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SUMMARY OF INDICATIVE TERMS AND CONDITIONS

This Indicative Summary of Terms and Conditions (this "Term Sheet") is for discussion purposes only. This Term Sheet does not constitute a commitment, a contract to provide a commitment, an agreement or an offer to enter into an agreement to provide the credit facility described herein or otherwise. Such a commitment, contract, offer or agreement (i) will arise only under definitive documentation duly executed by BNP Paribas, the Lenders referred to below, and you and (ii) is further subject to, among other things, completion of due diligence and obtaining the approval of all applicable credit committees of BNP Paribas and the other Lenders. This Term Sheet does not attempt to describe all of the terms, conditions and requirements that would pertain to the facilities described herein, but rather is intended to outline certain basic items around which the facilities will be structured. This Term Sheet is not intended to limit the scope of discussion or negotiation of any and all matters whether or not set forth herein.

The Lead Arrangers (as defined below) shall be entitled, until the Closing Date, after consultation with you, to change the structure, amount and pricing or other terms of the proposed credit facility if the Lead Arrangers determine that such changes are desirable to ensure a syndication on a best effort basis of the credit facility satisfactory to the Lead Arrangers.

Reference is made to the Amended and Restated Credit Agreement, dated as of October 18, 2005, among SemCrude, L.P., as US borrower, and SemCams Midstream Company, as Canadian borrower, SemGroup, L.P. and SemOperating G.P., L.L.C., as guarantors, the lenders parties thereto, and Bank of America, N.A., as administrative agent and L/C issuer, and Bank of America Securities, LLC, as joint lead arranger and sole book manager, BNP Paribas, as joint lead arranger and co-syndication agent, Bank of Montreal d/b/a "Harris Nesbit", as co-syndication agent, and Bank of Oklahoma, N.A. and The Bank of Nova Scotia, as co-documentation agents (as amended, supplemented and modified, the "Prepetition Credit Agreement"), and the Debtor-in-Possession Credit Agreement, dated as of August 8, 2008, among SemCrude, L.P., as borrower, SemGroup, L.P. and SemOperating G.P., L.L.C., as guarantors, the lenders parties thereto, and Bank of America, N.A., as administrative agent and L/C issuer, and Bank of America Securities,

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LLC, as sole lead arranger and sole book manager (as amended, supplemented and modified, the "Priming DIP Facility") established in favor of Semcrude L.P. and its affiliates that commenced Chapter 11 bankruptcy cases (the "Bankruptcy Cases") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on July 22, 2008 and thereafter.

Borrowers	<p>The newly-organized parent company of the reorganized Debtors ("New HoldCo") and a "Borrower") and certain operating subsidiaries (each a "Subsidiary Borrower" and together with New HoldCo, collectively the "Borrowers"). The Subsidiary Borrowers as of the Closing Date (as defined below) are listed on Schedule 1 hereto. Each Borrower will appoint New HoldCo as its agent (in such capacity, the "Borrowers' Agent") to, among other things, act as funding agent and to submit borrowing notices and other reports required pursuant to the Exit W/C Facility (as defined below).</p>
Guarantors	<p>The obligations of each Borrower under the Exit W/C Facility shall be guaranteed by (i) each other Borrower and (ii) SemManagement, L.L.C., SemOperating G.P., L.L.C., SemCanada II, L.P., SemCanada L.P., SemMaterials, L.P., SemGroup Europe Holding L.L.C., and all other existing and future direct and indirect domestic and foreign restricted subsidiaries of New HoldCo other than (x) a foreign subsidiary that is a "controlled foreign corporation" as defined in Section 957 of the Internal Revenue Code (a "CFC") if the guarantee by that foreign subsidiary would give rise to a deemed dividend pursuant to Section 956 of the Internal Revenue Code that would have material adverse tax consequences to New HoldCo and (y) the Unrestricted Subsidiaries (as defined below) (the "Restricted Subsidiaries"). All guarantees shall be unlimited guarantees of payment and not of collection and shall be secured as provided under "Security" below. SemEuro Limited and SemLogistics Milford Haven Limited (collectively "SemEuro"), SemMexico, LLC ("SemMexico"), Wyckoff Gas Storage Company, LLC ("Wyckoff"), and White Cliffs Pipeline, L.L.C. ("White Cliffs"), SemCrude Pipeline, L.L.C., ("Pipeline") and Woodford Midstream LLC ("Woodford", and collectively with SemEuro, SemMexico, Wyckoff, White Cliffs and Pipeline, the initial "Unrestricted Subsidiaries") will initially be unrestricted subsidiaries of New HoldCo on the Closing Date and will not be Guarantors. Notwithstanding that Pipeline shall initially be an Unrestricted Subsidiary, if Pipeline is able to obtain the consent of the lenders under the White Cliffs Facility (using its commercially reasonable efforts) to provide the grant of collateral in the "White Cliffs Collateral" (as defined in the second paragraph under the heading "Security" below) of Pipeline as contemplated herein, Pipeline shall grant such collateral, and shall provide a limited guarantee solely to the extent necessary to support such grant of collateral. If, however, an Unrestricted Subsidiary (excluding SemMexico) shall repay all or substantially all of its funded debt, such Unrestricted Subsidiary shall thereupon be deemed to become a Restricted Subsidiary unless it meets the requirements of the preceding clause (x), and shall be required to become a Guarantor, and grant liens and security interests on its property, pursuant to the Credit Documents.</p> <p>The Borrowers and the Guarantors (including Unrestricted Subsidiaries that are deemed to become Restricted Subsidiaries pursuant to the immediately preceding sentence) are referred to herein as the "Credit Parties".</p>

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Lead Arrangers	BNP Paribas Securities Corp., (" BNPP Securities "), Banc of America Securities LLC (" BAS "), and Calyon New York Branch (" Calyon "), collectively referred to as the " Lead Arrangers ".
Agents	BNP Paribas (" BNPP "), as Administrative and Collateral Agent for the Lenders (in such capacity, the " Administrative Agent "), Bank of America N.A. (" BANA ") as Syndication Agent, and Calyon as Documentation Agent. Administrative, Syndication and Documentation Agents to be referred to collectively as the " Agents ".
Lenders	BNPP, BANA, Calyon, and such other financial institutions as may become party to the credit agreement from time to time (together, the " Lenders ").
Letter of Credit Issuing Banks	BNPP, BANA, Calyon and others to be agreed upon (together, the " Issuing Banks "); <u>provided</u> that, BNPP shall be the only Issuing Bank with respect to the Credit-Linked Deposit Facility (the " Credit-Linked Issuing Bank "). In addition to any other limitations set forth herein, there will be a cap (an " Issuance Cap ") for each Issuing Bank on the aggregate exposure under Letters of Credit issued by such Issuing Bank under the Revolving Facility (as defined below), which may be increased by such Issuing bank in its sole discretion.
Exit Credit Facility	<p>Subject to satisfaction of the Initial Conditions Precedent described herein, a senior secured working capital facility (the "Exit W/C Facility") governed by a Consolidated Borrowing Base for US\$ 500,000,000 (the "Exit W/C Facility Commitment Amount") to reorganize the Credit Parties.</p> <p>The Exit W/C Facility shall be senior (in right of payment and lien priority) to the new term loans to be distributed as per the terms of the contemplated Plan of Reorganization (the "New Term Notes"), which terms of seniority shall be set forth in an Intercreditor Agreement to be in form and substance acceptable to the Administrative Agent and the Lenders (the "Term Note Intercreditor Agreement").</p> <p>A portion of the Exit W/C Facility (up to \$100,000,000) will be made available for the issuance of Letters of Credit under a credit-linked deposit facility (such portion of the Exit W/C Facility, the "Credit-Linked Deposit Facility"). (The remaining portion of the Exit W/C Facility, other than the Credit-Linked Deposit Facility, is referred to herein as the "Revolving Facility".)</p>
Currency	United States Dollars
Accordion	At the request of the Borrowers' Agent, the Exit W/C Facility can be increased in increments of at least \$10,000,000 up to an amount equal to any unsubscribed amount of the Exit W/C Facility Commitment Amount on and after the Closing Date without the approval of the Lenders, but subject to the approval of the Lead Arrangers and the receipt of additional commitments from one or more Lenders and/or other financial institutions (acceptable to the Issuing Banks) and provided that no Default has occurred and is continuing. The Lenders will have the opportunity, but will not be obligated, to participate in any such increase in the size of the Exit W/C Facility.
Closing Date	The date on which the Credit Documents are signed by all relevant parties

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	and each of the Initial Conditions Precedent to the Exit W/C Facility are satisfied or waived, expected to occur on or prior to [November 6], 2009 (the " Closing Date ").
Purpose	The Exit W/C Facility shall be available to issue standby and documentary letters of credit (collectively " Letters of Credit ") and to make advances up to the tenor set forth below (" Advances ") (Letters of Credit and Advances together referred to as " Credit Extensions ") (i) to finance or secure the purchase, shipment, blending, storage, sale and/or exchange of eligible commodities specified in the Applicable Risk Management Policy (" Commodities ") by the Subsidiary Borrowers; (ii) to provide margin for exchange traded and over-the-counter currency and Commodities contracts and to cover marked-to-market collateral requirements in connection with hedged Commodities transactions for the Subsidiary Borrowers, (iii) to fund general working capital needs of each of the Credit Parties subject to the Exit W/C Facility Commitment Amount, and the Sub-limits as defined below, (iv) to finance capital expenditures as disclosed and approved in the Plan of Reorganization for the Credit Parties (" Approved Capex "), and (v) at Closing Date to repay any outstanding advances (and to refinance or continue outstanding letters of credit as Letters of Credit (as defined below)) under the Priming DIP Facility and (vi) to pay any fees and expenses payable to the Lenders.
Maturity Date	<p><u>Revolving Facility</u>: three years from the Closing Date (the "Revolving Facility Maturity Date").</p> <p><u>Credit-Linked Deposit Facility</u>: four years from the Closing Date (the "Credit-Linked Deposit Maturity Date"). Each of the Revolving Facility Maturity Date and the Credit-Linked Deposit Maturity Date are referred to herein as the "Maturity Date" of the respective facilities.</p>
Availability	<p><u>Exit W/C Facility Availability</u></p> <p>The lesser of (i) the Exit W/C Facility Commitment Amount and (ii) the aggregate amount available under the Consolidated Borrowing Base as defined in Annex A (1) calculated on a consolidated basis, taking into account cross-entity netting and offsets (the "Consolidated Borrowing Base").</p> <p>On the Closing Date, the Consolidated Borrowing Base less the aggregate amount of Credit Extensions (the "Aggregate Borrowing Base Availability") shall be in excess of US\$ 50,000,000. Following the Closing Date, the Aggregate Borrowing Base Availability shall at all times be in excess of US \$ 25,000,000, the failure of which shall result in a mandatory prepayment of the Advances and/or a mandatory cash collateralization of Letters of Credit in an amount sufficient to eliminate the shortfall as described in "Mandatory Prepayment and Commitment Reductions" below. The minimum amount of the Aggregate Borrowing Base Availability required pursuant to this paragraph is referred to as the "Minimum Aggregate Borrowing Base Availability".</p> <p>Subject to any other limitations contained herein, the maximum amount of Credit Extensions that can be used for purposes other than for the purchase and sale of Commodities, inventory financing for Commodities and related margin purposes will be US \$ 75,000,000.</p>

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Advances and Letters of Credit under the Exit W/C Facility may be borrowed and issued, repaid and expire or be terminated, and re-borrowed and issued until the Maturity Date.

Credit-Linked Deposit Facility Availability

Letters of Credit under the Credit-Linked Deposit Facility shall be available upon the funding by each Lender with a commitment under the Credit-Linked Deposit Facility (the "**Credit-Linked Lenders**"), in a single funding on the Closing Date, to the Administrative Agent of cash its ratable share of a deposit in an aggregate principal amount of up to \$100,000,000 (such aggregate principal amount, the "**Credit-Linked Facility Amount**" and each such share funded or provided by a Credit-Linked Lender, a "**Credit-Linked Funding**"), which shall be deposited by the Administrative Agent into a segregated operating and/or investment account of, and established by, the Administrative Agent in the Administrative Agent's name and under its exclusive dominion and control (the "**Credit-Linked Deposit Account**"). Upon a Credit-Linked Lender's funding or providing of its Credit-Linked Funding, such Credit-Linked Lender shall have no further funding obligations. The Credit-Linked Issuing Bank shall not issue, and the Borrower shall not request, a Letter of Credit under the Credit-Linked Deposit Facility (any such Letter of Credit, a "**Credit-Linked Letter of Credit**") if, after issuance of such Credit-Linked Letter of Credit, (x) the aggregate undrawn amount of all outstanding Credit-Linked Letters of Credit at such time plus (y) the aggregate principal amount of all then-outstanding unreimbursed amounts drawn on Credit-Linked Letters of Credit (the sum of (x) and (y), the "**Credit-Linked LOC Outstanding Amount**") would exceed the balance of the Credit-Linked Deposit Account at such time.

For the avoidance of doubt, the availability of Credit-Linked Letters of Credit shall be subject to each of the other conditions for the issuance of Letters of Credit (including, without limitation, Consolidated Borrowing Base and Individual Gross Borrowing Base requirements).

Amounts deposited in the Credit-Linked Deposit Account shall be used to satisfy the Credit-Linked Lenders' obligation to fund their participations in any reimbursement obligation with respect to Credit-Linked Letters of Credit which have not been reimbursed by the Borrower.

The parties acknowledge and agree that the purpose of the Credit-Linked Deposit is to minimize the fronting risk of the Credit-Linked Issuing Bank to the Credit-Linked Lenders in order to induce it to issue the Credit-Linked Letters of Credit for the account of the Borrowers. No party (other than the Administrative Agent) shall make any withdrawal from the Credit-Linked Deposit Account or exercise any right or power with respect to the Credit-Linked Deposit Account, and at no time shall the amounts in the Credit-Linked Deposit Account be considered the property of the Borrower or any other Credit Party.

For the avoidance of doubt, each Letter of Credit will be issued under either the Revolving Facility or the Credit-Linked Facility, but not both. Letters of Credit will be issued under the Credit-Linked Facility up to an amount equal to the Credit-Linked Facility Amount and, if there is no availability under the Credit-Linked Facility, then Letters of Credit will be issued under the

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	Revolving Facility.
Consolidated Borrowing Base/ Individual Gross Borrowing Base	<p>In no event shall the aggregate Credit Extensions exceed the Consolidated Borrowing Base; <u>provided that</u> there shall be separate individual gross borrowing base determinations for each Subsidiary Borrower, defined as the sum of all gross asset borrowing base categories for such Subsidiary Borrower as per Annex A (2) (as to each Subsidiary Borrower, the "Individual Gross Borrowing Base"), subject to total Credit Extensions for a Subsidiary Borrower being limited to its Individual Gross Borrowing Base except as set forth below.</p> <p>If the Credit Extensions to be made available to any Subsidiary Borrower exceed such Subsidiary Borrower's Individual Gross Borrowing Base, but the Aggregate Borrowing Base Availability exceeds the Minimum Aggregate Borrowing Base Availability, up to one third of such excess may be utilized by Subsidiary Borrowers with insufficient Individual Gross Borrowing Bases (the "Subsidiary Borrower Overline"). Credit Extensions under the Subsidiary Borrower Overline ("Overline Credit Extensions") may only be advanced, repaid and re-advanced by any Subsidiary Borrower during two 60 day usage periods (each a "Usage Period") per year. A Usage Period will commence upon the first Overline Credit Extension following notice from the Borrowers' Agent; <u>provided that</u> no Usage Period after the initial Usage Period shall commence unless and until a minimum period of seven consecutive days following the termination of the most recent Usage Period elapses, during which time the Individual Gross Borrowing Base of each Subsidiary Borrower exceeds the amount of Credit Extensions for such Subsidiary Borrower.</p>
Sub-Limits	<p>The Exit W/C Facility shall include the following Sublimits.</p> <p>1. Advance Sublimit Total Advances shall be limited to US\$ 150,000,000 in the aggregate for the purchase of hedged inventory, margin financing for hedged Commodities transactions, and Approved Capex and working capital purposes as permitted under the Credit Documents.</p> <p>2. Daylight Overdraft Line Within the above Advance Sublimit, the Administrative Agent (in such capacity the "Daylight Overdraft Lender") shall make available in aggregate to the Borrowers an overdraft line of US\$ 50,000,000 (the "Daylight Overdraft Line") for intraday Advances for the purpose of meeting margin calls related to hedging activities and payments in connection with the purchase of Commodities (the "Daylight Overdraft Loans").</p> <p>The Daylight Overdraft Lender in respect of all Daylight Overdraft Loans shall receive fronting risk protection from all Lenders, which shall include, without limitation, the right to obtain cash collateral from either the relevant Lender or the Borrowers in an amount equal to the participation amount of any defaulting Lender in any Daylight Overdraft Loan made hereunder.</p> <p>3. Long-Term Trade (>90 days & <364 days) and Performance Letters of Credit Sublimit The aggregate then-undrawn and unexpired amount of outstanding Trade Letters of Credit (each having a maximum tenor of more than 90 but less</p>

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	<p>than 364 days) and Performance Letters of Credit shall not exceed 30% of the Exit W/C Facility Commitment Amount. Such Letters of Credit may include auto-renewal Letters of Credit, in form and substance acceptable to the Administrative Agent and the Issuing Banks, having a maximum tenor in excess of 90 days and of less than 364 days.</p>
Letters of Credit:	<p>Letters of Credit shall be either Trade Letters of Credit or Performance Letters of Credit (in each case as defined below).</p> <p>"Performance Letter of Credit": means a standby Letter of Credit issued to support margin requirements, bonding, performance, transportation and tariff requirements relating to the business operations of the Borrowers outlined in the Conforming Plan (other the obligation to pay for the purchase of Commodities).</p> <p>"Trade Letter of Credit": means a commercial or standby Letter of Credit supporting a payment obligation for the purchase or exchange of Commodities.</p> <p>Trade Letters of Credit shall have an expiry date not later than 90 days after issuance (unless included in the Sublimit above); Performance Letters of Credit shall have an expiry date not later than 364 days after issuance (or, in each case, such later expiration date agreed to by the Majority Lenders in their sole discretion with no obligation). Subject to the restrictions set forth in the previous sentence and the requirements for cash collateralization and the other requirements set forth in the following paragraph, Letters of Credit under the Revolving Facility may be issued that expire following the Revolving Facility Maturity Date. Payments made to suppliers in respect of outstanding Letters of Credit will be made through the Issuing Banks or the Cash Management Bank (provided that advance notice thereof is given by the Borrower Agent to the Issuing Banks and the Administrative Agent) to facilitate reduction/cancellation of the same.</p> <p>Letters of Credit (other than Credit-Linked Letters of Credit) shall be available under the Revolving Facility from any Issuing Bank designated by the Borrower's Agent (subject to the applicable Issuing Bank's Issuance Cap) at any time prior to the Revolving Facility Maturity Date. Credit-Linked Letters of Credit shall be available under the Credit-Linked Facility from the Credit-Linked Issuing Bank at any time prior to the Credit-Linked Deposit Maturity Date. In addition, Letters of Credit must expire on or prior to the applicable Maturity Date provided that Letters of Credit under the Revolving Facility may be issued with expiry no later than six months after the Revolving Facility Maturity Date in a maximum aggregate face amount of US\$ 50,000,000, <u>provided</u> that such Letters of Credit are Cash Collateralized at the time of issuance.</p> <p>The Issuing Banks in respect of all Letters of Credit shall receive fronting risk protection from all Lenders, which shall include, without limitation, the right to obtain cash collateral from either the relevant Lender or the Borrowers in an amount equal to the participation amount of any defaulting Lender in any Letter of Credit issued hereunder.</p> <p>"Cash Collateralize" shall mean, with respect to any Letter of Credit, depositing collateral with the Administrative Agent in an amount equal to 105% of such Letter of Credit plus unpaid fees associated with such Letter</p>

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	of Credit. Such cash shall be held in a segregated blocked account in which the Administrative Agent holds a perfected security interest.
Interest and Fees	As set forth in Annex B hereto.
Security	<p>All obligations of the Credit Parties under the Exit W/C Facility shall be secured by a first priority, perfected security interest in all of the Credit Parties' existing and hereinafter acquired assets including, but not limited to, cash, deposit, investment and hedging accounts, inventory, receivables, investment property, intangibles and fixed assets, including (i) the assets of any Unrestricted Subsidiary that is deemed to become a Restricted Subsidiary as provided above) and (ii) all shares or other equity interests in any entity directly owned by any Credit Party other than (A) except as provided in the paragraph below, the equity interests of Pipeline held by SemCrude, L.P., (B) more than 65% of the voting stock of a CFC if the pledge of 66 2/3 or more of the voting stock of the CFC would give rise to a deemed dividend under Section 956 of the Internal Revenue Code that gives rise to material adverse tax consequences to HoldCo, and (C) equity interests with respect to which the pledge thereof would be prohibited by existing contractual restrictions (the "Collateral").</p> <p><u>White Cliffs Collateral</u></p> <p>Notwithstanding the foregoing or anything else to the contrary herein, SemCrude, L.P. and Pipeline shall use their commercially reasonable efforts to obtain the consent of the lenders under the White Cliffs Facility to grant to the Administrative Agent a second priority security interest in all of the assets of Pipeline and its subsidiaries, and the equity interests of Pipeline held by SemCrude, L.P. (the "Pipeline Equity") to the extent and only to the extent pledged as collateral to secure the obligations owing to the lenders under the White Cliffs Facility (collectively, the "White Cliffs Collateral"). If such consent is obtained, SemCrude, L.P. and Pipeline shall grant to the Administrative Agent for the benefit of the Lenders a security interest in the White Cliffs Collateral, which shall be second priority security interests, junior to the security interests of the lenders under the White Cliffs Facility. If such consent is not obtained, the Collateral will not include any of the White Cliffs Collateral, including the Pipeline Equity. The terms of the priority of the security interests of the Administrative Agent for the benefit of the Lenders (if any), the holders of the New Term Notes (if any) and the lenders under the White Cliffs Facility in the White Cliffs Collateral shall be set forth in an intercreditor agreement (the "White Cliffs Intercreditor Agreement") to be in form and substance acceptable to the Administrative Agent and the Lenders.</p> <p><u>Insurance</u></p> <p>Each Credit Party shall maintain and assign to the Administrative Agent, for the benefit of the Lenders, satisfactory insurance on all of its material assets on a usual and customary basis for companies engaged in the same or similar business and name the Administrative Agent as an additional insured and loss payee under the related insurance policies.</p> <p><u>Term Note Intercreditor Agreement</u></p>

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	<p>The terms of seniority of the second lien on the Collateral (or third lien, in the case of the White Cliffs Collateral) to be shared with the holders of the New Term Notes shall be set forth in the Term Note Intercreditor Agreement.</p>
<p>Collection Account and Security Interest Notifications</p>	<p>An account shall be established and maintained by the Credit Parties with the Administrative Agent and/or another Lender acceptable to the Lead Arrangers (the "Cash Management Bank"), subject to a deposit account control agreement satisfactory to the Administrative Agent, for the purpose of receiving all payments in respect of accounts receivable (the "Collection Account"). In addition, each other deposit account, securities account and commodities account of the Credit Parties shall be subject to an account control agreement satisfactory to the Administrative Agent. At any time during which the Aggregate Borrowing Base Availability shall be \$30,000,000 or less, irrespective of whether a Default or Event of Default shall have occurred or be continuing, the Administrative Agent shall be entitled to take exclusive control of the Collection Account and all other deposit accounts of the Credit Parties.</p> <p>The Credit Parties shall notify account debtors and third party inventory locations of the Lender's security interest in what constitutes collateral and that such collateral has been assigned to the Administrative Agent for the ratable benefit of the Lenders, in the form required by the Administrative Agent under the Credit Documents and the Credit Parties shall irrevocably instruct buyers of Commodities to remit payments to the Collection Account as appropriate. Unless otherwise agreed by the Administrative Agent, the relevant Credit Party shall assign to the Administrative Agent the proceeds of any letter of credit to which any Credit Party is a beneficiary and cause the issuing bank thereof to consent to such assignment and/or have such letters of credit advised by the Administrative Agent.</p> <p>Notification of the Administrative Agent's security interest, for the benefit of the Lenders, in inventory (in form and substance satisfactory to the Administrative Agent) to be sent promptly following entering into contract for storage of same to, and (if further required by the Administrative Agent and customarily available), the Credit Parties will use commercially reasonable efforts to have such notices acknowledged by the applicable warehouses and other third party storage locations.</p>
<p>Optional Prepayments</p>	<p>Optional prepayments shall be permitted at any time (subject to breakage costs if paid prior to any Eurodollar interest rate period, if applicable) in minimum amounts of US\$ 2,500,000.</p>
<p>Mandatory Prepayments and Commitment Reductions</p>	<p>Usual and customary for facilities of this type, including, without limitation:</p> <p>Prepayment of amounts outstanding, without duplication, in excess of the applicable Consolidated Borrowing Base, Individual Gross Borrowing Base after taking into account the Subsidiary Borrower Overline, the Exit W/C Facility Commitment Amount, the Minimum Aggregate Borrowing Base Availability and/or any Sub-limit within one business day. To the extent that all Advances have been prepaid and such an excess remains, the Borrowers shall Cash Collateralize Letters of Credit in the amount of such excess.</p> <p>Prepayment of Advances outstanding under the Exit W/C Facility in the</p>

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	<p>amount of 100% of net cash proceeds from (i) the sale of assets and property of the Credit Parties and, unless such payment is not permitted by the terms of any outstanding debt and subject to a minimum threshold to be agreed upon in the Credit Documents, the Unrestricted Subsidiaries (other than in the ordinary course of business), together with, in the case of the discontinuance of a line of business, a permanent reduction of the Exit W/C Commitment Amount to be agreed among the Borrowers' Agent and the Majority Lenders on or prior to the date of such sale, (ii) the issuance or occurrence of any additional debt as permitted under the Credit Documents, (iii) any capital contribution or the sale or issuance of any capital stock or any securities convertible into or exchangeable for capital stock or any warrants, rights or options to acquire capital stock, (iv) insurance proceeds and (v) any extraordinary receipts. Notwithstanding the foregoing, the Borrower's Agent may elect to reinvest any asset sale proceeds and insurance proceeds in lieu of making a prepayment on terms and conditions to be agreed upon in the Credit Documents for a period of 90 days following receipt thereof, provided that, prior to such reinvestment, the proceeds to be reinvested shall be held in a deposit account controlled exclusively by the Administrative Agent; provided that if any Credit Party replaces, repairs or upgrades any property which is the subject of an insurable event prior to the receipt of the insurance proceeds, such insurance proceeds may be used to reimburse the Credit Parties for the cost of such replacement, repair or upgrade and such reimbursement shall be treated as a reinvestment of the insurance proceeds.</p>
Pricing and Yield Protection	<p>Usual and customary provisions for facilities of this type including, without limitation, increased costs, inability to determine, or insufficiency of, rates, capital adequacy protection, reserves, regulatory changes, taxes (other than taxes that are grossed up or indemnified under the gross up section and changes in the rate of tax on the overall net income of such Lender), and illegality.</p>
Tax Gross-Up	<p>All payments made to the Lead Arrangers, Agents, Issuing Banks or any Lender (or any assignee or participant) in connection with the Exit W/C Facility shall be made without set-off or counterclaim and free and clear of all present or future taxes, other deductions and withholdings of whatever nature. The Borrowers shall be required to gross up any such payment to any such party in the event that any such withholding, taxes and/or deductions are required to be made, or indemnify any such party for any such taxes imposed on them unless such taxes are imposed by such party's jurisdiction of organization or applicable lending office, subject to standard exceptions. In addition, Borrowers shall pay all stamp, documentary, recording, excise, property, value-added, and similar taxes, charges or levies imposed on any such party, or indemnify such party for any taxes imposed on them.</p>
Initial Conditions Precedent	<p>Usual and customary for facilities of this type, including, without limitation, each of the following:</p> <ul style="list-style-type: none"> (i) The Bankruptcy Court shall have entered a final order confirming a Plan of Reorganization (such order, the "Confirmation Order") which Plan of Reorganization and the Canadian plans of reorganization (the "Canadian Plans") shall be on terms and in form and substance satisfactory to the Lead Arrangers (such Plan of Reorganization, a "Conforming Plan"), and such Conforming Plan shall, concurrently with the closing

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	<p>of the Exit W/C Facility, become effective and all the conditions thereto shall have been satisfied. All prepetition claims of the Debtors, and all obligations under any DIP facility and all post-petition claims and administrative expenses, shall be, concurrently with the closing of the Exit W/C Facility, discharged in accordance with the Conforming Plan and the Confirmation Order.</p>
(ii)	<p>The Lead Arrangers, the Administrative Agent, their counsel and the Lenders shall be reasonably satisfied with the terms of the proposed Plan of Reorganization including any Canadian Plans, the Disclosure Statement and the Confirmation Order, and the terms and documentation for the New Term Notes, the White Cliffs Financing and any financing for SemEuro and SemMexico (and with respect to each of the foregoing, all exhibits, schedules, appendices and attachments thereto) (it being understood that each of the following drafts (the "Specified Drafts") are satisfactory: (a) the Disclosure Statement filed with the Bankruptcy Court on August 25, 2009 and (b) the Plan of Reorganization and Canadian Plans filed with the Bankruptcy Court on August 25, 2009, but the Administrative Agent and its counsel reserve the right to approve any material changes and/or amendments to the documents referenced in clauses (a) and (b) of this paragraph and all completions thereof, and all schedules and exhibits thereto (including, without limitation, to the extent such completions, schedules and exhibits may require changes to the Specified Drafts).</p>
(iii)	<p>Appointment and satisfactory terms of employment prior to or upon the effectiveness of the Plan of Reorganization of a chief executive officer (CEO) and chief financial officer (CFO), such appointments to be satisfactory to the Lead Arrangers and Lenders.</p>
(iv)	<p>Execution and delivery of credit agreement, general security agreement, the Term Note Intercreditor Agreement, the White Cliffs Intercreditor Agreement (if any), guarantees of the Guarantors, pledge agreements, deposit, securities and commodity account security and control agreements, and other loan documents (collectively, "Credit Documents").</p>
(v)	<p>Legal opinions and evidence of corporate authority, existence and good standing, enforceability, collateral (including real property), regulatory matters, and other customary opinions (including applicable local and specialist counsel).</p>
(vi)	<p>There shall not have occurred since August 25, 2009, any event or condition that has or has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect. "Material Adverse Effect" means (A) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Credit Parties and/or New HoldCo and its subsidiaries,</p>

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	<p>respectively each, taken as a whole; (B) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any loan documentation, or of the ability of any Credit Party to perform its obligations under any loan documentation to which it is a party; (C) a material adverse effect upon the legality, validity, binding effect or enforceability against any Credit Party of any loan documentation to which it is a party; (D) a material adverse change in (x) the financial projections of the Credit Parties and/or New HoldCo and its subsidiaries or (y) the performance of the business of the Credit Parties relative to the Projections (as defined below).</p> <p>(vii) Payment in full of fees and expenses in connection with the Exit W/C Facility and the Credit Documents related thereto</p> <p>(viii) Completion of the Administrative Agent's collateral and risk management practices review. Such review shall require satisfaction of certain quantitative tests related to the preparation of the Borrowing Base Report, the Position Report and the M-T-M Report and provide satisfactory evidence to the Lead Arrangers that the risk management practices implemented by the Credit Parties comply with the Applicable Risk Management Policy and are adequately supported by the Credit Parties' operating systems. "Applicable Risk Management Policy" means (A) until the Comprehensive Risk Management Policy (as defined under the heading "Risk Management" below) is adopted and approved, the Trading Protocol (as defined in clause (xii) below) and (B) thereafter, the Comprehensive Risk Management Policy.</p> <p>(ix) Retention of a risk management firm (the "Risk Management Firm") for at least 30 consecutive days immediately prior to the Closing Date approved by the Lead Arrangers to perform various risk management duties, including the functions of the RMCO (as defined in "Risk Management" below)</p> <p>(x) Receipt of a Borrowing Base Report and certificate as of 4 business days prior to the Closing Date evidencing an Aggregate Borrowing Base Availability in excess of US\$ 50,000,000. Supporting back-up in the Borrowing Base Report shall include verification by a third party acceptable to the Lead Arrangers of inventory tanks specified by the Lead Arrangers and notified to the Borrower Agent at least [TBD] business days in advance of the date on which verification is to occur;</p> <p>(xi) Receipt of SemGroup L.P.s latest yearly audited and monthly unaudited consolidated financial statements including the most recent monthly proforma consolidating statements of Sem Group L.P excluding the designated Unrestricted Subsidiaries under the Exit W/C Financing.</p> <p>(xii) Receipt by the Lenders of financial projections for the Credit Parties adjusted to give effect to the implementation of the Plan of Reorganization and the financing contemplated by the Exit</p>
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	<p>W/C Facility prepared in good faith and based on reasonable assumptions (as updated annually pursuant to clause (x) under the heading "Reporting Requirements" below, the "Projections").</p> <p>(xiii) Receipt and approval by the Lead Arrangers of the trading protocol (the "Trading Protocol") which shall apply to all Credit Parties and which shall include stop loss, net position limits, basis risk limits and counterparty credit limits for New HoldCo and its subsidiaries both as a whole and individually (including, for the avoidance of doubt, both Restricted Subsidiaries and Unrestricted Subsidiaries).</p> <p>(xiv) Receipt of lien searches; and receipt of all other documents, reports and information as the Agents may reasonably request.</p> <p>(xv) The management of any business unit of the Credit Parties shall be satisfactory to the Agents.</p> <p>(xvi) The Administrative Agent and the Lenders shall have received evidence that the corporate and capital structure of New HoldCo and its subsidiaries is consistent with the Plan of Reorganization.</p> <p>(xvii) All customary actions necessary for all perfection or protection of all liens under the Credit Documents (including real estate surveys and title insurance).</p> <p>(xviii) Satisfaction of the Lead Arrangers with all environmental matters including, without limitation, the receipt of Phase I environmental surveys for properties specified by the Lead Arrangers, the results of which shall be satisfactory to the Agents, and with respect to all properties owned, leased or managed by the Restricted Subsidiaries, certification by a responsible officer of the applicable Restricted Subsidiary that there has been no material environmental contamination of any such property since the date of the most recent Phase I environmental survey of such property delivered to the Administrative Agent.</p> <p>(xix) All necessary regulatory and third party approvals.</p> <p>(xx) Working Capital (as defined in Annex C below) as of the Closing Date shall be at least \$150,000,000.</p> <p>(xxi) Leverage (as defined in Annex C below) as of the Closing Date shall be no greater than 2.00:1.</p> <p>(xxii) As of the Closing Date, the Tangible Capital Base (as defined in Annex C below) of New Holdco on a consolidated basis shall be at least \$700,000,000.</p>
Conditions Precedent to each Credit Extension	Usual and customary for facilities of this type, including, without limitation, each of the following: (a) the accuracy of all representations and warranties in the Credit Documents (including without limitation, the absence of any

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	Material Adverse Effect or material litigation), (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such Credit Extension, (c) the Aggregate Borrowing Base Availability shall exceed the Minimum Aggregate Borrowing Base Availability at the time of, or after giving effect to the making of, such Credit Extension, (d) the Individual Gross Borrowing Base of each Subsidiary Borrower shall exceed the aggregate Credit Extensions to such Subsidiary Borrower, except during any Usage Period to the extent such excess is maintained pursuant an Overline Credit Extension and within the limits of the Subsidiary Borrower Overline, at the time of, or after giving effect to the making of, such Credit Extension and (e) compliance with other requirements of the Credit Documents, including Sub-limits.
Representations and Warranties	Usual and customary for facilities of this type including, but not limited to, organization, authority, financial statements, compliance with law, material contracts, environmental matters, absence of Material Adverse Effect, absence of material litigation, absence of default or unmatured default, no conflict with agreements, taxes, intellectual property, subsidiaries, investment company act and other regulatory matters, perfection of security interests and other UCC matters, solvency, matters relating to the Applicable Risk Management Policy, accuracy and completeness of information, insurance, ownership of property and certain business-specific matters.
Financial Covenants	The financial covenants will be usual and customary for facilities of this type, including but not limited to, the requirements outlined in Annex C and, unless otherwise indicated, shall be tested based on financial statements of the Credit Parties.
Risk Management:	<p>On or before 30 days after the Closing Date, the Credit Parties will appoint a risk management credit officer who is satisfactory to the Lead Arrangers in their sole discretion (the “RMCO”) and whose employment shall have commenced on or before 30 days after the Closing Date. On or before 30 days following the appointment of the RMCO, the Credit Parties will replace the Trading Protocol with a permanent written credit and risk management policy and practices (the “Comprehensive Risk Management Policy”), including position and other limits to be approved by the Agents and Supermajority Lenders. If requested by the Administrative Agent, at the expense of the Credit Parties, the Credit Parties shall have the Comprehensive Risk Management Policy reviewed and analyzed by a risk management consultant selected by the Lead Arrangers. In addition, the retention of the Risk Management Firm shall continue until 30 days after the employment of the RMCO shall have commenced; provided that, the retention of the Risk Management Firm shall not be terminated unless at such time (i) the Borrowers are in compliance with the Applicable Risk Management Policy (as defined below) and (ii) no Default or Event of Default has occurred or is continuing.</p> <p>On or before 60 days after the appointment of the RMCO, the Credit Parties shall select an automated risk management system which is acceptable to the Lead Arrangers (an “Approved Risk Management System”). At the time of its selection, the specifications of the Approved Risk Management System shall be sufficient to enable the Approved Risk Management System to adequately and accurately support the Applicable Risk Management Policy and the Credit Parties’ operations.</p>

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	<p>As soon as reasonably practicable but no later than one year after the Closing Date, the Credit Parties shall have fully implemented the Approved Risk Management System. At the end of each sixty day period following the Closing Date until the Approved Risk Management System is fully implemented, the Credit Parties shall provide a written report to the Agents summarizing the status of the implementation of the Approved Risk Management System. After the implementation thereof, the Approved Risk Management System shall adequately and accurately support the Applicable Risk Management Policy and the Credit Parties' operations.</p> <p>The risk management practices implemented by the Credit Parties shall comply with the Applicable Risk Management Policy, including position limits.</p>
Affirmative Covenants:	<p>Customary for facilities of this type, including without limitation, compliance with reporting requirements; compliance with law; and contractual obligations; maintenance of organizational existence; maintenance of proper books and records; preservation of assets; continuation in same line of business; maintenance of insurance; taxes and other obligations; use of proceeds; compliance with environmental laws; inspection rights; further assurances including grant of security interest in after acquired property; Credit Parties' deposit accounts to be held with the Administrative Agent and/or the Cash Management Bank, subject to an account control agreement and pledged to the Administrative Agent on behalf of the Lenders; maintenance and compliance with the Applicable Risk Management Policy.</p>
Negative Covenants:	<p>Customary for facilities of this type, including without limitation: limitations on transactions with affiliates, mergers, acquisitions and consolidations, hedging contracts, incurrence of any additional indebtedness or incurrence of any additional liens subject to baskets to be agreed upon in the Credit Documents, guarantees, capital expenditures (other than Approved Capex) to be subject to Excess Cash Flow test to be established, with a portion of any unused Approved Capex capacity to be made available for future periods, dividends and other distributions, loans and other investments, asset sales and prepayment of other debt; modifications of debt instruments; sale/leaseback; restriction on modification of the Applicable Risk Management Policy without the approval of the Supermajority Lenders, prohibition on changes in fiscal year, accounting method and negative pledge.</p> <p>So long as no Default or Event of Default is continuing or would result therefrom, New HoldCo shall be permitted to make cash interest payments on the New Term Notes commencing June 30, 2010 if the Aggregate Borrowing Base Availability at the time of such payment before and after giving effect thereto is in excess of (i) if such payment is made prior to July 1, 2011, \$50,000,000, and (ii) if such payment is made on or after July 1, 2011, \$25,000,000. In addition, so long as no Default or Event of Default is continuing or would result therefrom, if New HoldCo or any of its subsidiaries receives cash proceeds on or after July 1, 2010 from (i) any capital contribution into New HoldCo or the sale or issuance of any of its capital stock or any securities convertible into or exchangeable for its capital stock or any warrants, rights or options to acquire its capital stock, (ii) the issuance or occurrence of any additional debt not prohibited under</p>

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	<p>the Credit Documents (subject to limited exceptions to be agreed upon in the Credit Documents), or (iii) the sale, lease and/or disposition of its assets, then, after making any applicable Mandatory Prepayments, 100% of any such proceeds then remaining may be applied to make principal payments on the New Term Notes, <u>provided</u> that (A) there are no Advances outstanding under the Exit W/C Facility, (B) prior to and following the repayment, the Aggregate Borrowing Base Availability at the time of such payment before and after giving effect thereto shall be in excess of (i) if such payment is made prior to July 1, 2011, \$50,000,000, and (ii) if such payment is made on or after July 1, 2011, \$35,000,000, and (C) prior to and following the repayment, no Default or Event of Default has occurred and is continuing. Following receipt by the Administrative Agent of New Holdco's 2010 annual audited financial statements, New Holdco shall also be permitted to make principal payments on the New Term Loan in an amount not to exceed 50% of Excess Cash Flow of the Credit Parties (determined annually based on results of New Holdco's annual audited financial statements), so long as each of the conditions (A) through (C) above is true and correct.</p> <p>The Borrowers shall be permitted to refinance the New Term Notes on terms no more restrictive than the terms and conditions of the New Term Notes on the Closing Date.</p> <p>In addition, the Credit Documents will include limitations on the use by Unrestricted Subsidiaries of the proceeds of certain sales, leases and dispositions of such Unrestricted Subsidiaries' assets over a certain minimum threshold to be agreed upon in the Credit Documents. Such restriction shall not apply to the use of such proceeds for repayment of the applicable Unrestricted Subsidiary's outstanding debt.</p>
<p>Reporting Requirements:</p>	<p>The following shall be furnished by the Credit Parties as applicable directly to the Administrative Agent and each Lender:</p> <ol style="list-style-type: none"> i. Borrowing Base reports (with respect to the Consolidated Borrowing Base and the Individual Gross Borrowing Base of each Subsidiary Borrower) accompanied by a certificate ("Borrowing Base Report") shall be prepared as of the 10th day of each month, (or the next succeeding business day), the 20th day of each month (or the next succeeding business day) and as of each month-end. Such reports shall be delivered within four business days of the applicable reporting date; <u>provided that</u>, the reports as of month-end shall be delivered within six business days of the end of the month. Each such Borrowing Base Report shall set forth a computation of the required collateral base together with detailed support and back-up satisfactory to the Administrative Agent. ii. A weekly comprehensive marked-to-market report (the "M-T-M Report") of each Credit Party's overall book positions in a form acceptable to Lenders shall be submitted weekly and as of each month-end, provided that a weekly report shall not be required if the effective date falls within less than three days from the month-end. Such weekly reports shall be as of the close of each Monday or the next closest business day and delivered by Friday of that week or the closest business day and such reports shall be delivered within four business days of the end of the month. Such report shall include the

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	<p>mark-to-market value of all positions for all time periods and the mark-to-market value of all instruments that create either an obligation to purchase or sell Commodities or that generate price exposure. The instruments shall include, but not be limited to, contracts for spot and future purchases or sales of physical Commodities inventory, exchanges, derivatives (including, but not limited to, swaps and options), futures contracts and third party transportation and storage contracts with committed payment obligations due beyond the next reporting date ("<u>Transportation and Storage Contracts</u>"); <u>provided</u> that Transportation and Storage Contracts shall not be required to be included in the M-T-M Reports until the 30th day following the Closing Date.</p> <p>iii. Weekly position report ("Position Report") including all volumetric positions by Credit Party, by Commodity, outlining outright and basis commodity, location and time spread risk to be dated as of week end and submitted concurrently with the M-T-M Report; <u>provided</u> that positions relating to Transportation and Storage Contracts shall be included in the Position Reports on or before the 60th day following the Closing Date on an unmatched basis and separately identified, and on or before the 90th day following the Closing Date, matched against offsetting hedges. The Administrative Agent reserves the right to request such position reporting at any time.</p> <p>iv. Monthly and year-to date unaudited consolidated and consolidating financial statements of New HoldCo and its subsidiaries in accordance with Generally Accepted Accounting Principles ("GAAP") to be delivered within 30 days after the close of each month.</p> <p>v. Monthly and year-to-date unaudited consolidated financial statements of the Credit Parties, monthly and year-to-date unaudited consolidated financial statements of the Unrestricted Subsidiaries, a schedule of eliminations of transactions between the Credit Parties and Unrestricted Subsidiaries, in accordance with GAAP to be delivered within 30 days after the close of each month including the month of December.</p> <p>vi. A reconciliation statement for the balance sheet and income statement of the Credit Parties on an Economic Basis as defined in Annex C (the "Reconciliation Summary") for the most recent monthly condensed financial statements to be delivered within 45 days after the close of each month.</p> <p>vii. A management discussion analyzing the actual result and factors affecting the performance of each business unit of the Credit Parties and providing a comparison of actual performance to the Projections (the "Performance Discussion") for the most recent monthly financial statements to be provided on a quarterly basis within 45 days after the close of quarter end.</p> <p>viii. Monthly compliance certificate for the Credit Parties, certified by an authorized financial officer of the Credit Parties, shall be delivered in conjunction with the monthly and annual financial statements, which shall be within 45 days after the close of each month and within 120 days after the close of fiscal 2009 and 90 days after the close of each</p>
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	<p>fiscal year thereafter, respectively together with a certificate detailing Financial Covenant calculations and compliance with the Applicable Risk Management Policy, and certifying that there is no Default or Event of Default under the Exit W/C Facility (the “Compliance Certificate”).</p> <p>ix. Annual audited consolidated financial statements and unaudited consolidating financial statements of New HoldCo and its subsidiaries in accordance with GAAP to be delivered within 120 days after the close of the fiscal year for 2009 and 90 days after the close of each fiscal year thereafter, and with respect to such audited financial statements, reported on without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit, by BDO Seidman, LLP or other independent certified public accountants of nationally recognized standing, together with a Compliance Certificate.</p> <p>x. Annual unaudited consolidated financial statements of the Credit Parties, annual unaudited consolidated financial statements of the Unrestricted Subsidiaries, and a schedule of eliminations of transactions between the Credit Parties and the Unrestricted Subsidiaries, in each case in accordance with GAAP, accompanied by a Reconciliation Summary and a Performance Discussion, and to be delivered within 135 days after the close of the fiscal year for 2009, and 105 days after the close of each fiscal year thereafter.</p> <p>xi. Financial budgets and projections of the New HoldCo and its subsidiaries and of the Credit Parties within 60 days of each fiscal year end.</p> <p>xii. Copies of any detailed audit reports, management letters or recommendations submitted to the Credit Parties by their auditor in connection with the accounts or books of the Credit Parties.</p> <p>xiii. Copies of all financial statements and reports which New HoldCo sends to its stockholders and copies of all financial statements and reports which New HoldCo or any of its subsidiaries may make to, or file with, the Securities and Exchange Commission or any successor or analogous governmental authority;</p> <p>xiv. Such other information as the Lenders may reasonably require.</p>
Collateral and Risk Management review	<p>The Administrative Agent, acting in its discretion or, at the request of any Lender through the Administrative Agent, shall, through one of its representatives or a third party designated by the Administrative Agent, at the Borrowers' sole cost and expense, inspect and review, at least two times, but no more than four times, in the first year following the Closing Date and no more than twice in any calendar year thereafter, New HoldCo and the other Credit Parties' books, records and assets, the Consolidated and Individual Gross Borrowing Bases (and the assets comprising the same) and their internal controls, credit and risk management practices and trading book, and arrange to obtain third party inventory tank verifications, with expenses for the account of the Credit Parties (with one such inspection/review to be done as a condition precedent to the Closing Date and one other to be done within 6 months from the Closing Date);</p>

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		<u>provided</u> that, additional reviews/inspections may be done at any time during the occurrence and continuation of an Event of Default until such Event of Default has been cured or duly waived.
Events of Default:		Usual and customary for facilities of this type, including without limitation, (i) failure of New HoldCo or any other Credit Party to pay principal, interest, fees or any other amount when due; any representation or warranty shall be false or misleading; any Material Adverse Effect; failure to comply with covenants or other provisions in the credit documentation with any grace periods to be agreed upon in the Credit Documents; cross-defaults on amounts in excess of [US \$TBD] including cross default with New Term Notes, the White Cliffs Facility, the SemEuro Financing and any SemMexico Financing; ERISA; judgment default; bankruptcy and insolvency defaults; the Lenders shall for any reason fail to have a first perfected security interest in the collateral pledged by the Credit Parties; the guarantees executed by any of the Guarantors shall be terminated or determined to be unenforceable for any reason or New HoldCo or any Guarantor shall challenge the validity or enforceability thereof; and occurrence of a change in control or ownership of the Credit Parties.
Voting Rights		Lenders holding at least 50.1% of all of the outstanding commitments (" Majority Lenders ") under the Exit W/C Facility for all amendments waivers, and increases in the Exit W/C Commitment Amount, provided that (i) any modifications to the Borrowing Base shall require at least 66 2/3% of all of the outstanding commitments (" Supermajority Lenders ") under the Exit W/C Facility and (ii) the following shall require 100% of the Lenders: (1) increase in the Exit W/C Commitment Amount in any Lender without its consent; (2) decreases in interest rates, (3) postponement of final maturity; (4) release of guarantors or material collateral and (5) changes in the percentage voting rights.
Indemnification		Each Credit Party shall indemnify the Agents, the Lead Arrangers and the Lenders against all losses, liabilities, claims, damages or expenses relating to their loans, the Credit Documents, the Credit Parties' use of loan proceeds or the commitments, including but not limited to attorneys and other professional fees and settlement costs.
Assignments and Participations		Lenders shall be permitted to grant participations or assignments of their loans and commitments. Any Lender shall be permitted to assign a portion of the Exit W/C Facility to another lending institution in minimum amounts of US\$5,000,000, subject to consent of the Administrative Agent and Issuing Banks. Assignments will be subject to a recordation fee of US\$3,500 payable by the assignor to the Administrative Agent.
Governing Law		State of New York, with waiver of jury trial and forum.
Administrative Counsel	Agent's	Cadwalader, Wickersham & Taft LLP.

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SCHEDULE 1

SUBSIDIARY BORROWERS AS OF THE CLOSING DATE

SemCrude L.P.,
SemStream L.P.,
SemCams ULC
SemCanada Crude Company
SemGas L.P

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ANNEX A

1) CONSOLIDATED BORROWING BASE CATEGORIES

The Consolidated Borrowing Base for the Borrowers shall be calculated at any time as the sum of the following items owned by all of the Subsidiary Borrowers as follows:

	Borrowing Base Category	Advance Rates %
1)	Eligible Cash Collateral ¹	100%
2)	Eligible Accounts Receivable for Tier I Counterparties ^{2, 3, 4, 5}	85%
3)	Eligible Accounts Receivable for Tier II Counterparties ^{2, 3, 4, 5}	80%
4)	Eligible Unbilled Accounts Receivables for Tier I Counterparties ^{2, 3, 4, 5}	80%
5)	Eligible Unbilled Accounts Receivables for Tier II Counterparties ^{2, 3, 4, 5}	75%
6)	Eligible Inventory Hedged ^{6, 7}	80%
7)	Eligible Inventory Unhedged ^{8, 7}	75%
8)	Eligible Net Liquidating Value in Futures Account ¹	80%
9)	Eligible Exchange Receivables ^{2, 3, 4, 5}	80%
10)	Letter of Credit Issued for Commodities Not Yet Delivered ⁹	80%
11)	Addback for Unused Margin Letters of Credit ¹⁰	80%
12)	Net Marked-to-Market Gains on Hedged Forward Transactions ¹¹	60%
Less:		
13)	Cash/Treasury Management Reserve ¹²	100%
14)	Other reserves, including, without limitation, overcollateralization, as may be determined by the Administrative Agent	100%
1+2+3+4+5+6+7+8+9+10+11+12-13-14= (A) Consolidated Borrowing Base		
Total Letters of Credit		
Total Advances		
Total Credit Extension (B)		
Aggregate Borrowing Base Availability (A) – (B)		

¹ Subject to satisfactory Account Control Agreements

² Eligibility shall be subject, among other criteria, to creditworthiness of counterparties to be broken down as Tier I (investment grade or supported by investment grade enhancements including parent guarantees, satisfactory letters of credit) and Tier II (non investment grade) categories, both subject to specific approval by the Lead Arrangers for any exposure in excess of US \$1,000,000 for Tier II and \$2,000,000 for Tier I. The Borrowers' Agent may propose new counterparties to the Lead Arrangers from time to time, and the Lead Arrangers will determine the status of any proposed counterparty within five business days after such counterparty is proposed.

³ Calculation shall take into account, counterparty by counterparty including affiliates of the same group, any contra, offset and counterclaim including any payable due by any of the Credit Parties, letters of credit posted and any unrealized marked-to-market forward loss due by any Credit Party.

⁴ The aggregate exposure of the Credit Parties to Tier II counterparties shall not exceed 20% of the Consolidated Borrowing Base.

⁵ The Administrative Agent may determine in its reasonable discretion that one or more assets are not eligible and such assets shall not be included in the Consolidated Borrowing Base.

⁶ Line fill and tank bottoms accounted for as a fixed asset will not be considered inventory. Evidence of hedge to be satisfactory to the Administrative Agent.

⁷ The Administrative Agent may determine in its reasonable discretion that certain Inventory is not eligible based on the creditworthiness of any third party storage or transportation providers, and such inventory shall not be included in the Consolidated Borrowing Base.

⁸ Unhedged Inventory is limited to no more than 5% of the Consolidated Borrowing Base.

⁹ As of the date of determination thereof, the maximum face amount of any Trade Letter(s) of Credit related to the physical purchase of Commodities minus (i) any amounts drawn or paid under such Letter(s) of Credit, (ii) any liabilities then existing which may be satisfied under such Letter(s) of Credit for the Borrower's purchase of Commodities for which title has passed to the Borrower as of the date of such determination; and (iii) any other liabilities which may be owed by the Borrower to the beneficiary of such Letter(s) of Credit and which may be satisfied by such Letter(s) of Credit.

¹⁰ As of the date of determination thereof, the maximum face amount of any Letter(s) of Credit issued to an Eligible Futures Broker to cover the Borrower's obligation related to initial margin in connection with hedged Commodities transactions minus (i) any amounts drawn or paid under such Letter(s) of Credit, (ii) any liabilities then existing which may be satisfied under such Letter(s) of Credit for the Borrower's obligation to pay any margin call or fees due to the Eligible Brokers in connection with such hedged Commodities transactions and (iii) any other liabilities which may be owed by the Borrower to the beneficiary of such Letter(s) of Credit and which may be satisfied by such Letter(s) of Credit.

¹¹ Net Marked-to-Market Gains for Hedged Forward Transactions (i) shall be limited to tenors under six months, and (ii) shall be limited to the lesser of (a) the aggregate value of marked-to-market gains less marked-to-market losses per counterparty for hedged forward transaction for the Credit Parties and (b) The Net Marked-to-Market Value of the Credit Parties' overall portfolio, (iii) shall be capped at 15% of the lesser of (A) the Consolidated Borrowing Base and (B) the Exit W.C Facility Commitment Amount and (iv) shall be subject to Tier 1 and Tier II counterparty eligibility. Evidence of hedge to be satisfactory to the Administrative Agent.

¹² Reserve associated with cash management daylight overdraft /ACH and other treasury management services extended to the Borrower.

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2) INDIVIDUAL GROSS BORROWING BASE CATEGORIES

The Individual Gross Borrowing Base for each Subsidiary Borrower shall be calculated at any time as the sum of the following items as follows:

Subsidiary Borrower Borrowing Base Category	
1)	Eligible Cash Collateral ⁹
2)	Eligible Accounts Receivable for Tier I Counterparties ¹⁰
3)	Eligible Accounts Receivable for Tier II Counterparties ¹⁰
4)	Eligible Unbilled Accounts Receivables for Tier I Counterparties ¹⁰
5)	Eligible Unbilled Accounts Receivables for Tier II Counterparties ¹⁰
6)	Intercompany balance to be received and related to physical deliveries of Commodities
7)	Eligible Inventory Hedged ¹¹
8)	Eligible Inventory Unhedged
9)	Eligible Net Liquidating Value in Futures Account
10)	Eligible Exchange Receivables ¹⁰
11)	Letter of Credit Issued for Commodities Not Yet Delivered
12)	Addback for Unused Margin Letters of Credit
13)	Net Marked-to Market Gain on Hedged Forward Transactions ^{10, 12}
Less:	
14)	Other reserves, including, without limitation, overcollateralization, as may be determined by the Administrative Agent
15)	Intercompany balance payable and related to physical purchase of Commodities
1+2+3+4+5+6+7+8+9+10+11+12+13-14-15= Individual Gross Borrowing Base (A)	
Letter of Credits	
Advances	
Total Subsidiary Borrower Credit Extensions (B)	
(A) – (B)	
Restricted Subsidiary Borrowing Base Excess if (A)-(B) ≥ 0	
Subsidiary Borrower Overline if (A)- (B) <0¹³	

⁹ Subject to satisfactory Account Control Agreements

¹⁰ Calculation shall take into account, counterparty by counterparty including affiliates of the same group, any contra, offset and counterclaim including any payable due by any of the Credit Parties and any unrealized marked-to-market forward loss due by any Credit Party. For the avoidance of doubt, Tier I and Tier II Counterparties accounts receivable are not limited by exposure limits in calculating the Subsidiary Borrower Borrowing Bases.

¹¹ Evidence of hedge to be satisfactory to the Administrative Agent

¹² Net Marked-to-Market Gains for Hedged Forward Transactions shall be limited to (i) tenors under six months.

¹³ Aggregate Overline Credit Extensions shall not exceed one third of Aggregate Borrowing Base Availability less Minimum Aggregate Borrowing Base Availability

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ANNEX B

Interest Rate and Fees

Indicative Interest Rates: Interest shall be payable at the following rates (at the option of the Borrowers' Agent):

(i) ABR OPTION - Alternative Base Rate ("ABR") plus the Applicable Margin per annum; or

(ii) Adjusted LIBOR OPTION- the Adjusted LIBO Rate plus the Applicable Margin per annum; or

Applicable Margin:

Letter of Credit Fees

Adjusted Libo Rate

ABR

5.00%

6.00% p.a

6.00% p.a.

For the avoidance of doubt, Advances made under the Accordion Feature shall have an Applicable Margin that is the same as the Applicable Margin for all other Advances under the Exit W/C Facility.

Alternative Base Rate or **ABR** shall mean the highest of (i) the prime rate of interest announced from time to time by the Bank as its "Base Rate"; (ii) 1/2 of 1% per annum above the Federal Funds rate as in effect from time to time; (iii) the Eurodollar Rate for 3-month LIBOR as in effect from time to time plus 1.50% per annum provided that for purposes of the Exit W/C Facility, the ABR for any interest period or any day shall in no event be less than 2.50% per annum. The Borrowers' Agent may request a Credit Extension no later than 12:00 pm New York time on the business day of the requested date of funding, Conversion into, or Continuation as such Credit Extension, which shall be a business day.

Adjusted LIBO Rate shall mean for any Eurodollar Advance for an interest period selected by the Borrowers' Agent equal to one, two, three or six months, a rate per annum determined by the Administrative Agent to be equal to the quotient of the Eurodollar Rate for such loan for such interest period divided by 1 minus the statutory reserve rate for such loan for such interest period; provided that for purposes of the Exit W/C Facility, the Adjusted LIBO Rate for any interest period or any day shall in no event be less than 1.50% per annum. Requests for Eurodollar Advances must be made three business days in Advance.

"Eurodollar Rate" means, with respect to any Eurodollar Advance for any interest period therefore, the rate appearing on the Reuters Screen LIBOR01 Page (or any successor or substitute page of such page) at approximately 11:00 a.m. London time, two London business days prior to the commencement of such interest period, as the rate for dollar deposits with a maturity comparable to such interest period.

Default Interest:

In the event of non-payment of any amount when due, a default rate shall thereafter apply on all Borrowers' obligations at the then Applicable Margin over the ABR plus 2.50%. Any Advance that rolls after the occurrence of an Event of Default shall thereafter be automatically converted to an ABR Loan unless the Administrative Agent and the Majority Lenders agree to the contrary.

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**Inability to Determine
Interest Rate:**

If the Administrative Agent (x) determines at any time due to market factors it cannot ascertain the applicable Eurodollar Rate for any Interest Period, or (y) receives notice from the Majority Lenders that relevant Eurodollar Rate doesn't reflect their cost of making and maintaining the relevant loans, then upon notice to the Lenders, no further Eurodollar Advances will be made under the Exit W/C Facility and existing loans will not be able to be continued as, or converted to, Eurodollar Loans on their rollover dates until such time as these conditions no longer exist.

Commitment Fee:

The Borrowers shall pay a commitment fee based on the amount of the average daily unused portion of the Revolving Facility, payable quarterly in arrears and commencing on the Exit W/C Facility Closing Date. The commitment fee shall be the rate per annum set forth in the table below based on the amount of the average daily unused portion of the Revolving Facility as a percentage of the total amount of the Revolving Facility (the "**Unused RC Facility Percentage**"). For purposes of the Commitment Fee, outstanding Letters of Credit under the Revolving Facility shall count as usage under the Exit W/C Facility.

<u>Unused RC Facility Percentage</u>	<u>Commitment Fee</u>
< 50%	200.0 bps
≥ 50%	150.0 bps
≥ 75%	100.0 bps

Letter of Credit Fees:

The higher of \$750 or a per annum rate equal to Applicable Margin as provided in the chart set forth above times the maximum face amount of such Letter of Credit (including Credit-Linked Letters of Credit) payable, monthly in arrears.

Letter of Credit amendment fee is \$100 per amendment. The Letter of Credit Fee shall be increased ratably in the event of any increase in the face amount of any Letter of Credit or extension.

The Borrowers shall reimburse the Letter of Credit Issuing Banks (including the Credit-Linked Issuing Bank) for any other customary charges, fees, or expenses in respect of any Letter of Credit.

**Credit-Linked Deposit
Facility Pricing:**

The Administrative Agent shall pay to the Credit-Linked Lenders, quarterly in arrears, a rate per annum, reset monthly, equal to the Eurodollar Rate for an interest period of three months, on the amount on deposit in the Credit-Linked Deposit Account, less 0.15% per annum (the "**Administrative Cost**").

The Borrower shall pay to the Credit-Linked Lenders, quarterly in arrears, (a) to the extent that the amount on deposit in the Credit-Linked Deposit Account on any day exceeds the sum of the aggregate outstanding undrawn Credit-Linked Letters of Credit as of such day plus the outstanding amount of reimbursement obligations with respect to Credit-Linked Letters of Credit which have not been reimbursed (or, to the extent such unreimbursed reimbursement obligations have been converted into Advances under the Credit-Linked Deposit Facility, plus the amount of such Advances), a facility

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fee on such excess in the amount of the Applicable Margin with respect to the Adjusted LIBOR Option, (b) the excess, if any, of the Adjusted LIBOR Rate for the amount on deposit in the Credit-Linked Deposit Account over the Eurodollar Rate, and (c) the Administrative Cost.

Fronting Fees:

In addition, each Issuing Bank shall receive a fronting fee, for its sole account equal to 0.50% per annum times the face amount of each Letter of Credit (other than Credit-Linked Letters of Credit), plus its usual and customary fees for issuance, amendments, processing, and negotiation. The Credit-Linked Issuing Bank shall receive a fronting fee, for its sole account equal to 0.15% per annum times the face amount of each Credit-Linked Letter of Credit, plus its usual and customary fees for issuance, amendments, processing, and negotiation.

Upfront Fees:

Lenders participating in the Exit W/C Facility, including the Agents, will be entitled to receive upfront fees based on their commitments, but payable on final allocations. Such fees are payable by the Borrowers to the Administrative Agent on behalf of the Lenders on the Closing Date. The following participation tiers and upfront fee levels are recommended:

<u>Participation Amount</u>	<u>Upfront Fee</u>
≥ \$50,000,000	300.0 bps
≥ \$35,000,000	250.0 bps
< \$35,000,000	200.0 bps

Rate and Fee Basis:

All computations of interest and other fees based on the Eurodollar Rate shall be made on the basis of a year of 360 days for the actual number of days occurring in the period for which such interest or fee is payable. All computations of interest and other fees based on the Base Rate or Federal Funds Rate shall be made on the basis of a year of 365/6 days for the actual number of days occurring in the period for which such interest or fee is payable.

ANNEX C

FINANCIAL COVENANTS

On a consolidated basis, the Credit Parties shall comply with the following Financial Covenants, which will be tested on a monthly basis:

1. Minimum Working Capital: \$150,000,000 as of the last day of any calendar month during any applicable period, on or after December 31, 2009.
2. Minimum Tangible Capital Base: for New HoldCo on a consolidated basis, \$700,000,000 from December 31, 2009 until the effective date of the fresh start accounting assessment, and thereafter, the greater of \$425,000,000 and 85% of the Tangible Capital Base as of the effective date of the fresh start accounting assessment rounded up to the nearest 10 million dollar increment.
3. Maximum Leverage: At any time on or after December 31, 2009, not to exceed 2.00:1.
4. Minimum Cash Interest Coverage Ratio: Maintenance on a rolling twelve month basis (commencing on January 31, 2010) of a Cash Interest Coverage Ratio defined as consolidated EBITDA to cash interest expense and Letter of Credit fees as the amount specified for such period in the following table; provided that, for calculations made during the first twelve months after the Closing Date, the Minimum Cash Interest Coverage Ratio test shall be based on accumulated EBITDA, cash interest expense and Letter of Credit fees for the period commencing on the Closing Date and ending on the applicable date of measurement.

<u>Period</u>	<u>Minimum Cash interest Coverage Ratio</u>
From January 1, 2010 through June 30, 2010	1.25
From July 1, 2010 to December 31, 2010	1.50
From January 1, 2011 through June 30, 2011	1.75
From July 1, 2011 through December 31, 2011	2.00
From January 1, 2012 through March 31, 2012	2.15
From and after April 1, 2012	2.25

5. Maximum Ratio of Total Net Funded Debt to EBITDA for the most recent twelve month period, as of the last day of any calendar month during any applicable period, the ratio specified in the following table for such period:

<u>Period</u>	<u>Maximum Ratio of Total Net Funded Debt to EBITDA</u>
From July 1, 2010 through October 31, 2010	4.50
From November 1, 2010 to December 31, 2010	4.00
From January 1, 2011 through October 31, 2011	3.25
From and after November 1, 2011	2.75

provided that, for calculations made during the first twelve months after the Closing Date, EBITDA shall be annualized.

6. Minimum Cumulative EBITDA: as of the last day of the following calendar months, the amount specified for such calendar month in the following table:

<u>Month</u>	<u>Minimum Cumulative EBITDA</u>
December 2009	6,000
January 2010	14,500
February 2010	21,500
March 2010	27,500
April 2010	33,000
May 2010	38,500
June 2010	44,500

Financial Covenants shall be calculated and reported on an Economic Basis.

- **Economic Basis** means GAAP adjusted to include, as applicable, (i) the positive fair value of inventory to bring the value of inventory to fair value for transactions that do not qualify for hedge accounting treatment under GAAP, (ii) the positive or negative forward marked-to-market value of forward contracts, including but not limited to, forward physical purchase and sales contracts, contracts that do not qualify as derivatives under GAAP such as storage and transportation subject to tenor limits to be agreed upon by the Lenders and in any case being limited to intrinsic value.
- **Working Capital** shall be defined as current assets less current liabilities as per GAAP adjusted on an Economic Basis. For the avoidance of doubt, neither line fill nor tank bottoms shall be classified as current assets.
- **Tangible Capital Base** shall be defined as the sum of the New HoldCo's consolidated shareholders equity (deficit) plus any subordinated debt in a form and substance satisfactory to the Lenders less any goodwill and any other intangible assets as per GAAP and adjusted on an Economic Basis.
- **Leverage** shall be defined as the ratio of Total Liabilities as defined by GAAP and excluding any subordinated debt to Tangible Capital Base adjusted on an Economic Basis.
- **EBITDA** shall be calculated as per GAAP and subject to a definition to be agreed upon in the Credit Documents and to include cash dividends received from any unrestricted Subsidiaries and adjusted on an Economic Basis.
- **Cumulative EBITDA** means for any calendar month after the Closing Date, the EBITDA for the period commencing on the Closing Date and ending on the last day of such calendar month.
- **Total Net Funded Debt** shall be defined as total debt including Advances under the Exit W/C Facility and any other senior debt incurred by the Credit Parties, net of cash in excess of \$15,000,000 held in an account subject to an account control agreement satisfactory to the Administrative Agent.
- **Excess Cash Flow** for the Credit Parties shall be defined as the lesser of (i) EBITDA less debt service payments (which shall include Letters of Credit fees) less cash taxes less capital expenditures and (ii) EBITDA calculated on a GAAP basis excluding non-cash amounts resulting from SFAS 133 or 145, so as to include only realized EBITDA less debt service payments (which shall include Letters of Credit fees) less cash taxes less capital expenditures.