Management's Discussion & Analysis

2022 Third Quarter Report

SECURE

CONTENTS

ABOUT THIS MD&A

The following management's discussion and analysis ("MD&A") of the financial position and results of operations of SECURE Energy Services Inc. ("SECURE", the "Corporation", "we", or "our") has been prepared by management and reviewed and approved by the Board of Directors of SECURE (the "Board") on November 1, 2022. The MD&A is a review of the financial results of the Corporation prepared in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

This MD&A's primary focus is a comparison of the financial performance for the three and nine months ended September 30, 2022 to the three and nine months ended September 30, 2021, and should be read in conjunction with the Corporation's condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2022 and 2021 ("Interim Financial Statements") and the Corporation's annual audited consolidated financial statements and notes thereto for the years ended December 31, 2021 and 2020 ("Annual Financial Statements").

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

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

On July 2, 2021 (the "Acquisition Date"), pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita Corporation ("Tervita") and subsequently Tervita was amalgamated with SECURE (collectively, the "Transaction"). SECURE issued approximately 147.6 million common shares following which Tervita amalgamated with SECURE. The common shares of Tervita were delisted from the Toronto Stock Exchange ("TSX") at the close of market on July 6, 2021. Following completion of the Transaction, Tervita ceased to make separate filings as a reporting issuer. The Interim Financial Statements and this MD&A include financial results for Tervita since the Acquisition Date. Refer to the 'Legal Proceedings and Regulatory Actions' section of this MD&A for ongoing *Competition Act* (Canada) ("Competition Act") matters related to the Transaction.

CORPORATE OVERVIEW

SECURE is a publicly traded energy infrastructure and environmental business listed on the TSX. SECURE provides industry leading midstream infrastructure and environmental and fluid management to predominantly upstream oil and natural gas companies operating in western Canada and certain regions in the United States ("U.S.").

SECURE's Midstream Infrastructure reportable segment includes a network of owned and operated midstream processing and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada, North Dakota and Oklahoma. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing.

SECURE's Environmental and Fluid Management reportable segment includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste management and disposal facilities, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, waste treatment and recycling, emergency response, rail services, metal recycling services, as well as fluid management for drilling, completion and production activities.

For a complete description of services provided by the Corporation, please refer to the heading '*Description of the Business and Facilities'* in the Corporation's Annual Information Form for the year ended December 31, 2021 ("AIF") which is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and our website at www.secure-energy.com. Other than the information set out under the heading '*Risk Factors*' in the AIF, which is incorporated by reference herein, the AIF does not constitute part of this MD&A.

OPERATIONAL DEFINITIONS

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

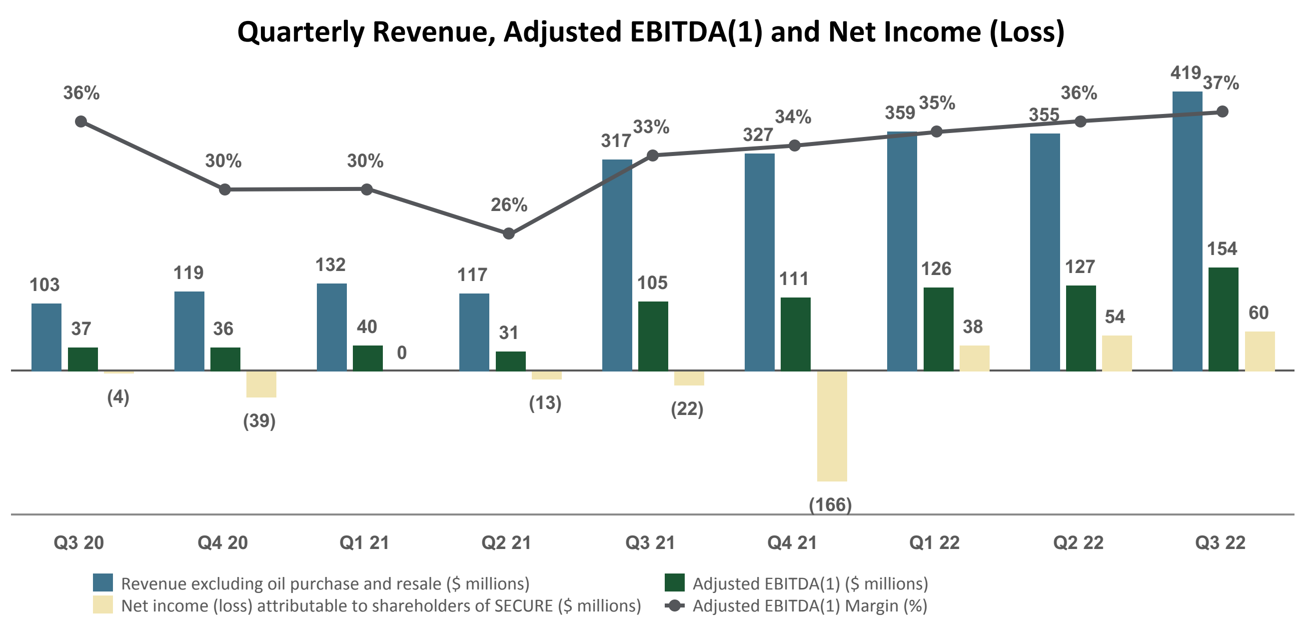
Capital expenditures

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

Oil prices

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

FINANCIAL AND OPERATING HIGHLIGHTS



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

The Corporation's operating and financial highlights for the three and nine months ended September 30, 2022 and 2021 can be summarized as follows:

	Three months ended September 30,			Nine months ended September 30,		
($ millions except share and per share data)	**2022**	**2021**	**% change**	**2022**	**2021**	**% change**
Revenue (excludes oil purchase and resale)	**419**	317	32	**1,133**	566	100
Oil purchase and resale	**1,730**	936	85	**4,844**	1,860	160
Total revenue	**2,149**	1,253	72	**5,977**	2,426	146
Adjusted EBITDA (1)	**154**	105	47	**407**	175	133
Per share ($), basic (1)	**0.50**	0.34	47	**1.31**	0.84	56
Per share ($), diluted (1)	**0.49**	0.34	43	**1.30**	0.84	55
Net income (loss) attributable to shareholders of SECURE	**60**	(22)	373	**152**	(37)	511
Per share ($), basic and diluted	**0.19**	(0.07)	371	**0.49**	(0.18)	372
Funds flow from operations	**132**	74	78	**319**	122	161
Per share ($), basic (1)	**0.43**	0.24	79	**1.03**	0.58	78
Per share ($), diluted (1)	**0.42**	0.24	75	**1.02**	0.58	76
Discretionary free cash flow (1)	**108**	76	42	**274**	124	121
Per share ($), basic	**0.35**	0.25	40	**0.89**	0.59	51
Per share ($), diluted (1)	**0.34**	0.25	36	**0.88**	0.59	49
Capital expenditures (1)	**30**	13	131	**62**	26	138
Dividends per common share	**0.0075**	0.0075	—	**0.0225**	0.0225	—
Total assets	**2,935**	3,141	(7)	**2,935**	3,141	(7)
Long-term liabilities	**1,215**	1,487	(18)	**1,215**	1,487	(18)
Common shares - end of period	**309,962,537**	308,110,429	1	**309,962,537**	308,110,429	1
Weighted average common shares:						
Basic	**309,912,215**	306,474,523	1	**309,529,670**	209,329,456	48
Diluted	**313,278,309**	306,474,523	2	**312,802,491**	209,329,456	49

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

THIRD QUARTER HIGHLIGHTS

- **Record Adjusted EBITDA of $154 million and $0.50 per basic share[1]** - increases of 47% compared to the third quarter of 2021, driven by higher oil and natural gas prices resulting in improved energy market conditions and increased activity levels in a number of the Corporation's operating areas, which led to higher processing and disposal volumes at our Midstream Infrastructure facilities and landfills and increased demand for services related to drilling and completion activity within the Environmental and Fluid Management segment.
- **Adjusted EBITDA margin[1] of 37%** - increased from 33% in the third quarter of 2021, due to the higher activity levels, higher revenue contributing to improved fixed cost absorption, particularly in the service lines impacted by increased drilling and completion activity during the quarter. Additionally, integration cost savings as a result of the Transaction have contributed to a higher adjusted EBITDA margin during the quarter.

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

- **Integration cost savings of $76 million (101% of initial target) realized** - achieved an incremental $9 million of annualized cost savings as a result of the Transaction, impacting Adjusted EBITDA[1] in the third quarter of 2022, increasing total realized cost savings from $67 million to $76 million on an annual run-rate basis. As a result, the Corporation has now achieved 101% of the $75 million cost savings target it established following completion of the Transaction. The $9 million achieved in the quarter is mainly a result of operational savings. In the three months ended September 30, 2022, $4 million of costs related to the Transaction and integration of the legacy businesses were incurred.
- **Revenue (excluding oil purchase and resale) of $419 million** - an increase of 32% compared to the third quarter of 2021 with Midstream Infrastructure revenue (excluding oil purchase and resale) increasing by $49 million to $181 million and Environmental and Fluid Management revenue increasing by $53 million to $238 million for the quarter. These increases were primarily due to an increase in energy-related industry activity levels as benchmark oil and natural gas prices stayed strong in the quarter. Both reportable segments benefited from improved industry activity levels, driving incremental volumes at Midstream Infrastructure facilities and industrial landfills, and demand for drilling and completion related services as underpinned by an approximate 53% increase in the average active rig count as compared to the third quarter of 2021. Higher crude oil pricing in the third quarter of 2022 also positively impacted recovered oil revenue and contributed to the increase in oil purchase and resale revenue which increased by 85% to $1.7 billion compared to the comparative 2021 period.
- **Net income attributable to shareholders of $60 million and $0.19 per share** - an increase of $82 million or $0.26 per share compared to the third quarter of 2021, as general industry conditions continued to strengthen. The increase was primarily driven by higher gross margins and other income partially offset by a deferred income tax expense.
- **Funds flow from operations of $132 million** - an increase of $58 million from the prior year comparative period, or 79% per basic share, driven by increase in Adjusted EBITDA and lower interest payments in the quarter resulting from improved capital cost structure with the repurchase of US$80 million 11% 2025 senior secured notes("2025 senior secured notes") in the 2022 year to date.
- **Discretionary free cash flow[1] of $108 million** - which was used primarily to reduce overall debt levels, including $84 million on our $800 million senior secured revolving credit facility ("Revolving Credit Facility"), and repurchase a portion of SECURE's 2025 senior secured 11% notes, as well as fund the Corporation's quarterly dividend, Transaction related costs and growth capital expenditures. At September 30, 2022, SECURE carried Working Capital[2] of $239 million, an increase of $40 million in the third quarter.
- **Improved our Total Debt to EBITDA covenant ratio[3] to 2.2x** - Adjusted EBITDA and cash generation was supported by an improved commodity pricing environment and increased industry activity. The debt reduction is consistent with our current capital allocation objective to target lower overall debt levels.
- **Midstream Infrastructure segment profit margin of 65%** - increased from 64% in the third quarter of 2021, driven by synergies and increased activity.
- **Environmental and Fluid Management segment profit margin of 29%** - increased from 26% in the third quarter of 2021, primarily driven by increased waste disposal and drilling and completion activity.
- **G&A expense before DD&A and share-based compensation as a percentage of revenue (excluding oil purchase and resale) of 7%** - an improvement of 2% compared to 9% in the third quarter of 2021, driven by synergies related to the Transaction and supported by increased activity levels.

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2 *Capital management measure. Refer to the "Non-GAAP and other specified financial measures" section of this MD&A.*

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

- **Repurchased US$3 million of our 2025 senior secured notes** - the Corporation remains focused on improving our capital structure and as such, the Corporation opportunistically repurchased US$3 million aggregate principal amount of our 2025 senior secured notes in the quarter. Subsequent to September 30, 2022, the Corporation repurchased an additional US$46 million principal amount of 2025 senior secured notes at an average price of $109.20.
- **Growth capital expenditures of $9 million** - related to the expansion of a water disposal facility which is backstopped by a commercial agreement with an existing customer at the facility and adding in blending capabilities at existing facility locations.
- **Sustaining capital expenditures of $21 million** - related primarily to well and facility maintenance, landfill cell expansions and asset integrity and inspection programs.
- **Liquidity[2] of $381 million** - As at September 30, 2022, the Corporation had drawn $368 million aggregate principal amount on the Revolving Credit Facility and a total of $104 million of letters of credit ("LCs") have been issued against SECURE's credit facilities resulting in $381 million of Liquidity (available capacity under SECURE's credit facilities and cash on hand, subject to covenant restrictions).
- **Renewed and extended the Corporation's $800 million Revolving Credit Facility** – the Revolving Credit Facility was extended for one year to July 2025, and the Corporation was also able to lower its interest rate margins to pre-COVID levels.

  The following table outlines SECURE's covenant ratios[3], calculated in accordance with the Corporation's credit facilities, at September 30, 2022, and December 31, 2021:

	September 30, 2022	Covenant	December 31, 2021
Senior Debt to EBITDA	0.9	not to exceed 2.75	1.5
Total Debt to EBITDA	2.2	not to exceed 4.5	3.4
Interest coverage	5.1	not to be less than 2.5	3.4

2 *Capital management measure. Refer to the "Non-GAAP and other specified financial measures" section of this MD&A.*

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

OUTLOOK

Industry Fundamentals

During the remainder of 2022 and into 2023, the Corporation expects continued volatility in the benchmark crude oil price and US Dollar exchange rate as a result of macroeconomic factors such as significant inflationary pressures, the likelihood of a near-term recession, geopolitical risk premium due to the current war in Ukraine, as well as continued changes to the supply and demand outlook. Notwithstanding the fluctuation in the price of benchmark crude, hydrocarbon demand remains strong, and producer cash flows remain robust, therefore, we expect continued strong energy industry activity. As a result, SECURE expects:

- Increased utilization at our midstream processing facilities as higher drilling, completion and production volumes from increased activity levels require additional treating, processing, terminalling and disposal. The Corporation has significant capacity to increase facility throughput and disposal with minimal incremental fixed costs or additional capital. Higher drilling and completion activity is expected to continue to have a positive impact on our drilling and production services business within the Environmental and Fluid Management segment.
- Increased volumes at the Corporation's industrial landfills and industrial waste facilities as both industry activity and abandonment, remediation and reclamation activity continue to trend higher as there is direction from the Alberta Energy Regulator requiring energy producers and other companies that have retirement obligations related to inactive (non-producing) wells and facilities to spend an amount each year towards addressing those obligations, and a similar program initiated by the Saskatchewan provincial government is also expected to begin in 2023. SECURE anticipates policy changes to increase abandonment, remediation, and reclamation activity in the years to come will positively impact all of SECURE's Canadian operations, particularly within the Environmental and Fluid Management segment as a result of higher demand for environmental site assessments, abandonment, remediation and reclamation work.

We expect to end the year spending approximately $45 million of growth capital relating to two pipeline tie ins to existing water disposal infrastructure, and a pipeline tie in and terminalling infrastructure commercially backed with a long-term arrangement in the Clearwater region of north central Alberta. These projects are expected to be operational during the third quarter of 2023.

Financial Outlook

SECURE's financial results in the year to date demonstrate the successful integration of Tervita and the improved scale of the combined operations. The Corporation expects strong momentum from the third quarter to continue with robust industry activity resulting in increased demand for drilling and completion services and incremental facility volumes as described above, and the full run rate of realized synergies adding incremental Adjusted EBITDA. These positive factors may be partially offset by reduced recovered oil revenue resulting from lower benchmark crude prices, and reduced marketing opportunities due to less volatile differentials. Additionally, fourth quarter results will be impacted by the typical December holiday drilling slow-down.

SECURE will continue to work diligently to manage inflationary costs including purchasing materials in advance and in bulk, working with customers and negotiating with suppliers or finding alternate suppliers. To date, we have been able to effectively manage some of the cost pressures we are currently experiencing due to higher inflation.

Additional savings through initiatives such as improving our capital structure as well as minimizing sustaining capital by managing underutilized assets, are expected to provide incremental discretionary free cash flow beyond those factors impacting Adjusted EBITDA. To date, SECURE has repurchased US$326 million, or 65%, of the 2025 senior secured notes assumed through the Transaction, resulting in annualized interest savings of approximately $20 million. As at November 1, 2022, US$174 million aggregate principal amount of these notes remain outstanding. The Corporation expects to continue to repurchase these notes where market conditions are favorable which will result in lower interest costs next year along with improve financial flexibility.

Financial Strength and Flexibility

One of SECURE's key priorities has always been maintaining a strong balance sheet and financial resiliency. Since the closing of the Transaction, the Corporation has been focused on achieving our near-term objective of reducing leverage to below 2.5x Total Debt to EBITDA ratio by utilizing discretionary free cash flow to pay down debt. Strong Adjusted EBITDA and cash generation driven by synergy realization and robust industry activity levels resulted in the achievement of this objective during the third quarter of 2022, well in advance of our target of the second quarter of 2023.

With a Total Debt to EBITDA ratio of 2.2x at September 30, 2022, we are well positioned to balance our priorities going forward between continuing to reduce our absolute debt balance, returning cash to shareholders and allocating funds to incremental growth opportunities that provide reliable volumes and recurring cash flows.

Strategic Plan

The strategic plan following the Transaction was to achieve the $75 million in synergies and to continue to pay down debt and restructure the balance sheet. In the 15 months since the close of the Transaction, we have succeeded in achieving our synergy and debt targets earlier than expected. In addition to the above, over the past few months we have held strategic planning sessions to discuss our strategic initiatives, priorities, and our capital allocation plan into 2023 and beyond. As noted above, our capital allocation priorities include continued debt repayment, increasing our annualized base dividend to an aggregate of approximately $125 million, ($0.40 per share annually), opportunistic share repurchases and an expected 2023 growth capital budget of approximately $50 million. In 2023, we also expect to incur approximately $60 million of sustaining capital and $25 million of capital related to landfill expansions. The additional landfill expansions are in anticipation of increased abandonment spend obligations driven from government regulations.

The high-level strategic plan for the organization moving forward includes the following:

- Enhancing the business with best-in-class customer service and effective optimization of our infrastructure
- Growing the volumes handled across the network
- Investing capital in environmental and energy infrastructure that has a contracted and/or recurring cash flows
- Targeting strategic partnerships for opportunities that reduce inefficiencies and redundant assets
- Executing a digital transformation of the business internally and externally
- Evaluating potential ESG growth opportunities that fit our core competencies

Embedded in both our capital allocation priorities and our strategic plan is to maintain a strong balance sheet and financial resiliency.

Summary

With the current macroeconomic conditions, including the ongoing war in Ukraine, high energy prices and lack of reliable supply have caused an energy crisis around the globe. As a result, nations are turning to dirtier forms energy such as coal to meet their demands, which moves us further away from our collective goal of net zero carbon emissions. Renewable energy has proven to be a good source of energy but is too far away to be a reliable and realistic replacement for fossil fuels any time soon. Canada has best in class safety, environmental and social practices, and the natural resources to make it a reliable provider of sustainably produced energy. Increasing Canadian energy is a long-term solution to providing energy security and a lower carbon future.

NON-GAAP AND OTHER SPECIFIED FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed under IFRS and are considered non-GAAP and other specified financial measures as defined in National Instrument 52-112. These measures are identified and presented, where appropriate, together with reconciliations to the most directly comparable IFRS measure. These measures are intended as a complement to results provided in accordance with IFRS. The Corporation believes these measures provide additional useful information to analysts, shareholders and other users to understand the Corporation's financial results, profitability, cost management, liquidity and ability to generate funds to finance its operations.

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

Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA per share

Adjusted EBITDA is calculated as noted in the table below and reflects items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue (excluding oil purchase and resale). Adjusted EBITDA per basic and diluted share is defined as Adjusted EBITDA divided by basic and diluted weighted average common shares.

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

Management believes that in addition to net income (loss), Adjusted EBITDA is a useful supplemental measure to enhance investors' understanding of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed, how the results are taxed, how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of SECURE's core operations. Management calculates these adjustments consistently from period to period to enhance comparability of this MD&A. Adjusted EBITDA is used by management to determine SECURE's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. Adjusted EBITDA is also used internally to set targets for determining employee variable compensation, largely because management believes that this measure is indicative of how the fundamental business is performing and being managed. Adjusted EBITDA margin is used as a supplemental measure by investors and management to evaluate cost efficiency.

The following table reconciles the Corporation's net income (loss), being the most directly comparable financial measure disclosed in the Corporation's Interim Financial Statements, to Adjusted EBITDA for the three and nine months ended September 30, 2022 and 2021. For all prior periods, Adjusted EBITDA is reconciled to its most directly comparable financial measure under IFRS in SECURE's MD&A for the respective period. All such reconciliations are in the non-GAAP and other specified financial measures advisory section of the applicable MD&A, each of which are available on SECURE's SEDAR profile at www.sedar.com and each such reconciliation is incorporated by reference herein.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Net income (loss)	**60**	(22)	373	**152**	(38)	(500)
Adjustments:						
Depreciation, depletion and amortization [(1)]	**52**	83	(37)	**129**	144	(10)
Deferred tax expense (recovery)	**22**	(8)	(375)	**45**	(11)	(509)
Share-based compensation [(1)]	**4**	3	33	**14**	10	40
Interest, accretion and finance costs	**24**	24	—	**73**	32	128
Unrealized gain on mark to market transactions [(2)]	**(1)**	—	100	**(2)**	—	100
Other (income) expense	**(11)**	7	(257)	**(26)**	9	(389)
Transaction and related costs	**4**	18	(78)	**22**	29	(24)
Adjusted EBITDA	**154**	105	47	**407**	175	133

(1) Included in cost of sales and/or general and administrative expenses on the Consolidated Statements of Comprehensive Income (Loss).

(2) Net balance. Includes amounts presented in revenue and cost of sales on the Consolidated Statements of Comprehensive Income (Loss).

In the three and nine months ended September 30, 2022 and 2021, transaction and related costs included costs associated with the Transaction and integration of the acquired Tervita business.

The Corporation also adjusted for other (income) expense resulting mainly from a sale of an interest in a facility in the three months ended September 30, 2022, along with the sale of unused land in the first quarter of 2022, realized and unrealized foreign exchange gains or losses, realized and unrealized gains or losses related to the cross currency swaps to hedge foreign exchange exposure on U.S. dollar denominated debt and other non-cash expenses including the loss of control of a former subsidiary and a loss on the repurchase of 2025 senior secured notes.

Discretionary Free Cash Flow and Discretionary Free Cash Flow per share

Discretionary free cash flow is defined as funds flow from operations adjusted for sustaining capital expenditures, and lease payments (net of sublease receipts). The Corporation may deduct or include additional items in its calculation of discretionary free cash flow that are unusual, non-recurring, or non-operating in nature. Discretionary free cash flow per basic and diluted share is defined as discretionary free cash flow divided by basic and diluted weighted average common shares. For the three and nine months ended September 30, 2022 and 2021, transaction and related costs have been adjusted as they are costs outside the normal course of business.

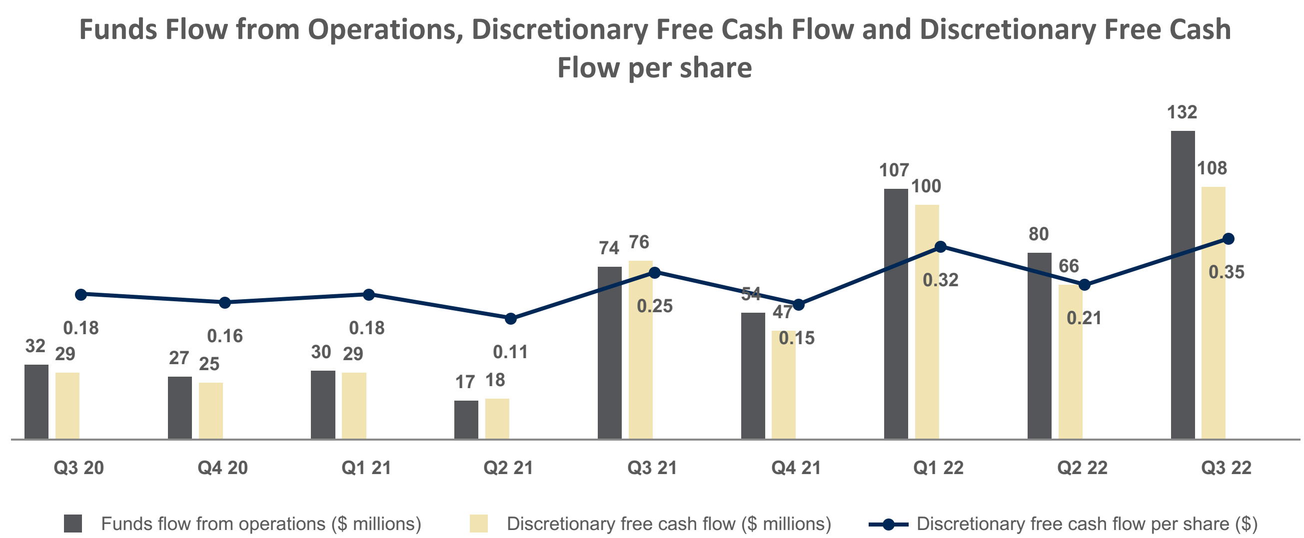
Discretionary free cash flow and discretionary free cash flow per share are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

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

The following table reconciles the Corporation’s funds flow from operations, being the most directly comparable financial measure disclosed in the Corporation’s Interim Financial Statements, to discretionary free cash flow for the three and nine months ended September 30, 2022 and 2021. For all prior periods, discretionary free cash flow is reconciled to its most directly comparable financial measures under IFRS in SECURE’s MD&A for the respective periods. All such reconciliations are in the non-GAAP and other specified financial measures advisory section of the applicable MD&A, each of which are available on SECURE’s SEDAR profile at www.sedar.com and each such reconciliation is incorporated by reference herein.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Funds flow from operations	**132**	74	78	**319**	122	161
Adjustments:						
Sustaining capital [(1)]	**(21)**	(10)	110	**(48)**	(16)	200
Lease liability principal payment (net of sublease receipts)	**(7)**	(6)	17	**(19)**	(11)	73
Transaction and related costs	**4**	18	(78)	**22**	29	(24)
Discretionary free cash flow	**108**	76	42	**274**	124	121

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



Total Segment Profit Margin

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

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Gross margin	136	57	139	372	97	284
Add:						
Cost of sales (1)	2	—	100	2	—	100
Depreciation, depletion and amortization (1)	47	55	(15)	119	111	7
Impairment (1)	—	22	(100)	—	22	(100)
Share-based compensation (1)	—	—	100	1	1	—
Segment profit margin	185	134	38	494	231	114

(1) These charges are included in cost of sales on the Corporation's Consolidated Statements of Comprehensive Income (Loss).

Capital management measures

This MD&A includes the following capital management measures: Working Capital, Total Debt and Liquidity. Working Capital is calculated as the difference between current assets less accounts payable and accrued liabilities and interest payable. Liquidity is calculated as the total of cash and the available borrowing amount under the Corporation's $800 million Revolving Credit Facility and SECURE's $30 million unsecured letter of credit facility guaranteed by Export Development Canada (the "LC Facility"). Total Debt is calculated as the total of amounts drawn on the Corporation's Revolving Credit Facility and SECURE LC Facility, the principal amount outstanding on the 2025 senior secured notes, the principal outstanding on the 2026 unsecured notes, lease liabilities and financial letters of credit. Management analyzes Working Capital, Total Debt and Liquidity as part of the Corporation's overall capital management strategy to ensure adequate sources of capital are available to maintain operational activities, carry out the Corporation's planned capital program, fund dividend payments and have sufficient cash sources to sustain the business for the long-term. Refer to Notes 6, 7 and 14 of the Interim Financial Statements for additional information.

Supplemental financial measures

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

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In order to discuss the factors that have caused period to period variations in operating activities, the Corporation has divided the business into two reportable segments, as outlined in the '*Corporate Overview*' above, and presented in Note 16 of the Interim Financial Statements.

- **Midstream Infrastructure** includes a network of owned and operated midstream processing and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada, North Dakota and Oklahoma. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing.

- **Environmental and Fluid Management** includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste management and disposal facilities, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, waste treatment and recycling, emergency response, rail services, metal recycling services, as well as fluid management for drilling, completion and production activities.

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

The tables below outline the results by reportable segment for the three and nine months ended September 30, 2022 and 2021:

Three months ended September 30, 2022	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	181	238	—	419
Oil purchase and resale service	1,730	—	—	1,730
Total revenue	**1,911**	**238**	**—**	**2,149**
Cost of sales excluding items listed separately below	(1,794)	(170)	—	(1,964)
Segment profit margin	**117**	**68**	**—**	**185**
G&A expenses excluding items listed separately below	(9)	(8)	(13)	(30)
Depreciation, depletion and amortization [(1)]	(33)	(16)	(3)	(52)
Share-based compensation [(1)]	—	—	(4)	(4)
Interest, accretion and finance costs	(1)	(4)	(19)	(24)
Transaction and related costs	—	—	(4)	(4)
Other income (expense)	14	—	(3)	11
Income (loss) before tax	**88**	**40**	**(46)**	**82**

Nine months ended September 30, 2022	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	503	630	—	1,133
Oil purchase and resale service	4,844	—	—	4,844
Total revenue	**5,347**	**630**	**—**	**5,977**
Cost of sales excluding items listed separately below	(5,021)	(462)	—	(5,483)
Segment profit margin	**326**	**168**	**—**	**494**
G&A expenses excluding items listed separately below	(24)	(25)	(36)	(85)
Depreciation, depletion and amortization [(1)]	(75)	(49)	(5)	(129)
Share-based compensation [(1)]	—	—	(14)	(14)
Interest, accretion and finance costs	(4)	(6)	(63)	(73)
Transaction and related costs	—	—	(22)	(22)
Other income	13	4	9	26
Income (loss) before tax	**236**	**92**	**(131)**	**197**

Three months ended September 30, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	132	185	—	317
Oil purchase and resale service	936	—	—	936
Total revenue	1,068	185	—	1,253
Cost of sales excluding items listed separately below	(983)	(136)	—	(1,119)
Segment profit margin	**85**	**49**	**—**	**134**
G&A expenses excluding items listed separately below	(9)	(7)	(13)	(29)
Depreciation, depletion and amortization [(1)]	(55)	(25)	(3)	(83)
Share-based compensation [(1)]	—	—	(3)	(3)
Interest, accretion and finance costs	—	(2)	(22)	(24)
Transaction and related costs	—	—	(18)	(18)
Other expense	—	—	(7)	(7)
Income (loss) before tax	**21**	**15**	**(66)**	**(30)**

Nine months ended September 30, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	231	335	—	566
Oil purchase and resale service	1,860	—	—	1,860
Total revenue	**2,091**	**335**	**—**	**2,426**
Cost of sales excluding items listed separately below	(1,947)	(248)	—	(2,195)
Segment profit margin	**144**	**87**	**—**	**231**
G&A expenses excluding items listed separately below	(18)	(16)	(22)	(56)
Depreciation, depletion and amortization [(1)]	(96)	(42)	(6)	(144)
Share-based compensation [(1)]	—	—	(10)	(10)
Interest, accretion and finance costs	(1)	(2)	(29)	(32)
Transaction and related costs	—	—	(29)	(29)
Other expense	(2)	—	(7)	(9)
Income (loss) before tax	**27**	**27**	**(103)**	**(49)**

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

MIDSTREAM INFRASTRUCTURE SEGMENT

The Midstream Infrastructure segment has two separate business lines: Midstream Infrastructure and Oil purchase and resale.

Midstream Infrastructure

The Midstream Infrastructure segment includes a network of owned and operated facilities throughout key resource plays in western Canada, North Dakota and Oklahoma. These facilities provide processing, storing, shipping and marketing of crude oil; processing of waste; and waste treatment and disposal. SECURE also transports oil and water through pipelines direct to SECURE facilities. Processing services are primarily performed at midstream processing facilities and include waste processing and crude oil emulsion treating. SECURE's midstream processing facilities that are connected to export oil pipelines provide customers with an access point to process and/or treat their crude oil for shipment to market. Crude oil that does not meet pipeline specifications is processed through a crude oil emulsion treater. Clean crude oil and treated crude oil may be aggregated and stored on site temporarily until the volumes are ready to be shipped through gathering, transmission or feeder pipelines. Disposal services include produced and waste water disposal services through a network of disposal wells.

Oil purchase and resale

SECURE's oil purchase and resale enhance the service offering associated with SECURE's business of terminalling and marketing. By offering this service, SECURE's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. At the Corporation's midstream processing facilities, SECURE meters the crude oil volumes and purchases the crude oil directly from customers. The Corporation then processes, transports to a pipeline-connected midstream processing facility, if necessary, and handles the shipment of crude oil down the pipeline. The Corporation may also purchase and resell crude oil to take advantage of changing market prices and increase profitability.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Revenue (excluding oil purchase and resale)	**181**	132	37	**503**	231	118
Oil purchase and resale	**1,730**	936	85	**4,844**	1,860	160
Midstream Infrastructure Revenue	**1,911**	1,068	79	**5,347**	2,091	156
Cost of Sales						
Cost of sales excluding items noted below	**64**	47	36	**177**	87	103
Depreciation and amortization	**32**	36	(11)	**71**	76	(7)
Impairment	**—**	16	(100)	**—**	16	(100)
Oil purchase and resale	**1,730**	936	85	**4,844**	1,860	160
Midstream Infrastructure Cost of Sales	**1,826**	1,035	76	**5,092**	2,039	150
Segment Profit Margin [(1)]	**117**	85	38	**326**	144	126
Segment Profit Margin [(1)] as a % of revenue [(2)]	**65%**	64%		**65%**	62%	

(1) Calculated as revenue less cost of sales excluding depreciation, depletion, amortization and impairment.

(2) Excluding oil purchase and resale.

Revenue (Midstream Infrastructure segment)

Revenue (excluding oil purchase and resale) of $181 million for the three months ended September 30, 2022, increased 37% from the 2021 comparative period due to higher volumes for water disposal and processing and crude oil terminalling and pipeline volumes. In addition, the Corporation increased prices to keep pace with inflationary costs.

For the nine months ended September 30, 2022, revenue (excluding oil purchase and resale) increased 118% from the 2021 comparative period as a result of the factors above and, in addition, substantially increased facility footprint, which when combined with increasing oil and gas activity, drove increased volumes and higher realized prices for recovered oil, as well as more volumes for marketing and blending opportunities.

The table below outlines average benchmark prices and volumes received at the Corporation's facilities for the three and nine months ended September 30, 2022 and 2021.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Average Benchmark Prices and Volumes						
WTI (US$/bbl)	**$ 91.56**	$ 70.56	30	**$ 98.09**	$ 64.81	51
Canadian Light Sweet ($/bbl)	**$ 116.77**	$ 84.18	39	**$ 123.59**	$ 76.36	62
Water disposal volumes (in 000's m^3)	**2,436**	2,274	7	**6,843**	4,351	57
Processing volumes (in 000's m^3)	**968**	954	1	**2,822**	1,672	69
Recovery volumes (in 000's m^3)(1)	**60**	44	36	**193**	96	101
Crude oil terminalling and pipeline volumes (in 000's m^3)(2)	**1,490**	1,186	26	**4,082**	2,830	44

(1) Volumes for the three and nine months ended September 30, 2021 were misstated in a previous report as 64,000m^3 and 116,000m^3, respectively

(2) Volumes for the three and nine months ended September 30, 2021 were misstated in a previous report as 1,689,000m^3 and 3,332,000m^3, respectively

Water disposal and processing volumes for the three months ended September 30, 2022, increased by 7% and 1%, respectively, from the 2021 comparative period driven by improved overall production levels and higher waste processing volumes corresponding to increased drilling and completion activity. For the nine months ended September 30, 2022, water disposal and processing volumes increased by 57% and 69%, respectively, from the 2021 comparative period as through the Transaction, SECURE increased its facility footprint resulting in a substantial increase in volumes in addition to the same factors described for the three months ended September 30, 2022.

For the three and nine months ended September 30, 2022, oil volumes recovered through our processing operations increased by 36% and 101% respectively, from the 2021 comparative periods, consistent with overall volume variances at the Corporation's midstream processing facilities as described above.

Crude oil terminalling and pipeline volumes for the three months ended September 30, 2022 increased by 26% from the 2021 comparative period primarily due to improved industry activity levels. Crude oil terminalling and pipeline volumes increased by 44% for the nine months ended September 30, 2022, from the 2021 comparative period primarily due to the number of facilities acquired through the Transaction in addition to the factors described for the three month period.

Oil purchase and resale revenue for the three and nine months ended September 30, 2022, increased 85% and 160% from the respective 2021 comparative periods to $1.7 billion and $4.8 billion, respectively. Oil purchase and resale revenue increased as a result of a 39% and 62% increase in Canadian light oil benchmark pricing as well as an increase in marketing volumes during the three and nine months ended September 30, 2022.

Cost of Sales (Midstream Infrastructure segment)

Cost of sales from Midstream Infrastructure services, excluding depreciation, amortization and oil purchase and resale, increased 36% for the three months ended September 30, 2022, from the 2021 comparative period. The increase in cost of sales is consistent with the increase in revenue, industry activity and inflationary pressures.

For the nine months ended September 30, 2022, cost of sales from Midstream Infrastructure services, excluding depreciation, amortization and oil purchase and resale, increased 103% from the 2021 comparative period. In addition to the factors noted above for the three month period, cost of sales increased with the Midstream Infrastructure segment's facility footprint resulting from the Transaction.

Operating depreciation expense included in cost of sales relates primarily to the Midstream Infrastructure segment's facilities, and any gains or losses on the sale or disposal of equipment. For the three months ended September 30, 2022, operational depreciation and amortization decreased by 11% from the 2021 comparative period resulting from a lower asset base due to write-downs recorded in the fourth quarter of 2021 attributable to the suspension or closure of facilities to maximize efficiencies resulting from the Transaction. For the nine months ended September 30, 2022, operational depreciation and amortization decreased by 7% from the 2021 comparative period driven by adjustments associated with the change in asset retirement obligation adjustments in the prior quarter and the write-downs recorded in the fourth quarter of 2021.

Segment Profit Margin (Midstream Infrastructure segment)

The Midstream Infrastructure segment's profit margin increased 38% and 126% for the three and nine months ended September 30, 2022, respectively from the corresponding 2021 comparative periods consistent with the increase in revenue described above.

As a percentage of Midstream Infrastructure revenue (excluding oil purchase and resale), segment profit margin was 65% for the three months ended September 30, 2022, slightly higher than 64% for the same period of 2021. The segment profit margin was 65% for the nine months ended September 30, 2022, compared to 62% for the same period of 2021. The segment profit margin as a percentage of revenue (excluding oil purchase and resale) for the three and nine month periods is attributable to higher disposal, processing, terminalling and pipeline volumes, higher oil prices leading to higher recovered oil and crude oil marketing revenue, as well as the benefit from the realized integration cost savings associated with the Transaction.

G&A Expenses (Midstream Infrastructure segment)

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
G&A expense excluding depreciation and amortization	9	9	—	24	18	33
Depreciation and amortization	1	3	(67)	4	4	—
Midstream Infrastructure G&A expense	10	12	(17)	28	22	27
% of Midstream Infrastructure revenue [(1)]	5%	7%		5%	8%	

[(1)] Calculated based on G&A expense excluding depreciation and amortization and revenue excluding oil purchase and resale.

G&A expense excluding depreciation and amortization of $9 million for the three months ended September 30, 2022 was consistent compared to the 2021 comparative period. G&A expense excluding depreciation and amortization of $24 million for the nine months September 30, 2022, increased by $6 million from the 2021 comparative period. The increase is primarily due to incremental expenses in the first half of 2022 associated with Tervita's business acquired in the Transaction prior to fully achieving cost savings associated with realizing synergies related to the Transaction.

Income Before Tax (Midstream Infrastructure segment)

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Midstream Infrastructure Income before Tax	88	21	319	236	27	774

The Midstream Infrastructure segment's income before tax was $88 million and $236 million for the three and nine months ended September 30, 2022, respectively compared to $21 and $27 million in the 2021 comparative periods. The increase in both periods is primarily driven by the increases in segment profit margin and lower depreciation as well as a gain on the sale of an interest in a facility in the third quarter.

ENVIRONMENTAL AND FLUID MANAGEMENT SEGMENT

The Environmental and Fluid Management segment includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste management and disposal facilities, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, waste treatment and recycling, emergency response, rail services, metal recycling, as well as fluid management for drilling, completion and production activities. Services offered include disposal of oilfield and industrial solid wastes into SECURE's owned, operated or managed landfill network located in western Canada and North Dakota; project assessment and planning; demolition and decommissioning; remediation and reclamation; and emergency response. Metal recycling includes the purchase and processing of ferrous and non-ferrous metals recovered from demolition sites and other locations.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Environmental and Fluid Management Revenue	**238**	185	29	**630**	335	88
Cost of Sales						
Cost of sales excluding items noted below	**170**	136	25	**462**	248	86
Depreciation and depletion	**15**	25	(40)	**46**	41	12
Environmental and Fluid Management Cost of Sales	**185**	161	15	**508**	289	76
Segment Profit Margin [1]	**68**	49	39	**168**	87	93
Segment Profit Margin [1] as a % of revenue	**29%**	26%		**27%**	26%	

[1] Calculated as revenue less cost of sales excluding depreciation, depletion, amortization and impairment.

Revenue (Environmental and Fluid Management segment)

The Environmental and Fluid Management segment revenue increased 29% to $238 million for the three months ended September 30, 2022, from the 2021 comparative periods with higher revenues from landfills, waste services and drilling and production services. The revenue increase was driven by higher commodity prices supporting continued growth in services related to drilling and completion activity as producers continue with their drilling programs. The higher activity levels resulted in increased revenues generated from our drilling fluids business and higher drilling waste volumes at the Corporation's industrial landfills.

For the nine months ended September 30, 2022, Environmental and Fluid Management segment revenue increased 88% relative to the 2021 comparative period to $630 million driven by the same factors described above. Additionally, the increase was largely driven by the impacts of the Transaction which increased SECURE's landfill facility footprint and revenue from existing environmental management service offerings. In addition, revenue increased as a result of the Transaction which expanded SECURE's environmental management service offerings to include hazardous and non-hazardous waste disposal facilities, waste treatment, metal recycling facilities and rail services. The revenue generated from the metal recycling facilities acquired in the Transaction has significantly increased as a result of record high metal prices in the first half of 2022.

Cost of Sales (Environmental and Fluid Management segment)

Cost of sales excluding depletion and depreciation increased 25% and 86% for the three and nine months ended September 30, 2022, respectively from the corresponding 2021 comparative periods. The increase is primarily due to higher activity levels as a majority of the Environmental and Fluid Management segment's cost of sales are variable and fluctuate with corresponding changes in activity levels and job mix. The Corporation has also been experiencing inflationary pressures most notably in our Fluids Management business. For the nine-months ended September 30, 2022, cost of sales was also impacted by higher disposal costs due to increased leachate generation at the Corporation's industrial landfills which was impacted by wet weather experienced during the second quarter of 2022.

Operating depletion and depreciation expense decreased by 40% to $15 million for the three months ended September 30, 2022 from the 2021 comparative period resulting from a lower asset base due to write-downs for landfill locations recorded in the fourth quarter of 2021 attributable to the suspension or closure of locations to maximize efficiencies resulting from the Transaction.

For the nine months ended September 30, 2022, operating depreciation and depletion expense increased by 12% to $46 million relative to the 2021 comparative period. The depletion and depreciation increase relates primarily to higher landfill cell depletion resulting from higher volumes in 2022 as well as the incremental depletion and depreciation associated with the assets acquired in the Transaction, partially lowered by the impact of discount rate changes in landfills' asset retirement obligations and the associated asset values.

Segment Profit Margin (Environmental and Fluid Management segment)

Segment profit margin increased 39% and 93% to $68 million and $168 million for the three and nine months ended September 30, 2022, respectively, from the corresponding 2021 comparative periods primarily due to the positive impact of the Transaction. For the three and nine months ended September 30, 2022, segment profit margin as a percentage of revenue was 29% and 27%, respectively, which is slightly higher than the 26% segment profit margins in each of the corresponding prior year comparative periods.

G&A Expenses (Environmental and Fluid Management segment)

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
G&A expense excluding depreciation and amortization	**8**	7	14	**25**	16	56
Depreciation and amortization	**1**	—	100	**3**	1	200
Environmental and Fluid Management G&A Expense	**9**	7	29	**28**	17	65
% of Environmental and Fluid Management revenue [(1)]	**3%**	4%		**4%**	5%	

[(1)] Calculated based on G&A expense excluding depreciation and amortization.

G&A expenses, excluding depreciation and amortization, of $8 million for the three months ended September 30, 2022, increased $1 million from the 2021 comparative periods resulting from higher personnel costs associated with increased activity levels. G&A expenses of $25 million for the nine months ended September 30, 2022, increased by $9 million from the 2021 comparative period as a result of incremental expenses associated with the Tervita business acquired pursuant to the Transaction. Excluding depreciation and amortization, G&A expenses as a percentage of the segment's revenue were lower at 3% and 4% for the three and nine months ended September 30, 2022, compared to 4% and 5% in the comparative prior year periods.

Income Before Tax (Environmental and Fluid Management segment)

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Environmental and Fluid Management Income before Tax	**40**	15	167	**92**	27	241

The Environmental and Fluid Management segment income before tax increased by $25 million to $40 million for the three months ended September 30, 2022, primarily driven by the increase in segment profit margin.

For the nine months ended September 30, 2022, Environmental and Fluid Management segment income before tax increased by $65 million to $92 million driven by the same factors described above including a gain on disposition recognized in other income, partially offset by higher depreciation and depletion. The gain on disposition is related to the sale of a non-core consulting service line in the Environmental Solutions business that was not material to SECURE.

CORPORATE INCOME AND EXPENSES

Corporate G&A Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
G&A expenses excluding items noted below	**13**	13	—	**36**	22	64
Depreciation and amortization	**3**	3	—	**5**	6	(17)
Share-based compensation expense	**4**	3	33	**14**	9	56
Total Corporate G&A expenses	**20**	19	5	**55**	37	49

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

Corporate G&A expenses excluding depreciation and amortization and share-based compensation expense for the three months ended September 30, 2022, remained consistent with the comparative 2021 period totaling $13 million.

For the nine months ended September 30, 2022, Corporate G&A expenses increased $14 million to $36 million primarily as a result of a larger Corporate function due to the increased size of SECURE following the completion of the Transaction.

Share-based compensation included in G&A expenses of $4 million and $14 million for the three and nine months ended September 30, 2022, respectively, increased by $1 million and $5 million from the corresponding prior year comparative periods. The increase was primarily a result of higher number of units outstanding and higher fair value at grant date associated with the units in the first quarter of 2022 compared to the comparative periods in 2021, and revaluing the liability associated with cash-settled units at a higher period end share price compared to the 2021 periods.

Transaction and Related Costs

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Transaction and related costs	**4**	**18**	(78)	**22**	**29**	(24)

Transaction and related costs recorded to the Corporate segment were $4 million for the three months ended September 30, 2022, consisting of integration costs related to compliance and regulatory and information technology expenditures. For the nine months ended September 30, 2022, transaction and related costs recorded to the Corporate segment were $22 million, consisting of $12 million related to legal and advisory fees for the completion of the Transaction, including the competition review process, and $10 million of integration costs. The integration costs primarily related to severance and information technology expenditures.

Interest and Finance Costs

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Interest and finance costs	**19**	22	(14)	**63**	29	117

Corporate interest and finance costs includes interest expense (net of amortization of the fair value premium associated with the 2025 senior secured notes), amortization of financing fees, interest expense on lease liabilities and all realized and unrealized gains or losses related to interest rate swaps on the Corporation’s senior secured credit facilities.

Interest and finance costs decreased 14% to $19 million for the three months ended September 30, 2022, from the 2021 comparative period. During the nine months ended September 30, SECURE repurchased US$80 million aggregate principal amount of 2025 senior secured notes at an average price of $110.02 per $100.00 principal amount plus accrued and unpaid interest. These repurchases reduced the outstanding principal amount on the 2025 senior secured notes resulting in a lower interest expense.

For the nine months ended September 30, 2022 interest and finance costs increased 117% to $63 million from the 2021 comparative period. On the completion of the Transaction, SECURE assumed Tervita's debt which included amounts owing under a revolving credit facility and the 2025 senior secured notes. The assumption of Tervita's debt resulted in an increase to average debt outstanding and a higher weighted average interest rate than the comparative prior year period. Refer to the "Liquidity and Capital Resources" section of this MD&A for details of SECURE's debt borrowings and Note 12 in the Interim Financial Statements for additional information related to interest and finance costs.

Other (Expense) Income

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Other (expense) income	**(3)**	(7)	(57)	**9**	(7)	(229)

Other income for the nine months ended September 30, 2022, primarily includes a gain on the sale of vacant land. In addition, all realized and unrealized foreign exchange gains and losses and all realized and unrealized gains or losses related to the cross currency swaps to hedge foreign exchange exposure on U.S. dollar denominated debt are included.

Foreign Currency Translation Adjustment

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Foreign currency translation gain (loss), net of tax	**5**	3	67	**6**	(3)	(300)

For the three and nine months ended September 30, 2022, the foreign currency translation gain amounted to $5 million and $6 million, respectively. This gain relates to foreign currency translation adjustments resulting from the conversion of the assets, liabilities and financial results of the Corporation's ongoing U.S. operations for the three and nine months ended September 30, 2022, at a higher period end rate due to the depreciation of the Canadian dollar relative to the U.S. dollar during each respective period. The foreign currency translation adjustment included in the consolidated statements of comprehensive income (loss) does not impact net income (loss) for the period.

Income Taxes

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Deferred tax expense (recovery)	**22**	(8)	(375)	**45**	(11)	(509)

For the three and nine months ended September 30, 2022, the Corporation's income tax expense was $22 million and $45 million, respectively, compared to a recovery of $8 million and $11 for the three and nine months ended September 30, 2021, respectively. The variance in the three and nine months in the current year compared to the respective prior periods is as a result of higher pre-tax income.

SUMMARY OF QUARTERLY RESULTS

Seasonality

In Canada, the level of activity in the oilfield is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. This limits the movement of the heavy equipment required for drilling and well servicing activities, and the level of activity of the Corporation's customers may, consequently, be 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 midstream infrastructure and fluid management activity levels. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Environmental management project activity tends to be lower in the first half of the year due to the previously described factors and challenges of completing excavation work on frozen terrain in the first quarter. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

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

	2022			2021				2020
($ millions except share and per share data)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Revenue (excluding oil purchase and resale)	**419**	355	359	327	317	117	132	119
Oil purchase and resale	**1,730**	1,723	1,391	1,013	936	395	529	356
Total revenue	**2,149**	2,078	1,750	1,340	1,253	512	661	475
Net income (loss) attributable to shareholders of SECURE (1)	**60**	54	38	(166)	(22)	(13)	—	(39)
Per share - basic and diluted	**0.19**	0.17	0.12	(0.54)	(0.07)	(0.08)	—	(0.25)
Weighted average shares - basic	**309,912,215**	309,831,621	308,833,319	308,135,731	306,474,523	160,358,466	159,540,722	158,664,323
Weighted average shares - diluted	**313,278,309**	313,071,825	312,043,772	308,135,731	306,474,523	160,358,466	159,540,722	158,664,323
Adjusted EBITDA (2)	**154**	127	126	111	105	31	40	36

(1) Represents total net (loss) income attributable to shareholders of SECURE. Prior year amounts have been restated, refer to the *"Accounting Policies"* section of this MD&A for additional information.

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

Quarterly Review Summary

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

The rapid and dramatic decline in crude oil prices at the end of the first quarter of 2020 resulting from oil demand destruction caused by the effects of the COVID-19 pandemic and oversupply concerns stemming from failed negotiations between OPEC+ countries on production curtailments began to have an adverse impact on the Corporation's results in March 2020, and resulted in a decrease in production volumes due to temporary shut-ins of uneconomic production by producers and drilling and completion activity as customers spending levels reduced. In response to the COVID-19 pandemic and the impacts on the oil and gas industry, the Corporation took significant measures to reduce its cost structure to align with expected industry activity levels.

Starting in the first quarter of 2021, higher crude oil prices resulted in improved activity levels across all business units and increased utilization at a number of the Corporation's midstream processing facilities and landfills as higher drilling, completion and production volumes from increased activity levels required treating, processing and disposal. The higher drilling and completion activity positively impacted the drilling fluids and production services business in the Environmental and Fluid Management segment.

During the third quarter of 2021, the Corporation closed the Transaction which significantly impacted the results in the second half of 2021 as SECURE increased its Midstream Infrastructure footprint and expanded its Environmental and Fluid Management service offerings.

During the fourth quarter of 2021, the Corporation recorded a non-cash impairment charge of $247 million attributable to the suspension or closure of facilities in order to achieve the integration cost savings related to the Transaction and assets assigned value in the purchase price allocation of the Transaction that do not have continuing value to SECURE.

Since the close of the Transaction, the Corporation has executed on realizing the integration cost savings identified at the time of the Transaction and along with the continued improvement in oil prices and corresponding increase in industry activity, has seen positive impacts on the quarter over quarter results.

LIQUIDITY AND CAPITAL RESOURCES

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

Management considers capital to be the Corporation’s working capital (current assets less accounts payable and accrued liabilities and interest payable), total amounts drawn on debt borrowings (Revolving Credit Facility, 2025 senior secured notes and 2026 unsecured notes) and shareholders’ equity.

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

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

Debt Borrowings

The Corporation’s debt borrowings as at September 30, 2022 consisted of:

- The Revolving Credit Facility, an $800 million three-year revolving credit facility with nine financial institutions. The Revolving Credit Facility was renewed in August 2022 with the term extended to July 2025. All the amounts borrowed under the Revolving Credit Facility are secured by substantially all tangible and intangible assets owned by the Corporation. Total amount drawn was $368 million. LCs issued against the Revolving Credit Facility in the amount of approximately $94 million reduce the amount available to be drawn under the Revolving Credit Facility.
- The SECURE LC Facility, a $30 million unsecured letter of credit facility guaranteed by Export Development Canada. At September 30, 2022, SECURE has currently issued LCs in the amount of approximately $10 million against the SECURE LC Facility.
- The 2025 senior secured notes, consisting of US$220 million aggregate principal amount of 11% senior second lien secured notes due December 1, 2025. These are subordinate to the Revolving Credit Facility and are secured by substantially all tangible and intangible assets owned by the Corporation.
- The 2026 unsecured notes, consisting of $340 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026. $140 million aggregate principal amount of the 2026 unsecured notes were issued at a price of $100.75, representing a yield of approximately 7.0%.

During the three and nine months ended September 30, 2022, SECURE repurchased US$3 million and US$80 million, respectively of aggregate principal amount of 2025 senior secured notes at an average price of $110.02 per $100.00 principal amount plus accrued and unpaid interest, reducing SECURE's weighted average interest cost. The repurchases were completed in May to September 2022 and were funded by discretionary free cash flow and funds available under the Revolving Credit Facility. Subsequent to September 30, 2022, the Corporation repurchased an additional US$46 million aggregate principal amounts of 2025 senior secured notes at an average price of $109.20.

Amounts borrowed under the Revolving Credit Facility bear interest at the Corporation's option of either the Canadian prime rate our US Base Rate plus 0.625% to 2.50% or the bankers' acceptance rate or SOFR rate plus 1.625% to 3.50%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility. Interest on $130 million of the Revolving Credit Facility was fixed at 5.5% per annum through the use of interest rate swaps until July 31, 2022.

The interest payments on the 2025 senior secured notes and 2026 unsecured notes occur in June and December during the term of the debt. This will typically result in lower discretionary free cash flow generated in the second and fourth quarter.

The Corporation has entered into cross currency swaps ("CCS") to hedge foreign exchange exposure on the U.S. denominated 2025 senior secured notes, fixing the exchange rate on the principal repayments and a portion of the interest payments. During the three months ended September 30, 2022, the Corporation reduced its CCS position by US$85 million to US$150 million. The asset balance of these remaining derivative contracts amounted to $6 million at September 30, 2022 and was recorded in other assets on the consolidated statements of financial position. Subsequent to September 30, 2022, SECURE has settled the positions related to the remainder of the CCS.

The Corporation's credit ratings issued by S&P Global Ratings ("S&P"), Fitch Ratings ("Fitch") and Moody's Investor Service, Inc. ("Moody's"), providing increased transparency and comparability for debt investors and other capital market participants, remained unchanged as at September 30, 2022 as follows:

	S&P	Fitch	Moody's
Corporate Rating	B	B+	B1
2025 senior secured notes	BB-	BB	B1
2026 unsecured notes	B	B+	B3

Revolving Credit Facility Covenants

At September 30, 2022, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility.

The following table outlines SECURE's covenant ratios, calculated in accordance with the Revolving Credit Facility, at September 30, 2022, and December 31, 2021:

	September 30, 2022	December 31, 2021	% Change
Senior Debt to EBITDA	0.9	1.5	(40)
Total Debt to EBITDA	2.2	3.4	(35)
Interest coverage	5.1	3.4	50

Issued capital

Issued capital of $1.7 billion increased 1% at September 30, 2022, compared to December 31, 2021, as a result of the common shares issued through the conversion of restricted share units and performance share units into common shares under the Corporation's Unit Incentive Plan during the nine months ended September 30, 2022.

Liquidity risk

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

The Corporation is impacted by oil and gas prices, which can be susceptible to volatility at times, and their impacts on drilling and completion activity. SECURE's Midstream Infrastructure reportable segment is highly concentrated on production volumes or related services that historically represent approximately 75% of the segment's segment profit margin. A portion of these production volumes are contracted and/or fee-for-service contracts that are expected to provide a degree of cash flow stability.

Since October 2020, the Corporation has declared a quarterly dividend of $0.0075 (0.75 cents) per common share. Subsequent to the close of the Transaction, the Corporation maintained the quarterly dividend at $0.0075 (0.75 cents) per common share. The decision whether or not to pay dividends and the amount of any such dividends are subject to the sole discretion of the Board, which regularly evaluates the Corporation's proposed dividend payments.

SECURE believes the sharing of excess cash flows with shareholders is a core business principle; as a result, management and the Board will continue to monitor the Corporation's dividend policy with respect to forecasted Adjusted EBITDA, debt, capital expenditures and other investment opportunities, as well as expected interest, lease, tax, transaction and implementation costs, and will look for opportunities to return additional capital after the successful integration of the business acquired pursuant to the Transaction and as business conditions warrant.

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

The Corporation expects to direct a majority of its Discretionary Free Cash Flow to repaying debt in 2022 which should result in improvement in the Corporation's liquidity position.

As at September 30, 2022, the Corporation had $381 million in Liquidity consisting of $23 million in cash and $358 million in available borrowing capacity on its Revolving Credit Facility and SECURE LC Facility, subject to covenant restrictions. Refer to Note 21 of the Annual Financial Statements for further disclosure of the Corporation's liquidity risk and Note 15 of the Interim Financial Statements for details of the Corporation's contractual obligations and contingencies at September 30, 2022.

The following provides a summary and comparison of the Corporation's operating, investing and financing cash flows for the three and nine months ended September 30, 2022 and 2021.

Net Cash Flows from Operating Activities

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Net cash flows from operating activities	143	1	14,200	311	46	576

The Corporation generated net cash flows from operating activities of $143 million and $311 million for the three and nine months ended September 30, 2022 respectively, increases of $142 million and $265 million from the corresponding prior year comparative periods, resulting from higher Adjusted EBITDA in the current year periods .

Investing Activities

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	**2022**	2021	% Change
Capital expenditures [(1)]						
Growth capital expenditures	**9**	3	200	**14**	10	40
Sustaining capital expenditures	**21**	10	110	**48**	16	200
Total capital expenditures	**30**	13	131	**62**	26	138

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

The Corporation's total capital expenditures increased by $17 million and $36 million for the three and nine months ended September 30, 2022, respectively, from the corresponding 2021 comparative periods driven primarily by the increased facility footprint following the Transaction. Of the total spend, $21 million and $48 million related to sustaining capital during the three and nine months ended September 30, 2022, respectively. Growth capital of $9 million and $14 million for three and nine months ended September 30, 2022, respectively, related largely to the expansion of a water disposal facility which is backstopped by a commercial agreement with an existing customer at the facility and adding in blending capabilities at existing facility locations.

In the prior year comparative periods, growth capital expenditures incurred related largely to connecting an additional segment of the East Kaybob oil pipeline that was first commissioned in 2020.

Financing Activities

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	**2022**	2021	% Change
Draw (repayment) of credit facilities	**(84)**	(50)	68	**(110)**	(66)	67
Settlement of 2025 senior secured notes	**(5)**	(132)	(96)	**(114)**	(132)	(14)
Issuance of unsecured notes	**—**	—	100	**—**	200	(100)
Financing fees	**(1)**	(10)	(90)	**(1)**	(15)	(93)
Change in restricted cash	**—**	206	—	**—**	—	100
Settlement of debt-related derivatives	**(5)**	(4)	25	**(5)**	(4)	25
Lease liability principal payments	**(7)**	(6)	17	**(19)**	(11)	73
Dividends declared	**(3)**	(2)	50	**(7)**	(5)	40
Change in non-cash working capital	**—**	1	(100)	**—**	1	(100)
Net cash flows (used in) from financing activities	**(105)**	3	(3,600)	**(256)**	(32)	700

During the three months ended September 30, 2022, the Corporation repaid $84 million of our credit facilities and repurchased US$3 million aggregate principal amount of our 2025 senior secured notes. The reduction of these amounts were funded by discretionary free cash flow generated during the quarter.

The Corporation pays a quarterly dividend of $0.0075 (0.75 cents), resulting in a spend of $3 million and $7 million for the three and nine months ended September 30, 2022, respectively. On September 15, 2022, the Corporation declared a quarterly dividend of $0.0075 (0.75 cents), which was paid to shareholders of record on October 1, 2022.

CONTRACTUAL OBLIGATIONS

Refer to Note 15 of the Interim Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

A discussion of SECURE's business risks is set out in the AIF under the heading *'Risk Factors',* which is incorporated by reference herein, including risks related to the Transaction and the business acquired in connection therewith. This section does not describe all risks applicable to the Corporation, its industry or its business, and is intended only as a summary of certain material risks of significance to this MD&A. If any of the risks or uncertainties set out in the AIF or this MD&A actually occur, the Corporation's business, financial condition, operating results or share price could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A.

Inflation

If our development, operation or labour costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through corresponding increases in the costs of our products and services to our customers. Our inability or failure to do so could harm our business, financial condition and results of operations. Further, there can be no assurance that any governmental action to mitigate inflationary cycles will be taken or be effective. Central banks have increased interest rates in response to inflation, and additional rate increases are expected. Governmental action, such as the imposition of higher interest rates or wage controls, may also negatively impact SECURE's costs and may magnify the risks identified in this MD&A and in the AIF, including as set out under the heading "*Risk Factors - Interest Rates"* in the SECURE's AIF. Continued inflation, any governmental response thereto, or SECURE's inability to offset inflationary effects may have a material adverse effect on our business, results of operations, financial condition or value of our share price.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets, as well as increased cybersecurity risks. The global economy has been greatly affected by the war between Russia and Ukraine. The ongoing conflict and associated sanctions levied against Russia led to sharp increases in, and supply shortages of, key commodities. Uncertainty regarding the duration and ultimate effects of the war have raised global concerns over the potential for major disruptions in oil and natural gas supply and continuing commodity price volatility. Any additional sanctions or other international action may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Specifically, as a major exporter of oil and natural gas, any disruption of supply of oil and natural gas from Russia, as a result of sanctions and associated repercussions, operational disruptions, damage to infrastructure or otherwise, may cause a supply shortage globally and significantly impact commodity prices. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services.

The extent and duration of the war in Ukraine and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified by the Corporation in the AIF, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on SECURE, our stakeholders, and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Competition Act Matters

On June 29, 2021, the Commissioner of Competition (the "Commissioner") filed an application under Section 92 of the Competition Act (the "Section 92 Application") with the Competition Tribunal and served SECURE with a notice of application to block the closing of the Transaction under Section 92 of the Competition Act. Since then the Section 92 Application was amended to seek the divestiture of unspecified assets. The a hearing of the Commissioner's application under Section 92 of the Competition Act was held in the second quarter of 2022.

SECURE believes that the Transaction will be beneficial to customers and result in significant cost savings and other efficiencies that will benefit SECURE, its customers, and the Canadian economy. In connection with, or as a result of, a challenge by the Commissioner of the Transaction under the Competition Act, including the Commissioner's pending application under Section 92 of the Competition Act (“the Application”), SECURE may be required to divest certain of its assets or be subject to another remedy (including a behavioral remedy) which in any case may adversely affect SECURE’s ability to achieve the anticipated benefits of the Transaction and financial projections related thereto. SECURE may incur significant costs in connection with its defense of the Application and any additional challenge by the Commissioner to the Transaction. SECURE believes the resolution of such proceedings will not be material to the Corporation’s asset base or Adjusted EBITDA.

Oil Prices and the COVID-19 Pandemic

The rapid global spread of COVID-19, and its variants, and measures taken in response by governments and health authorities around the world, including travel restrictions, quarantines, business and school closures, and restrictions on public gatherings, resulted, and may again result in, the significant slow-down in economic activity and reduce the demand for and price of commodities closely linked to SECURE’s business and financial condition. The Corporation’s business, operations and financial condition could be materially adversely affected by the COVID-19 pandemic or other outbreaks, epidemics, or other health crises.

While demand is normalizing and many jurisdictions have adjusted or lifted restrictions in response to changing infection rates, the situation remains fluid as COVID-19 and its variants, some of which may be more transmissible and carry increased health risks, continue to be a concern. Governments are continuing to closely monitor the spread of COVID-19 and its variants, which may lead to the maintenance or reintroduction of emergency measures to counter any resurgence of such viruses. Accordingly, ongoing uncertainty with respect to the pandemic, including the potential of further commodity price volatility and changes to global financial conditions, may have significant adverse impacts on the Corporation.

The situation is dynamic and the ultimate duration and scope of the effect of the COVID-19 pandemic on future developments cannot be predicted at this time, including the rate and extent to which normal economic and operating conditions resume; and the impact of these and other factors on SECURE’s stakeholders, particularly those upon whom the Corporation has a major reliance, including its customers, vendors and employees. Estimates and judgments made by management in the preparation of the Interim Financial Statements are subject to a higher degree of measurement uncertainty during a volatile period. For a full discussion of SECURE's risks related to the COVID-19 pandemic, see *"Risk Factors – COVID-19 Pandemic"* in the AIF.

OUTSTANDING SHARE CAPITAL

As at November 1, 2022, there are 309,962,537 common shares issued and outstanding. In addition, as at November 1, 2022, the Corporation had the following share-based awards outstanding and exercisable or redeemable:

Balance as at November 1, 2022	Issued	Exercisable
Restricted Share Units	2,207,063	—
Performance Share Units	4,104,518	—

OFF-BALANCE SHEET ARRANGEMENTS

At September 30, 2022 and December 31, 2021, the Corporation did not have any material off-balance sheet arrangements.

FINANCIAL AND OTHER INSTRUMENTS

As at September 30, 2022, the Corporation's financial instruments include cash, accounts receivables and accrued receivables, accounts payable and accrued liabilities, interest payable, the Revolving Credit Facility, 2025 senior secured notes, 2026 unsecured notes, lease liabilities and derivative instruments. The fair values of these financial instruments approximate their carrying amount due to the short-term maturity of the instruments, except for the Revolving Credit Facility, 2025 senior secured notes and the 2026 unsecured notes. The Revolving Credit Facility's carrying value approximate its fair values due to the variable interest rates applied, which approximate market interest rates. The fair value of the 2026 unsecured notes is influenced by changes in risk-free interest rates and the market assessment of credit risk. The fair value of the 2025 senior secured notes is influenced by the same factors as the 2026 unsecured notes as well as foreign currency fluctuation.

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

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

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

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

Funds drawn under the Revolving Credit Facility are managed through a combination of bankers' acceptance loans and U.S. dollar London Inter-bank Offered Rate ("LIBOR") loans which bear interest at a floating interest rate and the 2025 senior secured notes are U.S. dollar denominated debt. On March 5, 2021, the Financial Conduct Authority, the regulatory supervisor of USD LIBOR's administrator, announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, one-month, three-month, six-month, and 12-month USD LIBOR tenor settings. A replacement of LIBOR, if and when concluded, will replace LIBOR as the benchmark for U.S. dollar loans under the terms of our Revolving Credit Facility. To the extent that the Corporation borrows under the Revolving Credit Facility, the Corporation is at risk to rising interest rates and foreign exchange rates in addition to its exposure to rising foreign exchange rates with respect to its senior secured notes. Exposure to foreign exchange rate changes is mitigated using cross currency swaps to hedge foreign exchange exposure on U.S. denominated debt, fixing the exchange rate on the U.S. dollar loan amounts for the purposes of interest and principal repayments. The Corporation has managed a portion of its interest rate risk through derivative instruments to effectively fix the interest rate at 5.5% on $130 million of funds drawn on its Revolving Credit Facility until July 31, 2022.

ACCOUNTING POLICIES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

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

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

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

There was no change to the Corporation's ICFR that occurred during the most recent interim or annual period ended September 30, 2022 that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

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

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On June 29, 2021 the Commissioner of Competition filed the Section 92 Application with the Competition Tribunal seeking the divestiture of unspecified assets. A hearing of the Section 92 Application was held in the second quarter of 2022. SECURE believes the resolution of such proceedings will not be material to the Corporation's asset base or Adjusted EBITDA. See "Risk Factors – Competition Act Matters" in the AIF for further information on the proceedings under the Competition Act relating to the Transaction.

Refer to Note 15 of the Corporation's Interim Financial Statements for disclosure related to legal proceedings and regulatory actions and its impact on contingencies.

RELATED PARTIES

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

FORWARD-LOOKING STATEMENTS

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

In particular, this MD&A contains or implies forward-looking statements pertaining but not limited to: SECURE's priorities for the remainder of 2022, 2023 and beyond and its high-level strategic plan, including related to ESG, maintaining a strong balance sheet and financial resiliency, debt reduction, increased dividends, share repurchases, and its ability and position to achieve such priorities; SECURE's capital allocation priorities; note repurchases and the impacts thereof on interest costs and financial flexibility; incremental capital required to grow EBITDA; increased industry activity, including related to abandonment, remediation and reclamation and the impacts thereof; SECURE's 2023 capital program; expected capital expenditures and the timing of the completion of projects related thereto; SECURE's ability to repay debt and achieve its near-term debt targets; SECURE's ability to execute and deliver on the expected benefits of the Transaction; the Transaction resulting in significant cost savings and other efficiencies that will benefit SECURE, its customers, and the Canadian economy; the resolution of the Application, the remedies associated therewith and the effects thereof on SECURE and its asset base or Adjusted EBITDA; improving SECURE's capital structure and minimizing SECURE's sustaining capital by managing underutilized assets to generate incremental discretionary free cash flow; commodity prices and foreign exchange rates, and the effects of macroeconomic factors thereon; sustained inflationary pressures and increased interest rates, their impact on SECURE's business and SECURE's ability to manage such pressures; the impact of increased industry activity on SECURE's business and demand for SECURE's products and services, including increased utilization at SECURE's midstream facilities; the impact of new or existing regulatory requirements, including mandatory spend requirements for retirement obligations, on SECURE's business, and the introduction of such requirements; seasonal slowdowns in energy industry activity; SECURE's discretionary free cash flow and the use and portion of such discretionary free cash flow to reduce debt; SECURE's ability to increase throughput with minimal incremental fixed costs or additional capital; the form, amount and timing of shareholder returns; maintaining cost control measures; the impact of fluctuations of industry activity levels and job mix on cost of sales; changes to SECURE's dividend policy, the declaration, timing and amount of dividends thereunder and the continued monitoring of such policy by the Board and management; the Corporation's ability to fund its capital needs and the amount thereof; methods and sources of liquidity to meet SECURE's financial obligations, including adjustments to dividends, drawing on credit facilities, issuing debt, obtaining equity financing or divestitures; SECURE's liquidity position and access to capital; and maintaining financial resiliency.

Forward-looking statements are based on certain assumptions that SECURE has made in respect thereof as at the date of this MD&A regarding, among other things: economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, exchange rates, and inflation; the changes in market activity and growth will be consistent with industry activity in Canada and the U.S. and growth levels in similar phases of previous economic cycles; the impact of the COVID-19 pandemic (including its variants) and geopolitical events, including government responses related thereto and their impact on global energy pricing, oil and gas industry exploration and development activity levels and production volumes; the ability of the Corporation to realize the anticipated benefits of the Transaction; the resolution of the review of the Transaction under the *Competition Act* on terms acceptable to the Corporation; SECURE's ability to successfully integrate Tervita's legacy business; anticipated sources of funding being available to SECURE on terms favourable to SECURE; the success of the Corporation’s operations and growth projects; the Corporation’s competitive position; the Corporation's ability to attract and retain customers (including Tervita's historic customers); that counterparties comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion and operation of the relevant facilities; that there are no unforeseen material costs in relation to the Corporation’s facilities and operations; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; the end of the Canadian Federal Government's stimulus package; increases to the Corporation's share price and market capitalization over the long term; the Corporation's ability to repay debt and return capital to shareholders; the Corporation's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the Corporation’s ability to access capital and insurance; operating and borrowing costs, including costs associated with the acquisition and maintenance of equipment and property; the ability of the Corporation and our subsidiaries to successfully market our services in western Canada and the U.S.; an increased focus on ESG, sustainability and environmental considerations in the oil and gas industry; the impacts of climate-change on the Corporation's business; the current business environment remaining substantially unchanged; present and anticipated programs and expansion plans of other organizations operating in the energy service industry resulting in an increased demand for the Corporation’s and our subsidiaries’ services; future acquisition and maintenance costs; the Corporation's ability to achieve its ESG and sustainability targets and commitments; and other risks and uncertainties described in the AIF and from time to time in filings made by SECURE with securities regulatory authorities.

Forward-looking statements involve significant known and unknown risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, including but not limited to: general global financial conditions, including general economic conditions in Canada and the U.S.; the effect of the COVID-19 pandemic (including its variants) and geopolitical events and governmental responses thereto on economic conditions, commodity prices and the Corporation’s business and operations; changes in the level of capital expenditures made by oil and natural gas producers and the resultant effect on demand for oilfield services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; a transition to alternative energy sources; the Corporation's inability to retain customers; risks inherent in the energy services industry, including physical climate-related impacts; the Corporation’s ability to generate sufficient cash flow from operations to meet our current and future obligations; the seasonal nature of the oil and gas industry; increases in debt service charges including changes in the interest rates charged under the Corporation’s current and future debt agreements; inflation and supply chain disruptions; the Corporation’s ability to access external sources of debt and equity capital and insurance; disruptions to our operations resulting from events out of our control; the timing and amount of stimulus packages and government grants relating to site rehabilitation programs; the cost of compliance with and changes in legislation and the regulatory and taxation environment, including uncertainties with respect to implementing binding targets for reductions of emissions and the regulation of hydraulic fracturing services and services relating to the transportation of dangerous goods; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; competition; impairment losses on physical assets; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; supply chain disruption; the Corporation's ability to effectively complete acquisition and divestiture transactions on acceptable terms or at all; a failure to realize the benefits of the Transaction and risks related to the associated business integration; the inaccuracy of pro forma information prepared in connection with the Transaction; risks related to a new business mix and significant shareholder; liabilities and risks, including environmental liabilities and risks, inherent in SECURE's operations, including those associated with the Transaction; the Corporation's ability to integrate technological advances and match advances of our competition; credit, commodity price and foreign currency risk to which the Corporation is exposed in the conduct of our business; compliance with the restrictive covenants in the Corporation's current and future debt agreements; the Corporation's or our customers' ability to perform their obligations under long-term contracts; misalignment with our partners and the operation of jointly owned assets; the Corporation's ability to source products and services on acceptable terms or at all; the Corporation's ability to retain key or qualified personnel; uncertainty relating to trade relations and associated supply disruptions; the effect of changes in government and actions taken by governments in jurisdictions in which the Corporation operates, including in the U.S.; the effect of climate change activism on our operations and ability to access capital and insurance; exposure of the Corporation's information technology systems to external threats and the effects of any unauthorized access to such system and potential disclosure of confidential information; the Corporation's ability to bid on new contracts and renew existing contracts; potential closure and post-closure costs associated with landfills operated by the Corporation; the Corporation's ability to protect our proprietary technology and our intellectual property rights; legal proceedings and regulatory actions to which the Corporation may become subject, including in connection with the review of the Transaction under the Competition Act and any claims for infringement of a third parties' intellectual property rights; the Corporation's ability to meet its ESG targets or commitments and the costs associated therewith; claims by, and consultation with, Indigenous Peoples in connection with project approval; disclosure controls and internal controls over financial reporting; and those risk factors identified in the AIF and from time to time in filings made by the Corporation with securities regulatory authorities.

Although forward-looking statements contained in this MD&A are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this MD&A are expressly qualified by this cautionary statement. Unless otherwise required by applicable securities laws, SECURE does not intend, or assume any obligation, to update these forward-looking statements.

ADDITIONAL INFORMATION

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