



A DIVERSIFIED BUSINESS CORPORATION
 Focused on dividend stability with value growth

November 2, 2010

**Superior Plus Announces 2010 Third Quarter Financial Results and Updates
 2010 and 2011 Financial Outlooks**

THIRD QUARTER HIGHLIGHTS

- Adjusted operating cash flow (AOCF) per share for the third quarter was \$0.19 which was consistent with management's expectations and compares to \$0.22 in the comparative period. Third quarter results were primarily impacted by the following items:
 - During the third quarter Superior continued to see the benefits of the slow economic recovery within our businesses, with improvements in non-heating volumes within the Energy Services business and continued strength in both sodium chlorate and chloralkali sales volumes within the Specialty Chemicals business.
 - The Specialty Chemicals business benefited from increased sodium chlorate sales volumes due to ongoing strong fundamentals for pulp and increased chloralkali sales volumes due to the completion of the Port Edwards chloralkali facility expansion in the fourth quarter of 2009.
 - Superior's Construction Products Distribution business continues to be impacted by a difficult U.S. commercial construction and residential housing market which continue to operate at or near record low levels.
 - Integration of acquisitions within the Construction Products Distribution business and general restructuring costs resulted in one-time expenses of approximately \$0.03 per share in the third quarter.
- Superior continued to expand its Energy Services business, completing the acquisition of a northeastern U.S based refined fuels distributor for an aggregate purchase price of US\$4.9 million on October 26, 2010.
- The financial outlook for 2010 has been adjusted to AOCF per share of \$1.30 to \$1.50 due principally to the ongoing weak economic recovery, particularly within the Construction Products Distribution business.
- The financial outlook for 2011 has been adjusted to AOCF per share of \$1.75 to \$2.00 due principally to a slowing of the economic recovery in the Construction Products Distribution business and the Energy Services business.

FINANCIAL SUMMARY

<i>(millions of dollars except per share amounts)</i>	Three months ended		Nine months ended	
	2010	September 30, 2009	2010	September 30, 2009
Revenue	769.7	441.3	2,522.7	1,499.2
Gross profit	176.0	126.9	562.1	450.1
EBITDA from operations ⁽¹⁾	39.4	32.3	140.9	143.3
Interest	(17.9)	(10.1)	(51.6)	(28.1)
Cash income tax recovery (expense)	(0.6)	0.9	(0.9)	(5.3)
Corporate costs	(0.4)	(3.8)	(8.1)	(10.4)
Adjusted operating cash flow ⁽¹⁾	20.5	19.3	80.3	99.5
Adjusted operating cash flow per share, basic and diluted ⁽¹⁾⁽²⁾⁽³⁾	\$0.19	\$0.22	\$0.76	\$1.13
Dividends paid per share	\$0.405	\$0.405	\$1.215	\$1.215

- (1) EBITDA from operations and adjusted operating cash flow are key performance measures used by management to evaluate the performance of Superior. These measures are defined under “Non-GAAP Financial Measures” in Superior’s 2010 Third Quarter Management’s Discussion and Analysis.
- (2) The weighted average number of shares outstanding for the three months ended September 30, 2010 is 106.6 million (2009 – 88.7 million) and for the nine months ended September 30, 2010 is 104.9 million (2009 – 88.4 million).
- (3) For the three and nine months ended September 30, 2010 and 2009, there were no dilutive instruments.

SEGMENTED INFORMATION

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
EBITDA from operations:				
Energy Services	4.9	3.1	51.8	57.0
Specialty Chemicals	26.9	22.1	71.8	74.4
Construction Products Distribution	7.6	7.1	17.3	11.9
	39.4	32.3	140.9	143.3

Energy Services

- EBITDA from operations for the third quarter was \$4.9 million compared to \$3.1 million in the prior year quarter and was consistent with management’s expectations as improved gross profits within the supply portfolio management business offset the impact of the seasonality of the U.S. refined fuels business.
- Canadian propane distribution sales volumes were 4% higher than the prior year quarter due to an increase in lower margin industrial volumes as a result of a modest improvement in the economic environment within the industrial sector and improved agricultural volumes due to crop drying conditions compared to the prior year quarter. These increases were partially offset by modest reductions in residential, commercial and automotive sales volumes. Sales and marketing efforts continue to provide positive results within the commercial segment, offsetting the impact of the ongoing general economic weakness within this sector.
- Canadian propane average sales margins were 18.5 cents per litre in the third quarter compared to 20.0 cents per litre in the prior year quarter. The decrease in average margins was due to a higher proportion of lower margin industrial volumes combined with ongoing general customer competitive pressures.
- The U.S. refined fuels business, excluding service gross profits, generated gross profits of \$19.8 million in the third quarter, below Superior’s acquisition assumptions due in part to continued economic weakness in the U.S., combined with ongoing competitive pressures. The integration within Superior’s U.S. refined fuels business is substantially complete, which will provide operational efficiencies throughout the upcoming heating season.
- The fixed-price energy services business generated gross profits of \$6.9 million compared to \$7.9 million in the prior year quarter as a result of reduced sales volumes due principally to the low system price of natural gas, in addition to increased charges associated with load balancing due to the impact of warmer weather during the first nine months of 2010.
- The supply portfolio management business generated gross profits of \$2.5 million in the third quarter compared to \$0.3 million in the comparative period, due principally to the timing of the recognition of profits relative to the prior period and market conditions in the current period relative to the prior period. Due to the nature of this business, the timing of the recognition of profits and the impact of seasonality can vary significantly quarter-over-quarter.
- Although Superior has seen improved non-heating volumes over the last two quarters in the Canadian propane business, the pressure on prices from customers and competitors within the Energy Services business has not diminished. As a result, Superior is revising its Energy Services 2010 outlook of EBITDA from operations to be between \$100 to \$115 million and for 2011 to be between \$120 to \$140 million. The outlook for both periods assumes normalized weather and normalized heating related volumes, and continuing competitive pressures on margins, which is anticipated to improve as a result of general improvements in the economy.

Specialty Chemicals

- EBITDA from operations for the third quarter was \$26.9 million compared to \$22.1 million in the prior year quarter due to improved chloralkali sales volumes and average realized selling prices and improved sodium chlorate sales volumes.
- Chloralkali sales volumes benefited from the completion of the Port Edwards chloralkali facility expansion in the fourth quarter of 2009, the facility was operating at higher operating rates throughout the third quarter compared to the prior year period. Additionally, average realized selling prices were higher than the prior year period due to improvements in general economic conditions throughout North America.
- Sodium chlorate gross profits were higher than the prior year quarter as increased sales volumes due to improved North American demand, more than offset a modest decrease in the average selling price as a result of the appreciation of the Canadian dollar on US-denominated sales and competitive pressures. Sodium chlorate demand and sales volumes for the third quarter benefited from a strong pulp market.
- During the third quarter a number of capital growth projects were undertaken, including the initial phase of the replacement and upgrade of electrical equipment at the Hargrave, Manitoba and North Vancouver, BC sodium chlorate facilities
- Superior's expects EBITDA from operations for its Specialty Chemicals business for 2010 to be between \$95 to \$105 million and for 2011 to be between \$100 to \$115 million, consistent with the outlook provided in the second quarter except that the low end of the range for 2011 has been reduced by \$5 million. Superior continues to see a stable market for sodium chlorate as a result of strong pulp market fundamentals and continued improvement in chloralkali sales volumes and pricing due to improved North American chemical demand and the full year impact of the expanded Port Edwards facility.

Construction Products Distribution

- EBITDA from operations for the third quarter was \$7.6 million compared to \$7.1 million in the prior year quarter. The increase in EBITDA from operations is principally due to the acquisition of SPI on September 24, 2009.
- Excluding the acquisition of SPI, operating results continue to be impacted by ongoing weakness in the residential and commercial construction markets which has significantly increased competitive pressures resulting in lower percentage sales margins. Drywall sales volumes were modestly higher than the prior year quarter due principally to improvements in new home residential housing starts, particularly in Ontario and the Prairies, offset by weakness in British Columbia and the U.S.
- SPI's results were impacted by the weak U.S. commercial construction market and a slow down in select insulation markets.
- Superior continues to focus on integrating the operations of Winroc, SPI and the recently acquired western Canadian commercial and industrial insulation business to generate operational efficiencies, incurring \$3.2 million of one-time costs in the third quarter and \$4.2 million in costs for the nine months ended September 30, 2010.
- The western Canadian commercial and industrial insulation acquisition completed late in the second quarter of 2010 is important to expanding SPI's insulation business into western Canada, particularly related to the oil sands and other projects located in northern Alberta.
- The outlook for Canadian residential and commercial markets is for stable to modestly lower levels. In the U.S., the recovery in the residential housing markets appears to have stalled and it is currently unclear when a sustained recovery will begin. U.S. commercial activity remains weak while the insulation markets are stable to modestly improving. Superior is revising its outlook for its Construction Products Distribution business of EBITDA from operations for 2010 to \$18 to \$25 million and \$25 to \$40 million for 2011. Significant restructuring took place in 2010 which will support the growth throughout 2011 as the Construction Products Distribution business is better positioned to capture future market opportunities.

Corporate Related

- Total interest expense for the third quarter was \$17.9 million compared to \$10.1 million in the prior year quarter. Interest expense increased due to higher average debt levels as a result of the financing of acquisitions completed during the first quarter of 2010 and the second half of 2009, offset in part, by the appreciation of the Canadian dollar on US-denominated interest costs.
- Cash income taxes were \$0.6 million in the third quarter compared to a recovery of \$0.9 million in the prior year quarter. Cash income taxes in the prior year quarter were impacted by additional U.S. tax basis associated with the successful start-up of the Port Edwards facility during 2009.
- Superior restarted its dividend re-investment program (DRIP) during the second quarter, commencing with the payment of the May 2010 dividend, resulting in proceeds of \$6.9 million in the third quarter. Proceeds from the DRIP will be used to reduce existing debt levels and fund existing and future accretive growth opportunities. The DRIP provides Superior's shareholders with the opportunity to reinvest their cash dividends in the future growth of the business at a 5% discount to the market price of Superior's common shares.
- Four quarter trailing compliance EBITDA was \$225.4 million resulting in a Consolidated Secured Debt to compliance EBITDA ratio of 2.4x and a Consolidated Debt (excluding convertible debentures) to compliance EBITDA ratio of 3.0x as at September 30, 2010. Compliance EBITDA includes the impact of acquisitions completed during 2009 and 2010.
- On September 9, 2010, DBRS confirmed Superior LP's senior secured long-term debt credit rating at BBB(low) and its senior unsecured rating at BB(high), but changed the trend of both from stable to negative.

Financial Outlook

The economic recovery is providing positive momentum within each of Superior's businesses. However, throughout the third quarter, the North American economy began to slow considerably and the outlook is now for slow to moderate growth moving forward. Superior's current financial outlooks have been revised to reflect this new economic outlook.

Superior's annual dividend rate is currently \$1.62 per share which exceeds the projected AOCF per share for 2010. Superior expects that the restructuring activities undertaken in 2010 have positioned its businesses for improved results throughout 2011. The impact of the restructuring activities along with normal weather is expected to improve AOCF; however, Superior will continue to carefully monitor the results of our businesses to ensure that our dividend is consistent with the outlook for sustainable cash flow generated by our businesses considering the financial strength of our balance sheet and capital requirements.

<i>(millions of dollars except per share amounts)</i>	2010 Outlook Current ⁽¹⁾	2010 Outlook Prior	2011 Outlook Current ⁽¹⁾	2011 Outlook Prior
EBITDA from operations:				
Energy Services	100-115	110-120	120-140	140-155
Specialty Chemicals	95-105	95-105	100-115	105-115
Construction Products Distribution	18-25	25-35	25-40	30-40
Adjusted operating cash flow per share	\$1.30-\$1.50	\$1.50-\$1.65	\$1.75-\$2.00	\$1.85-\$2.05

⁽¹⁾ The assumptions, definitions, risk factors and explanation of the changes to the 2010 and 2011 Financial Outlook are discussed in Superior's 2010 Third Quarter Management's Discussion and Analysis.

2010 Third Quarter Results

Superior's 2010 Third Quarter Management's Discussion and Analysis is attached and is also available on Superior's website at: www.superiorplus.com under the investor information section.

Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2010 Third Quarter Results at 8:30 a.m. MST on Wednesday, November 3, 2010. To participate in the call, dial: 1-866-226-1792. An archived recording of the call will be available for replay until midnight, Friday, December 3, 2010. To access the recording, dial: 1-800-408-3053 and enter pass code 4371361 followed by the # key. Internet users can listen to the call live, or as an archived call, on Superior's website at: www.superiorplus.com.

2010 Investor Day

Superior is pleased to announce its upcoming Annual Investor Day on Thursday, November 18, 2010, at the Fairmont Royal York in Toronto. A detailed update on Superior's current operations, short and long-term growth opportunities and financial position will be presented. Members of the professional investment community are invited to attend. Future details of the annual event can be found on Superior's website at www.superiorplus.com.

Forward Looking Information

Certain information included herein is forward-looking, within the meaning of applicable Canadian securities laws. Forward looking information can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words. Forward-looking information in this press release, including the attached 2010 Third Quarter Management's Discussion and Analysis, includes but is not limited to, consolidated and business segment outlooks, expected EBITDA from operations, expected adjusted operating cash flow, expected adjusted operating cash flow per share, future capital expenditures, business strategy and objectives, dividend strategy, future cash flows, anticipated taxes, expected results from acquisitions, expected life of facilities and statements regarding the future financial position of Superior and Superior Plus LP. Superior believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources and include, the historic performance of Superior's businesses, current business and economic trends, availability and utilization of tax basis, foreign currency, exchange and interest rates, trading data, cost estimates and the other assumptions set forth under the "Outlook" sections contained in the attached 2010 Third Quarter Management's Discussion and Analysis. Readers are cautioned that the preceding list of assumptions is not exhaustive.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties some of which are described herein and in the attached 2010 Third Quarter Management's Discussion and Analysis. Such forward-looking information necessarily involves known and unknown risks and uncertainties, which may cause Superior's or Superior LP's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. These risks and uncertainties include but are not limited to the risks referred to under the section entitled "Risk Factors to Superior", in the attached 2010 Third Quarter Management's Discussion and Analysis, the risks associated with the availability and amount of the tax basis and the risks identified in Superior's 2009 Annual Information Form under the heading "Risk Factors". Any forward-looking information is made as of the date hereof and, except as required by law, Superior does not undertake any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise. For more information about Superior, visit our website at www.superiorplus.com or contact:

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Management's Discussion and Analysis of 2010 Third Quarter Results November 2, 2010

The following Management's Discussion and Analysis (MD&A) is a review of the financial performance and position of Superior Plus Corp. (Superior) for the three and nine months ended September 30, 2010 and 2009. The information in this MD&A is current to November 2, 2010. This MD&A should be read in conjunction with Superior's audited consolidated financial statements and notes to those statements as at and for the year ended December 31, 2009, its December 31, 2009 MD&A and its unaudited consolidated interim financial statements as at and for the three and nine months ended September 30, 2010.

The accompanying unaudited consolidated interim financial statements of Superior have been prepared by and are the responsibility of Superior's management. Superior's unaudited consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Dollar amounts in this MD&A are expressed in Canadian dollars and millions except where otherwise noted.

Overview of Superior

Superior is a diversified business corporation. Superior holds 100% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc., as general partner and Superior as limited partner. Superior owns 100% of the shares of Superior General Partner Inc. The cash flow of Superior is solely dependent on the results of Superior LP and is derived from the allocation of Superior LP's income to Superior by means of partnership allocations. Superior, through its ownership of Superior LP has three operating segments: the Energy Services segment which includes a Canadian propane distribution business, a U.S. refined fuels distribution business, a fixed-price energy services business and a supply portfolio management business; the Specialty Chemicals segment; and the Construction Products Distribution segment.

Third Quarter Results

Summary of Adjusted Operating Cash Flow

<i>(millions of dollars except per share amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
EBITDA from operations: ⁽¹⁾				
Energy Services	4.9	3.1	51.8	57.0
Specialty Chemicals	26.9	22.1	71.8	74.4
Construction Products Distribution	7.6	7.1	17.3	11.9
	39.4	32.3	140.9	143.3
Interest	(17.9)	(10.1)	(51.6)	(28.1)
Cash income tax (expense) recovery	(0.6)	0.9	(0.9)	(5.3)
Corporate costs	(0.4)	(3.8)	(8.1)	(10.4)
Adjusted operating cash flow ⁽¹⁾	20.5	19.3	80.3	99.5
Adjusted operating cash flow per share ⁽¹⁾ , basic ⁽²⁾ and diluted ⁽³⁾	\$0.19	\$0.22	\$0.76	\$1.13

⁽¹⁾ EBITDA from operations and adjusted operating cash flow are not GAAP measures. See "Non-GAAP Financial Measures"

⁽²⁾ The weighted average number of shares outstanding for the three months ended September 30, 2010, is 106.6 million (2009 – 88.7 million) and for the nine months ended September 30, 2010, is 104.9 million (2009 – 88.4 million).

⁽³⁾ For the three and nine months ended September 30, 2010 and 2009, there were no dilutive instruments.

Adjusted Operating Cash Flow Reconciled to Cash Flow from Operating Activities ⁽¹⁾

<i>(millions of dollars)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Cash flows (outflows) from operating activities	(4.1)	30.0	77.7	188.7
Add: Customer contract related costs capitalized	0.6	0.9	2.0	3.0
Increase (decrease) in non-cash working capital	25.7	(9.9)	5.5	(87.1)
Less: Amortization of customer contract related costs	(1.7)	(1.7)	(4.9)	(5.1)
Adjusted operating cash flow	20.5	19.3	80.3	99.5

⁽¹⁾ See the unaudited Interim Consolidated Financial Statements for cash flows from operating activities, customer contract related costs and changes in non-cash working capital.

Third quarter adjusted operating cash flow was \$20.5 million, an increase of \$1.2 million or 6% compared to the prior year quarter. The increase in adjusted operating cash flow was due to improved EBITDA from operations at all operating segments and lower corporate costs offset in part by higher interest costs. The increase in EBITDA of Energy Services was primarily related to improved results at Canadian propane distribution and Supply portfolio management offset in part by the seasonality impact of the U.S. Refined Fuels business. The increase in EBITDA of Specialty Chemicals was due to improved sales volumes of both chlorate and chloralkali/potassium products. The increase in Construction Products Distribution EBITDA from operations was due to the contribution from the acquisition of Specialty Products and Insulation Co. (SPI) on September 24, 2009 offset in part by restructuring costs incurred in order to adjust the segment to current market conditions. Interest costs increased by \$7.8 million due primarily to increased debt levels incurred to finance acquisitions made during the last twelve months as well as higher interest rates on debentures. The decrease in corporate costs was due to the settlement of forward foreign exchange contracts for gains of approximately \$2.8 million. Adjusted operating cash flow per share was \$0.19 per share in the third quarter, a decrease of 14% from \$0.22 per share in the prior year quarter due to a 20% increase in the weighted average numbers of shares outstanding offset in part by the 6% increase in operating cash flow noted above. The increase in the weighted average number of shares outstanding as compared to the prior year quarter was due to the issuance of common shares to partially finance the acquisition of certain assets that comprise a U.S. heating oil and propane distribution business from Sunoco Inc. (Sunoco U.S. refined fuels assets) on September 30, 2009, the acquisition of certain assets that comprise a retail heating oil, propane and motor fuels distribution business from Griffith Energy Services Inc. (Griffith CH U.S. refined fuels assets) on December 11, 2009 (the Sunoco U.S. refined fuels assets and the Griffith CH U.S. refined fuels assets, collectively referred to as the "U.S. refined fuels asset"), the acquisition of Griffith Holdings Inc. (Griffith) on January 20, 2010, the acquisition of Burnaby Assets by Construction Products Distribution on June 28, 2010 and the reinstatement of the dividend reinvestment plan effective for the payment of the May 2010 dividend. A comprehensive review of EBITDA from operations for all of Superior's businesses is contained in this management's discussion and analysis.

Net loss for the third quarter was \$4.0 million, compared to net earnings of \$33.0 million in the prior year quarter. The net loss was impacted by \$1.2 million in unrealized losses on derivative financial instruments in the current quarter, compared to unrealized gains of \$33.9 million in prior year quarter. The change in the unrealized gains and losses on derivative financial instruments was due principally to higher losses in the current quarter on Superior's foreign currency financial derivatives compared to the prior year as a result of fluctuations in foreign currency spot and forward prices. Revenues of \$767.0 million were \$325.7 million higher than the prior year quarter due principally to higher Energy Services revenue from the acquisition of U.S. refined fuels assets and Griffith along with higher Construction Products Distribution revenue due to the acquisition of SPI and Burnaby Assets. Gross profit of \$176.0 million was \$49.1 million higher than the prior year quarter due principally to contributions of the acquisitions completed in 2009 and 2010 noted above. Total income tax for the third quarter was a recovery of \$0.9 million compared to an income tax expense of \$5.0 million in the prior year quarter. Income taxes in the third quarter were impacted by the additional U.S. tax basis associated with commissioning the Port Edwards facility in the fourth quarter of 2009, increased U.S. based taxable income and the change in unrealized losses on derivative financial instruments in the third quarter as discussed above.

Energy Services

Energy Services' condensed operating results for the three and nine months ended September 30, 2010 and 2009 are provided in the following table.

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenue ⁽¹⁾	454.5	225.4	1,636.9	846.0
Cost of sales ⁽¹⁾	(373.4)	(167.9)	(1,334.0)	(618.0)
Gross profit	81.1	57.5	302.9	228.0
Less: Cash operating and administration costs ⁽¹⁾	(76.2)	(54.4)	(251.1)	(171.0)
EBITDA from operations	4.9	3.1	51.8	57.0

- (1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this management's discussion analysis to present its results as if it had accounted for various transactions as accounting hedges. See Reconciliation of Divisional Segmented Revenue and Cost of Sales to EBITDA for detailed amounts.

Revenues for the third quarter of 2010 were \$454.5 million, an increase of \$229.1 million from revenues of \$225.4 million in 2009. The increase in revenues was primarily due to the contribution from the acquisition of the Sunoco U.S. refined fuels assets on September 30, 2009 and acquisition of the Griffith CH U.S. refined fuels assets on December 11, 2009 (the Sunoco U.S. refined fuels assets and the Griffith CH U.S. refined fuels assets, collectively referred to as the "U.S. refined fuels assets"), and the acquisition of Griffith Holdings Inc. (Griffith) on January 20, 2010, offset in part by lower Canadian propane distribution revenue. Total gross profit for the third quarter of 2010 was \$81.1 million, an increase of \$23.6 million or 41% over the prior year quarter. The increase in gross profit was primarily due to the contribution from the acquisition of U.S. refined fuels assets and Griffith offset in part by lower Canadian propane distribution and fixed-price energy services gross profit. A summary and detailed review of gross profit is provided below.

Gross Profit Detail

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Canadian propane distribution	43.3	44.7	153.0	174.2
U.S. refined fuels distribution	18.2	-	89.0	-
Other services	10.2	4.6	31.2	15.2
Supply portfolio management	2.5	0.3	8.5	15.4
Fixed-price energy services	6.9	7.9	21.2	23.2
Total gross profit	81.1	57.5	302.9	228.0

Canadian Propane Distribution

Canadian propane distribution gross profit for the third quarter was \$43.3 million, a decrease of \$1.4 million or 3% from the prior year quarter, due primarily to lower average sales margins offset in part by increased sales volumes of 4% as compared to the prior year quarter. Residential and commercial volumes decreased by 2.0 million litres or 3% and were negatively impacted by competitive pressures, warmer weather in eastern Canada and slow economic recovery throughout most of Canada. On going marketing efforts have been successful in acquiring new commercial customers, partially offsetting the impact of reduced volumes due to the slow economic recovery. Average weather across Canada as measured by degree days, for the third quarter was 22% colder than the prior year and 14% colder than the five-year average, specifically 10% warmer in the east and 45% colder in the west compared to the prior year. Average weather does not typically have a material impact on volumes in the second and third quarters due to the seasonality of heating related volumes, however the warmer than average weather in eastern Canada did negatively impact higher margin heating related volumes. Agricultural volumes increased by 3 million litres or 38%, due principally to an early start to the crop drying season. Industrial volumes increased by 12 million litres or 9%, due principally to the impact of higher oilfield volumes as some industrial segments are continuing to show signs of recovery as compared to the prior year quarter. Automotive propane volumes declined by 3 million litres or 10%, which was slightly below the historical decline trend in this end-use market due to a favourable pricing differential between propane and retail gasoline.

Canadian Propane Distribution Sales Volumes

<i>Volumes by End-Use Application</i> ⁽¹⁾			<i>Volumes by Region</i> ⁽²⁾		
Three months ended September 30,			Three months ended September 30,		
<i>(millions of litres)</i>	2010	2009		2010	2009
Residential	17	18	Western Canada	131	115
Commercial	39	40	Eastern Canada	85	90
Agricultural	11	8	Atlantic Canada	18	19
Industrial	139	127			
Automotive	28	31			
	234	224		234	224

<i>Volumes by End-Use Application</i> ⁽¹⁾			<i>Volumes by Region</i> ⁽²⁾		
Nine months ended September 30,			Nine months ended September 30,		
<i>(millions of litres)</i>	2010	2009		2010	2009
Residential	87	103	Western Canada	470	494
Commercial	178	203	Eastern Canada	323	338
Agricultural	38	39	Atlantic Canada	70	72
Industrial	486	478			
Automotive	74	81			
	863	904		863	904

⁽¹⁾ **Volume:** Volume of propane sold (millions of litres).

⁽²⁾ **Regions:** Western Canada region consists of British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Ontario, Yukon and Northwest Territories; Eastern Canada region consists of Ontario (except for Northwest Ontario) and Quebec; and Atlantic Canada consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island.

Average Canadian propane distribution sales margin for the third quarter was 18.5 cents per litre, a decrease of 1.5 cents per litre or 8% as compared to the prior year quarter. Average margins compared to the prior year quarter were negatively impacted by a higher proportion of lower margin non-heating volumes, competitive market pressures and lower delivery and hazmat fees.

U.S. Refined Fuels Distribution

U.S. refined fuels distribution gross profit for the third quarter was \$18.2 million and represents the contribution from the previously announced acquisitions of the U.S. refined fuels assets and Griffith. The gross profit was generated by the sale of heating oil, propane and other refined fuels throughout the northeast United States. Volume contribution for the third quarter from the U.S. refined fuels business was 331 million litres and average U.S. refined fuels sales margin was 5.5 cents per litre. Heating related volumes during the quarter were impacted by warmer than expected weather which also contributed to lower than expected margins due to customer mix. U.S. refined fuels also offers a broad range of services including heating, ventilation and air conditioning repair, and other related services which contributed \$4.6 million in gross profits included within the other services segment.

U.S. Refined Fuels Distribution Sales Volumes

<i>Volumes by End-Use Application</i> ⁽¹⁾			<i>Volumes by Region</i> ⁽²⁾		
Three months ended September 30,			Three months ended September 30,		
<i>(millions of litres)</i>	2010	2009		2010	2009
Residential	9	-	Northeast United States	331	-
Commercial	221	-			
Automotive	101	-			
	331	-		331	-

<i>Volumes by End-Use Application</i> ⁽¹⁾			<i>Volumes by Region</i> ⁽²⁾		
Nine months ended September 30,			Nine months ended September 30,		
<i>(millions of litres)</i>	2010	2009		2010	2009
Residential	247	-	Northeast United States	1,203	-
Commercial	617	-			
Automotive	339	-			
	1,203	-		1,203	-

⁽¹⁾ **Volume:** Volume of heating oil, propane, diesel and gasoline sold (millions of litres).

⁽²⁾ **Regions:** Northeast United States region consists of Pennsylvania, Connecticut, New York, and Rhode Island.

Other Services

Other services gross profit was \$10.2 million in the third quarter, an increase of \$5.6 million over the prior year quarter due primarily to the contribution from the acquisitions completed by the U.S. refined fuels business. Excluding the contribution from the U.S. refined fuels business, other services gross profit was consistent with the prior year.

Supply Portfolio Management

Supply portfolio management related gross profits were \$2.5 million in the third quarter, an increase of \$2.2 million compared to the prior year quarter. The increase in gross profits is related to stronger trading conditions during the quarter as compared to the prior year and increased volumes related to higher customer demand.

Fixed-Price Energy Services

Fixed-Price Energy Services Gross Profit

<i>(millions of dollars except volume and per unit amounts)</i>	Three months ended September 30, 2010			Three months ended September 30, 2009		
	Gross Profit	Volume	Per Unit	Gross Profit	Volume	Per Unit
Natural Gas ⁽¹⁾	5.89	6.9 GJ	85.0 ¢/GJ	7.27	8.4 GJ	86.5 ¢/GJ
Electricity ⁽²⁾	0.96	86.2 KWh	1.11 ¢/KWh	0.63	56.1 KWh	1.12 ¢/KWh
Total	6.85			7.90		

<i>(millions of dollars except volume and per unit amounts)</i>	Nine months ended September 30, 2010			Nine months ended September 30, 2009		
	Gross Profit	Volume	Per Unit	Gross Profit	Volume	Per Unit
Natural Gas ⁽¹⁾	18.49	21.1 GJ	87.6 ¢/GJ	22.05	24.8 GJ	88.9 ¢/GJ
Electricity ⁽²⁾	2.71	233.4 KWh	1.16 ¢/KWh	1.15	125.0 KWh	0.92 ¢/KWh
Total	21.20			23.20		

⁽¹⁾ Natural gas volumes and per unit amounts are expressed in millions of gigajoules (GJ).

⁽²⁾ Electricity volumes and per unit amounts are expressed in millions of kilowatt hours (KWh).

Fixed-price energy services gross profit was \$6.9 million in the third quarter, a decrease of \$1.0 million compared to the prior year quarter. Gross profit from natural gas was \$5.9 million in the third quarter, a decrease of \$1.4 million or 19% compared to the prior year quarter, as natural gas volumes sold decreased by 18% and gross profit per gigajoule (GJ) of 85.0 cents was slightly lower than the prior year quarter. Natural gas sales volumes decreased due to lower customer aggregation as unfavourable spreads between utility prices and term gas prices negatively impacted marketing efforts. Natural gas gross profit per cents per millions of GJ's was slightly lower than the prior year quarter due to higher charges associated with load balancing related to higher than normal temperatures. Electricity gross profit in the third quarter of 2010 was \$1.0 million, \$0.4 million higher than the prior year quarter due to the aggregation of additional commercial customers over the past twelve months. Electricity volumes increased by 30.1 KWh or 54% due primarily to successful customer aggregation efforts.

Operating costs

Cash operating and administrative costs of \$76.2 million increased by \$21.8 million or 40% from the prior year quarter. The increase in expenses was due primarily to the contribution from the acquisition of the U.S. refined fuels assets and Griffith, offset in part by lower wages and benefits related to expense management initiatives in response to fluctuations in volumes.

Acquisition of Griffith Holdings Inc.

On January 20, 2010, Superior completed its acquisition of the shares of Griffith Holdings, Inc. (Griffith) for consideration of approximately \$147.4 million (US\$140.7 million), inclusive of working capital adjustments and transaction costs. Griffith is a retail and wholesale distributor of retail propane, heating oil and motor fuels in upstate New York.

Outlook

Energy Services' expects EBITDA from operations for 2010 to be between \$100 million and \$115 million. Energy Services' previous outlook as provided in the 2010 second quarter Management's Discussion and Analysis was \$110 million to \$120 million. The decrease in the 2010 outlook is primarily related to weaker than expected year to date

results due to warmer than expected weather, customer mix and ongoing competitive pressures. The EBITDA from operations outlook for 2011 is expected to be between \$120 million and \$140 million, it has been reduced from previous guidance provided in the 2010 second quarter Management's Discussion and Analysis of \$140 million to \$155 million, due to ongoing competitive pressures and slower than expected economic recovery. Significant assumptions underlying its current outlook are:

- Average temperatures across Canada are expected to return to the most recent five-year average for 2010 and 2011. Average temperatures in the northeast United States are expected to be consistent with the most recent five-year average for the remainder of 2010 and 2011;
- Total propane and U.S. refined fuels related sales volumes in 2010 compared to 2009 are anticipated to decrease due to the continued slow economic recovery, competitive pressures and the year to date shortfall in volumes. Sales volumes are expected to begin to grow in 2011 as market conditions and the economy continue to improve;
- Wholesale propane, and U.S. refined fuels related prices will not significantly impact demand for propane, refined fuels and related services;
- Supply portfolio management gross profits will be lower than 2009 as reduced volatility in the wholesale cost of propane will result in fewer trading opportunities throughout the remainder of the year. Supply portfolio management gross profit are expected to return to historic levels beginning in 2011;
- Fixed price energy services will be able to access sales channel agents on acceptable contract terms and expects gross profit to modestly decrease in 2010 and increase in 2011 due to entering the retail electricity and natural gas markets in northeastern U.S. offset in part by reduced customer aggregation estimates due to the exit of the B.C. residential natural gas market in 2010; and
- The commercial electricity market in Ontario is also expected to provide growth opportunities for the remainder of 2010 and into 2011.

In addition to the significant assumptions detailed above, refer to the section "Risk Factors to Superior" for a detailed review of significant business risks affecting Energy Services' businesses.

Specialty Chemicals

Specialty Chemicals' condensed operating results for the three and nine months ended September 30, 2010 and 2009 are provided in the following table.

<i>(millions of dollars except per metric tonne (MT) amounts)</i>	Three months ended September 30,				Nine months ended September 30,			
	2010		2009		2010		2009	
	\$ per MT		\$ per MT		\$ per MT		\$ per MT	
Chemical Revenue ⁽¹⁾⁽²⁾	125.9	666	114.4	702	352.4	650	350.2	740
Chemical Cost of Sales ⁽¹⁾⁽²⁾	(69.7)	(369)	(64.4)	(395)	(191.9)	(354)	(186.5)	(394)
Chemical Gross Profit	56.2	297	50.0	307	160.5	296	163.7	346
Less: Cash operating and administrative costs ⁽¹⁾	(29.3)	(155)	(27.9)	(171)	(88.7)	(164)	(89.3)	(189)
EBITDA from operations	26.9	142	22.1	136	71.8	132	74.4	157
Chemical volumes sold (thousands of MTs)	189		163		542		473	

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this management's discussion analysis related to derivative financial instruments, non-cash amortization and foreign currency translation losses/gains related to U.S.-denominated working capital. See Reconciliation of Divisional Segmented Revenue and Cost of Sales to EBITDA for detailed amounts.

(2) Certain reclassifications of prior period amounts have been made to conform to current year presentation. Specifically, for the three and nine months ended September 30, 2009 \$1.6 million and \$6.8 million have been reclassified to chemical revenue from technology revenue to provide comparative presentation of Specialty Chemicals revenue. Also for the three and nine months ended September 30, 2009 \$0.4 million and \$2.6 million have been reclassified to chemical cost of sales from technology cost of sales to provide comparative presentation of Specialty Chemicals cost of sales.

Chemical revenue for the third quarter of \$125.9 million was \$11.5 million or 10% higher than the prior year quarter primarily as a result of increased sodium chlorate and chloralkali/potassium sales volumes. Third quarter gross profit of \$56.2 million was \$6.2 million higher than the prior year quarter due principally to higher chloralkali/potassium gross profits offset in part by reduced sodium chlorate gross profits. Chloralkali/potassium gross profits were higher than the prior year quarter as a result of increased volumes due primarily to higher production capacity resulting from the Port Edwards expansion completed in the fourth quarter of 2009. Chloralkali/potassium sales volumes increased by 18,000

tonnes or 36% compared to the prior year quarter. Sales prices for chloralkali/potassium based products for the third quarter of 2010 decreased as compared to the prior year quarter which reflected higher pricing levels for potassium hydroxide in connection with higher potash raw material prices, the primary input cost in the production of potassium products. Sodium chlorate gross profits were lower than the prior year as increased sales volumes was more than offset by the depreciation of the U.S. dollar relative to the Canadian dollar on US-denominated sales and higher average electricity costs. Sodium chlorate sales volumes increased by 9,000 tonnes or 8% compared to the prior year quarter due principally to increased sales volumes in North America and Chile as result of increased market demand for pulp.

Cash operating and administrative costs of \$29.3 million were \$1.4 million or 5% higher than the prior year quarter due to higher plant operating costs as the prior year quarter benefited from reduced labour costs due to temporary production curtailments at ERCO's Valdosta, Georgia facility.

Outlook

Superior expects 2010 EBITDA from operations from its Specialty Chemicals business to be between \$95 million and \$105 million, consistent with the previous outlook provided in the second quarter Management's Discussion and Analysis. The 2011 EBITDA from operations outlook is expected to be between \$100 million and \$115 million, consistent with the previous outlook as provided in the second quarter Management's Discussion and Analysis except that the low end of the range for 2011 has been reduced by \$5 million. Significant assumptions underlying the current outlook are:

- Supply and demand fundamentals for sodium chlorate will be stronger than in 2009, resulting in increased sales volumes during 2010 and 2011. Pricing is expected to increase from current levels into 2011;
- Chloralkali revenues in 2010 are expected to be consistent with 2009 as the increase in production from the expansion of the Port Edwards project in the fourth quarter of 2009 is offset by weaker chloralkali pricing and the continued slow economic recovery. Chloralkali pricing and sales volumes are expected to strengthen in 2011 as market conditions continue to improve; and
- Average plant utilization will approximate 90% to 95% in 2010 and exceed 95% in 2011 reflecting improved utilization of the additional Port Edwards' capacity.

In addition to the significant assumptions detailed above, refer to the section "Risk Factors to Superior" for a detailed review of the significant business risks affecting Superior's Specialty Chemicals' segment.

Construction Products Distribution

Construction Products Distribution's condensed operating results for the three and nine months ended September 30, 2010 and 2009 are provided in the following table.

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Distribution and direct sales revenue ⁽¹⁾	190.2	100.5	536.8	292.8
Distribution and direct sales cost of sales	(142.4)	(73.6)	(408.4)	(217.2)
Distribution and direct sales gross profit	47.8	26.9	128.4	75.6
Less: Cash operating and administrative costs	(40.2)	(19.8)	(111.1)	(63.7)
EBITDA from operations	7.6	7.1	17.3	11.9

⁽¹⁾ In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this management's discussion analysis to present its results as if it had accounted for various transactions as accounting hedges. See Reconciliation of Divisional Segmented Revenue and Cost of Sales to EBITDA for detailed amounts.

Distribution and direct sales revenues of \$190.2 million for the third quarter of 2010 was \$89.7 million or 89% higher than the prior year quarter due primarily to the contribution from the acquisition of SPI and Burnaby Assets offset in part by lower selling prices. Distribution and direct sales gross profit of \$47.8 million in the third quarter was \$20.9 million or 77% higher than the prior year quarter, due principally to the contribution of the acquisition of SPI and Burnaby Assets, offset in part by lower percentage sales margins. Distribution drywall sales volumes, an indicator of overall distribution sales volumes, was consistent with the prior year quarter as market conditions remained challenging and new home residential housing starts have remained at historically low levels. Sales volumes in the commercial construction segment continue to be challenged by a difficult operating environment primarily in the U.S. which is currently

operating at or near record low levels. Percentage sales margins were lower than the prior year quarter as a result of competitive pressures and lower margin sales contribution from SPI. Cash operating and administrative costs of \$40.2 million were \$20.4 million or 103% higher than the prior year quarter due to the contribution of SPI, one time restructuring and integration costs of \$3.2 million offset in part by the impact of cost reduction programs and lower warehouse wages and fleet costs due to reduced sales volumes.

On June 28, 2010 Construction Products Distribution completed the acquisition of certain assets of a Western Canadian commercial and industrial insulation distributor (Burnaby Assets) for an aggregate purchase price of \$18.3 million including transaction related costs. The assets acquired consist of three operating branches in Alberta and British Columbia and allows Construction Products Distribution to expand its commercial and industrial distribution business in Canada.

Outlook

Superior expects Construction Products Distribution's EBITDA from operations for 2010 to be between \$18 million and \$25 million, increasing in 2011 to between \$25 million and \$40 million. Construction Products Distribution's previous outlook as provided in the second quarter Management's Discussion and Analysis was between \$25 million to \$35 million for 2010 and between \$30 million to \$40 million for 2011. The reduction in Construction Products Distribution's 2010 and 2011 outlooks is due to restructuring costs incurred to date, continued weak commercial market and slower than anticipated recovery in residential markets. Significant assumptions underlying its current outlook are:

- Sales volumes compared to 2009 are expected to be consistent in 2010 and start to grow in 2011 as suggested by positive leading indicators in new home residential activity in Canada. In the U.S., the recovery in the residential housing markets appears stalled and it is unclear when a sustained recovery will begin;
- Sales margins compared to 2009 are expected to decrease slightly due to on going competitive pressures and impact of the slower than expected economic recovery; and
- Sales volumes for industrial insulation and commercial products in 2010 will be lower due to reduced commercial and industrial activity compared to the prior year. Sales volumes for both industrial insulation and commercial products are expected to modestly increase in 2011 as these markets begin to recover.

In addition to the Construction Products Distribution segment's significant assumptions detailed above, refer to the section "Risk Factors to Superior" for a detailed review of the significant business risks affecting Superior's Construction Products Distribution segment.

Consolidated Capital Expenditure Summary

<i>(millions of dollars)</i>	Three months ended		Nine months ended	
	2010	September 30, 2009	2010	September 30, 2009
Efficiency, process improvement and growth related	1.1	5.0	13.2	17.9
Other capital	4.2	2.6	8.8	5.9
Port Edwards conversion project	–	31.1	–	87.3
	5.3	38.7	22.0	111.1
Acquisition of Griffith	0.1	–	147.4	–
Acquisition of Burnaby Assets	–	–	18.3	–
Acquisition of SPI ⁽¹⁾	–	141.8	–	141.8
Acquisition of Heating oil assets	–	96.1	–	96.1
Other acquisitions	–	0.7	0.3	0.7
Earn-out payment on prior acquisition	–	–	–	0.6
Proceeds on disposition of capital	(0.7)	(1.0)	(2.5)	(3.9)
Total net capital expenditures	4.7	276.3	185.5	346.4

⁽¹⁾ Includes the issuance of \$32.6 million of common shares that were issued by way of private placement.

Efficiency, process improvement and growth related expenditures were \$1.1 million in the third quarter compared to \$5.0 million in the prior year quarter. Efficiency, process improvement and growth related expenditures were incurred primarily in relation to Specialty Chemicals' various efficiency projects, and Construction Products Distributions' system conversion. Other capital expenditures were \$4.2 million in the third quarter compared to \$2.6 million in the

prior year quarter, consisting primarily of required maintenance and general capital across all of Superior's segments. Proceeds on the disposal of capital were \$0.7 million in the third quarter and consisted of Superior's disposition of surplus tanks and cylinders.

Corporate and Interest Costs

Corporate costs for the third quarter were \$0.4 million (net of \$2.8 million in realized gains on foreign exchange contracts) compared to \$3.8 million in the prior year quarter. Corporate costs were impacted by reduced employee incentive compensation and professional and consulting costs. During the third quarter Superior settlement of foreign currency forward contracts for realized gains of \$2.8 million which also reduced corporate costs.

Interest expense on revolving term bank credits and term loans for the third quarter was \$10.3 million, an increase of \$4.4 million from the prior year quarter. The increase in interest costs was primarily due to the impact of higher average debt levels associated with the acquisition of Griffith and other acquisitions completed in 2009, higher net working capital, modestly higher interest rates and the higher interest costs associated with the issuance of 8.25% senior unsecured debentures on October 27, 2009. The increase in interest costs was partially offset by depreciation of the US dollar relative to the Canadian dollar on US-denominated interest. See "Liquidity and Capital Resources" discussion for further details on the change in average debt levels.

Interest on Superior's convertible unsecured subordinated debentures ("Debentures" which includes all series of convertible unsecured subordinated debentures) was \$7.6 million for the third quarter of 2010, \$3.4 million higher than the prior year quarter of \$4.2 million. The increase in debenture interest is primarily due to the issuance of \$69.0 million, 7.50% convertible debentures on August 28, 2009, issued in part to partially finance the acquisition of SPI and the U.S. refined fuels assets. The issuance of \$172.5 million, 5.75% convertible debentures on March 25, 2010 also contributed to higher debenture interest costs as compared to the prior year quarter.

Taxation

Total income tax recovery for the third quarter was \$0.9 million, and consists of \$0.6 million in cash income tax expense and \$1.5 million in future income tax recovery, compared to a total income tax expense of \$5.0 million in the prior year quarter, which consisted of \$0.9 million in cash income tax recovery and a \$5.9 million future income tax expense.

Cash income and withholding taxes for the third quarter was \$0.6 million and consisted of capital taxes of \$0.1 million and income tax expense in the U.S. of \$0.5 million (2009 Q3 - \$1.3 million of U.S. cash tax recovery and capital taxes and withholding taxes of \$0.4 million). The increase in U.S. cash income taxes was primarily due to an increase in U.S. based taxable income due to the acquisitions completed in 2009 and 2010. Future income tax recovery for the third quarter was \$1.5 million (2009 Q3 - \$5.9 million future income tax expense), resulting in a corresponding net future income tax asset of \$175.3 million and a net deferred credit of \$254.6 million as at September 30, 2010. Future income taxes for the third quarter were impacted by the tax basis benefit associated with the start-up of the Port Edwards facility in the prior year, the impact of unrealized losses on derivative financial instruments and the excess of accounting claims over the utilization of tax pools.

Consolidated Outlook

Superior expects adjusted cash flow from operations for 2010 to be between \$1.30 and \$1.50 per share and for 2011 to be between \$1.75 and \$2.00 per share. Superior's previous outlook as provided in the 2010 second quarter Management's Discussion and Analysis for 2010 was between \$1.50 and \$1.65 per share and for 2011 was between \$1.85 and \$2.05 per share. The reduction in adjusted cash flow per share for 2010 is primarily related to lower than expected year to date results due to warm weather, competitive pressures, restructuring costs and a slower than expected economic recovery forecast for the remainder of the year. The reduction in the 2011 outlook is primarily related to continued weakness in commercial activity in the U.S. which has reduced the outlook for the Construction Products Distribution segment and a slower than anticipated economic recovery. Superior's consolidated adjusted operating cash flow outlook is predominantly dependent on the operating results of its three operating segments. See the discussion of operating results by segment for additional details on Superior's 2010 and 2011 guidance. In addition to the operating results of Superior's three operating segments, significant assumptions underlying Superior's current 2010 and 2011 outlook are:

- The slow economic recovery in Canada and the United States is expected to continue in 2010 and 2011;
- Superior continues to attract capital and obtain financing on acceptable terms;
- The foreign currency exchange rate between the Canadian and US dollar is expected to average par in 2010 and 2011 on all unhedged foreign currency transactions;
- Financial and physical counterparties continue to fulfill their obligations to Superior;
- Regulatory authorities do not impose any new regulations impacting Superior;
- Superior's average interest rate on floating-rate is expected to increase modestly throughout 2010 and 2011;
- The per share outlooks for 2010 and 2011 include the impact of Superior's dividend reinvestment program (DRIP) which was restarted effective the payment of the May 2010 dividend; and
- U.S. based cash taxes are expected to be minimal in 2010 as a result of the tax basis associated with the completion of the Port Edwards conversion and begin to increase in 2011 due to improved U.S. based results and lower tax basis. U.S. based cash taxes have been forecasted based on existing statutory income tax rates.

In addition to Superior's significant assumptions detailed above, refer to the section "Risk Factors to Superior" for a detailed review of Superior's significant business risks.

Liquidity and Capital Resources

Superior's revolving term bank credit (Credit Facility) and term loans before deferred financing fees, including \$82.6 million related to Superior's accounts receivable securitization program totaled \$683.6 million as at September 30, 2010, a decrease of \$54.5 million from December 31, 2009. The decrease in revolving term bank credits and terms loans is predominately due to the issuance of \$172.5 million in convertible debentures, the issuance of equity during the first and second quarters, offset in part by the acquisition of Griffith and Burnaby Assets along with higher net working capital requirements. The increase in net working capital levels is primarily due to lower payables associated with the Port Edwards conversion and higher than normal accounts receivables within the Canadian propane distribution business due to delayed invoicing associated with a system conversion. On June 25, 2010, Superior completed an extension of its Credit Facility with ten lenders and reduced the facility from \$600 million to \$450 million. The Credit Facility matures on June 28, 2013 and can be expanded up to \$750 million. See "Summary of Cash Flows" for a complete summary of Superior's sources and uses of cash.

As at September 30, 2010, Debentures before deferred issue costs issued by Superior totaled \$489.5 million, which is \$172.8 million higher than the balance as at December 31, 2009. The increase in Debentures is due to the issuance of \$172.5 million in 5.75% convertible unsecured subordinated debentures during the first quarter. The 5.75% debentures mature June 30, 2017. See Note 8 to the unaudited Interim Consolidated Financial Statements for additional details on Superior's Debentures.

As at September 30, 2010, approximately \$135.9 million was available under the Credit Facility and accounts receivable securitization program, which Superior considers sufficient to meet its net working capital funding requirements and expected capital expenditures.

Consolidated net working capital was \$210.6 million as at September 30, 2010, an increase of \$26.8 million from net working capital of \$183.8 million as at December 31, 2009. The increase in net working capital was primarily due to the working capital associated with the acquisition of Griffith and delayed invoicing associated with a system conversion within the Canadian propane distribution business offset in part by the seasonal reduction in working capital levels within the Energy Services segment. Higher net working capital levels at Specialty Chemicals were impacted by lower payables associated with the Port Edwards conversion when compared to the prior year quarter. Superior's net working capital requirements are financed from revolving term bank credit facilities and by proceeds raised from a trade accounts receivable sales program.

In May 2010, Superior reestablished its Dividend Reinvestment Program and Optional Share Purchase Plan (DRIP), commencing with the payment of the May 2010 dividend. The DRIP provides Shareholders with the opportunity to reinvest their cash dividends at a 5% discount to the market price of Superior's shares. Proceeds received from the DRIP were \$6.9 million for the three months ended September 30, 2010 and \$8.4 million for the nine months ended September 30, 2010.

On January 27, 2010, Superior and its subsidiaries, Superior LP and Superior Plus U.S. Holdings Inc., completed an expansion of the Credit Facility from \$570 million to \$600 million. The Credit Facility was subsequently reduced to \$450 million on June 25, 2010, as noted above. In addition, certain debt definitions used in the calculation of Superior's financial covenant ratios in the Credit Facility have been amended, together with corresponding amendments to the related financial covenant ratios. The previous consolidated senior debt coverage ratio requirement has been replaced with a Consolidated Secured Debt (as defined in the Credit Facility) coverage ratio requirement. The new definition of Consolidated Secured Debt under the Credit Facility excludes the \$150 million of senior unsecured debentures of Superior Plus LP issued on October 27, 2009, which are included in the calculation of Consolidated Debt for the purposes of the Consolidated Debt coverage ratio requirement. As a result of the new definition of Consolidated Secured Debt, Superior must maintain a Consolidated Secured Debt to compliance EBITDA ratio of not more than 3.0 to 1.0 compared to the previous senior debt to compliance EBITDA ratio which was 3.5 to 1.0. Superior's Consolidated Debt, excluding convertible unsecured subordinated debentures, to compliance EBITDA coverage ratio requirement for compliance purposes is unchanged at not more than 5.0 to 1.0. Effective March 25, 2010, Superior and Superior LP, amended certain financial covenant ratios in its U.S. Note Purchase Agreement dated October 29, 2003 (Note Agreement) to make them consistent with the financial covenant ratios under its existing Credit Facility other than the exclusion of any borrowings from the accounts receivable securitization program from the calculation of Consolidated Secured Debt for purposes of the Consolidated Secured Debt to compliance EBITDA ratio calculation.

At September 30, 2010, the Consolidated Secured Debt to compliance EBITDA ratio when calculated in accordance with Superior's Credit Facility was 2.4 times to 1.0 (December 31, 2009 – 2.2 times) and the Consolidated Debt to compliance EBITDA ratio when calculated in accordance with Superior's Credit Facility was 3.0 times to 1.0 (December 31, 2009 – 2.8 times). As noted above the Consolidated Debt to compliance EBITDA for purposes of Superior's covenants does not include the Debentures. These ratios are within the requirements contained in Superior's debt covenants, which restrict its ability to pay dividends. In accordance with Superior's Credit Facility, Superior must maintain a Consolidated Secured Debt to compliance EBITDA ratio of not more than 3.0 to 1.0 and not more than 3.5 to 1.0 as a result of acquisitions. In addition, Superior must maintain a Consolidated Debt to compliance EBITDA ratio of not more than 5.0 to 1.0, excluding convertible unsecured subordinated debentures. Distributions (including payments to Debenture holders) cannot exceed compliance EBITDA less cash income taxes, plus \$35.0 million on a trailing twelve month rolling basis.

Superior has entered into an agreement to sell, with limited recourse, certain accounts receivable on a 30-day revolving basis to an entity sponsored by a Canadian chartered bank to finance a portion of its working capital requirements, which represents an off-balance sheet obligation. The receivables are sold at a discount to face value based on prevailing money market rates. As at September 30, 2010, proceeds of \$82.6 million (December 31, 2009 – \$92.7 million) had been raised from this program and were used to repay revolving term bank credits. (See Note 5 to the unaudited Interim Consolidated Financial Statements). Superior is able to adjust the size of the sales program on a seasonal basis in order to match the fluctuations of its accounts receivable funding requirements. This program requires Superior to maintain a minimum secured credit rating of BB. Also Superior is required to maintain certain collection performance standards and due to accounts receivable collection issues associated with a system conversion at Energy Services those performance standards were not met as at September 30, 2010. Superior has received a waiver related to collection performance standards from the accounts receivable securitization lenders and expects the issue to be resolved in due course. Superior's liquidity is not expected to be impacted by the collections issue and credit capacity is considered sufficient to meet net working capital and expected capital expenditure funding requirements. Effective July 2, 2010, Superior extended the maturity of its accounts receivable securitization program until June 29, 2011.

On January 20, 2010, DBRS confirmed Superior LP's senior secured notes and senior unsecured debenture ratings at BBB(low) and BB(high), respectively, both with stable trends. On July 29, 2010, Standard and Poor's confirmed Superior LP's senior secured long-term debt credit rating at BBB- and its senior unsecured rating at BB-, Superior's corporate credit rating was revised to BB (stable) from BB+(negative watch). On September 9, 2010, DBRS confirmed Superior LP's senior secured long-term debt credit rating at BBB(low) and its senior unsecured rating at BB(high), but changed the trend of both from stable to negative.

At September 30, 2010, Superior had an estimated defined benefit pension solvency deficiency of approximately \$27 million and going concern solvency deficiency of approximately \$16 million. Funding requirements required by

applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions used in Superior's financial statements. Superior has sufficient liquidity through existing revolving term bank credits and anticipated future operating cash flow to fund this deficiency over the prescribed funding period.

In the normal course of business, Superior is subject to lawsuits and claims. Superior believes the resolution of these matters will not have a material adverse effect, individually or in the aggregate, on Superior's liquidity, consolidated financial position or results of operations. Superior records costs as they are incurred or when they become determinable.

Shareholders' Capital

The weighted average number of shares outstanding during the third quarter was 106.6 million shares, an increase of 17.9 million shares compared to the prior year quarter due to the issuance of 11,695,502 common shares over the past twelve months and the weighted average number of shares outstanding impact. The following table provides a detailed breakdown of the common shares issued over the last twelve months:

	Closing Date	Issuance Price per Share	Issued Number of Common Shares (Millions)
As at September 30, 2009			95.2
Issuance of common shares upon closing of the over-allotment option associated with the September 23, 2009 offering	October 8, 2009	\$11.35	0.6
Issuance of common shares to partially finance the acquisition of Griffith CH U.S. refined fuels assets	November 26, 2009	\$12.00	4.1
Issuance of common shares to partially finance the acquisition of Griffith Holdings Inc.	February 10, 2010	\$13.85	5.0
Issuance of common shares to partially finance the acquisition of Burnaby Assets	June 28, 2010	\$13.27	1.2
Issuance of common shares under Superior's dividend reinvestment plan	June 15, 2010 through September 15, 2010	\$12.05	0.7
As at September 30, 2010			106.8

As at November 2, 2010, September 30, 2010, and December 31, 2009, the following shares and securities convertible into shares were outstanding:

(millions)	November 2, 2010		September 30, 2010		December 31, 2009	
	Convertible Securities	Shares	Convertible Securities	Shares	Convertible Securities	Shares
Common shares outstanding		107.1		106.8		99.9
5.75% Debentures (convertible at \$36.00 per share)	\$174.9	4.9	\$174.9	4.9	\$174.9	4.9
5.85% Debentures (convertible at \$31.25 per share)	\$75.0	2.4	\$75.0	2.4	\$75.0	2.4
7.50% Debentures (convertible at \$13.10 per share)	\$69.0	5.3	\$69.0	5.3	\$69.0	5.3
5.75% Debentures (convertible at \$19.00 per share)	\$172.5	9.1	\$172.5	9.1	-	-
Shares outstanding, and issuable upon conversion of debentures		128.8		128.5		112.5

Dividends Paid to Shareholders

Superior's dividends to its shareholders are dependent on its cash flow from operating activities with consideration for changes in working capital requirements, investing activities and financing activities of Superior. See "Summary of Adjusted Operating Cash Flow" on page 6 and "Summary of Cash Flows" on page 18 for additional details on the sources and uses of Superior's cash flow.

Dividends declared to shareholders in the third quarter were \$43.1 million (before DRIP proceeds of \$6.9 million) or \$0.405 per share, an increase of \$6.4 million as compared to the third quarter of 2009 due to the issuance of common shares over the last twelve months. Superior's current monthly dividend is \$0.135 per share (\$1.62 on an annualized basis). Dividends to shareholders are declared at the discretion of Superior.

Superior's primary sources and uses of cash have been detailed in the table below:

Summary of Cash Flows ⁽¹⁾

<i>(millions of dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Cash flows (outflows) from operating activities	(4.1)	30.0	77.7	188.7
Investing activities:				
Purchase of property, plant and equipment ⁽²⁾	(5.3)	(38.7)	(22.0)	(111.1)
Proceeds on disposal of property, plant and equipment	0.7	1.0	2.5	3.9
Acquisition of Griffith	(0.1)	–	(147.4)	–
Acquisition of SPI ⁽¹⁾	–	(109.2)	–	(109.2)
Acquisition of Heating Oil assets	–	(96.1)	–	(96.1)
Other acquisitions	–	(0.7)	(18.6)	(0.7)
Earn-out payment on prior acquisition	–	–	–	(0.6)
Cash flows used in investing activities	(4.7)	(243.7)	(185.5)	(313.8)
Financing activities:				
Dividends paid to shareholders	(43.1)	(36.7)	(127.7)	(108.3)
Proceeds from distribution reinvestment program	6.9	–	8.4	–
Revolving term bank credits and term loans	33.0	160.4	(40.6)	137.4
Issuance of 5.75% convertible debentures	–	–	165.6	–
Issuance of 7.50% convertible debentures	–	65.8	–	65.8
Issuance of common shares	–	43.0	82.5	43.0
Realized gain on derivative financial instruments	–	1.4	–	7.7
Net proceeds of accounts receivable securitization program	(2.8)	(19.1)	(10.1)	(33.2)
Other	7.6	4.9	8.5	16.9
Cash flows from (used in) financing activities	1.6	219.7	86.6	129.3
Effect of translation of foreign denominated cash and cash equivalents	(0.2)	(0.7)	0.1	(1.0)
Net increase (decrease) in cash	(7.4)	5.3	(21.1)	3.2
Cash beginning of period	10.6	14.0	24.3	16.1
Cash end of period	3.2	19.3	3.2	19.3

⁽¹⁾ See the unaudited Consolidated Statements of Cash Flows for additional details.

⁽²⁾ See "Consolidated Capital Expenditure Summary" for additional details.

Financial Instruments – Risk Management

Derivative and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior's policy is not to use derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges, as a result, Superior does not apply hedge accounting and is required to designate its derivatives and non-financial derivatives as held for trading.

Effective 2008, Energy Services entered into natural gas financial swaps primarily with Macquarie Cook Energy Canada Ltd. (formerly, Constellation Energy Commodities Group Inc.) for distributor billed natural gas business in Canada to manage its economic exposure of providing fixed-price natural gas to its customers. Additionally, Energy Services maintains its natural gas swap positions with seven additional counterparties. Energy Services monitors its fixed-price natural gas positions on a daily basis to evaluate compliance with established risk management policies. Superior maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

Energy Services entered into electricity financial swaps with three counterparties to manage the economic exposure of providing fixed-price electricity to its customers. Energy Services monitors its fixed-price electricity positions on a daily basis to evaluate compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price electricity position in relation to its customer supply commitments.

Energy Services entered into various propane forward purchase and sale agreements with more than twenty counterparties to manage the economic exposure of its wholesale customer supply contracts. Energy Services monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price propane gas position in relation to its wholesale customer supply commitments.

Specialty Chemicals has entered into fixed-price electricity purchase agreements to manage the economic exposure of certain of its chemical facilities to changes in the market price of electricity, in markets where the price of electricity is not fixed. Substantially all of the fair value with respect to these agreements is with a single counterparty.

Superior, on behalf of its operating divisions, entered into foreign currency forward contracts with twelve counterparties to manage the economic exposure of Superior's operations to movements in foreign currency exchange rates. Energy Services contracts a portion of its fixed-price natural gas, propane and heating oil purchases and sales in US dollars and enters into forward US dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Specialty Chemicals enters into US dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in US dollars. Interest expense on Superior's US dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

As at September 30, 2010, Energy Services had hedged approximately 81% of its US dollar natural gas and propane purchase (sales) obligations for 2010 and over 100% for 2011 and had hedged approximately 63% and 100% of its estimated US dollar exposure for the remainder of 2010 and 2011. Specialty Chemicals had hedged approximately 77% and 68% of its estimated US dollar exposure for the remainder of 2010 and 2011. Construction Products Distribution had hedged in excess of 89% of its estimated US dollar exposure for the remainder of 2010 and 83% for 2011. The estimated sensitivity on adjusted operating cash flow for Superior, including divisional US exposures and the impact on US-denominated debt with respect to a \$0.01 change in the Canadian to United States exchange rate for 2010 is \$0.1 million and 2011 is \$0.4 million, respectively after giving effect to United States forward contracts for 2010 and 2011, as shown in the table below. Superior's sensitivities and guidance are based on an anticipated Canadian to USD foreign currency exchange rate for 2010 and 2011 of par.

(US\$ millions)	2010	2011	2012	2013	2014	2015 and Thereafter	Total
Energy Services – US\$ forward purchases ⁽¹⁾	(8.0)	(5.4)	–	–	–	–	(13.4)
Energy Services – US\$ forward sales	9.7	44.6	44.0	44.0	–	–	142.3
Construction Products Distribution – US\$ forward sales	5.9	18.0	24.0	24.0	–	–	71.9
Specialty Chemicals – US\$ forward sales	30.5	100.5	80.5	72.0	48.0	–	331.5
Net US \$ forward sales	38.1	157.7	148.5	140.0	48.0	–	532.3
Energy Services– Average US\$ forward purchase rate ⁽¹⁾	1.12	1.11	–	–	–	–	1.12
Energy Services – Average US\$ forward rate	1.06	1.05	1.06	1.06	–	–	1.06
Construction Products Distribution – Average US\$ forward sales rate	1.08	1.06	1.06	1.07	–	–	1.07
Specialty Chemicals – Average US\$ forward sales rate	1.08	1.14	1.08	1.07	1.07	–	1.09
Net average external US\$/Cdn\$ exchange rate	1.09	1.11	1.07	1.07	1.07	–	1.09
Specialty Chemicals – Euro forward sales	1.4	0.3	–	–	–	–	1.7
Specialty Chemicals – Average Euro forward sales rate	1.58	1.58	–	–	–	–	1.58

⁽¹⁾ Energy services is now sourcing its fixed-price natural gas requirements in Canadian dollars, as such, it will no longer be required to use United States dollar forward contracts to fix its Canadian dollar exposure.

Superior has interest rate swaps with four counterparties to manage the interest rate mix of its total debt portfolio and related overall cost of borrowing. Superior manages its overall liquidity risk in relation to its general funding

requirements by utilizing a mix of short-term and longer-term maturity debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an on-going basis to ensure it is able to meet its liquidity requirements.

Superior utilizes a variety of counterparties in relation to its derivative and non-financial derivative instruments in order to mitigate its counterparty risk. Superior assesses the credit worthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Energy Services and Construction Products Distribution deal with a large number of small customers, thereby reducing this risk. Specialty Chemicals, due to the nature of its operations, sells its products to a relatively small number of customers. Specialty Chemicals mitigates its customer credit risk by actively monitoring the overall credit worthiness of its customers. Energy Services fixed-price energy services business has minimal exposure to customer credit risk as local natural gas and electricity distribution utilities have been mandated, for a nominal fee, to provide invoicing, collection and the assumption of bad debts risk for residential and small commercial customers. Fixed-price energy services actively monitor the credit worthiness of its direct bill industrial customers. All of Superior's business segments have credit risk policies in place in order to minimize credit exposures.

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's third quarter Consolidated Financial Statements, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 11 to the unaudited Interim Consolidated Financial Statements.

Subsequent Event

On October 26, 2010, Superior acquired certain assets which make up a U.S. retail heating oil and propane distribution business (KW heating oil assets) from KW Oil & Propane (KW), for an aggregate purchase price of approximately US\$4.9 million before adjustments for working capital. The KW heating oil assets distribute a broad range of liquid fuels and propane gas and related services, serving markets in Pennsylvania. The acquisition was partially financed by deferred consideration of approximately US\$0.5 million and the remaining acquisition cost has been financed through borrowings from Superior existing revolving term bank credits and term loans.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

No changes have been made in Superior's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, Superior's internal controls over financial reporting in the quarter ended September 30, 2010.

During the second quarter, Superior's Canadian propane distribution business updated their JD Edwards enterprise system to the most recent version. While management has concluded that the change did not materially affect Superior's internal controls over financial reporting, a number of business issues have since been experienced as a result of the upgrade that has impacted working capital and customer communications. Benefits have been experienced in process efficiency and improved internal controls. The planning and execution of the system transition was overseen by senior management with involvement by the President and VP Finance of the businesses and the certifying officers.

Critical Accounting Policies and Estimates

Superior's unaudited Interim Consolidated Financial Statements have been prepared in accordance with GAAP. The significant accounting policies are described in the audited Consolidated Financial Statements, see Note 2 on pages 59 to 66 of the 2009 annual report. Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Our critical accounting estimates relate to the allowance for doubtful accounts, employee future benefits, future income tax assets and liabilities, the valuation of derivatives and non-financial derivatives and asset impairments and the assessment of potential asset retirement obligations.

Future Accounting Changes

International Financial Reporting Standards

The Accounting Standards Board of Canada (AcSB) has announced plans that will require the convergence of GAAP with International Financial Reporting Standards (IFRS) for publicly accountable enterprises, including Superior Plus

Corp. The changeover date from GAAP to IFRS is for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011.

During 2008, Superior formed an IFRS project team to develop an IFRS transition plan. Superior's approach was to assess and coordinate ongoing training requirements in conjunction with the development of a comprehensive diagnostic/planning document throughout the first, second and third quarters of 2009. Superior's diagnostic plan was substantially completed in the fourth quarter of 2009 and includes the assessment of differences between GAAP and IFRS, options available under IFRS, potential system requirements as a result of the adoption of IFRS, and the impact on internal controls and other business activities. Superior continues to execute its detailed IFRS transition plan which is on schedule.

The initial adoption of IFRS has required Superior to review each of its accounting policies and determine whether or not a change is required or permitted under IFRS and whether any amended policy is required to be applied on a retrospective or prospective basis. This review was performed in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards* which provides guidance for initial adoption, policy choice option and exemptions available.

The table below summarizes some of the choices available concerning certain exemptions from retrospective application of IFRS standards at the time of changeover that are provided by IFRS 1. Superior intentions upon transition as at January 1, 2010 are summarized below:

Optional Exemption	Exemption and Intention
Business Combinations	Under this exemption, Superior may elect not to apply IFRS 3 <i>Business Combinations</i> retrospectively to prior business combinations. This standard may be applied prospectively from the date of the opening IFRS balance sheet. Superior intends to use this exemption upon transition to IFRS.
Fair value or revaluation as deemed cost	This exemption allows Superior to initially measure an item of property, plant and equipment upon transition to IFRS at fair value or a previous GAAP valuation method such as historical cost. Superior intends to utilize this exemption to the extent possible upon transition to IFRS.
Employee Benefits	This exemption permits Superior to reset the cumulative actuarial gains and losses to zero by recognizing the full amount in retained earnings of the opening IFRS balance sheet. Superior intends to use this exemption upon transition to IFRS. The financial statement impact upon transition to IFRS is an estimated decrease in the accrued pension asset of approximately \$20 million and an increase in opening deficit of approximately \$20 million.
Cumulative translation differences	This exemption permits Superior to reset the cumulative translation differences to zero by recognizing the full amount in retained earnings of the opening IFRS balance sheet. Superior intends to use this exemption upon transition to IFRS. The financial statement impact upon transition to IFRS is an estimated decrease in accumulated other comprehensive loss of approximately \$23 million and a decrease in opening deficit of approximately \$23 million.
Share-based payment transactions	A first time adopter is encouraged, but not required, to apply IFRS 2 to equity instruments that were granted after November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. Superior intends to apply this exemption upon transition to IFRS and will apply IFRS 2 on a prospective basis.
Leases	This exemption permits Superior to comply with IFRIC 4 <i>Determining whether an Arrangement contains a Lease</i> on a prospective basis to all outstanding arrangements as at the date of transition to IFRS. Superior intends to use this exemption upon transition to IFRS and will apply IFRIC 4 on a prospective basis.
Decommissioning liabilities included in the cost of property, plant and equipment	This exemption permits Superior not to comply with IFRIC 1 <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i> , which requires changes in a decommissioning, restoration or similar liability to be applied retrospectively and to be added to or deducted from the cost of the asset to which it relates. Superior intends to use this exemption upon transition to IFRS.

In addition to the optional exemptions under IFRS 1, Superior's applied the mandatory exceptions to retrospectively applying the following IFRS standards; Derecognizing of financial assets and financial liabilities, Hedge accounting, Estimates and Non-controlling interests.

At this time, Superior is able to reasonably estimate the impact that the adoption of IFRS may have on its opening January 1, 2010 IFRS balance sheet based on IFRS standards currently effective. Superior's assessments of the areas which are expected to have a significant impact upon adoption of IFRS are summarized in the table below but should not be viewed as an all-encompassing listing at this time.

Standards	Comparison between IFRS and GAAP	Findings	Estimated financial impact on Superior's January 1, 2010 opening IFRS balance sheet
IAS 16 <i>Property, plant and equipment</i>	<p>Componentization IFRS: Property, plant and equipment have to be recorded and amortized based on material components.</p> <p>GAAP: Component identification rules are less stringent.</p> <p>Major inspections and overhauls IFRS: Costs related to major inspections and overhauls required at regular intervals over the life of an item of property, plant and equipment are capitalized if the recognition criteria is met.</p> <p>GAAP: Only costs meeting the criteria to be classified as betterment are capitalized.</p>	<p>Componentization Superior has identified several new material component categories under IAS 16. This will result in reclassification of some property, plant and equipment into the new categories. This will result in changes to the useful lives of some components of property, plant and equipment.</p> <p>Major inspections and overhauls Superior has identified some major inspections and overhauls which meet the recognition criteria under IFRS. Superior retroactively applied IAS 16 to previously expensed major inspection and overhauls costs. This will result in the capitalization of previously expensed major inspection and overhauls costs.</p>	<p>Componentization The expected impact upon transition to IFRS is an estimated decrease in accumulated amortization of various property, plant and equipment components of approximately \$37 million and a decrease in opening deficit of approximately \$37 million.</p> <p>Major inspections and overhauls The expected impact upon transition to IFRS is an estimated net increase in property, plant and equipment of approximately \$32 million and a decrease in opening deficit of approximately \$32 million.</p>
IAS 39 <i>Derecognizing Financial Assets and Financial Liabilities</i>	<p>IFRS: Various criteria must be met in order for derecognizing financial assets and financial liabilities from the balance sheet.</p> <p>GAAP: Criteria for derecognizing financial assets and financial liabilities from the balance sheet are less stringent than IFRS.</p>	<p>Based on an analysis of IAS 39, Superior's accounts receivable securitization program would not qualify for derecognition. As such the related accounts receivable balances and obligation would also be recorded on the balance sheet.</p>	<p>The expected impact upon transition to IFRS is an estimated increase of approximately \$93 million to accounts receivable and an increase of approximately \$93 million to revolving term bank credits and term loans.</p>
IAS 17 <i>Leases</i>	<p>IFRS: The criteria for determining whether a lease is considered to be a finance (capital) or operating lease are based on a number of indicators however, quantitative thresholds are not offered as an indicator under GAAP.</p> <p>GAAP: The criteria for determining whether a lease is considered to be a finance (capital) lease or operating lease is based on a number of indicators and quantitative thresholds.</p>	<p>In applying IFRS, Superior has developed internal indicators for assessing the classification of leases under IFRS. As a result of these indicators, Superior will be classifying those leases meeting the criteria set out in IAS 17 as finance (capital) leases under IFRS. This will result in an increase in property, plant and equipment and associated lease obligations.</p>	<p>The expected impact upon transition to IFRS is an estimated increase in property, plant and equipment of between \$70 million and \$75 million. Also an increase in the lease obligations of between \$55 million and \$60 million are expected to be recognized upon transition.</p>
IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	<p>Post-closure remediation costs IFRS: Under IFRS, a provision for post-closure remediation costs may arise from either a legal or constructive obligation.</p> <p>GAAP: The only criteria relates to legal obligations.</p>	<p>Under IFRS, Superior will recognize a provision for post-closure remediation costs associated with Specialty Chemicals various plants. Currently under GAAP Superior does not have any provision for these costs in the Specialty Chemicals segment.</p>	<p>The expected impact upon transition to IFRS is an estimated net increase in property, plant and equipment of approximately \$4 million, an increase in liabilities of approximately \$6 million and an increase in opening deficit of approximately \$2 million.</p>

IAS 12 <i>Income Taxes</i>	<p>Deferred credit</p> <p>IFRS: Any amounts relating to deferred credits are recognized immediately in net earnings.</p> <p>GAAP: Recognition of deferred credits on the balance sheet are specifically addressed under Emerging Issues Committee (EIC) - 110 Accounting for Acquired Future Tax Benefits in Certain Purchase Transactions that are not Business Combinations. Under EIC – 110, any deferred credits are amortized into net earnings as the related assets are utilized.</p>	Based on an analysis of IAS 12, Superior will adjust the deferred credit liability to zero upon transition to IFRS.	<p>The expected impact upon transition to IFRS is an estimated decrease to the deferred credit of approximately \$271 million and an increase to opening deficit of approximately \$271 million.</p> <p>Superior is still evaluating the qualitative and quantitative impact of IAS 12 and further adjustments may be required once completed.</p>
IAS 36 <i>Impairment of Assets</i>	<p>Reversing Impairment Losses</p> <p>IFRS: An impairment loss recognized in prior periods for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.</p> <p>GAAP: Impairment losses are not reversed.</p>	Superior has reviewed prior impairment of assets and determined that a reversal should be recognized. The impairment charged recognized in 2005 on Specialty Chemicals Valdosta facility will be reversed based on the estimated net book value of the related assets as at January 1, 2010.	The expected impact upon transition to IFRS is an estimated net increase to property, plant and equipment of approximately \$54 million and a decrease of approximately \$54 million to opening deficit.

Superior will continue to assess the impact of changes to International Financial Reporting Standards on the expected opening balance sheet adjustments summarized above. The actual adjustments recorded in Superior's opening balance sheet as at January 1, 2010 may differ significantly from these estimates and may include other areas Superior is still assessing at this time.

Quarterly Financial and Operating Information

(millions of dollars except per trust unit amounts)	2010 Quarters			2009 Quarters			2008 Quarters	
	Third	Second	First	Fourth	Third	Second	First	Fourth
Canadian propane sales volumes (millions of litres)	234	249	380	373	224	249	431	390
U.S. refined fuels sales volumes (millions of litres)	331	403	469	153	–	–	–	–
Natural gas sales volumes (millions of GJs)	7	7	7	8	8	8	8	8
Electricity sales volumes (millions of kWh)	86	73	74	68	56	38	31	28
Chemical sales volumes (thousands of metric tonnes)	189	183	170	160	163	155	155	160
Gross profit	176.0	167.5	218.6	203.3	126.9	134.9	188.3	193.1
Net earnings (loss)	(4.0)	(18.6)	9.2	17.4	33.0	23.4	(5.5)	(19.9)
Per share, basic	\$(0.04)	\$(0.18)	\$0.09	\$0.17	\$0.37	\$0.26	\$(0.06)	\$(0.23)
Per share, diluted	\$(0.04)	\$(0.18)	\$0.09	\$0.17	\$0.37	\$0.26	\$(0.06)	\$(0.23)
Adjusted operating cash flow	20.5	5.1	54.7	64.4	19.3	18.9	61.3	65.0
Per share, basic and diluted	\$0.19	\$0.05	\$0.53	\$0.65	\$0.22	\$0.21	\$0.69	\$0.74
Net working capital ⁽¹⁾	210.6	201.3	138.9	183.8	132.0	72.0	83.7	152.2

⁽¹⁾ Net working capital reflects amounts as at the quarter end and is comprised of cash and cash equivalents, accounts receivable and inventories, less bank indebtedness, accounts payable and accrued liabilities, current portion of term loans and dividends and interest payable to shareholders and debentureholders.

Non-GAAP Financial Measures

Adjusted Operating Cash Flow

Adjusted operating cash flow is equal to cash flow from operating activities as defined by GAAP, adjusted for changes in non-cash working capital and customer contract related costs. Superior may deduct or include additional items to its calculation of adjusted operating cash flow; these items would generally, but not necessarily, be items of a non-recurring nature. Adjusted operating cash flow is the main performance measure used by management and investors to evaluate

the performance of Superior. Readers are cautioned that adjusted operating cash flow is not a defined performance measure under GAAP and that adjusted operating cash flow cannot be assured. Superior's calculation of adjusted operating cash flow may differ from similar calculations used by comparable entities. Adjusted operating cash flow represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities of Superior.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized adjusted operating cash flow. Adjustments recorded by Superior as part of its calculation of adjusted operating cash flow include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Services segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expense, which can differ significantly from quarter to quarter. Adjustments are also made to reclassify the cash flows related to natural gas and electricity customer contract related costs in a manner consistent with the income statement recognition of these costs. Adjusted operating cash flow is reconciled to cash flow from operating activities on page 7.

EBITDA

EBITDA represents earnings before interest, taxes, depreciation, amortization and other non-cash expenses, and is used by Superior to assess its consolidated results and the results of its operating segments. EBITDA is not a defined performance measure under GAAP. Superior's calculation of EBITDA may differ from similar calculations used by comparable entities. EBITDA of Superior's operating segments may be referred to as EBITDA from operations. Net earnings are reconciled to EBITDA from operations on page 25.

Compliance EBITDA

Compliance EBITDA represents earnings before interest, taxes, depreciation, amortization and other non-cash expenses calculated on a 12 month trailing basis giving pro forma effect to acquisitions and divestitures and is used by Superior to calculate its debt covenants and other credit information. Compliance EBITDA is not a defined performance measure under GAAP. Superior's calculation of compliance EBITDA may differ from similar calculations used by comparable entities. See Note 13 to the unaudited Interim Consolidated Financial Statements for a reconciliation of net earnings (loss) to compliance EBITDA.

Reconciliation of Net Earnings (Loss) to EBITDA from Operations⁽¹⁾⁽²⁾

	Energy Services	Specialty Chemicals	Construction Products Distribution
For the three months ended September 30, 2010			
Net earnings (loss)	(26.2)	8.8	6.6
Add: Amortization of property, plant and equipment, intangible assets and accretion	12.4	1.1	1.0
Amortization included in cost of sales	–	11.8	–
Unrealized losses on derivative financial instruments	18.7	5.2	–
EBITDA from operations	4.9	26.9	7.6

	Energy Services	Specialty Chemicals	Construction Products Distribution
For the three months ended September 30, 2009			
Net earnings	11.0	1.0	6.0
Add: Amortization of property, plant and equipment, intangible assets and accretion	3.8	1.1	1.1
Amortization included in cost of sales	–	9.1	–
Energy Services non-cash pension expense	0.4	–	–
Unrealized (gains) losses on derivative financial instruments	(12.1)	10.9	–
EBITDA from operations	3.1	22.1	7.1

	Energy Services	Specialty Chemicals	Construction Products Distribution
For the nine months ended September 30, 2010			
Net earnings (loss)	(19.5)	26.9	10.4
Add: Amortization of property, plant and equipment, intangible assets and accretion	34.6	3.3	6.9
Amortization included in cost of sales	–	34.2	–
Unrealized losses on derivative financial instruments	36.7	7.4	–
EBITDA from operations	51.8	71.8	17.3

	Energy Services	Specialty Chemicals	Construction Products Distribution
For the nine months ended September 30, 2009			
Net earnings	18.5	15.8	8.6
Add: Amortization of property, plant and equipment, intangible assets and accretion	13.4	3.6	3.3
Amortization included in cost of sales	–	27.3	–
Energy Services non-cash pension expense	1.1	–	–
Unrealized losses on derivative financial instruments	24.0	27.7	–
EBITDA from operations	57.0	74.4	11.9

(1) See the unaudited Interim Consolidated Financial Statements for net earnings (loss), amortization of property, plant and equipment, intangible assets and accretion of convertible debenture issue costs, amortization included in cost of sale, non-cash pension expense, unrealized (gains) losses on derivative financial instruments and gain on disposal of facility.

(2) See “Non-GAAP Financial Measures” for additional details.

Reconciliation of Divisional Segmented Revenue, Cost of Sales and cash operating and administrative costs included in the Management's Discussion and Analysis

	For the three months ended September 30, 2010			For the three months ended September 30, 2009		
	Energy Services	Specialty Chemicals	Construction Products Distribution	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue	454.6	122.4	190.0	225.4	115.4	100.5
Realized foreign currency gains (losses)	(0.1)	3.4	0.2	(0.1)	(0.5)	–
Foreign currency gains (losses) related to working capital	–	0.1	–	0.1	(0.5)	–
Revenue per Management's Discussion and Analysis	454.5	125.9	190.2	225.4	114.4	100.5
Cost of goods sold	(348.0)	(80.7)	(142.4)	(133.9)	(73.8)	(73.6)
Realized foreign currency gains (losses)	(1.6)	–	–	(3.4)	–	–
Foreign currency gains (losses) related to working capital	–	–	–	0.2	–	–
Realized fixed price electricity gains (losses)	–	(0.8)	–	–	0.3	–
Realized gains (losses) on propane and heating oil purchase contracts	(0.1)	–	–	–	–	–
Natural gas commodity realized fixed price gains (losses)	(23.7)	–	–	(30.8)	–	–
Non-cash amortization	–	11.8	–	–	9.1	–
Cost of goods sold per Management's Discussion and Analysis	(373.4)	(69.7)	(142.4)	(167.9)	(64.4)	(73.6)
Gross profit	81.1	56.2	47.8	57.5	50.0	26.9
Cash operating and administrative costs	(76.2)	(29.2)	(40.2)	(54.5)	(28.4)	(19.8)
Non-cash pension expense	–	–	–	0.3	–	–
Reclassification of foreign currency (gains) and losses related to working capital	–	(0.1)	–	(0.2)	0.5	–
Cash operating and administrative costs per Management's Discussion and Analysis	(76.2)	(29.3)	(40.2)	(54.4)	(27.9)	(19.8)

	For the nine months ended September 30, 2010			For the nine months ended September 30, 2009		
	Energy Services	Specialty Chemicals	Construction Products Distribution	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue	1,636.0	348.0	536.0	847.0	359.4	292.8
Realized foreign currency gains (losses)	0.2	4.7	0.8	(1.0)	(7.3)	–
Foreign currency gains (losses) related to working capital	0.7	(0.3)	–	–	(1.9)	–
Revenue per Management’s Discussion and Analysis	1,636.9	352.4	536.8	846.0	350.2	292.8
Cost of goods sold	(1,264.7)	(226.3)	(408.4)	(537.6)	(214.2)	(217.2)
Realized foreign currency gains (losses)	(6.2)	–	–	(3.1)	–	–
Foreign currency gains (losses) related to working capital	–	–	–	0.9	–	–
Realized fixed price electricity gains (losses)	–	0.2	–	–	0.4	–
Realized gains (losses) on propane and heating oil purchase contracts	0.1	–	–	–	–	–
Natural gas commodity realized fixed price gains (losses)	(63.2)	–	–	(78.2)	–	–
Non-cash amortization	–	34.2	–	–	27.3	–
Cost of goods sold per Management’s Discussion and Analysis	(1,334.0)	(191.9)	(408.4)	(618.0)	(186.5)	(217.2)
Gross profit	302.9	160.5	128.4	228.0	163.7	75.6
Cash operating and administrative costs	(251.1)	(89.0)	(111.1)	(171.2)	(91.2)	(63.7)
Non-cash pension expense	–	–	–	1.1	–	–
Reclassification of foreign currency (gains) and losses related to working capital	–	0.3	–	(0.9)	1.9	–
Cash operating and administrative costs per Management’s Discussion and Analysis	(251.1)	(88.7)	(111.1)	(171.0)	(89.3)	(63.7)

Risk Factors to Superior

The risks factors and uncertainties detailed below are a summary of Superior’s assessment of its material risk factors as identified in Superior’s 2009 Annual Information Form under the heading “Risk Factors”. For a detailed discussion of these risks, see Superior’s 2009 Annual Information Form filed on the Canadian Securities Administrator’s website, www.sedar.com and Superior’s website, www.superiorplus.com.

Risks to Superior

Superior is entirely dependent upon the operations and assets of Superior LP. Superior’s ability to make dividend payments to shareholders is dependent upon the ability of Superior LP to make distributions on its outstanding limited partnership units as well as the operations and business of Superior LP.

Although Superior intends to distribute the income allocated from Superior LP, less the amount of its expenses, indebtedness and other obligations and less amounts, if any, Superior pays in connection with the redemption of common shares, there is no assurance regarding the amounts of cash to be distributed by Superior LP or generated by Superior LP and therefore funds available for dividends to shareholders. The actual amount distributed in respect of the limited partnership units will depend on a variety of factors including, without limitation, the performance of Superior LP’s operating businesses, the effect of acquisitions or dispositions on Superior LP, and other factors that may be beyond the control of Superior LP or Superior. In the event significant sustaining capital expenditures are required by Superior LP or the profitability of Superior LP declines, there would be a decrease in the amount of cash available for dividends to shareholders and such decrease could be material.

Superior’s dividend policy and the distribution policy of Superior LP are subject to change at the discretion of the board of directors of Superior or the board of directors of Superior General Partner Inc., as applicable. Superior’s dividend

policy and the distribution policy of Superior LP are also limited by contractual agreements including agreements with lenders to Superior and its affiliates and by restrictions under corporate law.

The credit facilities of Superior LP contain covenants that require Superior LP to meet certain financial tests and that restrict, among other things, the ability of Superior LP to incur additional debt, dispose of assets or pay dividends/distributions in certain circumstances. These restrictions may preclude Superior LP from returning capital or making distributions on the limited partnership units.

The payout by Superior LP of substantially all of its available cash flow means that capital expenditures to fund growth opportunities can only be made in the event that other sources of financing are available. Lack of access to such additional financing could limit the future growth of the business of Superior LP and, over time, have a material adverse effect on the amount of cash available for dividends to Shareholders.

To the extent that external sources of capital, including public and private markets, become limited or unavailable, Superior's and Superior LP's ability to make the necessary capital investments to maintain or expand the current business and to make necessary principal payments, uncertainties and assumptions under its term credit facilities may be impaired.

Superior maintains a substantial floating interest rate exposure through a combination of floating interest rate borrowings and the use of derivative instruments. Demand levels for a significant portion of Energy Services' sales and substantially all of Specialty Chemicals and Construction Products Distribution's sales are affected by general economic trends. Generally speaking, when the economy is strong, interest rates increase as does sales demand from Superior's customers, thereby increasing Superior's ability to pay higher interest costs and vice versa. In this way, there is a common relationship between economic activity levels, interest rates and Superior's ability to pay higher or lower rates.

A portion of Superior's net cash flows are denominated in US dollars. Accordingly, fluctuations in the Canadian/US dollar exchange rate can impact profitability. Superior attempts to mitigate this risk by hedging.

The timing and amount of capital expenditures incurred by Superior LP or by its subsidiaries will directly affect the amount of cash available to Superior for dividends to shareholders. Dividends may be reduced, or even eliminated, at times when significant capital expenditures are incurred or other unusual expenditures are made.

If the board of directors of Superior decides to issue additional common shares, preferred shares or securities convertible into common shares, existing shareholders may suffer significant dilution.

On December 31, 2008, the Superior completed a transaction with Ballard Power Systems Inc. (Ballard) which resulted in the conversion from a publicly traded income trust to a publicly traded corporation. Superior has, through the contractual provisions in the Arrangement Agreement, the Indemnity Agreement and the Divestiture Agreement, and through securing certain insurance coverage, attempted to ensure that the liabilities and obligations relating to the business of Ballard are transferred to and assumed by New Ballard, that Superior is released from any such obligations and, even where such transfer or release is not effective or is not obtained, Superior is indemnified by New Ballard for all such obligations. However, in the event New Ballard fails or is unable to meet such contractual obligations to Superior, Superior could be exposed to liabilities and risks associated with the operations of Ballard which include, without limitation, risks relating to claims with respect to intellectual property matters, product liability or environmental damages.

There can be no assurances that income tax laws in the numerous jurisdictions in which Superior operates will not be changed in a manner which adversely affects Superior and its shareholders. In addition, there can be no assurance that the Canadian Revenue Agency (or provincial tax agency), U.S. Internal Revenue Service (or a state or local tax agency), or the Chilean Internal Revenue Service (collectively the "Tax Agencies") will agree with how Superior calculates its income for tax purposes or that the various Tax Agencies will not change their administrative practices to the detriment of Superior or its Shareholders. In particular, there is the possibility that the Canada Revenue Agency could challenge the tax consequences of the Plan of Arrangement or prior Ballard transactions which could potentially affect the availability or amount of the tax basis or other tax accounts of Superior.

Risks to Superior's segments

Energy Services

Canadian Propane Distribution and U.S. Refined Fuels

Propane is sold in competition with other energy sources such as fuel oil, electricity and natural gas, along with alternative energy sources that are currently under development. In addition to competition from other energy sources, Superior competes with other retail marketers. Superior's ability to remain an industry leader depends on its ability to provide reliable service at competitive selling prices.

Competition in the U.S. Refined Fuels business markets generally occurs on a local basis between large full service, multi-state marketers and smaller local independent marketers. Although the industry has seen a continued trend of consolidation over the past several years, the top ten multi-state marketers still contribute only one-third of total retail sales in the United States. Marketers primarily compete based upon price and service and tend to operate in close proximity to customers, typically within a 35-mile marketing radius from a central depot, to lower delivery costs and provide prompt service.

Weather and general economic conditions affect propane and refined fuels market volumes. Weather influences the demand for propane and heating oil used primarily for space heating uses and also for agricultural applications.

The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Superior's sales. Further, increases in the cost of propane encourage customers to conserve fuel and to invest in more energy-efficient equipment, reducing demand. Changes in propane supply costs are normally passed through to customers, but timing lags (the time between when Superior purchases the propane and when the customer purchases the propane) may result in positive or negative gross margin fluctuations.

Superior offers its customers various fixed-price propane and heating oil programs. In order to mitigate the price risk from offering these services, Superior uses its physical inventory position, supplemented by forward commodity transactions with various third parties having terms and volumes substantially the same as its customers' contracts. In periods of high propane price volatility the fixed price programs create exposure to over or under supply positions as the demand from customers may significantly exceed or fall short of supply procured. In addition, if propane prices decline significantly subsequent to customers signing up for a fixed price program there is a risk that customers will default on their commitments.

Superior's operations are subject to the risks associated with handling, storing and transporting propane in bulk. Slight quantities of propane may also be released during transfer operations. To mitigate risks, Superior has established a comprehensive program directed at environmental, health and safety protection. This program consists of an environmental policy, codes of practice, periodic self-audits, employee training, quarterly and annual reporting and emergency prevention and response.

The U.S. Refined Fuels business, through a centralized safety and environment management system, ensures safety practices and regulatory compliance are an important part of its business. The storage and delivery of refined fuels poses the potential for spills which may impact the environment.

Superior's fuel distribution businesses are based and operate in Canada and the United States, and, as a result, such operations could be affected by changes to laws, rules or policies which may either be more favorable to competing energy sources or increase costs or otherwise negatively affect the operations of Energy Services in comparison to such competing energy sources. Any such changes could have an adverse effect on the operations of Energy Services.

Approximately 18% of Superior's propane and U.S. refined fuels distribution business's employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business.

Fixed-price energy services business

New entrants in the energy retailing business may enter the market and compete directly for the customer base that Superior targets, slowing or reducing its market share.

Fixed-price energy services purchases natural gas to meet its estimated commitments to its customers based upon their historical consumption. Depending on a number of factors, including weather, customer attrition and poor economic conditions affecting commercial customers' production levels, customers' combined natural gas consumption may vary from the volume purchased. This variance must be reconciled and settled at least annually and may require Superior to purchase or sell natural gas at market prices which may have an adverse impact on the results of this business. To mitigate balancing risk, Superior closely monitors its balancing position and takes measures such as adjusting gas deliveries and transferring gas between pools of customers, so that imbalances are minimized. In addition, Superior maintains a reserve for potential balancing costs. The reserve is reviewed on a monthly basis to ensure that it is sufficient to absorb any losses that might arise from balancing.

Fixed-price energy services matches its customers estimated electricity requirements by entering into electricity swaps in advance of acquiring customers. Depending on several factors, including weather, customers' energy consumption may vary from the volumes purchased by Superior. Superior is able to invoice existing commercial electricity customers for balancing charges when the amount of energy used is greater than or less than the tolerance levels set initially. In certain circumstances, there can be balancing issues for which Superior is responsible when customer aggregation forecasts are not realized.

Fixed-price energy services resources its fixed-price term natural gas sales commitments by entering into various physical natural gas and US dollar foreign exchange purchase contracts for similar terms and volumes to create an effective Canadian dollar fixed-price cost of supply. Superior transacts with nine financial and physical natural gas counterparties. There can be no assurance that any of these counterparties will not default on any of their obligations to Superior. However, the financial condition of each counterparty is evaluated and credit limits are established to minimize Superior's exposure to this risk. There is also a risk that supply commitments and foreign exchange positions may become unmatched; however, this is monitored daily in compliance with Superior's risk management policy.

Fixed-price energy services must retain qualified sales agents in order to properly execute its business strategy. The continued growth of fixed-price energy services is reliant on the services of agents to sign up new customers. There can be no assurance that competitive conditions will allow these agents to achieve these customer additions. Lack of success in the marketing programs of fixed-price energy services would limit future growth of cash flow.

Fixed-price energy services operates in the highly regulated energy industry in Ontario, British Columbia and Quebec. Changes to existing legislation could impact this business's operations. As part of the current regulatory framework, local delivery companies are mandated to perform certain services on behalf of fixed-price energy services, including invoicing, collection, assuming specific bad debt risks and storage and distribution of natural gas. Any elimination or changes to these rules could have a significant adverse effect on the results of this business.

On April 22, 2010, the Ontario legislature passed Bill 235, creating the Energy Consumer Protection Act (ECPA). The government has proposed new regulations supporting the ECPA that are targeted to come into force on January 1, 2011. The proposed regulations will require that contracts include expanded price and cancellation information with an opportunity to cancel without penalty within 30 days of the first bill; a separate disclosure form authorized by the consumer and a telephone reaffirmation by a third party between 10 and 30 days following authorization of the contract. Residential cancellation fees are capped at a flat amount and small commercial cancellation fees will be limited to a per unit rate versus a mark-to-market calculation. Marketers will be required to provide background checks, certain training standards and certification for sales agents. From a positive marketer perspective, natural gas contracts may be automatically renewed month-to-month with the existing rate.

Specialty Chemicals

Specialty Chemicals competes with sodium chlorate, chloralkali and potassium producers on a worldwide basis. Key competitive factors include price, product quality, logistics capability, reliability of supply, technical capability and service. The end-use markets for products are correlated to the general economic environment and the competitiveness of its customers, all of which are outside of its control.

Specialty Chemicals has long-term electricity contracts or electricity contracts that renew automatically with power producers in each of the jurisdictions where its plants are located. There is no assurance that Specialty Chemicals will continue to be able to secure adequate supplies of electricity at reasonable prices or on acceptable terms.

Potassium Chloride (KCl) is a major raw material used in the production of potassium hydroxide at the Port Edwards, Wisconsin facility. Substantially all of Specialty Chemicals KCl is received from Potash Corporation of Saskatchewan (Potash). Specialty Chemicals currently has a limited ability to source KCl from additional suppliers.

Specialty Chemicals is exposed to fluctuations in the US dollar and the euro to the Canadian dollar.

Specialty Chemicals operations involve the handling, production, transportation, treatment and disposal of materials that are classified as hazardous and are regulated by environmental and health and safety laws, regulations and requirements. The potential exists for the release of highly toxic and lethal substances, including chlorine. Equipment failure could result in damage to facilities, death or injury and liabilities to third parties. If at any time the appropriate regulatory authorities deem any of the facilities unsafe, they may order that such facilities be shut down.

Specialty Chemicals operations and activities in various jurisdictions require regulatory approvals for the handling, production, transportation and disposal of chemical products and waste substances. The failure to obtain or comply fully with such applicable regulatory approvals may materially adversely affect Specialty Chemicals.

Approximately 25% of Specialty Chemicals employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business.

Construction Products Distribution

Construction Products Distribution competes with other specialty distributors servicing the builder/contractor market, in addition to big-box home centres and independent lumber yards. The ability to remain competitive depends on its ability to provide reliable service at competitive prices.

Demand for walls and ceilings building materials is affected by changes in general and local economic factors including demographic trends, employment levels, interest rates, consumer confidence and overall economic growth. These factors in turn impact the level of existing housing sales, new home construction, new non-residential construction, and office/commercial space turnover, all of which are significant factors in the determination of demand for products and services.

The Commercial & Industrial Insulation (C&I) market is driven largely by C&I construction spending and economic growth. Sectors within the C&I market that are particularly influential to demand include commercial construction and renovation, construction or expansion of industrial process facilities, such as oil refineries and petrochemical plants, as well as institutional facilities (e.g. government, healthcare and schools).

Approximately 4% of Construction Products Distribution's employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business.

SUPERIOR PLUS CORP.
Consolidated Balance Sheets

(unaudited, millions of dollars)	September 30, 2010	December 31, 2009
Assets		
Current Assets		
Cash and cash equivalents	3.2	24.3
Accounts receivable and other (Note 5 and 11)	335.6	313.8
Inventories	163.1	145.7
Future income tax asset (Note 12)	57.4	59.0
Current portion of unrealized gains on derivative financial instruments (Note 11)	29.4	22.2
	588.7	565.0
Property, plant and equipment (Note 4)	705.4	668.0
Customer contract related costs	11.8	14.7
Intangible assets (Note 4)	177.0	165.3
Goodwill (Note 4)	570.8	528.4
Accrued pension asset	18.9	18.2
Long-term portion of notes receivable	4.3	-
Future income tax asset (Note 12)	184.8	165.7
Investment tax credits	117.4	120.2
Long-term portion of unrealized gains on derivative financial instruments (Note 11)	19.0	28.5
	2,398.1	2,274.0
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	266.0	279.9
Unearned revenue	7.3	6.6
Current portion of term loans (Note 7)	2.6	5.1
Dividends and interest payable to shareholders and debentureholders	22.7	14.2
Current portion of deferred credit (Note 12)	21.9	24.5
Future income tax liability (Note 12)	1.2	-
Current portion of unrealized losses on derivative financial instruments (Note 11)	91.3	77.8
	413.0	408.1
Revolving term bank credits and term loans (Note 7)	591.0	633.2
Convertible unsecured subordinated debentures (Note 8)	476.4	309.0
Employee future benefits (Note 10)	18.9	17.2
Asset retirement obligations and environmental liabilities (Note 9)	3.9	0.9
Future income tax liability (Note 12)	65.7	22.1
Deferred credit (Note 12)	232.7	246.4
Long-term portion of unrealized losses on derivative financial instruments (Note 11)	60.6	52.6
Total Liabilities	1,862.2	1,689.5
Shareholders' Equity		
Shareholders' capital (Note 13)	1,592.4	1,502.0
Contributed surplus (Note 13)	5.5	5.3
Deficit	(1,024.2)	(883.3)
Accumulated other comprehensive loss (Note 13)	(37.8)	(39.5)
	(1,062.0)	(922.8)
Total Shareholders' Equity	535.9	584.5
	2,398.1	2,274.0

(See Notes to the Unaudited Interim Consolidated Financial Statements)

SUPERIOR PLUS CORP.**Consolidated Statements of Net Earnings (Loss), Comprehensive Income (Loss) and Deficit**

(unaudited, millions of dollars except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenues	767.0	441.3	2,520.0	1,499.2
Cost of products sold	(571.1)	(281.3)	(1,899.4)	(969.0)
Realized losses on derivative financial instruments (Note 11)	(19.9)	(33.1)	(58.5)	(80.1)
Gross profit	176.0	126.9	562.1	450.1
Expenses				
Operating and administrative	148.8	106.5	462.1	336.5
Amortization of property, plant and equipment	11.3	4.6	28.5	15.9
Amortization of intangible assets	3.2	1.4	16.3	4.4
Interest on revolving term bank credits and term loans	10.3	5.9	32.4	17.8
Interest on convertible unsecured subordinated debentures	7.6	4.2	20.6	11.7
Accretion of convertible debenture issue costs and asset retirement obligations	0.9	0.2	1.9	0.8
Unrealized losses (gains) on derivative financial instruments (Note 11)	(1.2)	(33.9)	31.2	20.4
	180.9	88.9	593.0	407.5
Net earnings (loss) before income taxes	(4.9)	38.0	(30.9)	42.6
Income tax recovery (expense) (Note 12)	0.9	(5.0)	17.5	8.3
Net Earnings (Loss)	(4.0)	33.0	(13.4)	50.9
Net earnings (loss)	(4.0)	33.0	(13.4)	50.9
Other comprehensive income (loss):				
Unrealized foreign currency gains (losses) on translation of self-sustaining foreign operations	(16.6)	(18.9)	(7.5)	(27.9)
Reclassification of derivative gains (losses) previously deferred	4.6	1.5	9.2	(2.9)
Comprehensive Income (Loss)	(16.0)	15.6	(11.7)	20.1
Deficit, Beginning of Period	(977.3)	(857.1)	(883.3)	(803.4)
Impact from acquisition estimates (Note 4)	0.2	–	0.2	–
Net earnings (loss)	(4.0)	33.0	(13.4)	50.9
Dividends to Shareholders	(43.1)	(36.7)	(127.7)	(108.3)
Deficit, End of Period	(1,024.2)	(860.8)	(1,024.2)	(860.8)
Net earnings (loss) per share, basic and diluted (Note 14)	\$(0.04)	\$0.37	\$(0.13)	\$0.58

(See Notes to the Unaudited Interim Consolidated Financial Statements)

SUPERIOR PLUS CORP.
Consolidated Statements of Cash Flows

(unaudited, millions of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Operating Activities				
Net earnings (loss)	(4.0)	33.0	(13.4)	50.9
Items not affecting cash:				
Amortization of property, plant and equipment, intangible assets and accretion	15.4	6.2	46.7	21.1
Amortization of customer contract related costs	1.7	1.7	4.9	5.1
Amortization included in cost of sales	11.8	9.1	34.2	27.3
Pension expense	-	0.4	-	1.1
Unrealized losses (gains) on derivative financial instruments	(1.2)	(33.9)	31.2	20.4
Future income tax expense (recovery)	(1.5)	5.9	(18.4)	(13.6)
Customer contract related costs	(0.6)	(0.9)	(2.0)	(3.0)
Realized gain on derivative financial instruments	-	(1.4)	-	(7.7)
(Increase) decrease in non-cash operating working capital items	(25.7)	9.9	(5.5)	87.1
Cash flows from (used in) operating activities	(4.1)	30.0	77.7	188.7
Investing Activities				
Purchase of property, plant and equipment	(5.3)	(38.7)	(22.0)	(111.1)
Proceeds on disposal of property, plant and equipment	0.7	1.0	2.5	3.9
Acquisition of Griffith (Note 4)	(0.1)	-	(147.4)	-
Acquisition of SPI	-	(109.2)	-	(109.2)
Acquisition of Heating Oil assets	-	(96.1)	-	(96.1)
Other acquisitions (Note 4)	-	(0.7)	(18.6)	(0.7)
Earn-out payment on prior acquisition	-	-	-	(0.6)
Cash flows used in investing activities	(4.7)	(243.7)	(185.5)	(313.8)
Financing Activities				
Revolving term bank credits and term loans	33.0	160.4	(40.6)	137.4
Net repayment of accounts receivable sales program	(2.8)	(19.1)	(10.1)	(33.2)
Dividends to shareholders	(43.1)	(36.7)	(127.7)	(108.3)
Proceeds from distribution reinvestment program	6.9	-	8.4	-
Issuance of common shares (Note 13)	-	43.0	82.5	43.0
Issuance of 5.75% convertible debentures (Note 8)	-	-	165.6	-
Issuance of 7.50% convertible debentures (Note 8)	-	65.8	-	65.8
Realized gain on derivative financial instruments	-	1.4	-	7.7
Decrease in non-cash working capital	7.6	4.9	8.5	16.9
Cash flows from (used in) financing activities	1.6	219.7	86.6	129.3
Effect of translation of foreign denominated cash and cash equivalents	(0.2)	(0.7)	0.1	(1.0)
Net increase (decrease) in cash and cash equivalents	(7.4)	5.3	(21.1)	3.2
Cash and cash equivalents, Beginning of Period	10.6	14.0	24.3	16.1
Cash and cash equivalents, End of Period	3.2	19.3	3.2	19.3

(See Notes to the Unaudited Interim Consolidated Financial Statements)

Notes to Unaudited Interim Consolidated Financial Statements

(unaudited, tabular amounts in Canadian millions of dollars, unless noted otherwise, except per share amounts)

1. Organization

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. Superior holds 100% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc., as general partner and Superior as limited partner. Superior holds 100% of the shares of Superior General Partner Inc. Superior does not conduct active business operations but rather distributes to shareholders the income it receives from Superior Plus LP in the form of partnership allocations, net of expenses and interest payable on the convertible unsecured subordinated debentures (the debentures). Superior's investments in Superior Plus LP are financed by share capital and debentures.

Business Segments

Superior operates three distinct operating segments: Energy Services, Specialty Chemicals and Construction Products Distribution. Superior's Energy Services operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels. Energy Services also provides fixed-price natural gas and electricity supply services. Superior's Specialty Chemicals operating segment is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products to the U.S. Midwest. Superior's Construction Products Distribution operating segment is one of the largest distributors of commercial and industrial insulation in North America and the largest distributor of specialty construction products to the walls and ceilings industry in Canada. (Note 15)

2. Accounting Policies

(a) Basis of Presentation

The accompanying unaudited Interim Consolidated Financial Statements (Consolidated Financial Statements) have been prepared according to Canadian generally accepted accounting principles (GAAP), applied on a consistent basis, and includes the accounts of Superior and its wholly owned subsidiaries. These unaudited Consolidated Financial Statements do not conform in all respects to the note disclosure requirement of GAAP for annual financial statements as certain information and disclosures included in the annual financial statements notes have been condensed or omitted. These unaudited Consolidated Financial Statements and notes thereto should be read in conjunction with Superior's financial statements for the year ended December 31, 2009, and the accounting policies applied are consistent with this period. All significant transactions and balances between Superior and Superior's subsidiaries have been eliminated on consolidation.

(b) Future Accounting Changes

International Financial Reporting Standards

The Accounting Standards Board of Canada (AcSB) has announced plans that will require the convergence of GAAP with IFRS for publicly accountable enterprises, including Superior. The changeover date from GAAP to IFRS is for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011.

Business Combinations

In January 2009, the CICA issued section 1582, "Business Combinations," which will replace CICA section 1581 of the same name. Under this guidance, the purchase price used in a business combination is based on the fair value of shares exchanged at their market price at the date of the exchange. Currently the purchase price used is based on the market price of the shares for a reasonable period before and after the date the acquisition is agreed upon and announced. This new guidance generally requires all acquisition costs to be expensed, which currently are capitalized as part of the purchase price. Contingent liabilities are to be recognized at fair value at the acquisition date and re-measured at fair value through earnings each period until settled. Currently only contingent liabilities that are resolved and payable are included in the cost to acquire the business. In addition, negative goodwill is required to be recognized immediately in earnings, unlike the current requirement to eliminate it by deducting it from non current assets in the purchase price allocation. Section 1582 is effective for Superior on January 1, 2011 with prospective application and early adoption permitted. The adoption of this standard will impact the accounting treatment of future business combinations.

Consolidated Financial Statements

In January 2009, the CICA issued section 1601, "Consolidated Financial Statements," which will replace CICA section 1600 of the same name. This guidance requires uniform accounting policies to be consistent throughout all consolidated entities, which is not explicitly required under the current standard. Section 1601 is effective for Superior on January 1, 2011 with early adoption permitted. The adoption of this standard should not have a material impact on Superior's Consolidated Financial Statements.

Non-controlling Interests

In January 2009, the CICA issued section 1602, "Non-controlling Interests," which will replace CICA section 1600, "Consolidated Financial Statements." Minority interest is now referred to as non-controlling interest, (NCI), and is presented within equity. Under this new guidance, when there is a loss or gain of control the Company's previously held interest is revalued at fair value. Currently an increase in an investment is accounted for using the purchase method and a decrease in an investment is accounted for as a sale

resulting in a gain or loss in earnings. In addition, NCI may be reported at fair value or at the proportionate share of the fair value of the acquired net assets and allocation of the net income to the NCI will be on this basis. Currently, NCI is recorded at the carrying amount and can only be in a deficit position if the NCI has an obligation to fund the losses. Section 1602 is effective for Superior on January 1, 2011 with early adoption permitted. The adoption of this standard should not have a material impact on Superior's Consolidated Financial Statements.

3. Seasonality of Operations

Energy Services

Energy Services sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand from heating end-use customers. They then decline through the second and third quarters rising seasonally again in the fourth quarter with heating demand. Similarly, net working capital levels are typically at seasonally high levels during the first and fourth quarter, and normally decline to seasonally low levels in the second and third quarters. Net working capital levels are also significantly influenced by wholesale propane prices and other refined fuels.

Construction Products Distribution

Construction Products Distribution sales typically peak during the second and third quarters with the seasonal increase in building and remodeling activities. They then decline through the first and fourth quarters. Similarly, net working capital levels are typically at seasonally high levels during the second and third quarters, and normally decline to seasonally low levels in the first and fourth quarters.

4. Acquisitions

On June 28, 2010, Superior completed the acquisition of certain assets of a Western Canadian commercial and industrial insulation distributor (Burnaby Assets) for an aggregate purchase price of \$18.3 million, inclusive of transaction costs. The assets acquired consist of three operating branches in Alberta and British Columbia and allows Construction Products Distribution to expand its commercial and industrial distribution business in Canada.

On January 20, 2010, Superior completed its acquisition of the shares of Griffith Holdings, Inc. (Griffith) for an aggregate purchase price of \$147.3 million (US\$140.6 million), inclusive of working capital adjustments and transaction costs. Griffith is a retail and wholesale distributor of retail propane, heating oil and motor fuels in upstate New York.

On December 11, 2009, Superior acquired certain assets that comprise a retail heating oil, propane and motor fuels distribution business (Griffith CH U.S. refined fuels assets) from Griffith Energy Services, Inc. for an aggregate purchase price of \$82.5 million (US\$77.9 million) inclusive of transaction related costs. Griffith CH U.S. refined fuels assets distribute a broad range of liquid fuels and propane gas, serving markets in Connecticut, Pennsylvania and Rhode Island. In addition, Griffith CH U.S. refined fuels assets also provides a broad range of services, including heating, ventilation and air conditioning repair and other related services.

On September 30, 2009, Superior acquired certain assets which make up a US retail heating oil and propane distribution business (heating oil assets) from Sunoco, Inc. (R&M), and Sunoco, Inc. both Pennsylvania corporations, for an aggregate purchase price of \$96.1 million (US\$89.6 million), inclusive of transaction related costs. The heating oil assets distribute a broad range of liquid fuels and propane gas and related services, serving markets in Pennsylvania and New York.

On September 24, 2009, Superior acquired the shares of Specialty Products & Insulation Co. (SPI) for an aggregate purchase price of \$142.0 million (US\$130.5 million), inclusive of transaction related costs. SPI is a leading US national distributor of a comprehensive selection of insulation and architectural named brand products focused on the commercial and industrial markets.

Using the purchase method of accounting for acquisitions, Superior consolidated the assets and liabilities from the acquisitions and included earnings as of the respective closing dates. These acquisitions may require adjustments to the allocation of the assets and liabilities pending finalization. The purchase price allocation for Griffith CH has been included below due to additional transaction costs incurred, changes in net working capital and property, plant and equipment values since the acquisition closed on December 11, 2009.

2010

	Acquisition of Burnaby Assets	Acquisition of Griffith Holdings Inc.	TOTAL
Cash consideration paid	2.1	142.6	144.7
Transaction costs	0.2	4.8	5.0
Total cash consideration	2.3	147.4	149.7
Common shares issued to former owners of the Burnaby Assets	16.0	–	16.0
Total consideration	18.3	147.4	165.7
Working capital, net	8.5	32.7	41.2
Property, plant and equipment	0.5	83.2	83.7
Intangible assets	–	54.4	54.4
Goodwill	9.3	22.9	32.2
Assumed deferred consideration obligations	–	(0.6)	(0.6)
Future income tax liability	–	(41.6)	(41.6)
Asset retirement obligations and environmental liabilities	–	(3.6)	(3.6)
	18.3	147.4	165.7

The allocation of consideration paid for these acquisitions to intangibles is as follows;

	Acquisition of Burnaby Assets	Acquisition of Griffith Holdings Inc.	TOTAL
Trademarks	–	17.8	17.8
Customer base	–	33.5	33.5
Restrictive covenants and other assets	–	3.1	3.1
Total intangible assets	–	54.4	54.4

Additionally, during the first quarter of 2010, Construction Products Distribution acquired the assets of a small construction product distributor for consideration of \$0.3 million.

2009

	Acquisition of SPI ⁽¹⁾	Acquisition of Sunoco	Acquisition of Griffith CH	TOTAL
Cash consideration paid	106.9	91.6	79.6	278.1
Transaction costs	2.5	4.5	2.9	9.9
Total cash consideration	109.4	96.1	82.5	288.0
Common shares issued to former shareholders of SPI	32.6	–	–	32.6
Total consideration	142.0	96.1	82.5	320.6
Working capital, net	55.5	3.2	2.4	61.1
Property, plant and equipment	3.7	53.0	12.8	69.5
Intangible assets	21.0	40.2	63.5	124.7
Goodwill	58.6	0.5	3.9	63.0
Future income tax liability	3.2	–	–	3.2
Asset retirement obligations	–	(0.8)	(0.1)	(0.9)
	142.0	96.1	82.5	320.6

⁽¹⁾ The SPI purchase price allocation included in the above noted 2009 table was adjusted in the third quarter of 2010 due to the reclassification of previously recognized customer base fair value to goodwill of \$26.5 million, an adjustment to future income taxes of \$8.4 million and a reduction to goodwill of \$9.8 million as compared to the preliminary purchase equation as at September 30, 2009. A total adjustment to deficit of \$0.2 million was recorded in the third quarter of 2010 due to the amortization and future income taxes recorded in the fourth quarter of 2010 related to the original purchase equation. The reclassification was recorded due to changes in the accounting assumptions based on the facts and circumstances at date of acquisition utilized for the application of CICA issued section 1582, *Business Combinations*.

5. Accounts Receivable and Other

Superior sells, with limited recourse, certain trade accounts receivable on a revolving basis to an entity sponsored by a Canadian chartered bank. The accounts receivable are sold at a discount to face value based on prevailing money market rates. Superior has retained the servicing responsibility for the accounts receivable sold and has therefore recognized a servicing liability. The level of accounts receivable sold under the program fluctuates seasonally with the level of accounts receivable. As at September 30, 2010, proceeds of \$82.6 million (December 31, 2009 – \$92.7 million) had been received. Superior is required to maintain certain collection performance standards and due to accounts receivable collection issues associated with a system conversion at Energy Services those

performance standards are not met as at September 30, 2010. Superior has received a waiver related to collection performance standards from the accounts receivable securitization lenders and expects the issue to be resolved in due course. Superior's liquidity is not expected to be impacted by the collections issue and credit capacity is considered sufficient to meet net working capital and expected capital expenditure funding requirements. The existing accounts receivable securitization program matures on June 29, 2011.

	September 30, 2010	December 31, 2009
Accounts receivable trade	309.2	270.4
Accounts receivable other	8.6	22.0
Prepaid expenses	17.8	21.4
Accounts receivable and other	335.6	313.8

6. Inventories

For the three and nine months ended September 30, 2010 inventories of \$508.8 million (September 30, 2009 - \$262.0 million) and \$1,659.9 million (September 30, 2009 - \$833.7 million) were expensed through cost of products sold. No write-downs of inventory or reversals of write-downs were recorded during the three and nine months ended September 30, 2010 and 2009.

7. Revolving Term Bank Credits and Term Loans

	Year of Maturity	Effective Interest Rate	September 30, 2010	December 31, 2009
Revolving term bank credits ⁽¹⁾				
Bankers' Acceptances (BA)	2013	Floating BA rate plus applicable credit spread	153.6	174.6
LIBOR Loans (US\$130.0 million; 2009 – US\$145.5 million)	2013	Floating LIBOR rate plus applicable credit spread	133.8	152.4
			287.4	327.0
Other Debt				
Notes payable	2010	Prime	–	0.6
Deferred consideration		Non-interest bearing	–	2.4
Deferred consideration	2012-2015	Interest bearing 5% and 7%	0.9	–
			0.9	3.0
Senior Secured Notes				
Senior secured notes subject to fixed interest rates (US\$158.0 million; 2009 – US\$160.0 million) ⁽²⁾	2010-2015	6.65%	162.7	165.4
			162.7	165.4
Senior Unsecured Debentures				
Senior unsecured debentures	2016	8.25%	150.0	150.0
Total revolving term bank credits and term loans before deferred financing fees			601.0	645.4
Deferred financing fees			(7.4)	(7.1)
Revolving term bank credits and term loans			593.6	638.3
Current maturities			(2.6)	(5.1)
Revolving term bank credits and term loans			591.0	633.2

⁽¹⁾ Superior and its wholly-owned subsidiaries, Superior Plus US Holdings Inc. and Commercial e Industrial (Chile) Limitada, have revolving term bank credit borrowing capacity of \$450.0 million. The credit facilities mature on June 28, 2013. These facilities are secured by a general charge over the assets of Superior and certain of its subsidiaries. As at September 30, 2010, Superior had \$23.3 million of outstanding letters of credit (December 31, 2009 - \$19.4 million). The fair value of Superior's revolving term bank credits and other debt approximates its carrying value as a result of the market based interest rates and the short-term nature of the underlying debt instruments.

⁽²⁾ Senior secured notes (the Notes) totaling US\$158.0 million (Cdn\$162.7 million at September 30, 2010 and Cdn\$165.4 million at December 31, 2009) are secured by a general charge over the assets of Superior and certain of its subsidiaries. Principal repayments began in the fourth quarter of 2009. Management has estimated the fair value of the Notes based on comparisons to treasury instruments with similar maturities, interest rates and credit risk profiles. The estimated fair value of the Notes at September 30, 2010 was Cdn\$154.4 million (December 31, 2009 – Cdn\$161.5 million).

Repayment requirements of the revolving term bank credits and term loans are as follows:

Due in 2010	2.6
Due in 2011	33.3
Due in 2012	32.9
Due in 2013	320.4
Due in 2014	30.9
Due in 2015	30.9
Subsequent to 2015	150.0
Total	601.0

8. Convertible Unsecured Subordinated Debentures

Superior has issued four series of debentures as follows:

	December 31, 2012	October 31, 2015	December 31, 2014	June 30, 2017 ⁽¹⁾	Unamortized Discount	Total Carrying Value
Maturity Date						
Interest rate	5.75%	5.85%	7.50%	5.75%		
Conversion price per share	\$36.00	\$31.25	\$13.10	\$19.00		
Debentures outstanding at December 31, 2009	174.9	75.0	69.0	–	(2.2)	316.7
Issuance of 5.75% debentures ⁽¹⁾	–	–	–	172.5	(0.2)	172.3
Accretion of discount during 2010	–	–	–	–	0.4	0.4
Deferred issue costs	(2.6)	(1.0)	(2.8)	(6.6)	–	(13.0)
Debentures outstanding as at September 30, 2010	172.3	74.0	66.2	165.9	(2.0)	476.4
Quoted market value as at September 30, 2010	176.6	76.5	73.4	169.9		
Quoted market value as at December 31, 2009	177.1	74.4	78.3	–		

⁽¹⁾ Superior issued \$172.5 million 5.75% convertible unsecured subordinated debentures during the first quarter of 2010. In conjunction with the issue of these debentures, Superior swapped \$150 million of the fixed rate obligation into a floating rate obligation of floating BA rate plus 2.65%.

The debentures may be converted into shares at the option of the holder at any time prior to maturity and may be redeemed by Superior in certain circumstances. Superior may elect to pay interest and principal upon maturity or redemption by issuing shares to a trustee in the case of interest payments, and to the debenture holders in the case of payment of principal. The number of any shares issued will be determined based on market prices for the shares at the time of issuance.

9. Asset Retirement Obligations and Environmental Liabilities

The asset retirement obligations result from ownership of various assets associated with Superior's Energy Services operating segment. Superior estimates the total undiscounted amount of expenditures required to settle its asset retirement obligations is approximately \$6.0 million which will be paid out over the next twenty to twenty five years. The credit-adjusted free-risk rate of 7.5% was used to calculate the present value of the estimated cash flows.

The environmental liabilities represent the estimated costs of environmental remediation efforts and regulatory compliance associated with the activities of Superior's Energy Services operating segment.

A reconciliation of the asset retirement obligations and environmental liabilities is provided as follows:

	2010	2009
Asset retirement obligations, beginning of year	0.9	–
Liabilities associated with the acquisition of Griffith (see Note 4)	1.2	–
Asset retirement obligations, as at September 30	2.1	–
Environmental liabilities associated with acquisition of Griffith (see Note 4)	3.0	–
Environmental liabilities settled	(0.5)	–
Other environmental liabilities	0.7	–
Total asset retirement obligations and environmental liabilities, as at September 30	5.3	–
Less current portion of environmental liabilities	(1.4)	–
Asset retirement obligations and environmental liabilities, as at September 30	3.9	–

10. Employee Future Benefits

The net benefit plan expense for Superior's defined benefit plan, defined contribution pension plan and other post-retirement benefit plans is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Current service costs	0.7	0.6	2.0	1.9
Interest costs	2.4	2.2	7.0	6.7
Defined contribution plan payments	–	0.1	0.1	0.2
Expected return on plan assets	(2.1)	(1.7)	(6.2)	(5.1)
Amortization of net actuarial losses	0.4	0.3	1.2	0.9
Amortization of past service costs	–	(0.1)	(0.1)	(0.2)
Net benefit cost recognized	1.4	1.4	4.0	4.4

11. Financial Instruments

GAAP requires disclosure around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Superior's market assumptions. These two types of inputs create the following fair value hierarchy:

- *Level 1* – quoted prices in active markets for identical instruments.
- *Level 2* – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- *Level 3* – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The fair value of a derivative financial instrument is the amount of consideration that would be estimated to be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices, as appropriate, in the most advantageous active market for that instrument to which Superior has immediate access. Where bid and ask prices are unavailable, Superior uses the closing price of the most recent transaction of the instrument. In the absence of an active market, Superior estimates fair values based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as discounted cash flow analysis, using, to the extent possible, observable market-based inputs.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Superior looks primarily to available readily observable external market inputs including factors such as forecasted commodity price curves, interest rate yield curves, currency rates, and price and rate volatilities as applicable. With respect to the valuation of Specialty Chemical's fixed-price electricity agreement, the valuation of this agreement requires Superior to make assumptions about the long-term price of electricity in electricity markets for which active market information is not available. The impact of the assumption for the long-term forward price curve of electricity has a material impact on the fair value of this agreement. A \$1/MWh change in the forecasted price of electricity would result in a change in the fair value of this agreement of \$1.3 million, with a corresponding impact to net income before income taxes. Any changes in the fair values of derivative financial instruments classified or designated as held-for-trading are recognized in net income.

Financial and Non-Financial Derivatives

Description	Notional ⁽¹⁾	Term	Effective Rate	Fair Value Input Level	Asset (Liability) as at September 30, 2010	Asset (Liability) as at December 31, 2009
Natural gas financial swaps–NYMEX	1.9 GJ ⁽²⁾	2010-2011	US\$8.87/GJ	Level 1	(113.3)	(22.2)
Natural gas financial swaps–AECO	38.4 GJ ⁽²⁾	2010-2015	CDN\$7.08/GJ	Level 1	(8.8)	(69.3)
Foreign currency forward contracts, net sale	US\$532.3 ⁽³⁾	2010-2014	1.09	Level 1	16.8	12.5
Foreign currency forward contracts	EURO€1.7 ⁽³⁾	2010-2011	1.58	Level 1	0.3	0.4
Interest rate swaps – Cdn\$	\$ 150.0 ⁽³⁾	2010-2017	Six month BA rate plus 2.65%	Level 2	7.1	-
Energy Services propane wholesale purchase and sale contracts, net sale	3.36 USG ⁽⁴⁾	2010-2011	\$0.80/USG	Level 2	1.5	(2.2)
Energy Services butane wholesale purchase and sale contracts, net sale	1.95 USG ⁽⁴⁾	2010-2011	\$1.58/USG	Level 2	(0.1)	(0.2)
Energy Services electricity swaps	0.6 MWh ⁽⁵⁾	2010-2014	\$54.48/MWh	Level 2	(10.8)	(9.3)
Energy Services heating oil swaps and option purchase and sale contracts	15.9 Gallons ⁽⁴⁾	2010	\$1.77 US/Gallon	Level 2	0.9	0.1
Specialty Chemical fixed-price electricity purchase agreement	43-45 MW ⁽⁶⁾	2010-2017	\$43-\$63/MWh	Level 3	2.9	10.5

⁽¹⁾ Notional values as at September 30, 2010 ⁽²⁾ Millions of gigajoules purchased ⁽³⁾ Millions of dollars purchased/Euros purchased ⁽⁴⁾ Millions of United States gallons purchased ⁽⁵⁾ Millions of mega watt hours (MWh) ⁽⁶⁾ Mega watts (MW) on a 24/7 continual basis per year purchased

All financial and non-financial derivatives are designated as held for trading upon their initial recognition.

Description	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities
Natural gas financial swaps – NYMEX and AECO	10.3	3.3	81.2	54.5
Energy Services electricity swaps	0.1	-	5.0	5.9
Foreign currency forward contracts, net	11.4	7.6	1.7	0.2
Interest rate swaps	2.7	4.4	-	-
Energy Services Propane wholesale purchase and sale contracts	2.8	-	1.3	-
Energy Services Butane wholesale purchase and sale contracts	0.1	-	0.2	-
Energy Services Heating oil purchase and sale contracts	1.8	-	0.9	-
Specialty Chemicals fixed-price power purchase agreements	0.2	3.7	1.0	-
As at September 30, 2010	29.4	19.0	91.3	60.6
As at December 31, 2009	22.2	28.5	77.8	52.6

Description	For the three months ended September 30, 2010		For the three months ended September 30, 2009	
	Realized gain (loss)	Unrealized gain (loss)	Realized gain (loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	(23.2)	(20.5)	(29.1)	14.8
Energy Services electricity swaps	(0.6)	0.1	(1.7)	(0.7)
Foreign currency forward contracts, net	2.1	13.8	(4.0)	16.9
Interest rate swaps	-	6.4	-	1.4
Foreign currency forward contracts- balance sheet related	-	-	1.4	-
Energy Services Propane wholesale purchase and sale contracts	-	0.9	-	(0.3)
Energy Services Heating oil purchase and sale contracts	(0.1)	0.8	-	(1.7)
Specialty Chemicals fixed-price power purchase agreements	1.9	(5.2)	0.3	(11.0)
Total realized and unrealized gains (losses) on financial and non-financial derivatives	(19.9)	(3.7)	(33.1)	19.4
Foreign currency translation of senior secured notes	-	4.9	-	14.5
Total realized and unrealized gains (losses)	(19.9)	1.2	(33.1)	33.9

Description	For the nine months ended September 30, 2010		For the nine months ended September 30, 2009	
	Realized gain (loss)	Unrealized gain (loss)	Realized gain (loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	(60.4)	(40.0)	(74.7)	(16.7)
Energy Services electricity swaps	(2.9)	(0.1)	(3.5)	(9.3)
Foreign currency forward contracts, net	0.4	3.2	(11.4)	11.4
Interest rate swaps	1.4	7.0	1.4	(4.4)
Foreign currency forward contracts- balance sheet related	–	–	7.7	–
Energy Services Propane wholesale purchase and sale contracts	–	3.8	–	2.8
Energy Services Heating oil purchase and sale contracts	0.1	(0.4)	–	(0.9)
Specialty Chemicals fixed-price power purchase agreements	2.9	(7.4)	0.4	(27.7)
Total realized and unrealized losses on financial and non-financial derivatives	(58.5)	(33.9)	(80.1)	(44.8)
Foreign currency translation of senior secured notes	–	2.7	–	24.4
Total realized and unrealized losses	(58.5)	(31.2)	(80.1)	(20.4)

Non-Derivative Financial Instruments

Superior's accounts receivable have been designated as available for sale due to Superior's accounts receivable securitization program, Superior's accounts payable, dividends and interest payable to shareholders and debentureholders, revolving term bank credits and term loans and debentures have been designated as other liabilities. The carrying value of Superior's cash, accounts receivable, accounts payable, and dividends and interest payable to shareholders and debenture holders approximates their fair value due to the short-term nature of these amounts. The carrying value and the fair value of Superior's revolving term bank credits and term loans, and debentures, is provided in Notes 7 and 8.

Financial Instruments – Risk Management

Derivative and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior's policy is not to use derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges: as a result, Superior does not apply hedge accounting and is required to designate its derivatives and non-financial derivatives as held for trading.

Effective 2008, Energy Services enters into natural gas financial swaps primarily with Macquarie Cook Energy Canada Ltd. (formerly, Constellation Energy Commodities Group Inc.) for distributor billed natural gas business in Canada to manage its economic exposure of providing fixed-price natural gas to its customers. Additionally, Energy Services continues to maintain natural gas swap positions with seven additional counterparties. Energy Services monitors its fixed-price natural gas positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

Energy Services enters into electricity financial swaps with three counterparties to manage the economic exposure of providing fixed-price electricity to its customers. Energy Services monitors its fixed-price electricity positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price electricity position in relation to its customer supply commitments.

Specialty Chemicals has entered into a fixed-price electricity purchase agreement to manage the economic exposure of certain of its chemical facilities to changes in the market price of electricity, in a market where the price of electricity is not fixed. The fair value with respect to this agreement is with a single counterparty.

Energy Services also enters into various propane forward purchase and sale agreements with more than twenty counterparties to manage the economic exposure of its wholesale customer supply contracts. Energy Services monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price propane gas position in relation to its wholesale customer supply commitments.

Superior, on behalf of its operating divisions, enters into foreign currency forward contracts with twelve counterparties to manage the economic exposure of Superior's operations to movements in foreign currency exchange rates. Energy Services contracts a portion of its fixed-price natural gas, and propane purchases and sales in US dollars and enters into forward US dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Specialty Chemicals enters into US dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in US dollars. Interest expense on Superior's US dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

Superior has interest rate swaps with four counterparties to manage the interest rate mix of its total debt portfolio and related overall cost of borrowing. Superior manages its overall liquidity risk in relation to its general funding requirements by utilizing a mix of short-term and longer-term maturity debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an on-going basis to ensure it is able to meet its liquidity requirements.

Superior utilizes a variety of counterparties in relation to its derivative and non-financial derivative instruments in order to mitigate its counterparty risk. Superior assesses the credit worthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Energy Services and Construction Products Distribution deal with a large number of small customers, thereby reducing this risk. Specialty Chemicals, due to the nature of its operations, sells its products to a relatively small number of customers. Specialty Chemicals mitigates its customer credit risk by actively monitoring the overall credit worthiness of its customers. Energy Services has minimal exposure to customer credit risk as local natural gas and electricity distribution utilities have been mandated, for a nominal fee, to provide Energy Services with invoicing, collection and the assumption of bad debts risk for residential customers. Energy Services actively monitors the credit worthiness of its commercial customers.

Allowance for doubtful accounts and past due receivables are reviewed by Superior at each balance sheet reporting date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of accounts receivable balances of each customer taking into account historic collection trends of past due accounts and current economic conditions. Accounts receivable are written-off once it is determined they are not collectable. Superior's maximum amount of credit risk is approximately \$354.6 million and includes cash and cash equivalents, accounts receivable trade, other receivables and unrealized gains on derivative financial instruments.

Pursuant to their respective terms, trade accounts receivable, before deducting an allowance for doubtful accounts, are aged as follows:

	September 30, 2010	December 31, 2009
Current	230.7	214.8
Past due less than 90 days	69.1	55.6
Past due over 90 days	22.3	10.2
Trade accounts receivable, total	322.1	280.6

Superior's account receivables past due over 90 days has increased as compared to December 31, 2009, due to higher than normal accounts receivables within the Energy Services segment due to delayed invoicing associated with a system conversion.

Superior's trade accounts receivable are stated after deducting a provision of \$12.9 million as at September 30, 2010 (December 31, 2009 - \$10.2 million). The movement in the provision for doubtful accounts was as follows:

	Nine months ended September 30, 2010	Twelve months ended December 31, 2009
Allowance for doubtful accounts, opening	(10.2)	(9.3)
Opening adjustment due to acquisitions (Note 4)	(1.0)	-
Bad debt expense, net of recoveries	(3.9)	(7.5)
Written-off	2.2	6.6
Allowance for doubtful accounts, ending	(12.9)	(10.2)

Superior's contractual obligations associated with its financial liabilities are as follows:

	2010	2011	2012	2013	2014	2015 and Thereafter	Total
Revolving term bank credits and term loans	2.6	33.3	32.9	320.4	30.9	180.9	601.0
Convertible unsecured subordinated debentures	-	-	174.9	-	69.0	247.5	491.4
US\$ foreign currency forward purchase contracts	8.0	5.4	-	-	-	-	13.4
US\$ foreign currency forward sales contracts (US\$)	46.1	163.1	148.5	140.0	48.0	-	545.7
Euro€ foreign currency forward sales contracts (Euro)	2.2	0.5	-	-	-	-	2.7
Fixed-price electricity purchase commitments	4.6	17.7	17.7	17.7	17.7	53.1	128.5
Cdn\$ natural gas purchases	16.6	20.1	9.7	7.0	-	-	53.4
US\$ natural gas purchases (US\$)	2.5	1.5	-	-	-	-	4.0
US\$ heating oil purchases (US\$)	5.9	5.2	-	-	-	-	11.1
US\$ propane purchases (US\$)	3.5	4.3	-	-	-	-	7.8
US\$ butane purchases (US\$)	1.3	2.4	-	-	-	-	3.7

Superior's contractual obligations are considered to be normal course operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flow from operations, proceeds on revolving term bank credits and proceeds on the issuance of share capital.

Superior's derivative financial instruments' sensitivity to changes in foreign currency exchange rates, interest rates and various commodity prices and the impact to net earnings are detailed below:

	Nine months ended September 30, 2010
Increase (decrease) to net earnings of a \$0.01 increase in the CDN\$ to the US\$	7.0
Increase (decrease) to net earnings of a 0.5% increase in interest rates	(1.4)
Increase (decrease) to net earnings of a \$0.40/GJ increase in the price of natural gas	(6.9)
Increase (decrease) to net earnings of a \$0.04/litre increase in the price of propane	0.5
Increase (decrease) to net earnings of a \$0.10/gallon increase in the price of heating oil	0.6
Increase (decrease) to net earnings of a \$1.00/KwH increase in the price of electricity	(1.7)
Increase (decrease) to net earnings of a \$1.00/litre increase in the price of butane	0.2

The calculation of Superior's sensitivity to changes in foreign currency exchange rates, interest rates and various commodity prices represent the change in fair value of the derivative financial instrument without consideration of the value of the underlying variable, for example, the underlying customer contracts. The recognition of the sensitivities identified above would have impacted Superior's unrealized gain or loss on derivative financial instruments and would not have a material impact on Superior's cash flow from operations.

12. Income Taxes

Consistent with prior periods, Superior recognizes a provision for income taxes for its subsidiaries that are subject to current and future income taxes, including United States income tax, United States non-resident withholding tax and Chilean income tax.

Total income tax recovery, comprised of current and future taxes for the three and nine months ended September 30, 2010 was a \$0.9 million and a \$17.5 million recovery, respectively, compared to a \$5.0 million expense and a \$8.3 million recovery in the comparative period. Income taxes were impacted by the unrealized losses on derivative financial instruments, increase in U.S based taxable income and the excess of accounting claims over the utilization of tax pools. For the three and nine months ended September 30, 2010, future income tax recovery from operations in Canada, the United States and Chile was \$1.5 million and \$18.4 million, respectively, which resulted in a corresponding total net future income tax asset of \$175.3 million and a total deferred credit of \$254.6 million. The future income tax recovery for the three and nine months ended September 30, 2009 was a \$5.9 million expense and a \$13.6 million recovery.

13. Shareholders' Equity

Authorized

Superior is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. The holders of common shares are entitled to dividends if, as and when declared by the board of directors; to one vote per share at meetings of the holders of common shares; and upon liquidation, dissolution or winding up of Superior to receive pro rata the remaining property and assets of Superior, subject to the rights of any shares having priority over the common shares of which none are outstanding.

Preferred shares are issuable in series with each class of preferred share having such rights as the board of directors may determine. Holders of preferred shares are entitled, in priority of holders of common shares, to be paid rateably with holders of each other series of preferred shares the amount of accumulated dividends, if any, specified to be payable preferentially to the holders of such series upon liquidation, dissolution or winding up of Superior to be paid rateably with holders of each other series of preferred shares the amount, if any, specified as being payable preferentially to holders of such series. Superior does not have any preferred shares outstanding.

	Issued Number of Common Shares (Millions) ⁽¹⁾	Shareholders' Equity ⁽¹⁾
Shareholders' equity, December 31, 2009	99.9	584.5
Net loss	–	(13.4)
Other comprehensive loss	–	1.7
Issuance of common shares ⁽¹⁾	6.2	82.0
Option value associated with the issue of \$172.5 million, 5.75% debentures	–	0.2
Dividends to Shareholders ⁽²⁾	–	(127.7)
Distribution reinvestment program	0.7	8.4
Impact from changing acquisition accounting estimates (Note 4)	–	0.2
Shareholders' equity, September 30, 2010	106.8	535.9

⁽¹⁾ On June 28, 2010 Superior issued 1,205,728 common shares for net proceeds of \$16.0 million to partially finance the acquisition of the Burnaby Assets. The number of common shares issued was based on a specified weighted average value of Superior's existing common shares. On February 10, 2010 Superior issued 5,002,500 common shares for gross proceeds of \$69.3 million including the over-allotment option to partially finance the acquisition of Griffith. The number of common shares issued was based on a specified weighted average value of Superior's existing common shares.

⁽²⁾ Dividends to Shareholders are declared at the discretion of Superior.

Shareholders' capital, contributed surplus, deficit and accumulated other comprehensive income (loss) as at September 30, 2010 and December 31, 2009 consists of the following components:

	September 30, 2010	December 31, 2009
Shareholders' capital		
Share capital	1,592.4	1,502.0
	1,592.4	1,502.0
Contributed surplus		
Conversion feature on convertible debentures and expired warrants	5.5	5.3
	5.5	5.3
Deficit		
Retained earnings from operations	587.5	600.8
Accumulated dividends	(1,611.7)	(1,484.1)
	(1,024.2)	(883.3)
Accumulated other comprehensive income (loss)		
Balance at beginning of period	(39.5)	1.6
Unrealized foreign currency gains (losses) on translation of self-sustaining foreign operations	(7.5)	(39.4)
Reclassification of derivative gains (losses) previously deferred	9.2	(1.7)
	(37.8)	(39.5)

Additional Capital Disclosures

Superior's objectives when managing capital are: (i) to maintain a flexible capital structure to preserve its ability to meet its financial obligations, including potential obligations from acquisitions; and (ii) to safeguard Superior's assets while at the same time maximizing the growth of its businesses and returns to its shareholders.

In the management of capital, Superior includes shareholders' equity (excluding accumulated other comprehensive loss/income) (AOCI), current and long-term debt, convertible debentures, and securitized accounts receivable.

Superior manages its capital structure and makes adjustments in light of changes in economic conditions and nature of the underlying assets. In order to maintain or adjust the capital structure, Superior may adjust the amount of dividends to Shareholders, issue additional share capital, issue new debt or convertible debentures, issue new debt or convertible debentures with different characteristics and/or increase or decrease the amount of securitized accounts receivable.

Superior monitors its capital based on the ratio of consolidated secured debt and consolidated debt outstanding to net earnings before interest, taxes, depreciation, amortization and other non-cash expenses (EBITDA), as defined by its revolving term credit facility (Credit Facility). Superior also monitors its total debt to EBITDA ratio in addition to its covenants. Superior's reference to EBITDA as defined by its revolving term credit facility may be referred to as compliance EBITDA in other public reports of Superior.

Superior is subject to various financial covenants in its Credit Facility agreements, including consolidated secured debt and total consolidated debt to EBITDA ratios, which are measured on a quarterly basis. On January 27, 2010, Superior and its subsidiaries, Superior Plus LP and Superior Plus U.S. Holdings Inc., completed an expansion of the Credit Facility from \$570 million to \$600 million. The Credit Facility was subsequently reduced to \$450 million on June 25, 2010. In addition, certain debt definitions used in the calculation of Superior's financial covenant ratios in the Credit Facility have been amended, together with corresponding amendments to the related financial covenant ratios. The new definition of Consolidated Secured Debt under the credit facility excludes the \$150 million of senior unsecured debentures of Superior Plus LP issued on October 27, 2009, which are still included in the calculation of Consolidated Debt for the purpose of the Consolidated Debt coverage ratio requirement. As a result of the new definition of Consolidated Secured Debt, Superior must maintain a Consolidated Secured Debt to compliance EBITDA ratio of not more than 3.0 to 1.0 compared to the previous senior debt to compliance EBITDA ratio which was 3.5 to 1.0. Superior's Consolidated Debt, excluding convertible unsecured subordinated debentures, to compliance EBITDA coverage ratio requirement for compliance purposes is unchanged at not more than 5.0 to 1.0. Effective March 25, 2010, Superior and Superior LP, amended certain financial covenant ratios in its U.S. Note Purchase Agreement dated October 29, 2003 (Note Agreement) to make them consistent with the financial covenant ratios under its existing Credit Facility other than the exclusion of any borrowings from the accounts receivable securitization program from the calculation of Consolidated Secured Debt for purposes of the Consolidated Secured Debt to compliance EBITDA ratio calculation. Also Superior's distributions (including payments to Debenture holders) cannot exceed compliance EBITDA less cash income taxes, plus \$35.0 million on a trailing twelve month rolling basis. As at September 30, 2010 and December 31, 2009, Superior was in compliance with all of its financial covenants.

Superior's financial objectives and strategy related to managing its capital as described above have remained unchanged from the prior fiscal year. Superior believes that its debt to EBITDA ratios are within reasonable limits, in light of Superior's size, the nature of its businesses and its capital management objectives.

The capital structure of the Superior and the calculation of its key capital ratios are as follows:

	September 30, 2010	December 31, 2009
Total shareholders' equity	535.9	584.5
Exclude accumulated other comprehensive loss	37.8	39.5
Shareholders' equity (excluding AOCI)	573.7	624.0
Current portion of term loans	2.6	5.1
Revolving term bank credits and term loans ⁽¹⁾	598.4	640.3
Accounts receivable securitization program	82.6	92.7
Less: Senior unsecured debentures	(150.0)	(150.0)
Consolidated secured debt	533.6	588.1
Add: Senior unsecured debentures	150.0	150.0
Consolidated debt	683.6	738.1
Convertible unsecured subordinated debentures ⁽¹⁾	489.4	316.7
Total debt	1,173.0	1,054.8
Total capital	1,746.7	1,678.8

	Twelve months ended September 30, 2010	Twelve months ended December 31, 2009
Net earnings	4.0	68.3
Adjusted for:		
Interest on revolving term bank credits and term loans	41.6	27.0
Interest on convertible unsecured subordinated debentures	25.7	16.8
Accretion of convertible debenture issue costs and asset retirement obligations	2.5	1.4
Amortization of property, plant and equipment	35.2	22.6
Amortization included in cost of sales	44.4	37.5
Amortization of intangible assets	19.8	7.9
Income tax expense	3.5	12.7
Unrealized losses on derivative financial instruments	31.4	20.6
Non-cash pension expense	0.6	1.7
Proforma impact of acquisitions	16.7	51.4
EBITDA ⁽²⁾	225.4	267.9

	September 30, 2010	December 31, 2009
Consolidated secured debt to EBITDA ⁽²⁾	Maximum 3.0:1 2.4:1	2.2:1
Consolidated debt to EBITDA ⁽²⁾	Maximum 5.0:1 3.0:1	2.8:1
Total debt to EBITDA ⁽²⁾	5.2:1	3.9:1

⁽¹⁾ Revolving term bank credits and term loans and convertible unsecured subordinated debentures are before deferred issue costs.

⁽²⁾ EBITDA, as defined by Superior's revolving term credit facility, is calculated on a trailing twelve month basis taking into consideration the proforma impact of acquisitions and dispositions in accordance with the requirements of Superior's credit facility. Superior's calculation of EBITDA and debt to EBITDA may differ from those of similar entities.

14. Net Earnings (Loss) per Share

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Net earnings (loss) per share computation, basic and diluted ⁽¹⁾				
Net earnings (loss)	(4.0)	33.0	(13.4)	50.9
Weighted average shares outstanding	106.6	88.7	104.9	88.4
Net earnings (loss) per share, basic and diluted	\$(0.04)	\$0.37	\$(0.13)	\$0.58

⁽¹⁾ All outstanding debentures have been excluded from this calculation as they were anti-dilutive.

15. Business Segments

Superior operates three distinct operating segments: Energy Services, Specialty Chemicals and Construction Products Distribution. Superior's Energy Services operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels. Energy Services also provides fixed-price natural gas and electricity supply services. Superior's Specialty Chemicals operating segment is a leading supplier of sodium chlorate and technology to the pulp and paper industries and is a regional supplier of potassium and chloralkali products to the U.S. Midwest. Superior's Construction Products Distribution operating segment is one of the largest distributors of commercial and industrial insulation in North America and the largest distributor of specialty construction products to the walls and ceilings industry in Canada. Superior's corporate office arranges intersegment foreign exchange contracts from time to time between its business segments. Realized gains and losses pertaining to intersegment foreign exchange gains and losses are eliminated under the Corporate column. Certain reclassifications of prior year segments have been made to conform to current year presentation. Specifically, Energy Services' results include the operations of Superior Propane and Superior Energy Management, Specialty Chemicals results includes ERCO Worldwide and Construction Products Distribution results include Winroc results.

	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
For the three months ended September 30, 2010					
Revenues	454.6	122.4	190.0	–	767.0
Cost of products sold	(348.0)	(80.7)	(142.4)	–	(571.1)
Realized gains (losses) on derivative financial instruments	(25.5)	2.6	0.2	2.8	(19.9)
Gross profit	81.1	44.3	47.8	2.8	176.0
Expenses					
Operating and administrative	76.2	29.2	40.2	3.2	148.8
Amortization of property, plant and equipment	9.7	–	1.6	–	11.3
Amortization of intangible assets	2.7	1.1	(0.6)	–	3.2
Interest on revolving term bank credits and term loans	–	–	–	10.3	10.3
Interest on convertible unsecured subordinated debentures	–	–	–	7.6	7.6
Accretion of convertible debenture issue costs	–	–	–	0.9	0.9
Unrealized losses (gains) on derivative financial instruments	18.7	5.2	–	(25.1)	(1.2)
	107.3	35.5	41.2	(3.1)	180.9
Net earnings (loss) before income taxes	(26.2)	8.8	6.6	5.9	(4.9)
Income tax recovery	–	–	–	0.9	0.9
Net Earnings (Loss)	(26.2)	8.8	6.6	6.8	(4.0)

	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
For the three months ended September 30, 2009					
Revenues	225.4	115.4	100.5	–	441.3
Cost of products sold	(133.9)	(73.8)	(73.6)	–	(281.3)
Realized gains (losses) on derivative financial instruments	(34.3)	(0.2)	–	1.4	(33.1)
Gross profit	57.2	41.4	26.9	1.4	126.9
Expenses					
Operating and administrative	54.5	28.4	19.8	3.8	106.5
Amortization of property, plant and equipment	3.7	–	0.9	–	4.6
Amortization of intangible assets	0.1	1.1	0.2	–	1.4
Interest on revolving term bank credits and term loans	–	–	–	5.9	5.9
Interest on convertible unsecured subordinated debentures	–	–	–	4.2	4.2
Accretion of convertible debenture issue costs	–	–	–	0.2	0.2
Unrealized losses (gains) on derivative financial instruments	(12.1)	10.9	–	(32.7)	(33.9)
	46.2	40.4	20.9	(18.6)	88.9
Net earnings before income taxes	11.0	1.0	6.0	20.0	38.0
Income tax expense	–	–	–	(5.0)	(5.0)
Net Earnings	11.0	1.0	6.0	15.0	33.0

	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
For the nine months ended September 30, 2010					
Revenues	1,636.0	348.0	536.0	–	2,520.0
Cost of products sold	(1,264.7)	(226.3)	(408.4)	–	(1,899.4)
Realized gains (losses) on derivative financial instruments	(68.4)	4.9	0.8	4.2	(58.5)
Gross profit	302.9	126.6	128.4	4.2	562.1
Expenses					
Operating and administrative	251.1	89.0	111.1	10.9	462.1
Amortization of property, plant and equipment	23.8	–	4.7	–	28.5
Amortization of intangible assets	10.8	3.3	2.2	–	16.3
Interest on revolving term bank credits and term loans	–	–	–	32.4	32.4
Interest on convertible unsecured subordinated debentures	–	–	–	20.6	20.6
Accretion of convertible debenture issue costs	–	–	–	1.9	1.9
Unrealized losses on derivative financial instruments	36.7	7.4	–	(12.9)	31.2
	322.4	99.7	118.0	52.9	593.0
Net earnings (loss) before income taxes	(19.5)	26.9	10.4	(48.7)	(30.9)
Income tax recovery	–	–	–	17.5	17.5
Net Earnings (Loss)	(19.5)	26.9	10.4	(31.2)	(13.4)

	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
For the nine months ended September 30, 2009					
Revenues	847.0	359.4	292.8	–	1,499.2
Cost of products sold	(537.6)	(214.2)	(217.2)	–	(969.0)
Realized gains (losses) on derivative financial instruments	(82.3)	(6.9)	–	9.1	(80.1)
Gross profit	227.1	138.3	75.6	9.1	450.1
Expenses					
Operating and administrative	171.2	91.2	63.7	10.4	336.5
Amortization of property, plant and equipment	13.1	–	2.8	–	15.9
Amortization of intangible assets	0.3	3.6	0.5	–	4.4
Interest on revolving term bank credits and term loans	–	–	–	17.8	17.8
Interest on convertible unsecured subordinated debentures	–	–	–	11.7	11.7
Accretion of convertible debenture issue costs	–	–	–	0.8	0.8
Unrealized losses (gains) on derivative financial instruments	24.0	27.7	–	(31.3)	20.4
	208.6	122.5	67.0	9.4	407.5
Net earnings (loss) before income taxes	18.5	15.8	8.6	(0.3)	42.6
Income tax recovery	–	–	–	8.3	8.3
Net Earnings	18.5	15.8	8.6	8.0	50.9

Total Assets, Net Working Capital, Acquisitions and Purchase of Property, Plant and Equipment

	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
As at September 30, 2010					
Net working capital ⁽¹⁾	124.9	19.4	113.3	(47.0)	210.6
Total assets	794.0	568.2	370.8	665.1	2,398.1
As at September 31, 2009					
Net working capital ⁽¹⁾	50.2	0.2	117.7	(36.1)	132.0
Total assets	752.0	609.6	379.4	388.9	2,129.9
For the three months ended September 30, 2010					
Acquisitions	(0.1)	–	–	–	(0.1)
Purchase of property, plant and equipment	3.2	1.5	0.4	0.2	5.3
For the three months ended September 30, 2009					
Acquisitions	96.8	–	109.2	–	206.0
Purchase of property, plant and equipment	2.8	34.9	1.0	–	38.7
For the nine months ended September 30, 2010					
Acquisitions	147.4	–	18.6	–	166.0
Purchase of property, plant and equipment	8.9	9.6	2.3	1.2	22.0
For the nine months ended September 30, 2009					
Acquisitions	96.8	–	109.2	–	206.0
Purchase of property, plant and equipment	8.2	101.7	1.2	–	111.1

⁽¹⁾ Net working capital reflects amounts as at the period end and is comprised of cash and cash equivalents, accounts receivable and inventories, less bank indebtedness, accounts payable and accrued liabilities, current portion of term loans and dividends and interest payable to shareholders and debentureholders.

Geographic Information

	Canada	United States	Other	Total Consolidated
Revenues for the three months ended September 30, 2010	348.1	396.1	22.8	767.0
Revenues for the nine months ended September 30, 2010	1,200.1	1,255.9	64.0	2,520.0
Property, plant and equipment as at September 30, 2010	322.5	323.2	59.7	705.4
Goodwill as at September 30, 2010	406.7	94.8	69.3	570.8
Total assets as at September 30, 2010	1,621.5	708.0	68.6	2,398.1
Revenues for the three months ended September 30, 2009	341.1	80.0	20.2	441.3
Revenues for the nine months ended September 30, 2009	1,169.5	266.2	63.5	1,499.2
Property, plant and equipment as at September 30, 2009	373.5	220.3	60.0	653.8
Goodwill as at September 30, 2009	451.9	61.5	-	513.4
Total assets as at September 30, 2009	1,762.4	297.3	70.2	2,129.9

16. Comparative Figures

Certain reclassifications of prior year amounts have been made to conform to current year presentation. Specifically, \$0.8 million has been reclassified to unearned revenue from accounts payable to provide comparative presentation of certain of Energy Services current liabilities.

17. Subsequent Event

On October 26, 2010, Superior acquired certain assets which make up a U.S. retail heating oil and propane distribution business (KW heating oil assets) from KW Oil & Propane (KW), for an aggregate purchase price of approximately US\$4.9 million before adjustments for working capital. The KW heating oil assets distribute a broad range of liquid fuels and propane gas and related services, serving markets in Pennsylvania. The acquisition was partially financed by deferred consideration of approximately US\$0.5 million and the remaining acquisition cost has been financed through borrowings from Superior's existing revolving term bank credits and term loans.