pipeline rupture. A significant portion of oilfield waste is generated by producing oil and natural gas wells, and, as a result, cash flows from oilfield waste processing are more stable than cash flows from oilfield services that are related to drilling and completions.

The Corporation's broad service offerings ensure that its customers have a complete solution for their oil terminalling, processing and disposal requirements. All facilities are complementary to one another and create synergies for the Corporation and its customers.

The primary services provided by the Corporation are detailed below.

Crude Oil Emulsion Treatment

Crude oil production or emulsion contains by-products such as water, suspended solids and water-soluble salts. These contaminants must be removed before crude oil can be shipped through a pipeline to a refinery. Secure's emulsion treating service separates the oil from the by-products to create pipeline specification crude oil.

Clean Oil Terminalling, Storage and Marketing

All of Secure's FSTs are connected to oil pipelines through which Secure provides customers with an access point or terminal to transport their produced clean oil to market. Typically this oil is delivered by customers to Secure's facilities by truck and is stored on site until it is shipped through the gathering or transmission pipelines. Secure manages both the purchase of the oil and the subsequent payment to the producer of the delivered oil based on the initial quality received. Secure may upgrade the oil quality and enhance its value, thereby enabling Secure to generate crude oil marketing profits. The clean oil generated through the crude oil emulsion treatment process is dealt with in a similar fashion.

Oilfield Waste Processing

Waste is generated as a result of drilling, completions and production related activities. Secure's oilfield waste processing separates waste into three components: recoverable oil, waste water and residual solids. Recovered oil is treated and sold as detailed above. Residual waste water is deep well injected into Class IB Disposal Wells and separated solids are processed and transported to one of the Corporation's Class II Oilfield Landfills.

Tank Washing

Drilling, completions and workover activities typically require the transportation and storage of various drilling muds, frac fluids and flowback liquids. Oil and gas companies use oilfield service providers to transport and store these fluids in industry standard 400 barrel mobile tanks. Between uses the tanks must be cleaned internally to ensure any residual fluids are removed prior to being used for a new purpose or delivered to a new customer. Secure washes the tanks and disposes of the waste created through the cleaning process.

Landfill Disposal

The Corporation's landfills provide for the secure disposal of oilfield solid wastes. The landfills are approved as Class II Oilfield Landfills by AENV to dispose of waste associated with the following activities:

- Reclamation – contaminated soil associated with the clean up of past operating facilities;
- Production – disposal of soil contaminated as a result of spills or pipeline breaks; and
- Drilling – cuttings removed from the wellbore, are contaminated based on the type of drilling mud used.

Produced Water and Waste Water Disposal

The Corporation provides produced and waste water disposal services through a network of Class IB Disposal Wells. Disposal wells are approved by the ERCB to dispose of the following sweet and sour fluids:

- Produced water associated with production of oil, bitumen, gas or coalbed methane;
- Water based pigging fluids utilized in the cleaning of collection and injection lines;

- Produced water and specific common oilfield waste fluids;
- Saline fluids from oilfield waste processing facilities; and
- Waste fluids from drilling and completion operations.

Facilities

The Corporation's facilities are long-lived assets with low maintenance capital requirements compared to many other oilfield service sectors. The Corporation's facilities are designed to maximize the recovery of hydrocarbons and minimize the volume of waste requiring disposal. Solid waste is disposed of in landfills, while residual liquid waste water is injected via deep disposal wells into disposal zones between impermeable layers of rock. While there is no absolute method for determining the longevity of a disposal well, good operating procedures and proper maintenance provides an environment where it is not uncommon for a well to operate effectively for fifteen years or more. Landfill capacity is depleted when volumes of waste are deposited, however landfill sites are selected with provision for the addition of more cells as remaining space in existing cells declines.

The Corporation provides its specialized services through three general types of facilities:

Full Service Terminal

Below is an aerial photograph of the Fox Creek FST, highlighting the facility's principal components.



An FST is a facility that provides clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, and oilfield waste processing. All of Secure's FSTs include both a connection to an oil gathering or transmission pipeline for the injection of oil and a connection to a Class IB Disposal Well for the disposal of produced and waste water. In summary, the operation of a FST is as follows:

- clean oil or oil that requires treatment prior to injection into the pipeline is delivered to the FST by tank trucks on behalf of the producer by an independent third party transportation company. Secure processes the oil/water emulsion resulting in pipeline specification oil, which is injected into the gathering or transmission pipelines and clean produced water is subsequently injected into the disposal well; and
- oilfield waste is delivered to the FST by vacuum truck on behalf of the producer by an independent third party transportation company. Secure separates the waste into reclaimed oil waste water and residual solids, the oil is injected into the gathering or transmission pipeline, the water is injected into the disposal well and the residual solids are treated and disposed of at one of Secure's landfills.

Secure currently operates two FSTs, both of which are located in Alberta.

Stand-Alone Water Disposal Facility

Below is an aerial photograph of the South Grande Prairie SWD highlighting the facility's principal components.



An SWD provides disposal of produced and waste water through a Class IB Disposal Well into a non-hydrocarbon producing zone, ranging between 1,300 and 4,600 meters below the surface. Disposal wells are classified as either Class IB or Class II. Class II wells are permitted to dispose of saltwaters that are a by-product of oil and natural gas production and originate from a producing formation. Class IB wells can accept Class II fluid plus specific common oilfield waste streams that are produced during drilling, completion and production operations. Such fluids do not typically originate from producing formations but become contaminated either by introducing them to a formation during drilling and completion of wells (for example, fracture stimulation flowback water, waste drilling fluid, etc.) or at production facility operations (for example, wash water, boiler blowdown water, etc.).

Produced water is a by-product of crude oil and natural gas production. Waste water is a by-product most typically associated with oil and natural gas well drilling and completion activities as well as production related to well work-overs. In summary, the operation of a SWD facility is as follows:

- produced and waste water is delivered to the SWD by tank truck by a third party trucking company; and
- Secure temporarily stores in tanks prior to being filtered to remove any suspended solids and injected into the disposal well.

Secure currently operates five SWDs, four of which are located in Alberta and one of which is located in British Columbia.

Class II Oilfield Landfill

Below is an aerial photograph of the Willesden Green Landfill highlighting the facility's principal components.



A Class II Oilfield Landfill provides disposal of contaminated soil associated with oil and natural gas drilling, production and reclamation activities. The landfills also dispose of waste solids separated from liquid waste delivered to Secure's FST facilities. The Corporation's Class II Oilfield Landfills do not accept municipal, hazardous, dangerous or construction waste. Prior to delivery to the landfill, the waste must receive pre-approval by way of third party analytical testing to ensure the soil meets acceptance criteria as stipulated in the facility license. Random samples are tested at the facility and compared against prior analytical testing to ensure compliance. Landfills are located on land that meet stringent geological standards and are constructed with two separate liner systems. Liquid is removed from the landfill cells continuously, which is then treated and disposed of at one of Secure's FSTs or SWDs.

Secure currently operates two landfills, both of which are located in Alberta.

Growth History

The location of Secure's existing facilities and those additional facilities Secure intends to construct with the proceeds of the Offering are illustrated below:



The Corporation's first facility was the South Grande Prairie Class II Oilfield Landfill which commenced operations in October of 2007. Since that time, Secure has completed the construction of seven additional facilities and has acquired one other. The progression of Secure's expanding footprint is as follows:

Facility	Services Provided	Date Commissioned
Full Service Terminals (FST)		
	Oilfield waste processing, produced and waste water disposal, clean oil terminalling, storage and marketing, emulsion treatment and tank washing	
La Glace, AB ⁽¹⁾		August 2008
Fox Creek, AB		July 2009
Stand Alone Water Disposal Facilities (SWD)		
	Produced and waste water disposal	
Emerson, AB		April 2008
South Grande Prairie, AB		August 2008
Nosehill, AB ⁽²⁾		November 2008
Obed, AB		May 2009
Kotcho, BC ⁽³⁾⁽⁴⁾		October 2008
Landfills		
	Class II oilfield solids disposal	
South Grande Prairie, AB		October 2007
Willesden Green, AB		November 2008

Notes:

- (1) The Corporation has a 50% joint venture interest with Pembina Pipeline Corporation for the operation of a portion of a FST facility in La Glace, Alberta. The joint venture shares revenues and expenses associated with clean oil terminalling, custom treating of crude oil, crude oil marketing, and produced water disposal. See "Material Contracts".
- (2) This facility also provides emulsion treatment services.
- (3) This facility also provides oilfield waste processing.
- (4) This facility was purchased on September 30, 2008. All of the other facilities were constructed by the Corporation.

2010 Capital Expenditure Program

The scope of Secure's 2010 capital expenditure program will vary depending on the amount of the proceeds raised under the Offering as set forth below:

Description of Expenditure	Minimum Offering	Maximum Offering
Construction of one FST at Drayton Valley, Alberta	\$25,000,000	\$25,000,000
Construction of SWD facilities at Dawson Creek, British Columbia and Brazeau, Alberta	\$20,000,000	\$20,000,000
Expansion of services at existing locations	—	\$12,000,000
Total	\$45,000,000	\$57,000,000

Secure's 2010 capital program will continue the expansion of the network of Secure's facilities in keeping with Secure's business strategy (see "*Business of the Corporation – Business Strategy*"). In addition to the net proceeds of the Offering, the Corporation may finance a portion of the 2010 capital program with cash flow from operations and, subject to prudent fiscal management, with indebtedness drawn pursuant to the Credit Facility.

Secure's Drayton Valley FST and Brazeau SWD facilities will be located in the centre of the Pembina oil field, one of the largest and most prolific oil fields in the Western Canadian Sedimentary Basin. This area presents an excellent opportunity for Secure in that it has both a long history of stable oil and natural gas production, and a significant amount of current drilling activity driven by the success of the application of modern horizontal drilling technology in that area.

Secure's Dawson Creek SWD Facility will be located in the centre of the Montney unconventional shale natural gas play where the development of horizontal drilling and multi-stage frac technology have made the production of natural gas economic despite relatively low natural gas prices.

The construction of the FST at Drayton Valley and the SWD facilities at Dawson Creek and Brazeau first require that Secure obtain all necessary regulatory approvals and acquire a disposal well with sufficient capacity in each area. Secure has received all necessary regulatory approvals and has acquired a suitable disposal well for the SWD facilities at Dawson Creek and Brazeau. Secure has made application for the regulatory approval necessary to construct the Drayton Valley FST and expects that such approvals will be granted. Secure has also identified, and is in the process of acquiring and testing a disposal well for the Drayton Valley FST. Subsequent to receipt of regulatory approval, Secure must incur the costs associated with the design and construction of the planned facilities. The completion of such facilities is subject to a number of factors, including access to materials and labour as well as suitable weather.

The expansion of services at existing locations will include the addition of oilfield waste processing services at the South Grande Prairie, Alberta and Obed, Alberta SWD facilities and the addition of tank wash services at the Fox Creek and La Glace FSTs.

Business Strategy

Secure is focused on strategic, disciplined growth and strives to achieve that growth by following these principles:

- *Locate core disposal and treating energy services in the heart of established oil and natural gas fields.* The Corporation locates its operations in well established basins that have proven production histories and remain active throughout high and low commodity pricing cycles. The Corporation believes that this improves the stability of its revenue stream by emphasizing Secure's production related services based on ongoing production from proven wells rather than exploratory activities driven by near-term fluctuations in oil and natural gas prices.
- *Construct facilities in key under-serviced and capacity constrained markets.* The Corporation has expanded its business by establishing lower capital cost facilities in close proximity to early stage or developing markets. For example, the Corporation has established a presence in the Horn River natural gas market in British Columbia. In addition, facilities at Nosehill and Obed in Alberta service the deep gas basin north of the towns of Edson and Hinton. The Corporation believes that this strategy allows it to grow its service offerings to match the growing needs of the market place.

- *Strategic Acquisitions.* By purchasing small, independently operated facilities, or surplus facilities from oil and natural gas producers, the Corporation can gain faster access to a market by avoiding the time associated with obtaining regulatory approval for a greenfield location. Secure quickly gained exposure to the Horn River basin in British Columbia through the acquisition of Tripoint.
- *Expand services at existing facilities.* Management believes in incrementally investing capital to ensure that facilities are not constructed in locations where the demand is not sufficient to justify the investment. Accordingly, rather than constructing a FST at the outset, Secure will begin by constructing a SWD facility, and use that facility to gauge the demand for other services. If customer demand is sufficient, Secure will incrementally invest capital to offer a broader range of services. Expanding the service offerings of existing facilities in response to the demand of customers provides Secure with opportunities for growth with a degree of confidence that the location justifies the investment. As an example, in addition to water disposal, the Kotcho SWD provides customers with oilfield waste processing. The Corporation also intends on increasing its environmental recycling services.
- *Leverage management expertise and knowledge of regulations.* The market for oilfield waste management services has grown over time in part due to increasingly stringent regulations regarding the treatment, handling and disposal of oilfield waste. The process under the regulations for the siting and construction of facilities can be lengthy and expensive. As many oil and natural gas producers prefer to focus on their core production and exploration business, rather than investing resources to comply with these requirements, the Corporation believes that there is continued opportunity for increased outsourcing of oilfield waste management to third-party providers. Secure's executive management team has extensive experience in the oilfield treatment and disposal industry, which enables Secure to efficiently manage compliance with applicable regulations.

Significant Acquisitions and Dispositions

On September 30, 2008, the Corporation acquired TriPoint for cash consideration of \$5.9 million. TriPoint operated in northern British Columbia and was primarily engaged in produced and waste water disposal and oilfield waste processing at a location now designated as Secure's Kotcho facility.

With Secure's goal to expand its footprint in the Western Canadian Sedimentary Basin, the Corporation must capitalize on opportunities to acquire existing facilities and/or develop new facilities. Secure's ability to execute on startups and integrate operations of new and acquired facilities is a key to the Corporation's success.

Industry Factors that Impact Secure's Business

Market for Services

The Corporation's customer base consists of approximately 385 customers, encompassing junior, intermediate and senior oil and natural gas producers as well as a range of energy service suppliers. In 2009, the top ten customers for Secure generated approximately 47% of the Corporation's revenue, with no single customer accounting for more than 11% of annual revenue. Customers generally do not enter into long-term binding agreements with fixed prices and volumes and may negotiate with Secure at the time of service or sale.

Pricing of treatment and disposal services is based upon the processing required, which is dependent on the physical and chemical make-up of the product stream as well as internal and external treatment, recovery and disposal alternatives, transportation costs, and safety/environmental concerns.

The Corporation has field marketing representatives who, along with the facilities' managers and employees, maintain contact with customers to meet their needs.

The growth in third party treatment and disposal services is largely dependent on oil and natural gas customers outsourcing these services. Many of the Corporation's customers internally manage a portion of their own treatment and disposal needs. In addition, some customers provide similar services to other oil and natural gas companies.

Seasonality of Operations

In Canada, the level of activity in the oilfield services industry 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. As a result, the movement of the heavy equipment required for drilling and well servicing activities may be restricted, and the level of activity of the Corporation's customers may be consequently reduced. In addition, 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 activity levels. In the areas in which Secure operates, the second quarter has generally been the slowest quarter as a result of spring break-up.

Competition

The Corporation's competition in the third party oilfield treatment and disposal market includes small regional service providers as well as larger companies with operations throughout western Canada. The western Canadian market is composed of two large market participants, CCS Inc. with 53 facilities and Newalta Corporation with 35 facilities. Both are mature competitors who have diversified their operations beyond the treatment and disposal industry. Secure is the third largest service provider. In addition, there is one smaller participant operating four facilities and a handful of small competitors operating independent facilities, most of which offer limited services.

Customer Relationships

Customer relationships are a critical component to providing meaningful customer service where competitors are in close proximity and in which some customers have the ability to serve their own needs. By retaining an experienced management team, and emphasizing customer service to all staff, Secure focuses on providing quality customer service. Secure solicits feedback from its customers and uses that information to enhance its service offerings to better meet its customers needs.

Energy Prices and Oil and Natural Gas Activity

Energy prices, expectations of energy prices and oil and natural gas activity in the Western Canadian Sedimentary Basin all have significant effects on Secure's performance. Revenues are impacted directly by the price of oil due to the Corporation's sales of recovered oil. Volumes of recovered oil and fees from processing, disposal, and terminalling activities are all affected by oil and natural gas activity in the Western Canadian Sedimentary Basin, and are thus indirectly impacted by oil and natural gas prices.

Regulatory Environment

The Corporation and its customers are subject to a variety of regulations applicable to the treatment and disposal of oilfield waste. In Alberta, all aspects of oilfield waste management are highly regulated, primarily by the Energy Resource and Conservation Board ("ERCB"), Alberta Environment ("AENV") and Alberta Sustainable Resource Development ("SRD"). The ERCB regulates operations under the *Oil and Gas Conservation Act* and the *Oil and Gas Conservation Regulations*. The AENV regulates all of Secure's landfills under the *Environmental Enhancement and Protection Act*, the *Waste Control Regulations* and the *Activities Designation Regulation*.

In British Columbia, the dominant regulatory body is the British Columbia Oil and Gas Commission ("BCOGC") and the British Columbia Ministry of Environment ("BCMOE"). The BCOGC regulates field operations under the *Petroleum and Natural Gas Act* and the *Drilling and Production Regulation* while the Ministry of Environment operates under the *Environmental Management Act*.

These provincial environmental regulations include requirements for oilfield waste management that deal with waste characterization and classification, waste manifesting and tracking, waste management facility design, application

requirements and acceptable waste disposal options. These regulations strongly influence the permitting, design, construction, operation and reclamation of waste management facilities.

In addition, the regulatory environment governing the Corporation's crude oil treatment, terminalling and crude oil marketing services establishes well defined reporting requirements for volumes produced from each well and the tracking of those volumes through to the final sale point. These reporting requirements are established by the provincial government in order to track royalty payments and are required by customers to ensure proper allocations of revenue in joint venture operations and to track volumes.

Management and Employees

As at December 31, 2009, the Corporation had an aggregate of 95 employees in the field and in its Calgary head office. The majority (approximately 80) employees are located at the Corporation's nine facilities. A key part of the Corporation's mission is to develop an entrepreneurial culture among all of its employees. To this end, each facility operates as a profit centre, with the facility manager playing a key role in the Corporation's strategic planning by developing goals and budgets. Each field employee and the facility managers in particular maintain relationships with customers to ensure that the Corporation is a key industry partner.

Financing

Secure's success depends upon its continued ability to finance its growth plan. Adequate financing gives the Corporation the flexibility to acquire, construct and expand facilities. Since inception, the Corporation has independently financed the construction of seven facilities, developed another facility through a joint venture with a strategic partner, and acquired one operating facility. Historically, the Corporation has financed growth primarily through equity issuances, supplemented with cash flow from operations. Upon completion of the Offering and the planned expansion of the Credit Facility, management believes that the Corporation will have greater access to capital to achieve its business objectives. Currently the Corporation has a Credit Facility that provides a line of credit of \$35,000,000, of which \$21,710,020 was available as at December 31, 2009.

INDUSTRY OVERVIEW

Participants in the upstream oil and natural gas industry in Canada generally fall into one of two categories – oil and natural gas companies and oilfield services companies. Oil and natural gas companies generally explore for, develop and produce oil and natural gas reserves. Oilfield services companies provide equipment, products and services to assist oil and natural gas companies in their efforts to explore for, develop and produce oil and natural gas.

The scope of services provided ranges widely among oilfield service companies, however most provide services on-site at the producers' wellsite or production facility. Secure is a niche sub-sector of the services industry that provides its services off-site at strategically located treatment and disposal facilities. The Corporation is primarily engaged in clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing and landfill disposal. Collectively this sub-sector is known as the treatment and disposal industry.

Demand for oilfield services in western Canada is generally a function of the willingness of oil and natural gas companies to make operating and capital expenditures to explore for, develop and produce oil and natural gas, which in turn is affected by current and anticipated levels of oil and natural gas demand and prices. A significant portion of Secure's revenue is generated through producing oil and natural gas wells, which in turns lends more stability to cash flows in the treatment and disposal industry through the commodity cycles than for oilfield services that are more directly tied to drilling and completions.

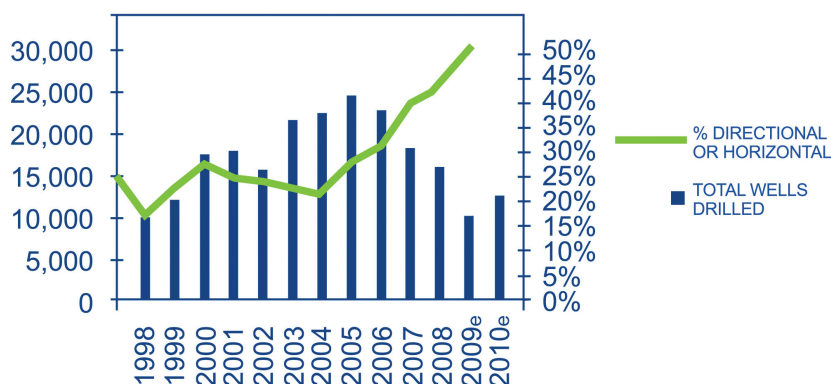
The services offered by Secure assist oil and natural gas producers and energy services companies in dealing with the waste products generated throughout the cycle of oil and natural gas exploration, production and abandonment

activities. The trends in the oil and natural gas industry described below have an impact on the levels of oilfield activity in different segments of oil and natural gas activity, thereby impacting Secure's business.

Well Drilling

The process of drilling a well creates by-products such as drill cuttings and contaminated drilling mud. Cuttings are disposed of at the Corporation's landfills and the mud is processed and disposed of at the Corporation's FST locations. As the chart below illustrates, the number of wells drilled in western Canada in 2009 declined to the lowest level in the preceding 10 year period, but management, based on certain market indicators, anticipates it to rebound in 2010. Management's expectations are based upon published forecasts of 2010 drilling activity relative to 2009 actual drilling results, expectations that the price of oil and natural gas will increase in 2010, expectations that access to debt and equity markets will improve in 2010 and expectations that oil and natural gas producers will increase capital expenditures in 2010. A rebound in drilling will result in an increased volume of by-products requiring disposal.

WELLS DRILLED VS. DIRECTIONAL DRILLING



Source: Daily Oil Bulletin

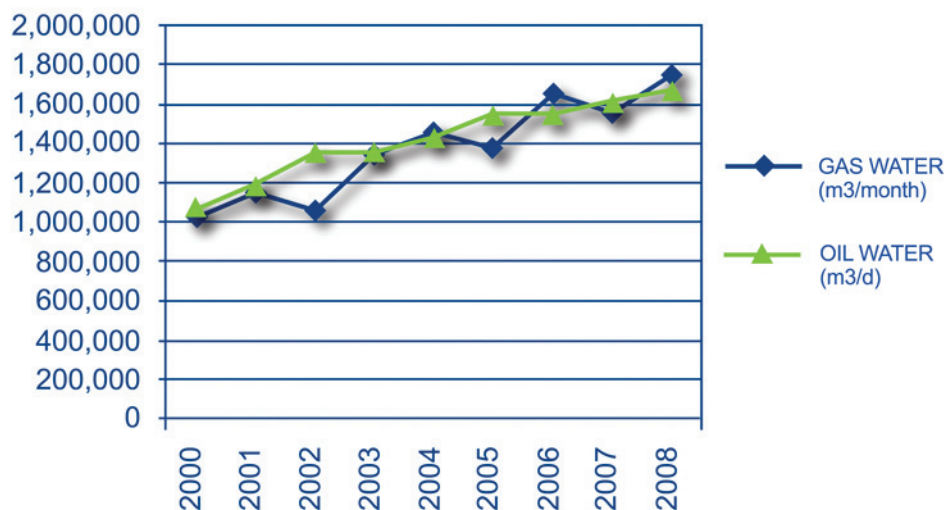
Well Completion

After a well is drilled, a variety of completion techniques are performed prior to the well being brought into production. The completion process generates oilfield waste that requires treatment and disposal at the Corporation's FST or SWD locations. As the chart above illustrates, the percentage of directional or horizontal wells drilled has been steadily increasing since 2004. Completing these wells increasingly involves fracturing the geological formation to enhance the production of the well. The length of the horizontal section and the number of fracs per horizontal section have been increasing. This results in greater volumes of by-products requiring disposal.

Well Production

In addition to the production of oil and natural gas, wells also produce substantial volumes of water requiring disposal at one of the Corporation's FST or SWD facilities. As the chart below indicates, the volume of water produced in Alberta and British Columbia has been steadily increasing since 2000.

AB & BC OIL & GAS WATER PRODUCTION



Source: IHS Accumap

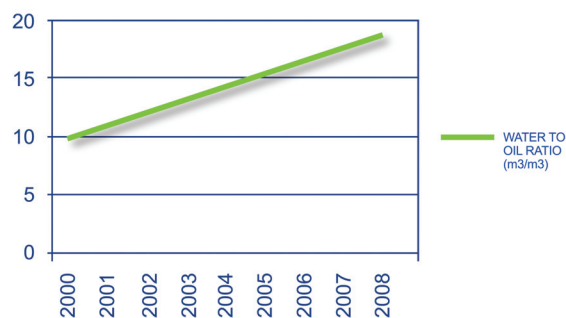
Generally, as a well matures, it produces increasingly larger volumes of water. As the Western Canadian Sedimentary Basin matures, the average volume of water produced per unit of production has increased. The charts below illustrate the increase in the average volume of water produced per thousand cubic metres of natural gas of 58% from 0.075 cubic metres in 2000 to 0.12 cubic metres in 2008 and the increase in the average volume of water produced per cubic metre of oil of 85.8% from 9.9 cubic metres in 2000 to 18.4 cubic metres in 2008.

AB & BC m3 OF WATER PRODUCED PER E3m3 OF GAS PRODUCED



Source: IHS Accumap

AB & BC m3 OF WATER PRODUCED PER m3 OF OIL PRODUCTION

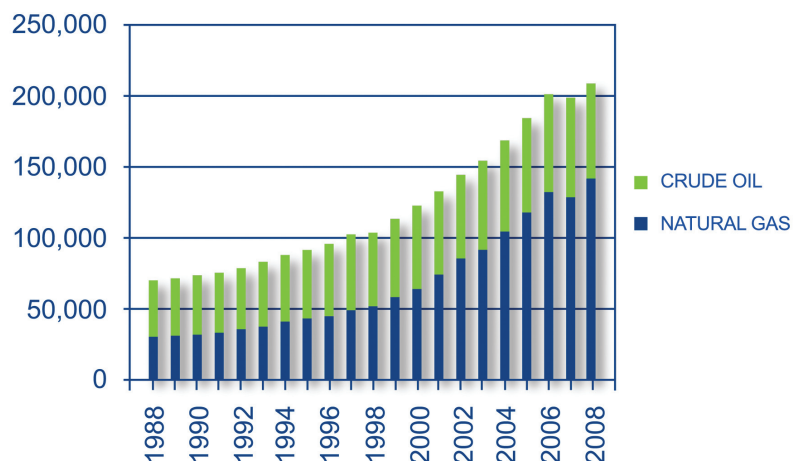


Source: IHS Accumap

Well/Facility Maintenance and Production Enhancement

During an oil or gas well's operational life, various activities are performed which may include remedial downhole repairs, re-perforations, swabbing, de-waxing and formation acidization. Collectively, these workover activities generate by-products requiring treatment and disposal at the Corporation's FST and SWD locations. The number of workovers is a function of the number of wells in production and the maturity of the wellbore. As the chart below illustrates, despite the fluctuating number of wells drilled in the previous 20 year period, the number of wells in production has steadily increased. In the 20 year period from 1988 to 2008, the number of operating oil and natural gas wells in western Canada increased steadily over time, with only 2007 showing a decline from the prior year in that span. A significant portion of oilfield waste is generated by producing oil and natural gas wells, lending more stability to cash flows in the treating and disposal industry through the commodity cycles than for oilfield services that are more directly tied to drilling and completions.

20 YEAR HISTORICAL WCSB WELLS IN PRODUCTION



Source: Canadian Association of Petroleum Producers (CAPP)

Source: CAPP

Well Abandonment and Reclamation Activities

The cleanup or reclamation of wells, production facilities and pipelines results in contaminated soil, which requires disposal at the Corporation's Class II Oilfield Landfills and creates liquid by-products, which requires treatment and disposal at a FST or SWD facility. A maturing basin combined with increasing number of wells in production creates a revenue stream to the Corporation beyond the drilling and production cycle.

Increased Outsourcing by Oil and Gas Producers

The treatment and disposal industry has been growing in part due to the increasing willingness of customers to outsource. The birth of the industry occurred in the late 1980's, prior to which the third party treatment and disposal industry did not exist. By 2006, the two largest participants in the industry had combined revenue of approximately \$426 million (2006 being the last year financial data was available publicly for both companies). As many oil and natural gas producers prefer to focus on their core production and exploration business, the Corporation believes that there is continued opportunity for increased outsourcing of oilfield waste management to third-party providers.

USE OF PROCEEDS

Assuming the Maximum Offering, the gross proceeds (prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$57,500,001 (\$66,125,001 if the Over-Allotment Option is exercised in full). The net proceeds, after deducting the Agents' Fee and assuming persons referred by the Corporation subscribe for Common Shares in an amount not less than \$7,500,000 (but prior to the payment of the expenses of the Offering, which are estimated to be \$550,000), will be \$54,275,001 (\$62,382,501 if the Over-Allotment Option is exercised in full).

Assuming the Minimum Offering, the gross proceeds (prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$40,000,002. The net proceeds, after deducting the Agents' Fee and assuming persons referred by the Corporation subscribe for Common Shares in an amount not less than \$7,500,000 (but prior to the payment of the expenses of the Offering, which are estimated to be \$550,000) will be \$37,825,002.

The net proceeds of the Offering will be used to fund the Corporation's 2010 capital program as described under the heading "*Business of the Corporation – 2010 Capital Expenditure Program*". In addition to the net proceeds of the Offering, the Corporation may finance a portion of the 2010 capital program with cash flow from operations and, subject to prudent fiscal management, with indebtedness drawn pursuant to the Credit Facility.

Pending the application of the net proceeds of the Offering as detailed above, the proceeds will be used to reduce indebtedness under the Credit Facility or invested in government backed securities and short term interest bearing instruments.

In the event that additional proceeds are raised from the exercise of the Over-Allotment Option, such proceeds will also be used to fund the 2010 capital expenditure program. Any proceeds raised in excess of \$57 million will be added to working capital and/or used to reduce the indebtedness drawn pursuant to the Credit Facility.

While the Corporation presently intends to use the net proceeds of the Offering as stated above, there may be circumstances where, for sound business reasons or due to factors beyond the Corporation's control, a reallocation of funds may be necessary.

DIVIDEND RECORD AND POLICY

The Corporation has not paid any dividends on the Common Shares and currently intends to reinvest any earnings to fund the development and growth of its business. Any future payments of dividends will be at the sole discretion of the Board of Directors and will depend upon the financial condition, capital requirements and earnings of the Corporation as well as other factors it may deem relevant.

SELECTED HISTORICAL FINANCIAL INFORMATION AND HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a summary of certain selected financial information of the Corporation for the years ended December 31, 2009 and December 31, 2008 and for the period from April 25, 2006 to December 31, 2007. The following data should be read together with the Financial Statements attached hereto as Schedule “A”.

	as at and for the periods ended		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
(\$'s except share data)			
Revenue (audited)	\$ 22,376,595	\$ 7,436,551	\$ 1,029,139
Operating margin	\$ 12,294,241	\$ 4,554,438	\$ 740,327
Operating margin as % of revenue	55%	61%	72%
EBITDA	\$ 7,995,990	\$ 566,021	\$ (1,657,778)
Per share (\$), basic	0.20	0.02	(0.09)
Per share (\$), diluted	0.19	0.02	(0.09)
Net earnings (loss) (audited)	\$ (2,757,542)	\$ (1,528,561)	\$ (1,243,514)
Per share (\$), basic (audited)	(0.07)	(0.05)	(0.07)
Per share (\$), diluted (audited)	(0.07)	(0.05)	(0.07)
Funds from operations (audited)	\$ 7,958,559	\$ 1,241,998	\$ (1,167,985)
Per share (\$), basic	0.19	0.04	(0.07)
Per share (\$), diluted	0.19	0.04	(0.07)
Cash dividends per common share (audited)	nil	nil	nil
Capital Expenditures (audited)	\$ 22,685,837	\$ 65,077,835	\$ 10,431,958
Total assets (audited)	\$ 96,979,564	\$ 97,887,114	\$ 24,913,928
Long term debt – including current portion (audited)	\$ 4,787,500	nil	nil
Total long term liabilities (audited)	\$ 8,149,413	\$ 2,863,079	\$ 402,237
Common Shares – end of period (audited)	41,631,991	39,962,075	19,260,760
Weighted average common shares			
basic (audited)	40,857,737	29,629,577	17,550,030
diluted (audited)	41,788,605	30,252,502	17,645,333

MANAGEMENT’S DISCUSSION AND ANALYSIS

This management’s discussion and analysis (“**MD&A**”) of the Corporation should be read in conjunction with the Corporation’s audited consolidated financial statements as at and for the years ended December 31, 2009, December 31, 2008 and for the initial period, copies of which are attached as Schedule “A” hereto. For the purposes of this MD&A, reference to the “initial period” or “2006-2007” shall encompass the entire period from April 25, 2006 to December 31, 2007; reference to “2008” shall mean the year ended December 31, 2008; and reference to “2009” shall mean the year ended December 31, 2009.

Responsibility of Management and the Board of Directors

The Corporation’s management is responsible for the information disclosed in this MD&A and the accompanying audited consolidated financial statements, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by the Corporation, and has reviewed and approved this MD&A and the related audited consolidated financial statements.

Non-GAAP Measures

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under GAAP and, therefore, are considered non-GAAP measures. These measures are described and presented in order to provide shareholders and potential investors with additional information regarding the Corporation's financial results, liquidity and its ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent GAAP measure. However, they should not be used as an alternative to GAAP, because they may not be consistent with calculations of other companies. These measures are further explained below.

EBITDA is not a recognized measure under GAAP. Management believes that in addition to net earnings, EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed or how the results are taxed. In addition to interest, taxes, depreciation and amortization, EBITDA also calculates earnings prior to accretion, depletion, stock-based compensation and impairment of goodwill.

Funds flow or funds from operations refers to cash flow from operations before changes in non-cash working capital. Secure's management views cash flow from operating activities before changes in non-cash working capital balances, hereafter referred to as funds flow, as a measure of liquidity, and believes that funds flow is a metric used by many investors to assess the financial performance of the Corporation. Absent a sustained period of growth in the Corporation's business, changes in non-cash working capital will generally not be a use of cash by the Corporation over a longer period of time, although that may be the case from one quarter to the next. Any use of cash from an increase in working capital in a particular period will be financed by the Credit Facility and repaid when non-cash working capital decreases and cash is generated.

Reconciliation of EBITDA and Funds Flow to Net Earnings

Reconciliation of Annual Non-GAAP Measures:⁽¹⁾

	as at and for the periods ended		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Net earnings (loss)	\$ (2,757,542)	\$ (1,528,561)	\$ (1,243,514)
Add:			
Depreciation, depletion,			
accretion and amortization of financing fees	10,849,320	3,423,212	423,834
Stock-based compensation	458,871	183,674	51,361
Loss on disposal of property, plant and equipment	664	—	—
Impairment of goodwill	—	—	155,998
Future income tax (recovery)	(592,754)	(836,327)	(555,664)
Funds flow	7,958,559	1,241,998	(1,167,985)
Add: net interest expense (income)	37,431	(675,977)	(489,793)
EBITDA	\$ 7,995,990	\$ 566,021	\$ (1,657,778)

Note:

(1) All items in above annual reconciliation are audited, except for funds flow and EBITDA.

Reconciliation of Quarterly Non-GAAP Measures:

	three months ended (unaudited)			
	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009
Net earnings (loss)	\$ (970,203)	\$ (1,342,697)	\$ (955,623)	\$ 510,980
Add (deduct):				
Depreciation, depletion, accretion and amortization of financing fees	3,765,116	2,985,067	1,860,599	2,238,539
Stock-based compensation	120,607	118,853	116,451	102,960
Loss on disposal of property, plant and equipment	664	—	—	—
Future income tax (recovery)	(210,569)	(356,706)	(274,662)	249,183
Funds flow	2,705,615	1,404,517	746,765	3,101,662
Add: net interest expense (income)	55,016	39,199	(6,422)	(50,362)
EBITDA	\$ 2,760,631	\$ 1,443,716	\$ 740,343	\$ 3,051,300

	three months ended (unaudited)			
	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	Mar. 31, 2008
Net earnings (loss)	\$ (223,837)	\$ (481,499)	\$ (555,450)	\$ (267,775)
Add (deduct):				
Depreciation, depletion, accretion and amortization of financing fees	1,822,242	696,516	379,815	524,639
Stock-based compensation	65,754	46,889	37,839	33,192
Future income tax (recovery)	(411,613)	(106,505)	(217,510)	(100,699)
Funds flow	1,252,546	155,401	(355,306)	189,357
Add: net interest expense (income)	(189,652)	(221,818)	(159,922)	(104,585)
EBITDA	\$ 1,062,894	\$ (66,417)	\$ (515,228)	\$ 84,772

Expansion, growth or acquisition capital is 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.

Operating Margin is used by management to evaluate the operating performance of its facilities. Management analyzes operating margin as a key indicator of operating efficiency, pricing efficiency and variable cost controlling.

“Return on Capital Employed” is used by management to assess whether the operating performance generates adequate returns to pay for its cost of capital. Return on Capital Employed is calculated by dividing EBITDA by total capital employed, excluding goodwill and intangibles, less current liabilities.

Selected Financial Information

	as at and for the periods ended		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
(\$'s except share data)			
Revenue (audited)	\$22,376,595	\$ 7,436,551	\$ 1,029,139
Operating margin	\$12,294,241	\$ 4,554,438	\$ 740,327
Operating margin as % of revenue	55%	61%	72%
EBITDA	\$ 7,995,990	\$ 566,021	\$(1,657,778)
Per share (\$), basic	0.20	0.02	(0.09)
Per share (\$), diluted	0.19	0.02	(0.09)
Net earnings (loss) (audited)	\$(2,757,542)	\$(1,528,561)	\$(1,243,514)
Per share (\$), basic (audited)	(0.07)	(0.05)	(0.07)
Per share (\$), diluted (audited)	(0.07)	(0.05)	(0.07)
Funds from operations (audited)	\$ 7,958,559	\$ 1,241,998	\$(1,167,985)
Per share (\$), basic	0.19	0.04	(0.07)
Per share (\$), diluted	0.19	0.04	(0.07)
Cash dividends per common share (audited)	nil	nil	nil
Capital Expenditures (audited)	\$22,685,837	\$65,077,835	\$10,431,958
Total assets (audited)	\$96,979,564	\$97,887,114	\$24,913,928
Long term debt – including current portion (audited)	\$ 4,787,500	nil	nil
Total long term liabilities (audited)	\$ 8,149,413	\$ 2,863,079	\$ 402,237
Common Shares – end of period (audited)	41,631,991	39,962,075	19,260,760
Weighted average common shares			
basic (audited)	40,857,737	29,629,577	17,550,030
diluted (audited)	41,788,605	30,252,502	17,645,333

Overview

Secure's growth in its three periods of operation has been dramatic. Revenue increased from \$1.0 million in 2006-2007, to \$7.4 million in 2008 and \$22.4 million in 2009 as a result of expansion to new locations, acquisition of an existing facility, increasing customer base and growth in the range of services offered. EBITDA also increased over the three year period from \$(1.7) million in 2006-2007, to \$0.6 million in 2008 and \$8.0 million in 2009. The increasing EBITDA was a result of successfully deploying the new facilities. Initial start-up costs were robustly monitored and variable costs were effectively managed as facility activity increased. The growth and positive results are especially impressive in light of the challenging industry conditions the Corporation has faced, particularly since the global financial crisis began in the third quarter of 2008. The relative strength and stability of Secure's business in volatile and challenging times demonstrates the stability of its business. Operating margins as a percent of revenue for 2009, 2008, and 2006-2007 were 55 percent, 61 percent, and 72 percent, respectively, with the decline from 2006-2007 due in part to the weaker industry conditions and to the Corporation's development beyond one facility to multiple facilities.

Results of Operations

Comparison of Year Ended December 31, 2009 to Year Ended December 31, 2008

Revenue

Revenues for 2009 were \$22.4 million, an increase of \$14.9 million or 201 percent from 2008. The significant increase in revenues, despite weak economic conditions and reduced industry activity in 2009, is a result of expanding into new locations and increasing the Corporation's customer base during 2008 and 2009. The South Grande Prairie Landfill was open for 2008 and 2009, while eight more facilities were added during that two year period:

<u>Facility</u>	<u>Commissioned</u>
South Grande Prairie Landfill	October 2007
Emerson (SWD)	April 2008
La Glace (FST) (Joint venture 50% on specific segment)	August 2008
South Grande Prairie (SWD)	August 2008
Kotcho (SWD)	October 2008
Nose Hill (SWD)	November 2008
Willesden Green Landfill	November 2008
Obed (SWD)	May 2009
Fox Creek (FST)	July 2009

While the addition of new facilities during 2008 and 2009 resulted in a large increase in revenues, the increase remained somewhat subdued by the weak conditions in the oil and natural gas industry and in the economy in general. As well, when a new facility starts up, several oil and natural gas producers conduct their own individual audits of the facilities to ensure Secure meets all required internal specifications for disposal of oilfield wastes. This process is conducted at all landfills, FSTs and SWDs before the producer will begin sending product. Depending on the producer, this process can take several months. Finally, FSTs also experience a slower increase of revenues at start-up as producers are required to forecast oil volumes two months in advance of delivery. Therefore at startup, any new producer shipping oil through our FSTs will have to nominate that oil two months prior. As a result, it takes a few months before the Corporation achieves standard volumes and operating revenues from any given facility.

Operating Expenses

Operating expenses increased from \$2.9 million in 2008 to \$10.1 million in 2009 as a result of the additional facilities described above. Furthermore, expenses were higher in 2009 as training costs were no longer capitalized. Operating margin as a percentage of revenue were 61% in 2008 and 55% in 2009. The decrease in operating margin is a result of weak industry conditions during 2009 and a larger proportion of the Corporation's business during 2009 coming from more labor and energy intensive FSTs added during 2008 and 2009.

General and Administrative

General and administrative expenses include salaries and benefits for office staff, professional fees, rent, utilities and communications in the Corporation's head office. General and administrative expenses increased in 2009 to \$4.9 million from \$3.8 million, primarily due to the addition of staff and services added during 2008 to support the Corporation's significant expansion of operations during the year.

Business Development Expense

Business development expenses decreased from \$0.3 million in 2008 to \$0.1 million in 2009. In 2008 and 2009, a significant portion of the Corporation's prospects were converted to capital projects and thus were no longer expensed in the second half of 2008, which continued into 2009 with the capitalization of the Corporation's Fox Creek and Obed facilities. In addition, during 2009 the Corporation incurred fewer expenses on prospects for 2010 as the majority of its current prospects met the criteria to be converted to a capital project.

Depreciation, Amortization, Depletion and Accretion

Depreciation, amortization depletion and accretion expense increased from \$3.4 million in 2008 to \$10.7 million in 2009. The increase was due to the expenses related to the five facilities added during 2008 and the two facilities added during 2009.

Interest

The Corporation earned interest income of \$0.1 million in 2009 and \$0.7 million in 2008. In December 2008, the Corporation entered into a secured credit facility consisting of a \$25,000,000 revolving term loan facility. Prior to this time, all financing was through issuances of equity and, as such, the Corporation carried cash balances. As a result of the addition of the credit facility, the Corporation was able to more efficiently manage cash, and carried low cash balances for much of the last three quarters of 2009.

Income Taxes

The Corporation follows the liability method of accounting for income taxes. During 2009 the Corporation recorded losses before income taxes and future income tax recoveries and, as in the prior year, has not been subject to current income taxes. The future income tax recovery represents non-capital losses, timing differences and the tax effect of rate changes. The anticipated amount and timing of recovery of future taxes will be dependent upon the Corporation's actual results, and the actual acquisition and disposition of assets and liabilities.

Comparison of Year Ended December 31, 2008 to the Period from April 25, 2006 to December 31, 2007

Revenue

Revenues for 2008 were \$7.4 million, an increase of \$6.4 million or 623 percent from the initial period. Secure's first facility, the South Grande Prairie Landfill, opened in October, 2007. Since the Corporation's formation on April 25, 2006 to the date that this facility opened, the Corporation was in a development phase without revenue generation. During 2008, six additional facilities were put into service. The dramatic increase in revenue from the initial period to 2008, despite the general weakening in the market for oilfield services from 2007 to 2008, is attributed to a full year contribution from the South Grande Prairie Class Landfill and part year contributions from the six facilities put into service during 2008.

Operating Expenses

Operating expenses increased from \$0.3 million in the initial period to \$2.9 million in 2008 as a result of revenue growth. Operating margin as a percent of revenue was 72% in 2006-2007 and 61% in 2008. During the initial period, the sole facility operating was a landfill, while during 2008 the Corporation also operated a FST and SWD facilities. The operation of FSTs is more labor and energy intensive, and the decline in operating margin as a percent of revenue from year to year was in line with expectations.

General and Administrative

General and administrative expenses include salaries and benefits for office staff, professional fees, rent, utilities and communications in the Corporation's head office. General and administrative expenses increased in 2008 to \$3.8 million from \$1.8 million as a result of the increased staff required to support the growth of the Corporation, and to provide the general and administrative services required of an operating company for a full year.

Business Development Expense

Business development expenses decreased from \$0.7 million in 2006-2007 to \$0.3 million in 2008. In 2006 and 2007, the Corporation was working on a variety of prospects for potential development as the Corporation was in a start-up phase. In 2008, a significant portion of these prospects were converted to capital projects and thus were no longer expensed. Therefore, as a result of the increase in the number of capital projects ready for development, the Corporation decreased its business development expenditures in 2008 in order to pursue the project ready facilities.

Impairment of Goodwill

Goodwill is assessed by the Corporation for impairment at least at each year end. On April 24, 2007, the Corporation completed an amalgamation with 1232711 Alberta Ltd. The acquisition was accounted for under the purchase method under which goodwill of \$0.2 million was recognized. At the time of the amalgamation, the Corporation had no

operations and no taxable income. During the year ended December 31, 2007, as a result of economic conditions, management tested the goodwill balance for impairment and determined that the entire goodwill balance was impaired. The impairment was recorded as a non-cash charge to earnings in 2006-2007. The balance of goodwill relating to the 2008 acquisition of TriPoint was assessed for impairment at year end in 2008 and 2009 and was determined to be unimpaired.

Depreciation, Amortization, Depletion and Accretion

Depreciation, amortization, depletion and accretion expense increased from \$0.4 million in 2006-2007 to \$3.4 million in 2008. The increase was due to the full year of service in 2008 from the Corporation's first facility, compared to only three months in 2006-2007, and from the addition of six more facilities during 2008.

Interest

The Corporation earned interest income of \$0.7 million in 2008 and \$0.5 million in 2006-2007. In December 2008, the Corporation agreed to terms on a secured credit facility consisting of a \$25,000,000 revolving term loan facility. Prior to this time, all financing was through issuances of equity and, as such, the Corporation carried cash balances. The Corporation effectively managed the cash balances to maximize the return, while ensuring appropriate liquidity was available at each phase of construction on the various facilities.

Income Taxes

The Corporation follows the liability method of accounting for income taxes. Both 2006-2007 and 2008 represent significant developmental years for the Corporation, and as such, it has recorded losses before income taxes and future income tax recoveries in each year and has not been subject to current income taxes.

Comparison of Three Months Ended December 31, 2009 to Three Months Ended December 31, 2008

Revenue

Revenues for the three months ended 2009 were \$7.5 million, an increase of \$3.7 million or 96 percent from the same period in the prior year. The increase is due to the addition of the Fox Creek FST and the Obed SWD, growth from the maturing of facilities added during 2008, and improved commodity prices. The fourth quarter of 2009 also presented indications that economic and industry conditions are improving.

Operating Expenses

Operating expenses increased from \$1.6 million for the three months ended 2009 to \$3.5 million as a result of the two additional facilities added during 2009. Operating margin as a percent of revenue for the three months ended 2009 and 2008, were 54% and 58%, respectively. Operating margins were lower in 2009 because of the addition of the Fox Creek FST. The operation of FSTs is more labour and energy intensive, and the decline in operating margin as a percent of revenue from quarter to quarter was in line with expectations.

Summary of Quarterly Results

Seasonality

Seasonality impacts Secure's operations. While the Corporation's facilities are open and accessible year-round, its customers' operations can be reduced at times as the ability to move heavy equipment in the Canadian oil and natural gas fields is dependent on weather conditions. The corresponding effect is a reduction on the Corporation's revenues during these periods. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the full weight of heavy equipment until such roads have thoroughly dried out. The duration of this "spring breakup" has an impact on the Corporation's activity levels. In the areas that Secure operates, the second quarter has generally been the slowest quarter due to the spring breakup described above.

	three months ended (unaudited)			
	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009
Revenue	\$ 7,520,454	\$ 4,953,860	\$ 3,533,501	\$ 6,368,780
Operating margin	\$ 4,043,397	\$ 2,446,134	\$ 1,671,535	\$ 4,133,175
Net earnings (loss)	\$ (970,203)	\$ (1,342,697)	\$ (955,623)	\$ 510,980
Earnings (loss) per share				
basic	\$ (0.02)	\$ (0.03)	\$ (0.02)	\$ 0.01
diluted	\$ (0.02)	\$ (0.03)	\$ (0.02)	\$ 0.01
Weighted average common shares				
basic	41,624,234	41,620,292	40,074,801	39,962,075
diluted	42,600,342	42,568,727	40,995,562	40,839,554
EBITDA	\$ 2,760,631	\$ 1,443,716	\$ 740,343	\$ 3,051,300
Funds flow	\$ 2,705,615	\$ 1,404,517	\$ 746,765	\$ 3,101,662

	three months ended (unaudited)			
	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	Mar. 31, 2008
Revenue	\$ 3,844,326	\$ 1,662,650	\$ 814,269	\$ 1,115,306
Operating margin	\$ 2,227,878	\$ 1,012,533	\$ 466,932	\$ 847,095
Net earnings (loss)	\$ (223,837)	\$ (481,499)	\$ (555,450)	\$ (267,775)
Earnings (loss) per share				
basic	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.01)
diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.01)
Weighted average common shares				
basic	31,954,775	28,080,275	25,714,317	19,280,771
diluted	32,798,930	28,907,369	26,403,220	19,402,130
EBITDA	\$ 1,062,894	\$ (66,417)	\$ (515,228)	\$ 84,772
Funds flow	\$ 1,252,546	\$ 155,401	\$ (355,306)	\$ 189,357

Quarterly Review

As described above, quarterly performance is affected by seasonal variation; however, with Secure's significant growth during 2008 and 2009, variations in quarterly results extend beyond seasonal factors. A schedule describing the Corporation's progressive growth of its asset base is included in the 2009 analysis of revenues in this MD&A.

2008 Review by Quarter

In the entire first quarter of 2008 Secure's revenue was derived entirely from one landfill. During the second quarter of 2008, Secure added the Emerson SWD facility, which contributed to revenues during that quarter; however, that contribution was offset by the seasonal factors described above, particularly in April and May. During the third quarter of 2008, the Corporation added its La Glace FST and the South Grande Prairie SWD facility which, along with seasonal factors, contributed to the growth in revenues and margins from the prior quarter. In the fourth quarter of 2008, the Corporation increased revenues as a result of seasonal factors, a full quarter contributions from the prior quarter's additions, and from the addition of three more facilities: the Kotcho FST, the Nose Hill SWD facility and the Willesden Green Landfill. The fourth quarter of 2008 also saw a significant and broad economic and industry downturn and lower commodity prices, which somewhat offset the effect of the Corporation's asset growth.

2009 Review by Quarter

The large increase in revenue and margin in the first quarter of 2009 over the prior quarter was a result of a full quarter of contribution from the prior quarter's asset additions, and from the further maturing of assets added during 2008. During the second quarter of 2009, Secure opened the Fox Creek FST full service terminal and the Obed SWD. These two new facilities provided a small contribution to revenue and margin, but that contribution was offset by the traditional weakness in the market during the second quarter and the continuing industry and economic downturn. The third and fourth quarters of 2009 followed a more normal seasonal pattern. At the same time, there were continued weakness in the industry and economy in general, but with recovery in commodity prices and early indications that the market for the Corporation's services may be improving.

Liquidity and Capital Resources

Overview

Management's approach to managing liquidity risk includes utilizing detailed forecasting and monthly budgeting to ensure liquidity is available when the Corporation's financial obligations are due. The Corporation has historically funded its operations and capital program primarily with equity financing and cash flow from operations. The Corporation's objective in capital program management is to ensure adequate sources of capital are available to carry out its capital plan, while maintaining operational growth and increased cash flow so as to sustain future development of the business.

Sources of Cash

	As at and for the periods ended		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Sources:			
Funds from operations (audited)	\$ 7,958,559	\$ 1,241,998	\$ (1,167,985)
Issue of common shares, net of issue costs (audited)	\$ 4,482,482	\$60,997,512	\$23,653,639
Revolving loan facility (audited)	\$ 4,787,500	—	—
Change in non-cash working capital (audited)	\$ 668,191	\$ (4,672,236)	\$ (334,744)
	<u>\$17,896,732</u>	<u>\$57,567,274</u>	<u>\$22,150,910</u>

Funds from operations increased from \$(1.2) million in 2006-2007, to \$1.2 million in 2008 and to \$8.0 million in 2009. The increase resulted primarily from the growth in operations upon the addition of new facilities in each period. Funds flow was negative in 2006-2007 because the Corporation did not commence operating activities until October 2007.

During the initial period, the Corporation issued 19.3 million Common Shares for net proceeds of \$23.7 million to fund the development of the business and for capital expenditures. During 2008, the Corporation issued a further 20.7 million Common Shares for net proceeds of \$61.0 million. In 2009, the Corporation issued 1.7 million Common Shares for net proceeds of \$4.5 million.

In December 2008, the Corporation obtained a secured \$25,000,000 revolving loan facility, renewable at December 31, 2009, giving the Corporation increased financial flexibility and access to financing at a lower cost of capital than equity. In December 2009, the Corporation entered into a secured credit facility with a Canadian financial institution consisting of a \$35,000,000 committed revolving term facility consisting of an extendible revolving period, followed by a one year non-revolving term period (the “**Credit Facility**”). The initial revolving period is renewable on May 31, 2011. If the facility is not renewed prior to May 31, 2011, then a non-revolving term period shall commence immediately thereafter and shall end one year later on May 31, 2012.

The Credit Facility is a multi-use facility and is intended to provide capital project financing, working capital requirements and for the issuance of letters of guarantee in support of financial security requirements. The facility has a \$10,000,000 sublimit for the issue of letters of guarantee and bears interest at 1.50%. The aggregate dollar amount of the outstanding letters of guarantee is not categorized in the consolidated financial statements as long term debt; however, the issued letters of guarantee reduce the amount available under the Credit Facility. The Corporation may borrow, repay, reborrow and convert between types of borrowings at any time. Any advances during the year would be recorded as a long term liability on the balance sheet. The Credit Facility bears interest ranging from 1.5 to 2.5% above the prime rate depending on the applicable funded debt to EBITDA ratio, with any unused amounts subject to standby fees. At the option of the Corporation, the Credit Facility may be utilized by way of guaranteed notes with interest calculated at the lenders base rate for such notes plus 3.0 to 4.0% based on the funded debt to EBITDA ratio. EBITDA as defined in the Credit Facility has the same meaning as ascribed to it under the heading “*Management’s Discussion and Analysis – Non-GAAP Measures*”.

In connection with the entering into of the Credit Facility, the Corporation incurred costs in the amount of \$112,500, of which the entire amount has been offset against the outstanding principle balance of the debt. Under the terms and conditions of the Credit Facility, the Corporation is subject to certain covenants with respect to maintaining minimum financial ratios (see note 17 of the Financial Statements attached as Schedule “A” hereto). As at December 31, 2009, \$4.9 million had been drawn under the Credit Facility and the Corporation had issued letters of guarantee in the aggregate amount of approximately \$8.4 million.

At December 31, 2009, the Corporation had issued approximately \$8.4 million letters of guarantee to various environmental regulatory authorities, of which approximately \$7.8 million has been issued in connection with operations in Alberta. The ERCB is implementing amendments to the *Energy Statutes Amendment Act, 2009* (Alberta) with respect to the OWL program. The OWL program will replace the current fully funded liability management program for oilfield waste facilities with a facility specific asset to liability risk based assessment that is backed by the existing upstream oil and natural gas industry liability management program. Secure expects letters of guarantee in the amount of approximately \$1.2 million to be returned during the first quarter of 2010.

As security for the Credit Facility, the Corporation granted lenders a security interest over all of its present and after acquired property. A \$200,000,000 debenture provides a first fixed charge over the Corporation’s real properties and a floating charge over all present and after acquired property not subjected to the fixed charge.

Uses of Cash

	As at and for the periods ended		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Uses:			
Expansion and Growth Capital expenditures	\$(22,685,837)	\$(59,356,716)	\$(10,431,958)
Acquisition Capital expenditures	—	\$ (5,721,119)	—
	<u>\$(22,685,837)</u>	<u>\$(65,077,835)</u>	<u>\$(10,431,958)</u>

During 2006-2007 the Corporation’s capital expenditures were primarily for construction of the South Grande Prairie Landfill and for the initial construction costs of the La Glace FST in conjunction with its joint venture partner,

Pembina Pipeline Corporation. In addition, the Corporation was purchasing assets to be used in the construction of its Emerson SWD facility.

The Corporation's capital program gained momentum in 2008 with the completion of five new facilities. Total expenditures in the year were \$59.4 million, which included assets under construction on both the Fox Creek FST and the Obed SWD. In addition to growth capital expenditures, the Corporation also completed the acquisition of TriPoint for total cash consideration of \$5.9 million.

In 2009, the Corporation completed the Fox Creek FST and the Obed SWD, as well as purchasing assets that will be used in the construction of upcoming projects for 2010. Sustaining capital in the first two years of operation of a facility is nil because each facility is constructed with new equipment or refurbished equipment.

Outlook and Business Impact of Current Economic and Industry Conditions

In 2009, the global economic slowdown reduced the demand for oil and natural gas, which ultimately led to a significant decline in drilling and, to a lesser extent, production activities. Oil prices rebounded in the latter half of 2009; however natural gas prices still remain at historically low levels. Management of the Corporation believes that typical winter drawdown and the production decline in 2009 should help reduce the natural gas inventory. This reduction is expected to stimulate more activity in 2010.

Overall, demand for the Corporation's services will continue to increase as drilling and production activities increase. The Corporation will maintain its strong balance sheet and continue to execute on its business strategy through these uncertain market conditions. With the increased size of the Credit Facility, the Corporation believes it is well-positioned to capitalize on future opportunities.

Most of the Corporation's facilities have operated in a weakened economic environment for much of their existence and, despite the economic challenges; the Corporation has generated positive funds flows for the last six quarters. Secure's management and staff have continuously operated in a state where efficiencies were vital to ensuring a stable business model and, as such, management believes that the Corporation is well-positioned and poised to thrive in an upturn in the industry, and in the economy in general.

Off-Balance Sheet Arrangements

At December 31, 2009, the Corporation had no off-balance sheet arrangements.

Contractual Obligations

The Corporation's contractual obligations as at December 31, 2009, were as follows:

	Total	One Year or Less	1-3 years	4-5 years
Capital Leases	\$ 564,525	\$347,324	\$204,961	\$12,240
Operating Leases	\$ 500,301	\$211,351	\$278,022	\$10,929
Office Lease	\$ 325,433	\$325,433	—	—
Office Equipment Leases	\$ 60,355	\$ 18,627	\$ 36,772	\$ 4,956
Total Commitments	<u>\$1,450,614</u>	<u>\$902,734</u>	<u>\$519,755</u>	<u>\$28,125</u>

All of the Corporation's contractual obligations range from less than one year to five years. The most significant is the capital lease commitments for a total of \$564,525.

The Corporation also has commitments for estimated future costs for asset retirement obligations. The net present value of its total asset retirement obligations are approximately \$3.1 million (2008: approximately \$2.4 million) at December 31, 2009 based on a total future liability of approximately \$7.3 million (2008: approximately \$6.0 million) as at December 31, 2009. These costs are expected to be incurred over the next three to twenty-five years.

Transactions With Related Parties

In March 2007, the Corporation entered into an interest bearing promissory note and pledge agreement with three of its shareholders, who are also employees of the Corporation. The notes bear interest at a rate of 5% per annum. The proceeds of the loan were used to purchase shares in the Corporation. As security for the loan, the shareholders have pledged their shares of the Corporation. The notes are repayable on demand and are due on March 23, 2012. As at February 1, 2010, the aggregate amount outstanding under the loans is \$461,300. See “*Indebtedness of Directors and Executive Officer – Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs*”.

In addition, the Corporation incurred approximately \$0.2 million of expenses with companies that have common directors, officers and shareholders. These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Proposed Transactions

The Corporation has not publicly announced any asset or business acquisitions. The Corporation is in the process of pursuing additional investment opportunities and appropriate public announcements will be made in accordance with applicable laws in the event the Corporation is successful in securing or completing any such opportunities.

Financial Instruments and Other Instruments

All of the Corporation’s financial instruments as at December 31, 2009 relate to standard working capital and Credit Facility items. There are no significant differences between the carrying value of these financial instruments and their estimated fair values. There are no unusual off-balance sheet arrangements and the Corporation does not use any financial instruments such as derivatives. Of the Corporation’s financial instruments, only accounts receivable represent credit risk. The Corporation provides credit to its customers in the normal course of operations. The Corporation’s credit risk policy includes performing credit evaluations of its customers. Substantially all of the Corporation’s accounts receivable are due from companies in the oil and natural gas industry and are subject to the normal industry credit risks. Management views the credit risk related to accounts receivable as minimal. Funds drawn under the Credit Facility bear interest at a floating interest rate. Therefore, to the extent that the Corporation borrows under this facility, the Corporation is at risk to rising interest rates.

The Corporation is also exposed to liquidity risk. Liquidity risk is the risk that the Company will not be able to meet financial obligations at the point at which they become due. Management’s approach to managing this risk includes utilizing detailed forecasting and monthly budgeting to ensure liquidity is available when the financial obligations are due. Management’s assessment of its liquidity reflects estimates, assumptions and judgments relating to current market conditions.

Critical Accounting Estimates

Depreciation and depletion

Secure has significant estimates related to the depreciation policies for property, plant and equipment. Factors that are included in the estimates include, but are not limited to, the economic life of the asset and the salvage value of the asset at the end of its economic life. The Corporation makes an estimate based on the best information on these factors that it has at the time these estimates are performed. The Corporation also has significant estimates related to the depletion policy for landfill cells. Factors included in the estimation include the capacity of the cell when constructed, and the units of total capacity utilized in a period. Actual results could differ materially if any of these factors for estimating depreciation or depletion are different in the future than the current estimates. See Note 2 in the notes to the Financial Statements, which are attached as Schedule “A” hereto.

Asset retirement obligation and accretion

Secure is required to provide for the cost of restoring its facility sites to an acceptable condition, as determined by regulatory authorities. The Corporation estimates the cost to remediate, reclaim and abandon the Corporation's facilities based upon current regulations, costs, technology, and industry standards. Accretion expense is the increase in the asset retirement obligation over time.

Stock-Based Compensation

The Corporation provides stock-based compensation to certain employees in the form of stock options. The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions related to the risk-free interest rate, average expected option life, estimated volatility of the Corporation's shares and anticipated dividends.

Income Taxes

The Corporation follows the liability method of accounting for income taxes, which evaluates the differences between the financial statement treatment and tax treatment of certain transactions, assets and liabilities. Future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax bases. Estimates of the Corporation's future taxable income have been considered in assessing the utilization of available tax losses.

Future Accounting Pronouncements

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests. The new Business Combinations standard provides guidance as to what an acquirer must measure when it obtains control, the basis of valuation and the date at which the valuation should be determined. The majority of acquisition-related costs must be expensed in the periods they are incurred. Section 1582 will be applicable for acquisitions that are completed on or after November 1, 2011 although early adoption in 2010 is permitted to facilitate the transition to IFRS in 2011. The Financial Statements standard provides clarification for preparing consolidated financial statements after the acquisition date. The Non-controlling Interests standard provides guidance on the accounting and presentation of non-controlling interest. All of these new standards must all be adopted concurrently. The Corporation currently does not expect that the adoption of these new standards will impact the financial statements as currently presented, although accounting for future acquisitions may be affected.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that outlined the convergence of GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. Over the past few years, the AcSB has adopted new GAAP standards that converge with that of IFRS in order to reduce the amount of differences upon transition. On February 13, 2008, the AcSB confirmed 2011 as the official changeover date from current GAAP to IFRS. The Corporation will transition to IFRS on January 1, 2011, which will require, for comparative purposes, the restatement of amounts reported on the Corporation's opening IFRS balance sheet as at January 1, 2010 and amounts reported by the Corporation for the year ended December 31, 2010.

During 2009, the Corporation commenced its IFRS Conversion Project (the “**Conversion Project**”). The Conversion Project consisted of three phases: impact assessment, analysis and development and implementation. The Corporation has currently completed the impact assessment which involved establishing a conversion timeline, project planning, assessment of IT systems and controls and identification of differences between current GAAP and IFRS. In identifying the GAAP differences, management focused on areas having the most significant financial statement impact based on the IFRS standards existing at the time of review. Analysis and development is also nearing completion and involves a detailed review and evaluation of the financial statement impact, review of possible options under specific IFRS policies, review of business processes and IT processes and initial staff training. Implementation is in the preliminary stages and involves drafting a template for a full IFRS set of financial statements, establishing new templates for business processes, approval of accounting policy choices and final staff training.

The Corporation’s analysis and development review of internal controls over financial reporting and disclosure and business process controls will require some updating and testing when the Corporation converts to IFRS. It is anticipated that the adoption of IFRS will have minimal impact on information systems requirements.

In 2010, the Corporation will continue to assess and evaluate the financial reporting impacts of adopting IFRS in 2011. Management anticipates there will be a significant increase in disclosure resulting from the adoption of IFRS. The Corporation is identifying and assessing the impact of this additional disclosure, as well as, implementing changes that will be necessary to compile the new disclosures requirements.

The following list illustrates the areas of accounting difference of highest potential impact to the Corporation on transition to IFRS. The quantitative impact on future financial position and results of operations is not fully determinable or estimable at this time.

Property, Plant and Equipment

The basic principles of accounting for property, plant and equipment under Canadian GAAP handbook section 3061 and International Accounting Standards (IAS 16) are similar; however, differences in application do exist. IAS 16 requires the parts or components approach and depreciation is based on the expected useful life of the parts or components. This method of componentizing property, plant and equipment may result in an increased number of component parts that are recorded and depreciated. In addition, IAS 16 requires the capitalization of major inspections that were previously expensed under Canadian GAAP. As a result, this may impact the cost of the asset and the calculation of depreciation expense.

The Corporation can elect to use the cost model or the revaluation model to measure its property, plant and equipment. The Corporation has elected to use the cost model. The capitalization of borrowing costs to the value of an asset in accordance with IAS 23, Borrowing Costs, will not have an impact as the Corporation currently capitalizes borrowing costs under Canadian GAAP.

Under IAS 17, accounting for property, plant and equipment capital leases takes a substance over form approach to classifying leases as either capital or operating, stating that the classification depends on the substance of the transaction rather than the form of the contract (risks and rewards transferred, etc.). Operating leases are recognized in the same manner as Canadian GAAP. As a result, this classification may result in operating leases becoming capital leases recorded under property, plant and equipment. The International Accounting Standards Board (“**IASB**”) has released an Exposure Draft on lease accounting that could result in a significantly different accounting model; therefore, the final extent of the impact of IAS 17 may change pending the outcome of this project in 2010.

Impairment of Assets

Under IAS 36, Impairment of Assets, an asset is impaired when the recoverable amount is less than the carrying amount. The recoverable amount is the higher of fair value less costs to sell or value in use (Present Value of discounted cash flows) derived from the asset or cash generating unit (“**CGU**”). The use of discounted cash flows under IAS 36 to test and measure asset impairment differs from Canadian GAAP where undiscounted future cash flows are used to compare against the asset’s carrying value to determine if impairment exists. Impairment therefore can be more likely with discounted cash flows when calculating value in use; however IAS 36 does allow reversal of impairment losses. This differs from Canadian GAAP, which prohibits the reversal of previously recognized

impairment losses. The Corporation's assets will be subject to the new application for testing and measuring asset impairments which may result in some impairments being recognized or reversed under IAS 36 that would not have been required or permitted under Canadian GAAP.

Share-Based Payments

Under Canadian GAAP, section 3870, share options granted vest in installments (tranches) over the vesting period, where the total grant can be valued at grant date with the corresponding stock-based compensation expense recognized in a straight line method over the vesting period of the options. This differs under IFRS 2, Share-Based Payments, where share options granted vest in installments (tranches) over the vesting period, and each tranche is treated as a separate share option grant, and subsequently valued at the start of each tranche's vesting period. Corresponding stock-based compensation expense will be calculated at the start of each vesting period with fair value inputs that exist at that time. IFRS 2 also requires the use of the fair value method for valuing options and companies are required to estimate forfeitures at the start of the vesting period. This may change the amount the Corporation recognizes as stock-based compensation as well as the timing of recognition. The Black-Scholes model is currently being used for option valuation, which is also permitted under IFRS. No change in option valuation method is required.

IFRS 1, First-Time Adoption of International Financial Reporting Standards

The first-time adoption of IFRS states that, in general, an entity shall apply the principles under IFRS retrospectively. IFRS 1 provides the framework and specifies that, the adjustments that arise on retrospective conversion to IFRS from another GAAP should be recognized directly in retained earnings. There are certain optional exemptions and mandatory exceptions to retrospective application, both of which are clarified under IFRS 1. The Corporation has made preliminary decisions with regards to the elective exemptions available upon transition, however a final decision is pending.

Fair Value or Revaluation as Deemed Cost

The Corporation has the elective option upon transitioning to IFRS to reset the cost of its property, plant and equipment based on fair value in accordance with the provisions of IFRS 1. The Corporation expects not to take this election upon transitioning to IFRS.

Share-Based Payments

The Corporation has the option to elect under IFRS 1 to elect not to revalue options that have vested before January 1, 2010. Options that vest after this date are required to be revalued under IFRS 2, Share-Based Payments. The Corporation expects to apply this election upon transitioning to IFRS.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation is made known to the Chief Executive Officer and the Chief Financial Officer by others within the Corporation, particularly during the period in which the annual and interim filings of the Corporation are being prepared, in an accurate and timely manner in order for the Corporation to comply with its disclosure and financial reporting obligations. Management has concluded that the Corporation's disclosure controls and procedures, as of the end of the periods covered, are effective in providing reasonable assurance that material information is accumulated and disclosed accurately. Consistent with the concept of reasonable assurance, the Corporation recognizes that the relative cost of maintaining these controls and procedures should not exceed their expected benefits. As such, the Corporation's disclosure controls and procedures can only provide reasonable assurance, and not absolute assurance, that the objectives of such controls and procedures are met.

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Corporation are responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Chief Executive Officer and Chief Financial Officer of Secure directed the assessment of the design and operating effectiveness of the Corporation's internal control over financial reporting as at December 31, 2009 and based on that assessment determined that the Corporation's internal control over financial reporting was, in all material respects, appropriately designed and operating effectively.

While management of the Corporation has put in place certain plans and procedures to mitigate the risk of a material misstatement in the Corporation's financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated. No changes were made to the Corporation's internal control over financial reporting during the year ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Risk Factors

For a description of the risks facing the Corporation see "*Risk Factors*".

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Secure is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, of which 41,647,981 Common Shares are issued and outstanding as at the date hereof.

The holders of Common Shares are entitled: (i) to notice of, to attend and to one vote per Common Share at, all meetings of the Shareholders (other than meetings of a class or series of shares of the Corporation other than the Common Shares); (ii) to receive dividends as and when declared by the Board of Directors on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and (iii) in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among the Shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of a return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of a return of capital, in such assets of the Corporation as are available for distribution.

CAPITALIZATION OF THE CORPORATION

The following table sets forth the consolidated capitalization of the Corporation as at December 31, 2009, both before and after giving effect to the Offering:

Type of Security	Outstanding as at December 31, 2009	Outstanding as at December 31, 2009 after giving effect to the Minimum Offering⁽¹⁾	Outstanding as at December 31, 2009 after giving effect to the Maximum Offering⁽¹⁾
Bank Debt ⁽²⁾⁽³⁾ (\$35,000,000)	\$4,900,000	\$4,900,000	\$4,900,000
Common Shares ⁽⁴⁾ (unlimited)	\$89,992,350 (41,631,991 Common Shares) ⁽⁵⁾	\$127,267,352 (54,965,325 Common Shares) ⁽⁶⁾	\$143,717,351 (60,798,658 Common Shares) ⁽⁷⁾
Preferred Shares (unlimited)	—	—	—

Notes:

- (1) After deducting the Agents' Fee of \$2,175,000 (under the Minimum Offering) or \$3,225,000 (under the Maximum Offering), and assuming the expenses of the Offering payable by the Corporation, estimated to be \$550,000 (excluding any tax effect).
- (2) For a description of the Credit Facility see "*Management's Discussion & Analysis – Results of Operations – Liquidity and Capital Resources – Sources of Cash*". The outstanding balance of \$4,787,500 disclosed in the Financial Statements includes \$112,500 of transaction costs netted against the outstanding principle balance.
- (3) The available amount under the Credit Facility is also reduced by \$8,379,980 in letters of guarantee issued by the Corporation to various environmental regulatory authorities. See "*Management's Discussion & Analysis – Results of Operations – Liquidity and Capital Resources – Sources of Cash*".
- (4) In addition, as at the date hereof 5,215,925 Common Shares have been reserved for issuance upon the exercise of Options and 1,075,994 Common Shares have been reserved for issuance pursuant to the exercise of Performance Warrants. See "*Options to Purchase Securities – Outstanding Options*" and "*Options to Purchase Securities – Outstanding Performance Warrants*".
- (5) Assuming the exercise of the 3,447,900 Options and the 1,075,994 Performance Warrants outstanding as at December 31, 2009 there would be 46,155,885 Common Shares issued and outstanding as at December 31, 2009.
- (6) Assuming the completion of the Minimum Offering and the exercise of the 3,447,900 Options and the 1,075,994 Performance Warrants outstanding as at December 31, 2009, there would be 59,489,219 Common Shares issued and outstanding as at December 31, 2009 (61,257,244 Common Shares after including: (i) the 100,000 Options granted on February 5, 2010; (ii) the 3,000 Options which expired on January 3, 2010; and (iii) 1,671,025 Options the Corporation granted on March 23, 2010). See "*Options to Purchase Securities – Anticipated 2010 Option Grant*".
- (7) Assuming the completion of the Maximum Offering and the exercise of the 3,447,900 Options and the 1,075,994 Performance Warrants outstanding as at December 31, 2009, there would be 65,322,552 Common Shares issued and outstanding as at December 31, 2009 (69,965,577 Common Shares after giving effect to the Over-Allotment Option and after including: (i) the 100,000 Options granted on February 5, 2010; (ii) the 3,000 Options which expired on January 3, 2010; and (iii) 1,671,025 Options the Corporation granted on March 23, 2010). See "*Options to Purchase Securities – Anticipated 2010 Option Grant*".

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table sets forth, as at March 23, 2010, information as to options to purchase Common Shares (“**Options**”) that will be held, upon completion of the Offering, by directors, officers, employees and consultants of the Corporation. A summary description of the terms of the Options is set out below under the heading “*Options to Purchase Securities – Description of the Current Stock Option Plan*”.

Optionholder	Number of Common Shares Under Option	Exercise Price	Expiration Date	Market Value as at March 23, 2010 ⁽⁵⁾
Executive Officers (as a group)	600,000	\$1.00	— ⁽¹⁾	\$1,200,000
	180,000	\$1.50		\$ 270,000
	300,000	\$2.50		\$ 150,000
	190,000	\$2.60		\$ 76,000
	660,000	\$3.00		—
Directors (as a group)	210,000	\$1.50	— ⁽²⁾	\$ 315,000
	114,000	\$2.50		\$ 57,000
	60,000	\$2.60		\$ 24,000
	120,000	\$3.00		—
Employees (as a group)	100,000	\$1.00	— ⁽³⁾	\$ 200,000
	491,000	\$1.50		\$ 736,500
	408,900	\$2.50		\$ 204,450
	322,500	\$2.60		\$ 129,000
	356,000	\$2.72		\$ 99,680
	28,000	\$3.40		—
	875,825	\$3.00		—
Consultants (as a group)	30,000	\$1.50	— ⁽⁴⁾	\$ 45,000
	24,000	\$2.50		\$ 12,000
	105,000	\$2.60		\$ 42,000
	7,500	\$2.72		\$ 2,100
	18,000	\$3.40		—
	15,200	\$3.00		—

Notes:

- (1) The Corporation has issued Options to five executive officers. The expiry date of such Options ranges from April 16, 2012 to March 23, 2015.
- (2) Includes all directors of the Corporation, who are not also executive officers, to whom Options have been granted. The Corporation has issued Options to four directors. The expiry date of such Options ranges from June 1, 2012 to March 23, 2015.
- (3) Includes all other employees of the Corporation, who are not also executive officers, to whom Options have been granted. The expiry date of such Options ranges from April 16, 2012 to March 23, 2015.
- (4) The expiry date of such Options ranges from May 22, 2012 to March 23, 2015.
- (5) There is not presently, and has not been since incorporation, a public market for the Common Shares. The market value of the Options has been calculated based on the difference between the exercise price of the Options and the price of the Common Shares issued under the Offering.

Description of the Current Stock Option Plan

The following is a summary of the Corporation’s stock option plan (the “**Current Option Plan**”) as presently constituted, and is qualified in its entirety by the full text of the Current Option Plan. In connection with the completion of the Offering, the Corporation has adopted a new option plan (the “**New Option Plan**”) that conforms with applicable law and will cease to grant Options under the Current Option Plan. However, all Options issued prior to the adoption of the New Option Plan will continue to be subject to the Current Option Plan. For a description of the New Option Plan, refer to “*Options to Purchase Securities – Description of New Option Plan*”.

Purpose

The purpose of the Current Option Plan is to advance the interests of the Corporation by encouraging its directors, officers, employees and consultants of the Corporation to acquire Common Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Shareholders generally; (iii) encouraging such persons to remain associated with the Corporation; and (iv) furnishing such persons with an additional incentive and remuneration in their efforts on behalf of the Corporation.

Eligible Participants

Officers, directors, employees and consultants of the Corporation are eligible to receive Options under the Current Option Plan, which is administered by the Board of Directors.

Common Shares Subject to the Plan

The aggregate number of Common Shares reserved for issuance under the Current Option Plan is ten percent of the Common Shares issued and outstanding.

Exercise Price

The exercise price of Options is set by the Board of Directors at the time of grant, provided that the exercise price shall not be less than the market price of the Common Shares.

Term of Options

The period during which Options may be exercised shall be determined by the Board of Directors at the time the Options are granted. All outstanding Options have a term of five years.

Vesting of Options

The period over which any Option may be exercised will be determined at the time of the grant by the Board of Directors. All outstanding Options vest as to one-third on each of the first, second and third anniversary of the date of grant.

Cessation of Entitlement to Options

The Options granted under the Current Option Plan will terminate at the earlier of: (i) the close of business ninety (90) days after the option holder ceasing (other than by reason of death) to be at least one of an officer, director, employee (in active employment carrying out regular and normal duties), or consultant of the Corporation, as the case may be, (ii) the close of business ninety (90) days after the optionholder has been provided with written notice of dismissal related to (i) above; and (iii) the expiry date of the Options.

In the event of the death of the holder of an Option occurring prior to the expiry date while the holder is still in the service of the Corporation or the service of a subsidiary of the Corporation, as the case may be, the holder's legal personal representative shall have the right to exercise any then vested Option which the holder would have been entitled to exercise at the time of the holder's death for a period of time expiring on the 90th day after the death of the optionholder.

Transferability

All benefits, rights and Options accruing to any optionholder in accordance with the terms and conditions of the Current Option Plan shall not be transferable or assignable unless specifically provided in the Current Option Plan. The Corporation shall not recognize any attempted exercise of any purported assignee of an optionholder. During the lifetime of an optionholder, any Options granted under the Current Option Plan may only be exercised by the holder thereof and in the event of the death or permanent disability of an optionholder, by the person or persons to whom the optionholder's rights under the Options pass by the optionholder's will or applicable law.

Change of Control

In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, the optionholder shall be entitled to exercise in full or in part any unexercised Options previously granted under the Current Option Plan, whether vested or not, either during the term of the Options or within ninety (90) days after the date of termination of the employment of the optionholder with the Corporation or the cessation or termination of the optionholder as a director, officer of, or service provider to, the Corporation, whichever first occurs.

Description of New Option Plan

In order to comply with the rules and policies of the TSX and other applicable laws, the Corporation has adopted the New Option Plan. The following is a summary of the New Option Plan as presently constituted, and is qualified in its entirety by the full text of the New Option Plan.

Purpose

The purpose of the New Option Plan is to provide an effective long term incentive for the directors, officers, employees and direct and indirect service providers of the Corporation and its subsidiaries and affiliates.

Eligible Participants

Officers, directors and employees of, and direct and indirect service providers to, the Corporation will be eligible to receive Options under the New Option Plan, which will be administered by the Board of Directors or a committee of the Board of Directors duly appointed by the Board of Directors.

Limitations on Issuances

The aggregate number of Common Shares issuable at any time to “insiders” (as such term is defined in the policies of the TSX) under the New Option Plan and all other security-based compensation arrangements of the Corporation shall not, in the aggregate, exceed ten percent of the issued and outstanding Common Shares calculated on a non-diluted basis. During any one-year period, the Corporation shall not issue to insiders, under the New Option Plan and all other security-based compensation arrangements of the Corporation, in the aggregate, a number of Common Shares exceeding ten percent of the issued and outstanding Common Shares, calculated on a non-diluted basis.

Common Shares Subject to the Plan

The number of Common Shares reserved for issuance pursuant to the exercise of Options granted under the New Option Plan shall, in the aggregate, not exceed ten percent of the number of Common Shares then issued and outstanding. The number of Common Shares reserved for issuance upon the exercise of Options may be amended subject to the policies and approval of the TSX and the approval of the holders of Common Shares by way of an ordinary resolution at a meeting of the Shareholders. Where Options: (i) are exercised; or (ii) expire, terminate or are cancelled for any reason without having been exercised in full, the Common Shares in respect of such Options shall be available for issuance upon the exercise of subsequently granted Options.

Exercise Price

Subject to adjustment pursuant to the terms of the New Option Plan, the exercise price per Option granted under the New Option Plan (the “**Exercise Price**”) shall be equal to the five-day volume weighted average trading price of the Common Shares through the facilities of the TSX (the “**Market Price**”) for the five trading days immediately preceding the date such Options are granted (the “**Grant Date**”). In the event the Common Shares are not traded through the facilities of the TSX, the Exercise Price shall be equal to the five-day volume weighted average trading price of the Common Shares on such other stock exchange as the Common Shares may then be traded at the close of the trading day immediately preceding the Grant Date.

Term of Options

Options granted under the New Option Plan may be exercised during a period (the “**Exercise Period**”) not exceeding ten years from the Grant Date, subject to such terms of vesting as the Corporation may determine, in accordance with the New Option Plan. Notwithstanding the foregoing, if the expiry date (the “**Expiry Date**”) of an Option occurs during a “Blackout Period” applicable to the holder of such Options, or within ten business days after the expiry of a Blackout Period applicable to such holder, then the Expiry Date for that Option shall be the date that is the tenth business day after the expiry of the Blackout Period. “Blackout Period” means the period during which the holder of an Option is prohibited from exercising an Option due to trading restrictions imposed by the Corporation in accordance with its trading policies affecting trades by directors, officers, employees and other insiders of the Corporation in the Corporation’s securities.

Vesting of Options

Options granted under the New Option Plan may be exercised on the basis and schedule to be determined by the Corporation at the Grant Date, provided that the Corporation shall not permit the vesting of any Options to occur immediately upon the grant thereof.

Cessation of Entitlement to Options

If a director, officer or employee of, or consultant to, the Corporation ceases to be a director, officer, employee of, or consultant to, the Corporation prior to the Expiry Date, and does not continue with the Corporation in some other capacity which would qualify such person to participate in the New Option Plan: (i) by reason of death or permanent disability, then all outstanding unvested options shall immediately vest (other than those that would not have vested within one year of the death or disability), and all vested Options may be exercised at any time up to and including the earlier of the one year anniversary of the date of death or long term disability or the Expiry Date of such Options; and (ii) for any other reason, then all outstanding unvested Options shall immediately terminate and all then outstanding vested Options may be exercised at any time up to and including the earlier of the 30th day following the date of such termination and the Expiry Date of such Options.

Transferability

Options granted under the New Option Plan may not be transferred or assigned without the prior consent of the Corporation.

Amendments

The Board of Directors may, at any time, amend, suspend or terminate the New Option Plan, or any portion thereof, or any Option granted thereunder, without Shareholder approval, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of Shareholders or any governmental or regulatory body.

Notwithstanding the foregoing, Shareholder approval will be required for: (i) reductions to the Exercise Price of any Options held by an insider of the Corporation; (ii) extensions of the Exercise Period of an Option held by an insider of the Corporation; (iii) amendments to the New Option Plan to remove or exceed the insider participation limits set out therein; (iv) increasing the fixed percentage of issued and outstanding securities issuable pursuant to the New Option Plan; and (v) modifications or amendments to the amending provisions of the New Option Plan.

Change of Control

In the event of a change of control of the Corporation, all outstanding Options granted under the New Option Plan shall vest and be immediately exercisable and each holder thereof shall have the right to exercise part or all of the Options granted to him or her thereunder at any time up to and including (but not after) the earlier of: (i) the date which is ninety days following the date of such sale or change of control; and (ii) the Expiry Date of the Options.

2010 Option Grants

The Board of Directors granted 1,671,025 Options to directors, officers, employees and consultants of the Corporation on March 23, 2010 at exercise prices equal to the Offering price per Common Share. These Options will be subject to the terms and conditions of the New Option Plan.

Outstanding Performance Warrants

The following table sets forth information as to issued and outstanding performance warrants, which are exercisable into Common Shares (“**Performance Warrants**”) that will be held, upon completion of the Offering, by certain executive officers and employees of the Corporation. A summary description of the terms of the Performance Warrants is set out below under the heading “*Options to Purchase Securities – Description of the Performance Warrants*”.

Warrantholder	Number of Common Shares Under Option	Exercise Price	Expiration Date	Market Value as at March 22, 2010⁽³⁾⁽⁴⁾
Executive Officers (as a group)	794,995	\$1.50	— ⁽¹⁾	\$1,192,492.50
Employees (as a group)	280,999	\$1.50	— ⁽²⁾	\$ 421,498.50

Notes:

- (1) The Corporation has issued Performance Warrants to five executive officers. The expiry date of such warrants ranges from April 30, 2012 to December 31, 2012.
- (2) Includes all other employees of the Corporation, who are not also executive officers, to whom Performance Warrants have been granted. The expiry date of such warrants ranges from April 30, 2012 to December 31, 2012.
- (3) There is not presently, and has not been since incorporation, a public market for the Common Shares. The market value of the Performance Warrants has been calculated based on the difference between the exercise price of the Performance Warrants and the price of the Common Shares issued under the Offering.
- (4) Assumes an exercise price of \$1.50 based on the Liquidity Value (as defined below) exceeding the Threshold Value (as defined below). In the event the Liquidity Value does not exceed the Threshold Value, the Performance Warrants are not exercisable. See “*Options to Purchase Securities – Description of Performance Warrants – Terms of Exercise*”.

Description of the Performance Warrants

Terms of Exercise

The Performance Warrants entitle the holder thereof to acquire a number of Common Shares equal to the number of Performance Warrants held at an exercise price of \$1.50 per Common Share (subject to adjustment), provided the “Liquidity Value” exceeds the “Threshold Value”.

“**Liquidity Value**” means: (i) the Current Market Price per Common Share on the TSX; or (ii) the Current Market Price of the securities of another issuer exchanged for the Common Shares as a result of a take-over bid, plan of arrangement, amalgamation, recapitalization, reorganization or other business combination measured for the period ending on the date immediately prior to announcement of such transaction; or (iii) the proceeds per Common Share (on a fully-diluted basis) received upon a disposition of assets of the Corporation resulting in a liquidation of the Corporation or distribution of such proceeds to shareholders of the Corporation; or (iv) the price per share received in a sale for cash of all or substantially all the Common Shares; or (v) the price per Common Share received from the proceeds of a brokered arm’s length financing of Common Shares of the Corporation; or (vi) the price per Common Share paid in aggregate, as determined by the Board of Directors acting in good faith, for the purchase of assets by the Corporation from an arm’s length party.

“**Current Market Price**” means the weighted average trading price of the Common Shares, for any 45 consecutive trading days (which may be selected by the Board of Directors) commencing not more than 60 trading days before such date and ending not less than three trading days before such date on the TSX.

“**Threshold Value**” means the minimum Current Market Price per Common Share that must be exceeded in order for the Performance Warrants to be exercisable. The outstanding Performance Warrants have three Threshold Values of \$3.00, \$3.50 and \$4.25 of which one-third of the total 1,075,994 Performance Warrants outstanding will vest upon meeting each Threshold Value price.

Term of Performance Warrants and Cessation of Entitlement

All outstanding Performance Warrants will expire on the earlier of 4:30 p.m. (Calgary time) on: (i) April 30, 2012; and (ii) the date that is 90 days after the date on which the holder of such Performance Warrants resigns or is terminated for any reason from the Corporation’s service or the service of a subsidiary of the Corporation, regardless of whether the holder has been provided with adequate notice.

Vesting of Performance Warrants

All outstanding Performance Warrants are only exercisable to the extent the Liquidity Value exceeds the Threshold Value, as described previously.

Transferability

The Performance Warrants are not transferrable.

PRIOR SALES OF SHARES

In the twelve months prior to the date of this prospectus, the Corporation issued: (a) 667,648 Common Shares at a price of \$2.72 per share on June 12, 2009; (b) 728,475 Common Shares at a price of \$2.72 per share on June 19, 2009; (c) 212,094 Common Shares at a price of \$2.72 per share on June 26, 2009; (d) 50,000 Common Shares at a price of \$2.72 per share on July 30, 2009; (e) 11,699 Common Shares at a price of \$2.72 per share under the Corporation’s employee share purchase plan on October 22, 2009; and (f) 15,990 Common Shares at a price of \$2.72 per share under the employee share purchase plan on February 5, 2010.

During the same twelve-month period, the Corporation granted, under the Current Option Plan, Options to acquire an aggregate of 1,213,400 Common Shares, the particulars of which are set forth in the following table:

Date of Grant	Number of Common Shares Issuable on Exercise⁽¹⁾	Exercise Price per share
April 23, 2009	849,900	\$2.50
July 28, 2009	161,500	\$2.72
December 9, 2009	102,000 ⁽²⁾	\$2.72
February 5, 2010	100,000 ⁽²⁾	\$2.72
March 23, 2010	1,671,025	\$3.00

Notes:

- (1) Each option entitles the holder thereof to acquire one Common Share on the terms and conditions set forth in the Current Option Plan.
- (2) Options granted to new employees of the Corporation.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets out the securities of the Corporation which are expected to be subject to escrow restrictions:

<u>Designation of Class</u>	<u>Number of Securities in Escrow</u>	<u>Percentage of Class</u>
Common Shares	6,435,804 Common Shares	15.5%

Though not required by law, all of the executive officers have elected to enter into escrow agreements with an escrow agent and the Corporation (the “**Escrow Agreements**”), pursuant to which such Shareholders will agree to deposit, in the aggregate, 6,435,804 Common Shares (the “**Escrowed Shares**”) into escrow effective at the Closing. The Escrow Agreements will provide that 33 1/3% of the number of securities held thereunder will be released on completion of the Offering with an additional 33 1/3% being released on each of the twelve and twenty-four month anniversaries of the Closing Date.

PRINCIPAL HOLDERS OF COMMON SHARES

Other than as set out below, to the knowledge of the directors and executive officers of the Corporation, no person or company (nor any associate or affiliate thereof) beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

<u>Name of Shareholder</u>	<u>Number of Common Shares Owned, Controlled or Directed (prior to the Offering) (#/%)</u>	<u>Number of Common Shares Owned, Controlled or Directed (after the Offering) (#/%)</u>	<u>Ownership (registered, beneficial or both)</u>
Rene Amirault	4,410,804 / 10.6%	4,412,804 / 10.6 ⁽¹⁾	registered and beneficial

Note:

(1) On a non-diluted basis, assuming the completion of the Maximum Offering, but before giving effect to the exercise of the Over-Allotment Option.

Jayvee & Co. of Toronto, Ontario and Penson Financial Services Canada Inc. of Montreal, Quebec, and its related entities, are the registered holders of 9,342,983 Common Shares and 4,822,260 Common Shares, respectively, which represent 22.4% and 11.6% of the issued and outstanding Common Shares on a non-diluted basis. Jayvee & Co. and Penson Financial Services Canada Inc. are the names under which certain brokers register securities that have been purchased on behalf of their clients. Management of Secure is unable to confirm the identity of the entity or entities who beneficially own or control, directly or indirectly, such securities.

DIRECTORS AND OFFICERS

The following table identifies the officers and directors of the Corporation, and sets out their province and country of residence, the position they currently hold at the Corporation, their principal occupation and, if applicable, the dates they were elected or appointed as directors and when such terms will expire and their principal occupation.

Name and Jurisdiction of Residence	Position with the Corporation	Principal Occupation	Director Since⁽¹⁾	Common Shares Held (#/%)⁽²⁾
Rene Amirault Alberta, Canada	Chairman, President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	June 1, 2007	4,410,804/10.6%
Nick Wieler Alberta, Canada	Vice President, Finance and Chief Financial Officer	Vice-President, Finance and Chief Financial Officer of the Corporation	N/A	450,000/1.1%
Gary Perras Alberta, Canada	Vice President, Operations	Vice President, Operations of the Corporation	N/A	375,000/0.9%
Dan Steinke Alberta, Canada	Vice President, Business Development	Vice President, Business Development of the Corporation	N/A	600,000/1.4%
Karen Myrheim Alberta, Canada	Vice President, Sales and Marketing	Vice President, Sales and Marketing of the Corporation	N/A	600,000/1.4%
Allen Gransch Alberta, Canada	Controller	Controller of the Corporation	N/A	80,000/0.2%
Brad Markel Alberta, Canada	Corporate Secretary	Partner, Bennett Jones LLP	N/A	20,000/<0.1%
Murray Cobbe ⁽³⁾⁽⁴⁾ Alberta, Canada	Lead Director	Executive Chairman of Trican Well Service Ltd.	July 28, 2009 ⁽⁶⁾	350,000/0.8%
David Johnson ⁽⁴⁾⁽⁵⁾ Alberta, Canada	Director	Executive Chairman of Progress Energy Resources Corp.	June 1, 2007	290,000/0.7%
Kevin Nugent ⁽³⁾⁽⁵⁾ Alberta, Canada	Director	President of Livingstone Energy Management Ltd. (a private investment company)	September 25, 2007	75,000/0.2%
Brad Munro ⁽³⁾⁽⁴⁾⁽⁵⁾ Saskatchewan, Canada	Director	President and Chief Executive Officer of Bittercreek Capital Corporation (a private investment and advisory firm)	April 23, 2009	40,000/0.1%

Notes:

- (1) A director's term of office shall be from the date on which he is elected or appointed, as the case may be, until his successor is elected or appointed.
- (2) Includes Common Shares beneficially owned or controlled, directly or indirectly. Percentage holdings are calculated on a non-diluted basis.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Corporate Governance Committee.
- (6) Mr. Cobbe acted in an advisory role to the Board of Directors since December, 2007.

As at the date hereof, the directors and officers of the Corporation, as a group, beneficially owned, controlled or directed, directly or indirectly, 7,290,804 Common Shares, or approximately 17.5% of the outstanding Common Shares (on a non-diluted basis).

The following are brief biographies of each of the officers and directors of the Corporation, including a description of their present occupations and their principal occupations during the last five years.

Officers

Rene Amirault, Chairman, President, Chief Executive Officer and Director

Rene Amirault was appointed as the Corporation's President and Chief Executive Officer in March 2007 and was elected a director and appointed as Chairman on June 1, 2007. From January 2006 to March 2007 he was an independent businessman. From September 2001 to January 2006, he was the Vice President of Corporate Development of CCS Income Trust. Mr. Amirault held various roles at Canadian Crude Separators Inc. and CCS Income Trust from August 1994 to January 2006, including Vice President roles in Sales and Marketing, Business Development and Corporate Development. Mr. Amirault was Vice President of Corporate Development of CCS Income Trust or its predecessor companies from September 2001 to January 2006, during which time his responsibilities included business development, acquisitions, strategic planning and investor relations. Mr. Amirault has over 25 years experience in the energy industry. Mr. Amirault held various positions with Imperial Oil Ltd. from 1981 to 1994, including marketing, project management, finance and accounting capacities. Mr. Amirault is a director of Petrowest Energy Services Ltd., a public company traded on the TSX. Mr. Amirault received a Certified General Accountant designation in June 1984.

Nick Wieler, Vice President, Finance and Chief Financial Officer

Nick Wieler is Vice President, Finance and Chief Financial Officer of the Corporation and was appointed to such offices in March 2007. From January 2005 to April 2006, Mr. Wieler was Manager, Business Acquisitions for CCS Income Trust. Mr. Wieler held various roles at Canadian Crude Separators Inc. and CCS Income Trust from October 1997 to January 2005, including roles in sales, marketing and business development. Mr. Wieler has close to 20 years experience in the energy industry. Mr. Wieler worked in a marketing capacity with Imperial Oil Ltd. from 1991 to 1996 prior to joining Newalta Corporation until October 1997. Mr. Wieler received a Chartered Financial Analyst designation in September 2003.

Gary Perras, Vice President, Operations

Gary Perras was appointed as the Corporation's Vice President, Operations in March 2007. From February 1996 to May 2006, Mr. Perras held various roles at Canadian Crude Separators Inc. and CCS Income Trust, including roles in environment, regulatory, engineering and construction. Most recently from March 2005 to May 2006, Mr. Perras was the General Manager of Landfills for CCS Income Trust. Mr. Perras has over 18 years of experience in the energy industry. Mr. Perras worked for Prowest Safety and Environmental Services from October 1994 until January 1996 as an environmental engineer. He also held a number of cooperative work-study positions with TransGas Ltd. from 1991 to 1993 while pursuing his engineering degree. Mr. Perras is a professional engineer registered with Apegga and received his Masters of Business Administration in November 2007 from Queens University.

Dan Steinke, Vice President, Business Development

Dan Steinke was appointed as Vice President of Sales and Marketing for the Corporation in March 2007. On February 1, 2010, Mr. Steinke was appointed as Vice President of Business Development. From April 2006 to March 2007, Mr. Steinke consulted to SCF Partners Inc. (later Enermax Services Inc.) working to consolidate numerous independent operators providing oilfield fluid sales and transportation services. Mr. Steinke held various roles at Canadian Crude Separators Inc. and CCS Income Trust from October 1995 to March 2006, including roles in sales, marketing and business development. Mr. Steinke has over 25 years experience in the energy industry, having held the title of Superintendent for Koch Service Canada from 1993 to 1995 and prior thereto owned a crude oil transportation business.

Karen Myrheim, Vice President, Sales and Marketing

Karen Myrheim was appointed as Vice President of Business Development for the Corporation in March 2007. On February 1, 2010, Ms. Myrheim was appointed as Vice President of Sales and Marketing. Prior to joining Secure, Ms. Myrheim provided project management services to Triumph Engineering beginning in May 2006. From November 2002 to May 2006, Ms. Myrheim worked independently as a consultant in a business development capacity for several oil and natural gas and waste management companies including CCS Income Trust. From July 1997 to October 2002, Ms. Myrheim held various positions at Canadian Crude Separators Inc., including roles in operations, regulatory, land

and business development. From September 1991 to April 1995, Ms. Myrheim worked as a consultant for several oil and natural gas companies while attending university. From May 1989 to August 1991, Ms. Myrheim worked in an operations and land capacity for Polaris Petroleum Ltd. From August 1982 to December 1987, Ms. Myrheim worked in a sales and business development capacity for Puma Oilfield Services. Ms. Myrheim received a Business Diploma from Southern Alberta Institute of Technology (SAIT) in April 1989.

Allen Gransch, Controller

Allen Gransch is Controller of the Corporation and joined Secure in September 2007. Prior to joining Secure, Mr. Gransch was a Senior Manager with PricewaterhouseCoopers. From May 1999 to August 2007, Mr. Gransch held various positions from Associate to Senior Manager with PricewaterhouseCoopers in Calgary, Alberta, Georgetown, Cayman Islands and Saskatoon, Saskatchewan. Mr. Gransch has over 10 years experience in a broad range of corporate finance and accounting activities. Mr. Gransch is a Chartered Accountant and attended the University of Saskatchewan where he earned a Bachelor of Commerce degree and his Masters of Professional Accounting degree.

Brad Markel, Corporate Secretary

Brad Markel is a Partner in the law firm of Bennett Jones LLP. Mr. Markel's practice includes mergers and acquisitions, corporate finance and corporate governance. Mr. Markel joined Bennett Jones LLP in 1997. Prior to joining Bennett Jones LLP, Mr. Markel practiced with MacPherson Leslie & Tyerman in Regina, Saskatchewan. Mr. Markel received a Bachelor of Laws Degree from the University of Saskatchewan in 1990.

Directors

In addition to Mr. Amirault, the following individuals are the directors of the Corporation:

Murray Cobbe, Lead Director

Murray L. Cobbe was elected as a director of the Corporation on July 28, 2009 and was appointed as Lead Director on December 9, 2009. Prior to his election as a director, he served in an advisory role to the Board of Directors. Mr. Cobbe is the Executive Chairman of Trican Well Service Ltd. ("**Trican**") (an oilfield services company) and has been with Trican since its initial public offering in December 1996. Mr. Cobbe has been in the well services business since 1974 and has overseen operations in Canada, Europe, the Middle East and the United States. Mr. Cobbe graduated from the Southern Alberta Institute of Technology in 1970 with a Diploma in Petroleum Engineering (Reservoir). In addition, Mr. Cobbe is a past director of the Petroleum Services Association of Canada ("**PSAC**") (the national association of Canadian oilfield service, supply and manufacturing companies). Mr. Cobbe currently serves as a director of Trican (an oilfield services company), Pason Systems Inc. (a vertically integrated specialist providing data solutions to the oil and natural gas drilling industry) and Bellatrix Exploration Ltd. (an exploration and production company).

David Johnson, Director

David D. Johnson was elected as a director of the Corporation on June 1, 2007. Mr. Johnson is the Executive Chairman of Progress Energy Resources Corp. Prior thereto, Mr. Johnson was the President and Chief Executive Officer of Pro-Ex Energy Ltd. from July 2004 to January 2009. From November 2001 to July 2004, he was the President and Chief Executive Officer of Progress Energy Ltd. From July 1994 to April 2001, he was the President and Chief Executive Officer of Encal Energy Ltd. Mr. Johnson has over thirty years of diverse experience in the oil and natural gas industry, including a background in production, reservoir evaluation and operations. He has a B.Sc. in Petroleum Engineering, is a member of the Canadian Institute of Mining, Metallurgy and Petroleum as well as the Association of Engineers, Geologists and Geophysicists of Alberta and has served twice as a Governor of the Canadian Association of Petroleum Producers. Mr. Johnson currently serves as a director of Progress Energy Resources Corp.

Kevin Nugent, Director

Kevin Nugent was elected as a director of the Corporation on September 25, 2007. Since October 2007, Mr. Nugent has been the President of Livingstone Energy Management Ltd., a privately held corporation created for the purpose of sourcing, evaluating and providing capital to companies engaged in the production of crude oil and natural gas or in the provision of services to the oil and natural gas industry. Mr. Nugent is a Chartered Accountant with more than 20 years of experience in the oil and natural gas industry, including serving from 2004 to 2006 as President, Chief Executive Officer and Director of NQL Energy Services Ltd., which was a leading provider of downhole drilling tools. Mr. Nugent currently serves as a director of Norex Exploration Services Inc., Savanna Energy Services Corp. and Trican. Mr. Nugent is a member of the Board of Governors of the University of Lethbridge.

Brad Munro, Director

Brad Munro was elected as a director of the Corporation on April 23, 2009. Mr. Munro is the President and Chief Executive Officer of Bittercreek Capital Corporation, a private investment and advisory firm. Through Bittercreek Capital Corporation Mr. Munro was a contractor to GrowthWorks Capital WV Ltd. and its affiliates in the role of Vice President, Investments from May 2006 to August 2009. Prior thereto, Mr. Munro was an employee of GrowthWorks Capital Ltd. and its affiliates since September 1991. Mr. Munro holds a Bachelor of Commerce degree from the University of Saskatchewan and has extensive experience in corporate finance and investment in the oil and natural gas and other industries. Mr. Munro presently serves as a director of two private companies and three public companies, including Galleon Energy Inc. which is listed on the TSX and Winalta, Inc. and 49 North Resources Inc. which are listed on the TSX Venture Exchange. Mr. Munro was a director of CCS Income Trust (or its predecessors) for eight years and was the lead director of the independent committee on the recent privatization of CCS Income Trust.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers is, or has been in the last ten years, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while the director was acting in that capacity; (ii) was subject to such an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such a capacity.

None of the directors or executive officers is, or has been in the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. David Johnson and Mr. Brad Munro.

David Johnson

Mr. David Johnson was a director of Merit Energy Ltd. (“**Merit**”) from January 1995 until April 2000. While Mr. Johnson was a director, Merit experienced financial difficulties and was the subject of several lawsuits from shareholders and suppliers. Merit filed for, and was granted, an order pursuant to the *Companies’ Creditors Arrangement Act* (Canada). Through this process, all claims and legal actions were settled and there were no outstanding claims remaining. As a director of Merit, Mr. Johnson was also named in many of these claims; however, there are currently no outstanding claims against Mr. Johnson with respect to Merit.

Brad Munro

Mr. Munro was a director of Kipp & Zonen Inc. (“**Kipp & Zonen**”), as part of his employment with GrowthWorks Canadian Fund Inc. (“**GrowthWorks**”) from December 1996 to April 19, 2004. GrowthWorks held a convertible debenture in the principal amount of \$2,000,000 which was originally funded in December 1996 with a maturity in March 2001. On March 25, 2004, Kipp & Zonen was served with a Notice of Petition for Receiving Order by its landlord for unpaid rent. GrowthWorks served notice to Kipp & Zonen on April 7, 2004 with a Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* (Canada) under the terms of its amended and restated

convertible debenture dated March 31, 2002. On April 21, 2004, GrowthWorks obtained an order of the Saskatchewan Court of Queen's Bench appointing Ernst & Young Inc. receiver of all of the undertaking, property and assets of the company. Effective April 19, 2004, Mr. Munro and the other directors and officers of Kipp & Zonen resigned.

None of the directors or executive officers has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There are no known existing or potential material conflicts of interest between the Corporation and a director or officer of the Corporation. Certain of the directors and officers also serve as directors and/or officers of other public companies that may be involved in the oil and natural gas industry, and therefore it is possible that a conflict may arise between their duties as directors or officers of the Corporation and their duties as directors and/or officers of such other companies. The Corporation and the directors attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the board of directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict. In accordance with the ABCA, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Corporation, the degree of risk to which the Corporation may be exposed and its financial position at that time. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

EXECUTIVE COMPENSATION

Introduction

The following discussion describes the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to the President and Chief Executive Officer, and to the Vice President, Finance and Chief Financial Officer and to each of the three most highly compensated executive officers whose total compensation exceeded \$150,000 during 2009 (the "**Named Executive Officers**" or "**NEOs**"). The NEOs are:

- Rene Amirault, President and CEO;
- Nick Wieler, Vice President, Finance and CFO;
- Gary Perras, Vice President, Operations;
- Dan Steinke, Vice President, Business Development; and
- Karen Myrheim, Vice President, Sales and Marketing.

Overview

Secure's current compensation levels, and the underlying compensation philosophy, is based on Secure's current status as a privately held corporation. Following completion of the Offering, the Compensation Committee will determine the compensation philosophy of the Corporation as a publicly traded corporation and considering the best practices of good corporate governance.

Based on recommendations made by the Compensation Committee, our Board of Directors will: (i) make decisions regarding salaries, annual bonuses and equity incentive compensation for our executive officers; and (ii) approve corporate goals and objectives relevant to the compensation of the CEO and the Corporation's other executive officers. The Board of Directors will solicit input from the CEO and the Compensation Committee regarding the performance of the Corporation's other executive officers. Finally, the Board of Directors will administer the Corporation's incentive compensation and benefit plans with the assistance of the Compensation Committee.

Our Compensation Objectives

Our compensation practices will be designed to retain, motivate and reward executive officers for their performance and contribution to the Corporation's long-term success. The Board of Directors will attempt to compensate executive officers by combining short and long-term cash and equity incentives. Compensation practices will also attempt to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation. The Board of Directors will attempt to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. The Board of Directors will attempt to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

Compensation Components

Our compensation consists primarily of three elements: base salary, annual bonus and long-term equity incentives. We describe each element of compensation in more detail below.

Base Salary

Base salaries for our executive officers will be established based on the scope of their responsibilities and their prior relevant experience, taking into account competitive market compensation paid by other companies in our industry for similar positions and the overall market demand for such executives. An executive officer's base salary is also determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with our overall compensation philosophy.

Base salaries will be reviewed annually and increased for merit reasons, based on the executive officers' success in meeting or exceeding individual objectives. Additionally, base salaries may be adjusted as warranted throughout the year for promotions or other changes in the scope or breadth of an executive officer's role or responsibilities.

Annual Bonus

Our compensation program will include eligibility for an annual incentive cash bonus. The Board of Directors will assess the level of the executive officer's achievement of meeting individual goals, as well as that executive officer's contribution towards company-wide goals. The Corporation will not publicly disclose the specific corporate objectives set under the bonus plan because disclosure of such information, which may reflect confidential business plans, could result in competitive harm.

Long-Term Incentives

We believe that equity-based awards will allow us to reward executive officers for their sustained contributions to the Corporation. We also believe that equity-based awards will reward continued employment by an executive officer, with an associated benefit to us of employee continuity and retention. The Board of Directors believes that incentive stock options provide management with a strong link to long-term corporate performance and the creation of shareholder value. The New Option Plan will allow us the opportunity to grant Options to purchase Common Shares. The Board of Directors does not intend to award Options according to a prescribed formula or target. Instead, we plan to take into account the individual's position, scope of responsibility, ability to affect profits and historic and recent performance and the value of the awards in relation to other elements of the executive's total compensation. The Board of Directors may consider previous grants of Options (including, without limitation, under the Current Option Plan), into consideration when considering new grants of Options under the New Option Plan.

Comparator Group(s)

Following completion of the Offering, the Compensation Committee, in conjunction with the Board of Directors, will establish an appropriate comparator group, for purposes of setting the future compensation of the NEOs.

Compensation of Named Executive Officers

Summary Compensation Table expected for Fiscal 2010

The following table sets out information concerning the expected Fiscal 2010 compensation to be paid by the Corporation to the NEOs effective as of Closing, based on the current salaries of the NEOs. See “*Executive Compensation – Overview*”.

Name and Principal Position	Year	Salary⁽¹⁾ (\$)	Share- based Award (\$)	Option- based Award⁽²⁾ (\$)	Non-equity Incentive Plan Compensation⁽⁴⁾ (\$)	All Other⁽⁵⁾⁽⁶⁾ Compensation (\$)	Total Compensation (\$)
Rene Amirault President, CEO	2010	130,000	–	155,723 ⁽³⁾	–	2,600	288,323
Nick Wieler Vice President, Finance, CFO	2010	130,000	–	155,723 ⁽³⁾	–	1,733	287,006
Gary Perras Vice President, Operations	2010	130,000	–	155,723 ⁽³⁾	–	1,300	287,023
Dan Steinke Vice President, Business Development	2010	130,000	–	155,723 ⁽³⁾	–	–	285,723
Karen Myrheim Vice President, Sales & Marketing	2010	130,000	–	155,723 ⁽³⁾	–	–	285,723

Notes:

- (1) Represents the annualized base salary to be in effect on completion of the Offering. Actual salary paid for fiscal 2010 will be determined by the Compensation Committee. See “*Executive Compensation – Overview*”.
- (2) The value of Options is based on a Black-Scholes determination of grant date fair value of \$1.415 based on the Offering price, term, risk-free interest rate and volatility. The Black-Scholes model was used as it is the most widely used method for option valuation.
- (3) The Board of Directors anticipates that it will grant up to 2.5 million Options to directors, officers, employees and consultants of the Corporation prior to completion of the Offering. The number of such Options allocated to the NEOs is unknown at this time.
- (4) Bonuses for 2010 have not yet been determined by the Compensation Committee.

- (5) None of the NEOs are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$40,000 or over 10% of their base salary.
- (6) Represents the estimated benefit to be received by the NEO pursuant to the Corporation's employee share purchase plan.

Option-Based Awards

The following table summarizes for each NEO the number of options granted, outstanding as at the date of the Offering:

Name	Option-Based Award			
	Number of Securities Underlying Unexercised Options/Performance Warrants (#)	Exercise Price (\$)	Expiration Date	Value of Unexercised In-The-Money Options and Performance Warrants ⁽¹⁾⁽²⁾ (\$)
Rene Amirault	250,000/-	1.00	April 16, 2012 – June 15, 2012	500,000/-
President, CEO	40,000/484,999	1.50	April 30, 2012 – December 19, 2012	60,000/727,498.50
	60,000/-	2.50	April 23, 2014	30,000/-
	40,000/-	2.60	June 2, 2013	16,000/-
	110,000/-	3.00	March 23, 2015	-/-
Nick Wieler	100,000/-	1.00	April 16, 2012 – June 15, 2012	200,000/-
Vice President, Finance, CFO	40,000/84,999	1.50	April 30, 2012 – December 19, 2012	60,000/127,498.50
	60,000/-	2.50	April 23, 2014	30,000/-
	30,000/-	2.60	June 2, 2013	12,000/-
	110,000/-	3.00	March 23, 2015	-/-
Gary Perras	50,000/-	1.00	April 16, 2012 – June 15, 2012	100,000/-
Vice President, Operations	20,000/54,999	1.50	April 30, 2012 – December 19, 2012	30,000/82,498.50
	60,000/-	2.50	April 23, 2014	30,000/-
	40,000/-	2.60	June 2, 2013	16,000/-
	110,000/-	3.00	March 23, 2015	-/-
Dan Steinke	100,000/-	1.00	April 16, 2012 – June 15, 2012	200,000/-
Vice President, Business Development	40,000/84,999	1.50	April 30, 2012 – December 19, 2012	60,000/127,498.50
	60,000/-	2.50	April 23, 2014	30,000/-
	40,000/-	2.60	June 2, 2013	16,000/-
	110,000/-	3.00	March 23, 2015	-/-
Karen Myrheim	100,000/-	1.00	April 16, 2012 – June 15, 2012	200,000/-
Vice President, Sales & Marketing	40,000/84,999	1.50	April 30, 2012 – December 19, 2012	60,000/127,498.50
	60,000/-	2.50	April 23, 2014	30,000/-
	40,000/-	2.60	June 2, 2013	16,000/-
	110,000/-	3.00	March 23, 2015	-/-

Notes:

- (1) There is not presently, and has not been since incorporation, a public market for the Common Shares. The market value of the Common Shares has been calculated based on the difference between the exercise price of the Options and Performance Warrants and the price of the Common Shares issued under the Offering.
- (2) The value attributed to Performance Warrants assumes an exercise price of \$1.50 based on the Liquidity Value exceeding the Threshold Value. In the event the Liquidity Value does not exceed the Threshold Value, the Performance Warrants are not exercisable. See "Options to Purchase Securities – Description of Performance Warrants – Terms of Exercise".

Director Compensation

No compensation is currently paid to the directors of the Corporation, other than reimbursement for out-of-pocket expenses incurred in connection with rendering such services and the granting of Options. Upon completion of the Offering, the Compensation Committee will determine what, if any, compensation will be paid to directors of the Corporation.

Directors' and Officers' Liability Insurance and Indemnification Agreements

The Corporation carries a directors' and officers' liability insurance policy that covers corporate indemnification of directors and officers and individual directors and officers in certain circumstances.

In addition, the Corporation has entered into indemnification agreements with each of its directors and executive officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

The aggregate indebtedness outstanding as of February 10, 2010 of all executive officers, directors, employees and former executive officers, directors and employees of the Corporation is set forth below.

<u>Purpose</u>	<u>To the Corporation</u>	<u>To Another Entity</u>
Share Purchases	\$461,300	—
Other	—	—

See Note 1 to the table under the heading “*Indebtedness of Directors and Executive Officers – Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs*”.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Except as set forth below, no individual that is, or at any time during the most recently completed financial year was, a director or an executive officer of the Corporation, and no associate of any such individual, is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

<u>Name and Principal Position</u>	<u>Involvement of Corporation</u>	<u>Largest Amount Outstanding During Year Ended December 31, 2009</u>	<u>Amount Outstanding as at February 10, 2010</u>	<u>Financially Assisted Securities Purchases During Year Ended December 31, 2009</u>	<u>Security for Indebtedness</u>	<u>Amount Forgiven During Year Ended December 31, 2009</u>
Gord Getzinger, Sales and Marketing Manager ⁽¹⁾	lender	\$114,681	\$115,325	—	200,000 Common Shares	—
Karen Myrheim, Vice President Sales and Marketing ⁽¹⁾	lender	\$229,362	\$230,650	—	400,000 Common Shares	—
Dan Steinke, Vice President Business Development ⁽¹⁾	lender	\$114,681	\$115,325	—	200,000 Common Shares	—

Note:

- (1) In order to facilitate the purchase of Common Shares by Mr. Getzinger, Ms. Myrheim and Mr. Steinke, the Corporation lent \$100,000, \$200,000 and \$100,000 to Mr. Getzinger, Ms. Myrheim and Mr. Steinke, respectively, on March 23, 2007. The loans are payable on demand and bear interest at 5% per annum which interest is due and payable on March 23, 2012. The proceeds of the loans were used by Mr. Getzinger, Ms. Myrheim and Mr. Steinke to purchase 200,000, 400,000 and 200,000 Common Shares, respectively. To secure the loans, each of Mr. Getzinger, Ms. Myrheim and Mr. Steinke granted security against the Common Shares they purchased with the proceeds of the loan.

AUDIT COMMITTEE

The mandate of the Audit Committee is set forth in Schedule “C” attached hereto.

Composition of the Audit Committee

The following table sets forth the name of each of the current members of the Audit Committee, whether such member is “independent” and “financially literate” as those terms are defined by National Instrument 52-110 *Audit Committees* and the relevant education of each such member.

Name	Independent	Financially Literate	Relevant Education and Experience
Kevin L. Nugent ⁽¹⁾	Yes	Yes	Mr. Nugent is President of Livingstone Energy Management Ltd. Mr. Nugent is a Chartered Accountant with more than 20 years of experience in the oil and natural gas industry. Mr. Nugent has held various senior positions requiring regular review of financial statements and has served as an audit committee member for a number of publicly traded companies.
Murray L. Cobbe	Yes	Yes	Mr. Cobbe is the President and Chief Executive Officer of Trican Well Service Ltd., a publicly-traded well service corporation. Mr. Cobbe has held various senior positions requiring regular review of financial statements and has served as an audit committee member for a number of publicly traded companies.
Bradley R. Munro	Yes	Yes	Mr. Munro is the President and Chief Executive Officer of Bittercreek Capital Corporation, a private investment and advisory firm. Mr. Munro holds a Bachelor of Commerce degree from the University of Saskatchewan and has extensive experience in corporate finance and investment in the oil and natural gas and other industries. Mr. Munro has held various senior positions requiring regular review of financial statements and has served as an audit committee member, including as Chairman, for a number of publicly traded companies.

Note:

- (1) Chair of the Audit Committee.

Pre-Approval Policies and Procedures

To safeguard the continued independence of the Corporation’s external auditors, all services (including non-audit services) to be rendered by the Corporation’s external auditors and any of their related entities to the Corporation or any subsidiary of the Corporation, and all related terms of engagement, must be the subject of pre-approval by the Audit Committee.

External Auditor Service Fees

The following table sets forth the aggregate fees billed by Meyers Norris Penny LLP for the 2008 and 2009 fiscal years.

	<u>2009</u>	<u>2008</u>
Audit Fees	\$75,000	\$65,000
Audit Related Fees	—	—
Tax Fees ⁽¹⁾	\$ 4,500	\$ 7,900
All Other Fees	—	—
Total	\$79,500	\$72,900

Note:

(1) The tax fees relate to the preparation of T2 statements on behalf of the Corporation.

CORPORATE GOVERNANCE MATTERS

The Board of Directors is committed to a high standard of corporate governance practices. The Board of Directors believes that this commitment is not only in the best interest of its Shareholders, but that it also promotes effective decision making at the board level. With that in mind, the Board of Directors has implemented extensive corporate governance practices to provide for effective stewardship of the Corporation.

The following disclosure of the Corporation's corporate governance practices is presented pursuant to the requirements of NI 58-101.

Board Membership and Independence

The Board of Directors currently consists of five directors. Of these, four are independent directors as defined under NP 58-201 and, accordingly, the majority of the directors on the Board of Directors are independent. For the purposes of NP 58-201, Rene Amirault is not considered to be an independent director on the basis that he is the President and Chief Executive Officer of the Corporation.

Upon completion of the Offering, the independent directors intend to hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Rene Amirault has been appointed as the Chairman of the Board of Directors. In order to provide effective leadership for its independent directors, Murray Cobbe has been appointed as the Lead Director.

Meeting Attendance

The Board of Directors held six meetings since January 1, 2009. Each of the Directors was in attendance at all meetings held during the time such individual was a member of the Board of Directors other than at one meeting at which one director was absent.

Other Directorships

The following table sets out each Director who also serves as a director of another reporting issuer (or the equivalent):

<u>Name of Director</u>	<u>Other Reporting Issuers</u>
Rene Amirault	Petrowest Energy Services Ltd.
Murray L. Cobbe	Trican Well Service Ltd., Pason Systems Inc. and Bellatrix Exploration Ltd.
David D. Johnson	Progress Energy Resources Corp. and Result Energy Inc.
Kevin L. Nugent	Norex Exploration Services Inc., Savanna Energy Services Corp. and Trican Well Service Ltd.
Bradley R. Munro	49 North Resources Inc., Galleon Energy Inc., Winalta Inc.

Mandate of the Board

The Board of Directors has adopted a formal written mandate, a copy of which is attached as Schedule “B” to this prospectus. The Board of Directors intends to annually review its mandate and to consider changes as appropriate.

Position Descriptions

The Board of Directors has developed and approved written position descriptions for the Chairman of the Board of Directors, the Lead Independent Director of the Board of Directors, the Chief Executive Officer and the chair of each of the Audit Committee, the Corporate Governance Committee and the Compensation Committee. The primary role of the chair of each committee is to manage the affairs of the committee, which includes ensuring the committee is organized properly, functions effectively and meets its obligations and responsibilities. The Board of Directors has adopted a written position description for the Chief Executive Officer.

Orientation and Continuing Education

The Corporate Governance Committee is responsible for procedures relating to the orientation and education of new members of the Board of Directors and for the continued development of existing directors. Materials have been prepared for review by new members of the Board of Directors in respect of the Corporation’s structure, business and results. New members of the Board of Directors will also be provided with the opportunity to have meetings and discussions with senior management and other members of the Board of Directors and to visit the Corporation’s facilities and operations. The details of the orientation of each new member are tailored to that member’s individual needs, requests and areas of interest.

The Corporation will undertake ongoing education efforts that include meetings among management and the Board, and where appropriate outside experts, to discuss developments in the industry and market conditions. Written materials and briefings will be used to ensure that directors’ knowledge and understanding of the Corporation’s affairs remains current.

Ethical Business Conduct

The Board of Directors first adopted a Code of Conduct on February 5, 2010. The Code of Conduct applies to all directors, officers and employees of the Corporation. A copy of the Code of Conduct may also be obtained, upon request, from the Corporation and will be available on SEDAR at www.sedar.com upon completion of the Offering in accordance with applicable law.

The Board of Directors expects directors, officers and employees to act ethically at all times and to acknowledge in writing their adherence to the Code of Conduct as a condition of their employment or continued employment. Any waivers from the Code of Conduct that are granted for the benefit of a director, officer or employee must be presented by the Chief Executive Officer of the Corporation to the Corporate Governance Committee for its approval.

Each member of the Board of Directors must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, the director must excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest.

Nomination of Directors

The Corporate Governance Committee serves as the nominating committee of the Board of Directors and is responsible for the nomination of directors. The Corporate Governance Committee considers the skills and qualifications of existing directors and the long term needs of the Corporation in respect of the Board of Directors and each of the committees thereof. The Corporate Governance Committee, with the assistance of experienced independent advisors, identifies potential candidates and reviews the qualifications of potential candidates for the Board of Directors. In particular, the Corporate Governance Committee assesses, among other factors, industry experience, functional expertise, financial literacy and expertise, board experience and diversity of background, and considers potential conflicts arising in connection with potential candidates for the Board of Directors. Upon such review, and after conducting appropriate due diligence, the Corporate Governance Committee makes recommendations on candidates to the Board of Directors.

The Corporate Governance Committee serves as the nominating committee of the Board of Directors and is composed of three “independent” directors within the meaning of NI 58-101.

The Corporate Governance Committee has been established to assist the Board of Directors in reviewing and making recommendations to the Board of Directors in respect of, among other things, the nomination of candidates for election to the Board of Directors. For further information concerning the responsibilities, powers and operations of the Corporate Governance Committee, see the text of the Corporate Governance Committee mandate attached as Schedule “D” to this prospectus.

Remuneration of Directors

The Board of Directors has established the Corporate Governance Committee and delegated to it the responsibility of annually reviewing and recommending for the Board of Directors’ approval the compensation paid by the Corporation to the non-executive directors. The Board of Directors’ has established the Compensation Committee and delegated to it the responsibility of annually reviewing and recommending for the Board of Directors’ approval the compensation paid by the Corporation to the officers and employees of the Corporation. The Corporate Governance Committee’s review of compensation to non-executive directors, and the Compensation Committee’s review of compensation to officers and employees include a consideration of all forms of compensation paid, both with regards to the expertise and experience of each individual and in relation to industry peers. Each of the Compensation Committee and the Corporate Governance Committee retain independent consultants to review and compare compensation arrangements within the industry.

The Compensation Committee is composed of three “independent” members of the Board of Directors.

For further information concerning the responsibilities, powers and operations of the Compensation Committee, see the text of the Compensation Committee mandate attached as Schedule “E” to this prospectus.

Other Board Committees

Other than as set out above, there are presently no other standing committees of the Board of Directors.

Assessments

The Corporate Governance Committee is responsible for making regular assessments of the overall performance, effectiveness and contribution of the Board of Directors, the Chairman and Lead Director of the Board of Directors, each committee of the Board of Directors, each committee chair and each director, and reporting on such assessments to the Board of Directors. The objective of the assessments is to ensure the continued effectiveness of the Board of Directors in the execution of its responsibilities and to contribute to a process of continuing improvement. In addition to any other matters the Corporate Governance Committee deems relevant, the assessments will consider in the case of the Board of Directors or a committee, the applicable mandate or charter, and in the case of individual directors, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board of Directors.

PLAN OF DISTRIBUTION

Under an agreement dated as of March 23, 2010 (the “**Agency Agreement**”) among the Corporation and the Agents, the Agents have agreed, subject to the terms and conditions contained therein, to offer, on a reasonable commercial efforts basis, subject to prior sale, a minimum of 13,333,334 Common Shares at a price of \$3.00 per Common Share for aggregate gross proceeds of \$40,000,002 and a maximum of 19,166,667 Common Shares at a price of \$3.00 per Common Share for aggregate gross proceeds of \$57,500,001. In connection with the Offering, Secure has agreed to pay the Agents a fee of \$0.18 per Common Share issued under the Offering, provided that the Agents will only receive a fee of \$0.09 per Common Share in respect of subscriptions for up to \$7,500,000 from persons referred by the Corporation. The net proceeds from the Minimum Offering and the Maximum Offering, after deducting expenses estimated to be \$550,000, will be \$37,275,001 and \$53,725,001, respectively, (in each case assuming persons referred by the Corporation subscribe for Common Shares at least \$7,500,000). See “*Use of Proceeds*”. The obligations of the Agents under the Agency Agreement are several and not joint and may be terminated at their discretion upon the occurrence of certain stated events.

The Agency Agreement provides that it is a condition of Closing that the Common Shares be listed for trading on the TSX. The TSX has conditionally approved the listing of the Common Shares. Listing is subject to Secure fulfilling all of the requirements of the TSX on or before June 8, 2010.

All funds received from subscriptions will be held by a depositary who is a registrant, bank or trust company and, if the Minimum Offering is not raised, will be returned to the subscribers without interest or deduction.

The offering price per Common Share was determined by negotiation between Secure and FirstEnergy Capital Corp., on its own behalf and on behalf of the other Agents. All fees payable to the Agents will be paid on account of services rendered in connection with the Offering and will be paid from the gross proceeds of the Offering.

The Corporation has granted the Agents the Over-Allotment Option, exercisable, in whole or in part, for a period of up to 30 days after Closing, to purchase that number of Common Shares equal to 15% of the number of Common Shares issued under the Offering at a price of \$3.00 per Common Share, to cover any over-allotments. The Agents will receive the Agents’ Fee of 6% (or \$0.18 per Common Share) of the aggregate gross proceeds realized from the sale of any Common Shares issued on the exercise of the Over-Allotment Option. The grant of the Over-Allotment Option and any Common Shares issued upon exercise of the Over-Allotment Option are qualified for distribution under this prospectus. If the Over-Allotment Option is exercised in full, the total Offering, the Agents’ Fee and the net proceeds to Secure (before payment of the expenses of the Offering estimated to be \$550,000) will be \$66,125,001, \$3,742,500 and \$62,382,501, respectively (assuming persons referred by the Corporation subscribe for Common Shares worth at least \$7,500,000).

It is expected that the Closing Date will occur on or about March 30, 2010, or such other date as Secure and the Agents may agree. Closing of the Offering may occur in one or more tranches.

Pursuant to applicable securities legislation, the Agents may not, throughout the period of distribution under this prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of Market Regulation Services Inc. relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first-mentioned exception, in connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price for the Common Shares at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be discontinued at any time.

Subject to applicable laws, the Agents may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price for the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares offered hereby have not been and will not be registered under the *United States Securities Act of 1933* (the “**1933 Act**”) or any securities or “blue sky” laws of any of the states of the United States. Accordingly, the Common Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the 1933 Act and applicable state securities laws. The Agency Agreement permits the Agents to offer and resell the Common Shares that they have acquired pursuant to the Agency Agreement to certain qualified institutional buyers and institutional “accredited investors” (as defined in Rule 501(a)(1)(2)(3) and (7) under the 1933 Act) in the United States, provided such offers and sales are made in accordance with exemptions from the registration requirements under the 1933 Act. In addition, the Agency Agreement provides that the Agents will offer and sell securities outside the United States only in accordance with Regulation S under the 1933 Act or an exemption from the registration requirements of the 1933 Act and applicable state securities laws.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Common Shares offered hereby in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the 1933 Act.

Secure has agreed to indemnify the Agents and their affiliates and their respective directors, officers, employees and agents against certain liabilities.

Secure has agreed that, subject to certain stated exceptions set forth in the Agency Agreement, it will not, without the prior consent of FirstEnergy Capital Corp. (after consultation with the Agents), on behalf of the Agents, which consent may not be unreasonably withheld, authorize, issue or sell any Common Shares or any securities giving the right to acquire Common Shares, or agree or announce any intention to do so, at any time prior to the expiry of 120 days following the closing of the Offering.

RISK FACTORS

The following information describes certain significant risks and uncertainties inherent in the Corporation’s business and the Offering. Prospective investors should take these risks into account in evaluating the Corporation and in deciding whether to purchase the Common Shares offered hereby. This section does not describe all risks applicable to the Corporation, its industry or its business, and it is intended only as a summary of certain material risks. Prospective investors should carefully consider such risks and uncertainties together with the other information contained in this prospectus. If any of such risks or uncertainties actually occurs, the Corporation’s business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed under “*Management’s Discussion and Analysis*”, “*Industry Overview*”, and “*Business of the Corporation*” and elsewhere in this prospectus.

Risks Related to the Business

The oil and natural gas exploration and production industry in which the Corporation operates is highly volatile, and there can be no assurance that demand for the Corporation's services will be maintained at current levels

The demand, pricing and terms for oilfield waste disposal services in the Corporation's existing or future service areas largely depend upon the level of exploration, development and production activity for both crude oil and natural gas in the WCSB. Oil and natural gas industry conditions are influenced by numerous factors over which the Corporation has no control, including oil and natural gas prices, expectations about future oil and natural gas prices, levels of consumer demand, the cost of exploring for, producing and delivering oil and natural gas, the expected rates of declining current production, the discovery rates of new oil and natural gas reserves, available pipeline and other oil and natural gas transportation capacity, weather conditions, political, regulatory and economic conditions, and the ability of oil and natural gas companies to raise equity capital or debt financing.

The level of activity in the oil and natural gas industry in the WCSB is volatile. No assurance can be given that natural gas exploration and production activities will continue at their current levels. Any prolonged substantial reduction in oil and natural gas prices would likely affect oil and natural gas production levels and therefore affect the demand for drilling and well services by oil and natural gas companies. Any addition to, or elimination or curtailment of, government incentives for companies involved in the exploration for and production of oil and natural gas could have a significant effect on the oilfield services industry in the WCSB. A material decline in crude oil or natural gas prices or industry activity could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

In addition, treatment and waste disposal services are largely dependant on the willingness of customers to outsource their waste management activities. As such, the demand for Secure's services could be curtailed by a trend towards internal waste management.

The Corporation operates in a competitive landscape

The Corporation competes with a number of companies, some of which have greater technical and financial resources. The western Canadian market is dominated by two large market participants, CCS Midstream Services with 53 facilities and Newalta Corporation with 35 locations. There can be no assurance that competitors will not substantially increase the resources devoted to the development and marketing of services that compete with those of the Corporation, or that new or existing competitors will not enter the various markets in which the Corporation is active. In addition, reduced levels of activity in the oil and natural gas industry could intensify competition and the pressure on competitive pricing and may result in lower revenues or margins to the Corporation. The Corporation's customers may elect not to purchase its services if they view the Corporation's financial viability as unacceptable, which would cause the Corporation to lose customers.

The Corporation anticipates having substantial capital requirements that, if not met, may slow the Corporation's growth

The Corporation's business strategy is based in part upon the continued expansion of the Corporation's network of facilities. In order to continue to implement its business strategy, the Corporation will be required to further its capital investment. The Corporation expects to finance these capital expenditures through vendor financings, ongoing cash flow from operations, a portion of the net proceeds of the Offering, borrowings under its Credit Facility and by raising capital through the sale of additional debt or equity securities. The Corporation's ability to obtain financing or to access the capital markets for future offerings may be limited by the restrictive covenants in the Corporation's current and future debt agreements, by the Corporation's future financial condition, and by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties beyond the Corporation's control.

The Corporation may not be able to access capital markets when necessary

The Corporation may find it necessary in the future to obtain additional debt or equity to support ongoing operations, to undertake capital expenditures, or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation. The Corporation's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Corporation's growth and may have a material adverse effect on the Corporation.

The credit agreement governing the Credit Facility imposes operating and financial restrictions on the Corporation that may prevent the Corporation from pursuing certain business opportunities and restrict its ability to operate its business

The credit agreement governing the Credit Facility contains covenants that restrict the Corporation's ability to take various actions, such as:

- incurring or guaranteeing additional indebtedness;
- creating or incurring liens;
- engaging in business other than the Corporation's current business and reasonably related extensions thereof;
- making loans and investments;
- paying certain dividends or distributions or redeeming or repurchasing share capital;
- incurring dividend or other payment restrictions affecting certain subsidiaries;
- transferring or selling assets;
- entering into transactions with affiliates;
- making capital expenditures;
- entering into sale/leaseback transactions; and
- consummating a merger, consolidation or sale of all or substantially all of the Corporation's assets.

In addition, the credit agreement requires the Corporation to comply with specified financial ratios, including, but not limited to, working capital ratio, fixed charge coverage funded debt to EBITDA, and tangible assets to funded debt.

The Corporation's ability to comply with these covenants will likely be affected by events beyond its control, and the Corporation cannot assure that it will satisfy those requirements.

The restrictions contained in the credit agreement could also limit the Corporation's ability to plan for or react to market conditions, meet capital needs or otherwise restrict the Corporation's activities or business plans and adversely affect its ability to finance its operations, enter into acquisitions or to engage in other business activities that would be in the Corporation's interest.

Activity in the oilfield services industry is seasonal and may affect the Corporation's revenues during certain periods

In Canada, the level of activity in the oilfield services industry 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. As a result, the movement of the heavy equipment required for drilling and well servicing activities is restricted, and the level of activity of our customers is consequently reduced. In addition, 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 activity levels. In the areas in which Secure operates, the second quarter has generally been the slowest quarter as a result of spring break-up.

Access to Equipment and Development of New Technology

The technology used in the waste treatment, recovery and disposal business is not protected by intellectual property rights. As such, there are no significant technological barriers to entry within the industry.

The Corporation extends credit to its customers which presents a risk of non-payment

A substantial portion of the Corporation's accounts receivable are with customers involved in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices. Collection of these receivables could be influenced by economic factors affecting this industry. The Corporation does not have significant exposure to any individual customer.

Due to the nature of the Corporation's business, the Corporation may be subject to environmental liability

The Canadian oil and natural gas industry is regulated by a number of federal and provincial governmental bodies and agencies under a variety of complex federal and provincial legislation that sets forth numerous prohibitions and requirements with respect to planning and approval processes related to land use, sustainable resource management, waste management, responsibility for the release of presumed hazardous materials, protection of wildlife and the environment and the health and safety of workers. Legislation provides for restrictions and prohibitions on the transport of dangerous goods and the release or emission of various substances, including substances used and produced in association with certain oil and natural gas industry operations. The legislation addresses various permits required for drilling, access road construction, camp construction, well completion, installation of surface equipment, air monitoring, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas.

The Corporation is subject to a complex and increasingly stringent array of legal requirements and potential liabilities, including with respect to the ownership and management of property, the need to obtain and comply with permits and approvals, the health and safety of employees, and the handling, use, storage, disposal, intentional or accidental release. Failure to comply with these requirements could expose the Corporation to substantial potential penalties. There can be no assurance that the Corporation will not be required, at some future date, to incur significant costs to comply with environmental laws, or that its operations, business, assets or cash flow will not be materially adversely affected by existing conditions or by the requirements or potential liability under current or future environmental laws.

The Corporation may incur substantial costs, including fines, damages, criminal or civil sanctions, and remediation costs, or experience interruptions in the Corporation's operations for violations or liabilities arising under these laws and regulations. The Corporation may have the benefit of insurance maintained by the Corporation, its customers or others. However, the Corporation may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

The occurrence of any of the matters above, including new legislation or more rigorous enforcement of existing legislation may result in significant liability to the Corporation, which could have a material adverse affect on the financial results, cash flows and overall financial condition of the Corporation.

In addition, the Corporation's customers may elect not to purchase its services if they view its safety record as unacceptable, which could cause the Corporation to lose customers and substantial revenues. These risks may be greater for the Corporation because it may acquire companies that have not allocated significant resources and management focus to safety or have a poor safety record.

The Corporation is subject to extensive additional governmental regulation

In addition to environmental regulations, the Corporation's operations are subject to a variety of other federal, provincial and local laws, regulations and guidelines, including laws and regulations relating to health and safety, the conduct of operations, and the manufacture, management, transportation, storage, and disposal of certain materials used in the Corporation's operations. The Corporation believes that it is in compliance with such laws, regulations and guidelines. The Corporation has invested financial and managerial resources to comply with applicable laws, regulations and guidelines and will continue to do so in the future. Although regulatory expenditures have not, historically, been material to the Corporation, such laws, regulations and guidelines are subject to change. Accordingly, it is impossible for the Corporation to predict the cost or effect of such laws, regulations or guidelines on the Corporation's future operations. In addition, the Corporation's securities are being sold in Canada and will be listed on the TSX, and the Corporation is accordingly subject to regulation by Canadian securities regulators and Canadian federal and provincial laws and regulations. The Corporation believes that it is in compliance with such laws and regulations.

The Corporation's operations are inherently risky, and insurance may not always be available in amounts sufficient to fully protect the Corporation

The Corporation has an insurance and risk management program in place to protect its assets, operations and employees. The Corporation also has programs in place to address compliance with current safety and regulatory standards. However, the Corporation's operations are subject to risks inherent in the oilfield services industry, such as equipment defects, malfunctions, failures, accidents, and natural disasters. These risks and hazards could expose the Corporation to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution, and other environmental damages.

Although the Corporation has obtained insurance against certain of these risks, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation incurs substantial liability and such damages are not covered by insurance or are in excess of policy limits, or if the Corporation incurs such liability at a time when it is not able to obtain liability insurance, the Corporation's business, results of operations and financial condition could be materially adversely affected.

The CCS Action may negatively impact the Corporation and its business

The Corporation is named as a defendant in the CCS Action. See "*Legal Proceedings and Regulatory Actions*". While management of Secure does not believe that this action will have an adverse effect on the business or financial condition of the Corporation, no assurance can be given as to the final outcome of this or any other legal proceedings or that the ultimate resolution of this or any other legal proceedings will not have a material adverse effect on the Corporation.

In the event that the plaintiff is successful in asserting its claim against the Corporation, the Corporation has insurance which may mitigate the impact upon the financial condition of the Corporation; however, such insurance is limited to \$5 million (which will be reduced by the amount of expenses of the lawsuit claimed by Secure against the insurance) and there can be no assurance that Secure's insurer will not determine that one or more of the claims specified in the CCS Action are not covered by Secure's insurance policy and deny coverage. In the event that the CCS Action was to be determined in a manner adverse to the Corporation, it could have a material adverse effect on the Corporation's business, financial condition and results of operations. In addition, the Corporation has indemnified the Secure Defendants who are also defendants in the CCS Action.

The market for oil and natural gas may be adversely affected by global demands to curtail use of such fuels

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other liquid hydrocarbons. The Corporation cannot predict the effect of changing demand for oil and natural gas

products, and any major changes may materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

The Corporation may not be able to fully integrate future acquisitions

The Corporation may undertake future acquisitions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on having the acquired assets perform as expected, successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters, and ultimately the Corporation may fail to realize the anticipated benefits of such acquisitions.

A terrorist attack or armed conflict could harm the Corporation's business

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the United States, Canada, or other countries may adversely affect the United States, Canada, and global economies and could prevent the Corporation from meeting its financial and other obligations. If any of these events occur, the resulting political instability and societal disruption could reduce overall demand for oil and natural gas, potentially putting downward pressure on demand for the Corporation's services and causing a reduction in its revenues. Oil and natural gas-related facilities could be direct targets of terrorist attacks, and the Corporation's operations could be adversely affected if infrastructure integral to its customers' operations is destroyed or damaged. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all.

The Corporation is vulnerable to market changes

Fixed costs, including costs associated with leases, labour costs and depreciation, account for a significant portion of the Corporation's expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather, or other factors could significantly affect business, financial condition, results of operations and cash flows.

Certain of the Corporation's directors and officers may have interests in conflict with those of the Corporation

Certain of the directors and officers of the Corporation are also directors and officers of oil and natural gas exploration and/or production entities and oil and natural gas service companies, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies.

Merger and acquisition activity may impact demand for the Corporation's services

Merger and acquisition activity in the oil and natural gas exploration and production sector may impact demand for the Corporation's services as customers focus on reorganizing their business prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than the Corporation.

Labour constraints may negatively affect the Corporation

The Corporation's ability to provide reliable service is dependent upon attracting and retaining skilled workers. The Corporation attempts to overcome this by offering an attractive compensation package and training to enhance skills and career prospects. Shortages of experienced and skilled workers could have a material adverse effect on the Corporation by increasing labour costs, constraining growth or the level of activity as a result of the inability to expand human resources of the Corporation or through the loss of existing employees to competitive businesses. Additionally, a shortage of skilled oilfield workers may constrain overall activity and growth in the oil and natural gas industry, which could have a material adverse effect on the financial results and cash flows and overall financial condition of the Corporation.

The Corporation's business is dependent on major customers

The top ten customers of the Corporation accounted for approximately 47% of its revenue for fiscal 2009 with no single customer accounting for more than approximately 11%.

The Corporation does not generally enter into long-term contracts with its customers and there can be no assurance that the current customers will continue their relationships with the Corporation. The loss of one or more major customers, or any significant decrease in services provided to a customer, prices paid or any other changes to the terms of service with customers, could have a material adverse affect on the financial results, cash flows, and the overall financial condition of the Corporation.

The Corporation is subject to increasing interest rates

The Corporation's banking facilities have interest rates which float with the lender's prime rate, and as such, as these banking facilities are drawn, the Corporation will be exposed to higher interest costs if the prime rate should increase.

The Corporation is dependent on key personnel

The Corporation's success depends to a significant extent on a number of its officers and key employees. Management believes that, because all members of the management team are also shareholders in the Corporation, risk of the loss of the services of these key employees is reduced. The Corporation does not carry "key man" insurance that would compensate it for the loss of officers or key employees. The loss of the services of one or more of these officers or employees could have an adverse effect on the Corporation.

Landfill closure costs could exceed the Corporation's estimates

Operating and maintaining a landfill is capital intensive and generally requires letters of credit to secure performance and financial obligations. In addition, the Corporation has material financial obligations to pay closure and post-closure costs in respect of its landfills. The Corporation has estimated these costs and made provisions for them, but these costs could exceed the Corporation's current provisions as a result of, among other things, any federal, provincial or local government regulatory action including, but not limited to, unanticipated closure and post-closure obligations. The requirement to pay increased closure and post-closure costs could substantially increase the Corporation's letters of credit which could increase the Corporation's future operating costs and cause its net income to decline.

The Corporation will incur costs for legal and financial compliance

Following the completion of the Offering, the Corporation will also be required to comply with the rules and regulations applicable to public companies in Canada and to file reports with the Canadian securities administrators. Accordingly, the Corporation will incur significant legal, accounting and other expenses that the Corporation did not incur as a private company. The Corporation's management and other personnel will need to devote a substantial amount of time and resources to comply with these requirements. These rules and regulations will increase the Corporation's legal and financial compliance costs.

Disclosure controls & procedures may not be effective

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation, is made known to the Chief Executive Officer and the Vice President, Finance and Chief Financial Officer by others within the Corporation, particularly during the period in which the annual and interim filings of the Corporation are being prepared, in an accurate and timely manner in order for the Corporation to comply with its disclosure and financial reporting obligations and in order to safeguard the Corporation's assets. Management has concluded that the Corporation's disclosure controls and procedures, as at December 31, 2009, are effective in providing reasonable assurance that material information is accumulated and disclosed accurately. Consistent with the concept of reasonable assurance, the Corporation recognizes that the relative cost of maintaining these controls and procedures should not exceed their expected benefits. As such, the Corporation's disclosure controls and procedures can only provide reasonable assurance, and not absolute assurance, that the objectives of such controls and procedures are met.

Internal controls over financial reporting may not be effective

The Chief Executive Officer and Vice President, Finance and Chief Financial Officer of the Corporation are responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Chief Executive Officer and Vice President, Finance and Chief Financial Officer of Secure directed the assessment of the design and operating effectiveness of the Corporation's internal control over financial reporting as at December 31, 2009 and based on that assessment determined that the Corporation's internal control over financial reporting was, in all material respects, appropriately designed and operating effectively.

While management of the Corporation has put in place certain plans and procedures to mitigate the risk of a material misstatement in the Corporation's financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated. No changes were made to the Corporation's internal control over financial reporting during the year ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Risks Related to the Offering

There is no prior public market for the Corporation's securities and there is no assurance that one will develop

Prior to the closing of the Offering, there has been no public market for the Common Shares. The price to the public and the number of Common Shares to be issued have been determined by negotiation among the Corporation and the Agents. The price paid for each Common Share may bear no relation to the price at which the Common Shares will trade in the public market subsequent to the Offering. The Corporation cannot predict at what price the Common Shares will trade and there can be no assurance that an active trading market in the Common Shares will develop or be sustained.

If the Corporation's share price fluctuates after the initial public offering, investors could lose a significant part of their investment

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Common Shares could similarly be subject to wide fluctuations in response to a number of factors, many of which the Corporation cannot control, including:

- changes in securities analysts' recommendations and their estimates of the Corporation's financial performance;
- the public's reaction to the Corporation's press releases, announcements and filings with Canadian securities regulatory authorities and those of its competitors;
- fluctuations in broader stock market prices and volumes, particularly among securities of oilfield services companies;
- changes in market valuations of similar companies;
- investor perception of the Corporation's industry or prospects;
- additions or departures of key personnel;
- commencement of or involvement in litigation;

- changes in environmental and other governmental regulations;
- announcements by the Corporation or its competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- variations in the Corporation's quarterly results of operations or cash flows or those of other oilfield services companies;
- revenues and operating results failing to meet the expectations of securities analysts or investors in a particular quarter;
- changes in the Corporation's pricing policies or the pricing policies of its competitors;
- future issuances and sales of the Common Shares;
- demand for and trading volume of the Common Shares;
- domestic and worldwide supplies and prices of and demand for oil and natural gas; and
- changes in general conditions in the domestic and worldwide economies, financial markets or the oil and natural gas industry.

The realization of any of these risks and other factors beyond the Corporation's control could cause the market price of the Common Shares to decline significantly. In particular, the market price of the Common Shares may be influenced by variations in oil and natural gas commodity prices because demand for the Corporation's services is closely related to the prices of these commodities. This may cause the Common Share price to fluctuate with these underlying commodity prices.

The Corporation may raise additional capital in the future by either incurring additional debt or by diluting its existing equity holders

The Corporation may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares, and shareholders will have no pre-emptive rights in connection with any further issuances. The directors of the Corporation have the discretion to determine the provisions attaching to any preference shares and the price and the terms of issue of further issuances of Common Shares.

Purchasers of Common Shares will experience immediate and substantial dilution

Purchasers of the Common Shares in the Offering will experience an immediate and substantial dilution in the net tangible book value per share of Common Shares from the initial public offering price. Purchasers will incur further dilution if outstanding options to purchase Common Shares are exercised. In addition, the Corporation's governance documents allow the Corporation to issue significant numbers of additional shares, including shares that may be issued under the Current Option Plan and the New Option Plan.

Because the Corporation has no current plans to pay dividends on the Common Shares, investors must look solely to share appreciation for a return on their investment in the Corporation

The Corporation does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Corporation currently intends to retain all future earnings to fund the development and growth of its business. Any payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, the Corporation's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that the Board of Directors deems relevant. Investors must rely on sales of their Common Shares after price appreciation, which may never occur, as the only way to realize a return on their investment.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On December 21, 2007, CCS Inc. (“CCS”) filed a statement of claim commencing Action No. 0701-13328 (the “**CCS Action**”) in the Judicial District of Calgary of the Court of Queen’s Bench of Alberta (the “**Court**”) against the Corporation, certain of the Corporation’s employees who were previously employed by CCS (collectively, the “**Secure Defendants**”) and others in which CCS alleges that the defendants misappropriated business opportunities, misused confidential information, breached fiduciary duties owed to CCS, and conspired with one another. CCS seeks damages in the amount of \$110 million, an accounting and disgorgement of all profits earned by the Corporation since its incorporation and other associated relief.

A statement of defence was filed by the Secure Defendants on November 10, 2008, after the Court ordered CCS to provide further particulars of its claim. On September 17, 2008, CCS obtained an *Anton Pillar* Order and seized various documents from the Corporation’s offices. The Secure Defendants applied to the Court and were granted an order varying the *Anton Pillar* Order and the seized documents were returned to the Corporation’s solicitors, with the exception of several documents which do not impact the business of Secure and which in respect thereof the order states that it shall in no way be interpreted as a finding of the Court or an acknowledgement or admission by the Secure Defendants that the documents constitute the property of CCS.

The Secure Defendants filed an Amended Statement of Defence (the “**Defence**”), and the Corporation filed an Amended Counterclaim (the “**Counterclaim**”), on November 10, 2008. In their Defence, the Secure Defendants deny all of the allegations made against them. In its Counterclaim, the Corporation claims damages in the amount of \$37,860,000 against CCS, alleging that CCS has engaged in conduct constituting a breach of the *Competition Act* (Canada) and unlawful interference with the economic relations of the Corporation with the intent of causing injury to the Corporation.

The parties have completed initial document production to one another and additional document production is on-going. Examinations for discovery are currently anticipated to begin in mid-March 2010 and to continue into the spring.

The Corporation intends to continue to defend against the CCS Claim and to prosecute the Counterclaim. See “*Risk Factors – Risks Related to the Business – The CCS Action may negatively impact the Corporation and its business*”.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person who at the time of the transaction: (i) was a director or executive officer of the Corporation; (ii) beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the outstanding Common Shares; or (iii) was an associate or affiliate of any person referred to in (i) or (ii) above, had any material interest, direct or indirect, in any transaction since January 1, 2007 or in any proposed transaction which has materially affected, or is reasonably expected to materially affect, the Corporation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of the Corporation is Meyers Norris Penny LLP, 7th Floor, 715-5th Ave. S.W., Calgary, Alberta T2P 2X6.

Registrar and Transfer Agent

A register of holders of the Common Shares will be maintained by Olympia Trust Company at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation during the most recently completed financial year, or before the most recently completed financial year that is still in effect, other than during the ordinary course of business, are as follows:

1. The Credit Facility. See “*Management’s Discussion & Analysis – Results of Operations – Liquidity and Capital Resources – Sources of Cash*”.
2. The joint venture agreement between the Corporation and Pembina Pipeline Corporation dated October 9, 2007, regarding the design, construction, ownership, operation and maintenance of the La Glace FST for the purposes of providing clean oil terminalling, custom treating of crude oil, crude oil marketing and produced water disposal on the basis of a 50% undivided interest held by each of Secure and Pembina Pipeline Corporation. The agreement provides that Secure is appointed as operator of the La Glace FST for a three-year term following the commissioning of the facility, which shall be renewed for additional successive two year periods unless otherwise determined by the management committee formed pursuant to the agreement. The agreement also provides that in the event of a change of control in respect of either of the parties, the other party shall have the right to purchase all, but not less than all, of the interest of the party in respect of which there has been a change of control at a price equal to the fair market value thereof.
3. The Agency Agreement dated March 23, 2010. See “*Plan of Distribution*”.

EXPERTS

Certain legal matters relating to the Offering will be passed upon by Bennett Jones LLP on behalf of Secure and by McCarthy Tétrault LLP on behalf of the Agents. As at the date hereof, the partners and associates of Bennett Jones LLP and the partners and associates of McCarthy Tétrault LLP, each as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

Meyers Norris Penny LLP has confirmed it is independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Alberta.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, counsel to the Corporation, and McCarthy Tétrault LLP, counsel to the Agents, the following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the Tax Act that should be considered by prospective purchasers hereunder. This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (“**Proposed Amendments**”) and counsels’ understanding of the current administrative and assessing policies of the Canada Revenue Agency. No assurance can be given that the Proposed Amendments will be enacted in their currently proposed form or at all. This summary does not otherwise take into account or anticipate any change to the law or administrative practice, whether by legislative, governmental or judicial action. This summary applies only to prospective purchasers, who acquire, hold and dispose of Common Shares offered hereunder as capital property, and who deal at arm’s length and are not affiliated with the Corporation or the Agents (“**Holders**”). Common Shares will generally be considered to be capital property to a Holder provided that the Holder does not hold such Common Shares in the course of carrying on a business of dealing in securities and has not acquired such Common Shares in a transaction or transactions considered to be an adventure in the nature of trade. Depending on a person’s particular circumstances, Common Shares and every “Canadian security” (as defined in the Tax Act) may be deemed to be capital property where the irrevocable lifetime election in subsection 39(4) of the Tax Act has been made by a Canadian resident eligible to make such election.

This summary does not apply to: (i) a Holder that is a “specified financial institution” or a “financial institution” to which the “mark-to-market” provisions of the Tax Act apply; (ii) a Holder, an investment in which would constitute

a “tax shelter investment” for the purposes of the Tax Act; or (iii) a Holder to whom the functional currency reporting rules in the Tax Act apply. Such Holders should consult their own tax advisors. This summary does not take into account foreign, provincial or territorial tax legislation or considerations, which may vary from the Canadian federal income tax considerations described herein.

This summary is of a general nature only, rather than being a complete analysis of all possible income tax considerations, and is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder. Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

The following section of this summary is applicable to Holders who, for purposes of the Tax Act and any applicable income tax treaty, is or is deemed to be a resident of Canada at all relevant times.

Dividends on Common Shares

Dividends (including deemed dividends) on Common Shares received by a Holder, who is an individual, will be included in income and will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations. The Corporation may designate all or a portion of such dividends as “eligible dividends” that are entitled to the enhanced dividend tax credit. The Corporation will notify its shareholders of any such designations at the appropriate times. The gross-up and dividend tax credit rules do not apply to taxable dividends received by a trust in a year to the extent that such dividends are included in computing the income of a non-resident beneficiary under such trust. The amount of the dividend, but not the amount of the gross-up, may be subject to the alternative minimum tax. Dividends received on a Common Share by a Holder that is a corporation will be included in its income, but normally will also be deductible in computing its taxable income. A private corporation or a subject corporation, as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act at a rate of 33¹/₃% on dividends received on a Common Share.

Disposition of Common Shares

A Holder’s capital gain (or capital loss) from the disposition of any Common Share held as capital property is calculated as the amount by which the Holder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Holder of the Common Share disposed of and any reasonable outlays or expenses incurred to make the disposition. Any such capital gain (or loss) will be subject to the treatment described below under “Taxation of Capital Gains and Capital Losses”.

The adjusted cost base of a Common Share to a Holder will be determined by averaging the cost to the Holder of a Common Share with the adjusted cost base of all other Common Shares held by the Holder and by making certain other adjustments required under the Tax Act. The Holder’s cost, for purposes of the Tax Act, of a Common Share will include all amounts paid or payable by the Holder for the Common Share, subject to certain adjustments under the Tax Act.

Taxation of Capital Gains and Capital Losses

One-half of a capital gain (a taxable capital gain) must be included in a Holder’s income in the year of disposition. One-half of a capital loss will generally be deductible to a Holder as an allowable capital loss against taxable capital gains realized in the year or in any of the three preceding taxation years or in any subsequent year (but not against other income) to the extent and under the circumstances described in the Tax Act. If the Holder is a corporation, any capital loss realized on the sale of a Common Share may, in certain circumstances, be reduced by the amount of any

dividends, including deemed dividends, which have been received on the Common Share. Analogous rules apply to a partnership or certain trusts of which a corporation is a member or a beneficiary. Taxable capital gains realized by a Holder, who is an individual, may give rise to alternative minimum tax, depending on the Holder's circumstances.

A "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax of 6⅔% on any taxable capital gains.

Holders Not Resident in Canada

The following section of this summary is applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty and at all relevant times, is not, and is not deemed to be, a resident of Canada and does not, and is not deemed to, use or hold Common Shares in or in the course of, carrying on a business in Canada and is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (a "**Non-Resident Holder**").

Dividends on Common Shares

Canadian withholding tax at a rate of 25% (subject to reduction under the provisions of an applicable income tax convention) will be payable on dividends on a Common Share paid to a Non-Resident Holder. The rate of withholding tax applicable to dividends paid on a Common Share to a resident of the U.S. who beneficially holds the Common Shares and who qualifies for the benefits of the Canada-U.S. Tax Convention (1980) (the "**Convention**") will generally be reduced to 15% or, if the Non-Resident Holder is a corporation that owns at least 10% of the Common Shares, to 5%. Not all persons who are residents of the U.S. will qualify for the benefits of the Convention. A Non-Resident Holder who is a resident of the U.S. is advised to consult its tax advisor in this regard.

Dispositions of Common Shares

Upon a disposition or deemed disposition of a Common Share, a capital gain (or loss) will generally be realized by a Non-Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of the Common Share to the Non-Resident Holder thereof immediately before the disposition and any reasonable costs of disposition.

The adjusted cost base of a Common Share to a Non-Resident Holder will be determined in accordance with certain rules contained in the Tax Act by averaging the cost to the Non-Resident Holder of a Common Share with the adjusted cost base of all other Common Shares held by the Non-Resident Holder and by making certain other adjustments required under the Tax Act. The Non-Resident Holder's cost, for purposes of the Tax Act, of the Common Share will include all amounts paid or payable by the Non-Resident Holder for the Common Share, subject to certain adjustments under the Tax Act.

However, a Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition of a Common Share unless the Common Share disposed of constitutes "taxable Canadian property" of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. Assuming the Common Shares are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX) at the time of disposition, a Common Share will not be taxable Canadian property to a Non-Resident Holder unless at any particular time during the 60 month period that ends at the time of disposition: (a) the Non-Resident Holder and/or persons with whom the Non-Resident Holder did not act at arm's length, owned 25% or more of the issued shares of any class or series of shares of the Corporation; and (b) more than 50% of the fair market value of the Common Share was derived directly or indirectly from one or any combination of: (i) real or immoveable property situated in Canada; (ii) Canadian resource properties; (iii) timber resource properties; and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii) above, whether or not the property exists. Interests in corporations, partnerships or trusts that are Non-Resident Holders of Common Shares may constitute taxable Canadian property if more than 50% of the fair market value of the share or interest was at any particular time in the 60 month period preceding a disposition of such interests, derived directly or indirectly from one or any combination of the property described in any of (i) to (iv) above. Non-Resident Holders are urged to consult with their tax advisors with respect to the application of these rules.

Subject to the application of an applicable income tax convention, a capital gain (or loss) realized by a Non-Resident Holder, whose Common Shares constitute taxable Canadian property, will be subject to the treatment described above under “Taxation of Capital Gains and Capital Losses”.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to Secure, and McCarthy Tétrault LLP, counsel to the Agents, subject to the provisions of any particular plan, the Common Shares will, if, as, and when listed on a “designated stock exchange” within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) (which includes the TSX), be qualified investments under the Tax Act and the regulations thereunder, as in effect on the date hereof, for a trust governed by a registered retirement savings plan, a registered education savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account (a “**TFSA**”). Notwithstanding that the Common Shares may be a qualified investment for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax on the Common Shares held in the TFSA if such Common Shares are a “prohibited investment” for the purposes of section 207.01 of the Tax Act. The Common Shares will generally be a “prohibited investment” if the holder of the TFSA does not deal at arm’s length with Secure for the purposes of the Tax Act or the holder of the TFSA has a “significant interest” (as defined in the Tax Act) in Secure or a corporation, partnership or trust with which Secure does not deal at arm’s length for the purposes of the Tax Act. Such holders are urged to consult their own tax advisors.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

AUDITOR'S CONSENT

We have read the long form prospectus of Secure Energy Services Inc. (the "**Company**") dated March 23, 2010 relating to the qualification for distribution of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the inclusion in the above-mentioned prospectus of our report to the directors of the Company on the consolidated balance sheets of the Company as at December 31, 2009 and 2008, and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years ended December 31, 2009, December 31, 2008 and for the period from April 25, 2006 to December 31, 2007. Our report is dated February 5, 2010, except for note 21 which is dated as at March 23, 2010.

(signed) "*Meyers Norris Penny LLP*"

Chartered Accountants

Calgary, Canada

March 23, 2010

CERTIFICATE OF SECURE ENERGY SERVICES INC.

Dated: March 23, 2010

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

(signed) “*RENE AMIRAUT*”
Chief Executive Officer

(signed) “*NICK WIELER*”
Chief Financial Officer

On behalf of the Board of Directors

(signed) “*DAVID JOHNSON*”
Director

(signed) “*BRAD R. MUNRO*”
Director

CERTIFICATE OF THE PROMOTER

Dated: March 23, 2010

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

(signed) "*DAN STEINKE*"
Vice President, Business Development

CERTIFICATE OF THE AGENTS

Dated: March 23, 2010

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

FirstEnergy Capital Corp.

(signed) “*NICHOLAS J. JOHNSON*”

Raymond James Ltd.

(signed) “*JASON HOLTBY*”

Peters & Co. Limited

(signed) “*J.G. (JEFF) LAWSON*”

Schedule “A”
Historical Consolidated Financial Statements

SECURE ENERGY SERVICES INC.
Consolidated Financial Statements
For the year ended December 31, 2009

MANAGEMENT'S RESPONSIBILITY

To the Directors of Secure Energy Services Inc.:

Management is responsible for the preparation, integrity and fair presentation of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts based on management's informed judgments and estimates. Financial information contained in management's discussion and analysis is consistent with the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control systems. The Audit Committee is composed of independent directors who are not employees of the Corporation. The Audit Committee is responsible for reviewing the consolidated financial statements and recommending them to the Board of Directors for approval. To discharge its duties the Audit Committee meets regularly with management and Meyers Norris Penny LLP to discuss internal controls, accounting and financial reporting processes, audit plans and financial matters. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is responsible for auditing the consolidated financial statements and expressing their opinion thereon and their report is presented separately. The external auditors have full and free access to, and meet regularly with, management and the Audit Committee.

February 5, 2010

"SIGNED"

Rene Amirault
President & Chief Executive Officer

"SIGNED"

Nick Wieler
Vice President of Finance

AUDITORS' REPORT

To the Directors of Secure Energy Services Inc.:

We have audited the consolidated balance sheets of Secure Energy Services Inc. (the "Company") as at December 31, 2009 and December 31, 2008 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years ended December 31, 2009 and December 31, 2008 and for the period from April 25, 2006 to December 31, 2007. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and December 31, 2008 and the results of its operations and its cash flows for the years ended December 31, 2009 and December 31, 2008 and the period from April 25, 2006 to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

(signed) "*Meyers Norris Penny LLP*"

Calgary, AB

February 5, 2010 (except as to Note 21,
which is as of March 23, 2010)

Chartered Accountants

SECURE ENERGY SERVICES INC.
Consolidated Balance Sheets

	December 31 2009 \$	December 31 2008 \$
Assets		
Current assets		
Cash and cash equivalents	234,875	14,891,800
Accounts receivable	5,694,436	4,372,662
Other receivables	—	1,317,411
Prepaid expenses and deposits	319,759	131,958
Inventories (note 5)	681,762	79,371
Other assets	38,403	192,000
	6,969,235	20,985,202
Notes receivable (note 6)	458,724	436,392
Future income tax asset (note 14)	1,645,216	1,035,668
Assets under construction (note 7)	7,344,994	23,136,407
Property, plant and equipment (note 8)	78,383,372	50,045,886
Intangible assets (note 9)	272,346	341,882
Goodwill (note 3)	1,905,677	1,905,677
Total Assets	96,979,564	97,887,114
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,326,188	11,716,102
Current portion of capital lease obligations	347,324	351,899
	3,673,512	12,068,001
Long term debt (note 10)	4,787,500	—
Capital lease obligations (note 20)	217,201	492,987
Asset retirement obligation (note 11)	3,144,712	2,370,092
	11,822,925	14,931,080
Guarantees (note 16)		
Commitments & Contingencies (note 20)		
Shareholders' Equity		
Share capital (note 12)	89,992,350	85,493,074
Contributed surplus (note 12)	693,906	235,035
Deficit	(5,529,617)	(2,772,075)
	85,156,639	82,956,034
Total Liabilities and Shareholders' Equity	96,979,564	97,887,114

Approved by the Board of Directors:

“SIGNED”

 Rene Amirault

“SIGNED”

 Kevin Nugent

See accompanying notes to consolidated financial statements

SECURE ENERGY SERVICES INC.**Consolidated Statements of Operations, Comprehensive Loss and Deficit**

	For the year ending December 31, 2009 \$	For the year ending December 31, 2008 \$	For the period from April 25, 2006 to December 31, 2007 \$
Revenue	22,376,595	7,436,551	1,029,139
Operating expenses	10,082,354	2,882,113	288,812
Operating margin	12,294,241	4,554,438	740,327
Expenses			
General and administrative	4,426,926	3,661,455	1,714,992
Stock-based compensation (note 12)	458,871	183,674	51,361
Business development	63,989	326,962	683,113
Interest expense	104,755	—	—
Impairment of goodwill (note 18)	—	—	155,998
Depreciation, depletion and accretion	10,657,320	3,423,212	423,834
	15,711,861	7,595,303	3,029,298
Other Revenue			
Interest	67,324	675,977	489,793
Loss for the year before taxes	(3,350,296)	(2,364,888)	(1,799,178)
Future income tax recovery (note 14)	592,754	836,327	555,664
Net loss and comprehensive loss	(2,757,542)	(1,528,561)	(1,243,514)
Deficit, beginning of year	(2,772,075)	(1,243,514)	—
Deficit, end of year	(5,529,617)	(2,772,075)	(1,243,514)
Basic and diluted loss per share (note 13)	(0.07)	(0.05)	(0.07)

See accompanying notes to consolidated financial statements

SECURE ENERGY SERVICES INC.
Consolidated Statements of Cash Flows

	For the year ending December 31, 2009 \$	For the year ending December 31, 2008 \$	For the period from April 25, 2006 to December 31, 2007 \$
Cash provided by (used in)			
Operating activities			
Loss for the year	(2,757,542)	(1,528,561)	(1,243,514)
Items not affecting cash:			
Depreciation, depletion and accretion	10,657,320	3,423,212	423,834
Future income tax recovery (note 14)	(592,754)	(836,327)	(555,664)
Stock-based compensation (note 12)	458,871	183,674	51,361
Amortization of financing fees (note 10)	192,000	—	—
Loss on disposal of property, plant and equipment	664	—	—
Impairment of goodwill (note 18)	—	—	155,998
	7,958,559	1,241,998	(1,167,985)
Change in non-cash working capital	668,191	(4,672,236)	(334,744)
	8,626,750	(3,430,238)	(1,502,729)
Financing activities			
Issuance of capital, net of issuance costs	4,482,482	60,997,512	23,653,639
Issuance of long term debt, net of fees (note 10)	4,787,500	—	—
Deferred fees	(38,000)	(192,000)	—
Net change in non-cash financing activities working capital	(22,332)	(21,050)	(209,742)
	9,209,650	60,784,462	23,443,897
Investing activities			
Purchase of property, plant and equipment	(22,685,837)	(59,356,716)	(10,431,958)
Acquisitions (note 3)	—	(5,721,119)	—
Proceeds from the sale of property, plant and equipment	45,575	—	—
Net change in non-cash investing activities working capital	(9,853,063)	10,489,454	616,747
	(32,493,325)	(54,588,381)	(9,815,211)
(Decrease) increase in cash and cash equivalents	(14,656,925)	2,765,843	12,125,957
Cash and cash equivalents, beginning of year	14,891,800	12,125,957	—
Cash and cash equivalents, end of year	234,875	14,891,800	12,125,957
Taxes paid	—	—	—
Interest paid	137,096	—	—

See accompanying notes to consolidated financial statements

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

1. DESCRIPTION OF THE BUSINESS

Secure Energy Services Inc. (the "Corporation") is incorporated under the Business Corporations Act (Alberta) and is primarily engaged in clean oil terminalling, custom treating of crude oil, crude oil marketing, produced and waste water disposal, oilfield waste processing and landfill disposal. The Corporation provides a range of these services in each of its nine operating facilities throughout Alberta and British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These consolidated financial statements are stated in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

(b) Changes in Accounting Standards and Policies

Financial instrument disclosures

In June 2009, the Canadian Institute of Chartered Accountants ("CICA") issued amendments to Financial Instruments Handbook Section 3862 to further enhance disclosures about fair value measurements of financial instruments and to expand liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a three-level hierarchy. The three levels reflect the significance of the inputs used in making the measurements, described as follows:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The above amendments are required to be adopted for fiscal years ending after September 30, 2009, but early adoption is permitted. The amendments did not have a material impact on the Corporation's financial results.

Financial instrument recognition and measurement

In August 2009, the CICA issued amendments to Financial Instruments Handbook Section 3855 to achieve substantial consistency with International Financial Reporting Standards ("IFRS"). The amendments were effective for January 1, 2009, in which the Corporation adopted the definition of loans and receivables from IFRS. The amendments did not have an impact on how the Corporation currently classifies its receivables.

Goodwill

Goodwill, at the time of acquisition, represents the excess of purchase price of a business over the fair value of net assets acquired. Goodwill is assessed by the Corporation for impairment at least at each year end. If the fair value of the business is less than the book value, a second test is performed to determine the amount of the impairment. The amount of the impairment is determined by deducting the fair value of the business' assets and liabilities from the fair value of the business to determine the implied fair value of goodwill and comparing that amount to the book value of goodwill. Any excess of the book value of goodwill over the implied fair value is the impairment amount and will be charged to earnings in the period of the impairment. The adoption of new guidance applicable in the current year did not result in a change in the recognition of our goodwill.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets resulting from an acquisition are recorded at fair value. Fair value is estimated by management based on the expected discounted future cash flows associated with the intangible asset. Intangible assets with a finite life are amortized over the estimated useful life and intangible assets with an indefinite life are not subject to amortization and are tested for impairment annually. Any impairment is identified by comparing the fair value of the indefinite life intangible assets to its carrying value. Any excess of the carrying value of the intangible asset over the implied fair value is the impairment amount and will be charged to earnings in the period of the impairment. Amortization of intangibles is calculated on straight-line basis over the estimated life of the intangible asset. Non-competition agreements and customer relationships are amortized between 5-10 years. The adoption of new guidance applicable in the current year did not result in a change in the recognition of our intangible assets.

(c) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and the Corporation's proportionate share of the assets, liabilities, revenues, expenses and cash flows of its joint venture.

Presentation

Prior period results have been reclassified where necessary to conform to current year presentation.

Measurement uncertainty

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

In particular, amounts recorded for depletion on the landfill cells are based on estimates of the total capacity utilized in the period. Depreciation of the processing facilities and equipment are based on estimates of the remaining useful lives of the assets.

The amounts recorded for asset retirement obligations are based on estimates of the costs to abandon and reclaim the wells and facilities and the estimated time period in which these costs are expected to be incurred in the future.

In order to record stock-based compensation expense, the Corporation estimates of the fair value of share options and warrants granted using assumptions related to interest rates, expected lives of the options, volatility of the underlying security, and expected dividend yields.

The valuation of goodwill is determined using the Corporation's estimates of fair value associated with the goodwill recorded.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The provision for future income taxes are also based on estimates related to the timing of the reversal of temporary differences and the tax rates currently substantively enacted.

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be material.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and investments in highly liquid money market instruments, which are convertible to known amounts of cash in less than three months.

Property, plant and equipment

The Corporation records property, plant and equipment at cost. Such costs include land acquisition, geological and geophysical, drilling of wells, contracted services, interest expense during the course of construction, production equipment and facilities. These capitalized costs are depreciated and/or depleted based on the following rates:

Buildings	- 4% to 10% declining balance
Landfill cells	- units of total capacity utilized in the period
Mobile equipment	- 30% declining balance
Plant infrastructure and equipment	- 10% to 45% declining balance
Disposal wells	- Straight-line over estimated life of well
Furniture and fixtures	- 20% declining balance
Computer equipment	- 30% declining balance

Long lived assets

Management assesses the carrying value of long lived assets for impairment when events or circumstances indicate that the carrying value of those assets may not be recoverable. Such events or circumstances include items such as an ongoing lack of profitability and significant changes in technology. When an indication of impairment is present, management tests for impairment by comparing the carrying value of the asset to its net recoverable amount. Impairment is recognized if the carrying value of the asset exceeds the sum of the undiscounted cash flows expected to result from that asset. If the carrying amount is greater than the net recoverable amount, the asset is written down to its estimated fair value.

Revenue recognition

Revenue is recognized in the period services are provided or performed and when collectability is reasonably assured. Processing and disposal revenue are recorded at the time of delivery. Oil sales are recorded at the time it is delivered to the pipeline.

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less estimated selling costs. The reversal of previous net realizable value write-downs to inventories is permitted when there is a subsequent increase to the value of inventories. The volume of oil held in inventory and the value of the oil inventory will fluctuate based on the normal capacity of the facility and the market price of oil in any given month.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Asset retirement obligations

Estimated future costs relating to retirement obligations associated with well sites and facilities are recognized as a liability, at fair value. The asset retirement cost, equal to the fair value of the retirement obligation, is capitalized at inception as part of the cost of the related asset. These capitalized costs are amortized consistent with depletion and depreciation of the underlying asset. The liability is adjusted at each reporting period to reflect the passage of time, with the accretion charged to statement of operations. Actual costs incurred upon settlement of the obligations are charged against the liability.

Future income taxes

The Corporation follows the liability method of accounting for income taxes. Temporary differences arising from the differences between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax assets or liabilities. Future income tax assets or liabilities are calculated using substantively enacted tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

Stock-based compensation

The Corporation has a stock-based compensation plan. The Corporation follows the fair-value method to record compensation expense with respect to stock options and warrants granted. The fair value of each option or warrant granted is estimated on the date of grant and a provision for the costs is provided for with a corresponding credit to contributed surplus over the vesting period of the option agreement. Compensation expense associated with options issued to employees, consultants, officers and directors of the Corporation are expensed while compensation expense related to broker warrants issued are recorded as share issue costs and deducted from share capital. The consideration received by the Corporation on the exercise of share options and warrants is recorded as an increase to share capital together with corresponding amounts previously recognized in contributed surplus. Forfeitures are accounted for as they occur which could result in recoveries of the compensation expense.

Earnings (loss) per share

The Corporation uses the treasury method for outstanding options and warrants which assumes that the use of proceeds that could be obtained upon exercise of options and warrants in computing diluted earnings (loss) per share are used to purchase the Corporation's common shares at the average market price during the year. The calculation of basic earnings per share has been calculated by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that would occur if stock options and warrants were exercised. Using the treasury method, the calculation of diluted earnings per share has been calculated by dividing net earnings available to common shareholders by the total of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding arising from the exercise of potentially dilutive stock options outstanding during the year.

Capital Disclosures

Capital Disclosures, section 1535, requires management to disclose information about the Corporation's objectives, policies and processes for the management of its capital (note 17).

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Joint interests

A portion of the Corporation's operating activities are conducted jointly with others. The joint venture is accounted for using the proportionate consolidation method. These financial statements reflect only the Corporation's proportionate interest in assets, liabilities, revenues, expenses, and cash flows.

Comprehensive income (loss)

Comprehensive income (loss) is comprised of net earnings (loss) plus or minus changes in equity from transactions and other events from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Amounts recognized in other comprehensive income must eventually be recognized in the statement of operations and these reclassifications are to be disclosed separately. Accumulated other comprehensive income ("AOCI") is included on the consolidated balance sheet as a separate component of shareholders' equity, however during the year, the Corporation did not have any adjustments recognized through comprehensive income and therefore has not disclosed AOCI separately.

Financial Instruments – recognition, measurement, disclosure and presentation

On initial recognition, financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. All financial instruments are classified into one of the following categories: held for trading, held to maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held for trading financial assets are measured at their fair value and changes in fair value are recognized in the statement of operations. Changes in fair value that are recognized in the statement of operations include interest income and unrealized gains or losses. Held to maturity and loans and receivables are measured at amortized cost which is generally the initially recognized amount. Available for sale assets are reported at fair market value with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss, unless any impairment in their value is other than temporary, in which case the loss is charged against earnings. Other financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability upon initial recognition. The Corporation has designated its financial instruments as follows:

- Cash and cash equivalents are classified as "Held for Trading" and are recorded at fair value under level 1.
- Accounts receivable, other receivables and notes receivable are classified as "loans and receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest method, less any allowance for doubtful accounts. For the Corporation, the measurement amount generally corresponds to cost.
- Accounts payable and accrued liabilities, capital lease obligations and long term debt are classified as "Other Financial Liabilities". Initial measurement is at fair value with any transaction costs added to the fair value amount. Subsequently, they are measured at amortized cost using the effective interest method. For the Corporation, the measurement amount generally corresponds to cost.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments disclosure and presentation requires discussions on the significance of financial instruments for the Corporation's financial position and performance and the nature and extent of risks arising from financial instruments to which the Corporation is exposed during the year and at the balance sheet date. See note 15 for how the Corporation manages those risks.

All derivatives and derivative features embedded in financial instruments or other contracts but which are not closely related to the host financial instrument or contract, are initially recorded at fair value. Management assessed that the Corporation had no derivatives or embedded derivatives and did not enter into any contracts containing derivatives or embedded derivatives during the course of the year.

Financing fees

Transaction costs incurred to obtain short-term borrowings are deferred and amortized on a straight-line basis over the term of the credit agreement. Amortization is a non-cash charge to financing expenses. Transaction costs related to long-term debt are offset against the outstanding principle balance of the debt. The transaction costs are recognized as interest expense over the expected life of the debt using the effective interest rate method.

(d) Future Accounting and Reporting changes

Business combinations, Consolidated financial statements and Non-controlling interests

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests. The new Business Combinations standard provides guidance as to what an acquirer must measure when it obtains control, the basis of valuation and the date at which the valuation should be determined. The majority of acquisition-related costs must be expensed in the periods they are incurred. Section 1582 will be applicable for acquisitions that are completed on or after November 1, 2011 although early adoption in 2010 is permitted to facilitate the transition to IFRS in 2011. The Consolidated Financial Statements standard provides clarification for preparing consolidated financial statements after the acquisition date. The Non-controlling Interests standard provides guidance on the accounting and presentation of non-controlling interest. All of these new standards must all be adopted concurrently. The Corporation currently does not expect adoption of these new standards will impact the financial statements as currently presented, although accounting for future acquisitions may be affected.

International Financial Reporting Standards

On February 13, 2008, the AcSB confirmed 2011 as the official changeover date from current Canadian GAAP to IFRS. The Corporation will transition to IFRS on January 1, 2011 which will require, for comparative purposes, the restatement of amounts reported on the Corporation's opening IFRS balance sheet as at January 1, 2010 and amounts reported by the Corporation for the year ended December 31, 2010.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following list illustrates the areas of accounting difference of highest potential impact to the Corporation on transition to IFRS. The quantitative impact on future financial position and results of operations is not fully determinable or estimable at this time.

(a) Property, Plant and Equipment

The basic principles of accounting for property, plant and equipment under Canadian GAAP handbook section 3061 and International Accounting Standards (IAS 16) are similar; however, differences in application do exist. IAS 16 requires the parts or components approach and depreciation is based on the expected useful life of the parts or components. This method of componentizing property, plant and equipment may result in an increased number of component parts that are recorded and depreciated. In addition, IAS 16 requires the capitalization of major inspections that were previously expensed under Canadian GAAP. As a result, this may impact the cost of the asset and the calculation of depreciation expense. The Corporation can elect to use the cost model or the revaluation model to measure its property, plant and equipment.

The Corporation has elected to use the cost model. The capitalization of borrowing costs to the value of an asset in accordance with IAS 23, Borrowing Costs, will not have an impact as the Corporation currently capitalizes borrowing costs under Canadian GAAP.

Under IAS 17, accounting for property, plant and equipment capital leases takes a substance over form approach to classifying leases as either capital or operating, stating that the classification depends on the substance of the transaction rather than the form of the contract (risks and rewards transferred, etc.). Operating leases are recognized in the same manner as Canadian GAAP. As a result, this classification may result in operating leases becoming capital leases recorded under property, plant and equipment. The International Accounting Standards Board ("IASB") has currently released an Exposure Draft on lease accounting that could result in a significantly different accounting model therefore the final extent of the impact of IAS 17 may change pending the outcome of this project in 2010.

(b) Impairment of Assets

Under IAS 36, Impairment of Assets, an asset is impaired when the recoverable amount is less than carrying amount. Recoverable amount is the higher of fair value less costs to sell or value in use (Present Value of discounted cash flows) derived from the asset or cash generating unit ("CGU"). The use of discounted cash flows under IAS 36 to test and measure asset impairment differs from Canadian GAAP where undiscounted future cash flows are used to compare against the asset's carrying value to determine if impairment exists. Impairment therefore can be more likely with discounted cash flows when calculating value in use; however, IAS 36 does allow reversal of impairment losses. This differs from Canadian GAAP, which prohibits the reversal of previously recognized impairment losses. The Corporation's assets will be subject to the new application for testing and measuring asset impairments which may result in some impairments being recognized or reversed under IAS 36 that would not have been required or permitted under Canadian GAAP.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Share-Based Payments

Under Canadian GAAP, section 3870, share options granted vest in installments (tranches) over the vesting period, where the total grant can be valued at grant date with the corresponding stock-based compensation expense recognized in a straight line method over the vesting period of the options. This differs under IFRS 2, Share-Based Payments, where share options granted vest in installments (tranches) over the vesting period, and each tranche is treated as a separate share option grant, and subsequently valued at the start of each tranche's vesting period. Corresponding stock-based compensation expense will be calculated at the start of each vesting period with fair value inputs that exist at that time. IFRS 2 also requires the use of the fair value method for valuing options and companies are required to estimate forfeitures at the start of the vesting period. This may change the amount the Corporation recognizes as stock-based compensation as well as the timing of recognition. The Black-Scholes model is currently being used for option valuation, which is also permitted under IFRS. No change in option valuation method is required.

(d) IFRS 1, First-Time Adoption of International Financial Reporting Standards

The first-time adoption of International Financial Reporting Standards states that, in general, an entity shall apply the principles under IFRS retrospectively. IFRS 1 provides the framework and specifies that, the adjustments that arise on retrospective conversion to IFRS from another GAAP should be recognized directly in retained earnings. There are certain optional exemptions and mandatory exceptions to retrospective application, both of which are clarified under IFRS 1. The Corporation has made preliminary decisions with regards to the elective exemptions available upon transition, however a final decision is pending.

Fair Value or Revaluation as Deemed Cost

The Corporation has the elective option upon transitioning to IFRS to reset the cost of its property, plant and equipment based on fair value in accordance with the provisions of IFRS 1. The Corporation expects not to take this election upon transitioning to IFRS.

Share-Based Payments

The Corporation has the option to elect under IFRS 1 to elect not to revalue options that have vested before January 1, 2010. Options that vest after this date are required to be revalued under IFRS 2, Share-Based Payments. The Corporation expects to apply this election upon transitioning to IFRS.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

3. BUSINESS ACQUISITIONS

On September 30, 2008, the Corporation purchased all of the issued and outstanding common shares of TriPoint Energy Solutions Inc. ("TriPoint"), a privately held company incorporated under the laws of the province of British Columbia, for cash consideration of \$5,921,095 plus transaction costs of \$90,474. TriPoint operates in northern British Columbia and is primarily engaged in produced and waste water disposal and oilfield waste processing.

Consideration:	\$
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Cash	5,921,095
Transaction costs	90,474
Total consideration	6,011,569

Assets acquired:	\$
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Cash	290,450
Accounts receivable	419,826
Prepays	2,214
Intangibles	347,676
Property, plant and equipment	4,721,996
Goodwill	1,905,677
Total assets	7,687,839

Liabilities acquired:	\$
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Accounts payable	(17,844)
Income taxes payable	(182,721)
Future income tax liabilities	(1,198,246)
Asset retirement obligations	(202,352)
Capital lease obligations	(75,107)
Total Liabilities	(1,676,270)

Net assets acquired	6,011,569
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SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

4. JOINT VENTURES

The Corporation has a 50% joint venture interest with Pembina Pipeline Corporation for the operation of a portion of a full service terminal facility in La Glace, Alberta. The joint venture shares revenues and expenses associated with clean oil terminalling, custom treating of crude oil, crude oil marketing, and produced water disposal. The following amounts relating to the joint venture are included in the consolidated financial statements:

	Dec 31, 2009 \$	Dec 31, 2008 \$
Balance sheet		
Cash	146,734	(15,455)
Accounts receivable	363,951	425,399
Other receivables	80,883	101,823
Prepaid expenses	43,134	9,090
Inventory	222,030	27,861
Assets under construction	33,951	370,472
Property plant & equipment	6,678,383	6,835,148
Accounts payable	(299,361)	(249,142)
Current portion of capital lease	(34,815)	(34,813)
Long term capital lease	(29,012)	(63,627)
Asset retirement obligations	(190,392)	(177,958)
Statement of Operations		
Revenue	2,708,546	441,983
Operating expenses	(1,577,477)	(218,457)
Depreciation	(1,033,112)	(317,513)
Cash Flows		
Operating activities	1,035,465	(326,637)
Financing activities	(311,270)	6,264,166
Investing activities	(562,006)	(5,951,896)
Increase (decrease) in Cash	162,189	(14,367)
Cash – beginning of year	(15,455)	(1,088)
Cash – end of year	146,734	(15,455)

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****5. INVENTORIES**

	Dec 31, 2009	Dec 31, 2008
	\$	\$
Spare parts and supplies	86,432	51,510
Crude oil/Condensate	595,330	27,861
TOTAL	681,762	79,371

Minor spare parts and supplies are carried as inventory and expensed in the statement of operations when used. Crude oil/Condensate inventory held fluctuates based on the operating capacity of the facility and the facility's ability to ship oil through its pipeline connected facilities at the end of any given period.

6. NOTES RECEIVABLE

In March 2007, the Corporation entered into an interest bearing promissory note and pledge agreement with three of its shareholders, who are also officers or employees of the Corporation. The principle amount is \$400,000 and the notes bear interest at a rate of 5% per annum. The proceeds of the loan were used to purchase shares in the Corporation. As security for the loan, the shareholders have pledged their shares of the Corporation. Total interest accrued to date is \$58,724 (2008: \$36,392) for a total amount outstanding as at December 31, 2009 of \$458,724 (2008: \$436,392). The notes are repayable on demand and are due on March 23, 2012.

7. ASSETS UNDER CONSTRUCTION

The Corporation will commence depreciation on the projects under construction when the project is complete and available for use. Equipment under refurbishment will be allocated to an ongoing construction project and will be depreciated when it is available for use.

	Dec 31, 2009	Dec 31, 2008
	\$	\$
Projects under construction	6,070,187	22,218,195
Equipment (under refurbishment)	1,274,807	918,212
TOTAL	7,344,994	23,136,407

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****8. PROPERTY, PLANT AND EQUIPMENT**

As at December 31, 2009	Cost \$	Accumulated Depreciation Depletion	Net Book Value
Land	20,608	—	20,608
Buildings	6,083,040	(529,110)	5,553,930
Plant Infrastructure, Equipment & Landfill cells	59,082,761	(11,174,778)	47,907,983
Mobile Equipment	1,066,066	(264,882)	801,184
Disposal Wells	24,647,634	(1,552,120)	23,095,514
Furniture & Fixtures	419,160	(99,507)	319,653
Computer Equipment	1,057,417	(372,917)	684,500
TOTAL	92,376,686	(13,993,314)	78,383,372

As at December 31, 2008	Cost \$	Accumulated Depreciation Depletion	Net Book Value
Land	20,608	—	20,608
Buildings	3,215,747	(107,335)	3,108,412
Plant Infrastructure, Equipment & Landfill cells	31,611,377	(3,139,089)	28,472,288
Mobile Equipment	1,110,220	(132,620)	977,600
Disposal Wells	16,770,452	(216,291)	16,554,161
Furniture & Fixtures	286,946	(34,035)	252,911
Computer Equipment	798,529	(138,623)	659,906
TOTAL	53,813,879	(3,767,993)	50,045,886

During the year, the Corporation completed two new operating facilities. The Obed water disposal facility was completed and available for use in May 2009. The Fox Creek full service terminal was completed and available for use in July 2009. During 2009, the Corporation capitalized \$32,341 (2008: nil) of interest and \$145,329 (2008: nil) of general and administrative expenses as part of the costs of construction.

Included in property plant and equipment is mobile equipment under a capital lease arrangement with a net book value of \$801,184 (2008: \$977,600). The capital lease obligations over the next five years are disclosed in note 20.

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****9. INTANGIBLE ASSETS**

In September 2008, the Corporation completed a business acquisition of TriPoint Energy Solutions Inc. (“TriPoint”) (note 3). As a result, intangibles of \$347,676 were recorded as part of the purchase price allocation. Non-competition agreements and customer relationships are amortized on a straight-line basis over their estimated useful lives of 5 years.

As at December 31, 2009

	Cost \$	Accumulated Amortization	Net Book Value
Non-competition agreements	93,215	(20,189)	73,026
Customer relationships	254,461	(55,141)	199,320
TOTAL	347,676	(75,330)	272,346

As at December 31, 2008

	Cost \$	Accumulated Amortization	Net Book Value
Non-competition agreements	93,215	(1,553)	91,662
Customer relationships	254,461	(4,241)	250,220
TOTAL	347,676	(5,794)	341,882

10. LONG TERM DEBT

As at:	Dec 31, 2009 \$	Dec 31, 2008 \$
Amount drawn on the secured credit facility	4,900,000	—
Financing fees	(112,500)	—
Long Term Debt	4,787,500	—

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

10. LONG TERM DEBT *(continued)*

In December 2008, the Corporation entered into a secured credit facility (the "Facility") with a Canadian financial institution, consisting of a \$25.0 million revolving demand loan facility. The interest rate on the Facility ranged from 1.0 to 2.5% above the Bank Prime rate. The Facility was renewable on December 31, 2009. As part of the issuance of the Facility, the Corporation incurred financing fees in the amount of \$192,000, of which the entire amount was deferred and amortized on a straight line basis over the renewable period of the Facility. At December 31, 2008, no amounts were drawn on the Facility.

During December 2009, the Corporation renegotiated the terms under its existing Facility. The new secured credit facility (the "Credit Facility") consists of a \$35.0 million committed revolving term facility, renewable on May 31, 2011, bearing interest at 1.5 to 2.5 % above the Bank Prime rate, depending on certain minimum financial ratios to be maintained by the Corporation (note 17). The Credit Facility is a multi-use facility to provide capital project financing, working capital requirements and letters of guarantee in support of financial security requirements. As part of the issuance of the various credit facilities, the Corporation incurred transaction costs in the amount of \$112,500, of which the entire amount has been offset against the outstanding principle balance of the debt. The transaction costs are recognized as interest expense over the minimum term of the debt using the effective interest rate method. At December 31, 2009, \$4.9 million had been drawn on the facility and the Corporation had issued \$8,379,980 letters of guarantees (note 16).

As security for the Credit Facility, the Corporation granted lenders a security interest over all of its present and after acquired property. A \$200 million debenture provides a first fixed charge over the Corporation's real properties and a floating charge over all present and after acquired property not subject to the fixed charge.

11. ASSET RETIREMENT OBLIGATIONS

The future asset retirement obligations were estimated by management based on the Corporation's estimated costs to remediate, reclaim and abandon the Corporation's facilities and estimated timing of the costs to be incurred in future periods. The Corporation has estimated the net present value of its total asset retirement obligation to be \$3,144,712 (2008: \$2,370,092) at December 31, 2009 based on a total future liability of \$7,336,379 (2008: \$6,047,690) as at December 31, 2009. These costs are expected to be incurred over the next three to twenty-five years. The Corporation's credit adjusted risk free interest rate of 7% and an inflation rate of 3% were used to calculate the net present value of asset retirement obligation.

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****11. ASSET RETIREMENT OBLIGATIONS (continued)**

The following table provides a reconciliation of the Corporation's asset retirement obligations:

	Dec 31, 2009	Dec 31, 2008
	\$	\$
Obligation – beginning of year	2,370,092	196,637
Obligations added through development activities	990,962	1,900,117
Obligations added through acquisitions (note 3)	–	202,352
Revisions to estimates	(406,312)	–
Accretion expense	189,970	70,986
Obligation – end of year	3,144,712	2,370,092

12. SHARE CAPITAL**a) Authorized**

Unlimited number of common voting shares of no par value

Unlimited number of preferred shares of no par value

b) Issued and outstanding

	Number of Shares	Amount \$
Balance – December 31, 2007	19,260,760	23,811,911
Private placement	20,701,315	63,273,179
Share issue costs	–	(2,275,667)
Future tax effect of share issue costs	–	683,651
Balance – December 31, 2008	39,962,075	85,493,074
Private placement	1,658,217	4,510,350
Employee share ownership plan	11,699	31,861
Share issue costs	–	(59,729)
Future tax effect of share issue costs	–	16,794
Balance – December 31, 2009	41,631,991	89,992,350

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****12. SHARE CAPITAL (continued)****c) Stock Option Plan**

The Corporation has a stock option plan, under which the Corporation may grant options to its employees, directors and consultants for up to 10% of the total shares of common stock issued and outstanding at the time of option grant. The number of options and the exercise price thereof is set by the Board of Directors at the time of grant, provided that the exercise price shall not be less than the fair market value of the common shares. The options granted may be exercisable for a period and may vest at such times as the Board of Directors may determine at the time of grant.

Options issued under the plan have a term of five years to expiry and vest over a three year period starting one year from the date of the grant. A summary of the status of the Corporation's stock option plan is shown below:

December 31, 2009			December 31, 2008	
	Outstanding Options	Weighted average exercise price \$	Outstanding Options	Weighted average exercise price \$
Balance- beginning of year	2,288,500	1.67	1,464,500	1.26
Granted	1,159,400	2.59	824,000	2.40
Exercised	—	—	—	—
Cancelled	—	—	—	—
Balance – end of year	3,447,900	1.98	2,288,500	1.67
Exercisable – end of year	1,266,333	1.53	488,167	1.26

Options outstanding				Options exercisable	
Exercise price \$	Outstanding Options #	Weighted average exercise price \$	Weighted average remaining term (years)	Exercisable Options	Weighted average exercise price \$
1.00 -1.50	1,611,000	1.28	2.6	1,025,167	1.27
2.00 -2.72	1,790,900	2.57	4.1	225,833	2.60
3.40	46,000	3.40	3.8	15,333	3.40
	3,447,900	1.98	3.4	1,266,333	1.53

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****12. SHARE CAPITAL (continued)**

Compensation cost of \$280,768 (2008: \$162,464) has been recognized in the year for stock options granted. These costs are recorded as stock-based compensation expense with the offsetting amount being credited to contributed surplus. The fair value of options granted to employees and directors was estimated at the date of grant using the minimum value method in the Black-Scholes Option Pricing Model, including assumptions of nil volatility and the following:

	2009	2008
Weighted average risk-free interest rate	2.13%	2.91%
Weighted average expected life in years	5.0	5.0
Weighted average expected annual dividends per share	Nil	Nil
Weighted average fair value per option	\$ 0.21	\$ 0.32

d) Performance warrants

The Corporation has a performance warrant plan, under which the Corporation may grant performance warrants to its employees, directors and consultants to a maximum of the amount of 1,075,994 performance warrants available and outstanding at the time of the grant. The number of warrants issued is approved by the Board of Directors at the time of grant. There are currently no remaining performance warrants to be granted. Performance warrants issued under the plan have a term of five years to expiry from the date of the grant and vest 1/3, 1/3, 1/3 based on predetermined threshold amounts of \$3.00, \$3.50 and \$4.25, respectively. The threshold amounts are determined by the price per common share received from a brokered arm's length financing or a sale or the price paid per common share in aggregate. If the Corporation is listed on an exchange, the weighted average trading price for a period of 45 consecutive days is used to determine the threshold amount. A summary of the status of the Corporation's performance warrants is shown below:

	December 31, 2009		December 31, 2008	
	Outstanding Warrants	Weighted average exercise price \$	Outstanding Warrants	Weighted average exercise price \$
Balance-beginning of year	1,075,994	1.50	1,075,994	1.50
Granted	—	—	—	—
Exercised	—	—	—	—
Cancelled	—	—	—	—
Balance – end of year	1,075,994	1.50	1,075,994	1.50
Exercisable – end of year	358,664	1.50	358,664	1.50

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****12. SHARE CAPITAL (continued)**

The following table summarizes information about performance warrants outstanding at December 31, 2009:

Exercise price \$	Warrants outstanding			Warrants exercisable	
	Warrants Outstanding	Weighted average remaining contractual life in years	Weighted average exercise price \$	Warrants Exercisable	Weighted average exercise price \$
1.50	1,075,994	2.5	1.50	358,664	1.50

Compensation cost of \$178,103 (2008: \$21,210) has been recognized in the year ended December 31, 2009 for performance warrants issued. The expense is based on the predetermined thresholds and management's best estimate of fair value of the Corporation's shares at the date of the grant. There were no warrants issued in 2008 or 2009.

e) Contributed surplus

	December 31, 2009	December 31, 2008
Balance – beginning of year	235,035	51,361
Stock-based compensation	458,871	183,674
Balance – end of year	693,906	235,035

f) Employee Share Ownership Plan

The Employee Share Ownership Plan ("ESOP") allows employees to become owners of the Corporation's shares. Employees may contribute up to 5% of their base salaries in the ESOP. As at December 31, 2009, employees contributed \$62,679 into the plan. The Corporation will match contributions up to 5% based on the employee's years of service with the Corporation. The Corporation's matching expense was \$12,695. The program was implemented in the third quarter of 2009. Shares for the fourth quarter will be issued subsequent to year end.

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****13. PER SHARE INFORMATION**

For 2009, the weighted average number of common shares outstanding was 40,857,737 (2008: 29,629,577). The diluted weighted average number of common shares outstanding during 2009 was 41,788,605 (2008: 30,252,502). This amount has not been included in the calculation of diluted loss per share because to do so would be anti-dilutive.

14. INCOME TAX

	2009	2008	2007
Loss before income taxes	(3,350,296)	(2,364,888)	(1,799,178)
Combined federal and provincial income tax rate	29.00%	29.50%	32.62%
Tax effect	(971,586)	(697,642)	(586,892)
Goodwill – write off	–	–	50,887
Stock-based compensation	133,073	54,184	16,754
Non-capital losses on amalgamation	–	–	(48,172)
Tax effect of rate changes	215,508	(216,230)	34,054
Other	30,251	23,361	(22,295)
Future income tax recovery	(592,754)	(836,327)	(555,664)

The components of the net future income tax asset as at December 31, 2009 were as follows:

	2009	2008	2007
Future income tax assets:			
Share issue costs	459,537	613,707	158,272
Asset Retirement Obligations	68,087	18,948	–
Other	634	698	–
Non-capital losses carried forward	4,913,825	2,718,280	560,842
	5,442,083	3,351,633	719,114
Future income tax liabilities:			
Intangibles	(72,807)	(91,397)	–
Property, plant and equipment	(3,724,060)	(2,224,568)	(5,178)
Net future income tax asset	1,645,216	1,035,668	713,936

The Corporation's non-capital losses of \$17,868,453 (2008: \$9,373,379) expire between 2027 and 2029.

SECURE ENERGY SERVICES INC.**Notes to Consolidated Financial Statements****For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007****15. FINANCIAL INSTRUMENTS****Financial instruments – carrying values and fair values**

The fair values of financial assets and liabilities, together with the carrying amounts included in the consolidated balance sheets, are as follows:

	December 31, 2009		December 31, 2008	
	Carrying amount \$	Fair value amount \$	Carrying amount \$	Fair value amount \$
Financial assets:				
Held for trading:				
Cash and cash equivalents	234,875	234,875	14,891,800	14,891,800
Loans and receivables:				
Accounts receivable	5,694,436	5,694,436	4,372,662	4,372,662
Other receivables	–	–	1,317,411	1,317,411
Notes receivables	458,724	458,724	436,392	436,392
Financial liabilities:				
Other financial liabilities:				
Accounts payable	3,326,188	3,326,188	11,716,102	11,716,102
Capital lease obligations	564,525	564,525	844,886	844,886
Long term debt	4,787,500	4,900,000	–	–

Financial instruments – nature and extent of risks

The Corporation is exposed to various risks resulting from its financial assets and liabilities. The following analysis provides a measure of the risks as at December 31, 2009:

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Corporation was exposed to interest rate risk during the year as it had borrowed funds at variable interest rates as disclosed in note 10. The Corporation currently does not use interest rate hedges or fixed interest rate contracts to mitigate the Corporation's exposure to interest rate fluctuations.

Commodity Price Risk

The value of the Corporation's oil inventory is impacted by the market price of oil. Oil prices have historically fluctuated widely and are affected by numerous factors outside of the Corporation's control. The Corporation has elected not to actively manage our commodity risk at this time as our exposure to these fluctuations is not considered significant.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

15. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

The Corporation provides credit to its customers in the normal course of operations. The Corporation's credit risk policy includes performing credit evaluations of its customers. Substantially all of the Corporation's accounts receivable are due from companies in the oil and gas industry and are subject to the normal industry credit risks. The carrying value of accounts receivable reflects management assessment of the associated risks.

The following is a schedule of trade receivables:

	Dec 31, 2009 \$	Dec 31, 2008 \$
Under 30 days	1,958,666	981,424
31-60 days	582,905	618,173
61-91 days	475,733	287,164
Over 90 days	213,196	417,884
Accounts receivable	3,230,500	2,304,645

The Corporation assesses each quarter if there should be any impairment of the financial assets of the Corporation. During the year ended December 31, 2009, there was an impairment required on the financial assets of the Corporation for \$41,860 (2008: \$110,012) relating to one trade receivable.

The Corporation is exposed to credit risk with respect to its cash and cash equivalents. However, the risk is minimized as cash is held at a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet financial obligations at the point at which they are due. Management's approach to managing this risk includes utilizing detailed forecasting and monthly budgeting, to ensure liquidity is available when the financial obligations are due. Management's assessment of its liquidity reflects estimates, assumptions and judgments relating to current market conditions.

The timing of cash outflows relating to financial liabilities are outlined in the table below:

	Less than 1 year \$	1 year to less than 3 years \$
Accounts payable and accrued liabilities	3,326,188	—
Capital and operating lease obligations	902,734	547,881
Long term debt	—	4,900,000
Total	4,228,922	5,447,881

There are no amounts greater than four years.

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

16. LETTERS OF GUARANTEE

As at December 31, 2009, the Corporation has approximately \$8,379,980 in letters of guarantee issued by the Corporation's banker. The current fee for the issued guarantees is 1.5%. All guarantees are not cash secured and have been deducted from the Corporation's available secured credit facility (note 10). The guarantees relate to security for the Corporation's facilities and are held with Alberta regulatory bodies (note 11).

17. CAPITAL MANAGEMENT

The Corporation's objective in capital management is to ensure adequate sources of capital are available to carry out its planned capital program, while maintaining operational growth and increased cash flow so as to sustain future development of the business and to maintain creditor and shareholder confidence. Management considers capital to be the Corporation's current assets less current liabilities, total debt facilities and shareholders' equity as the components of capital to be managed.

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 of Directors, reviewing on a monthly basis, the Corporation's monthly results, capital costs to budget and approved authorizations for expenditure. The key measures management uses to monitor its capital structure are actual capital expenditures compared to authorized budgets, operating margins by facility, and earnings before interest, taxes, and depreciation ("EBITDA") on all of its operations.

Management will manage its debt to maintain compliance with the various financial covenants contained within its secured credit facility (note 10). Those covenants are as follows:

- the working capital ratio may not be less than 1.25:1;
- the fixed charge coverage ratio may not be less than 1.25:1;
- the ratio of tangible assets to funded debt may not be less than 2.00:1;
- the ratio of funded debt to EBITDA (12 month trailing) may not exceed 3.50:1

18. GOODWILL

On April 24, 2007, pursuant to an Amalgamation Agreement, the Corporation completed an amalgamation with 1232711 Alberta Ltd. The acquisition has been accounted for by the purchase method, under which goodwill of \$155,998 was recognized. Subsequent to the amalgamation, management re-assessed the goodwill balance and determined the entire amount was impaired. The impairment of goodwill was recorded as a non-cash charge to earnings in 2007. The goodwill as at December 31, 2009 relates to the acquisition of TriPoint (note 3).

SECURE ENERGY SERVICES INC.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009, 2008 and for the period from April 25, 2006 to December 31, 2007

19. RELATED PARTY TRANSACTIONS

As discussed in note 6, the Corporation entered into an interest bearing promissory note and pledge agreement with three of its shareholders who are also officers or employees of the Corporation. In addition, the Corporation incurred \$204,122 of expenses with companies that have common directors, officers and shareholders. These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

20. COMMITMENTS & CONTINGENCIES

The Corporation has both capital and operating lease commitments. The future minimum lease payments are as follows:

Year	Capital	Operating
2010	347,324	555,410
2011	178,385	199,736
2012	26,576	115,057
2013	12,240	15,885
2014	—	—

In December 2007, the Corporation was named as a co-defendant in a lawsuit on behalf of CCS Inc., seeking to recover damages in the aggregate of \$110 million allegedly sustained by them pertaining to actions by former employees who are now employees of the Corporation. During 2008, the Defendants filed their Statements of Defence and counter claim. The matters raised in the lawsuit are considered by the Corporation to be unfounded and unproven allegations that will be vigorously defended, although no assurances can be given with respect to the outcome of such proceedings. The Corporation believes it has valid defences to this claim and accordingly has not recorded any related liability.

21. SUBSEQUENT EVENT

The Corporation filed a final prospectus dated March 23, 2010 in all the provinces, with the exception of Quebec, of Canada for an initial public offering of a minimum of 13,333,334 common shares and a maximum of 19,166,667 common shares (up to a minimum of 15,333,334 common shares and a maximum of 22,041,667 common shares if the Agent's over-allotment option is exercised in full) at a price of \$3.00.

Schedule “B”

MANDATE OF THE BOARD OF DIRECTORS

SECURE ENERGY SERVICES INC.

In accordance with the recommendation of the Corporate Governance Committee (the “Committee”) the board of directors (the “Board”) of Secure Energy Services Inc. (the “Corporation”) wishes to formalize the guidelines pursuant to which the Board fulfills its obligations to the Corporation. The Board acknowledges the Corporate Governance Guidelines set forth in National Policy 58-201 (“NP 58-201”) and the overriding objective of promoting appropriate behaviour with respect to all aspects of the Corporation’s business. In consultation with the Committee, the Board will review and modify its mandate, as applicable, to reflect changes to the business environment, industry standards on matters of corporate governance, additional standards which the Board believes may be applicable to the Corporation’s business, the location of the Corporation’s business and its shareholders and the adoption and implementation of relevant laws and policies.

These guidelines are intended to be flexible and to provide direction to the Board in conjunction with its legal obligations and mandate from the shareholders to oversee and direct the affairs of the Corporation.

BOARD RESPONSIBILITIES

As recommended by the provisions of NP 58-201, the Board explicitly acknowledges responsibility for the stewardship of the Corporation, including responsibility for the following:

1. to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (“CEO”) and other executive officers and ensuring that the CEO and other executive officers create a culture of integrity throughout the organization;
2. adopting a strategic planning process for the Corporation, approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of that business and monitoring performance against those plans;
3. identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate risk management systems; adopting policies and processes to identify business risks; addressing what risks are acceptable to the Corporation and ensuring that systems and actions are put in place to manage them;
4. considering succession planning, including making recommendations to the shareholders of the Corporation;
5. approving the Corporation’s communication policy and other relevant policies, including insider trading and operations, environmental, health and safety matters;
6. ensuring the integrity of the internal control framework and management information systems;
7. approving annual capital and operating plans and monitoring performance against those plans;
8. developing an approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;
9. developing measures for receiving feedback from shareholders and other stakeholders on the business of the Corporation and other matters whether through investor relations, the CEO or other mechanics independent of management;
10. developing guidelines with respect to expectations and responsibilities of directors;

11. developing clear position descriptions for the Chair of the Board and the chair of each board committee;
12. together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities;
13. developing or approving the corporate goals and objectives that the CEO is responsible for meeting; and
14. conducting regular assessments to determine whether the Board, its committees and individual directors are contributing and functioning effectively.

COMPOSITION OF THE BOARD

1. Criteria for the Board of Directors

The majority of the Board shall be "independent" of the Corporation, within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*. The Board is responsible for making the determination of whether a director is independent. It will be the responsibility of the Committee to implement a process for assessing the effectiveness of the Board, its committees and each individual Board member and shall review with the Board, on an annual basis, the results of their assessment.

2. Size of the Board

The size of the Board shall enable its members to effectively and responsibly discharge their responsibilities to the Corporation and to the shareholders of the Corporation. The demands upon the Board will likely evolve with the future growth and development of the Corporation. The size of the Board should be considered over time and within the context of the development of the business of the Corporation, the formation of committees, the workload and responsibilities of the Board and the required expertise and experience of members of the Board.

BOARD COMMITTEES

- The Board shall, at this time, have the following standing committees:
 1. Audit Committee;
 2. Corporate Governance Committee; and
 3. Compensation Committee.
- The responsibilities of the foregoing committees shall be as set forth in the mandates for these committees as prescribed from time to time by the Board.
- The Board Committees shall be comprised of a sufficient number of "independent" directors so as to comply with applicable laws.
- Appointment of members to standing committees shall be the responsibility of the Board, having received the recommendation of the Committee, based upon consultations with the members of the Board. In this regard, consideration should be given to rotating committee members from time to time and to the special skills of particular directors. Committee chairs will be selected in accordance with the mandates of such committees. The committee chairs will be responsible for determining the agenda of meetings of their respective committees and determining the frequency and length of meetings, provided that each committee must meet at least semi-annually (with recommended meetings three to four times per year).

- The Board shall regularly assess the effectiveness of each of the standing committees. An assessment should consider, among other things, the mandate of each standing committee and the contribution of each member thereof.
- The Board may constitute additional standing committees or special committees with special mandates as may be required or appropriate from time to time. In appropriate circumstances, the committees of the Board shall be authorized to engage independent advisors as may be necessary in the circumstances.
- In discharging his or her obligations, an individual director may engage outside advisors, at the expense of the Corporation, in appropriate circumstances and subject to the approval of the Committee.

SELECTION OF NEW DIRECTORS & CHAIRMAN OF THE BOARD

- The Board will ultimately be responsible for nominating and appointing new directors and for the selection of its Chairman. However, initial responsibility for identifying and nominating Board members shall reside with the Corporate Governance Committee.
- The process of identifying and recommending new directors shall be the responsibility of the Corporate Governance Committee, following consultation with members of the Board at large.
- Invitations to join the Board should be extended by the Chairman.
- New members of the Board should be provided with an orientation and education program as to the nature of the business of the Corporation, current issues, strategies and responsibilities of directors.

BOARD EXPECTATIONS OF SENIOR MANAGEMENT AND ACCESS TO SENIOR MANAGEMENT

- Management is responsible for the day to day operation of the Corporation.
- Upon invitation of the Board, members of management shall attend Board meetings in order to expose directors to key members of the management team, to provide reports in their specific areas of expertise and provide additional insight into matters being considered by the Board. The Board will typically schedule a portion of each meeting as a meeting solely of the independent directors.

MEETING PROCEDURES

- The members of the Board, the Corporate Secretary and a secretary to the meeting should be invited to any regularly constituted meeting of the Board. Officers or other persons shall attend by invitation only and for those elements of the meetings where their input is sought by the Directors.

Schedule “C”
MANDATE OF THE AUDIT COMMITTEE
SECURE ENERGY SERVICES INC.

OBJECTIVES

The Audit Committee is appointed by the board of directors (the “Board”) of Secure Energy Services Inc. (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities.

The Audit Committee’s primary duties and responsibilities are to:

- monitor the integrity of the Corporation’s financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance;
- assist Board oversight of: (i) the integrity of the Corporation’s financial statements; and (ii) the Corporation’s compliance with legal and regulatory requirements;
- monitor the independence, qualification and performance of the Corporation’s external auditors; and
- provide an avenue of communication among the external auditors, management and the Board.

The Audit Committee will continuously review and modify this mandate with regards to, and to reflect changes in, the business environment, industry standards on matters of corporate governance, additional standards which the Audit Committee believes may be applicable to the Corporation’s business, the location of the Corporation’s business and its shareholders and the application of laws and policies.

COMPOSITION

Audit Committee members must meet the requirements of applicable securities laws and of the stock exchanges on which the securities of the Corporation trade. The Audit Committee will be comprised of three or more directors as determined by the Board. Each member of the Audit Committee shall be “independent” and “financially literate”, as those terms are defined in National Instrument 52-110 *Audit Committees* (“NI 52-110”) of the Canadian Securities Administrators (as set out in Schedule “A” hereto), and as “financially literate” is interpreted by the Board in its business judgement.

Audit Committee members shall be appointed annually by the Board. The Chair of the Audit Committee shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Audit Committee may designate a Chair by majority vote of the Audit Committee membership.

MEETINGS AND MINUTES

The Audit Committee shall meet at least four times annually, or more frequently if determined necessary to carry out its responsibilities.

A meeting may be called by the Chairman of the Audit Committee, the Chief Executive Officer of the Corporation (the “CEO”) or any member of the Audit Committee. A notice of time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee at least two business days prior to the time fixed for such meeting, unless waived by all members entitled to attend. Attendance of a member of the Audit Committee at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

A quorum for meetings of the Audit Committee shall require a majority of its members present in person or by telephone. If the Chair is not present at any meeting of the Audit Committee, one of the other members of the Audit

Committee present at the meeting will be chosen to preside by a majority of the members of the Audit Committee present at that meeting.

The President and CEO shall be available to advise the Audit Committee, shall receive notice of meetings and may attend meetings of the Audit Committee at the invitation of the Chair. Other management representatives, as well as the Corporation's external auditors, shall be invited to attend as necessary. Notwithstanding the foregoing, the Chair shall hold *in camera* sessions, without management present, at every meeting of the Audit Committee.

Decisions of the Audit Committee shall be determined by a majority of the votes cast.

The Audit Committee shall appoint a member of the Audit Committee, other officer of the Corporation or legal counsel to act as secretary at each meeting for the purpose of recording the minutes of each meeting.

The Audit Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Audit Committee. All information reviewed and discussed by the Audit Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

SCOPE, DUTIES AND RESPONSIBILITIES

MANDATORY DUTIES

REVIEW PROCEDURES

Pursuant to the requirements of NI 52-110 and other applicable laws, the Audit Committee will:

1. Review and reassess the adequacy of the Audit Committee's mandate at least annually, and submit the mandate to the Board for approval.
2. Prior to filing or public distribution, review, discuss with management and the external auditors and recommend to the Board for approval, the Corporation's audited annual financial statements, annual earnings press releases, annual information forms, management's discussion and analysis, financial statements required by regulatory authorities, all prospectuses and all documents which may be incorporated by reference into a prospectus, including without limitation, the annual proxy circular. Approve, on behalf of the Board, the Corporation's interim financial statements and related management's discussion and analysis and interim earnings press releases. This review should include discussions with management, and the external auditors of significant issues regarding accounting principles, practices and judgements.
3. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in paragraph 2 above and periodically assess the adequacy of those procedures.
4. Be responsible for reviewing the disclosure contained in the Corporation's annual information form as required by Form 52-110F1 *Audit Committee Information Required in an AIF*, attached to NI 52-110. If proxies are solicited for the election of directors of the Corporation, the Audit Committee shall be responsible for ensuring that the Corporation's information circular includes a cross-reference to the sections in the Corporation's annual information form that contain the information required by Form 52-110F1.

EXTERNAL AUDITORS

1. The Audit Committee shall advise the external auditors of their accountability to the Audit Committee and the Board as representatives of the shareholders of the Corporation to whom the external auditors are ultimately responsible. The external auditors shall report directly to the Audit Committee. The Audit Committee is directly responsible for overseeing the work of the external auditors, shall review at least annually the independence and performance of the external auditors and shall annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Audit Committee shall, on an annual basis, receive a verbal report by the external auditor describing: (i) the external auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditor and the Corporation.
2. Approve the fees and other compensation to be paid to the external auditors.
3. Pre-approve all services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors and all related terms of engagement.

OTHER AUDIT COMMITTEE RESPONSIBILITIES

1. Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
2. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

DISCRETIONARY DUTIES

The Audit Committee's responsibilities may, at the Audit Committee's discretion, also include the following:

REVIEW PROCEDURES

1. In consultation with management, and the external auditors, consider the integrity of the Corporation's financial reporting processes and controls and the performance of the Corporation's internal financial accounting staff; discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures; and review significant findings prepared by the external auditors together with management's responses.
2. Review with management, and the external auditors the Corporation's policies relating to risk management and risk assessment.
3. Meet separately with each of management, and the external auditors to discuss difficulties or concerns, specifically: (i) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management; (ii) any changes required in the planned scope of the audit; and report to the Board on such meetings.
4. Conduct an annual performance evaluation of the Audit Committee.

EXTERNAL AUDITORS

1. On an annual basis, the Audit Committee should review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the auditors' independence.
2. The Audit Committee shall review the external auditors audit plan and discuss scope, staffing, locations, and reliance upon management and general audit approach.
3. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
4. Be responsible for the resolution of disagreements between management and the external auditors regarding financial performance.
5. Ensure compliance by the external auditors with the requirements set forth in National Instrument 52-108 *Auditor Oversight*.
6. Ensure that the external auditors are participants in good standing with the Canadian Public Accountability Board ("CPAB") and participate in the oversight programs established by the CPAB from time to time and that the external auditors have complied with any restrictions or sanctions imposed by the CPAB as of the date of the applicable auditor's report relating to the Corporation's annual audited financial statements.

OTHER AUDIT COMMITTEE RESPONSIBILITIES

1. On at least an annual basis, review, with the Corporation's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
2. Ensure the preparation and filing of each annual certificate in Form 52-109F1 and each interim certificate in Form 52-109F2 to be signed by each of the Chief Executive Officer and Chief Financial Officer of the Corporation in accordance with the requirements set forth under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, as amended from time to time ("NI 52-109").
3. In respect of annual filings only, the Audit Committee is responsible for ensuring that management evaluates the effectiveness of the Corporation's disclosure controls and procedures as of the end of the period covered by the annual filings and has caused the Corporation to disclose in the annual management's discussion and analysis its conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation. The terms "annual filings", "interim filings", "disclosure controls and procedures" and "internal control over financial reporting" shall have the meanings set forth under NI 52-109.
4. Be responsible for monitoring any changes in the Corporation's internal control over financial reporting and for ensuring that any change that occurred during the Corporation's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting is disclosed in the Corporation's most recent annual or interim management's discussion and analysis.
5. Review all exceptions to established policies, procedures and internal controls of the Corporation, which have been approved by any two officers of the Corporation.
6. Perform any other activities consistent with this mandate, the Corporation's by-laws, and other governing law as the Audit Committee or the Board deems necessary or appropriate.
7. Maintain minutes of meetings and periodically report to the Board on significant results of the foregoing activities.

COMMUNICATION, AUTHORITY TO ENGAGE ADVISORS AND EXPENSES

The Audit Committee shall have direct access to such officers and employees of the Corporation, to the Corporation's external auditors and to any other consultants or advisors, as well as to such information respecting the Corporation it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Audit Committee, on a confidential basis, any concerns relating to matters over which the Audit Committee has oversight responsibilities.

The Audit Committee has the authority to engage the external auditors, independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any auditors, counsel and other advisors, such engagement to be at the Corporation's expense. The Corporation shall be responsible for all other expenses of the Audit Committee that are deemed necessary or appropriate by the Audit Committee in order to carry out its duties.

Schedule “A”

Excerpt from National Instrument 52-110

Standard of “Independence”

1. An audit committee member is independent if he or she has no direct or indirect material relationship with the Corporation.
2. For the purposes of paragraph 1, a “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
3. Despite paragraph 2, the following individuals are considered to have a material relationship with the Corporation:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
 - (c) an individual who:
 - (i) is a partner of a firm that is the Corporation’s external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Corporation’s external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
4. Despite paragraph 3, an individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in paragraph 3 if that relationship ended before March 30, 2004.
5. For the purposes of paragraphs 3(c) and 3(d), a partner does not include a fixed income partner whose interest in the firm that is the external auditor is limited to the receipt of fixed compensation (including

deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

6. For the purposes of paragraph 3(f), direct compensation does not include
 - (a) remuneration for acting as a member of the Board or any Board committee of the Corporation, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.
7. Despite paragraph 3, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the Corporation, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the Board or of any Board committee of the Corporation on a part-time basis.
8. Despite any determination made under paragraphs 1 through 7, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee; or
 - (b) is an affiliated entity of the Corporation or any of its subsidiary entities,

is considered to have a material relationship with the Corporation.

9. For the purposes of paragraph 8, the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation.
10. For the purposes of paragraph 8, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

Standard of "Financial Literacy"

An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Schedule “D”

MANDATE OF THE CORPORATE GOVERNANCE COMMITTEE SECURE ENERGY SERVICES INC.

OBJECTIVES

The Corporate Governance Committee (the “Committee”) is appointed by the board of directors (the “Board”) of Secure Energy Services Inc. (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities with respect to the corporate governance and nomination issues facing the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”), and other regulatory provisions as they pertain to corporate governance matters. The objective of the Committee is to promote appropriate behaviour with respect to all aspects of the Corporation’s business.

The purpose of the Committee is (a) to review and report to the Board on matters of corporate governance and Board composition and (b) to provide oversight review of the Corporation’s systems for achieving compliance with legal and regulatory requirements. The Committee’s oversight role regarding compliance systems shall not include responsibility for the Corporation’s actual compliance with applicable laws and regulations.

The Committee will review and modify this mandate with regards to, and to reflect changes in, the business environment, industry standards on matters of corporate governance, additional standards which the Committee believes may be applicable to the Corporation’s business, the location of the Corporation’s business and its shareholders and the application of laws and policies.

COMPOSITION

The Committee shall consist of not less than three and not more than six directors, all of whom shall be “independent” as that term is defined in NI 58-101 (as set out in Schedule “A” hereto).

The members of the Committee shall be appointed or re-appointed at the organizational meeting of the Board immediately following each annual meeting of the shareholders of the Corporation and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. The Board may fill any vacancy in the membership of the Committee at any time.

The members of the Committee shall appoint a Chair from among their number.

MEETINGS AND MINUTES

The Committee shall meet as often as necessary to carry out its responsibilities, typically in conjunction with regularly scheduled board meetings.

In addition, a meeting may be called by the Chair of the Committee, the Chief Executive Officer of the Corporation (the “CEO”) or any member of the Committee. A notice of time and place of every meeting of the Committee shall be given in writing to each member of the Committee at least two business days prior to the time fixed for such meeting, unless waived by all members entitled to attend. Attendance of a member of the Committee at a meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

A quorum for meetings of the Committee shall require a majority of its members present in person or by telephone. If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting will be chosen to preside by a majority of the members of the Committee present at that meeting.

The CEO shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair. Other management representatives shall be invited to attend as necessary. Notwithstanding the foregoing, the Chair of the Committee shall hold *in camera* sessions, without management present, at every meeting of the Committee.

Decisions of the Committee shall be determined by a majority of the votes cast.

The Committee shall appoint a member of the Committee, other officer of the Corporation, or legal counsel to act as secretary at each meeting for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

SCOPE, DUTIES AND RESPONSIBILITIES

MANDATORY DUTIES

Pursuant to NI 58-101 and NP 58-201, the Committee is required to:

1. Bring to the attention of the Board such corporate governance issues as are necessary for the proper governance of the Corporation and to develop the approach of the Corporation in matters of corporate governance, including the written statement of corporate governance principles applicable to the Corporation as set forth in the Corporation's annual information circular, and to make recommendations to the Board with respect to all such matters.
2. Assess and report to the Board in respect of matters relating to the ongoing composition of the Board, including:
 - (a) recommending to the Board criteria for the composition of the Board and the selection of directors;
 - (b) assessing the competencies and skills each existing director should possess;
 - (c) considering the appropriate size of the Board, with a view to facilitating effective decision making;
 - (d) identifying, either directly or with the assistance of a search firm, candidates for membership on the Board and review their competencies and skills, including their ability to satisfy the criteria approved by the Board and their ability to devote sufficient time and resources to his or her duties as a director; and
 - (e) establishing, implementing and executing procedures to evaluate the independence, performance and effectiveness of the Board, Board committees, all individual Directors, the Chair and committee chairs (other than this Committee chair) and review with the Board on an annual basis the results of the assessment.
3. Review succession planning issues with respect to the members of the Board and, upon the retirement of the Chair, make a recommendation to the Board with respect to the appointment of a new Chair.
4. In consultation with the CEO, developing a succession plan for senior management of the Corporation.
5. Review and periodically reassess a position description for the Chair.
6. Establish structures and procedures to permit the Board to function independently of management.

7. Recommend Board committees and their composition, including the independence of the members nominated thereto; review the need for, and the performance and suitability of, those committees; and make such adjustments as are deemed necessary from time to time, all in conjunction with the Chair and the relevant committees of the Board.
8. Oversee the development, implementation and disclosure of the ongoing director education program including, as appropriate, education sessions on the Corporation's business by way of presentations and operating site visits, individual or group education sessions from internal personnel or external consultants on topics of importance to directors and the Corporation, and recommended formal educational opportunities through appropriate organizations to be made available to individual directors and paid for by the Corporation.
9. Assess and report to the Board with respect to the new directors orientation program of the Corporation.
10. Monitor compliance with, and review and approve, if considered appropriate, all proposed waivers to, the Corporation's Code of Business Conduct and Ethics.
11. Conduct an annual performance evaluation of the Committee and each of its members.

DISCRETIONARY DUTIES

The Committee's responsibilities may, at the Committee's discretion, also include the following (provided that some of the following functions might be assumed from time to time by other committees of the Board as Board priorities and resources permit):

1. Monitor and assess the effectiveness of the corporate governance policies and procedures of the Corporation.
2. In conjunction with the Compensation Committee, oversee the evaluation of, and report to the Board on, the performance of the management of the Corporation.
3. In conjunction with the Compensation Committee, monitor, evaluate and report to the Board with respect to the performance and accountability of the CEO, including the setting of short-term and long-term corporate objectives and performance management indicators.
4. In the context of an overall corporate budget approved by the Board, recommend to the Board the appointment of officers on behalf of the Corporation and other key employees.
5. Consider the adequacy and the nature of the compensation to be paid to the members of the Board and make recommendations to the Board in connection with the same.
6. Ensure that the Corporation's governance practices are fully disclosed in the Corporation's management information circular or annual information form, as appropriate.
7. Review the policies, programs and practices of the Corporation and monitor the adequacy of compliance systems in the following areas:
 - (a) corporate and securities law (including insider trading and self dealing);
 - (b) stock exchange listing standards;
 - (c) anti-trust and competition law;
 - (d) regulation of employment practices;
 - (e) code of business conduct and ethics;

- (f) corporate policy on conflicts of interest;
 - (g) corporate policy with respect to communications and disclosure; and
 - (h) such other areas of regulatory law and corporate policy statements as the Committee considers appropriate from time to time.
8. To report and make recommendations to the Board on such areas of regulatory and corporate compliance as are considered appropriate from time to time.

COMMUNICATION, AUTHORITY TO ENGAGE ADVISORS AND EXPENSES

The Committee shall have direct access to such officers and employees of the Corporation and to any other consultants or advisors, and to such information respecting the Corporation it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at the Corporation's expense. The Corporation shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

Schedule “A”

National Instrument 58-101

Standard of “Independence”

1. A committee member is independent if he or she has no direct or indirect material relationship with the Corporation.
2. For the purposes of paragraph 1, a “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
3. Despite paragraph 2, the following individuals are considered to have a material relationship with the Corporation:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
 - (c) an individual who:
 - (i) is a partner of a firm that is the Corporation’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Corporation’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.
4. Despite paragraph 3 above, an individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in paragraph 3 if that relationship ended before March 30, 2004.
5. For the purposes of paragraph 3(f), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed compensation (including

deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

6. For the purposes of paragraph 3(f), direct compensation does not include
 - (a) remuneration for acting as a member of the Board or of any committee of the Board; and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.
7. Despite paragraph 3, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member:
 - (a) has previously acted as an interim chief executive officer of the Corporation, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the Board or of any committee of the Board on a part-time basis.

Schedule “E”

MANDATE OF THE COMPENSATION COMMITTEE SECURE ENERGY SERVICES INC.

OBJECTIVES

The Compensation Committee (the “Committee”) is appointed by the board of directors (the “Board”) of Secure Energy Services Inc. (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities with respect to the executive compensation and human resources policies of the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) and other regulatory provisions as they pertain to compensation matters. The objective of the Committee is to monitor the activities of the Corporation with respect to recruiting, retaining and motivating employees and ensuring conformity between compensation and other corporate objectives.

The Committee will continuously review and modify its mandate with regards to, and to reflect changes in, the Corporation’s business environment, industry standards, matters of corporate governance, additional standards which the Committee believes may be applicable to the Corporation’s business, the location of the Corporation’s business and its shareholders and the adoption and implementation of applicable laws and policies.

COMPOSITION

The Committee shall consist of not less than three and not more than six directors, all of whom shall be “independent” as that term is defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices* (as set out in Schedule “A” hereto).

The members of the Committee shall be appointed or re-appointed at the organizational meeting of the Board immediately following each annual meeting of the shareholders of the Corporation and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. At any time, the Board may fill any vacancy in the membership of the Committee.

The members of the Committee shall appoint a Chairman from among their number.

MEETINGS AND MINUTES

The Committee shall meet as often as necessary. Matters to be considered at the meetings may include:

- matters related to compensation in the annual budget, excluding the compensation of directors, which is addressed by the Corporate Governance Committee;
- matters related to annual bonus and advance bonus payments;
- matters relating to incentive payments and programs, including security-based compensation plans;
- compensation disclosure in the Corporation’s management information circular and proxy statement;
- other matters as appropriate.

A meeting may be called by the Chairman of the Committee, the Chief Executive Officer of the Corporation (the “CEO”) or any member of the Committee. A notice of time and place of every meeting of the Committee shall be given in writing to each member of the Committee at least two business days prior to the time fixed for such meeting, unless waived by all members entitled to attend. Attendance of a member of the Committee at a meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

A quorum for meetings of the Committee shall require a majority of its members present in person or by telephone. If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting will be chosen to preside by a majority of the members of the Committee present at that meeting.

The CEO shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair. Other management representatives shall be invited to attend as necessary. Notwithstanding the foregoing, the Chair of the Committee shall hold *in camera* sessions, without management present, at every meeting of the Committee.

Decisions of the Committee shall be determined by a majority of the votes cast.

The Committee shall appoint a member of the Committee, other officer of the Corporation, or legal counsel to act as secretary at each meeting for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

SCOPE, DUTIES AND RESPONSIBILITIES

MANDATORY DUTIES

Pursuant to NP 58-201, the Committee is required to:

- act in an advisory capacity to the Board;
- review and approve corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;
- make recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans;
- review and approve, prior to public disclosure, all public disclosure on executive compensation and produce a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement;
- in conjunction with the Corporate Governance Committee, oversee the evaluation of, and report to the Board on, the performance of the management of the Corporation; and
- conduct an annual performance evaluation of the Committee.

DISCRETIONARY DUTIES

The Committee's responsibilities may, at the Committee's discretion, also include the following (provided that some of the following functions, such as the function of determining compensation, might be assumed from time to time by other committees of the Board as Board priorities and resources permit):

- review the Corporation's key Human Resources policies;

- review and recommend to the Board any significant changes to the overall compensation program and the Corporation's objectives related to executive compensation; or
- perform any other activities consistent with this Mandate, the Corporation's By-Laws, and applicable law as the Committee or the Board deems necessary or appropriate.

COMMUNICATION, AUTHORITY TO ENGAGE ADVISORS AND EXPENSES

The Committee shall have direct access to such officers and employees of the Corporation and to any other consultants or advisors, and to such information respecting the Corporation it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at the Corporation's expense. The Corporation shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

Schedule “A”

National Instrument 58-101

Standard of “Independence”

1. A committee member is independent if he or she has no direct or indirect material relationship with the Corporation.
2. For the purposes of paragraph 1, a “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
3. Despite paragraph 2, the following individuals are considered to have a material relationship with the Corporation:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
 - (c) an individual who:
 - (i) is a partner of a firm that is the Corporation’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Corporation’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.
4. Despite paragraph 3 above, an individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in paragraph 3 if that relationship ended before March 30, 2004.
5. For the purposes of paragraph 3(f), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

6. For the purposes of paragraph 3(f), direct compensation does not include
 - (a) remuneration for acting as a member of the Board or of any committee of the Board; and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.
7. Despite paragraph 3, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member:
 - (a) has previously acted as an interim chief executive officer of the Corporation, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the Board or of any committee of the Board on a part-time basis.

