

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY, SEMCAMS ULC, SEMCANADA ENERGY
COMPANY, A.E. SHARP LTD., CEG ENERGY OPTIONS, INC. and 1980331
ALBERTA ULC

I hereby certify this to be a true
the original Order
Dated this 27 day of Oct., 2009
D. Smith
for Clerk of the Court APPLICANTS

BEFORE THE HONOURABLE) AT THE LAW COURTS, IN THE CITY
MADAME JUSTICE B.E.C. ROMAINE) OF CALGARY, IN THE PROVINCE OF
IN CHAMBERS) ALBERTA, ON MONDAY, THE
) 26TH DAY OF OCTOBER, 2009

SEMCAMS ULC PLAN SANCTION ORDER

UPON the application of SemCAMS ULC (the "Company") for an order sanctioning the plan of arrangement and reorganization of the Company dated as of July 24, 2009, a copy of which is attached hereto as Schedule "A" (the "Plan"); AND UPON having read the Reports of the Monitor, including the Twenty-Third Report of the Monitor dated October 23, 2009; AND UPON having read the affidavit of Darren Marine sworn on or about July 24, 2009, the affidavit of Brent Brown sworn on or about July 24, 2009 and the affidavits of Terrence Ronan sworn on or about July 27, 2009, September 1, 2009 and September 25, 2009; AND UPON having read the Insolvency Protocol Governing Cross Border Matters and Issues approved by this Honourable Court on May 22, 2009 and approved by the US Court on September 24, 2009 and such further material in the pleadings and proceedings as was deemed necessary; AND UPON hearing counsel for the Company, the Monitor and other interested parties; AND UPON having considered the fairness and terms and conditions of the Plan; AND UPON this Court determining that the Plan has the required support of Affected Creditors, provides them with a

etter recovery than they would otherwise realize and should be sanctioned by the Court; **IT IS HEREBY ORDERED AND DECLARED THAT:**

DEFINITIONS

1. All capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Plan.

SERVICE AND CREDITORS' MEETING

2. There has been good and sufficient service and notice of this Application and the time for service of this Application be and is hereby abridged so that this Application is properly returnable today and any further service of this Application upon any interested party is hereby dispensed with.
3. There has been good and sufficient service and delivery of the Canadian Creditors' Meetings Order granted by this Court on August 7, 2009, the CCAA Plan Amendment Order granted by this Court on September 29, 2009 (collectively, the "**Meeting Orders**") and all documents referred to in the Meeting Orders, including the notice of the Creditors' Meeting and the Plan to the Secured Lenders, the Noteholder Creditors and all other Affected Creditors.
4. The Creditors' Meeting was duly convened and held, all in conformity with the CCAA and the Orders of this Court made in these proceedings, including the Meeting Orders.

SANCTION OF PLAN

5. The relevant class of Creditors of the Company for the purpose of voting to approve the Plan is the Affected Creditors' Class.
6. Without determining whether the votes of the Secured Lenders should be based upon and limited to the Aggregate Deficiency (as defined in section 35A of the Canadian Creditors' Meetings Order granted by this Court on August 7, 2009) rather than the Secured Lenders' Total Claim, in either case, the Plan has been agreed to by the requisite percentages of Creditors in the Affected Creditors' Class created under the Plan in conformity with Section 6 of the CCAA, representing a majority in number of the

Affected Creditors who represent at least two-thirds in value of the Voting Claims of (a) the Ordinary Creditors who actually voted on the resolution approving the Plan (in person or by proxy) at the Creditors' Meeting, and (b) the Secured Lenders and the Noteholder Creditors who actually voted on the resolution approving the US Plan (by ballot) in the US Proceedings.

7. The Company has complied with the provisions of the CCAA and the Orders of this Court in these CCAA proceedings in all respects.
8. The Company has acted in good faith and with due diligence and the Plan and all the terms and conditions of, and matters, transactions, corporate reorganizations and proceedings contemplated by, the Plan are fair and reasonable with respect to the Company and the Persons affected by the Plan.
9. The Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

10. The Company is hereby authorized and directed to take all actions necessary or appropriate to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, all other agreements or documents to be created or which are to come into effect in connection with the Plan and all matters contemplated under the Plan involving corporate action of the Company and such actions are hereby approved and will occur and be effective as of the Plan Implementation Date in accordance with the Plan, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Company. Further, to the extent not previously given, all necessary approvals to take such actions shall be and are hereby deemed to have been obtained from the directors or the shareholders of the Company, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution, and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be effective or shall have any force or effect.

1. Upon the delivery of the Monitor's certificate to the Company in accordance with Section 9.4 of the Plan, substantially in the form attached hereto as Schedule "B", stating that the Plan Implementation Date has occurred, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations shall be implemented in accordance with their terms.
12. As of the Plan Implementation Date, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are hereby approved, binding and effective in accordance with the provisions of the Plan, and shall enure to the benefit of and be binding upon the Company, all Affected Creditors and all other Persons and Parties affected by the Plan.

TRANSACTIONS TO BE COMPLETED PRIOR TO THE EFFECTIVE TIME ON THE PLAN IMPLEMENTATION DATE

13. The steps to be taken prior to the Effective Time on the Plan Implementation Date pursuant to Sections 7.1 and 7.2 of the Plan, including the steps set out in paragraphs 14 to 16, inclusive, of this Plan Sanction Order are and shall be deemed to occur and be effected in the sequential order contemplated by Sections 7.1 and 7.2 of the Plan.
14. The New US Inter-Company Promissory Notes shall (a) be deemed to evidence debt obligations of the Company for the principal balances outstanding under the SemCanada II Inter-Company Debt, the SemCrude Inter-Company Debt and the SemGroup Inter-Company Debt; (b) be issued by the Company prior to the point in time in the US Proceedings when the US Debtors transfer to SemGroup all of their outstanding obligations related to secured claims and unsecured claims that are being discharged pursuant to the US Plan and prior to the Amalgamation (as defined in paragraph 16 herein); (c) have a fair market value equal to the principal amount thereof and (d) remain outstanding following the Plan Implementation Date and not be compromised by the Plan.
15. The New US Inter-Company Promissory Notes shall rank *pari passu* and shall be indebtedness which shall, in the event of the insolvency or winding-up of the Company from and after the Plan Implementation Date, be subordinate in right of payment to all

obligations, liabilities and indebtedness of the Company owed to any Person, except for and to the extent of those payments, if any, made pursuant to Sections 5.1(b), 5.3(a), 5.3(b), 5.3(c) and 5.9 of the Plan and paragraph 58 of this Plan Sanction Order.

16. Subsequent to the issuance by the Company of the New US Inter-Company Promissory Notes but prior to the point in time pursuant to the US Plan when the US Debtors transfer to SemGroup all of their outstanding obligations related to secured claims and unsecured claims that are being discharged in the US Plan, the Company shall complete all necessary steps to amalgamate with 3191282 Nova Scotia Company (the “Amalgamation”).

TRANSACTIONS TO BE COMPLETED ON THE PLAN IMPLEMENTATION DATE BEGINNING AT THE EFFECTIVE TIME

17. The steps to be taken and the compromises and releases to be effected on the Plan Implementation Date, including the steps, compromises and releases in paragraphs 18 to 28, paragraphs 33 to 38 and paragraphs 45 to 47, inclusive, of this Plan Sanction Order, are and shall be deemed to occur and be effected in the sequential order contemplated in Section 7.5 of the Plan on the Plan Implementation Date, beginning at the Effective Time.
18. The obligations owing by the Company to SemCanada II, SemCrude and SemGroup in respect of the unpaid interest accruing up to and including the Plan Implementation Date pursuant to the SemCanada II Inter-Company Debt, the SemCrude Inter-Company Debt and the SemGroup Inter-Company Debt, respectively, shall rank *pari passu*, and the unpaid interest accruing up to and including the Plan Implementation Date pursuant to the SemCanada II Inter-Company Debt, the SemCrude Inter-Company Debt and the SemGroup Inter-Company Debt shall be indebtedness which shall, in the event of the insolvency or winding-up of the Company from and after the Plan Implementation Date, be subordinate in right of payment to all obligations, liabilities and indebtedness of the Company owed to any Person.

19. The Company shall be and is hereby authorized and directed to execute and issue the SemCanada Crude Secured Promissory Note, and execute and grant the Promissory Note Security in exchange for receiving the SemCanada Crude Advance.
20. The SemCanada Crude Advance to the Company shall be evidenced by the SemCanada Crude Secured Promissory Note provided, however, that the SemCanada Crude Secured Promissory Note shall have limited recourse to amounts to be paid by SemCAMS pursuant to sections 5.1(b), 5.3(a), 5.3 (b), 5.3(c) and 5.9 of the Plan and paragraph 58 of this Order.
21. The Promissory Note Security is subordinate to the New Company Security Agreements and any security granted in respect of the Second Lien Term Loan Facility.
22. Pursuant to and in accordance with the Plan, the Company shall be and is hereby authorized and directed to:
 - (a) pay to the Monitor from the SemCanada Crude Advance an aggregate amount equal to the Secured Creditors' Pool and the Ordinary Creditors' Pool pursuant to an irrevocable authorization and direction from the Company; and
 - (b) make payments or establish adequate reserves to be held by the Monitor for any accrued amounts not yet due on behalf of those Unaffected Creditors with Unaffected Plan Closing Claims in full satisfaction, payment, settlement, release and discharge of such Unaffected Plan Closing Claims.
23. Pursuant to and in accordance with the Plan, on the Plan Implementation Date, the Secured Lenders shall be deemed to have forever released and discharged the Company from its obligations as a guarantor under the Guaranty and the Noteholder Creditors shall be deemed to have forever released and discharged the Company from its obligations as a guarantor under the Note Indenture.
24. Each of the Charges, save and except for the Administration Charge, shall be terminated, discharged and released on the Plan Implementation Date solely as against the Company and its present and future Property.

25. Paragraph 40 of the Amended and Restated Initial Order shall be and is hereby amended to provide that from and after the Plan Implementation Date, in respect of the Company, the Administration Charge shall apply only to the Secured Creditors' Pool, the Ordinary Creditors' Pool and the Disputed Claims Reserve.
26. The Company shall be and is hereby authorized to execute the New Lenders Credit Agreement, the New Company Guarantee (if any) and the New Company Security Agreements and to grant the security interests contemplated by the New Company Security Agreements, which shall be subordinate to the Administration Charge and those payments, if any, to be made to SemCanada Crude pursuant to paragraphs 37, 50 and 51 of this Plan Sanction Order and the payments to be made to B of A, on behalf of the Secured Lenders, pursuant to paragraph 58 of this Plan Sanction Order.
27. The Company shall be and is hereby authorized to execute the Second Lien Term Loan Facility, any security granted in respect of the Second Lien Term Loan Facility, and any other documents or agreements contemplated under the US Plan provided that the US Plan contemplates that the Company execute such documentation, which shall be subordinate to the Administration Charge and those payments, if any, to be made to SemCanada Crude pursuant to paragraphs 37, 50 and 51 of this Plan Sanction Order and the payments to be made to B of A, on behalf of the Secured Lenders, pursuant to paragraph 58 of this Plan Sanction Order.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

28. Pursuant to and in accordance with the Plan, any and all Affected Claims of any nature against the Company, including the Affected Claims of the Secured Lenders and the Noteholder Creditors but excluding the Claims set out in Section 11.1(c) of the Plan, shall be forever compromised, discharged and released, and the ability of any Person to proceed against the Company in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims are hereby permanently stayed, subject only to the right of Affected Creditors to receive the distributions pursuant to the Plan and this Plan Sanction Order in respect of their Affected Claims.

9. All Liens, including all security registrations against the Company in favour of any Affected Creditor, shall be and are hereby deemed to be discharged and extinguished including, without limitation, all personal property registrations listed in Schedule "C.1" of this Plan Sanction Order and all real property encumbrances listed in Schedule "C.2" and Schedule "C.3" of this Plan Sanction Order. The entitlements of the Affected Creditors shall be restricted to their rights under the Plan and this Plan Sanction Order. Upon receipt of a certified copy of this Plan Sanction Order together with the Monitor's certificate contemplated in paragraph 11 of this Plan Sanction Order, all registrars of personal property registries and land title offices are hereby directed and requested to give effect to the discharges contemplated by this paragraph. For greater certainty, the discharge and extinguishment of all Liens shall not affect the entitlement of Secured Creditors to receive distributions and payments from the Secured Creditors' Pool.
30. All Proven Claims determined in accordance with the Claims Process Order and the Plan shall be final and binding on the Company and all Affected Creditors.
31. Without limiting the provisions of the Claims Process Order, an Affected Creditor that did not file a Proof of Claim by the Claims Bar Date or the Subsequent Claims Bar Date, as applicable, in accordance with the provisions of the Claims Process Order and the Plan, whether or not such Affected Creditor received notice of the claims process established by the Claims Process Order, shall be and is hereby forever barred from making any Affected Claim against the Company and shall not be entitled to any distribution under the Plan, and such Affected Creditor's Claim shall be and is hereby forever extinguished. Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date or Subsequent Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Process.
32. Each Affected Creditor and each holder of the SemCAMS Shares is hereby deemed to have consented and agreed to all of the provisions in the Plan, in its entirety; and each Affected Creditor is hereby deemed to have executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

ESTABLISHMENT OF POOLS AND DISTRIBUTIONS AND PAYMENTS BY THE MONITOR

33. Pursuant to and in accordance with the Plan and subject to paragraphs 37 and 50(c) herein, upon receipt by the Monitor of the Secured Creditors' Pool and the Ordinary Creditors' Pool, the Monitor shall be and is hereby authorized and directed to hold the Secured Creditors' Pool and the Ordinary Creditors' Pool in escrow for the benefit of the Secured Creditors and the Ordinary Creditors.
34. All distributions and payments by the Monitor to the Secured Creditors and the Ordinary Creditors under the Plan using funds from the SemCanada Crude Advance are for the account of the Company and the fulfillment of its obligations under the Plan.
35. Pursuant to and in accordance with the Plan, on the Plan Implementation Date the Monitor shall be and is hereby authorized and directed to establish and maintain the Disputed Claims Reserve from the Ordinary Creditors' Pool.
36. Pursuant to and in accordance with the Plan, the Monitor, on behalf and for the account of the Company, shall be and is hereby authorized and directed to make distributions on a Distribution Date from the Secured Creditors' Pool to each Secured Creditor by way of a cheque in an amount equal to the full amount of its Secured Claim, sent by prepaid ordinary mail to the last known address of such Secured Creditor or to the address for such Secured Creditor specified in the Proof of Claim filed by such Secured Creditor in full satisfaction, payment, settlement, release and discharge of such Secured Creditors' Secured Claim and security. For greater certainty, the aggregate distributions received by any Secured Creditor under the US Plan, the Plan, the SemCanada Crude Plan and from SemCanada Energy Company, A.E. Sharp Ltd. and CEG Energy Options, Inc. pursuant to the SemCanada Energy Distribution Plan or otherwise, including under bankruptcy or receivership proceedings, cannot exceed in the aggregate the amount of such Secured Creditor's Secured Claim.
37. Pursuant to and in accordance with the Plan, following the final distribution by the Monitor to the Secured Creditors, the Monitor shall be and is hereby authorized and directed to pay any remaining balance in the Secured Creditors' Pool (after deducting all

fees and costs incurred by the Company and the Monitor on a solicitor and own client full indemnity basis in determining and resolving the amounts owed to the Secured Creditors and effecting distributions), on behalf of the Company, to SemCanada Crude as partial payment of the SemCanada Crude Secured Promissory Note or if such promissory note has been satisfied, to SemCanada Crude as a partial repayment of the New US Inter-Company Promissory Notes.

38. Pursuant to and in accordance with the Plan, subject to the Disputed Claims Reserve held by the Monitor in escrow, the Monitor, on behalf and for the account of the Company, shall be and is hereby authorized and directed to make distributions on a Distribution Date from the Ordinary Creditors' Pool to each Ordinary Creditor holding a Proven Claim by way of cheque in an amount equal to the lesser of:
- (a) its Pro Rata Ordinary Creditors Amount; and
 - (b) an amount equal to four per cent (4%) of such Ordinary Creditor's Proven Claim;
- sent by prepaid ordinary mail to the last known address for such Ordinary Creditor or to the address for such Ordinary Creditor specified in the Proof of Claim filed by such Ordinary Creditor.
39. The distributions from the Ordinary Creditors' Pool in relation to any Disputed Claim shall not be distributed until the Disputed Claim has become a Proven Claim, in whole or in part, in accordance with the Claims Process Order and Section 6.1 of the Plan.
40. Pursuant to and in accordance with the Plan, the Monitor, on behalf of the Company, shall be and is hereby authorized and directed to make distributions from the Disputed Claims Reserve (after deducting all fees and costs incurred by the Company and the Monitor on a solicitor and own client full indemnity basis to resolve Disputed Claims and effect distributions) to each holder of a Disputed Claim that has subsequently become a Proven Claim, in whole or in part, in accordance with the Claims Process and the Plan, the appropriate portion of the Pro Rata Ordinary Creditors Amount in the Disputed Claims Reserve in respect of such Claim that would have been distributed on the Distribution Date had such Claim been a Proven Claim.

1. Pursuant to and in accordance with the Plan, after all Disputed Claims have been finally determined in accordance with the Claims Process Order or a final Order has been entered in respect thereof and all fees and costs incurred by the Company and the Monitor on a solicitor and own client full indemnity basis to resolve Disputed Claims and effect distributions have been paid, the Monitor shall be and is hereby authorized and directed to distribute any balance that remains in the Disputed Claims Reserve *pro rata* to the Ordinary Creditors in respect of their Proven Claims in accordance with Section 5.2 of the Plan and subject to Section 5.3(c) of the Plan..

STAY OF PROCEEDINGS

42. Subject to further Order of this Court, the stay of proceedings under the Amended and Restated Initial Order shall be and is hereby extended in respect of the Company to, and including, the Plan Implementation Date.
43. Subject to the performance by the Company of its obligations under the Plan, all obligations, agreements or leases to which the Company is a Party shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, unless repudiated or deemed to be repudiated by the Company pursuant to the Amended and Restated Initial Order, and no Party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
 - (a) of any event which occurred prior to, and not continuing after, the Plan Implementation Date or which is or continues to be suspended or waived under the Plan, which would have entitled any other Person or party thereto to enforce those rights or remedies;
 - (b) that the Company or the US Debtors have sought or obtained relief or have taken steps as part of the Plan or under the CCAA or as part of the US Plan or under the US Bankruptcy Code;

- (c) of any default or event of default arising prior to the Plan Implementation Date as a result of the financial condition or insolvency of the Company;
 - (d) of the effect upon the Company of the completion of any of the transactions contemplated under the Plan; or
 - (e) of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan.
44. Any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including, without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any other matter which is released pursuant to paragraphs 45 to 47, inclusive, of this Plan Sanction Order and Article 8 of the Plan.

RELEASES AND WAIVERS

45. Pursuant to and in accordance with Section 8.1 of the Plan, on the Plan Implementation Date the Released Parties shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or other Person may be entitled to assert, including any and all Claims in respect of statutory liabilities of directors, officers, members and employees of the Company and any alleged fiduciary or other duty (whether acting as a director, officer, member, employee or acting in any other capacity in connection with the administration or management of the Company's Pension Plans or otherwise), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with the Claims, the business and affairs of the Company whenever or

however conducted, the administration and/or management of the Company's Pension Plans, the Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Process Order and all Claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by Law; provided that nothing in the Plan shall release or discharge a Released Party from (a) any obligation created by or existing under the Plan or any related document or this Plan Sanction Order; (b) any improper conduct identified in the US Examiner's Report for any improper conduct identified in such report; (c) any criminal, fraudulent or other wilful misconduct; (d) any claim with respect to matters set out in Section 5.1(2) of the CCAA; (e) any claim to the extent it is based upon or attributable to such Released Party gaining in fact a personal profit to which such Released Party was not legally entitled; (f) any claim against a Released Party who was a director prior to the Filing Date in respect of any matter or action taken in such capacity prior to the Filing Date; (g) any action commenced by or on behalf of the Applicants subsequent to the Filing Date and prior to the Plan Implementation Date; (h) any claim resulting from any contractual obligation owed by such Person to the Applicants or (i) any claim with respect to any loan, advance or similar payment by the Company to any such Released Party. For greater certainty, nothing herein shall release a Released Party in respect of any matter or claim relating to the US Debtors or the other Applicants other than as provided for in Section 8.3 of the Plan and paragraph 47 herein.

46. Pursuant to and in accordance with Section 8.2 of the Plan, on the Plan Implementation Date:
- (a) the Company shall forever release and discharge any rights of contribution or indemnity, and Claims in respect of such rights of contribution or indemnity, that it may have against the other Applicants and the US Debtors; and
 - (b) the Company shall forever release and discharge any claims it may have against SemCanada Energy Company.
47. Pursuant to and in accordance with Section 8.3 of the Plan, on the Plan Implementation Date the other Applicants and the US Debtors shall forever release and discharge any rights of contribution or indemnity, and Claims in respect of such rights of contribution

or indemnity, that they may have against the Company, including any such rights arising from any payment by them on account of (a) payments made to the Secured Lenders in respect of the Secured Lenders Credit Agreement or guarantees in respect thereto, or (b) payments made to any of the Noteholder Creditors in respect of the Note or guarantees in respect thereto.

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

ASSIGNMENT OF CLAIMS FOR DISTRIBUTION PURPOSES

49. An Ordinary Creditor may transfer or assign the whole of its Claim after the Creditors’ Meeting (or ten (10) Business Days immediately prior thereto) and the Company shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Ordinary Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the Company and the Monitor by 5:00

p.m. on the day that is at least ten (10) Business Days immediately prior to the day on which the first distribution to Affected Creditors with Proven Claims is made. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Process constitute an Ordinary Creditor and shall be bound by notices given and steps in respect of such Claim. For greater certainty, the Company shall not recognize partial transfers or assignments of Claims.

TRANSACTIONS TO BE COMPLETED FOLLOWING THE PLAN IMPLEMENTATION DATE

50. Following the Plan Implementation Date:

(a) the Company shall be and is hereby authorized and directed to remit to SemCanada Crude the outstanding amounts of all cash deposits or prepayments made by the Company prior to the Plan Implementation Date in respect of :

(i) power, utilities and other supplies; and

(ii) any other cash deposits or prepayments made prior to the Plan Implementation Date in a manner that is not consistent with the ordinary course of the Company's business as conducted prior to the Filing Date;

at the time such amounts are collected or replaced by letters of credit or cash on or after the Plan Implementation Date but in all events not later than the six month anniversary of the Plan Implementation Date, in each case as payment in whole or in part of the SemCanada Crude Secured Promissory Note or if such promissory note has been satisfied, to SemCanada Crude as a payment in whole or in part of the New US Inter-Company Promissory Notes, provided that the foregoing shall not include cash deposits or prepayments that are not the property of the Company or are cash deposits or prepayments that are to be properly allocated on receipt to a joint account pursuant to the CO&O Agreements;

(b) the Company shall be and is hereby authorized and directed to remit to SemCanada Crude the proceeds of realization, if any, resulting from the collection of the accounts receivable that are owed to the Company from inlet producers that

have been outstanding for greater than 60 days as of the Plan Implementation Date after deducting the fees and costs incurred by the Company on a solicitor and own client full indemnity basis to resolve any disputes in respect of, and to collect, such accounts receivable, from time to time after the Plan Implementation Date as partial payment of the SemCanada Crude Secured Promissory Note or if such promissory note has been satisfied, to SemCanada Crude as partial repayment of the New US Inter-Company Promissory Notes; and

- (c) following the final distribution by the Monitor to the Ordinary Creditors, any remaining balance in the Ordinary Creditors' Pool (after deducting all fees and costs incurred by the Company and the Monitor on a solicitor and own client full indemnity basis in determining and resolving the amounts owed to the Ordinary Creditors and effecting distributions) shall be paid by the Monitor, on behalf of the Company, to SemCanada Crude as partial payment of the SemCanada Crude Secured Promissory Note or if such promissory note has been satisfied, to SemCanada Crude as a partial repayment of the New US Inter-Company Promissory Notes.
51. Following the Plan Implementation Date, if the aggregate of all unclaimed or uncashed distributions exceeds \$25,000, the Company is hereby authorized and directed to pay to SemCanada Crude as a repayment in whole or in part of the SemCanada Crude Secured Promissory Note or if such promissory note has been satisfied, to SemCanada Crude as a repayment in whole or in part of the New US Inter-Company Promissory Notes, all unclaimed or uncashed distributions in accordance with Section 5.9 of the Plan.
52. The Company shall be and is hereby authorized and directed to make payment to Her Majesty in Right of Canada or any Province in respect of Crown Priority Claims, as set out in Section 5.6 of the Plan, if any, within six (6) months of the date of this Plan Sanction Order.
53. Following the Plan Implementation Date, New Holdco shall from time to time, monitor the capital structure of the Company, and may and may cause each of its respective subsidiaries (whether such subsidiaries are firms, corporations, limited or unlimited liability companies, general or limited partnerships, associations, trusts, unincorporated

organizations or joint ventures) to cooperate with each other in structuring, planning or implementing any reorganization of the business, operations, assets or shareholdings of the Company to capitalize any or all inter-company debts owing by the Company to an affiliate (as such term is defined in the Income Tax Act) other than the inter-company debts pursuant to and evidenced by the SemCanada Crude Secured Promissory Note and the portion of or interest in the SemCrude Promissory Note which is assigned to SemCanada Crude pursuant to Section 7.3(a) and Section 7.4(e) of the SemCanada Crude Plan, until such time as the amounts to be paid or remitted as contemplated by Sections 5.1(b), 5.3(a), 5.3(b), 5.3(c) and 5.9 of the Plan, paragraph 58 of this Plan Sanction Order and by Sections 5.1(d) and 5.1(e) of the SemCanada Crude Plan have been paid or remitted in full.

THE MONITOR

54. The Monitor has satisfied all of its obligations required pursuant to the CCAA, the CCAA Proceedings and the Orders, and the Monitor shall have no liability in respect of any information disclosed in the CCAA Proceedings.
55. The Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, shall be and is hereby authorized, directed and empowered to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan.
56. Upon completion by the Monitor of its duties in respect of the Company pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Claims Process and distributions made by the Monitor in accordance with the Plan, the Monitor may file with the Court a certificate of Plan termination, substantially in the form attached hereto as Schedule "D", stating that all of its duties in respect of the Company pursuant to the CCAA and the Orders have been completed (the "**Monitor's Certificate of Termination**") and thereupon, Ernst & Young Inc. shall be deemed to be

discharged from its duties as Monitor of the Company and the Administration Charge shall be terminated and released.

ADDITIONAL PROVISIONS

57. Notwithstanding anything contained in the CCAA Plans or in this Order to the contrary, any rights or claims (including set-off) of Bank of Montreal and its affiliates (“**BMO**”) and of the Company, SemCanada Crude and the SemCanada Energy Companies with respect to:

- (a) the Reserve held by the Monitor in accordance with and pursuant to the settlement letter dated August 5, 2008 (as extended from time to time) (the “**Settlement Agreement**”);
- (b) the Existing Deposits and Future Deposits in the Bank Accounts in accordance with and pursuant to the Settlement Agreement (as those capitalized terms are defined in the Settlement Agreement); and
- (c) the balances in the Bank Accounts (as defined in the Settlement Agreement) prior to 9:11 p.m. on July 24, 2008 to the extent of any and all set-off effected by BMO occurring prior to 9:11 p.m. on July 24, 2008 in respect of the Bank Accounts and/or the International Swap Dealers Association, Inc. Master Agreement with Seminole Canada Energy Company as of March 14, 2005;

are hereby reserved and will not be compromised or affected by the CCAA Plans or this Order.

58. If the Company receives or recovers any amounts on account of the rights or claims reserved under paragraph 57 above, such amounts (after deducting all fees and costs incurred by the Company and the Monitor on a solicitor and own client full indemnity basis in determining and resolving such rights or claims) shall be:

- (a) paid to B of A, on behalf of the Secured Lenders, by way of wire transfer (in accordance with wire transfer instructions provided to the Company at least three (3) Business Days prior to the date of distribution) and the Company shall have no

liability or obligation to any of the Secured Lenders in respect of such payment once the wire transfer to B of A has been received; and

(b) be deemed to be a partial payment:

(i) to SemCanada Crude in respect of the SemCanada Crude Secured Promissory Note; or

(ii) if the SemCanada Crude Secured Promissory Note has been satisfied, to SemCanada Crude in respect of the New US Inter-Company Notes.

59. This Plan Sanction Order shall have full force and effect from and after the Effective Time on the Plan Implementation Date in all Provinces and Territories in Canada and abroad and as against all Persons and Parties against whom it may otherwise be enforced.

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

61. The Company, the Monitor, B of A or any Affected Creditor may apply to this Court for advice and direction, or to seek relief in respect of, any matter arising out of or incidental to the Plan or this Plan Sanction Order, including without limitation, the interpretation of this Plan Sanction Order and the Plan or the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

62. This Court hereby requests the aid and recognition (including assistance pursuant to Section 17 of the CCAA, as applicable) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States, including the United States Bankruptcy Court for the District of Delaware, and of any other nation or state to act in aid of and to be

complementary to this Court in carrying out the terms of this Plan Sanction Order and the Plan.



J.C.Q.B.A.

ENTERED THIS 27th
day of October, 2009.

K. MCAUSLAND 
CLERK OF THE COURT