

Action No.: 0801-08510

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.,
3191278 NOVA SCOTIA COMPANY and 1380331 ALBERTA ULC

APPLICANTS

NINETEENTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

JULY 27, 2009

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INTRODUCTION

1. On July 22, 2008, SemCanada Crude Company (“SemCanada Crude”) and SemCAMS ULC (“SemCAMS”) both sought and obtained protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, (the “CCAA”) pursuant to two orders of this Honourable Court dated July 22, 2008 (the “Initial Orders”).
2. On July 30, 2008, the SemCanada Group (as defined below) obtained an Order (the “Amended and Restated Initial Order”) which:
 - a) consolidated the CCAA proceedings of SemCanada Crude and SemCAMS;
 - b) continued under the CCAA, the proceedings of SemCanada Energy Company (“SemEnergy”), A.E. Sharp Ltd. (“AES”) and CEG Energy Options, Inc. (“CEG”) commenced by them on July 24, 2008 under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3 (“BIA”) and then consolidated them with the within proceeding; and
 - c) granted CCAA protection to two affiliated companies being 3191278 Nova Scotia Company (“319”) and 1380331 Alberta ULC (“138”). SemEnergy, AES and CEG (collectively, the “SemCanada Energy Companies”), along with 138 and 319, are collectively referred to as the “SemEnergy Group”.

SemCanada Crude, SemCAMS, SemEnergy, Sharp, CEG, 319 and 138 are collectively known as the “SemCanada Group”.
3. Pursuant to the Amended and Restated Initial Order, Ernst & Young Inc. was appointed monitor of the SemCanada Group (the “Monitor”).

4. The purpose of this nineteenth report (the “Nineteenth Report”) of the Monitor is to provide this Honourable Court with the Monitor’s comments on:
- (a) The budget to actual variance analysis of the cash flows of SemCAMS for the period from May 9, 2009 to July 17, 2009 (the “SemCAMS Reporting Period”);
 - (b) The revised cash flow projections for SemCAMS for the period from July 18, 2009 to October 2, 2009 (the “SemCAMS Forecast Period”);
 - (c) The budget to actual variance analysis of the cash flows of SemCanada Crude for the period from June 13, 2009 to July 10, 2009 (the “SemCrude Reporting Period”);
 - (d) The revised cash flow projections for SemCanada Crude for the period from July 11, 2009 to November 6, 2009 (the “SemCrude Forecast Period”);
 - (e) The budget to actual variance analysis of the cash flows of the SemEnergy Group for the period of February 7, 2009 to March 6, 2009 (“the SemEnergy Reporting Period”);
 - (f) The actual cash flows of the SemEnergy Group for the period of March 7, 2009 to July 3, 2009 (the “SemEnergy Bridge Reporting Period”);
 - (g) The revised cash flow projections for the SemEnergy Group for the period from July 4th to October 2, 2009;
 - (h) A brief update on SemCAMS’ post-CCAA capital expenditures, as permitted under paragraph 11 (a) of the Amended and Restated Initial Order;
 - (i) SemCanada Crude’s request for an extension to its Stay Period under its consolidated CCAA proceedings up to and including the earlier of

November 1, 2009 and the Plan Implementation Date (as defined in the Crude Plan);

- (j) SemCAMS and the SemEnergy Group's request for an extension of their respective Stay Period of each insolvent debtor under its consolidated CCAA proceedings up to and including October 1, 2009; and
 - (k) The Monitor's recommendations.
5. Capitalized terms not defined in this Nineteenth Report are as defined in the Amended and Restated Initial Order, and the previous reports issued by the Monitor. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

6. In preparing this Nineteenth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the SemCanada Group. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants ("CICA") Handbook has not been performed. Future orientated financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

SemGroup, L.P.

7. SemGroup, L.P. and certain of its direct and indirect subsidiaries in the U.S. (collectively, "SemGroup" or the "US Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the U.S. Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the District of Delaware on July 22, 2008 and October 22, 2008 (the "US Proceedings"). With the exception of the chapter 11 case filed

by SemGroup Holdings, L.P., the chapter 11 cases of the U.S. Debtors have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the U.S. Federal Rules of Bankruptcy Procedure.

Information concerning the US Debtors' restructuring can be found at <http://www.kccllc.net/semgroup>.

SemCanada Group

Overview

8. The SemCanada Group is comprised of three separate and distinct operating businesses:
 - (a) SemCanada Crude, whose business consists of crude oil marketing and blending;
 - (b) SemEnergy Group, whose business was gas marketing including the purchase and sale of gas to certain of its four subsidiaries as well as to SemCAMS; and
 - (c) SemCAMS, whose business consists of ownership interests in large gas processing facilities located in Alberta, as well as agreements to operate these facilities.
9. Further background on the SemCanada Group is contained in the materials filed in the applications pursuant to which the Initial Orders and the Amended and Restated Initial Order were made, all of which have been posted by the Monitor on its website at <http://www.ey.com/ca/Semcanadagroup>.

FINANCIAL PERFORMANCE UPDATE AND REVISED FORECASTS

SemCAMS – Budget to Actual Analysis

10. Attached as Appendix A to this Nineteenth Report is a variance analysis which includes actual receipts and disbursements for the SemCAMS Reporting Period as against SemCAMS' forecast that was appended to the Seventeenth Report of the Monitor dated May 26, 2009 (the "SemCAMS 17th Report Forecast"), including detailed explanations of all material cumulative variances. The table below summarizes the receipts and disbursements variance for the SemCAMS Reporting Period:

SemCAMS - budget to actual	May 9, 2009 to Jul 17, 2009		
	Actual	Forecast	Variance
	\$000's	\$000's	\$000's
Receipts	52,393	50,733	1,660
Disbursements			
Operating Expenses	43,695	41,949	(1,746)
Administration	8,225	8,483	258
Capital Expenditures	12,830	14,528	1,698
	64,750	64,959	209
Net Change in Cash	(12,357)	(14,226)	1,869
Opening Cash	21,972	21,972	
Ending Cash	9,615	7,746	

11. Actual cash receipts for the SemCAMS Reporting Period totalled \$52.4 million, which was approximately \$1.7 million more than the projected cash receipts in the SemCAMS 17th Report Forecast. The net positive receipts variance resulted from the following:
- (a) A permanent positive variance of \$1.3 million related to the recovery of significantly overdue accounts from Nexen as a result of the decision of this Honourable Court with respect to the Nexen set-off application;
 - (b) Permanent positive variances totalling \$1.3 million, representing unexpected deposit refunds received from SemCAMS' vendors;

- (c) Permanent positive variances totalling \$0.3 million, representing miscellaneous unexpected receipts (e.g. property tax refund) during the SemCAMS Reporting Period; and
 - (d) Negative timing variances totalling approximately \$1.2 million experienced during the SemCAMS Reporting Period on account of overdue Joint Account billings and other miscellaneous items.
12. Actual cash disbursements for the SemCAMS Reporting Period totalled \$64.8 million, which was less than the projected cash disbursements in the SemCAMS 17th Report Forecast by approximately \$0.2 million. The net positive variance was primarily due to:
- (a) Positive permanent variances of \$0.7 million related to adjustments made by EPCOR to remaining SemCAMS deposits on hand caused by overall lower power pool prices;
 - (b) A permanent positive variance of \$0.4 million related to a lower than expected payment for SemCAMS' property tax obligation;
 - (c) A permanent positive variance of \$0.2 million related to a lower than expected payments for SemCAMS' fuel gas obligations, due to a lower realized gas sales price;
 - (d) Permanent positive variances totalling \$0.3 million, representing lower than expected miscellaneous disbursement requirements (e.g. GST remittance); and
 - (e) Negative timing variances of approximately \$1.4 million (net) related to the timing of certain operational and capital expenditure payments.
13. The actual ending cash balance as at July 17, 2009 was \$9.6 million.

SemCAMS – Revised Forecast

14. Attached as Appendix B hereto is a copy of the cash flow forecast for the Forecast Period (July 18, 2009 through October 2, 2009), as prepared by SemCAMS with the assistance of the Monitor (the “SemCAMS 19th Report Forecast”). Management has prepared the SemCAMS 19th Report Forecast based on the most current information available, taking into consideration current discussions with major stakeholders, SemGroup L.P. and its advisors. Accordingly, the SemCAMS 19th Report Forecast has been updated for amounts originally reflected in the SemCAMS 17th Report Forecast.
15. A summary of the SemCAMS 19th Report Forecast is provided in the table below:

SemCAMS - Forecast		Jul 18/09 to Oct 2/09
		\$000's
Receipts		53,204
Disbursements		
Operating Expenses		24,875
WIO Stayed Payables and equalization		1,209
Administration		11,451
Capital Expenditures		5,810
		43,345
Net Change in Cash		9,859
Opening Cash		9,615
Ending Cash		19,474

16. As detailed in the SemCAMS 19th Report Forecast, SemCAMS is projecting total cash receipts of \$53.2 million and cash disbursements of \$43.3 million during the SemCAMS' Forecast Period, resulting in a net increase of \$9.9 million. Based on the SemCAMS 19th Report Forecast's assumptions (Appendix B), SemCAMS will have positive cash flow throughout the Forecast Period. The SemCAMS 19th Report Forecast does not account for required cash funding and payments related to the implementation of SemCAMS' Plan of Arrangement and Reorganization (briefly discussed in paragraph 48 of this Report).

17. Significant observations with respect to the SemCAMS 19th Report Forecast are:

- (a) Cash payments of \$9.9 million are expected to be received from Auriga Energy Inc (“Auriga”) to effect SemCAMS’ settlement of Auriga’s Working Interest Owner acquisition right claim in regards to the KA Plant and collection of all applicable outstanding accounts receivable as at June 30, 2009;
- (b) Cash receipts and cash disbursements to/from Working Interest Owners and applicable third parties of \$6.1 million and \$0.9 million, respectively, are expected during the SemCAMS Forecast Period on account of Joint Account operating expenditures related to applicable turnaround initiatives undertaken by SemCAMS before and/or during the SemCAMS Forecast Period;
- (c) Gross capital expenditures of \$5.8 million are expected to be made during the SemCAMS Forecast Period, of which \$1.3 million relates to the ongoing “ramp down” of the Redwillow Project and the balance to Other Capital Expenditures;
- (d) Approximately \$0.2 million of all remaining pre-CCAA estate payables approved for payment by Order of this Honourable Court on October 8, 2008 (the “WIO Order”) will be paid out to applicable trade suppliers from July 18 to October 2, 2009;
- (e) Approximately \$1.0 million of the remaining equalization payments due to the Working Interest Owners (previously approved by the Court) will be released from July 18 to October 2, 2009; and
- (f) Professional fees have been estimated based on recent and upcoming activity on the SemCAMS engagement, including, but not limited to, expected increased professional costs leading up to the implementation of SemCAMS’ Plan of Arrangement on or about October 1, 2009.

SemCanada Crude – Budget to Actual Analysis

18. Attached as Appendix C to this Nineteenth Report is a summary of SemCanada Crude's actual receipts and disbursements for the SemCanada Crude Reporting Period, as compared to the SemCanada Crude cash flow forecast appended to the Eighteenth Report of the Monitor dated June 23, 2009 (the "SemCrude 18th Report Forecast").
19. SemCanada Crude continues to operate in the normal course with its operating results comparable to the forecast results set out in the SemCrude 18th Report Forecast. The table below summarizes the receipts and disbursements variance for the SemCanada Crude Reporting Period:

SemCanada Crude - budget to actual	<i>June 13, 2009 to July 10, 2009</i>		
	Actual	Forecast	Difference
	\$000's	\$000's	\$000's
Receipts	45,550	40,753	4,797
Disbursements	52,631	51,968	663
Net change in cash	(7,081)	(11,215)	4,134
Opening cash	149,939	149,939	-
Ending cash	142,858	138,724	4,134
Funds held in trust	10,453	10,453	-
Cash (including funds in trust)	153,311	149,177	4,134

20. SemCanada Crude's total receipts for the SemCanada Crude Reporting Period were approximately \$45.5 million, which was \$4.8 million greater than the total receipts projected in the SemCrude 18th Report Forecast. The positive variance was a result of the increased crude volumes sold during the SemCanada Crude Reporting Period.
21. SemCanada Crude's disbursements totalled approximately \$52.6 million, which was \$0.7 million greater than the total disbursements projected in the SemCrude 18th Report Forecast.
22. The ending cash balance as at June 12, 2009 was approximately \$153.3 million (including amounts held in trust by the Monitor of approximately \$10.5 million

on account of various pre- and post-CCAA SemCanada Crude transaction matters), as compared to a forecast balance of approximately \$149.2 million. The positive variance was primarily due to the positive cash receipts variance discussed above.

SemCanada Crude – Revised Forecast

23. Attached as Appendix D to this Nineteenth Report is a copy of SemCanada Crude’s revised cash flow forecast (the “SemCrude 19th Report Forecast”) for the Forecast Period (July 11, 2009 through November 6, 2009) as prepared by SemCanada Crude’s management, with the assistance of the Monitor. The SemCrude 19th Report Forecast is based upon the most current information available, taking into consideration current discussions with SemCanada Crude’s major stakeholders and its advisors.
24. SemCanada Crude is expected to continue to operate in the normal course during the Forecast Period. A summary of the SemCrude 19th Report Forecast is provided for in the table below:

SemCanada Crude - Forecast	July 11, 2009 to November 6, 2009
	\$000's
Receipts	185,358
Disbursements	181,300
Net change in cash	4,058
Opening cash	142,858
Ending cash	146,916
Funds held in trust	10,453
Cash (including funds in trust)	157,369

25. As summarized in the table above, SemCanada Crude is projecting total cash receipts of \$185.5 million, cash disbursements of \$181.3 million and a net cash increase of \$4.1 million during the SemCanada Crude Forecast Period. The SemCrude 19th Report Forecast indicates that SemCanada Crude will incur positive cash flow from regular operations throughout the SemCanada Crude Forecast Period. The SemCrude 19th Report Forecast does not account for any

required cash payments related to the implementation of SemCanada Crude's Plan of Arrangement (briefly discussed in paragraph 48 of this Report) or certain loan advances to be made to SemCAMS as part of the overall Restructuring being contemplated amongst the U.S. Debtors and the SemCanada Group.

26. Significant observations with respect to the SemCrude 19th Report Forecast are:
- (a) Management assumes no increase in volumes with its current producers during the SemCanada Crude Forecast Period, therefore the SemCrude 19th Report Forecast assumes volumes to remain consistent since the granting of the Initial Order;
 - (b) Amounts in U.S. dollars are translated to Canadian dollars at \$1.10;
 - (c) The forecast price of oil is based on West Texas Intermediate forecasts;
 - (d) SemCanada Crude has deposited approximately \$10.5 million into various trust accounts administered by the Monitor prior to the Forecast Period with the funds held by the Monitor as security for payment by SemCanada Crude to Enbridge, Gibson and Pembina. Due to uncertainty as to when the deposits will be settled or returned, the funds have been projected to remain in the Monitor's trust account and have not been included as a cash receipt during the SemCanada Crude Forecast Period;
 - (e) Monthly advance payments to suppliers continue throughout the SemCanada Crude Forecast Period and advance payments are assumed to equal monthly settlements with suppliers, which in turn assumes that the forecast price for crude oil and volumes remain constant;
 - (f) Management assumes there will be no further holdbacks and/or set-off claims asserted by customers throughout the SemCanada Crude Forecast Period; and
 - (g) Professional fees have been estimated based on recent similar CCAA proceedings.

SemEnergy Group – Budget to Actual Analysis

27. Attached as Appendix E hereto is a summary of SemEnergy Group's actual receipts and disbursements for the SemEnergy Reporting Period, as partially compared to the SemEnergy Group cash flow forecast appended to the Seventh Report of the Monitor dated October 22, 2008 (the "SemEnergy 7th Report Forecast").
28. The Monitor reported to this Honourable Court on the material variances incurred by SemEnergy Group to February 6, 2009 against the SemEnergy 7th Report Forecast in its Eleventh Report dated February 13, 2009 (the "Eleventh Report"). For the detailed reasons stated in the Eleventh Report and briefly explained below, SemEnergy Group did not subsequently file a revised cash flow forecast with this Honourable Court extending the SemEnergy Reporting Period beyond March 6, 2009 (being the date upon which the SemEnergy 7th Report Forecast ended). Given that the SemCanada Energy Companies now intend to implement a consolidated Plan of Arrangement under the CCAA, the Monitor has reported below on the variances relating to the remaining SemEnergy Reporting Period (i.e. February 7, 2009 to Mar 6, 2009) and all actual receipts and disbursements thereafter to July 3, 2009, in order to effectively bridge the liquidation activities of the SemEnergy Group to its revised cash flow forecast from July 4, 2009 to October 2, 2009.
29. A summary of the budget to actual analysis for the remaining SemEnergy Reporting Period is provided in the table below:

SemEnergy Group - budget to actual	<i>Feb 7, 2009 to Mar 6, 2009</i>		
	Actual	Forecast	Difference
	\$000's	\$000's	\$000's
Receipts	111	300	(189)
Disbursements	1,701	135	(1,566)
Net change in cash	(1,591)	165	(1,756)
Opening cash	111,968	111,968	-
Ending cash	110,377	112,133	(1,756)

30. As set out at Appendix E, total receipts for the SemEnergy Reporting Period in question were approximately \$0.1 million, which was \$0.2 million less than the total receipts projected for the applicable period in the SemEnergy 7th Report Forecast. The majority of this variance was due to lower than expected collection of pre-filing receivables.
31. Total disbursements for the SemEnergy Reporting Period in question totalled approximately \$1.7 million, which was \$1.57 million more than the budgeted disbursements for the applicable period per the SemEnergy 7th Report Forecast. A vast majority of this negative variance relates to the correction of an erroneous payment made by Iberdola Canada Energy Services to SemCanada Energy, instead of SemCAMS. Such cash disbursement by SemEnergy Group to SemCAMS was approved by an Order of this Honourable Court dated February 26, 2009.
32. The ending cash balance as at March 6, 2009 was approximately \$110.38 million, compared to a forecasted balance of \$112.13 million.

SemEnergy Group – Bridge Reporting Period

33. A revised cash flow forecast beyond March 6, 2009 was not prepared by SemEnergy Group as it was continuing with its general liquidation and SemEnergy Group had no operating activity. During this period, consecutive stay extensions under the CCAA were granted by this Honourable Court to August 12, 2009 to allow sufficient time for an alternative Court-supervised process to be devised by SemEnergy Group (in consultation with its legal counsel, the Monitor and its key stakeholders). Below the Monitor has provided an analysis to bridge the cash flow reporting period (i.e. the SemEnergy Bridge Reporting Period) between the SemEnergy Reporting Period and the SemEnergy 19th Report Forecast for purposes of reporting to this Honourable Court and SemEnergy Group's stakeholders

34. Attached as Appendix F hereto is a summary of SemEnergy Group's actual receipts and disbursements for the SemEnergy Bridge Reporting Period. A summary of the actual results is provided in the table below:

SemEnergy Group - Bridge Reporting Period <i>Mar 7, 2009 to July 3, 2009</i>	
Actual - (\$000s)	
Receipts	1,527
Disbursements	891
Net change in cash	636
Opening cash	110,377
Ending cash	111,013

35. As set out at Appendix F, total receipts for the SemEnergy Bridge Reporting Period approximated \$1.5 million. The majority of these receipts represented the receipt of SemEnergy Group's GST receivables.
36. Total disbursements for the SemEnergy Bridge Reporting Period totalled approximately \$891,000, the majority of these disbursement represented professional fees and the general and administrative costs including contracted accounting services.
37. The ending cash balance as at March 6, 2009 was approximately \$111 million.

SemEnergy Group – Revised Forecast

38. Attached as Appendix G to this Nineteenth Report is a copy of the cash flow forecast (the "SemEnergy 19th Report Forecast") for the Forecast Period (i.e. July 4, 2009 through October 2, 2009), as prepared by the SemEnergy Group with the assistance of the Monitor. Management has prepared the SemEnergy 19th Report Forecast based on the most current information available.
39. For purposes of cash flow forecasting and reporting, SemEnergy Group is being reported on a consolidated basis. A summary of the Energy 19th Report Forecast is included in the table below:

SemEnergy Group - Forecast	July 4 , 2009 to October 2, 2009
	\$000's
Receipts	600
Disbursements	695
Net change in cash	(95)
Opening cash	109,059
Ending cash	108,964

40. As summarized in the SemEnergy 19th Report Forecast, the SemEnergy Group is projecting total cash receipts of \$600,000, cash disbursements of \$695,000 and a net cash decrease of \$95,000 in the Forecast Period. Based on SemEnergy Group's assumptions attached at Appendix G, the forecast indicates that SemEnergy Group will have sufficient cash through the Forecast Period. The SemEnergy 19th Report Forecast does not account for any required cash funding and payments related to the implementation of the SemCanada Energy Companies' consolidated CCAA Plan (hereinafter considered to be a Plan of Arrangement for reporting purposes when referenced together with SemCAMS' and SemCanada Crude's Plans of Arrangements).
41. The opening cash balance and forecast do not reflect approximately \$1.1 million held in trust by the Monitor relating to:
- (a) An amount of approximately \$860,000 claimed by BMO pursuant to a hedging agreement with a non-applicant party per the order of this Honourable Court dated August 6, 2008; and
 - (b) Approximately \$315,000 relates to the proceeds for the sale of France Financial.
42. Significant observations with respect to the SemEnergy 19th Report Forecast are:
- (a) Amounts in U.S. dollars are translated to Canadian dollars at \$1.10;

- (b) Collection of outstanding accounts receivables have been excluded from the forecast as the amount and timing of collections are unknown;
- (c) The forecasts estimates the collection of \$600,000 the week ended August 14, 2009, representing proceeds from the sale of 319 (refer to the Fourteenth Report of the Monitor dated April 16, 2009 for further details); and
- (d) Professional fees have been estimated based on recent similar CCAA proceedings and certain professional costs not attributable to a specific entity have been allocated evenly between the three main operating entities.

THE CRUDE NOMINATION PROCESS

- 43. Consistent with previous months, certain of SemCanada Crude's suppliers have advised that they are unwilling to nominate volumes to SemCanada Crude for the period after the expiry of the Stay Period. SemCanada Crude's current Stay Period expires on September 7, 2009.
- 44. Given that suppliers are required to nominate their October 2009 crude oil volumes by early September 2009, an extension of SemCanada Crude's Stay Period through to November 1, 2009 will allow SemCanada Crude's operations continue in the normal course of business, including requiring its suppliers to continue to nominate volumes through to the proposed Plan Implementation Date. Any significant disruption in the quantity of supplier nominations would negatively affect SemCanada Crude's operations and its potential underlying value.

SEMCAMS ALLOWABLE CAPITAL EXPENDITURES

- 45. Paragraph 11 (a) of the Amended and Restated Initial Order states that capital expenditures shall not exceed \$46.6 million in aggregate for SemCAMS, without further order of the Court (the "Allowable SemCAMS Capital Expenditures").

SemCAMS' capital expenditures relate to the ramp down of the Redwillow Project, and other ongoing projects ("Other Capital Expenditures").

46. SemCAMS' capital expenditures will remain within the Allowable SemCAMS Capital Expenditures amount until about August 14, 2009, after which projected capital expenditures will be in excess of the current limit authorized by the Amended and Restated Initial Order. SemCAMS, after consulting with the Monitor and SemCAMS' primary secured creditor, the Bank of America ("BoA"), will seek this Honourable Court's approval in early August, 2009 to increase the Allowable SemCAMS Capital Expenditure limit accordingly. The Monitor will continue to monitor the capital expenditures being incurred by SemCAMS in the interim to ensure that the existing Allowable SemCAMS Capital Expenditures limit is not exceeded.
47. The Monitor will report more fully on the status of the Redwillow Project and Other Capital Expenditures to this Honourable Court in connection with SemCAMS' Court application in early August, 2009 seeking approval for a further increase to the existing Allowable SemCAMS Capital Expenditures limit.

SEMCANADA GROUP'S REQUEST FOR EXTENSION TO THE STAY PERIODS

48. As part of the Restructuring SemCAMS, SemCanada Crude and the SemCanada Energy Companies (collectively, the "Debtors") filed their respective Plans of Arrangements (and other applicable/supporting documentation and materials) with this Honourable Court on July 24, 2009. The Twentieth Report of the Monitor (to be filed with this Honourable Court on or before July 30, 2009) will provide this Honourable Court with further detailed analysis and commentary on the Plans of Arrangements and related restructuring being contemplated by the Debtors. The Plans of Arrangements of the Debtors contemplate, among other things, a common Implementation Date of October 1, 2009.

49. SemCAMS' Stay Period is currently set to expire on August 3, 2009. SemCanada Crude's Stay Period is currently set to expire on September 7, 2009 and SemEnergy Group's Stay Period is set to expire on August 12, 2009.
50. SemCanada Crude is seeking an extension to its Stay Period to and including the earlier of November 1, 2009 and the Plan Implementation Date (as defined in the Crude Plan). SemCAMS and the SemEnergy Group are seeking an extension of their respective Stay Periods to and including October 1, 2009. For reasons set out in this Nineteenth Report, these Stay Period extensions for all of the Debtors are necessary to allow for the Plans of Arrangements to be considered and voted on by their respective creditors.
51. The Monitor believes that the SemCanada Group has acted in good faith and with due diligence. The Monitor is of the view that the extensions to the Stay Period are appropriate in the circumstance and therefore recommends that the request for an extension of the applicable Stay Periods above be granted.

RECOMMENDATIONS

52. The Monitor recommends:

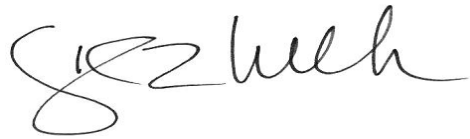
- (a) The approval of an extension of SemCAM's Stay Period to and including October 1, 2009;
- (b) The approval of an extension of SemCanada Crude's Stay Period to and including the earlier of November 1, 2009 and the Plan Implementation Date; and
- (c) The approval of an extension of SemEnergy Group's Stay Period to and including October 1, 2009.

All of which is respectfully submitted this 27th day of July 2009.

ERNST & YOUNG INC.
in its capacity as Court Appointed
Monitor of the SemCanada Group



Neil Narfason, CA•CIRP, CBV
Senior Vice-President



Deryck Helkaa, CA•CIRP
Vice-President

Appendix A

SemCAMS ULC
Comparison of actual to projected cash flow for the 10 weeks ending July 17, 2009

In Thousands of Canadian Dollars

(Note 1)

	Actual 10 weeks ending 17-Jul	Extended Forecast 10 weeks ending 17-Jul	Variance 10 weeks ending 17-Jul	Notes
	a	b	a-b	
Receipts				
Receipts	52,393	50,733	1,660	2
Total Receipts	52,393	50,733	1,660	
Disbursements				
BASE				
Salaries	6,404	6,439	35	
Bonus	-	-	-	
Contract Services	3,310	3,164	(146)	
Materials	1,732	2,070	338	
Epcor - Power	1,507	2,200	693	4
SunCor - fuel	427	640	213	
Property Tax	4,290	4,700	410	
Other	1,588	1,453	(135)	
Sulphur	921	995	74	
Contract Ops	10	632	622	
Spring KA Turnaround - Opex	15,301	11,119	(4,182)	3
Spring KA TAR - Silo	-	1,311	1,311	3
TAR - Other	2,605	3,111	506	
Projects	1,509	940	(569)	
Opex Deposits	1,919	923	(996)	4
TOTAL OPEX	41,523	39,697	(1,826)	
Equalization/JV Payments	2,131	2,195	64	
Reclass of WIO Costs	-	-	-	
WIO Stayed Payables	41	57	16	
-	-	-	-	
Administrative	-	-	-	
Salaries	1,822	1,902	80	
Bonus	-	-	-	
Other Employee Costs	532	317	(215)	
Rent - TCPL	293	226	(67)	
Rent - Trilogy space	50	95	45	
IT Costs	152	240	88	
Office Operations	29	62	33	
Outside Services	357	292	(65)	
CCAA costs	2,595	2,818	223	
Public Relations	8	56	48	
Miscellaneous	357	110	(247)	
Shared Services	5	13	8	
GST Paid on Purchases	2,025	2,170	145	4
GST Paid to Government	-	181	181	
Total Admin	8,225	8,483	258	
Pre CCAA Capex (Gross)	28	-	(28)	
Red Willow Project Capex - Post CCAA	8,259	5,900	(2,359)	3, 5
Other Capex - Post CCAA	4,543	8,628	4,085	3
Gross Capex	12,830	14,528	1,698	
Total Disbursements	64,750	64,959	209	
Net change in cash	(12,357)	(14,226)	1,869	
Opening cash	21,972	21,972	-	
Ending cash	9,615	7,746	1,869	6

Notes to Monitor's Variance Analysis report for Week 52 ending July 17, 2009:

- 1) This variance analysis is based on the updated/extended version of SemCAMS' cash flow forecast to August 7, 2009 (the "Extended Forecast") which was appended to the Monitor's Seventeenth Report dated May 26, 2009 (filed with the Court on May 27, 2009). Variances for the current week over \$250,000 and cumulative variances over \$1 million have been explained by the Monitor in the notes below. The Extended Forecast included actual results for weeks 43 and 44; hence, no variances were experienced. The Monitor previously reported on variances for weeks 43 and 44 against SemCAMS' prior cash flow forecast to June 5, 2009.
- 2) The net positive variance in cash receipts for Week 52 is mainly due to permanent positive variances resulting from a \$1.3 million payment from Nexen relating to the settlement of its overdue accounts in relation to the Court's favourable decision on the Nexen set-off application, and an unexpected \$0.1 million property tax refund. Certain JIB amounts due for months not reflected in the Extended Forecast period remain overdue from various Working Interest Owners; of significance to date are Auriga Energy Inc ("Auriga"), Trilogy Energy LP ("Trilogy"), and Celtic Exploration Ltd. ("Celtic") for approximately \$6.6 million, \$5.1 million, and \$4.9 million, respectively. SemCAMS' application to the Court to resolve certain setoff claims being asserted by Trilogy against the monthly overdue JIB amounts was heard on May 21, 2009. The Court issued judgement on June 30, 2009 and Trilogy sought leave to appeal on July 21, 2009. SemCAMS effected settlement of its accounts receivable with Auriga (in connection with the sale of a portion of its interest in the KA Plant) on or about June 22, 2009. Approximately \$5 million is expected to be recovered from Auriga under this settlement over the next couple of months, with the balance being written off as bad debt. SemCAMS (in consultation with its legal and financial advisors) is continuing its discussions with Celtic in an attempt to collect the overdue accounts (possibly in connection with a sale of a portion of its interest in the KA Plant).
- 3) The variances in/cumulative to Week 52 mainly represent timing variances on cash disbursements.
- 4) As at Week 51, SemCAMS had advanced approximately \$3.0 million in prepaid deposits to EPCOR for future services and before draw-downs. We were advised during Week 52 that EPCOR drew down on the prepaid balance in the amount of \$0.8 million for electricity and services rendered during May 2009, leaving approximately \$2.2 million on hand. During Week 52, at EPCOR's request, SemCAMS agreed to advance an additional pre-payment of \$1.7 million (to cover estimated June-August 2009 billings), increasing the prepaid balance up to \$3.9 million. The increase in the prepaid balance is due to an increase in projected power pool prices. For variance reporting purposes, the net effect of the foregoing draw-down/top-up in prepaid deposits has been reflected in the 'Opex Deposits' and 'EPCOR – Power' line items of the report.
- 5) A portion of the cumulative negative variance for 'Red Willow Project Capex – Post CCAA' costs relates to incremental, up-front capital expenditures under the company's "termination" scenario which were neither originally contemplated nor forecasted in the Extended Forecast. The Monitor has asked SemCAMS Management to update its Red Willow capital expenditure forecast to assist it in identifying all permanent variances for this line item.
- 6) Of the cash on hand at July 17, 2009, \$3.2 million was segregated into a separate bank account to deal with certain Working Interest Owner and related Joint Account claims that are being addressed by SemCAMS. Included in the segregated balance is approximately \$2.5 million relating to post-CCAA equalization amounts collected (or effectively collected via setoffs by SemCAMS) from applicable Working Interest Owners and Third Party Users of the Plants which remain undistributed to date by SemCAMS.

Appendix B

SemCAMS ULC
Extended Cash Flow Forecast
Receipts and Disbursements
In Thousands of Canadian Dollars

Extended Cash Flow Forecast - FINAL (Version 7)													
Week ended	Notes/Assumptions	Week 53 24-Jul-09	Week 54 31-Jul-09	Week 55 07-Aug-09	Week 56 14-Aug-09	Week 57 21-Aug-09	Week 58 28-Aug-09	Week 59 04-Sep-09	Week 60 11-Sep-09	Week 61 18-Sep-09	Week 62 25-Sep-09	Week 63 02-Oct-09	Total Week 53-63
Cash Receipts:													
JIB Billings Receipts	1	2,113	885	7,116	5,285	3,608	1,931	4,443	3,188	1,834	1,159	483	32,045
Auriga A/R Settlement and Sale	2	-	-	2,479	-	-	-	7,405	-	-	-	-	9,884
Bonus Payment Receipts	3	-	-	-	-	-	-	1,076	764	453	283	113	2,689
Turnaround Receipts	4	1,111	444	1,091	804	546	287	708	503	298	186	75	6,053
GST on Receipts		161	66	534	304	208	111	682	223	129	81	34	2,533
		3,385	1,395	11,220	6,393	4,362	2,329	14,314	4,678	2,714	1,709	705	53,204
Cash Disbursements:													
Operating costs													
Base													
Salaries	5	1,277	-	1,268	-	1,268	-	1,268	-	1,268	-	1,268	7,617
Bonus	3	2,831	-	-	-	-	-	-	-	-	-	-	2,831
Contract Services		318	318	318	318	318	318	318	318	318	318	318	3,498
Materials		214	214	214	214	214	214	214	214	214	214	214	2,354
EPCOR - Power	6	-	-	-	1,425	-	-	-	-	1,425	-	-	2,850
Suncor - Fuel	7	143	-	-	-	-	200	-	-	-	-	200	543
Other	8	84	84	84	84	84	84	84	84	84	84	84	924
Total Base		4,867	616	1,884	2,041	1,884	816	1,884	616	3,309	616	2,084	20,617
Sulphur	9	53	53	53	53	53	53	53	53	53	53	53	585
Contract Ops	10	79	79	79	79	79	79	79	79	79	79	79	869
Spring KA Turnaround - Opex	11, 4	92	92	74	74	74	74	74	92	92	92	92	920
TAR - Other	11	195	195	30	30	30	30	30	130	130	130	130	1,059
Projects	12	75	75	75	75	75	75	75	75	75	75	75	825
Opex Deposits		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPEX		5,361	1,110	2,195	2,352	2,195	1,127	2,195	1,045	3,738	1,045	2,513	24,875
Other													
Equalization Payments	13	-	-	-	-	-	1,023	-	-	-	-	-	1,023
WIO Stayed Payables	14	-	65	-	-	-	65	-	-	-	-	57	186
TOTAL OTHER		-	65	-	-	-	1,088	-	-	-	-	57	1,209
Administrative													
Salaries	5	319	-	390	-	390	-	390	-	390	-	390	2,269
Bonus	3	2,045	-	-	-	-	-	-	-	-	-	-	2,045
Other Employee Costs	15	25	25	25	25	25	25	25	25	25	25	25	275
Rent - TCPL	16	-	107	-	-	-	-	107	-	-	-	-	214
Rent - Trilogy Space	17	-	46	-	-	-	-	-	-	-	-	-	46
IT Costs	18	28	28	28	28	28	28	28	28	28	28	28	308
Office Operations		7	7	7	7	7	7	7	7	7	7	7	76
Outside Services		25	25	25	25	25	25	25	25	25	25	25	275
CCAA Costs	19	-	-	1,000	-	-	-	1,000	-	-	-	1,500	3,500
Public Relations		7	7	7	7	7	7	7	7	7	7	7	77
Shared Services		8	8	8	8	8	8	8	8	8	8	8	88
Miscellaneous		1	1	1	1	1	1	1	1	1	1	1	11
GST Refund/Remittance		-	514	-	-	-	174	-	-	-	-	145	833
GST Paid on Purchases	20	208	94	139	141	89	83	145	84	175	84	191	1,434
TOTAL ADMIN		2,673	862	1,630	242	580	358	1,743	185	666	185	2,327	11,451
Investing													
Gross Capital Expenditures													
KA	21	66	66	95	95	95	95	95	150	150	150	150	1,207
WWC	21	-	-	20	20	20	20	20	25	25	25	25	200
K3	21	213	213	130	130	130	130	130	180	180	180	180	1,796
GGS	21	-	-	16	16	16	16	16	113	113	113	113	532
Borealis	23	189	189	174	174	174	174	174	3	3	3	3	1,260
BD	21	-	-	18	18	18	18	18	91	91	91	91	454
DRA	21	59	59	-	-	-	-	-	56	56	56	56	342
G&A	21	7	7	1	1	1	1	1	-	-	-	-	19
TOTAL INVESTING		534	534	454	454	454	454	454	618	618	618	618	5,810
Total Disbursements	22, 24	8,568	2,570	4,279	3,048	3,229	3,027	4,391	1,848	5,022	1,848	5,515	43,345
Cash Change		(5,183)	(1,175)	6,941	3,345	1,133	(698)	9,923	2,830	(2,308)	(139)	(4,810)	9,859
Opening Cash Balance		9,615	4,432	3,257	10,198	13,543	14,676	13,978	23,901	26,731	24,423	24,284	9,615
Ending Cash Balance		4,432	3,257	10,198	13,543	14,676	13,978	23,901	26,731	24,423	24,284	19,474	19,474

Notes & Assumptions:

1. 'JIB Billing Receipts' include capital, operating and overhead costs which are received from JV Partners.
2. Estimated proceeds from KA WIO interest purchase and accounts receivable settlement entered into by SemCAMS and Auriga on July 21, 2009. Actual proceeds are subject to various adjustment provisions in the settlement agreement.
3. Cash inflows/outflows are based on the actual payment of first half 2009 incentive and bonus payments under SemCAMS' existing Employee Retention Program, as authorized by the Bank of America ("BoA") and approved by the Court based on adjusted pro forma EBITDA.
4. JIB billing receipts specifically related to the major KA plant turnaround ("TAR") (see note 11) have been segregated from the 'JIB Billings Receipts' line for variance monitoring/reporting purposes. Management has assumed that all TAR costs recoverable from the JV Partners are billed in the following billing month and collected within 60 days thereafter.
5. Base salaries are paid bi-weekly. Hourly staffing costs were estimated using an operational forecast.
6. Based on SemCAMS management's forecast. Subject to rate & volume fluctuations. Excludes resulting additional top-ups to pre-paid security deposit.
7. Fuel costs are estimated to be \$200,000 per month based on average consumption; payable on last day of each month.
8. Other expenses are misc. employee expenses for base employees including travel, training, and meals.
9. Sulphur remediation costs are estimated to be \$230,000 per month.
10. Contract operations relate to SemCAMS performing maintenance work for other companies.
11. Turnaround costs were estimated by the operations group and relate to set-up and shutdown at the plant site. Amounts forecasted in the 'Spring KA Turnaround – Opex' line represent residual turnaround costs for the KA Plant only.
12. Project maintenance relates to non-capital work that is done at the plant site. All work must be approved by the JV Partners in advance. Estimates provided by operations group.
13. The balance of equalization amounts estimated to be paid in accordance with the Court Order obtained by SemCAMS on October 8, 2008 were carried forward into the Extended Forecast period. SemCAMS has not projected the receipt and related disbursement of any additional post-CCAA equalization amounts.
14. Pre-CCAA payables related to the Joint Account continue to be paid in accordance with the Court Order obtained by SemCAMS on October 8, 2008; the outstanding unpaid balance was carried forward into the Extended Forecast period and projected to be paid per the 'WIO Stayed Payables' line.
15. Other employee costs are misc. employee expenses for admin employees including travel, training, and meals.
16. TCPL Rent is \$107,000 per month and is paid on the first of the month for office space in the TransCanada building in downtown Calgary.
17. Trilogy Rent is \$47,000 per month and is paid on the first of the month for office space in Centrium Place in downtown Calgary. SemCAMS is vacating these premises, effective September 25, 2009. The landlord has agreed to apply the security deposit on hand against last month's rent
18. The largest components of 'IT Costs' are computer software acquisitions and outside computer consultants.
19. CCAA costs consist of legal and Monitor fees/expenses.
20. 'GST on Purchases' has been derived in the Extended Forecast assuming that a 5% GST rate applies to all operational purchases made.
21. Capital expenditures were projected on a monthly basis by the Operations group.
22. Devon, in its capacity as one of the JV Partners at various plants, is currently disputing the classification of certain Post-CCAA Joint Account expenditures, deemed by SemCAMS to be operational, as capital. Management estimates that if Devon is correct, the cash impact would be a required disbursement of \$2 million to all affected JV Partners; management has not provided for this impact in the Extended Forecast.
23. Red Willow/Borealis expenditures are based on projected "termination" assumptions, as prepared by SemCAMS management and previously reviewed with BoA's Canadian advisors.
24. The Extended Forecast does not account for funding and payouts related to SemCAMS' implementation of its proposed Plan of Arrangement and Reorganization under its CCAA proceedings.

Appendix C

	Actual	Forecast	Variance	
	June-13 to July-10	June-13 to July-10	Positive (Negative) June-13 to July-10	Notes
	a	b	a-b	
Receipts				
Crude Sales	45,264	40,472	4,792	1
Other receipts	286	281	5	
Total Receipts	45,550	40,753	4,797	
Disbursements				
Prepayments				
Crude Purchases	47,369	48,481	1,112	2
Pipeline tariffs	791	1,000	209	
Customer Brokerage	-	-	-	
Deposits	-	-	-	
Crude Purchases	2,663	-	(2,663)	3
Pipeline tariffs	309	500	191	
Trucking	332	800	468	
Facility Payments	-	-	-	
Custom Brokerage	-	-	-	
GST prepaid for crude imports	209	200	(9)	
Salaries and Incentives	470	490	20	
Office lease	36	37	1	
Other General and Administrative	230	60	(170)	
Professional Fees	223	400	177	
Other disbursement	-	-	-	
Total Operating Disbursements	52,631	51,968	(663)	
Disbursements to Monitor Trust Account	-	-	-	
Net change in cash	(7,081)	(11,215)	4,134	
Opening cash	149,939	149,939		
Ending cash	142,858	138,724		
Cash held in trust - Enbridge/Gibson/Pembine	10,453	10,453		
Total Ending Cash	153,311	149,177		

Notes to variance greater than \$1.5 million:

- 1) The variance is a result of volume and price differentials from that originally forecast.
- 2) Disbursements represent prepayments for crude purchases. Prepayments were forecast based on estimated volume and price, variance is a result of volume and price differentials.
- 3) Crude purchase variance relates to a 'true-up' between estimated prepayments and actual purchases as the forecast assumed that crude prepayments would approximate purchases while price and volume differentials necessitate a 'true-up'.

Appendix D

WEEK ENDED	Cash Flow Forecast																		Total
	17-Jul-09	24-Jul-09	31-Jul-09	07-Aug-09	14-Aug-09	21-Aug-09	28-Aug-09	04-Sep-09	11-Sep-09	18-Sep-09	25-Sep-09	02-Oct-09	09-Oct-09	16-Oct-09	23-Oct-09	30-Oct-09	06-Nov-09		
WEEKLY NET CHANGE IN CASH	1																		
Receipts																			
Crude Sales	2	-	47,507	-	-	-	13,964	31,837	-	-	-	45,801	-	-	-	13,745	31,381	-	184,235
GST Refunds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	281	-	-	-	281	-	-	-	281	-	-	-	-	281	-	-	1,124
Total Receipts		-	47,788	-	-	-	13,964	32,118	-	-	-	46,082	-	-	-	13,745	31,662	-	185,359
Disbursements																			
Prepayments																			
Crude Purchases	3	(7,968)	-	(35,769)	-	-	-	(35,769)	-	-	(6,982)	-	(35,203)	-	(6,872)	-	(36,984)	-	(165,548)
Pipeline tariffs	4	(1,000)	-	-	-	(1,000)	-	-	-	(1,000)	-	-	-	(1,000)	-	-	-	(1,000)	(5,000)
Crude Purchases	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pipeline Tariffs	6	-	(500)	-	-	-	(500)	-	-	-	(500)	-	-	-	(500)	-	-	-	(2,000)
Facility Payment	7	(750)	-	-	-	-	-	-	(330)	-	-	-	(350)	-	-	-	(350)	-	(1,780)
Trucking	8	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(3,400)
Custom Brokerage		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST Remittance and Payments	9	-	-	(200)	-	-	-	(200)	-	-	-	(200)	-	-	-	-	(150)	-	(750)
Payroll Fundings	10	-	(90)	-	(90)	-	(90)	-	(90)	-	(90)	-	(90)	-	(90)	-	(90)	-	(720)
Office Lease	11	-	-	(37)	-	-	-	(37)	-	-	-	(37)	-	-	-	(37)	-	-	(148)
Other General and Administrative		(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(255)
Total Disbursements	12	(9,933)	(805)	(36,221)	(305)	(1,215)	(805)	(36,221)	(635)	(1,215)	(7,787)	(452)	(35,858)	(1,215)	(7,677)	(252)	(37,789)	(1,215)	(179,601)
NET CHANGE IN CASH FROM OPERATIONS		(9,933)	46,983	(36,221)	(305)	(1,215)	13,159	(4,103)	(635)	(1,215)	(7,787)	45,630	(35,858)	(1,215)	(7,677)	13,493	(6,127)	(1,215)	5,758
Restructuring Costs	13	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(1,700)
NET CHANGE IN CASH		(10,033)	46,883	(36,321)	(405)	(1,315)	13,059	(4,203)	(735)	(1,315)	(7,887)	45,530	(35,958)	(1,315)	(7,777)	13,393	(6,227)	(1,315)	4,058
CUMULATIVE NET CHANGE IN CASH																			
Net change in cash		(10,033)	46,883	(36,321)	(405)	(1,315)	13,059	(4,203)	(735)	(1,315)	(7,887)	45,530	(35,958)	(1,315)	(7,777)	13,393	(6,227)	(1,315)	4,058
Opening cash		142,858	132,825	179,708	143,387	142,982	141,667	154,726	150,523	149,788	148,473	140,586	186,116	150,158	148,843	141,066	154,458	148,231	142,858
Ending cash		132,825	179,708	143,387	142,982	141,667	154,726	150,523	149,788	148,473	140,586	186,116	150,158	148,843	141,066	154,458	148,231	146,916	146,916
Cash held in trust - Enbridge/Ginso/Pembina	14	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453	10,453
Total Ending Cash		143,278	190,161	153,840	153,435	152,120	165,179	160,976	160,241	158,926	151,039	196,569	160,611	159,296	151,519	164,911	158,684	157,369	157,369

Notes and Assumptions

- 1) Amounts in U.S. dollars are translated to Canadian dollars at \$1.10.
- 2) Crude sales receipts are forecast using the following assumptions:
 - Crude sales receipts are based on prepayments (as calculated below) adjusted for the following:
 - i.) the cost of transportation;
 - ii.) the cost of facility payments;
 - iii.) projected gross margin for the month; and
 - iv.) projected net equalization receipts and disbursements each month.
- 3) Prepayments of Canadian Crude are forecast based upon next months production forecast (Canadian =>15,000 barrels/day, US =>7,000 barrels/day), at an estimate of WTI adjusted for quality and location (Canadian crude - \$9.04/barrel reduction, US crude - \$9.50/barrel reduction), and estimated GST on prepayments.
- 4) Prepayment of monthly pipeline tariffs are estimated to be \$1 million for the following 30 days based upon forecasted crude oil volumes during the same period.
- 5) Crude purchases have been estimated to match crude prepayments and therefore any variances in crude purchases would be expected to be mitigated by an offsetting variance in prepayments other than those based on price or volume changes. This account will be used to record the true-up to actual throughout the forecast period.
- 6) Tariff payment relates to a true-up of amount of tariff charge not required to be prepaid.
- 7) Payments to blending facilities relate to payment of joint venture earnings for each month.
- 8) Trucking charges represent weekly prepayments to trucking companies.
- 9) GST remittance and payments represent an estimate of monthly GST paid by SemCanada to its customs broker which will be claimed as an input tax credit by SemCanada Crude in the following month. In addition, this account captures prepayment of money orders issued to prepay the GST charges on crude being imported from the United States. No GST refund or payments have been incorporated into the cash flow as the assumption is that the existing GST receivable will be withheld pending an audit and that future GST receipts and payments will offset in all material respects.
- 10) Payroll funding to the payroll service by-weekly, including employers share of EI and CPP.
- 11) Monthly rent and taxes for SemCanada Crude.
- 12) The Extended Forecast does not account for funding and payouts related to SemCanada Crude's implementation of its proposed Plan of Arrangement and Reorganization under its CCAA proceedings.
- 13) Funding professional fees for the Monitor, its legal counsel and SemCanada Crude's legal counsel.
- 14) Cash held in trust by Ernst & Young Inc. relate to deposits with Enbridge, Gibson and Pembina.

Appendix E

SemEnergy Group
Comparison of actual to projected cash flow for the period of February 7, 2009 to March 6, 2009
In Thousands of Canadian Dollars
Appendix E

WEEK ENDED	Actual	Forecast	Variance
	07-Feb-09 to 06-Mar-09	07-Feb-09 to 06-Mar-09	Positive.(Negative) 07-Feb-09 to 06-Mar-09
WEEKLY NET CHANGE IN CASH			
RECEIPTS			
CEG Energy Options, Inc.	6		6
SemCanada Energy Company	103	300	(197)
A.E. Sharp Limited	2		2
3191278 Nova Scotia Company			-
1381331 Alberta ULC			-
Total Receipts	111	300	(189)
DISBURSEMENTS			
CEG Energy Options, Inc.		4	4
SemCanada Energy Company	1,489	12	(1,477)
A.E. Sharp Limited		4	4
3191278 Nova Scotia Company			-
1381331 Alberta ULC			-
Severance			-
Total Disbursements	1,489	20	(1,469)
NET CHANGE IN CASH FROM OPERATIONS	(1,378)	280	(1,658)
Professional fees	213	115	(98)
NET CHANGE IN CASH	(1,591)	165	(1,756)
CUMULATIVE NET CHANGE IN CASH			
Net change in cash	(1,591)	165	(1,756)
Opening cash	111,968	111,968	-
Ending Cash (\$12.2M USD converted at 1.26 CDN)	110,377	112,133	(1,756)

Appendix F

	Actual 07-Mar-09 to 03-Jul-09
RECEIPTS	
CEG Energy Options, Inc.	6
SemCanada Energy Company	1,521
A.E. Sharp Limited	-
3191278 Nova Scotia Company	-
1381331 Alberta ULC	-
Total Receipts	1,527
DISBURSEMENTS	
CEG Energy Options, Inc.	4
SemCanada Energy Company	377
A.E. Sharp Limited	-
3191278 Nova Scotia Company	-
1381331 Alberta ULC	-
Total Disbursements	381
NET CHANGE IN CASH FROM OPERATIONS	1,146
Professional fees	510
NET CHANGE IN CASH	636
CUMULATIVE NET CHANGE IN CASH	
Net change in cash	636
Opening cash	110,377
Ending Cash	111,013

Appendix G

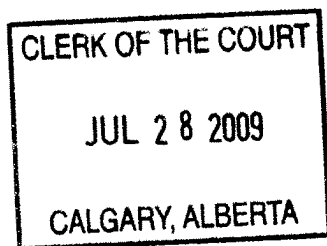
		CASH FLOW FORECAST													
Week ended	Notes	10-Jul-09	17-Jul-09	24-Jul-09	31-Jul-09	07-Aug-09	14-Aug-09	21-Aug-09	28-Aug-09	04-Sep-09	11-Sep-09	18-Sep-09	25-Sep-09	02-Oct-09	Total
WEEKLY NET CHANGE IN CASH	1														
RECEIPTS															
CEG Energy Options, Inc.	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SemCanada Energy Company		-	-	-	-	-	600	-	-	-	-	-	-	-	600
A.E. Sharp Limited		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3191278 Nova Scotia Company		-	-	-	-	-	-	-	-	-	-	-	-	-	-
1381331 Alberta ULC		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	600	-	-	-	-	-	-	-	600
DISBURSEMENTS															
CEG Energy Options, Inc.	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SemCanada Energy Company		-	-	15	-	-	-	-	15	-	-	-	15	-	45
A.E. Sharp Limited		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3191278 Nova Scotia Company		-	-	-	-	-	-	-	-	-	-	-	-	-	-
1381331 Alberta ULC		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	4	-	-	15	-	-	-	-	15	-	-	-	15	-	45
NET CHANGE IN CASH FROM OPERATIONS		-	-	(15)	-	-	600	-	(15)	-	-	-	(15)	-	555
Professional fees	5	50	50	50	50	50	50	50	50	50	50	50	50	50	650
NET CHANGE IN CASH		(50)	(50)	(65)	(50)	(50)	550	(50)	(65)	(50)	(50)	(50)	(65)	(50)	(95)
CUMULATIVE NET CHANGE IN CASH															
Net change in cash		(50)	(50)	(65)	(50)	(50)	550	(50)	(65)	(50)	(50)	(50)	(65)	(50)	(95)
Opening cash		109,059	109,009	108,959	108,894	108,844	108,794	109,344	109,294	109,229	109,179	109,129	109,079	109,014	109,059
Ending Cash		109,009	108,959	108,894	108,844	108,794	109,344	109,294	109,229	109,179	109,129	109,079	109,014	108,964	108,964

Notes of Forecast

- 1 Amounts in U.S. dollars are translated to Canadian dollars at \$1.10.
- 2 SemCanada Energy \$600,000 cash receipt the week ended August 14, 2009 represents funds from the sale of 3191278 Nova Scotia Company, refer to the Fourteenth Report of the Monitor dated April 16, 2009 for further details. Timing of the receipt of these proceeds is estimated and therefore may vary.
- 3 SemCanada Energy disbursements represent G&A expenses including contract accounting staff.
- 4 The Extended Forecast does not account for funding and payouts related to the SemEnergy Group's implementation of its proposed Plan of Arrangement and Reorganization under its CCAA proceedings.
- 5 Professional fees have been included at the consolidated cash flow level and have not been included in each individual Applicant's cash from operations as a final allocation has not been formalized at this time.

Notes on Forecast:

- 1 Amounts in U.S. dollars are translated to Canadian dollars at par.
- 2 CEG's receipts mainly relate to the ongoing collections of product receipts from servicing its customers up to August 15, 2008 when it commenced an orderly windup phase.
- 3 SemCanada Energy receipts mainly relate to product receipt collections on June and July 2008 deliveries. Receipts in week 27 and week 31 include a \$89,000 and \$300,000 payment from the remaining receipts its subsidiaries 1381331 Alberta ULC and 3191278 Nova Scotia Company. The forecast excludes any potential recovery of Mark to Market ("MTM") value of its forward gas supply contracts. A finalized value net of any set-offs of the MTM contracts has yet to be determined.
- 4 A.E. Sharp Limited receipts mainly consist of the collection of product receipts from its customers for the months of June and July 2008.
- 5 1381331 Alberta ULC finalized the sale of its consulting business. Receipts reflect consulting fee revenue up to the estimated date of closing (end of September). The sale proceeds of \$315,000 are being held in trust by the Monitor.
- 6 CEG is in wind-up and is no longer servicing its customers. Disbursements over the forecast period mainly relate to payroll for the retained employees and various G&A expenses related to the orderly wind up including contractors.
- 7 SemCanada Energy Company is in wind-up and is no longer providing services to its customers. The majority of the costs relate to payroll expenses and various G&A expenses during the orderly wind-up phase including contractors.
- 8 A.E. Sharp Limited is in wind-up and is no longer providing services to its customers. The majority of the costs relate to payroll expenses for the retained employees and various G&A expenses during the wind-up phase.
- 9 Disbursement reflects both the Percentage Share (4% of net recoveries after August 27) and the Retention Bonus (\$200,000) pools to be allocated among the 5 retained employees at SemEnergy, Sharp and CEG.
- 10 Professional fees and ERP have not been included at the consolidated cash flow level and have not included in each individual Applicant's cash from operations as a final allocation has not been formalized at this time.



Action No.: 0801-08510

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., 3191278
NOVA SCOTIA COMPANY and 1380331
ALBERTA ULC

**NINETEENTH REPORT OF THE
MONITOR**

JULY 27, 2009

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
1000 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta T2P 4H2

Attention: Patrick T. McCarthy
Telephone: (403) 232-9441
Fax: (403) 266-1395
File No. 413255-000012