

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

TWENTY-SECOND REPORT OF THE MONITOR

ERNST & YOUNG INC.

SEPTEMBER 25, 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”. SemCAMS, SemCanada Crude, SemEnergy, AES and CEG are collectively known as the “SemDebtors”.
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 twenty-second report (the “Twenty-Second Report”) of the Monitor is to provide this Honourable Court with:
- (a) an update on the restructuring efforts of SemGroup, including an outline of the additional amendments being made to the Amended U.S. Plan and the Disclosure Statement (as both terms are defined below) and the Monitor’s comments thereon;
 - (b) an update on the restructuring efforts of SemCanada Group, including an outline of the additional amendments to the CCAA Plans being requested by the SemDebtors and the Monitor’s comments thereon;
 - (c) a brief update on the Monitor’s petition for recognition of foreign proceedings of the SemCanada Group in the U.S. Bankruptcy Court;
 - (d) comments on the budget to actual variance analysis of the cash flows of SemCAMS for the period from July 18, 2009 to September 11, 2009 (the “SemCAMS Reporting Period”);
 - (e) comments on the revised cash flow projections for SemCAMS for the period from September 12, 2009 to November 13, 2009 (the “SemCAMS Forecast Period”);
 - (f) comments on the budget to actual variance analysis of the cash flows of SemCanada Crude for the period from July 11, 2009 to September 11, 2009 (the “SemCrude Reporting Period”);
 - (g) comments on the revised cash flow projections for SemCanada Crude for the period from September 12, 2009 to January 1, 2010 (the “SemCrude Forecast Period”);
 - (h) comments on the budget to actual variance analysis of the cash flows of the SemEnergy Group for the period of July 4, 2009 to September 11, 2009 (“the SemEnergy Reporting Period”);

- (i) comments on the revised cash flow projections for the SemEnergy Group for the period from September 12, 2009 to November 13, 2009;
 - (j) comments on SemCanada Crude's request for an extension to its Stay Period under the consolidated CCAA proceedings up to and including the earlier of December 1, 2009 and the Plan Implementation Date (as defined in the Crude Plan);
 - (k) comments on SemCAMS' and the SemEnergy Group's requests for an extension of their respective Stay Periods under the consolidated CCAA proceedings up to and including the earlier of November 10, 2009 and the Plan Implementation Date (as defined in the CAMS Plan and the Energy Distribution Plan); and
 - (l) the Monitor's recommendations.
5. Capitalized terms not defined in this Twenty-Second 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 Twenty-Second 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. SemCanada Crude’s business remains viable and profitable;
 - (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. SemEnergy Group has ceased all operations and is in the process of collecting outstanding receivables and reconciling various claims filed pursuant to the Claims Process Order; 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. SemCAMS' business remains viable and profitable.

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>.

SEMGROUP RESTRUCTURING UPDATE

10. As discussed in the Twenty-First Report, the US Debtors notified the Monitor, the Service List and this Honourable Court on the status of the US Proceedings and the potential for delays in both insolvency proceedings on August 19, 2009 relating to certain producer creditors in the US Proceedings obtaining leave to appeal a decision granted on June 19, 2009 by the US Bankruptcy Court concerning the limit of producer liens over the property of various affiliates of SemGroup.
11. SemCanada Group was further advised that the Official Producers' Committee ("OPC") brought an application to continue or adjourn (pending the forgoing appeal) the confirmation hearing of the Second Amended Plan of Reorganization (the "US Plan") that was scheduled for hearing on September 16, 2009.
12. In addition, the Twenty-First Report noted that on August 25, 2009, the US Debtors filed the Third Amended Joint Plan of Affiliated Debtors pursuant to Chapter 11 of the Bankruptcy Code and the Disclosure Statement for the Third Amended Joint Plan of Affiliated Debtors pursuant to Chapter 11 of the Bankruptcy Code which would also result in a delay in the US Proceedings timeline.
13. These delays led to further US Bankruptcy Court applications and extensive negotiations among SemGroup and its significant stakeholders over the past few weeks (the "US Stakeholder Negotiations"). The Monitor is pleased to report that

the US Stakeholder Negotiations were successful in reaching an agreement to support a framework for a further amendment to the US Plan.

14. On September 22, 2009 the US Debtors filed the Fourth Amended Joint Plan of Affiliated Debtors pursuant to Chapter 11 of the Bankruptcy Code (the “Amended US Plan”) and the Disclosure Statement for the Fourth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the “Disclosure Statement”).
15. The Monitor has reviewed the Amended US Plan and Disclosure Statement as compared to the US Plan that the Monitor analyzed in the Twentieth Report. The significant amendments from the US Plan to the Amended US Plan are as follows:
 - (a) The recovery to the US General Unsecured Claims has increased from 2.09% to 2.91%;
 - (b) The OPC supports the Amended US Plan, and the settlements provided therein for Producers are binding, including a \$172.5 million payment to be distributed among Producers. The OPC had opposed the Interim Amended Plan, which proposed rather than mandated certain settlements for Producers. Confirmation of the Interim Amended Plan would have been contingent on a minimal level of acceptance by Producers; and
 - (c) The Amended US Plan reflects the resolution of objections by creditors with claims pursuant to section 503(b)(9) of the US Bankruptcy Code to the schedules prepared by the US Debtors setting forth the amount of such claims.
16. The slight increase in the recovery on the US General Unsecured Claims is primarily due to the decrease in the amount of the US General Unsecured Claims as a portion of these claims are now being given treatment afforded under section 503(b)(9) of the US Bankruptcy Code.

17. Another change in the Amended US Plan is the removal of the condition precedent that the Energy Distribution Plan be implemented. The implementation of the CAMS Plan and the Crude Plan remain as conditions precedent to the implementation of the Amended US Plan.
18. Based on the above analysis, the Monitor believes that the conclusions and recommendations contained within the Twentieth Report with respect to the US Plan are applicable to the Amended US Plan.

SEMCANADA GROUP RESTRUCTURING UPDATE

19. As a result of the delays in the US Proceedings, the SemDebtors amended their tentative timeline regarding the CCAA Plans to:
 - (a) Reflect the revised tentative timeline of the US Proceedings with respect to the joint hearing to sanction/confirm the CCAA Plans/Amended US Plan, which is tentatively scheduled to occur on October 26, 2009; and
 - (b) Adjourn the SemDebtors' Creditors' Meeting to October 8, 2009.
20. In addition, the SemDebtors amended the CAMS and Crude Plans to parallel the changes made in the Amended US Plan with respect to the Energy Distribution Plan so that the implementation of the Energy Distribution Plan is not a condition precedent to the CAMS and Crude Plans. Rather, in respect of the SemEnergy Companies, the Amended US Plan, CAMS Plan and Crude Plan require, as a condition precedent, that on the Plan Implementaiton Date either:
 - I. The Energy Distribution Plan is implemented; or
 - II. The following events shall have happened:
 - i. Ernst & Young Inc. shall have been appointed as the receiver and trustee in bankruptcy of each of the SemCanada Energy Companies;

- ii. all cash and cash equivalents of the SemCanada Energy Companies shall have been distributed by the receiver of the SemCanada Energy Companies to B of A, on behalf of the Secured Lenders;
- iii. concurrently with its receipt of the cash and cash equivalents of the SemCanada Energy Companies, B of A, on behalf of the Secured Lenders, shall have paid an amount equal to the sum of: A) \$4,000,000; and B) an amount equal to the aggregate amount of all Proofs of Claim purporting to be Secured Claims which have not been paid by the SemCanada Energy Companies prior to the date of the receivership order granted in respect of the SemCanada Energy Companies to Ernst & Young Inc., in its capacity as the receiver of the SemCanada Energy Companies, which shall hold such funds in trust for creditors with claims that have priority over the Secured Lenders' Security, Ernst & Young Inc. and B of A, on behalf of the Secured Lenders, pending a final determination of such creditors' Secured Claims. This payment is subject to the proviso that following the final distribution by Ernst & Young Inc. in respect of those creditors with claims that have priority over the Secured Lenders' Security, Ernst & Young Inc. shall pay to B of A, on behalf of the Secured Lenders, any remaining funds after first deducting all payments, fees and costs incurred by Ernst & Young Inc. on a solicitor and own client full indemnity basis in determining and resolving the amounts owed to such creditors and completing the receivership of the SemCanada Energy Companies; and
- iv. all Property, other than cash and cash equivalents, of the SemCanada Energy Companies shall have been conveyed by

the receiver of the SemCanada Energy Companies to B of A (or its nominee), on behalf of the Secured Lenders, at book value.

Other minor changes to the CCAA Plans which have no effect on the proposed distribution to Unsecured Creditors have also been made. Collectively, these amendments (as incorporated into the CCAA Plans) are hereinafter referred to as the "Amended CCAA Plans".

21. A further notice regarding the Amended CCAA Plans will also be sent to the Affected Creditors.
22. The primary reason for the amendments in the Amended US Plan and the Amended CCAA Plans with respect to the SemEnergy Companies, is due to the fact that SemEnergy Companies have ceased all operations and are in the process of liquidating their remaining assets. In the event that the SemEnergy Plan cannot be implemented, the SemEnergy Companies may be immediately placed into receivership/bankruptcy in order to complete their liquidation and the Amended US Plan and the Amended CCAA Plans are intended to reflect that reality.
23. The Monitor believes that the Amended CCAA Plans are reasonable and do not negatively effect the Affected Creditors.

MONITOR'S PETITION FOR RECOGNITION OF FOREIGN PROCEEDINGS AND THE CROSS-BORDER PROTOCOL

24. As discussed in the Twentieth Report, the Monitor commenced chapter 15 ancillary proceedings to these CCAA Proceedings in the US Bankruptcy Court on July 27, 2009.
25. On August 27, 2009, the US Bankruptcy Court issued an order granting recognition of these proceedings as "foreign main proceedings" and enforcing the Canadian Creditors' Meetings Order issued by this Honourable Court (as may be amended by this Honourable Court without objection from the Monitor, including

any changes to the dates of the meetings of Canadian creditors and this Honourable Court's sanction hearing).

26. The US Debtors filed a motion for an Order approving the Cross-Border Insolvency Protocol (the "Motion") with the US Bankruptcy Court on September 17, 2009. The Cross-Border Insolvency Protocol was approved by order of this Honourable Court on May 22, 2009.
27. The Motion was heard on September 24, 2009 and the Cross-Border Insolvency Protocol was approved by the US Bankruptcy Court . The primary purpose of the Motion was to allow for a joint hearing of this Honourable Court and the US Bankruptcy Court for the sanctioning of the CCAA Plans and confirmation of the Amended US Plan.

FINANCIAL PERFORMANCE UPDATE AND REVISED FORECASTS

SemCAMS – Budget to Actual Analysis

28. Attached as Appendix A to this Twenty-Second 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 Nineteenth Report of the Monitor dated July 27, 2009 (the "SemCAMS 19th 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	July 18 to Sept 11, 2009		
	Actual	Forecast	Variance
	\$000's	\$000's	\$000's
Receipts	60,318	48,076	12,242
Disbursements			
Operating Expenses	21,470	18,731	(2,739)
Administration	6,354	8,273	1,919
Capital Expenditures	2,648	3,956	1,308
	30,472	30,960	488
Net Change in Cash	29,846	17,116	12,730
Opening Cash	9,615	9,615	
Ending Cash	39,461	26,731	

29. Actual cash receipts for the SemCAMS Reporting Period totalled \$60.3 million, which was approximately \$12.2 million more than the projected cash receipts in the SemCAMS 19th Report Forecast. The net positive receipts variance resulted from the following:
- (a) Positive timing variances totalling approximately net \$6.4 million experienced during the SemCAMS Reporting Period, mainly on account of overdue Joint Account billing collections;
 - (b) A permanent positive variance totalling approximately \$5.1 million relating to the collection of significantly aged accounts receivable from Trilogy Energy L.P.; and
 - (c) Permanent positive variances totalling \$0.7 million, representing unexpected deposit refunds received from SemCAMS' vendors and other miscellaneous items.
30. Actual cash disbursements for the SemCAMS Reporting Period totalled \$30.5 million, which was less than the projected cash disbursements in the SemCAMS 19th Report Forecast for the same period by approximately \$0.5 million. The net positive variance was primarily due to:
- (a) A positive timing variance of \$1.0 million in relation to CCAA costs paid during the 8-week period in question;

- (b) Positive permanent variances of \$0.7 million related to adjustments made by EPCOR to remaining SemCAMS deposits on hand for overall lower market reductions in power pool prices;
 - (c) A negative permanent variance of \$1.7 million related to earlier than anticipated distributions of post-CCAA equalization receipts to applicable Working Interest Owners and third party users at the K3 Plant during the SemCAMS Reporting Period;
 - (d) Miscellaneous permanent positive variances totalling \$0.3 million, representing lower than expected disbursements for various cash flow items (e.g. GST remittances); and
 - (e) Miscellaneous negative timing variances of approximately \$0.2 million (net) related to the timing of various operational and capital expenditure payments.
31. The actual ending cash balance as at September 11, 2009 was \$39.5 million compared to the forecast of \$26.7 million.

SemCAMS – Revised Forecast

32. Attached as Appendix B hereto is a copy of SemCAMS' updated cash flow forecast for the SemCAMS Forecast Period (i.e. September 12, 2009 through November 13, 2009), as prepared by SemCAMS with the assistance of the Monitor (the "SemCAMS 22nd Report Forecast"). Management has prepared the SemCAMS 22nd 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 22nd Report Forecast has been updated for amounts originally reflected in the SemCAMS 19th Report Forecast.
33. A summary of the SemCAMS 22nd Report Forecast is provided in the table below:

SemCAMS - Forecast	Sept 11/09 to Nov 13/09
	\$000's
Receipts	25,966
Disbursements	
Operating Expenses	16,215
WIO Stayed Payables and equalization	3,754
Administration	8,463
Capital Expenditures	3,876
	32,308
Net Change in Cash	(6,342)
Opening Cash	39,461
Ending Cash	33,119

34. As detailed in the SemCAMS 22nd Report Forecast, SemCAMS is projecting total cash receipts of \$26.0 million and cash disbursements of \$32.3 million during the SemCAMS Forecast Period, resulting in a net cash decrease of \$6.3 million. Based on the SemCAMS 22nd Report Forecast's assumptions (at Appendix B), SemCAMS will have a positive cash balance throughout the SemCAMS Forecast Period. The SemCAMS 22nd Report Forecast does not account for required cash funding and payments related to the implementation of the CAMS Plan (as previously discussed in the Twentieth Report of the Monitor dated July 30, 2009).

35. Significant observations with respect to the SemCAMS 22nd Report Forecast are:
- (a) Residual cash payments of \$0.2 million are expected to be made by Auriga in connection with its accounts receivable settlement with SemCAMS dated July 21, 2009;
 - (b) Cash receipts and cash disbursements on account of Joint Account operational expenditures of \$1.6 million and \$0.7 million, respectively, are expected during the SemCAMS Forecast Period (related mainly to applicable turnaround obligations undertaken by SemCAMS before the SemCAMS Forecast Period);
 - (c) Gross capital expenditures of \$3.9 million are expected to be made during the SemCAMS Forecast Period, of which \$0.4 million relates to the accrued obligations of the SemCAMS' "ramp down" of the Redwillow Project;
 - (d) Approximately \$0.1 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 September 12 to November 13, 2009;
 - (e) Approximately \$3.7 million of post-CCAA equalization receipts on hand as at September 11, 2009 will be released to the applicable Joint Account-related parties during the SemCAMS Forecast Period; 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 the CAMS Plan.

SemCanada Crude – Budget to Actual Analysis

36. Attached as Appendix C to this Twenty-Second 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 Nineteenth Report of the Monitor dated July 27, 2009 (the "SemCrude 19th Report Forecast").

37. SemCanada Crude continues to operate in the normal course with its operating results comparable to the forecast results set out in the SemCrude 19th Report Forecast. The table below summarizes the receipts and disbursements variance for the SemCanada Crude Reporting Period:

SemCanada Crude - budget to actual	July 11, 2009 to September 11, 2009		
	Actual	Forecast	Difference
	\$000's	\$000's	\$000's
Receipts	95,991	93,870	2,121
Disbursements	95,900	88,255	7,645
Net change in cash	91	5,615	(5,524)
Opening cash	142,858	142,858	-
Ending cash	142,949	148,473	(5,524)
Funds held in trust	10,453	10,453	-
Cash (including funds in trust)	153,402	158,926	(5,524)

38. SemCanada Crude's total receipts for the SemCanada Crude Reporting Period were approximately \$96.0 million, which was \$2.1 million greater than the total receipts projected in the SemCrude 19th Report Forecast for the same period. The positive difference was a net result of price and volume variances during the SemCanada Crude Reporting Period.
39. SemCanada Crude's disbursements totalled approximately \$95.9 million for the SemCanada Crude Reporting Period, which was \$7.6 million greater than the total disbursements projected in the SemCrude 19th Report Forecast for the same period. The negative variance was primarily the result of increased prepayments for crude purchases due to a combination of price and volume differentials.
40. The ending cash balance as at September 11, 2009 was approximately \$153.4 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 \$158.9 million. The

negative variance was due to the net cash flow impact of the variances discussed above.

SemCanada Crude – Revised Forecast

41. Attached as Appendix D to this Twenty-Second Report is a copy of SemCanada Crude’s revised cash flow forecast (the “SemCrude 22nd Report Forecast”) for the SemCrude Forecast Period (i.e. September 12, 2009 through January 1, 2010), as prepared by SemCanada Crude’s management with the assistance of the Monitor. The SemCrude 22nd Report Forecast is based upon the most current information available, taking into consideration current discussions with SemCanada Crude’s major stakeholders and its advisors. Accordingly, the SemCrude 22nd Report Forecast has been updated for amounts originally reflected in the SemCrude 19th Report Forecast.
42. SemCanada Crude is expected to continue to operate in the normal course during the Forecast Period. A summary of the SemCrude 22nd Report Forecast is provided for in the table below:

SemCanada Crude - Forecast	September 12, 2009 to January 1, 2010
	\$000's
Receipts	187,501
Disbursements	189,568
Net change in cash	(2,067)
Opening cash	142,949
Ending cash	140,882
Funds held in trust	10,453
Cash (including funds in trust)	151,335

43. As summarized in the table above, SemCanada Crude is projecting total cash receipts of \$187.5 million, cash disbursements of \$189.6 million and a net cash decrease of \$2.1 million during the SemCrude Forecast Period. The SemCrude 22nd Report Forecast indicates that SemCanada Crude will have a positive cash balance throughout the SemCrude Forecast Period. The SemCrude 22nd Report Forecast does not account for any required cash payments related to the

implementation of the Crude Plan 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.

44. Significant observations with respect to the SemCrude 22nd Report Forecast are:
- (a) Management assumes no increase in volumes with its current producers during the SemCrude Forecast Period, therefore the SemCrude 22nd 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 SemCrude 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;
 - (e) Monthly advance payments to suppliers continue throughout the SemCrude 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 SemCrude Forecast Period; and
 - (g) Professional fees have been estimated based on recent and upcoming activity on the SemCanada Crude engagement.

SemEnergy Group – Budget to Actual Analysis

45. Attached as Appendix E hereto is a summary of SemEnergy Group’s actual receipts and disbursements for the SemEnergy Reporting Period, as compared to the SemEnergy Group cash flow forecast appended to the Nineteenth Report of the Monitor dated July 27, 2009 (the “SemEnergy 19th Report Forecast”).
46. A summary of the budget to actual analysis for the SemEnergy Reporting Period is provided in the table below:

SemEnergy Group - budget to actual	July 4, 2009 to Sept. 11, 2009		
	Actual	Forecast	Difference
	\$000's	\$000's	\$000's
Receipts	135	600	(465)
Disbursements	648	480	(168)
Net change in cash	(514)	120	(634)
Opening cash	109,059	109,059	-
Ending cash	108,545	109,179	(634)

47. As set out at Appendix E, total receipts for the SemEnergy Reporting Period were approximately \$0.1 million, which was \$0.5 million less than the total receipts projected for the applicable period in the SemEnergy 19th Report Forecast. The negative variance was caused by the sale of 319 (refer to the Fourteenth Report of the Monitor dated April 16, 2009 for further details) not closing (as anticipated/projected) which would have otherwise realized approximately \$600,000 in net sale proceeds for the SemEnergy Group estate. The SemEnergy Group does not expect a sale of 319 to now occur.
48. Total disbursements for the SemEnergy Reporting Period totalled approximately \$0.6 million, which was \$0.2 million more than the total disbursements projected in the SemEnergy 19th Report Forecast.
49. The ending cash balance as at September 11, 2009 was approximately \$108.5 million, compared to a forecasted balance of \$109.2 million.

SemEnergy Group – Revised Forecast

50. Attached as Appendix F to this Twenty-Second Report is a copy of the cash flow forecast (the “SemEnergy 22nd Report Forecast”) for the SemEnergy Forecast Period (i.e. September 12, 2009 through November 13, 2009), as prepared by the SemEnergy Group with the assistance of the Monitor. Management has prepared the SemEnergy 22nd Report Forecast based on the most current information available.
51. For purposes of cash flow forecasting and reporting, SemEnergy Group is being reported on a consolidated basis. A summary of the SemEnergy 22nd Report Forecast is included in the table below:

SemEnergy Group - Forecast	Sept. 12, 2009 to Nov. 13, 2009
	\$000's
Receipts	
Disbursements	480
Net change in cash	(480)
Opening cash	108,546
Ending cash	108,066

52. As summarized in the table above, the SemEnergy Group is projecting no cash receipts and cash disbursements of \$480,000 during the SemEnergy Forecast Period. Based on SemEnergy Group’s assumptions attached at Appendix F, the SemEnergy 22nd Report Forecast indicates that SemEnergy Group will have sufficient cash throughout the SemEnergy Forecast Period with which to meet its obligations. The SemEnergy 22nd Report Forecast does not account for any required cash funding and payments related to the implementation of the Energy Distribution Plan.
53. 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 pursuant to an order of this Honourable Court dated August 6, 2008; and
 - (b) An amount of approximately \$315,000, representing the proceeds from sale of France Financial.
54. Significant observations with respect to the SemEnergy 22nd Report Forecast are:
- (a) Amounts in U.S. dollars are translated to Canadian dollars at \$1.10;
 - (b) Estimated collections of outstanding accounts receivables have been excluded from the SemEnergy 22nd Report Forecast as the amounts and timing of such collections are unknown; and
 - (c) Professional fees have been estimated based on recent invoices paid by the SemEnergy Group (wherein certain professional costs not specifically attributable to the SemCanada Group were allocated and applied evenly to the estate).

THE CRUDE NOMINATION PROCESS

55. 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 the earlier of November 1, 2009 and the Plan Implementation Date.
56. Given that suppliers are required to nominate their December 2009 crude oil volumes by early November 2009, an extension of SemCanada Crude's Stay Period through to December 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 Plan Implementation Date. Any significant disruption in the quantity of supplier nominations would negatively affect SemCanada Crude's operations and its potential underlying value.

SEMCANADA GROUP'S REQUEST FOR EXTENSION TO THE STAY PERIODS

57. SemCAMS, SemCanada Crude and the SemCanada Energy Companies filed their respective CCAA Plans (and other applicable/supporting documentation and materials) with this Honourable Court on July 24, 2009. The Twentieth Report of the Monitor dated July 30, 2009 provided this Honourable Court with further detailed analysis and commentary on the CCAA Plans and related restructuring being contemplated by the SemDebtors. As reported herein, the CCAA Plans were subsequently amended by the SemDebtors without negatively affecting the Affected Creditors. It is currently contemplated that the Amended CCAA Plans be implemented on the same date as the Amended US Plan, which is tentatively scheduled for November 6, 2009.
58. SemCAMS' and SemEnergy Group's Stay Periods are currently set to expire on October 1, 2009. SemCanada Crude's Stay Period is currently set to expire on the earlier of November 1, 2009 and the Plan Implementation Date. Given that a common Plan Implementation Date of November 6, 2009 is being contemplated, the SemCanada Group is seeking extensions to their respective Stay Periods.
59. SemCanada Crude is seeking an extension to its Stay Period to and including the earlier of December 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 the earlier of November 10, 2009 or the Plan Implementation Date (as defined in the CAMS Plan and the Energy Distribution Plan). For reasons set out in this Twenty-Second Report, these Stay Period extensions for all of the SemCanada Group members are necessary to allow for the amended CCAA Plans (if approved by this Honourable Court) to be considered and voted on by their respective creditors.
60. 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

61. The Monitor recommends:
- (a) The approval of the Amended CCAA Plans to be circulated to the Affected Creditors;
 - (b) The approval of an extension of SemCAM's Stay Period to and including the earlier of November 10, 2009 or the Plan Implementation Date;
 - (c) The approval of an extension of SemCanada Crude's Stay Period to and including the earlier of December 1, 2009 and the Plan Implementation Date; and
 - (d) The approval of an extension of SemEnergy Group's Stay Period to and including the earlier of November 10, 2009 or the Plan Implementation Date.

All of which is respectfully submitted this 25th day of September, 2009.

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



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



Rick Kanabar, CMA•CIRP
Vice-President