

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY, SEMCAMS ULC, SEMCANADA ENERGY
COMPANY, A.E. SHARP LTD., CEG ENERGY OPTIONS, INC. and 1380331
ALBERTA ULC**

APPLICANTS

CONSOLIDATED PLAN OF DISTRIBUTION

concerning, affecting and involving

**SEMCANADA ENERGY COMPANY, A.E. SHARP LTD. AND CEG
ENERGY OPTIONS, INC.**

July 24, 2009

CONSOLIDATED PLAN OF DISTRIBUTION

WHEREAS SemCanada Energy Company (“**SemCanada Energy**”), A.E. Sharp Ltd. (“**AES**”), CEG Energy Options, Inc. (“**CEG**” and together with SemCanada Energy and AES, the “**SemCanada Energy Companies**”) are insolvent;

AND WHEREAS each of the SemCanada Energy Companies filed a Notice of Intention to File a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”);

AND WHEREAS an Order was made by the Honourable Madam Justice B.E.C. Romaine of the Court of Queen’s Bench of Alberta (the “**Alberta Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (“**CCAA**”) dated July 30, 2008 (the “**Amended and Restated Initial Order**”) which, among other things, (a) continued the BIA proceedings of the SemCanada Energy Companies under the CCAA, (b) granted CCAA protection to 3191278 Nova Scotia Company (“**319**”) and 1380331 Alberta ULC (“**138**”) and (c) appointed Ernst & Young Inc. as Monitor (the “**Monitor**”) of the SemCanada Energy Companies, 319 and 138;

AND WHEREAS SemGroup, L.P. and certain of its direct and indirect subsidiaries and affiliates (collectively, the “**US Debtors**”) filed voluntary petitions (the “**US Proceedings**”) seeking protection under Chapter 11 of Title 11 of the United States Code, 11 U.S.C., §§101-1330 (the “**US Bankruptcy Code**”) in the U.S. Bankruptcy Court for the District of Delaware (the “**US Bankruptcy Court**”);

AND WHEREAS the US Debtors have filed the Second Amended Joint Plan of Affiliated Debtors dated July 21, 2009 pursuant to Chapter 11 of the US Bankruptcy Code in the US Proceedings (as the same may be amended, varied or supplemented from time to time, the “**US Plan**”);

AND WHEREAS the SemCanada Energy Companies have liquidated substantially all of their Property, except for the collection of certain accounts receivable;

AND WHEREAS it is the intention of the SemCanada Energy Companies to present a consolidated plan of distribution under the CCAA to facilitate the distribution of the proceeds of liquidation to the SemCanada Energy Companies’ Affected Creditors;

NOW THEREFORE the SemCanada Energy Companies hereby propose and present this consolidated plan of distribution to the Affected Creditors (as defined below) of the SemCanada Energy Companies under and pursuant to the CCAA:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this consolidated plan of distribution, unless otherwise stated or unless the subject matter or context otherwise requires:

“**138**” shall have the meaning ascribed thereto in the Recitals;

“**319**” shall have the meaning ascribed thereto in the Recitals;

“Administration Charge” shall have the meaning ascribed thereto in the Amended and Restated Initial Order, as amended by the Plan Sanction Order;

“AES” shall have the meaning ascribed thereto in the Recitals;

“Affected Claim” means any Claim except for Unaffected Claims and Unaffected Plan Closing Claims;

“Affected Creditor” means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

“Affected Creditors’ Class” means the class of Creditors established in Section 3.1 hereto;

“Agent” means Ernst & Young Inc. in its capacity as agent of the SemCanada Energy Companies and B of A under the Secured Lenders’ Security to collect the accounts receivable and realize upon the other Property of the SemCanada Energy Companies pursuant to and in accordance with the Plan;

“Alberta Court” shall have the meaning ascribed thereto in the Recitals;

“Amended and Restated Initial Order” shall have the meaning ascribed thereto in the Recitals, as it may be amended from time to time;

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;

“Applicants” means, collectively, SemCanada Crude Company, SemCAMS, the SemCanada Energy Companies, 138, and 319 if the shares of 319 have not been transferred prior to the Plan Implementation Date pursuant to the sale approved by the Order made by the Honourable Madam Justice B.E.C. Romaine of the Alberta Court dated April 17, 2009;

“B of A” means Bank of America, N.A. in its capacity as administrative agent and letter of credit issuer pursuant to the Secured Lenders Credit Agreement;

“Beneficial Noteholder” means the beneficial holder or entitlement holder of any Note, regardless of whether such holder is a Registered Noteholder;

“BIA” shall have the meaning ascribed thereto in the Recitals;

“Business Day” means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, Alberta and in New York, New York;

“Canadian Dollars” means lawful currency of Canada;

“**CCAA**” shall have the meaning ascribed thereto in the Recitals;

“**CCAA Proceedings**” means the proceedings of the SemCanada Energy Companies in the Alberta Court under the CCAA pursuant to the Amended and Restated Initial Order;

“**CEG**” shall have the meaning ascribed thereto in the Recitals;

“**Certificate of Plan Termination**” shall have the meaning ascribed thereto in Section 9.2(w);

“**Charges**” shall have the meaning ascribed thereto in the Amended and Restated Initial Order;

“**Claim**” means any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against any of the SemCanada Energy Companies, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the BIA had any of the SemCanada Energy Companies become bankrupt;

“**Claims Bar Date**” means 5:00 p.m. on December 1, 2008 or such date on which a Proof of Claim is subsequently accepted for filing by the applicable SemCanada Energy Company and the Monitor prior to the Creditors’ Meeting;

“**Claims Process**” means the procedures outlined in the Claims Process Order in connection with the assertion of Pre-Filing Claims or Subsequent Claims against one or more of the Applicants;

“**Claims Process Order**” means the Order made by the Honourable Madam Justice B.E.C. Romaine of the Alberta Court dated October 22, 2008 approving the Claims Process;

“**Creditor**” means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a personal representative, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

“Creditors’ Meeting” means the meeting of the Ordinary Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment of such meeting;

“Disputed Claim” means an Affected Claim that has not been finally determined as a Proven Claim in accordance with the Claims Process;

“Disputed Claims Reserve” means the reserve, if any, to be established and maintained by the Monitor, on behalf of the SemCanada Energy Companies, from the Ordinary Creditors’ Pool by depositing the sum of (a) the Pro Rata Ordinary Creditors Amount that would have been distributed on the Distribution Date to Ordinary Creditors holding Disputed Claims if such Claims had been Proven Claims on the Distribution Date and (b) the estimated fees and costs to be incurred by the Company and the Monitor on a solicitor and own client full indemnity basis to resolve Disputed Claims, including Secured Claims in the event that there are insufficient funds to cover such fees and costs in the Secured Creditors’ Pool, and effect distributions from and after the Plan Implementation Date;

“Distribution Date” means the date or dates from time to time set by the Monitor to effect interim and final distributions in respect of the Proven Claims of Secured Creditors and Ordinary Creditors;

“DTC” means Depository Trust Company;

“Effective Time” means 12:01 a.m. on the Plan Implementation Date;

“Excluded Claim” shall have the meaning ascribed thereto in the Claims Process Order;

“Filing Date” means, in respect of each of the SemCanada Energy Companies, July 24, 2008;

“Global Note” means the 8.75% senior global note due 2015 bearing CUSIP # 81662TAA3;

“Government Authority” means a federal, provincial, territorial, municipal or other government or government department, agency or authority (including a court of law) having jurisdiction over a Party, any of the SemCanada Energy Companies, the business of any of the SemCanada Energy Companies or the Plan;

“Guaranty” means the guaranty dated March 16, 2005 granted by SemCanada Energy, AES and CEG in favour of the Secured Lenders;

“Income Tax Act” means the *Income Tax Act*, R.S.C., 1985, c.1 (5th Supplement), the regulations thereunder and the Income Tax Application Rules R.S.C. 1985, c.2 (5th Supplement);

“Issuers” means SemGroup and SemGroup Finance Corp.;

“Law” means any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law;

“Lenders’ Secured Claim” means the portion of the Lenders’ Total Claim that is equal to the Plan Cash less the aggregate of:

- (a) the amount required to pay the Unaffected Plan Closing Claims other than paragraph (e) in the definition of Unaffected Plan Closing Claims;
- (b) the amount required to fund the Secured Creditors’ Pool on the Plan Implementation Date; and
- (c) the amount required to fund the Ordinary Creditors’ Pool on the Plan Implementation Date;

plus the aggregate of:

- (d) the amount remaining in the Secured Creditors’ Pool after deducting all payments, and fees and costs incurred by the SemCanada Energy Companies and the Monitor on a solicitor and own client full indemnity basis in determining and resolving the amounts owed to the Secured Creditors and effecting distributions;
- (e) the Net Receivable Proceeds in accordance with Section 10.1;
- (f) any unclaimed or uncashed distributions remitted by the Company to B of A, on behalf of the Secured Lenders in accordance with Section 5.9; and
- (g) any other cash amounts remaining with the SemCanada Energy Companies three (3) Business Days prior to the date the Monitor files the Certificate of Plan Termination;

which is to be treated as a Proven Claim for the purposes of the Plan as secured indebtedness owing by the SemCanada Energy Companies, as guarantors, to the Secured Lenders pursuant to the Secured Lenders Credit Agreement;

“Lenders’ Total Claim” means, in respect of the Claims of the Secured Lenders, all indebtedness owing to the Secured Lenders pursuant to the Secured Lenders Credit Agreement, including indebtedness owing by the SemCanada Energy Companies, as guarantors, to the Secured Lenders pursuant to the Secured Lenders Credit Agreement that is recognized as a proven claim of the Secured Lenders against the US Debtors for the purposes of the US Plan in accordance with the process to determine the Secured Lenders’ voting claims in the US Proceedings;

“Lenders’ Unsecured Claim” means the amount equal to Lenders’ Total Claim less the Lenders’ Secured Claim, which is to be treated as a Proven Claim for the purposes of the Plan as unsecured indebtedness owing by the SemCanada Energy Companies, as guarantors, to the Secured Lenders pursuant to the Secured Lenders Credit Agreement;

“Liabilities” means all liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which such Person incurs as a result of such matter or in connection therewith;

“Liens” means the Secured Lenders’ Security and any security interests, deemed trusts, statutory and other liens (including builders’ liens), charges, mortgages, hypothecs, pledges, security deposits, letters of credit, assignments by way of security, conditional sales, title retention arrangements or other encumbrances whether held by Secured Creditors in respect of an Affected Claim or by other Persons, other than liens, easements or other similar property rights or otherwise incurred in the ordinary course of business for which payment is not due prior to the Plan Implementation Date;

“Meeting Order” means the Order under the CCAA that, among other things, accepts the filing of the Plan and calls and sets the date for the Creditors’ Meeting;

“Monitor” shall have the meaning ascribed thereto in the Recitals;

“Net Receivable Proceeds” means the proceeds of realization, if any, resulting from the collection of the accounts receivable and any other Property that are owed to any of the SemCanada Energy Companies after deducting the fees and costs incurred by the Agent on a solicitor and own client full indemnity basis to resolve any disputes in respect of, and to collect, such accounts receivable;

“Note” means a note or debenture issued pursuant to the Note Indenture and any notes issued in substitution or replacement thereof, including the Global Note;

“Noteholder” means any Registered Noteholder or Beneficial Noteholder;

“Noteholder Creditors” means, collectively, the Noteholder Trustee, any Noteholder and any Participant Holder;

“Noteholder Trustee” means HSBC Bank USA, National Association as the successor trustee appointed to act in such capacity under the Note Indenture;

“Note Indenture” means an indenture dated as of November 18, 2005 among SemGroup, L.P. and SemGroup Finance Corp., as Issuers, the guarantors listed therein (including SemCanada Energy), and the predecessor to the Noteholder Trustee, as supplemented and amended, providing for the issuance of 8.75% senior unsecured notes due 2015;

“Notice of Repudiation or Disclaimer” means a written notice in any form issued on or after the Filing Date by any of the SemCanada Energy Companies advising a Person of the disclaimer or repudiation of any contract, lease, employment agreement, or other arrangement or agreements of any nature whatsoever, whether oral or written, and any amending agreement(s) related thereto;

“Order” means any order of the Alberta Court in the CCAA Proceedings;

“Ordinary Creditor Allocation” means an amount equal to 20% of the Net Receivable Proceeds up to a maximum of \$1,000,000;

“Ordinary Creditors” means Creditors holding Affected Claims other than: (a) the Claims of the Secured Lenders; (b) the Claims of the Noteholder Creditors; (c) the Claims of the other Applicants and (d) the Claims of the US Debtors;

“Ordinary Creditors’ Pool” means the aggregate of (i) \$2,000,000 and (ii) the Ordinary Creditor Allocation, from which distributions are to be made to Ordinary Creditors with respect to their Proven Claims pursuant to and in accordance with the Plan, as more particularly described in Section 5.3 after deducting the fees and costs incurred by the SemCanada Energy Companies and the Monitor on a solicitor and own client full indemnity basis to resolve any Disputed Claims (including Secured Claims in the event that there are insufficient funds to cover such fees and costs in the Secured Creditors’ Pool) and effect distributions from and after the Plan Implementation Date;

“Participant Holder” means each Person that is a participant of DTC in respect of the Global Note or any other Person identified by DTC as having security entitlements in respect of the Notes as a participant holder or acting as securities intermediary in respect thereof on behalf of the Noteholders;

“Party” means a party to any agreement, including the Plan, and any reference to a Party includes its successors and permitted assigns; and **“Parties”** means every Party;

“Person” is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Authority or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

“Plan” means the Consolidated Plan of Distribution filed by the SemCanada Energy Companies under the CCAA, as such Plan may be amended, varied or supplemented by the SemCanada Energy Companies from time to time in accordance with the terms hereof;

“Plan Cash” means all cash or cash equivalents, including negotiable instruments and demand deposits, of the Company on the Plan Implementation Date;

“Plan Implementation Date” means the Business Day on which the Plan becomes effective, which shall be the Business Day on which the Monitor has delivered to the SemCanada Energy Companies a certificate pursuant to Section 9.4 confirming that the Plan Implementation Date has occurred;

“Plan Sanction Date” means the date that the Plan Sanction Order is made by the Alberta Court;

“Plan Sanction Order” means an Order which, among other things, shall approve and sanction the Plan under the CCAA and shall include provisions as may be necessary or appropriate to give effect to the Plan, including provisions in substance similar to those set out in Section 9.2;

“Pre-Filing Claim” means any Claim other than (i) an Excluded Claim, and a (ii) Subsequent Claim;

“Pro Rata Ordinary Creditors Amount” means each Ordinary Creditor’s *pro rata* share of the Ordinary Creditors’ Pool in respect of each Proven Claim of the Ordinary Creditors;

“Proof of Claim” means the form to be completed and filed by a Creditor by the Claims Bar Date or the Subsequent Claims Bar Date, as the case may be, setting forth its Pre-Filing Claim or Subsequent Claim;

“Property” shall have the meaning ascribed thereto in the Amended and Restated Initial Order, as it relates to the SemCanada Energy Companies;

“Proven Claim” means (a) in respect of Affected Claims (excluding the Claims of the Secured Lenders and the Noteholder Creditors), the amount of such Affected Claims as finally determined in accordance with the provisions of the CCAA, the Claims Process Order and the Plan, (b) in respect of the Claims of the Secured Lenders, the Lenders’ Unsecured Claim; and (c) in respect of the Claims of the Noteholder Creditors, the amount recognized as a proven claim of the Noteholder Creditors against the US Debtors for purposes of the US Plan in accordance with the process to determine their respective voting claims in the US Proceedings;

“Registered Noteholder” means DTC, through its nominee, Cede & Co., and any successor thereof;

“Released Party” shall have the meaning ascribed thereto in Section 8.1;

“Required Majority” means, in respect of the Affected Creditors’ Class, a majority in number of the Affected Creditors who represent at least two-thirds in value of the Voting Claims of (a) the Ordinary Creditors who actually vote on the resolution approving the Plan (in person or by proxy) at the Creditors’ Meeting, and (b) the Secured Lenders and the Noteholder Creditors who actually vote on the resolution approving the US Plan (by proxy) in the US Proceedings;

“Secured Claim” means any Claim or portion thereof, which is secured by a validly attached and existing security interest on the Property and which was duly and properly perfected at the Filing Date and has priority over the Secured Lenders’ Security, up to the realizable value of such property, as finally determined in accordance with the Claims Process;

“Secured Creditors” means those Creditors with a Secured Claim. For greater certainty, lien claimants with valid liens arising under any Applicable Law that have priority over the Secured Lenders’ Security are Secured Creditors but only to the extent of the value of the underlying property over which any such lien has been registered or otherwise established by the Claims Process. To the extent that any such lien claimant is not fully secured or does not have priority over the Secured Lenders’ Security, then such claimant, for the balance of any such Claim, shall be treated as an Ordinary Creditor;

“Secured Creditors’ Pool” means the cash pool equal to the aggregate amount of the Proofs of Claim purporting to be Secured Claims which have not been paid by the SemCanada Energy Companies prior to the Plan Implementation Date, from which

distributions are to be made to the Secured Creditors having Proven Claims pursuant to and in accordance with the Plan, as more particularly described in Section 5.2;

“Secured Lenders” means any member of the syndicate of secured lenders under the Secured Lenders Credit Agreement or in their capacity as an individual claimant for any amount claimed to be secured by the Secured Lenders Credit Agreement, regardless of whether or not any such amount is ultimately secured under the Secured Lenders Credit Agreement;

“Secured Lenders Credit Agreement” means, collectively, the Amended and Restated Credit Agreement dated October 18, 2005 among SemCrude, L.P. as the US borrower, B of A, as the administrative agent and letter of credit issuer, and the guarantors (including the SemCanada Energy Companies) and the other lender parties listed therein, as amended, modified and supplemented from time to time, and any of the documents and instruments related thereto;

“Secured Lenders’ Security” means the Guaranty, the security agreement dated March 16, 2005 granted by each of the SemCanada Energy Companies in favour of the Secured Lenders and the pledge agreement dated March 16, 2005 granted by SemCanada Energy in favour of the Secured Lenders;

“SemCAMS” means SemCAMS ULC, an unlimited liability company existing under the laws of Nova Scotia;

“SemCAMS Inter-Company Debt” means the debt due and owing by the SemCanada Energy to SemCAMS, in the principal amount of \$38,576,435, together with unpaid interest thereon accruing up to and including the Plan Implementation Date;

“SemCanada” means SemCanada L.P., a limited partnership governed by the laws of Oklahoma, US and the registered and beneficial holder of all of the issued and outstanding shares of SemCanada Energy;

“SemCanada Energy” means SemCanada Energy Company, an unlimited liability company existing under the laws of Nova Scotia and the registered and beneficial holder of all of the issued and outstanding shares of AES and CEG;

“SemCanada Energy Shares” means all of the issued and outstanding shares of SemCanada Energy;

“SemCanada Energy Companies” shall have the meaning ascribed thereto in the Recitals;

“Sem Subsidiaries’ Shares” means all of the issued and outstanding shares of AES and CEG;

“Subsequent Claim” means any Claim arising after the Filing Date as a result of the disclaimer or repudiation after the Filing Date of any contract, lease, employment agreement, or other arrangement or agreements of any nature whatsoever, whether oral or written, and any amending agreement related thereto;

“Subsequent Claims Bar Date” means the later of: (i) the Claims Bar Date; and (ii) 5:00 p.m. on the day which is 30 days after the date of the Notice of Repudiation or Disclaimer;

“Tax” or “Taxes” means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions;

“Tax Claim” means any Claim against any of the SemCanada Energy Companies for any Taxes in respect of any taxation year or period ending on or prior to the Filing Date, and in any case where a taxation year or period commences on or prior to the Filing Date but does not end until after the Filing Date, any Claims against any of the SemCanada Energy Companies for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto;

“Taxing Authorities” means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

“Unaffected Claims” means the following Claims:

- (a) Claims of the Monitor and its Canadian and US counsel for unpaid fees and costs incurred subsequent to the Plan Implementation Date;
- (b) Claims of the SemCanada Energy Companies’ counsel, Osler, Hoskin & Harcourt LLP for unpaid fees and costs incurred subsequent to the Plan Implementation Date;
- (c) Claims of the Secured Creditors, but only with respect to and solely to the extent that such Claims are finally determined to be valid Secured Claims;
- (d) the Lenders’ Secured Claim as it relates to the amounts set out in paragraphs (d) to (g), inclusive, in the definition of Lenders’ Secured Claim;

- (e) Claims of the Crown for (i) amounts that are required to be paid pursuant to Section 5.6; (ii) amounts in respect of those Claims referred to in Section 18.2(1) of the CCAA which have accrued during the period prior to the Plan Implementation Date, but which become due and payable following the Plan Implementation Date; and (iii) amounts in respect of goods and services taxes, excluding penalties and interest, which have accrued during the period prior to the Plan Implementation date, but which become due and payable following the Plan Implementation Date; and
- (f) that portion of a Claim arising from a cause of action for which any of the SemCanada Energy Companies are covered by insurance, but only to the extent of such insurance coverage;

“Unaffected Creditor” means a Creditor who has an Unaffected Claim or an Unaffected Plan Closing Claim, but only in respect of and to the extent of such Unaffected Claim or Unaffected Plan Closing Claim;

“Unaffected Plan Closing Claims” means the following Claims which will either be reserved for or paid on the Plan Implementation Date in accordance with the Plan:

- (a) the Claims of the Crown for (i) amounts in respect of those Claims referred to in Section 18.2(1) of the CCAA which become due and payable during the period following the Filing Date and prior to the Plan Implementation Date; and (ii) collected and unremitted amounts in respect of goods and services taxes, excluding penalties and interest, which become due and payable during the period following the Filing Date and prior to the Plan Implementation Date;
- (b) the Claims of the Monitor and its Canadian and US counsel for unpaid fees and costs incurred up to and including the Plan Implementation Date;
- (c) the Claims of the SemCanada Energy Companies’ counsel, Osler, Hoskin & Harcourt LLP, for unpaid fees and costs incurred up to and including the Plan Implementation Date;
- (d) the Claims of B of A’s Canadian counsel and Canadian financial advisor for unpaid fees and costs incurred up to and including the Plan Implementation Date; and
- (e) the Lenders’ Secured Claim in the amount equal to the Plan Cash less the aggregate of the amounts set out in paragraphs (a) to (c), inclusive, in the definition of Lenders’ Secured Claim;

“US” means the United States of America;

“US Bankruptcy Code” shall have the meaning ascribed thereto in the Recitals;

“US Bankruptcy Court” shall have the meaning ascribed thereto in the Recitals;

“US Confirmation Hearing” means the hearing in the US Proceedings before the US Bankruptcy Court to confirm the US Plan;

“US Debtors” shall have the meaning ascribed thereto in the Recitals;

“US Dollars” means lawful currency of the United States of America;

“US Examiner’s Report” means the Final Report of Louis J. Freeh, Bankruptcy Court Examiner filed on April 15, 2009 with the US Bankruptcy Court in connection with US Proceedings;

“US Plan” shall have the meaning ascribed thereto in the Recitals;

“US Proceedings” shall have the meaning ascribed thereto in the Recitals; and

“Voting Claim” means the amount of the Affected Claims of the Ordinary Creditors, the Noteholder Creditors and the Secured Lenders as determined for voting purposes in accordance with the provisions of the Claims Process Order, the Meeting Order and the Plan.

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to currency are to Canadian Dollars;
- (d) the division of the Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Calgary, Alberta (Mountain Time) and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (i) unless otherwise provided, any reference to the US Bankruptcy Code and to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (j) references to a specified “article” or “section” shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified Article or Section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “article”, “section” or other portion of the Plan and include any documents supplemental hereto; and
- (k) the word “or” is not exclusive.

1.3 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or Party named or referred to in the Plan.

1.4 Governing Law

The Plan shall be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the Alberta Court.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is:

- (a) to effect a compromise and settlement of all Affected Claims as finally determined in accordance with the Claims Process Order, the Meeting Order and the Plan;

- (b) to achieve, outside of a more lengthy bankruptcy or litigation, an overall comprehensive resolution and settlement of all outstanding matters in an orderly, cost efficient and fair manner; and
- (c) to effect a fair, reasonable and orderly distribution of the net cash and other assets of the SemCanada Energy Companies for the benefit of the Affected Creditors;

in the expectation that all Persons with an economic interest in the SemCanada Energy Companies will derive a greater benefit from the implementation of the Plan than would result if the Plan was not implemented. The Plan will be implemented in conjunction with the US Plan, the Plan of Arrangement and Reorganization for SemCAMS and the Plan of Arrangement and Reorganization for SemCanada Crude Company.

2.2 Persons Affected

The Plan provides for a compromise of the Affected Claims, including the Lenders' Total Claim and the Claims of the Noteholder Creditors and the Ordinary Creditors, and an orderly distribution of the net cash and other assets of the SemCanada Energy Companies for the benefit of the Affected Creditors. The Plan will become effective at the Effective Time on the Plan Implementation Date and shall be binding on and enure to the benefit of the SemCanada Energy Companies, any trustee in bankruptcy of the SemCanada Energy Companies, the Affected Creditors, all holders of the SemCanada Energy Shares and the Sem Subsidiaries' Shares, past and present directors or officers of the SemCanada Energy Companies and all other Persons named or referred to in, or subject to, the Plan.

2.3 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims and Unaffected Plan Closing Claims. Subject to Section 3.12, nothing in the Plan shall affect the SemCanada Energy Companies' rights and defences, both legal and equitable, with respect to any Unaffected Claims or Unaffected Plan Closing Claims, other than the Lenders' Secured Claim, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims and Unaffected Plan Closing Claims.

ARTICLE 3

CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS

3.1 Claims of Affected Creditors

For the purposes of considering and voting on the Plan, the Affected Creditors shall constitute a single class, the "**Affected Creditors' Class**".

3.2 Claims of the Ordinary Creditors

Ordinary Creditors shall:

- (a) prove their Claims in accordance with the Claims Process;

- (b) be entitled to vote their Voting Claims at the Creditors' Meeting in respect of the Plan; and
- (c) receive the rights and distributions provided for under and pursuant to the Plan.

3.3 Claims of the Secured Lenders

Secured Lenders shall:

- (a) be entitled to receive payment in full of the Lenders' Secured Claim;
- (b) subject to Section 5.7 hereof, be deemed to have a Voting Claim in the amount of the Lenders' Total Claim less \$108,000,000;
- (c) be entitled to receive distributions from the US Debtors in accordance with the US Plan without affecting their rights under the Plan;
- (d) be deemed to have waived their rights to, and shall not be entitled to, receive distributions provided for under and pursuant to the Plan in respect of the Lenders' Unsecured Claim; and
- (e) subject to Section 5.7 hereof, in respect of votes cast by the Secured Lenders for or against the US Plan, have such votes be deemed to be votes of the Secured Lenders in the Affected Creditors' Class in respect of the Plan.

3.4 Claims of the Noteholder Creditors

Noteholder Creditors shall:

- (a) subject to Section 5.7 hereof, be deemed to have a Proven Claim as calculated based on proven claims of the Noteholder Creditors against the US Debtors recognized for purposes of the US Plan in accordance with the process to determine the Noteholder Creditors' voting claims in the US Proceedings;
- (b) be deemed to have waived their rights to, and shall not be entitled to, receive distributions provided for under and pursuant to the Plan;
- (c) be entitled to receive distributions from the US Debtors in accordance with the US Plan without affecting their rights under the Plan; and
- (d) subject to Section 5.7 hereof, in respect of votes cast by the Noteholder Creditors for or against the US Plan, have such votes be deemed to be votes of the Noteholder Creditors in the Affected Creditors' Class in respect of the Plan.

3.5 Claims of the Other Applicants and the US Debtors

- (a) The other Applicants and the US Debtors who have Claims against the SemCanada Energy Companies shall:

- (i) be deemed to have waived their rights to, and shall not be entitled to, receive distributions provided for under and pursuant to the Plan; and
 - (ii) not be entitled to vote in respect of the Plan.
- (b) SemCAMS shall have the obligations owing to it by SemCanada Energy pursuant to the SemCAMS Inter-Company Debt be deemed to be an Affected Claim that is compromised and released in accordance with the Plan.

3.6 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Process, the Meeting Order and any further Order. The only Persons entitled to attend the Creditors' Meeting are the Monitor; those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, their legal counsel and advisors; the other Applicants; the directors, officers and legal counsel of the SemCanada Energy Companies and of the other Applicants; B of A and its legal counsel and financial advisors; the Noteholder Trustee and its legal counsel and legal counsel to the unsecured creditors' committee appointed in the US Proceedings. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting. Each Creditor of the Affected Creditors' Class who is entitled to vote at the Creditors' Meeting shall be entitled to one vote equal to the dollar value of its Claim determined as a Voting Claim.

3.7 Order to Establish Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlement to voting is set forth in the Plan and the Meeting Order. The SemCanada Energy Companies and the Monitor shall have the right to seek the assistance of the Alberta Court in valuing any Voting Claim in accordance with the Plan and the Meeting Order, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote in the Required Majority of the Affected Creditors' Class.

3.9 Unaffected Claims and Unaffected Plan Closing Claims

Any Creditor with an Unaffected Claim or an Unaffected Plan Closing Claim shall not be entitled to vote at the Creditors' Meeting.

3.10 Holders of SemCanada Energy Shares and Sem Subsidiaries' Shares

Holders of the SemCanada Energy Shares and the Sem Subsidiaries' Shares shall continue to be the sole shareholders of the SemCanada Energy Companies. Holders of the SemCanada Energy Shares and the Sem Subsidiaries' Shares shall not be entitled to vote or receive any distributions under the Plan with respect to such SemCanada Energy Shares and Sem Subsidiaries' Shares.

3.11 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan shall be entitled to any greater rights as against the SemCanada Energy Companies than the Person whose Claim is compromised under the Plan.

3.12 Set-Off

- (a) Subject to Section 3.12(b), the law of set-off applies to all Affected Claims.
- (b) The SemCanada Energy Companies shall not exercise any rights of set-off against the Secured Lenders.

ARTICLE 4

SECURED CREDITORS POOL AND ORDINARY CREDITORS' POOL

4.1 Composition of the Secured Creditors' Pool

On the Plan Implementation Date, the SemCanada Energy Companies shall pay to the Monitor an amount equal to the Secured Creditors' Pool and the Monitor shall hold in escrow the Secured Creditors' Pool in a separate interest-bearing account for distribution to the holders of Secured Claims in respect of their Proven Claims pursuant to and in accordance with the Plan.

4.2 Composition of the Ordinary Creditors' Pool

On the Plan Implementation Date, the SemCanada Energy Companies shall pay to the Monitor \$2,000,000 for deposit in the Ordinary Creditors' Pool and following the Plan Implementation Date, the Monitor shall deposit 20% of the Net Receivable Proceeds, if any, up to the Ordinary Creditor Allocation in the Ordinary Creditors' Pool in accordance with Section 10.1. The Monitor shall hold in escrow the Ordinary Creditors' Pool in a separate interest-bearing account for distribution to holders of Ordinary Creditor Claims in respect of their Proven Claims pursuant to and in accordance with the Plan.

ARTICLE 5

PROVISIONS GOVERNING DISTRIBUTIONS AND PAYMENTS

5.1 Payment to the Secured Lenders

In full satisfaction, payment, settlement, release and discharge of the Lenders' Secured Claim and the Secured Lenders' Security:

- (a) on the Plan Implementation Date in accordance with the Plan, the SemCanada Energy Companies shall pay to B of A, on behalf of the Secured Lenders, by way of wire transfer (in accordance with wire transfer instructions provided to the SemCanada Energy Companies at least three (3) Business Days prior to the Plan Implementation Date) an amount equal to the Plan Cash less the aggregate of the amounts set out in paragraphs (a) to (c), inclusive, in the definition of Lenders' Secured Claim;

- (b) following the final distribution by the Monitor to the Secured Creditors pursuant to Section 5.2, the Monitor shall pay to B of A, on behalf of the Secured Lenders, any remaining balance in the Secured Creditors' Pool (after deducting all fees and costs incurred by the SemCanada Energy Companies and the Monitor on a solicitor and own client full indemnity basis in determining and resolving the amounts owed to the Secured Creditors and effecting distributions thereof);
- (c) from time to time following the Plan Implementation Date, the Monitor shall pay to B of A, on behalf of the Secured Lenders, the Net Receivable Proceeds other than the Ordinary Creditor Allocation in accordance with Section 10.1;
- (d) following the Plan Implementation Date, any unclaimed or uncashed distributions shall be remitted by the Company to B of A, on behalf of the Secured Lenders in accordance with Section 5.9;
- (e) three (3) Business Days prior to the date the Monitor files the Certificate of Plan Termination, the Monitor shall pay to B of A, on behalf of the Secured Lenders, any other cash amounts remaining with the SemCanada Energy Companies.

All payments required to be made to B of A, on behalf of the Secured Lenders, pursuant to this Section 5.1, unless otherwise stated herein, shall be made by the relevant Party to B of A by way of wire transfer (in accordance with wire transfer instructions provided to the relevant Party at least three (3) Business Days prior to the date of distribution). The Company and the Monitor shall have no liability or obligation to any of the Secured Lenders in respect of the payments set out in this Section 5.1 once the wire transfers to B of A have been received.

5.2 Distribution to the Secured Creditors from the Secured Creditors' Pool

The Secured Creditors' Pool shall be distributed by the Monitor, on behalf and for the account of the SemCanada Energy Companies, on a Distribution Date as follows: each Secured Creditor shall receive a distribution by way of a cheque in an amount equal to the full amount of its Secured Claim, sent by prepaid ordinary mail to the last known address of such Secured Creditor or to the address for such Secured Creditor specified in the Proof of Claim filed by such Secured Creditor, in full satisfaction, payment, settlement, release and discharge of its respective Secured Claim and security. For greater certainty, the aggregate distributions received by any Secured Creditor under the US Plan, this Plan, the Plan of Arrangement and Reorganization in respect of SemCAMS and the Plan of Arrangement and Reorganization in respect of SemCanada Crude Company cannot exceed in the aggregate the amount of such Secured Creditor's Secured Claim.

5.3 Distribution to the Ordinary Creditors

Subject to the Disputed Claims Reserve held by the Monitor in escrow, the Ordinary Creditors' Pool shall be distributed by the Monitor, on behalf and for the account of the SemCanada Energy Companies, on a Distribution Date as follows: each Ordinary Creditor holding a Proven Claim shall receive a cheque from the Monitor in an amount equal to its Pro Rata Ordinary Creditors Amount sent by prepaid ordinary mail to the last known address for such Ordinary Creditor or to the address for such Ordinary Creditor specified in the Proof of Claim filed by such Ordinary Creditor.

5.4 Payments to Certain Unaffected Creditors

On the Plan Implementation Date, the SemCanada Energy Companies shall make payments or establish adequate reserves to be held by the Monitor for any accrued amounts not yet due on behalf of those Unaffected Creditors with Unaffected Plan Closing Claims, including payment of the Lenders' Secured Claim in the amount of the Plan Cash less the aggregate of the amounts set out in paragraphs (a) to (c), inclusive, in the definition of Lenders' Secured Claim, in full satisfaction, payment settlement, release and discharge of such Unaffected Plan Closing Claims.

5.5 Claims Bar Date and Subsequent Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date or Subsequent Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Process.

5.6 Crown Priority Claims

Within six (6) months after the Plan Sanction Date, the SemCanada Energy Companies shall pay in full to Her Majesty in Right of Canada or any province all amounts of a kind that could be subject to a demand under Section 18.2(1) of the CCAA that were outstanding on the Filing Date and which have not been paid by the Plan Implementation Date.

5.7 Currency

Unless specifically provided for in the Plan or the Plan Sanction Order, for the purposes of voting or distribution, a Claim (including Proven Claims of the Secured Lenders and the Noteholder Creditors) shall be denominated in Canadian Dollars and all payments and distributions to the Creditors on account of their Claims shall be made in Canadian Dollars. Any Claim in a currency other than Canadian Dollars must be converted to Canadian Dollars, and such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian Dollars as at the Filing Date, which rate for the conversion of US Dollars to Canadian Dollars is 1.0085.

5.8 Interest

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

5.9 Treatment of Undeliverable Distributions

If any Affected Creditor's distribution by way of cheque is returned as undeliverable or is not cashed, no further distributions to such Affected Creditor shall be made unless and until the SemCanada Energy Companies and the Monitor are notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor without interest. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made on or before the expiration of six (6) months following the Plan Implementation Date, after which date the Proven Claims of any Affected Creditor or

successor of such Affected Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred, notwithstanding any federal or provincial laws to the contrary, at which time the amount held by the Monitor in relation to the Claim shall be returned to the Company and remitted to B of A, on behalf of the Secured Lenders. Nothing contained in the Plan shall require the SemCanada Energy Companies or the Monitor to attempt to locate any holder of a Proven Claim.

5.10 Assignment of Claims for Voting and Distribution Purposes

(a) Assignment of Claims Prior to the Creditors' Meeting

An Ordinary Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting and the SemCanada Energy Companies shall not be obliged to deal with any such transferee or assignee as an Ordinary Creditor in respect thereof, including allowing such transferee or assignee to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the SemCanada Energy Companies and the Monitor by 5:00 p.m. on the day that is at least ten (10) Business Days immediately prior to the Creditors' Meeting. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process constitute an Ordinary Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, the SemCanada Energy Companies shall not recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to the Creditors' Meeting

An Ordinary Creditor may transfer or assign the whole of its Claim after the Creditors' Meeting (or ten (10) Business Days immediately prior thereto) and the SemCanada Energy Companies shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Ordinary Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the SemCanada Energy Companies and the Monitor by 5:00 p.m. on the day that is at least ten (10) Business Days immediately prior to the day on which the first distribution to Affected Creditors with Proven Claims is made. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process constitute an Ordinary Creditor and shall be bound by notices given and steps in respect of such Claim. For greater certainty, the SemCanada Energy Companies shall not recognize partial transfers or assignments of Claims.

5.11 Allocation of Distributions

All distributions made by the Monitor, on behalf of the SemCanada Energy Companies, pursuant to the Plan shall be first in consideration for the outstanding principal amount of the Claims and secondly in consideration for accrued and unpaid interest and penalties, if any, which forms part of such Claims.

5.12 Withholding and Reporting Requirements

The SemCanada Energy Companies and the Monitor shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Affected

Creditor or to any Person on behalf of any Affected Creditor such amounts as the SemCanada Energy Companies or the Monitor is (a) required to deduct and withhold with respect to such payment under the Income Tax Act, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded, or (b) entitled to withhold under section 116 of the Income Tax Act or any corresponding provisions of provincial law.

To the extent that amounts are so withheld or deducted and paid over to the applicable governmental entity, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. Notwithstanding any other provision of the Plan: (a) each holder of a Proven Claim that is to receive a distribution, payment or other consideration pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Taxation Authority, including income, withholding and other Tax obligations, on account of such distribution, payment or other consideration and (b) no distribution, payment or other consideration shall be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of such Tax obligations.

ARTICLE 6

PROCEDURE FOR RESOLVING DISTRIBUTIONS OF DISPUTED CLAIMS

6.1 No Distribution Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim, in whole or in part.

6.2 Disputed Claims Reserve

On the Plan Implementation Date, the Monitor shall establish and maintain the Disputed Claims Reserve from the Ordinary Creditors' Pool.

6.3 Distributions After Disputed Claims Resolved

The Monitor, on behalf of the SemCanada Energy Companies, shall distribute from the Disputed Claims Reserve (after deducting all fees and costs incurred by the SemCanada Energy Companies and the Monitor on a solicitor and own client full indemnity basis to resolve Disputed Claims and effect distributions) to each holder of a Disputed Claim that has subsequently become a Proven Claim, in whole or in part, in accordance with the Claims Process and the Plan, the appropriate portion of the Pro Rata Ordinary Creditors Amount in the Disputed Claims Reserve in respect of such Claim that would have been distributed on the Distribution Date had such Claim been a Proven Claim. After all Disputed Claims have been finally determined in accordance with the Claims Process Order or a final Order has been entered in respect thereof and all fees and costs incurred by the Company and the Monitor on a solicitor and own client full indemnity basis to resolve Disputed Claims and effect distributions have been paid, any balance that remains in the Disputed Claims Reserve shall be distributed *pro rata* to the Ordinary Creditors in respect of their Proven Claims.

ARTICLE 7 PLAN TRANSACTIONS

7.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the SemCanada Energy Companies will occur and be effective as of the Plan Implementation Date, and will be authorized and approved under the Plan and by the Alberta Court, where appropriate, as part of the Plan Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the SemCanada Energy Companies. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the SemCanada Energy Companies, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect.

7.2 Release of Guarantees by Secured Lenders and Noteholder Creditors

Subject to the obligation of the SemCanada Energy Companies to pay to B of A, on behalf of the Secured Lenders, the Lenders' Secured Claim in the amount of the Plan Cash less the aggregate of the amounts set out in paragraphs (a) to (c), inclusive, in the definition of Lenders' Secured Claim, on the Plan Implementation Date, the Secured Lenders shall be deemed to have forever released and discharged the SemCanada Energy Companies from their respective obligations as guarantors under the Guaranty. On the Plan Implementation Date, the Noteholder Creditors shall be deemed to have forever released and discharged the SemCanada Energy Companies from their respective obligations as guarantors under the Note Indenture and any and all restrictions on the SemCanada Energy Companies' ability to exercise and assert any rights of reimbursement, indemnity, exoneration, contribution or any other claim which it may now or hereafter have against or to any Person in connection with payments made by the SemCanada Energy Companies in respect of the Guaranty and the Note Indenture under the Plan shall be forever released and discharged. For greater certainty, nothing in this Section 7.2 shall affect the Secured Lenders' entitlement to receive further distributions in accordance with and under the Plan.

7.3 Plan Implementation Date Transactions

The following steps and the compromises and releases to be effected in the implementation of the Plan shall occur, and be deemed to have occurred and be effected, sequentially in the following order without any further act or formality on the Plan Implementation Date beginning at the Effective Time:

- (a) the SemCanada Energy Companies shall:
 - (i) pay to the Monitor an amount equal to: (A) the Secured Creditors' Pool and (B) \$2,000,000, which is to be deposited into the Ordinary Creditors' Pool; and

- (ii) pay the Unaffected Plan Closing Claims, including the Lenders' Secured Claim other than the amounts set out in paragraphs (d) to (g), inclusive, in the definition of Lenders' Secured Claim;

pursuant to and in accordance with the Plan;
- (b) the releases referred to in Section 7.2 shall become effective in accordance with the Plan;
- (c) the Secured Creditors' Pool and the Ordinary Creditors' Pool shall be held by the Monitor in escrow for the benefit of the Secured Creditors (and the Secured Lenders in accordance with Section 5.1(b)) and the Ordinary Creditors, respectively, and shall be held and distributed by the Monitor in accordance with the Plan;
- (d) each of the Charges, save and except for the Administration Charge, shall be terminated, discharged and released solely as against the SemCanada Energy Companies and its present and future Property;
- (e) the compromises with the Affected Creditors, including the Secured Lenders' in respect of the Lenders' Total Claim and the obligations owing by SemCanada Energy to SemCAMS pursuant to the SemCAMS Inter-Company Debt, and the Releases referred to in Article 8 shall become effective;
- (f) each of the SemCanada Energy Companies shall file an assignment in bankruptcy pursuant to the BIA;
- (g) Ernst & Young Inc. shall be appointed as the trustee in bankruptcy of each of the SemCanada Energy Companies; and
- (h) SemCanada Energy shall pay Ernst & Young Inc., in its capacity as the trustee in bankruptcy of the SemCanada Energy Companies, \$50,000 in the aggregate which shall be allocated by Ernst & Young Inc. among the bankruptcy estates of SemCanada Energy, AES and CEG.

ARTICLE 8 RELEASES

8.1 Plan Releases

On the Plan Implementation Date and in accordance with the sequential order of steps set out in Section 7.3, each of the SemCanada Energy Companies, the Monitor, B of A, the Secured Lenders, the Financial Advisor and each and every director, officer, employee and legal counsel and agents thereof in respect of the restructuring, who has acted at any time in any such capacity from and after the Filing Date (being herein referred to individually as a "**Released Party**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Liens and other recoveries on account of any liability, obligation, demand or cause of

action of whatever nature which any Creditor or other Person may be entitled to assert, including any and all Claims in respect of statutory liabilities of directors, officers, members and employees of any of the SemCanada Energy Companies and any alleged fiduciary or other duty (whether acting as a director, officer, member, employee or otherwise), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with the Claims, the business and affairs of the SemCanada Energy Companies whenever or however conducted, the administration and/or management of the Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by Law; provided that nothing in the Plan shall release or discharge a Released Party from (a) any obligation created by or existing under the Plan or any related document, (b) any improper conduct identified in the US Examiner's Report for any improper conduct identified in such report, (c) any criminal, fraudulent or other wilful misconduct, (d) any claim with respect to matters set out in section 5.1(2) of the CCAA, (e) any claim to the extent it is based upon or attributable to such Released Party gaining in fact a personal profit to which such Released Party was not legally entitled, (f) any claim against a Released Party who was a director prior to the Filing Date in respect of any matter or action taken in such capacity prior to the Filing Date, (g) any action commenced by or on behalf of the Applicants subsequent to the Filing Date and prior to the Plan Implementation Date, (h) any claim resulting from any contractual obligation owed by such Person to the Applicants or (i) any claim with respect to any loan advance or similar payment by the Company to any such Released Party. For greater certainty, nothing herein shall release a Released Party in respect of any matter or claim relating to the US Debtors or the other Applicants other than as provided for in Section 8.3 herein.

8.2 Release from the SemCanada Energy Companies

- (a) On the Plan Implementation Date and in accordance with the sequential order of steps set out in Section 7.3, each of the SemCanada Energy Companies shall forever release and discharge any rights of contribution or indemnity, or Claims in respect of such rights of contribution or indemnity, that they may have against the other Applicants and the US Debtors, including any such rights arising from any payment by any of the SemCanada Energy Companies on account of payments made to the Secured Lenders in respect of the Lenders' Secured Claim.
- (b) On the Plan Implementation Date and in accordance with the sequential order of the steps set out in Section 7.3, each of the SemCanada Energy Companies shall forever release and discharge each other from any claims that they may have against each other.

8.3 Release from the Other Applicants and the US Debtors

- (a) On the Plan Implementation Date and in accordance with the sequential order of steps set out in Section 7.3, the other Applicants and the US Debtors shall forever release and discharge any rights of contribution or indemnity, or Claims in respect of such rights of contribution or indemnity, that they may have against the SemCanada Energy Companies, including any such rights arising from any

payment by any of them on account of (i) payments made to the Secured Lenders in respect of the Secured Lenders Credit Agreement or guarantees in respect thereto, or (ii) payments made to any of the Noteholder Creditors in respect of the Note or guarantees in respect thereto.

- (b) On the Plan Implementation Date and in accordance with the sequential order of steps set out in Section 7.3, SemCAMS shall be deemed to forever release and discharge the SemCAMS Inter-Company Debt, or Claims in respect of the SemCAMS Inter-Company Debt, that SemCAMS may have against SemCanada Energy or any of the other SemCanada Energy Companies.

ARTICLE 9 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Application for Plan Sanction Order

If the Required Majority of the Affected Creditors' Class approves the Plan, the SemCanada Energy Companies shall apply for the Plan Sanction Order on or before the date set for the hearing for the Plan Sanction Order or such later date as the Alberta Court may set.

9.2 Plan Sanction Order

The Plan Sanction Order shall, among other things:

- (a) declare that the Plan is fair and reasonable;
- (b) declare that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon the SemCanada Energy Companies, all Affected Creditors and all other Persons and Parties affected by the Plan as of the Effective Time;
- (c) declare that the steps to be taken and the compromises and releases to be effected on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by Section 7.3 of the Plan on the Plan Implementation Date, beginning at the Effective Time;
- (d) declare that the SemCanada Energy Companies are authorized to:
 - (i) pay to the Monitor an amount equal to: (A) the Secured Creditors' Pool and (B) \$2,000,000, which is to be deposited into the Ordinary Creditors' Pool; and
 - (ii) pay the Unaffected Plan Closing Claims, including the Lenders' Secured Claim other than the amounts set out in paragraphs (d) to (g), inclusive, in the definition of Lenders' Secured Claim;

pursuant to and in accordance with the Plan;

- (e) declare that the releases referred to in Section 7.2 shall become effective in accordance with the Plan;
- (f) declare that any rights of contribution or indemnity, or Claims in respect of such rights of contribution or indemnity, that any of the SemCanada Energy Companies may have against the other Applicants and the US Debtors, including any such rights arising from any payment by any of the SemCanada Energy Companies on account of payments made to the Secured Lenders in respect of the Lenders' Secured Claim shall be forever released and discharged;
- (g) declare that any rights of contribution or indemnity, or Claims in respect of such rights of contribution or indemnity, that the other Applicants and the US Debtors may have against the SemCanada Energy Companies, including any such rights arising from any payment by any of them on account of (i) payments made to the Secured Lenders in respect of the Secured Lenders Credit Agreement or guarantees in respect thereto, or (ii) payments made to any of the Noteholder Creditors in respect of the Note or guarantees in respect thereto shall be forever released and discharged;
- (h) terminate and discharge the Charges solely with respect to the SemCanada Energy Companies and its present and future Property on the Plan Implementation Date, except for the Administration Charge;
- (i) amend the Amended and Restated Initial Order to provide that in respect of the SemCanada Energy Companies, from and after the Plan Implementation Date, the Agent shall be a beneficiary of the Administration Charge and the Administration Charge shall continue to apply to the Property of the SemCanada Energy Companies and shall extend to the Secured Creditors' Pool, the Unsecured Creditors' Pool and the Disputed Claims Reserve;
- (j) compromise, discharge and release the SemCanada Energy Companies from any and all Affected Claims of any nature in accordance with the Plan, including the Affected Claims of the Secured Lenders and the Noteholder Creditors, and declare that the ability of any Person to proceed against the SemCanada Energy Companies in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (k) declare that SemCAMS shall be deemed to forever release and discharge the SemCAMS Inter-Company Debt, or Claims in respect of the SemCAMS Inter-Company Debt, that SemCAMS may have against SemCanada Energy or any of the other SemCanada Energy Companies;
- (l) authorize and direct each of the SemCanada Energy Companies to file an assignment in bankruptcy pursuant to the BIA;

- (m) appoint Ernst & Young Inc. as the trustee in bankruptcy of each of the SemCanada Energy Companies;
- (n) authorize SemCanada Energy to pay Ernst & Young Inc., in its capacity as the trustee in bankruptcy of each of the SemCanada Energy Companies, \$50,000 which shall be allocated by Ernst & Young Inc. among the bankruptcy estates of SemCanada Energy, AES and CEG;
- (o) declare that only the amount of \$50,000, paid by SemCanada Energy to Ernst & Young Inc. in its capacity as the trustee in bankruptcy of each of the SemCanada Energy Companies, shall vest in the trustee in bankruptcy and no other Property shall vest in the trustee in bankruptcy of each of the SemCanada Energy Companies;
- (p) discharge and extinguish all Liens, including all security registrations against any of the SemCanada Energy Companies in favour of any Affected Creditor;
- (q) declare that any Claims for which a Proof of Claim has not been filed by the Claims Bar Date or the Subsequent Claims Bar Date, as applicable, shall be forever barred and extinguished;
- (r) declare that the stay of proceedings under the Amended and Restated Initial Order is extended in respect of each of the SemCanada Energy Companies to, and including, the Plan Implementation Date;
- (s) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including, without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any other matter released pursuant to Article 8 herein;
- (t) authorize the Monitor to act as Agent to collect the accounts receivable of the SemCanada Energy Companies and realize upon the other Property pursuant to and in accordance with the Plan;
- (u) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (v) declare that all distributions and payments by the Monitor to the Secured Creditors and the Ordinary Creditors under the Plan are for the account of the SemCanada Energy Companies and the fulfillment of its obligations under the Plan;
- (w) declare that upon completion by the Monitor and the Agent of its duties in respect of the SemCanada Energy Companies pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Claims Process and distributions made by the Monitor and the Agent in accordance with the Plan, the Monitor may file with the Court a certificate of Plan termination (the "**Certificate of Plan Termination**") stating that all of its duties in respect of the

SemCanada Energy Companies pursuant to the CCAA and the Orders have been completed and thereupon, Ernst & Young Inc. shall be deemed to be discharged from its duties as Monitor of the SemCanada Energy Companies and as Agent and the Administration Charge shall be terminated and released; and

- (x) declare that the Monitor, the Agent and B of A may apply to the Alberta Court for advice and direction in respect of any matter arising from or under the Plan.

9.3 Conditions Precedent to the Implementation of a Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions on or prior to the Plan Implementation Date, as the case may be:

- (a) *Plan Approval*

Prior to the Plan Implementation Date, the Plan shall be approved by the Required Majority of the Affected Creditors' Class.

- (b) *Plan Sanction Order*

Prior to the Plan Implementation Date, the Alberta Court shall have granted the Plan Sanction Order in form and substance satisfactory to the SemCanada Energy Companies, acting reasonably.

- (c) *US Plan Implementation*

On the Plan Implementation Date, the US Plan becomes effective concurrently with the Plan.

- (d) *Implementation of Canadian Plans of Arrangement and Reorganization*

On the Plan Implementation Date, the Plan of Arrangement and Reorganization in respect of SemCAMS and the Plan of Arrangement and Reorganization in respect of SemCanada Crude Company are being implemented on the same date.

9.4 Monitor's Certificate

Upon the satisfaction of the conditions set out in Section 9.3, the SemCanada Energy Companies shall so advise the Monitor in writing and the Monitor shall deliver to the SemCanada Energy Companies a certificate stating that the Plan Implementation Date has occurred. Following the Plan Implementation Date, the Monitor shall file such certificate with the Alberta Court.

9.5 Implementation Provision

If the conditions contained in Section 9.3 are not satisfied within three (3) months of the Plan Sanction Date, unless the Alberta Court extends such period, the Plan and the Plan Sanction Order shall cease to have any further force or effect and will not be binding on any Person.

**ARTICLE 10
POST PLAN IMPLEMENTATION DATE TRANSACTIONS**

10.1 Post Plan Implementation Date Transactions

- (a) From and after the Plan Implementation Date, the Agent shall take reasonable steps to collect the accounts receivable that are owed to the SemCanada Energy Companies and realize upon any other Property of the SemCanada Energy Companies.
- (b) The Net Receivable Proceeds shall be remitted by the Agent to the Monitor and applied by the Monitor in the following manner:
 - (i) the Ordinary Creditor Allocation shall be deposited in the Ordinary Creditors' Pool, which funds shall be distributed by the Monitor in accordance with the Plan;
 - (ii) 80% of the Net Receivable Proceeds until the Ordinary Creditor Allocation has been fully funded and thereafter 100% of Net Receivable Proceeds shall be paid to B of A, on behalf of the Secured Lenders, in accordance with Section 5.1; and
 - (iii) the Agent shall provide B of A, on behalf of the Secured Lenders, with periodical reports regarding the collection and realization of the Property, including the accounts receivable of the SemCanada Energy Companies.

**ARTICLE 11
GENERAL**

11.1 Binding Effect

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time;
- (b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the SemCanada Energy Companies, any trustee in bankruptcy of the SemCanada Energy Companies, all Affected Creditors, all holders of the SemCanada Energy Shares and the Sem Subsidiaries' Shares, the past and present directors or officers of the SemCanada Energy Companies, and all other Persons and Parties named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims, other than the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan, shall be forever discharged and released;

- (d) each Affected Creditor and each holder of the SemCanada Energy Shares and the Sem Subsidiaries' Shares will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Affected Creditor shall be deemed to have executed and delivered to the SemCanada Energy Companies all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

11.2 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of all the SemCanada Energy Companies then existing or previously committed by such SemCanada Energy Companies, or caused by any of the SemCanada Energy Companies, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and any of the SemCanada Energy Companies and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the SemCanada Energy Companies from performing their obligations under the Plan or be a waiver of defaults by the SemCanada Energy Companies under the Plan and the related documents. This section does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than the SemCanada Energy Companies) and any security granted by such guarantor. For greater certainty, the Plan does not affect or compromise any claim which an Affected Creditor may have against any of the Applicants (other than the SemCanada Energy Companies) or the US Debtors.

11.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

11.4 Non-Consummation

The SemCanada Energy Companies reserve the right to revoke or withdraw the Plan at any time prior to the approval of the US Plan at the US Confirmation Hearing (a) if the US Plan has been revoked or withdrawn, (b) if the US Plan is not approved by the requisite majority of creditors of the US Debtors pursuant to the US Bankruptcy Code in a manner that permits the US Plan to be implemented, or (c) with the prior written consent of B of A. If the SemCanada Energy Companies revoke or withdraw the Plan as provided above, or if the Plan Sanction Order is not issued within the period provided for in Section 9.5 hereof, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan including the fixing or limiting to an amount certain any Claim or Affected Creditors' Class, any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the SemCanada Energy Companies or any other Person; (ii) prejudice in any manner the rights of the SemCanada Energy Companies or any other Person in any further proceedings involving the

SemCanada Energy Companies; or (iii) constitute an admission of any sort by the SemCanada Energy Companies or any other Person.

11.5 Modification of Plan

- (a) Subject to the prior consent of B of A, acting reasonably, the SemCanada Energy Companies reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Alberta Court and (i) if made prior to the Creditors' Meeting, communicated to the Affected Creditors in the manner required by the Alberta Court (if so required); and (ii) if made following the Creditors' Meeting, approved by the Alberta Court following notice to the Affected Creditors.
- (b) Notwithstanding Section 11.5(a), any amendment, restatement, modification or supplement may be made by the SemCanada Energy Companies with the prior consent of the Monitor and B of A, acting reasonably, and pursuant to an Order following the Plan Sanction Date, provided that it concerns a matter which, in the opinion of the SemCanada Energy Companies, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Plan Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.
- (c) Any amended, restated, modified or supplementary plan or plans of arrangement and reorganization filed with the Alberta Court and, if required by this Section, approved by the Alberta Court with the prior consent of B of A, acting reasonably, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

11.6 Paramourncy

Except with respect to the Unaffected Claims and Unaffected Plan Closing Claims, from and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of any of the SemCanada Energy Companies, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and any of the SemCanada Energy Companies as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Plan Sanction Order, which shall take precedence and priority.

11.7 Severability of Plan Provisions

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Alberta Court to be invalid, void or unenforceable, at the request of any of the SemCanada Energy Companies, and subject to the prior consent of B of A, acting reasonably, the Alberta Court shall have the power to either (a) sever such term or provision from the balance of the Plan

and provide the SemCanada Energy Companies with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alternation or interpretation, and provided that the SemCanada Energy Companies proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.8 Responsibilities of Ernst & Young Inc.

Ernst & Young Inc. is acting in its capacities as Monitor in the CCAA Proceedings and the Plan with respect to the SemCanada Energy Companies, as trustee in bankruptcy in the bankruptcy proceedings of the SemCanada Energy Companies and as Agent, and in such capacities, will not be responsible or liable for any obligations of the SemCanada Energy Companies.

11.9 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

11.10 Notices

Any notice of other communication to be delivered hereunder must be in writing and refer to the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile addressed to the respective Parties as follows:

- (a) If to any of the SemCanada Energy Companies:

The SemCanada Energy Companies
c/o
Ernst & Young Inc.
Ernst & Young Tower
1000, 440-2nd Avenue S.W.
Calgary, AB T2P 5E9
Attention: Neil Narfason
Fax: (403) 290-4265

with a copy to:

Osler, Hoskin & Harcourt LLP
2500, 450 -1st Street SW
Calgary, AB T2P 5H1
Attention: A. Robert Anderson / Rupert H. Chartrand
Fax: (403) 260-7024 / (416) 862-6666

(b) If to a Creditor:

to the last known address or facsimile number for such Creditor or to the address or facsimile number for such Creditor specified in the Proof of Claim filed by such Creditor;

(c) If to the Monitor:

Ernst & Young Inc.
Ernst & Young Tower
1000, 440-2nd Avenue S.W.
Calgary, AB T2P 5E9
Attention: Neil Narfason
Fax: (403) 290-4265

with a copy to:

Borden Ladner Gervais LLP
1000 Canterra Tower
400 Third Avenue S.W.
Calgary, AB T2P 4H2
Attention: Patrick T. McCarthy / Josef G. A. Kruger
Fax: (403) 266-1395

or to such other address as any Party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

11.11 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the 24th day of July, 2009.

Action No. 0801-08510

2009

**IN THE COURT OF QUEEN'S BENCH
OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES'*
CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY, SEMCAMS
ULC, SEMCANADA ENERGY COMPANY,
A.E. SHARP LTD., CEG ENERGY OPTIONS,
INC. and 1380331 ALBERTA ULC**

**CONSOLIDATED PLAN OF DISTRIBUTION
FOR SEMCANADA ENERGY COMPANY, A.E.
SHARP LTD. AND CEG ENERGY OPTIONS,
INC.**

OSLER, HOSKIN & HARCOURT LLP
Barristers and Solicitors
450 – 1st Street S.W.
Calgary, Alberta
T2P 5H1

A. Robert Anderson, Q.C. / Cynthia L. Spry
Telephone: (403) 260-7004 / 7023
Facsimile: (403) 260-7024

