Superior Plus

Annual Information Form

(for the fiscal year ended December 31, 2008)

March 10, 2009

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In this Annual Information Form, all dollar figures are in Canadian dollars, unless otherwise indicated.

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

Forward Looking Information

Certain information included or incorporated by reference herein is forward-looking, within the meaning of applicable Canadian securities laws. Forward-looking information includes, without limitation, statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, adjusted operating cash flow, EBITDA from operations, taxes, and plans and objectives of or involving Superior Plus Corp. ("Superior" or the "Corporation") or Superior Plus LP ("Superior LP" or the "Partnership"). Much of this 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 Annual Information Form ("AIF") includes, but is not limited to, outlooks, capital expenditures, business strategy and objectives. Superior and Superior LP believe 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 information 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, currency, exchange and interest rates, trading data, cost estimates and the other assumptions set forth below.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties some of which are described herein. 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 identified in this AIF under the heading "Risk Factors" and in Superior's most recent Annual Management's Discussion and Analysis. Any forward-looking information made is provided as of the date hereof and, except as required by law, neither Superior nor Superior LP undertakes any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

With respect to forward-looking information contained in this AIF, and in addition to other assumptions identified in this AIF, we have made the following assumptions regarding, among other things:

Corporate

- Current economic conditions in Canada and the United States prevail for 2009 with a modest improvement in 2010;
- Superior will continue to attract capital and obtain financing on acceptable terms;
- The foreign currency exchange rate between the Canadian and United States dollar averages 1.18 in 2009 and 1.11 in 2010 on all unhedged foreign currency transactions;
- Superior's average interest rate on floating rate debt remains stable to marginally lower throughout 2009, increasing modestly in 2010;
- Financial and physical counterparties continue to fulfill their obligations to Superior;
- Regulatory authorities do not impose any new regulations impacting Superior;
- EBITDA from operations of the divisions in 2010 is consistent, to modestly improved, compared to 2009; and
- Incremental EBITDA is generated in 2010 from the Port Edwards expansion project, which is due to be completed in the latter half of 2009.

Superior Propane

- Superior Propane forecasts average temperatures across Canada to be consistent with the most recent five year average;
- Superior Propane expects that wholesale propane prices will not significantly impact demand for propane and related propane services;

- Total gross profit for Superior Propane is projected to remain stable or improve due to the ongoing implementation of customer service programs and its business transformation project, offset by reduced economic activity;
- Wholesale trading gross profits will be lower than in 2008 as reduced volatility in the wholesale cost of propane will result in fewer trading opportunities; and
- Total 2009 sales volumes are expected to decline due to a continued slowdown in economic activity resulting in reduced demand for propane and related services.

ERCO Worldwide

- Current supply and demand fundamentals for sodium chlorate will weaken, resulting in declining sales volumes throughout 2009;
- Chloralkali/potassium gross profits are expected to continue to benefit from improved overall pricing;
- ERCO Worldwide's average plant utilization is expected to be approximately 80-90%;
- The foreign currency exchange rate between the Canadian and United States dollar is expected to be 1.18 on all unhedged foreign currency transactions;
- ERCO Worldwide's conversion of its Port Edwards, Wisconsin chloralkali facility from mercury based technology to membrane technology for US $130 million is expected to be completed on-budget in the second half of 2009; and
- No incremental cash flow is anticipated as a result of the Port Edwards project in 2009.

Winroc

- EBITDA from operations is expected to decline as volumes will continue to be negatively impacted by the ongoing decline in new home residential and commercial activity in both Canada and the United States.

Superior Energy Management ("SEM")

- SEM is able to access sales channel agents on acceptable contract terms;
- Natural gas markets in Ontario and British Columbia will provide growth opportunities for SEM; and
- The residential and commercial electricity markets in Ontario are expected to provide additional growth opportunities for SEM.

<u>Non-GAAP Measures</u>

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 divisions. Superior believes measures of EBITDA are followed by the investment community and therefore provide useful information. The term EBITDA does not have a standardized meaning prescribed by the Canadian generally accepted accounting principles ("GAAP") and therefore Superior's calculation of EBITDA may differ from similar calculations used by comparable entities. See "General Development of Superior - The Conversion". EBITDA of Superior's operating businesses may be referred to as EBITDA from operations. The most directly comparable measure to EBITDA from operations that is calculated in accordance with GAAP is net earnings. Net earnings is reconciled to EBITDA from operations in the Management's Discussion and Analysis of Superior for the twelve months ended December 31, 2008.

Adjusted Operating Cash Flow

Adjusted operating cash flow is equal to cash flow from operating activities as defined by the GAAP, adjusted for changes in non-cash working capital and customer acquisition 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. 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 Superior Propane, 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 expenses, which can differ significantly from quarter to quarter. Adjustments are also made to reclassify the cash flows related to natural gas and electricity customer acquisition costs in a manner consistent with the income statement recognition of these costs. The most directly comparable measure to adjusted operating cash flow that is calculated in accordance with GAAP is cash flow from operating activities. Cash flow from operating activities is reconciled to adjusted operating cash flow in the Management's Discussion and Analysis of Superior for the twelve months ended December 31, 2008.

Bank Compliance EBITDA (bank compliance EBITDA)

Bank 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. Bank compliance EBITDA is not a defined performance measure under GAAP. Superior's calculation of bank compliance EBITDA may differ from similar calculations used by comparable entities. The most directly comparable measure to bank compliance EBITDA that is calculated in accordance with GAAP is net earnings. Net earnings is reconciled to bank compliance EBITDA in Superior's 2008 Annual Financial Statements for the twelve months ended December 31, 2008 (See Note 12). Bank compliance EBITDA is referred to as EBITDA in Superior's 2008 Annual Financial Statements for the twelve months ended December 31, 2008.

Distributable Cash Flow

Distributable cash flow was a financial measure previously used by Superior. In the fourth quarter of 2008, as a result of Superior's conversion to a corporation, management discontinued the use of this financial measure to evaluate the performance of Superior, the measure is now only used to calculate Superior's debt covenants. Management now focuses on the financial measure of adjusted operating cash flow. The primary difference between these measures is the focus and disclosure of capital expenditures. Superior has provided disclosure of adjusted operating cash flow on a comparative basis. Distributable cash flow is not a defined performance measure under GAAP. Superior's calculation of distributable cash flow may differ from similar calculations used by comparable entities.

CORPORATE STRUCTURE

Superior Plus Corp.

Superior Plus Income Fund (the "Fund"), the predecessor to the Corporation, was a limited purpose, unincorporated trust established under the laws of the Province of Alberta by a Declaration of Trust made as of August 2, 1996, as amended and restated most recently on December 31, 2008 (the "Declaration of Trust"). On February 26, 2003, the name of the Fund was changed from Superior Propane Income Fund to Superior Plus Income Fund. On October 7, 2003, the Declaration of Trust was amended and restated in connection with the governance reorganization of the Fund, which included the elimination of individual trustees and the appointment of Computershare Trust Company of Canada as trustee of the Fund ("Computershare" or the "Trustee"). On September 30, 2006, the Fund was further reorganized such that its business would be conducted by Superior LP and related entities rather than Superior Plus Inc. ("Superior") and related entities (the "Reorganization"). See "General Development of the Fund - The Reorganization". On December 31, 2008, the Fund completed a corporate conversion by way of a plan of arrangement ("Arrangement Agreement") involving, among others, the Fund and Ballard Power Systems Inc. ("Ballard"). See "General Development of Superior - The Conversion".

The head and registered office of Superior is located at Suite 2820, 605 – 5th Avenue SW, Calgary, Alberta T2P 3H5.

Superior's investments is comprised of 2,997 Class A limited partnership units in Superior Plus LP and 3 common shares of Superior General Partner Inc. Superior's investments in Superior LP are financed by share equity and 5.75% convertible unsecured subordinated debentures due December 31, 2012 and convertible at $36.00 per share (the "5.75% Debentures"), and 5.85% convertible unsecured subordinated debentures due October 31, 2015 and convertible at $31.25 per share (the "5.85% Debentures") (collectively, the "Debentures"). Superior pays dividends to its shareholders ("Shareholders"), from the income received on its investment in Superior LP, after payment of Superior's expenses and interest payments to the holders of Debentures of the Corporation ("Debentureholders").

Superior Plus LP

Superior LP was formed pursuant to a Partnership Agreement dated September 17, 2006 and a Declaration filed under the *Limited Partnerships Act* (Ontario) on September 19, 2006 with its initial general partner being Superior General Partner Limited and its initial limited partner being the Fund. As a result of the Reorganization, Superior Plus Inc. (the "General Partner") became the general partner and the Fund the limited partner of Superior LP. As a result of the Conversion, Superior Plus Corp. became the limited partner of Superior LP and, on January 1, 2009, in connection with an amalgamation involving Superior Plus Inc. the name of the general partner was changed to Superior General Partner Inc. Superior LP was initially established to carry on the propane distribution business, the specialty chemicals business, the construction products distribution business and the fixed-price energy services business, in addition to other related businesses and such other businesses as the directors of Superior may determine, including all activities ancillary thereto. The head and registered office of Superior LP is located at Suite 2820, 605 – 5th Avenue SW, Calgary, Alberta T2P 3H5. See "General Development of Superior – Three Year History".

The General Partner

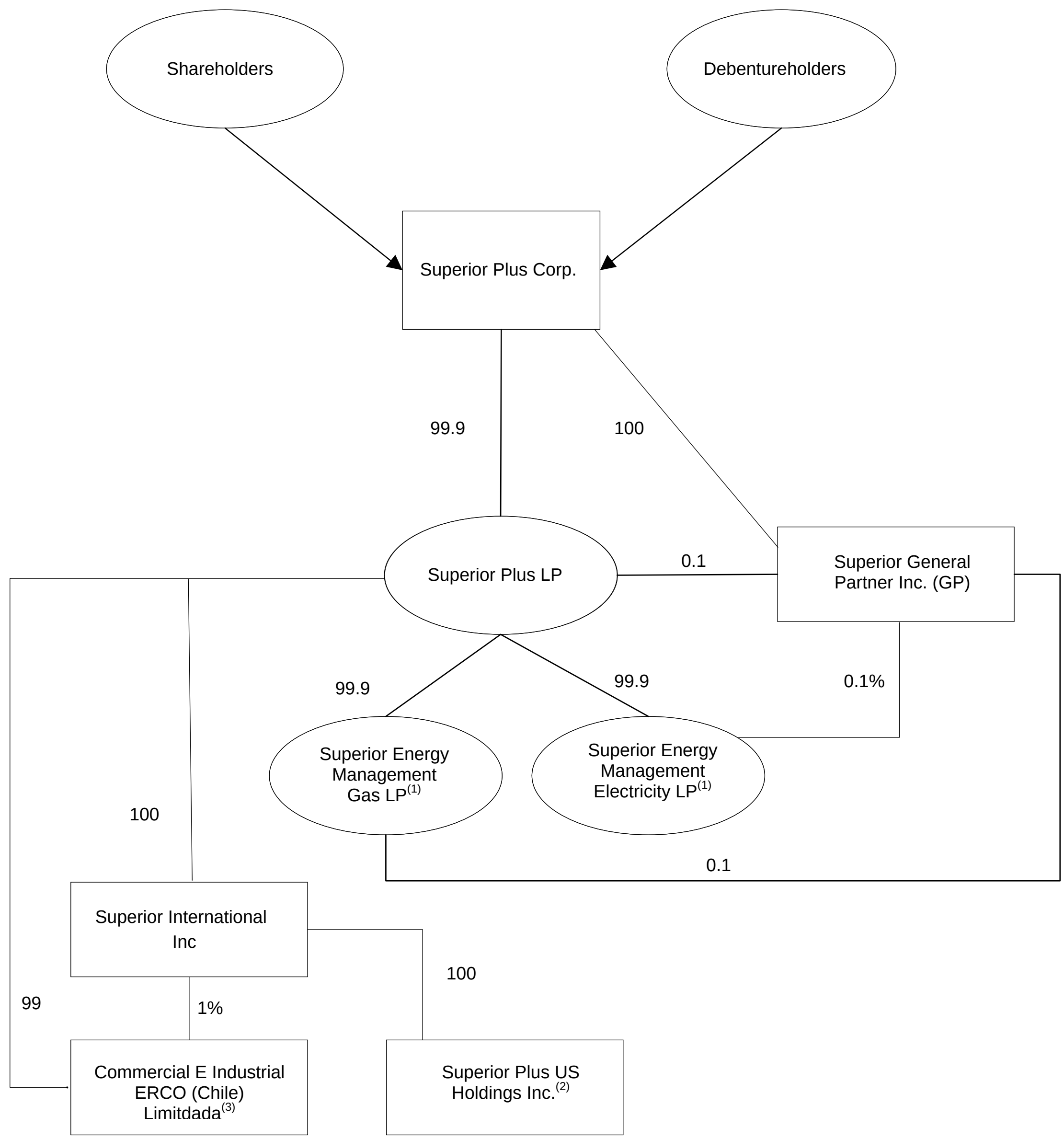
Superior General Partner Inc., the general partner of Superior LP, was formed on September 30, 2006 pursuant to the amalgamation of Superior MFC Inc. and Superior General Partner Limited under the *Canada Business Corporations Act* (the "CBCA") which was completed as part of the Reorganization. On January 1, 2009, the General Partner was amalgamated with Superior Plus Administration Inc. under the CBCA, and the name of the General Partner was changed to Superior General Partner Inc. The General Partner is a wholly-owned subsidiary of Superior Plus Corp. The head and registered office of the General Partner is located at Suite 2820, 605 – 5th Avenue SW, Calgary, Alberta T2P 3H5.

Inter-Corporate Relationships

The operations of Superior LP are comprised of four businesses:

- the propane distribution business operating under the trade name "Superior Propane";
- the specialty chemicals business, operating under the trade name "ERCO Worldwide";
- the construction products distribution business, operating under the trade name "Winroc"; and
- the fixed-price energy services business, operating under the trade name "Superior Energy Management".

The following is a diagram illustrating the simplified structure of Superior, Superior LP and their principal subsidiaries as of March 10, 2009.



Notes:

(1) Superior Plus LP and Superior General Partner Inc. indirectly own 99.9% and 0.1%, respectively, of Superior Energy Management Gas LP and Superior Energy Management Electricity LP.

(2) Superior Plus US Holdings Inc., a Delaware Corporation, has wholly-owned subsidiaries through which ERCO Worldwide and Winroc conduct operations in the United States.

(3) A corporation incorporated pursuant to the laws of Chile.

(4) Except where otherwise noted, all corporations are incorporated pursuant to the laws of Canada and all limited partnerships have been formed pursuant to the laws of Ontario.

GENERAL DEVELOPMENT OF SUPERIOR

Three Year History

Superior's strategy includes adding value to Shareholders by developing and executing sound business strategies in each of Superior LP's businesses while further expanding and diversifying such business operations over time. On December 31, 2008, Superior Plus Income Fund was converted to a corporation, Superior Plus Corp. (See "General Development of Superior - The Conversion"). The following is a general description of the Corporation over the past three years.

On March 3, 2006, the Fund completed a 10-year, $200.0 million 5.50% senior secured debt issue in the Canadian public bond market. Proceeds were used to repay the bank acquisition credit facility used in connection with the acquisition of JW Aluminum and other revolving bank debt. On July 10, 2006, the $200.0 million senior secured debt was retired as part of a refinancing undertaken in connection with the strategic plan.

On March 8, 2006, due to challenging business conditions at Superior Propane and ERCO Worldwide, the Fund reduced its monthly cash distribution level from $0.205 per trust unit to $0.185 per trust unit.

On April 24, 2006, the Fund initiated a comprehensive strategic review process designed to maximize Unitholder value and reduced its monthly cash distribution level from $0.185 per trust unit to $0.13 per trust unit commencing with the May, 2006 distribution. The strategic review was commenced due to weak first quarter results of Superior Propane predominantly caused by record warm weather conditions, anticipated weakness in ERCO Worldwide over the medium term, as well as due to the reduction of the Fund's monthly distribution and weakness in the market price of the trust units. A strategic review committee of the board of directors was formed and financial advisors were retained to assist in the review. On July 10, 2006, the Fund completed the strategic review process which considered a wide range of alternatives for the Fund.

In addition, the board of directors appointed Grant Billing as Chairman and Chief Executive Officer and Wayne Bingham as Executive Vice-President and Chief Financial Officer of the Fund. The Fund also restructured some of the debt of its subsidiaries to provide enhanced debt repayment flexibility and announced its intention to complete the Reorganization.

On September 29, 2006, Superior Plus LP entered into an Assumption Agreement with Superior Plus Inc. whereby Superior Plus LP assumed all liabilities relating to the Note Purchase Agreement, which was originally entered into on October 29, 2003 for a total of US$160,000,000 consisting of US$10,000,000 Series A, 6.13% Senior Secured Notes due October 29, 2013 and US$150,000,000 Series B, 6.62% Senior Secured Notes due October 29, 2015.

On September 30, 2006, the Fund completed the Reorganization from a "trust over corporation" structure to a "trust over partnership" structure. Effective September 30, 2006, the business operations previously carried on by the Fund and its related subsidiaries were being conducted by Superior LP and its related subsidiaries. See "General Development of Superior - The Reorganization".

On October 31, 2006, the Federal Finance Minister (the "Finance Minister") announced a proposal to apply a tax at the trust level on distributions of certain income from publicly traded mutual fund trusts at rates of tax comparable to the combined federal and provincial corporate tax and to treat such distributions as dividends to the Unitholders. The Finance Minister indicated that existing trusts would have a four-year transition period and would not be subject to the new rules (the "SIFT Rules") until

2011, (provided such trusts only experienced "normal growth" and no "undue expansion" before 2011). On June 22, 2007, Bill C-52 containing the SIFT Rules received Royal Assent and became law.

On December 7, 2006, Superior Plus US Holdings Inc., a wholly owned subsidiary of Superior Plus LP, completed the disposition of all of the issued and outstanding shares of JW Aluminum, on a debt free basis, for a purchase price of $356.1 million pursuant to the terms of a stock purchase agreement dated November 8, 2006 (the "Stock Purchase Agreement") among Superior USA, Palmetto Holdings Inc. (an entity affiliated with Wellspring Capital Management LLC) and JW Aluminum Holding Company. The Stock Purchase Agreement contained customary terms, conditions, representations, warranties and covenants for a transaction of this nature and was subject to receipt of all other necessary approvals which were subsequently obtained or waived. This disposition was a result of the Fund's strategic plan adopted in July, 2006. Proceeds from the sale were used to repay debt.

During 2007, the Fund reorganized the SEM business into two separate operating structures, one to carry on SEM's existing retail gas marketing business and the other to carry on SEM's new retail electricity marketing business in Ontario. Superior Energy Management Gas LP, an Ontario limited partnership indirectly owned by Superior LP and Superior Plus Inc. which was formed to carry on the gas marketing business, entered into a 5 year supply agreement with Constellation Energy Commodities Group Inc. ("Constellation"), a major North American Energy Supplier, for the supply of gas for all new retail contracts and renewals of all existing retail contracts in connection with the reorganization. Superior Energy Management Electricity LP, an Ontario limited partnership indirectly owned by Superior LP and Superior Plus Inc. which was formed to carry on the new retail electricity business, entered into a 3 year supply agreement with Bruce Power LP ("Bruce Power"), Ontario's largest independent electricity generator, for the supply of electricity for all retail electricity contracts. This reorganization secured long-term supply of the commodities marketed by SEM and structurally separated the business from the remainder of Superior LP's businesses, providing Superior LP with additional financial flexibility. In addition, on May 1, 2007, SEM, through Superior Energy Management Gas LP, entered the British Columbia residential gas market.

On June 28, 2007, Superior Plus LP and Superior Plus US Holdings Inc. entered into a $535 million syndicated Credit Agreement with the option to expand the facility to $600 million. The facility is a secured three-year revolving term credit facility extendible annually. On October 25, 2007, Superior Plus LP and Superior Plus US Holdings Inc. entered into an amended and restated credit agreement whereby the syndicated credit facility was increased to $595 million and matures on June 28, 2010.

On August 8, 2007, the Fund announced that ERCO Worldwide would be converting its Port Edwards, Wisconsin chloralkali facility from mercury-based technology to membrane technology. The project maintains the facility's ability to produce both sodium and potassium products, provides increased production capacity of approximately 30%, provides a significant extension of the plant life and enhances the efficiency of ERCO's use of electrical energy. The initial cost of the conversion was estimated to be US$95 million. On August 8, 2008, after substantial completion of process engineering and significant completion of detailed engineering, the Fund announced that the Port Edwards conversion costs have increased to an estimated US $130 million.

On November 5, 2007, the Fund redeemed all the outstanding Series 2 8% extendible convertible unsecured subordinated debentures due November 1, 2008. The aggregate amount of the outstanding debentures was approximately $59,000,000.

On January 7, 2008, SEM announced it had entered in to a long-term natural gas supply agreement with Constellation. Under the terms of the contract, Constellation agreed to supply natural gas to support

SEM's fixed-priced natural gas marketing business. The contract was structured with an initial term of five years and can be renewed annually thereafter.

On May 9, 2008, Winroc, through Superior Plus Inc., acquired all issued and outstanding securities of Fackoury's Building Supplies Ltd. and associated entities ("Fackoury's") for $21.0 million which was financed from available bank credit facilities.

On June 4, 2008, Superior Propane, acquired certain propane distribution assets of Irving Oil Limited and Irving Oil Marketing Limited located in the Clarenville, Central and Western Newfoundland area for $3.4 million.

On July 14, 2008, the Finance Minister released certain proposals to facilitate tax deferred conversions of certain mutual fund trusts into taxable Canadian corporations (the "SIFT Reorganization Amendments"). The SIFT Reorganization Amendments have not been enacted and upon being enacted, are proposed to apply to transactions completed after July 14, 2008.

On September 15, 2008, ERCO completed the sale of its Bruderheim, Alberta facility for proceeds of $4.0 million.

On October 30, 2008, the Fund entered into an arrangement agreement (the "Arrangement Agreement") with Ballard pursuant to which the Fund converted from an income trust structure to a corporation pursuant to a plan of arrangement (the "Conversion"). The Conversion was completed on December 31, 2008. See "General Development of Superior - The Conversion". In connection with the Conversion, Superior Plus LP and Superior Plus US Holdings entered into an amended and restated credit agreement (the "Amended and Restated Credit Agreement') on December 31, 2008 whereby the syndicated credit facility was amended to allow for the completion of the Conversion. See "Material Contracts".

On January 1, 2009, Superior Plus Administration Inc. and Superior Plus Inc. were amalgamated and the name of Superior Plus Inc. was changed to Superior General Partner Inc.

The Reorganization

The Reorganization, which was completed on September 30, 2006, was an internal reorganization of the subsidiaries of the Fund and was undertaken to restructure the manner in which the Fund held its interest in its assets. The Reorganization did not include the acquisition of any additional interest in any operating assets or the disposition of any of the Fund's existing interests in operating assets. Immediately following completion of the Reorganization, Unitholders held the same number of trust units and the Fund continued to own, directly and indirectly, the same proportionate interest in its assets that it held immediately prior to the effective time of the Reorganization.

The Reorganization created a "flow-through" structure for Canadian tax purposes which resulted in the activities carried on by Superior Plus Inc. being carried on by Superior LP and distributions from the Superior LP being taxed under the *Income Tax Act* (Canada) (the "Tax Act") at the Unitholder level.

In connection with the Reorganization, the Fund received an advanced tax ruling from the Canada Revenue Agency ("CRA") dated August 16, 2006 (as supplemented by letter from the CRA dated August 18, 2006) confirming the anticipated tax consequences of the Reorganization which tax consequences were summarized in the information circular describing the Reorganization.

The results of the Reorganization were as follows:

(a) the Fund directly owned a 99.9% limited partnership interest in Superior LP, which holds the Canadian operating assets, equity in the various operating entities previously owned directly or indirectly by Superior Plus Inc. and US$140 million subordinated notes of Superior Plus U.S. Holdings Inc.;

(b) the Declaration of Trust was amended to give effect to the Reorganization, to reflect the different organizational structure of the Fund resulting from the Reorganization, to update certain provisions to reflect current income trust practices and to largely preserve, in modified form, the governance policies and practices in place for the benefit of Unitholders prior to the Reorganization; and

(c) the Administrator was created to administer the Fund pursuant to an Administration Agreement (the "Administration Agreement") and Superior Plus Inc. became the general partner to carry on the business of the newly formed partnership, Superior LP pursuant to the Partnership Agreement. The boards of directors of the Administrator and Superior Plus Inc. consisted of the same members as the board of directors of Superior immediately prior to the Reorganization. The governance policies and practices of the Fund in place for the benefit of Unitholders prior to the Reorganization, including those of the Audit Committee, the Governance and Nominating Committee and the Compensation Committee of the Fund, were revised to reflect the introduction of separate legal entities acting as administrator of the Fund and general partner of Superior LP, without any derogation in the benefits and protections to Unitholders.

The Conversion

The Conversion, which was completed on December 31, 2008, was undertaken to convert the Fund into a corporation, Superior Plus Corp. The Fund had been investigating a number of restructuring alternatives subsequent to the Minister of Finance's announcement on October 31, 2006 of the SIFT Rules. The announcement of the SIFT Rules resulted in a significant decline in trading prices of securities of income trusts, including the trust units of the Fund, as commencing in 2011 or earlier, an income trust would be liable to pay income tax under the Tax Act at a rate comparable to combined federal and provincial corporate tax rates on distributions to Unitholders. In September, 2008, the Fund identified a transaction with Ballard as an opportunity to achieve its strategic objectives of providing long-term stability of distributions for Unitholders while minimizing the impact of the SIFT Rules. Consequently, in October, 2008, Ballard and the Fund entered into the Arrangement Agreement which is detailed in the Information Circular of the Fund dated November 12, 2008 (the "Information Circular").

In accordance with the terms of the Arrangement Agreement, the assets and liabilities of the Fund were transferred to Ballard and Unitholders received one common share of Ballard for each trust unit held and Ballard was renamed "Superior Plus Corp." Superior Plus Corp. continued to carry on the businesses previously carried on by the Fund. In addition, the assets and liabilities of Ballard were transferred to a new corporation ("New Ballard") which continued to carry on Ballard's business and to be owned by the previous holders of Ballard common shares.

Complete details of the terms of the Arrangement Agreement, including a copy of Plan of Arrangement, are set out in the Information Circular filed under the Fund's profile on SEDAR (www.sedar.com).

SUPERIOR LP'S OPERATIONS

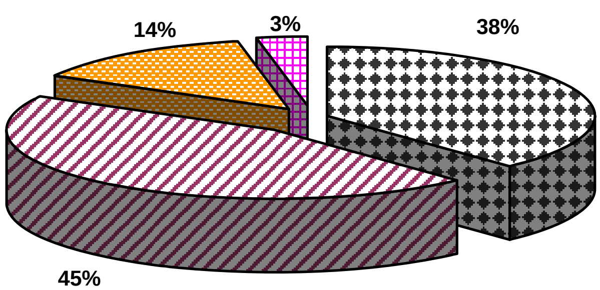
Superior LP strives to generate stable cash flows and achieve long-term value-based growth driven from its existing Canadian based businesses.

Superior LP through its businesses, is engaged in the distribution and retail marketing of propane, related products and services, and provides natural gas liquids wholesale marketing services; the production and sale of specialty chemicals and related technology; construction products distribution; and the marketing of fixed-price energy services.

Superior LP's corporate office acts as strategic capital manager for the overall portfolio of Superior's assets. As such, the corporate office is focused on strategy execution, capital allocation, risk management and succession planning. The corporate office is comprised of 13 employees including executive management, treasury, tax, financial reporting, business development, business compliance and oversight, investor relations and corporate secretarial functions.

Since operational management is key, there is an experienced and strong management team in place at each business. Management at this level is compensated to maintain and grow cash flows generated by their business over time.

Superior's operations are composed of four different businesses. The graph below details the composition of Superior's EBITDA from operations by business for the 12-month period ended December 31, 2008. See "Forward-Looking Statements and Non-GAAP Measures, Non-GAAP Measures".



38% **Superior Propane:**
Propane distribution

45% **ERCO Worldwide:**
Specialty chemicals

14% **Winroc:**
Construction products distribution

3% **Superior Energy Management:**
Fixed price energy services

Geographically, for the year ended December 31, 2008, consolidated revenues from customers were derived: 83% from Canada, 14% from United States, and 3% from other countries.

Superior Propane

Superior Propane, head-quartered in Calgary, Alberta, began operations in 1951. It is engaged primarily in the distribution and retail sales of propane, refined fuels, propane consuming appliances and related services in Canada. The services provided include the rental of tanks, cylinders and other equipment as well as the supply, installation and repair of equipment and appliances and warranty and preventative maintenance programs for installed equipment and appliances. In addition, Superior Propane provides value-added natural gas liquids wholesale marketing services, primarily to small and medium sized propane retailers in the United States and Canada.

Product

Propane is extracted from natural gas during production and processing and from crude oil during the refining process. As propane is colourless and odourless, an odourant is added to facilitate its detection.

Propane, like natural gas, is a non-toxic clean burning and efficient energy source but unlike natural gas can be compressed at low pressures into liquid form. As a liquid, propane is easily transported by truck or rail and can be stored in propane tanks and cylinders. When the pressure is reduced, the liquid propane becomes a gas which is ignited and burned to create energy for many different uses.

Competitive Conditions

Key competitive factors across Superior Propane include selling prices, service levels, cost efficiencies, logistical capability and competition from other sources of energy.

Superior Propane through its 1,591 employees and 171 operating locations, serves customers from coast to coast across Canada. Superior Propane is Canada's largest national retailer with an estimated 41% of the total estimated propane retail market. Superior Propane competes in a highly fragmented industry with approximately 200 local and regional propane retailers across Canada. Propane distribution is a local, relationship based business in which Superior Propane competes for market share based on price and level of service.

The retail propane industry in Canada is mature, representing less than 2% of Canada's total energy consumption. Propane competes with other energy sources such as natural gas, fuel oil, electricity and wood for traditional uses, and gasoline and other alternative fuels for transportation uses. In Canada, the cheapest source of heating fuel is predominately natural gas. Where natural gas is available, propane can be used as a portable fuel and a standby fuel for peak period requirements in industrial applications. In areas where natural gas is not available, propane is an alternative due to its portability. Propane is generally less expensive than electricity but more expensive than fuel oil on a heat content basis depending upon regional market conditions. However, the cleanliness, versatility and operating efficiencies of propane make it competitive with fuel oil for heating purposes.

Business Operations

Superior Propane operates in six geographical market regions, which are managed by general managers. The general managers have direct responsibility for several territories including satellite operations, customers, administration and the overall profitability of their geographic business units. Superior Propane's 44 larger territory centres, are typically located in a rural, industrial or commercial setting on two to five acre parcels of land with propane storage tanks, a cylinder dock, surplus land to store a working supply of customer tanks and cylinders, truck parking, warehouse space for rental equipment, appliance, materials and supplies inventories, an office and an appliance show room. These territory locations are supplemented by 127 satellite and storage yards.

The satellite and storage yards are strategically located close to customers to minimize distribution costs and enhance security of supply, particularly during peak winter demand periods when road conditions may be poor and can interrupt efficient distribution. The operating area is generally limited to a radius of 80 to 150 kilometres around branch or satellite locations, depending on the nature of the customer base and local road infrastructure. Under Superior Propane's business structure, each territory maintains a local presence through a territory office. Teams are responsible for managing their local business and pursuing local opportunities. The territory centres are supported by six regional operating centres and two sales and administration centres. The regional operating centres for each market region are located in Moncton, New Brunswick, Ste Catherines, Quebec, Guelph, Ontario, Winnipeg, Manitoba, Calgary, Alberta and Coquitlam, British Columbia. The sales and administration centres are located in Laval, Quebec and Thunder Bay, Ontario. The regional operating centers assist existing customers with fuel orders and service requests. The sales and administration centres assist new customers with opening an account and existing customers with general inquiries, billing inquiries and credit and collection issues. The territory centres are further supported by services provided by Superior Propane's national office including, propane supply and transportation, invoicing, credit and collections, business systems and marketing. Superior Propane operates from and stores product at 104 owned locations and 67 locations that are leased from third parties under normal course operating leases. See Note 16(i) to the 2008 Annual Consolidated Financial Statements of Superior.

Superior Propane historically provided value added services to customers as an integral component of its core propane distribution business. Since 2007, Superior Propane has strategically segregated these service offerings into a separately managed segment. It aims to develop this into a separate profitable segment with an expanded offering of services to customers who buy propane as well as customers who purchase services only. The services provided include the supply, installation and repair of equipment and appliances as well as warranty and preventative maintenance programs for installed equipment and appliances. These services improve Superior Propane's ability to retain customers by providing them with a comprehensive propane supply and maintenance solution.

Superior Propane is currently in the midst of a significant multiyear business transformation project. Through this project, Superior Propane is implementing widescale business process improvements as well as introducing significant new technologies to improve customer service levels and also to improve its overall cost structure. The new technologies include the following:

- On board truck computers which have been installed on all delivery trucks and will in future be installed on all service vehicles. These handheld devices receive and send customer information from the ERP systems and service and delivery details from the routing and scheduling tool.
- Vehicle telematics communications units which are being installed in all vehicles and which capture and relay the geocodes (longitude and latitude coordinates) through the on board truck computers.
- A routing and scheduling tool which plots the most efficient routes for drivers and service technicians.
- An upgrade to a more effective and efficient version of the existing ERP system. This will allow for increased automation of business processes.

Distribution of Refined Fuel Products

Superior PetroFuels offers a variety of fuels and lubricants to commercial, industrial, agricultural and residential customers throughout Southwestern Ontario. This business allows Superior Propane to apply its rural energy presence and experience in propane distribution to the fuels and lubricants market.

Natural Gas Liquids Wholesale Marketing

Superior Gas Liquids, which operates within Superior Propane, offers value-added natural gas liquids wholesale marketing services, primarily to small and medium sized propane retailers in the United States and Canada. It provides transportation, storage, risk management, supply and logistics services with annual sales volumes of approximately 2.0 billion litres with over 85 counterparties.

Sales and Marketing

Superior Propane primarily sells propane and related products and services to the residential, commercial, agricultural, industrial and automotive customer markets. Approximately 50% of Superior Propane's sales volumes are related to heating related applications and 50% are related to economic activity levels. However, approximately 80% of Superior Propane's annual cash flows are typically generated in the October to March winter heating season. A detailed analysis of sales volumes and gross profit is provided in the Superior Propane section of the Annual Management's Discussion and Analysis contained in Superior's 2008 Annual Report.

Residential/Commercial: In these markets, propane is consumed primarily in areas where natural gas is not readily available. It is used for space heating, water and pool heating, cooking, refrigeration, laundry and off grid electrical generation. Consumption in these markets is sensitive to winter weather conditions. In addition, residential consumption is dependent on product costs, while commercial consumption varies with economic activity levels.

Agricultural: In the agricultural market, propane is used for space heating, for brooding and greenhouse operations, grain drying, and tobacco curing and weed control. The agricultural business is extremely competitive, particularly as natural gas availability expands in rural markets. Propane demand for crop drying depends on weather conditions and crop values.

Industrial: Industrial usage includes forklift truck, welding, resale agent, construction and roofing markets, process heating and heat treatment for manufacturing, forestry, mining and fuel for internal combustion engines that drive oil pumpjacks in Western Canada. Industrial demand is generally tied to economic activity levels.

Automotive: In the automotive market, propane is used as a transportation fuel, particularly for public and private fleets and other large volume users. Engine technology has outpaced propane conversion technology, limiting the ability to convert new vehicles to propane. Propane vehicle emissions are low in greenhouse gas emissions and other pollutants that contribute to ground level ozone and respiratory health problems. Auto propane has the potential to make a significant contribution to Canada's greenhouse gas emission performance. However, the demand is expected to continue to decline in the medium term at an estimated rate of 10 to 15 percent per year, although original equipment vehicle manufacturers have re-introduced limited propane vehicle offerings.

Propane Pricing

Pricing to customers is primarily based on a margin above product and transportation costs. There are minor delays that affect retail margins as price changes from producers may not be immediately passed through to customers. When the wholesale price of propane increases, the retail gross margins tend to erode in the short-term as it takes more time to pass on all of the price increases to the customers. Conversely, when wholesale prices decrease, retail gross margins and profitability tend to increase.

Increases or decreases in retail prices can have an immediate and direct impact on competitors and customer demand. Propane margins vary between end-use applications and geographic segments. Customer pricing is managed at the corporate, regional and local market level and reflects local marketplace and alternate fuel cost conditions. Factors contributing to the consumer's buying decision include: reliability of supply, long-term availability, price, fuel quality, convenience, portability, storage requirements, available space, capital cost, equipment efficiency and the supplier's local presence and service reputation in the community.

Supply and Storage

An estimated 11 billion litres of propane are produced in Canada annually, of which, approximately 4 billion litres are consumed domestically in the energy and petro-chemical feedstock markets and the balance is exported to the United States. Approximately 85% of the propane produced in Canada is extracted from natural gas during gas processing operations at field plants or at large straddle plants located on the major natural gas trunk line systems. Extraction from crude oil occurring during the refining process accounts for the remaining 15% of propane produced. Superior's retail propane supply is currently purchased from approximately 20 propane producers across Canada. Propane is purchased mainly under annual contracts, negotiated and administered by Superior Gas Liquids, with pricing arrangements based on industry posted prices at the time of delivery. Superior Propane arranges propane supply to be provided at multiple supply points in order to match supply to where the customer demand is located. Some of Superior Propane's supply contracts provide it with the ongoing option to increase or decrease its monthly volume of supply and thereby provide flexibility to meet fluctuating demand requirements. Propane supply from Superior Propane's various suppliers has, historically, been readily available because of the substantial surplus of propane in Canada and the relationship Superior Propane typically enjoys with its principal suppliers.

Superior Propane's supply contract year ends March 31, 2009. Approximately 80% of Superior Propane's annual propane requirement is supplied by the following major suppliers, each of which supplies approximately 5% or more of Superior Propane's annual propane requirement:

- BP Canada Energy Resources Company (The single largest propane producer in Canada, which has supplied Superior Propane for over ten years.)
- Spectra Energy Limited
- Keyera Energy Partnership
- Provident Energy Trust
- Ultramar Ltd.

Approximately 15 other producer/suppliers supply the remaining 20% of Superior Propane's annual propane requirement. None of these suppliers individually supply more than 5% of Superior Propane's annual propane requirement. Superior Propane renews its supply contracts annually.

Superior Propane leases approximately 136 million litres of combined underground propane storage capacity in Marysville, Michigan, Mt. Belvieu, Texas, Conway, Kansas, Regina, Saskatchewan and in Fort Saskatchewan, Alberta, primarily to secure supply for its fixed-price customer offerings and to enhance security of supply and distribution capacity in periods of supply disruption and high demand in the winter season. The storage lease agreements expire between March 31, 2009 and March 31, 2012. Superior Propane intends to lease annual storage capacity at Fort Saskatchewan, Regina, Sarnia, Marysville, Conway and Mt. Belvieu to cover its growing regional demands and will only enter into long-term storage contracts if it is economically advantageous to do so. Superior Gas Liquids utilizes approximately 20 propane suppliers as well as numerous short-term storage positions to service its wholesale customers in North America. In order to satisfy customer needs and take advantage of opportunities, Superior Gas Liquids will enter into short term forward purchase sale agreements.

Transportation

Primary Distribution

Primary transportation is the delivery of propane from product supply points to Superior Propane's territory and satellite locations or storage yards and to certain large volume customers. Road cargo liners and pressurized railcars are the two primary transportation modes. The capacities of the cargo liners vary from 35,000 to 65,000 litres per trailer. Railcars carry approximately 115,000 litres per car. Superior Propane's cargo liner requirements are provided by third party carriers.

Approximately 20% of Superior's supply is transported by rail. Superior Propane leases 162 railcars to provide approximately 20% of its rail transportation requirements. Railcar lease agreements typically have a three year term. The remainder is transported in railcars provided by propane suppliers in conjunction with their annual propane supply contract obligations to Superior Propane.

Secondary Distribution

Secondary distribution is the delivery of propane and refined fuels and lubricants from Superior Propane's territory and satellite locations, and storage yards to its customers. Superior Propane operates a fleet of owned and leased trucks to transport the propane, refined fuels and lubricants it sells. Superior implemented a leasing program in 2007 to accelerate the renewal of its fleet of bulk trucks. Lease arrangements are available at competitive rates and provide savings in maintenance and operating expenses over time. Newer, more reliable vehicles and a better matching of truck size to delivery type have improved employee productivity, fleet reliability, safety and customer service. Propane is delivered in bulk and in pressurized cylinders. Refined fuels and lubricants are also transported and sold in bulk volumes. Superior Propane employs full-time, part-time and seasonal drivers who assist with deliveries during the peak winter demand periods. It operates 356 pressurized bulk delivery trucks that vary in load capacity from 13,000 litres to 32,000 litres, eight refined fuel and lubricant bulk delivery trucks with load capacities of 10,000 to 25,000 litres and 91 cylinder trucks with boxes that vary in length from 12 feet to 26 feet. It also operates 28 tractors and 39 pressurized trailers, which have capacities ranging from 25,000 litres to 54,000 litres for secondary distribution use. Additionally, it operates 52 crane trucks and 295 service vehicles. At December 31, 2008, 55% of the vehicles described above were owned by Superior Propane while the remaining 45% were leased under operating leases.

Employee and Labour Relations

As at December 31, 2008, Superior Propane had 1,435 fulltime and 156 part-time employees. Approximately 348 of its employees are unionized through provincial or regional certifications in British Columbia/Yukon and Quebec. There are three union agreements, with expiry dates ranging from December 31, 2010 to April 30, 2011. Collective bargaining agreements are renegotiated in the normal course of business.

Environmental, Safety and Regulatory

Superior Propane, through its proprietary "Guardian" health and safety and environment management system, ensures safety practices and regulatory compliance are an important part of its business. Guardian's purpose is to help safeguard the lives, health and property of Superior Propane's employees, contractors and customers as well as the communities in which it operates. Beyond simply complying with the various provincial and federal acts which govern health, safety and environmental responsibilities, Guardian seeks to further enhance workplace and community health and safety by applying ongoing management, rigorous monitoring and frequent audits to provide continuous learning and improvement. The storage and transfer of propane has limited impact on the environment as there is limited impact to soil or water when propane is released, because it disperses into the atmosphere.

Superior Propane has customer, technical, occupational health and safety and fleet support representatives operating nationally which support its regional and local operations. They are responsible for providing market area personnel with emergency response support services, inspections, advice and training in an effort to ensure that facilities and equipment are maintained and operated safely and in compliance with corporate and regulatory standards. They also provide support to the field operations in the design, construction and inspection of large scale customer installations.

Trademarks, Trade Names and Service Marks

Superior Propane owns all the right, title and interest in the "Superior Propane" ("Superieur" in French) trade name, related design and other trademarks, registered or acquired at various times over the years and relating to specific programs or services provided by Superior Propane or to marketing activities of Superior Propane. Superior Propane's trademarks are significant as they provide it with ownership of the names, designs and logos associated with its business which are recognizable to the public and useful in developing and maintaining brand loyalty. The duration of each of the trademarks is 15 years from the date they were first registered subject to renewals for further 15 year periods.

Financial Information

For selected historical financial information for the past five years, see "Selected Financial Information – Superior Propane".

Risk Factors

For the risk factors related to Superior Propane business see "Risk Factors – Superior Propane".

ERCO Worldwide

A division of Superior Plus LP

ERCO Worldwide is a leading provider of specialty chemicals and related technology. The business, which is headquartered in Toronto, Ontario, has been operating since the late 1890s.

Product

ERCO Worldwide is a manufacturer of sodium chlorate, sodium chlorite, chlorine, caustic soda, hydrochloric acid, potassium hydroxide and produces hydrogen as a by-product to the electrolysis processes. It owns and operates eight production facilities across North America and one in Chile. In addition, ERCO Worldwide provides chlorine dioxide generators and related technology to pulp and paper customers worldwide. Chlorine dioxide generators use sodium chlorate as the primary feedstock in the production of chlorine dioxide, an environmentally preferred bleaching agent used in the production of bleached pulp for paper. In 2008, ERCO Worldwide began producing and supplying chlorine dioxide.

Competitive Conditions

Key competitive factors across its business include selling prices, cost efficiencies, product quality, logistical capability, reliability of supply, technical expertise and service.

ERCO Worldwide is the second largest producer of sodium chlorate in North America and third worldwide with an estimated production capacity of 23% and 17%, respectively. The sodium chlorate industry is consolidated with the four largest producers comprising approximately 89% and 75% of estimated North American and global merchant market capacity, respectively.

ERCO Worldwide's patented chlorine dioxide generators and related technology are installed in the majority of pulp and paper mills worldwide. Chlorine dioxide is the basis for elemental chlorine free ("ECF") bleaching. ECF bleaching is considered to be the best available technology for the production of bleached pulp for paper around the world.

In the sodium chlorate business, ERCO Worldwide (17%) competes primarily with three other producers on a worldwide basis with respect to estimated production capacity, Eka Chemicals ("Eka") (27%), Canexus Income Fund ("Canexus") (17%) and Kemira Group ("Kemira") (14%). Only ERCO Worldwide and Eka provide chlorine dioxide generators. By providing generator technology and services in addition to chemicals, ERCO Worldwide is able to establish strong, long-term relationships with customers and gains an indepth forward view on market developments.

ERCO Worldwide is the third largest producer of potassium chloralkali products in North America and has a strong competitive position. In the potassium hydroxide (caustic potash) business, ERCO Worldwide (16%) competes with three other companies in North America based on production capacity, Basic Chemicals (Occidental Chemical) (50%), Olin Corporation (23%) and ASHTA Chemicals Inc. (11%).

The five companies that account for approximately 79% of total North American chloralkali production capacity are the Dow Chemical Company (29%), Occidental Chemical Corporation (20%), PPG Industries (12%), Olin Corporation (12%) and Formsa Plastics Corporation (6%). Chlorine production by Dow Chemical Corporation and Formosa Plastics Corporation is integrated into their chlorine derivatives production, and chlorine production from Occidental Chemical Corporation, PPG Industries and Olin Corporation is partially integrated, with all three participating in significant merchant market sales. Most caustic soda production in North America is sold into the merchant domestic and export markets.

ERCO Worldwide is a regional competitor in the chloralkali business in Western Canada and the United States Midwest. Its total production capacity represents less than 1% of North American chloralkali production capacity.

Business Operations

ERCO Worldwide's operations have become increasingly more diversified with the acquisition of the Port Edwards, Wisconsin chloralkali/potassium facility in June 2005, and the completion of the sodium chlorate plant in Chile in September 2006, reducing its dependency on the North American pulp and paper industry.

For the year ended December 31, 2008, global sodium chlorate, sodium chlorite and technology related sales represented 70% of ERCO Worldwide's revenue. Chloralkali products in total represented 30% of revenue with potassium products representing 30% of total chloralkali revenue. Geographically, 34% of revenue is derived from customers in Canada, 49% from the United States and 17% from outside North America.

The following chart provides a detailed overview of ERCO Worldwide's business operations:

Product Line	% of 2008 Revenue	Market Structure	Product Fundamentals	Technology Capability	Revenue Diversification	Operating Efficiency
Sodium Chlorate, related chlorine dioxide technology and Sodium Chlorite	70%	Leader in its market	• Mature to declining in North America • Growing globally • Industry operates historically in excess of 90% capacity utilization	• Leading global installer of chlorine dioxide generators • ERCO "SMARTS" technology enables optimization of customer chlorine dioxide generator process • 181 patents	• 66% Chemical Sales • 4% Technology • More than 50 customers • Largest customer represents 6% of total ERCO Sales	• Competitive cost position in North America • 7 plants and ability to ramp production up or down quickly enables centralized production management and industry leading operational flexibility
Chloralkali: Products • Caustic Soda • Chlorine • Hydrochloric acid	21%	Leader in regional Western Canada and U.S. Midwest markets	• Stable regional demand supported by robust North American pricing environment	• Membrane and mercury grade caustic soda	• More than 60 customers • Largest customer is less than 4% of total ERCO Sales	• Average cost structure, supported by transportation cost advantage in regional markets • Port Edwards product flexibility facilitates profit optimization • Competitive cost structure and operating flexibility
• Potassium hydroxide • Chlorine • Hydrochloric acid	9%	Limited number of producers in North America	Diversified end-use demand growing 1% to 2% per annum	• Mercury grade quality product capability	• More than 80 customers • Largest customer is less than 2% of total ERCO Sales	• Competitive cost structure and operating flexibility

Production Facilities

ERCO Worldwide's production facilities use simple and safe manufacturing processes and are located close to major rail terminals and reliable supplies of raw materials. Electrical energy costs generally represent 70 to 85% and salt approximately 10% of the variable costs of producing sodium chlorate. For chloralkali/potassium products, electrical energy generally represents 44% and potash represents approximately 37% of variable costs.

In response to significant medium-term challenges experienced by the North American pulp and paper industry during 2006, resulting in reduced regional sodium chlorate demand and the impact of high electricity costs and foreign exchange on its operations, ERCO Worldwide closed its higher cost 48,000 metric tonnes ("MT") annual capacity sodium chlorate facility in Thunder Bay, Ontario in April 2006, and its 80,000 MT Bruderheim, Alberta facility in October 2006, thereby improving the utilization of its remaining six sodium chlorate plants in North America with total annual production capacity of approximately 447,000 MT.

Internationally, ERCO Worldwide designed and oversaw construction of a 55,000 MT facility in Chile. The facility commenced production in September 2006, taking advantage of continued growth opportunities in lower pulp and paper cost producing regions of South America. This brings ERCO Worldwide's total annual sodium chlorate production capacity to approximately 502,000 MT.

ERCO Worldwide's annual sodium chlorite capacity is 8,600 MT and its annual chloralkali capacity as stated in electrochemical units ("ECUs") is 110,000 MT.

In August 2007, ERCO Worldwide announced the approval to convert its Port Edwards, Wisconsin potassium chloralkali facility from a mercury-based process to membrane technology. The project provides significant improvement in process efficiency, and capacity is expected to be increased by approximately 30%. The start-up of the new state of the art technology is projected for the last half of 2009. The membrane conversion project is on schedule to meet this plan. ERCO Worldwide is in compliance with existing regulations related to production based on mercury technology. On August 8, 2008, after substantial completion of process engineering and significant completion of detailed engineering, the Fund announced that the Port Edwards conversion costs have increased to an estimated US $130 million (previously US $95 million).

The chart below provides a summary of ERCO Worldwide's production facilities:

Facility	**Product**	**Production Capacity** (MT/Year)	**Power Source**	**Transportation**
Buckingham, Quebec	Sodium Chlorate Sodium Chlorite	125,000 3,600	Regulated Hydro Quebec	Rail, truck and ocean freight
North Vancouver, British Columbia	Sodium Chlorate	92,000	Regulated BC Hydro	Rail, truck and ocean barges and freight
Grande Prairie, Alberta	Sodium Chlorate	50,000	Deregulated Fixed-price PPA Expiry: Dec, 2017	Rail, truck and pipeline
Saskatoon, Saskatchewan	Sodium Chlorate Chlorine Caustic Soda Hydrochloric acid	40,000 39,000 39,200 dry 22,000 dry	Regulated Sask Hydro	Rail and truck
Hargrave, Manitoba	Sodium Chlorate	40,000	Regulated Manitoba Hydro	Rail
Thunder Bay, Ontario	Sodium Chlorite	5,000	N/A	Rail
Valdosta, Georgia	Sodium Chlorate	100,000	Regulated Georgia Power	Rail
Port Edwards, Wisconsin	Chlorine Caustic Soda Hydrochloric Acid Potassium Hydroxide	71,000 79,400 dry 33,000 dry 75,000 dry	Regulated Energy Wisconsin Power & Light	Rail and Truck
Mininco, IX Region, Chile	Sodium Chlorate	55,000	Provided by CMPC	Liquids piped to adjacent CMPC mills; some products trucked to customers

Products

Sodium Chlorate

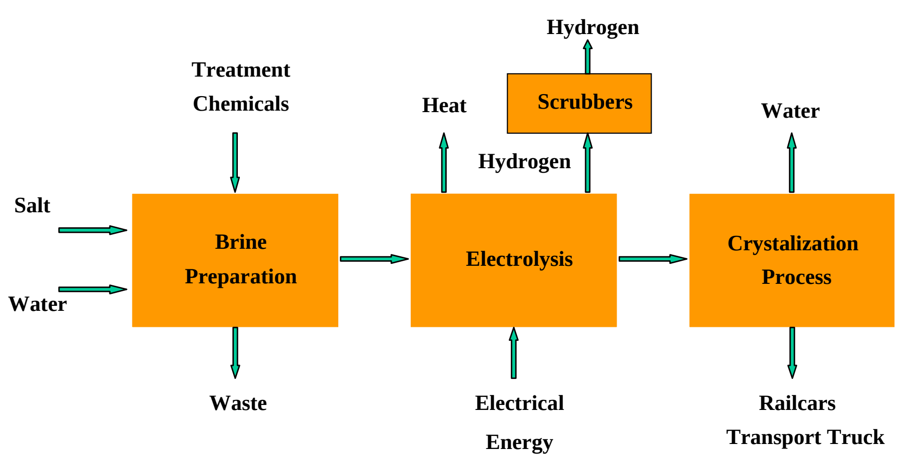
General Overview: Sodium chlorate is an inorganic chemical manufactured through the electrolysis of brine. Sodium chlorate is primarily used to produce chlorine dioxide, an environmental preferred bleaching agent used in the production of bleached pulp for paper. ERCO Worldwide is one of two suppliers in the world to offer patented chlorine dioxide generator technology to the pulp and paper industry as well as the primary raw material (sodium chlorate). Sodium chlorate is an essential ingredient in pulp bleaching and accounts for approximately 5% or less of the cash cost to manufacture bleached pulp. A minor amount of sodium chlorate is also used in the production of agriculture herbicides and defoliants and other industrial applications.

The market for sodium chlorate in North America is estimated at 1.7 million MT and the world market at 3.3 million MT. The demand for sodium chlorate in North America is mature and further growth is expected from developing economic regions of the world, particularly the Asia Pacific and South American regions, as they increase their paper consumption and adopt more stringent environmental standards. North American bleached pulp producers continue to experience global competitive pressures as a result of increased fibre and energy costs and the impact of foreign exchange rates. During 2007 and the first half of 2008, pulp producers worldwide enjoyed robust markets. However, by the end of 2008, pulp markets were in decline and four North American pulp producers announced permanent closures reducing demand for sodium chlorate in North America by 65,000 tonne. Increasingly, new world scale pulp mills locate and/or expand production capacity in off-shore regions with significant access to low cost, renewable wood fibre, relatively stable energy supply and supportive government policies. Given the large size of these projects and the transportation challenges experienced in the South American and Asia Pacific markets, these customers prefer to have sodium chlorate facilities constructed in close proximity to their pulp and paper mills and captive to their requirements.

***Production Process**:* As electrical energy costs generally represent 70% - 85% of the variable costs of manufacturing sodium chlorate, ERCO's ability to manage its North American customer demand with production from its six geographically diverse sodium chlorate plants facilitates efficient and cost effective supply to its customer base.

An electrochemical process using salt, water and electricity as the primary raw materials, which is summarized in the diagram below, produces sodium chlorate. Salt is dissolved in water and the solution, known as saturated brine, is fed through a series of electrolytic cells used to conduct direct electrical current. The chlorine ions in the brine form chlorine gas. The chlorine gas mixes and reacts further with the brine to form sodium chlorate in solution. The hydrogen atoms separate from the water molecules and form hydrogen gas.

A co-product, hydrogen gas, is produced in the electrolytic cells and is purified. Some of the hydrogen gas is then fed to boilers where it is burned as fuel to produce steam for process heating. The hydrogen gas that is not required for fuel can be vented, sold or used as fuel for other applications.



The sodium chlorate solution produced is treated and filtered to remove impurities and crystallized by removing excess water. Once cooled, the final product resembles a white crystal that is transported to customers by rail car, truck, pipeline or is bagged and shipped to international customers. ERCO Worldwide exports sodium chlorate from its Vancouver, British Columbia and Buckingham, Quebec production facilities.

Chlorine Dioxide Generators

ERCO Worldwide is the largest worldwide supplier of modern chlorine dioxide generators, which converts sodium chlorate into chlorine dioxide. Chlorine dioxide bleaching is recognized worldwide as the best available technology in the production of bleached pulp for paper. These generators, which are sold under the ERCO™ brand name, are designed and engineered for pulp mills to meet their specific needs for size, technology, pulping conditions, desired whiteness and strength of the final bleached product. ERCO Worldwide provides engineering, design, equipment specification, equipment procurement, on-site technical assistance and operator training and plant start-up services. The business, which licenses its technology to its customers, also provides ongoing technical support services and spare parts. Each mill that uses chlorine dioxide as a bleaching agent requires at least one chlorine dioxide generator. Revenues from the sale of chlorine dioxide generators are received as the generators are constructed at customer sites.

The ERCO Smarts™ product provides customers with an advanced automation software package that optimizes the operating efficiency of the chlorine dioxide generator. Nine customers currently use the ERCO Smarts™ product, and two other customers are implementing it.

Sodium Chlorite

Sodium chlorite is used as a feedstock in the production of chlorine dioxide in smaller scale operations, a disinfectant for municipal water treatment, industrial process applications, a biocide/disinfectant for food processing and sanitization, a bacteria scavenger in ethanol production as well as other industrial applications. The primary feedstock for sodium chlorite is sodium chlorate. ERCO Worldwide currently produces sodium chlorite at its plants located in Buckingham, Quebec and Thunder Bay, Ontario.

Demand for the product increased significantly in 2007, as new industrial environmental applications and more stringent water treatment regulations arose. This has remained in place in 2008.

Chloralkali Products

ERCO Worldwide's chloralkali operations are located at Saskatoon, Saskatchewan and Port Edwards, Wisconsin. Both of these locations produce caustic soda, chlorine and hydrochloric acid. In addition, Port Edwards produces potassium hydroxide.

ERCO Worldwide was a manufacturer of potassium carbonate in Wisconsin but has mothballed its potassium carbonate unit in order to focus more on its growth opportunities in the potassium hydroxide sector.

Chloralkali products provide for an important diversification of ERCO Worldwide's product lines, as nearly all of ERCO Worldwide's chlorine, hydrochloric acid and potassium hydroxide production are sold to end markets not related to the pulp and paper industry.

Chlorine: The market for chlorine in North America is estimated at 12.5 million MT. Chlorine is used in a variety of chemical processes including the production of polyvinyl chloride "PVC", water treatment disinfection and other chemical businesses. Chlorine is used directly or in bleach form to eliminate waterborne diseases in drinking water. Chlorine is also used to produce hydrochloric acid, which is used in a variety of industrial applications, including application in the oil and gas industry and steel pickling.

The basis of chlorine production involves dissolving salt (either NaCl or KCl) in water, flowing the brine solution between two electrodes and passing an electric current through it. The chlorine ions (negative) move towards the anode (positive) where they are oxidized to form chlorine gas. The water molecule in the brine solution goes through a similar electrolytic reaction, whereby the hydrogen ion (positive) is reduced at the cathode (negative), releasing hydrogen gas, a by-product of the chlor-alkali process. ERCO Worldwide recovers some hydrogen for sale, to produce hydrochloric acid or to make steam.

The sodium (or potassium) ions that remain from the salt electrolysis then react with the hydroxide ions left from the water to create the sodium (or potassium) hydroxide. Overall the chemical equation (using sodium salt as the example) is:

$$2NaCl + 2H_2O \rightarrow 2\ NaOH + Cl_2 + H_2$$

The basic reaction follows the laws of chemistry and therefore the chemicals are produced in a definite and consistent ratio to one another. Chemical equivalent amounts of the products will always be produced. Specifically, for every ton of chlorine produced with sodium salt, approximately 1.12 tons of caustic soda will be produced. In the case of potassium salt the ratio is approximately 1.56.

ERCO Worldwide's Saskatoon plant runs exclusively on sodium salt and uses the membrane cell process to produce chlorine and caustic soda. The Port Edwards facility operates mercury cell technology and has the unique advantage of being able to produce both sodium products and potassium products in varying amounts according to market demand. ERCO Worldwide installed environmental control equipment to satisfy the federal MACT regulations prior to the December 19, 2007 deadline.

Caustic Soda: The market for caustic soda in North America is estimated at 13.3 million dry MTs. Caustic soda is used primarily in the pulp and paper, soaps and detergents, alumina, textile and petroleum industries as a chemical intermediate.

Potassium Hydroxide: The market for potassium hydroxide in North America is estimated at 565,000 tons. Potassium hydroxide is used primarily in the production of potassium carbonate, potassium phosphates, potassium soaps and other potassium chemicals such as potassium acetate. Generally, potassium hydroxide is used in applications where the potassium ions are of value. Potassium acetate is gaining popularity as a deicing agent for airport runways due to environmental pressures to reduce use of glycol or urea based deicers.

Sales and Marketing

ERCO Worldwide sodium chlorate sales are conducted by its business managers who have technical expertise related to chlorine dioxide generation and pulp bleaching applications. They develop long-term relationships with clients through the provision of technical service and support. ERCO Worldwide sells sodium chlorate directly to pulp and paper mills typically under one to five year supply arrangements, most of which provide for a significant percentage of total mill requirements at market-based prices. Due to the highly technical nature of ERCO Worldwide's chlorine dioxide generator operations, a coordinated selling approach between its product sales and marketing team and its technical service and engineering groups is employed.

Increasing portions of ERCO Worldwide's sodium chlorate sales are to the growing South American and Asia/Pacific markets and ERCO Worldwide has offices in Chile, Japan and China.

Chloralkali products are sold through a combination of dedicated sales people and distributors.

ERCO Worldwide's top ten customers account for approximately 44% of its revenues with its largest customer comprising approximately 6% of its revenues.

Supply Arrangements

ERCO Worldwide uses four primary raw materials to produce its chemical products: electrical energy, sodium chloride, potassium chloride and water. The business has tariff driven long-term contracts or contracts that renew automatically with power producers in each of the jurisdictions in which its plants are located with the exception of the plant in Grande Prairie, Alberta where electricity is publicly traded. In Alberta, 100% of its power requirements are hedged through to 2017 under a power purchase agreement with TransCanada Energy Ltd. See Note 16(iii) to the 2008 Annual Consolidated Financial Statements of Superior. Also in Georgia, ERCO Worldwide has power arrangements with Georgia Power based on a combination of a standard Real Time Pricing (RTP) and a firm tariff.

The electricity contracts generally provide ERCO Worldwide with some portion of firm power and a portion that may be interrupted by the producer based on the terms of the various agreements. ERCO Worldwide can quickly reduce its power consumption at minimal cost, which in some jurisdictions, allows ERCO Worldwide to reduce its overall power costs by selling ancillary services back to the power producer or to the power grid.

ERCO Worldwide purchases sodium and potassium salts from six third-party suppliers to fulfill the requirements at six of its eight plants. The salt contracts are typically fixed-price contracts with terms of one or more years, often with automatic renewals. The Hargrave and Saskatoon facilities are self-supplied through solution mining at the plant site.

Potassium Chloride (KCl) is a major raw material used in the production of Potassium Hydroxide ("KOH") at ERCO Worldwide's Port Edwards, Wisconsin facility. Substantially all of ERCO Worldwide's KCl is received from PotashCorp ("PCS"). PCS operates two KCl mines that are able to provide the product specifications required by ERCO Worldwide. ERCO Worldwide currently has a limited ability to source KCl from additional suppliers. In the event of a KCl supply interruption, ERCO Worldwide's Port Edwards facility is able to switch production to the sodium molecule from the potassium molecule. The ability to switch between sodium and potassium significantly mitigates the risks associated with a single point of supply for KCl. This ability was of significance in 2008 when PCS experienced a labour strike for four months in 2008. The Port Edwards facility switched full operations to Na (sodium) and continued to run at close to full capacity.

Transportation

Approximately 55% of ERCO Worldwide's product transportation requirements are provided by railcar, 25% by transport truck and the remaining 20% by pipeline and ocean vessel. ERCO Worldwide utilizes third party carriers to transport all of its products. Rail transportation requirements are provided by 1,120 railcars, of which 204 are owned and 916 are leased with staggered expiration terms through to 2019. ERCO Worldwide generally extends leases in advance of the expiration date. In 2008, ERCO Worldwide purchased 27 chlorine railcars with a view to ensuring access to such cars through 2016.

All of the plants are located close to major rail terminals and customer sites to facilitate delivery of ERCO Worldwide products to the relevant markets.

Employee and Labour Relations

As at December 31, 2008, ERCO Worldwide had 450 full-time employees of which approximately 125 were unionized. The three plants in Vancouver, Saskatoon and Buckingham are subject to collective bargaining agreements. Saskatoon's agreement was renegotiated in 2007 and expires on September 30, 2010. One of the two Buckingham agreements was renewed in 2008 for 3 years and the second agreement will be negotiated in 2009. Vancouver agreements will be negotiated in 2009. Collective bargaining agreements are renegotiated in the normal course of business.

Environmental, Safety and Regulatory

ERCO Worldwide's operations involve the handling, production, transportation, treatment and disposal of materials that are classified as hazardous and that are extensively regulated by environmental, health, safety and transportation laws and regulations. ERCO Worldwide is a founding member of Responsible Care®, an initiative of the Canadian Chemical Producers Association and the American Chemistry Council associations that promote the safe and environmentally sound management of chemicals. ERCO has been verified as complying with the Responsible Care® guidelines and ethics for a fourth time, which represents over 13 years of external compliance. ERCO Worldwide continually strives to achieve an environmental and safety record that is "best-in-class" in the chemical industry. It has not had a material environmental or safety incident and has received many awards for its safety and environmental records.

Trademarks, Trade Names and Service Marks

ERCO Worldwide owns all the right, title and interest in the "ERCO Worldwide" ("ERCO Mondial" in French) trade name in Canada, the "ERCO" trademark and related design and certain other trademarks and patents registered or acquired at various times over the years relating to specific technology, products or services that it provides. ERCO Worldwide is also in the process of registering the "ERCO Worldwide" trademark in various other countries. ERCO Worldwide's trademarks are significant as they provide it with ownership of the names, designs and logos associated with its business and technology and are well recognized internationally in the pulp and paper and the water treatment industries. The duration of each of the trademarks is between 10 and 15 years from the date of the first registration, subject to renewals for further 10 to 15 year periods, depending on the country of registration.

The patents and patent applications held by ERCO Worldwide are in the process of being transferred to Superior Plus LP. Once this process is completed, it is expected that Superior Plus LP will have over 181 patents and patent applications worldwide (148 patents granted and 33 applications pending) protecting its proprietary chlorine dioxide, sodium chlorate and sodium chlorite technologies. The duration of each patent is between 15 and 20 years from the date the patent was first registered, depending on the country of registration.

Financial Information

For selected historical financial information for ERCO Worldwide for the last five years, see "Selected Historical Information – ERCO Worldwide".

Risk Factors

For the risk factors related to ERCO Worldwide's business see "Risk Factors – ERCO Worldwide".

a division of Superior Plus LP

Winroc is a distributor of specialty construction products to the walls and ceilings industry in North America. The business, which is headquartered in Calgary, Alberta, began operations in 1971.

Products

Winroc distributes a number of products used in the walls and ceiling construction industry. Sales can generally be grouped into the following product categories:

Product category	% of 2008 sales
Drywall and components	42%
Insulation	17%
Steel framing	16%
Ceilings	13%
Stucco and plaster	7%
Tools, fasteners and miscellaneous	5%

Competitive Conditions

Common competitive factors across Winroc's geographically diversified business include selling prices, service quality, and ability to source products in periods of tight supply at competitive prices as well as competition from other gypsum specialty distributors, lumber yards, building product retailers and manufacturers that engage in direct sales.

The walls and ceilings specialty distribution business is a local, relationship-based business in which distributors compete for installing contractors' purchases on the basis of both price and service. Barriers to entry are relatively low, but include the ability to aggregate significant purchase quantities and corresponding volume discounts. Winroc establishes its position in a market as a productivity partner with the installing contractor, providing value added "stock and scatter" job site service and in carrying a full line of walls and ceilings products. This service allows the contractor to focus on installation and optimize labour efficiency.

The sector in which Winroc operates is largely fragmented. Only a small number of competitors cover multiple states or provinces. Winroc will generally attempt to attain a market position approaching 10% in any local market area. Winroc's strong local market position, distribution and service network, and purchasing operation, carried out through its Allroc buying group division, provide it with an advantage over smaller competitors.

Business Operations

Winroc has been expanding its distribution network through the addition of Greenfield operating locations and through acquisitions. In May 2008, Winroc acquired Fackoury's Building Supplies in Concord and Cambridge, Ontario adding to its Ontario branch network, and Greenfields were added in Ogden, Utah in June 2008 and in Halifax, Nova Scotia in July 2008. A branch in Bloomington, Minnesota was closed in November 2008, and a branch in Westbank, British Columbia was closed in December 2008.

Winroc operates 42 distribution branches which are generally run by local branch general managers. Under Winroc's business structure, its market presence is established through a local office with teams responsible for managing its business and pursuing local opportunities. Branch general managers have direct responsibility for customer sales and service, pricing, collections, warehouse and delivery operations, expense management and branch administration.

Winroc's branches are typically located in an industrial or commercial setting. Branches range from smaller warehouse locations, to full operations on up to five acres of land, complete with office and showroom areas, covered and uncovered storage areas for the products, and receiving and shipping space. The operating area for a branch is usually focused within a radius of 100 kilometers around branch locations, depending on the nature of the customer base and local road infrastructure.

Of Winroc's 42 operating locations, two facilities are owned and the remaining 40 are leased from third parties under normal course operating leases. See Note 16(i) to the 2008 Annual Consolidated Financial Statements of Superior.

Sales and Marketing

Annual sales revenues for the North American walls and ceilings industry are estimated to exceed $20 billion. Winroc is estimated to be the largest specialty distributor in Canada and a leading specialty dealer in North America. Specialty distributors, such as Winroc, servicing the builder/renovation contractor market, represent an estimated 50% to 60% of total industry revenues with the remainder sold through retailers and independent lumber yards who service the builder/contractor market as well as the do-it-yourself market.

Winroc enjoys considerable geographic and customer diversification, servicing over 8,388 active customers across 42 distribution branches with 33 locations in Western Canada, Ontario and Nova Scotia, and nine in the Western and Midwestern United States. Winroc's ten largest customers represent approximately $33 million of its annual distribution sales.

A detailed analysis of sales volumes and gross profit is provided in the Annual Management's Discussion and Analysis contained in Superior's 2008 Annual Report.

Demand Profile

Demand for walls and ceilings building materials is affected by changes in general and local economic factors, including demographic trends, level of activity in the residential and non-residential construction markets, interest rates, employment levels, consumer confidence, availability of financing and overall economic growth. These factors impact the level of existing housing sales, new home construction, new non-residential construction and office/commercial space turnover.

Housing starts reflect the level of new residential construction activity. New commercial construction activity has historically lagged new residential activity, as commercial infrastructure is often put in place to service residential development. Renovation activity trends have historically followed re-sale of existing homes and turnover of commercial building space. One half of Winroc's sales are estimated to be to the commercial new construction and renovation segments. The other half is estimated to be to residential new construction and renovation segments. Winroc sells its full product line to commercial customers. Gypsum board and accessories, insulation and plaster products are the primary products sold to residential construction customers.

Winroc's sales are modestly seasonal, with slightly over 50% of revenues typically generated during the second and third quarters. Geographically, 73% of 2008 revenue is derived from customers in Canada and 27% from the United States.

Product Pricing

Subject to market conditions, pricing to customers is primarily based on a mark-up above product and delivery costs. At times, price changes from manufacturers are not immediately passed through to customers, which can create variation in profit margins. In addition, product gross margins vary between products and geographic areas. Customer pricing is managed at both the regional and local market level and reflects local marketplace supply and demand conditions.

Supply Arrangements

Product purchasing is a critical component of Winroc's business. The cost of products, product specification and knowledge, and the ability to source products in periods of tight supply are key to differentiating Winroc's service position to its customers. Additionally, Winroc's ability to place product creates value for its suppliers during times of over-capacity.

Winroc's purchasing operations are conducted centrally through its Allroc division. Allroc also provides third party purchasing services for 15 other independent companies. This relationship allows Winroc to further leverage its purchasing power. Winroc purchases products from over 100 different suppliers, of which the top ten provide 78% of Winroc's total supply requirements. Winroc is not reliant on any one supplier to source product within its principal product lines.

Winroc purchases its products pursuant to various purchasing programs and does not enter into long-term purchasing contracts.

Transportation

Winroc's suppliers are typically responsible for arranging transportation of products from the manufacturing facility to Winroc's operating locations. Deliveries are primarily made via common highway carrier or rail.

Winroc operates a fleet of trucks and forklifts, both owned and leased, to transport product from its 42 branch locations to customer job sites and to handle product within its branch locations. Winroc employs full-time, part-time and seasonal drivers and stockers who deliver products. As at December 31, 2008, Winroc owned and leased 449 primary delivery vehicles, including 334 trucks, with load capacities ranging from 2,000 to 43,000 kg; and 115 trailers. In addition, Winroc owned or leased 226 forklifts, which are used at its warehouse locations and customer job sites to load and unload product from delivery vehicles.

Employee and Labour Relations

As at December 31, 2008, Winroc had 885 employees, of which 329 were salaried and 556 were hourly employees. Approximately 71 of its employees are unionized through collective bargaining agreements at seven (Victoria, Langford, Campbell River, Nanaimo and Courtney, British Columbia, London, Ontario and Oakdale, Minnesota) of its operating locations, with expiry dates ranging from August 2009 to March 2011. Collective bargaining agreements are renegotiated in the normal course of business.

Environmental, Safety and Regulatory

Distribution of walls and ceilings construction products is a physically challenging job. Winroc is committed to a safe workplace and maintains safe working practices through proper procedures and direction, and safe utilization of equipment such as forklift trucks, cranes and carts. Winroc handles and stores a variety of construction materials and maintains appropriate materials handling compliance programs.

Winroc participates in a number of environmental programs with its suppliers, including return/recycling of supply materials and return/recycling of ceiling products removed from renovation jobs by Winroc's customers.

Trademarks, Trade Names and Service Marks

Winroc owns all the right, title and interest in the "Winroc", "Allroc", "Interior Building Supplies" "Inland Building Supplies (IBS)", "Fackoury's Building Supplies" and "Leon's Insulation" trade names, related design and certain other trademarks, registered or acquired at various times over the years and relating to specific programs or services provided by Winroc.

Winroc's trademarks are significant as they provide it with ownership of the names, designs and logos associated with its business, which are recognizable to the public and useful in developing and maintaining brand loyalty. The duration of each of the trademarks is 15 years from the date they were first registered subject to renewals for further 15-year periods.

Financial Information

For selected historical financial information for the past five years see "Selected Financial Information – Winroc".

Risk Factors

For the risk factors related to Winroc's business see "Risk Factors – Winroc".

Superior Energy Management
A division of Superior Plus LP

Superior Energy Management ("SEM"), headquartered in Mississauga, Ontario, began operations in June of 2002. SEM started providing natural gas retailing services under fixed-price, term contracts, predominantly to residential and to mid-sized commercial and industrial customers in Ontario. In Quebec, SEM has been servicing the commercial and light industrial market in the Gaz Metropolitain franchise region. In May of 2007, SEM initiated selling fixed-price natural gas retail contracts in the newly opened British Columbia market. In August of 2007, SEM also initiated selling fixed-price electricity contracts in Ontario.

Competitive Conditions

Key competitive factors across its business include commodity prices, sales channel activity, product diversification, cost efficiencies, and service.

SEM has been in the Ontario natural gas market since its inception in 2002. SEM has maintained a strong commercial and industrial base during this period and over the last couple of years SEM has been adding customers in the higher margin residential business. The value of SEM's product offering to customers is determined based on current commodity prices and SEM's long term supply costs. Customer sign ups can vary significantly depending on the fluctuations between those two variables.

During 2007, SEM expanded its market with the entry into the Ontario electricity market and the newly opened British Columbia natural gas market. By entering these markets, SEM has been able to add geographic and product diversification.

Natural Gas

The natural gas market in Ontario has been deregulated since 1986 and since January 2004 in Quebec for commercial and light industrial customers who consume greater than 280 gigajoules per year. Consumers are able to choose their natural gas supplier and can elect between various prices and terms. The market of supplying fixed price gas to customers is competitive, with a number of companies supplying different market sectors. The residential sector in Ontario has approximately eight significant active market suppliers, while commercial and industrial consumers have approximately eight significant active market suppliers in Ontario and four in Quebec. Each competitor offers different options relating to price, term and service. Under deregulation, consumers also have the option of having their gas supply provided by their utility company at a variable price that is adjusted on a quarterly basis and is subject to retroactive adjustments. Approximately 60% of natural gas consumers in Ontario are still supplied by utilities, providing SEM with opportunities for customer growth.

On April 13, 2006, Terasen Gas filed an application requesting approval for necessary Tariff Agreement changes required to support a residential choice program. Terasen Gas is the largest natural gas distribution utility in British Columbia, with the customer choice program applicable to approximately 743,000 residential and 79,000 commercial customers (commercial program commenced in 2004) in the province including the Inland, Columbia and Lower Mainland service areas. Their service territory delivers gas to over eighty percent of the natural gas customers in British Columbia. The British Columbia Utilities Commission ("BCUC") approved the program allowing marketers to enroll customers as of May 2007, with gas flowing to enrolled customers starting November 1, 2007. SEM commenced marketing natural gas contracts in British Columbia at market open and began to service these customers with physical supply in November 2007. The British Columbia model is in many ways identical to the Ontario model in terms of delivery, billing and receivables. As delivery obligations are sourced from Alberta, mirroring Ontario, SEM uses its in house capability to manage commodity obligations. Management estimates that approximately 115,000 (15.5%) residential customers and 20,000 (25%) commercial customers are enrolled in the customer choice program, with 13 registered market participants, which provides for continued opportunity. As in Ontario, under deregulation, consumers also have the option of having their gas supply provided by the local utility company at a variable price that is adjusted on a regular basis to react to changes in spot market pricing.

Natural gas competes favourably with other fuel sources, such as oil, electricity and propane. Natural gas enjoys both environmental and price advantages over other fuel options. However, since gas is delivered through pipeline systems, its availability is constrained by distribution system infrastructure.

Electricity

Ontario opened its electricity markets in April of 2002, however, a government sponsored rate freeze was implemented in the fall of 2002 essentially suspending retail opportunities until 2005. This price freeze was lifted in 2005, once again exposing consumers to price volatility and price increases which afforded retailers the opportunity to promote fixed price products. The Ontario electricity market is estimated at 148 TWh annually with approximately one third of consumption from residential load. SEM finalized a strategic alliance with Bruce Power in July of 2007 and commenced marketing fixed-price electricity contracts in Ontario in August 2007. There are currently 8 marketers in the Ontario electricity market. There are approximately 4,500,000 meters available for choice in the Ontario market and management believes approximately 675,000 (15%) meters are enrolled in long-term electricity contracts with a retailer. SEM has expanded its electricity sales to the commercial sector through a variety of structured and full requirement offerings.

Business Operations

SEM provides fixed-price natural gas solutions for contract terms up to five years. In order to capture a fixed selling margin for the term of the customer contract, a fixed-price natural gas supply matching the volume and term of the customer obligation is contracted with various producers and financial counterparties. The local distribution companies (the "LDC's") are required to provide SEM with transportation, storage and distribution services to SEM's customers as well as billing and collection services.

In 2007, SEM entered into a long-term natural gas supply agreement with Constellation. Under the terms of the agreement, Constellation will supply natural gas to support SEM's fixed-priced natural gas marketing business. The deal is structured with an initial term of five years and may renew annually thereafter. During the term of the agreement, SEM will purchase natural gas from Constellation for customer contracts of terms up to five years. SEM continues to maintain relationships with a variety of other counterparties to support the existing book of commercial business and for certain types of new customers as allowed in the Constellation Supply Agreement.

SEM entered the residential and small-mid size commercial electricity market in Ontario in August 2007. In June 2007, SEM entered into a long-term electricity supply agreement with Bruce Power. Bruce Power agreed to provide fixed-price electricity to SEM in order to fix prices for residential and small commercial customers for terms up to five years. During the term of the agreement, SEM will purchase supply from Bruce Power for customer contract terms of up to five years to which Bruce Power will continue to supply beyond the contract term to match the customer contracts.

Sales and Marketing

For the year-ended December 31, 2008, SEM supplied approximately 31.6 million Gigajoules of natural gas to approximately 73,094 (2007 – 81,300) residential and 6,228 (2007 – 6,400) commercial flowing customers under term, fixed-price contracts in Ontario and Quebec. In addition SEM also supplied 1.6 million Gigajoules of natural gas to 18,715 (2007 - 13,000) residential and 115 (2007 - 60) commercial customers in British Columbia. SEM markets its gas supply service to consumers throughout Ontario, Quebec and British Columbia through an internal sales force and through independent sales agencies, primarily on a door-to-door basis. Commercial sales channels are also through a combination of internal and external sales forces and association affiliations, SEM continues to leverage off its current strong commercial base as it strives to further develop commercial sales channels. Customer contracts are registered with and administered by the LDC. The gas supply contracts have terms typically ranging from one to five years and are at a fixed-price. At December 31, 2008, the average remaining customer contract life was 28 months.

In August 2007, SEM commenced selling electricity in Ontario and ended 2008 with 3,353 (2007 - 1,630) flowing residential electricity customers and 358 flowing commercial customers (2007 - nil).

In 2008, SEM differentiated its product features by introducing ECO Advantage and Extend & Blend. ECO Advantage appeals to environmentally conscience or "green" customers who wish to reduce their greenhouse gas impact through the use of carbon offset credits. The Extend & Blend feature on gas products allows customers, subject to certain conditions, to take advantage of lower prices during their contract period by blending prices and extending their contract.

A detailed analysis of sales volumes and gross profit is provided in the Management's Discussion and Analysis contained in Superior's 2008 Annual Report.

Supply and Transportation

During 2008, SEM had nine financial and physical natural gas suppliers and contracts for natural gas for fixed term and price to match contractual customer supply requirements. SEM's largest supplier represented 27% of its supply commitments at December 31, 2008. SEM's supply commitments for the next five years as at December 31, 2008, are detailed in notes to Superior's 2008 Annual Consolidated Financial Statements. The financial condition of each counter party is evaluated and credit limits are established to reduce SEM's exposure to the credit risk of non-performance. At the end of 2007, SEM entered into a long-term supply agreement with Constellation. Under the terms of the agreement, Constellation will supply natural gas to all new natural gas customers in the Canadian markets which are billed through the utility, supporting SEM's fixed-priced natural gas marketing business. The deal with Constellation is structured with an initial term of five years and may renew annually thereafter. During the term of the agreement, SEM will purchase natural gas from Constellation for customer contracts of terms up to five years. The agreement with Constellation provides increased physical and financial capacity for SEM's energy marketing services business.

Although customers purchase their gas supply through SEM, LDC's such as Union Energy, Enbridge Gas, Terasen Gas and Gaz Metropolitan are required on a regulated basis to distribute the gas to SEM's customers. LDC's are also required to assign SEM pipeline transportation and storage capability sufficient to service its customers under contract.

Employee and Labour Relations

As at December 31, 2008, SEM had 69 full time and 4 part time and 1 temporary employee. Approximately 15 independent contract sales agencies were engaged at December 31, 2008 in the door-to-door marketing and telemarketing of energy contracts.

Environmental, Safety and Regulatory

SEM supplies natural gas to end-use customers. The natural gas is transported through pipeline systems by pipeline and utility companies. These pipeline and utility companies are regulated by the National Energy Board, the Ontario Energy Board, the British Columbia Utilities Commission and the Régie du L'Enegie and are required to maintain environmental and safety standards.

Effective June 2007, the Ontario Energy Board implemented customer portability rules in the Ontario natural gas market. The new regulation referred to as Gas Distribution Access Rules has allowed utilities to enroll customers with a natural gas marketer regardless if they are already on a contract with a different natural gas marketer. This can create customer enrollment issues, whereby customers have been enrolled with a new natural gas marketer without completing their contractual obligation with their original natural gas marketer, leaving the customer financially obligated to both retailers. In most cases, the customer is faced with early cancellation fees by the natural gas marketer it wishes to leave. In addition, suppliers may be required to collect from unwilling customers who have switched retailers which could result in increased collection costs or customer defaults.

In November 2008, Ontario MPP David Ramsay's private members Bill 131 (the "Bill") was introduced and passed second reading. The bill was scheduled to go the Ontario Provincial Parliament's Standing Committee on Regulations and Private Bills in February 2009. If it were to pass through committee and pass third reading, it could receive Royal Assent. The bill contains several consumer protection measures, such as the requirement for a written re-affirmation with the customer. The bill, if passed, could negatively impact the acquisition of residential natural gas and power customers in Ontario.

Trademarks, Trade Names and Service Marks

SEM owns all the right, title and interest in the "Superior Energy Management" trade name and related design. SEM's trademarks are significant as they provide it with ownership of the names, designs and logos associated with its business which are recognizable to the public and useful in developing and maintaining brand loyalty. The duration of each of the trademarks is 15 years from the date they were first registered subject to renewals for further 15-year periods.

Financial Information

For selected historical financial information for the past five years, see "Selected Financial Information – Superior Energy Management".

Risk Factors

For the risk factors related to SEM's business see "Risk Factors – SEM".

SELECTED FINANCIAL INFORMATION

SUPERIOR PROPANE

	Years Ended December 31				
(millions of dollars except litres of propane and per litre amounts)	**2008**	2007	2006	2005	2004
Litres of propane sold (millions)	**1,377**	1,429	1,386	1,468	1,546
Total sales margin (cents per litre)	**22.1**	20.6	19.7	19.4	18.6
Revenues	**1,167.6**	1,075.7	985.4	856.2	720.2
Cost of products sold	**863.3**	781.5	712.5	571.8	433.5
Gross profit	**304.3**	294.2	272.9	284.4	286.7
Cash operating, and administrative costs	**207.5**	194.8	181.9	186.6	173.9
EBITDA from operations	**96.8**	99.4	91.0	97.8	112.8

ERCO WORLDWIDE

(millions of dollars except thousands of metric tonnes ("MT") and per MT amounts)	Years Ended December 31 **2008**	2007	2006	2005	2004
Total chemical sales (MT)	**727**	768	756	742	649
Average chemical selling price (dollars per MT)	**633**	557	540	550	571
Revenues	**479.6**	453.2	437.2	431.6	396.0
Cost of products sold	**244.3**	252.9	233.1	224.7	202.8
Gross profit	**235.3**	205.2	204.1	206.9	193.2
Cash operating, and administrative costs	**118.8**	113.4	117.1	101.9	92.2
EBITDA from operations	**116.5**	91.8	87.0	105.0	101.0

WINROC

(millions of dollars)	Years Ended December 31 **2008**	2007	2006	2005	2004 (1)
Revenues	**523.6**	512.3	518.7	486.6	384.3
Cost of products sold	**382.9**	382.5	386.5	368.8	300.0
Gross profit	**140.7**	129.8	132.2	117.8	84.3
Cash operating, and administrative costs	**103.3**	93.1	87.1	78.9	52.0
EBITDA from operations	**37.4**	36.7	45.1	38.9	32.3

(1) Winroc was acquired effective June 11, 2004. Prior year results are unaudited and provided for comparison purposes.

SUPERIOR ENERGY MANAGEMENT

(millions of dollars except per gigajoule ("GJ") and per GJ amounts)	Years Ended December 31 **2008**	2007	2006	2005	2004
Natural gas sold (millions of GJs)	**33**	37	40	37	28
Natural gas sales margin (cents per GJ)	**80.5**	84.1	54.3	39.2	47.7
Revenues	**323.6**	320.4	325.6	288.4	211.3
Cost of products sold	**296.0**	289.3	303.9	273.9	197.9
Gross profit	**27.6**	31.1	21.7	14.5	13.4
Cash operating, administrative and selling costs	**21.1**	19.0	11.4	9.2	5.7
EBITDA from operations	**6.5**	12.1	10.3	5.3	7.7

CONSOLIDATED FINANCIALS

(millions of dollars except average number of shares/trust units and per share/trust unit amounts)	Years Ended December 31 **2008**	2007	2006	2005	2004
Revenues	**2,487.3**	2,355.4	2,264.3(1)	2,059.2(1)	1,552.8
Gross profit	**669.1**	661.8	630.9(1)	623.6(1)	542.8
EBITDA from operations	**257.2**	240.0	233.4(1)	247.0(1)	239.6
Adjusted operating cash flow	**192.3**	179.5	197.0	195.0(1)	200.3
Per share/trust unit	**$2.18**	$2.08	$2.30	$2.45	$2.76
Average number of shares/trust units outstanding (millions)	**88.3**	86.5	85.5	79.7	72.7
Capital expenditures, net	**147.5**	22.2	66.8(1)	522.9(1)	142.1
Total assets	**2,026.9**	1,542.8	1,536.9	2,373.6	1,579.7
Total revolving term bank credit and term loans (2)	**577.7**	441.0	441.7	744.7	546.2

(1) Adjusted for discontinued operations

(2) Includes accounts receivable securitization program.

CAPITAL STRUCTURE

The following is a summary of the material attributes and characteristics of the securities of Superior, including the common shares and Debentures.

Share Capital

Superior is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. The following is a summary of the rights, privileges, restrictions and conditions of the common shares and preferred shares. As at the date hereof, approximately 88.4 million common shares and no preferred shares are issued and outstanding.

Common 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 shares having priority over the common shares.

Preferred Shares

The preferred shares are issuable in series and each class of preferred shares will have such rights, restrictions, conditions and limitations as the board of directors may from time to time determine. The holders of preferred shares will be entitled, in priority to 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 and 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.

Debentures

Superior has two separate series of Debentures issued pursuant to an amended and restated indenture (the "Indenture") between Superior and Computershare, as trustee (the "Debenture Trustee") dated December 31, 2008. The 5.75% Debentures and the 5.85% Debentures (collectively, the "Outstanding Debentures") are governed by the Indenture. Superior can issue additional Debentures under the Indenture from time to time.

5.75% Debentures

Currently there are approximately $174.9 million aggregate principal amount of 5.75% Debentures issued and outstanding which mature on December 31, 2012. The 5.75% Debentures are issuable in denominations of $1,000 principal amount and bear interest at a rate of 5.75% per annum, which is payable semi-annually in arrears on June 30 and December 31 of each year. The 5.75% Debentures are convertible at the holder's option into fully paid and non-assessable common shares of Superior at any time prior to the close of business on December 31, 2012 and the business day immediately prior to a date specified by Superior for redemption of the 5.75% Debentures at a conversion price of $36.00 per common share.

The 5.75% Debentures are not redeemable by Superior before July 1, 2008. On or after July 1, 2008 and prior to July 1, 2010, the 5.75% Debentures are redeemable in whole or in part from time to time at the option of Superior on not more than 60 days and not less than 30 days notice at a price equal to the principal amount thereof plus accrued and unpaid interest provided the current market price on the day preceding the notice of redemption is at least 125% of the conversion price. On or after July 1, 2010, the 5.75% Debentures are redeemable prior to maturity in whole or in part from time to time at the option of

Superior on not more than 60 days and not less than 30 days prior notice at a price equal to the principal amount thereof plus accrued and unpaid interest.

5.85% Debentures

Currently there are approximately $75.0 million aggregate principal amount of 5.85% Debentures issued and outstanding which mature on October 31, 2015. The 5.85% Debentures are issuable in denominations of $1,000 principal amount and bear interest at a rate of 5.85% per annum, which is payable semi-annually in arrears on April 30 and October 31 of each year. The 5.85% Debentures are convertible at the holder's option into fully paid and non-assessable common shares of Superior at any time prior to the close of business on October 31, 2015 and the business day immediately prior to a date specified by Superior for redemption of the 5.85% Debentures at a conversion price of $31.25 per common share.

The 5.85% Debentures are not redeemable by the Corporation on or before October 31, 2008. On or after November 1, 2008 and on or before October 31, 2010, the 5.85% Debentures are redeemable in whole or in part from time to time at the option of the Corporation on not more than 60 days and not less than 30 days notice at a price equal to the principal amount thereof plus accrued and unpaid interest provided the current market price on the day preceding the notice of redemption is at least 125% of the conversion price. On or after November 1, 2010, the 5.85% Debentures are redeemable prior to maturity in whole or in part from time to time at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to the principal amount thereof plus accrued and unpaid interest.

General Terms

Each series of Outstanding Debentures have the following general terms:

Superior will, on redemption or maturity of the Debentures, repay the indebtedness represented by the Debentures by paying the Debenture Trustee an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. Superior has the option, on not more than 60 days and not less than 30 days prior notice and subject to regulatory approval, to satisfy its obligation to repay the principal amount and/or accrued interest thereon of the Debentures which are to be redeemed or have matured, by issuing common shares to holders thereof. The number of common shares to be issued will be determined by dividing the aggregate principal amount to be redeemed or which have matured by 95% of the current market price of the particular series of Debentures on the date fixed for redemption or maturity, as the case may be.

The payment of the principal of, and interest on, the Debentures is subordinated in right of payment to the prior payment in full of all Senior Indebtedness and indebtedness to trade creditors of Superior. "Senior Indebtedness" in this context generally means the principal of and premium, if any, and interest on and other amounts in respect of all indebtedness of Superior, other than indebtedness evidenced by the Debentures and all other existing or future indebtedness or other instruments of Superior which, by the terms of the instrument creating or evidencing the indebtedness, is expressed to be *pari passu* with, or subordinate in right of payment to the Debentures.

The Indenture provides that an event of default ("Event of Default") in respect of Debentures issued under the Indenture, will occur if any one or more of the following described events has occurred and is continuing with respect to such Debentures: (i) failure for 15 days to pay interest on such Debentures when due; (ii) failure to pay principal or premium, if any, on such Debentures, whether at maturity, upon redemption, by declaration or otherwise; or (iii) certain events of bankruptcy, insolvency or reorganization of Superior under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon request of holders of not less than 25% in principal amount of such Debentures, declare the principal of and interest on all outstanding Debentures issued under that Indenture, to be immediately due and payable.

Upon the occurrence of a change of control of Superior involving the acquisition of voting control or direction over 66 2/3% or more of the common shares of Superior (a "Change of Control"), each Debentureholder may require Superior to purchase, on the date which is 30 days following the giving of notice of the Change of Control (the "Put Date"), the whole or any part of such holder's Debentures at a price equal to 101% of the principal amount thereof (the "Put Price") plus accrued and unpaid interest to the Put Date. If 90% or more in aggregate principal amount of the Debentures issued and outstanding under a particular Indenture on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, Superior will have the right to redeem all the remaining Debentures issued under such Indenture on such date at the Put Price, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as possible thereafter, by the Debenture Trustee, to the holders of the Debentures not tendered for purchase.

The Indenture provides that if an offer is made for Debentures issued under the Indenture, which is a take-over bid for Debentures within the meaning of the *Securities Act* (Alberta) and not less than 90% of such Debentures (other than Debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire such Debentures held by the holders of such Debentures who did not accept the offer on the terms offered by the offeror.

The rights of the holders of the Debentures as well as any other series of debentures that may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture contains certain provisions which make binding on all Debentureholders resolutions passed at meetings of holders of Debentures issued under the Indenture by the holders of not less than 66 2/3% of the principal amount of the Debentures issued under the Indenture which are voted at the meeting, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of the Debentures issued under the Indenture. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of Debentures of each particularly affected series issued under the Indenture.

Ratings

Credit Ratings

Credit ratings are intended to provide banks and capital market participants with a framework for comparing the credit quality of securities and are not a recommendation to buy, sell or hold securities. Disruptions in the banking and capital markets not specifically related to Superior LP may affect its ability to access these funding sources or cause an increase in the return required by investors. Credit rating agencies consider quantitative and qualitative factors when assigning a rating to an individual company. Outlooks fall into one of four categories: positive, negative, stable, or developing and should not be seen as a precursor to a rating change or future action. Superior LP provides the Rating Agencies with confidential, in-depth information in support of the rating process. Credit ratings are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Superior LP's credit ratings at the date hereof were as follows:

	Dominion Bond Rating Service Limited ("DBRS")	**Standard & Poor's ("S&P")**
Senior secured credit rating	BBB (low)	BBB –
Senior unsecured credit rating	N/A	BB+

DBRS Ratings
DBRS' credit ratings for long-term debt instruments range from AAA to D. A rating of BB is defined to be speculative, where the degree of protection afforded interest and principal is uncertain, particularly during periods of economic recession. Entities in the BB area typically have limited access to capital markets and additional liquidity support. A rating of B is defined to be highly speculative, and there is a reasonably high level of uncertainty as to the ability of the entity to pay interest and principal on a continuing basis in the future, especially in periods of economic recession or industry adversity.

DBRS' uses the "high" and "low" grades to indicate the relative standing of a credit within a particular rating category. The lack of one of these designations indicates a rating that is essentially in the middle of the category.

S&P's Ratings
S&P's credit ratings for long-term debt instruments range from AAA to D. A rating of BB is defined as less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. A rating of B is defined as more vulnerable to non-payment than obligations rated BB, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

A plus (+) or minus (-) on an S&P credit rating is used to show the relative standing of an issue within the major rating categories.

Debt Covenants
Superior executed an Amended and Restated Credit Agreement on December 31, 2008 in conjunction with the Conversion. Superior's debt covenants have been amended to reflect Superior's corporate structure.

As at December 31, 2008, Superior's senior debt and total debt to bank compliance EBITDA are 2.3 and 3.4 times, respectively, (December 31, 2007, 1.9 and 3.0 times), after taking into account the impact of the off-balance sheet receivable sales program amounts and the impact of cash on hand. These ratios are well within the requirements contained in Superior's debt covenants which restrict its ability to pay distributions. In accordance with Superior's credit facilities, Superior must maintain a consolidated debt to bank compliance EBITDA ratio of not more than 5.0 to 1.0, a consolidated senior debt to bank compliance EBITDA of not more than 3.0 to 1.0 and distributions (including payments to debenture holders) cannot exceed Distributable Cash Flow (plus $25.0 million) on a trailing twelve month rolling basis. At December 31, 2008, the senior debt ratio when calculated in accordance with Superior's senior banking agreements was 2.4 times to 1.0 (December 31, 2007 – 2.0 to 1.0) and the total debt ratio when calculated in accordance with Superior's senior bank agreements was 2.4 times to 1.0 (December 31, 2007 – 2.0 times to 1.0). Total debt to bank compliance EBITDA for purposes of senior credit agreements does not include the Debentures.

DIVIDENDS/CASH DISTRIBUTIONS

Dividend/Distribution Policies

The Conversion on December 31, 2008 resulted in the Unitholders of the Fund becoming Shareholders of Superior. As such, the board of directors of Superior has the discretion to determine if and when dividends are declared and the amount that is paid to Shareholders through any such dividends of Superior.

Upon completion of the Conversion, the board of directors of Superior became responsible for determining the dividend policy of Superior from time to time. As a CBCA corporation, the dividend policy must comply with the requirements of the CBCA, including the satisfaction of the liquidity test contained therein.

The members of the board of directors adopted a dividend policy to provide sustainable dividends to Shareholders to the extent that it is appropriate considering cash flow from operations, financial condition, financial leverage, working capital requirements and investment opportunities. Dividends are expected to continue to be paid monthly to Shareholders of record on the last business day of each calendar month with actual payment to be made to such Shareholders on or about the 15th day of the following month, subject to any contractual restrictions on such dividends including any agreements entered into with lenders of Superior or its affiliates. The board of directors of Superior can modify the dividend policy from time to time in its discretion.

The directors of the General Partner of Superior Plus LP have the discretion, subject to the limits prescribed in the Partnership Agreement, to determine the amount and the frequency of Superior Plus LP's distributions to Superior. The directors of the General Partner intend to implement a distribution policy that enables Superior to maintain its dividend policy from time to time, subject to any contractual restrictions on such distributions including any agreements entered into with lenders of Superior Plus LP or its affiliates. However, the board of directors of the General Partner can modify the current distribution policy from time to time in its discretion.

Superior will designate all dividends to be "eligible dividends" for purposes of the Tax Act such that Superior Shareholders who are individuals will benefit from the enhanced gross-up and dividend tax credit mechanism under the Tax Act.

Previously under the terms of the Declaration of Trust governing the Fund, the Administrator of the Fund had the sole discretion, subject to limitations imposed by any agreements entered into with lenders to the Fund, Superior LP or any affiliate of the Fund, to determine the amount of the distribution payable to Unitholders of the Fund for the applicable distribution period. The proportionate share for each trust unit of the amount of such distribution was determined by dividing such amount by the number of issued and outstanding trust units on the applicable distribution record date. The Declaration of Trust also provided that, subject to any limitations imposed by any agreements entered into with lenders of the Fund or affiliates of the Fund and also subject to any decision to the contrary as evidenced by a resolution of the board of directors of the Administrator, the Fund would distribute an additional amount to Unitholders on December 31 of each year so that the Fund would not be liable for ordinary income taxes for such year.

Cash Distributions

The following table sets forth the amount of cash distributions the Fund has paid on the trust units for the three most recently completed financial years.

Record Date	Payment Date	Distribution Per Trust Unit ($)	Annual Distribution Tax Year
December 31, 2008	January 15, 2009	0.135	**2008: $1.61**
November 30, 2008	December 15, 2008	0.135	
October 31, 2008	November 14, 2008	0.135	
September 30, 2008	October 15, 2008	0.135	
August 31, 2008	September 15, 2008	0.135	

Record Date	Payment Date	Distribution Per Trust Unit ($)	Annual Distribution Tax Year
July 31, 2008	August 15, 2008	0.135	
June 30, 2008	July 15, 2008	0.135	
May 31, 2008	June 13, 2008	0.135	
April 30, 2008	May 15, 2008	0.135	
March 31, 2008	April 15, 2008	0.135	
February 29, 2008	March 14, 2008	0.13	
January 31, 2008	February 15, 2008	0.13	
December 31, 2007	January 15, 2008	0.13	**2007: $1.56**
November 30, 2007	December 14, 2007	0.13	
October 31, 2007	November 15, 2007	0.13	
September 30, 2007	October 15, 2007	0.13	
August 31, 2007	September 14, 2007	0.13	
July 31, 2007	August 15, 2007	0.13	
June 30, 2007	July 13, 2007	0.13	
May 31, 2007	June 15, 2007	0.13	
April 30, 2007	May 15, 2007	0.13	
March 31, 2007	April 13, 2007	0.13	
February 28, 2007	March 15, 2007	0.13	
January 31, 2007	February 15, 2007	0.13	
Dec 31, 2006	Jan 13, 2007	0.13	**2006: $1.82**
Nov 30, 2006	Dec 15, 2006	0.13	
Oct 31, 2006	Nov 15, 2006	0.13	
Sep 30, 2006	Oct 14, 2006	0.13	
Aug 31, 2006	Sep 15, 2006	0.13	
Jul 31, 2006	Aug 15, 2006	0.13	
Jun 30, 2006	Jul 15, 2006	0.13	
May 31, 2006	Jun 15, 2006	0.13	
Apr 30, 2006	May 13, 2006	0.185	
Mar 31, 2006	Apr 15, 2006	0.185	
Feb 28, 2006	Mar 15, 2006	0.205	
Jan 31, 2006	Feb 15, 2006	0.205	

Market For Securities

Superior's common shares and Debentures trade on the Toronto Stock Exchange (the "TSX") under the following symbols:

Trading Symbol	Security
SPB	Common Shares
SPB.db.b	5.75% Debentures
SPB.db.c	5.85% Debentures

Prior to the Conversion, the Fund's trust units and Debentures traded on the TSX under the following symbols:

Trading Symbol	Security
SPF.UN	Trust Units
SPF.db.b	5.75% Debentures
SPF.db.c	5.85% Debentures

The following table summarizes the trading activity of the Fund's securities on the TSX for the year ended December 31, 2008:

Trust units : SPF.un	**High**	**Low**	**Volume**
January	12.00	10.49	3,081,609
February	12.78	11.06	3,491,164
March	14.32	12.61	5,166,811
April	14.08	13.40	3,771,528
May	13.98	12.00	4,983,685
June	12.80	11.38	6,360,291
July	11.99	11.05	2,123,041
August	13.55	11.10	2,899,619
September	13.85	11.36	2,807,246
October	12.03	8.51	4,204,084
November	13.31	9.13	5,331,700
December	10.94	8.56	3,736,000
2008			

5.75% Debentures: SPF.db.b	**High**	**Low**	**Volume**
January	94.30	90.50	19,200
February	95.00	92.01	11,720
March	97.50	94.00	18,570
April	98.99	94.00	21,930
May	99.79	94.00	13,970
June	98.99	97.26	13,130
July	99.00	96.31	17,670
August	98.49	95.75	16,094
September	98.88	89.05	19,080
October	94.00	76.00	16,500
November	93.84	73.01	13,090
December	89.99	75.00	14,520
2008			

5.85% Debentures: SPF.db.c	High	Low	Volume
January	93.34	87.01	8,220
February	93.98	91.00	7,390
March	95.00	93.00	6,380
April	94.59	91.01	7,700
May	93.99	91.01	7,600
June	94.50	91.55	4,020
July	94.50	90.05	6,700
August	94.99	90.56	5,500
September	94.50	85.00	10,570
October	85.00	65.05	6,100
November	87.25	66.00	6,020
December	82.50	67.00	7,970
2008			

DIRECTORS AND OFFICERS OF SUPERIOR PLUS CORP.

The names, municipalities of residence, and principal occupations for the five most recently completed financial years and committee membership of the directors of Superior as of the date hereof are set out below. Each current director was appointed to serve until the next annual meeting or until a successor is elected or appointed.

As at March 10, 2009, the directors as a group owned, directly or indirectly 2,051,430 common shares of Superior, representing approximately 2.3% of Superior's outstanding common shares. The number of common shares of the Corporation that each director beneficially owns, directly or indirectly, or exercises control or direction over, as at March 10, 2009, is included in the following table. The information as to the ownership or control or direction of common shares, not being within the knowledge of the Corporation, has been furnished by the directors individually.

Name, Province and Country of Residence	Director Since	Number of Common Shares	Principal Occupation
Catherine M. (Kay) Best [1] Alberta, Canada	2007	Nil	Executive Vice-President, Risk Management and Chief Financial Officer of the Calgary Health Region.
Grant D. Billing [4] Alberta, Canada	1994	1,811,511	Chairman and Chief Executive Officer of Superior.
Robert J. Engbloom, Q.C. [2] Alberta, Canada	1996	17,010	Partner, Macleod Dixon LLP (law firm).
Randall J. Findlay [2] Alberta, Canada	2007	10,000	Corporate Director. From 2001 until 2006, Mr. Findlay was President of Provident Energy Ltd. (a diversified energy business).
Norman R. Gish[3] [4] [5] [6] Alberta, Canada	2003	30,910	Corporate Director and independent businessman.
Peter A.W. Green [1] [2] [7] Ontario, Canada	1996	10,466	Chairman of The Frog Hollow Group Inc. (international business advisors) and Chairman of Patheon Inc. (global pharmaceutical company).
James S.A. MacDonald [3] [8] Ontario, Canada	2000 [8] (also, May 28/98 - Dec 11/98)	137,437	Chairman and Managing Partner of Enterprise Capital Management Inc. ("ECMI") (investment management company).
Walentin (Val) Mirosh [3] Alberta, Canada	2007	1,000	Vice President and Special Advisor to the President and Chief Operating Officer of NOVA Chemicals Corp.
David P. Smith [1] Ontario, Canada	1998	31,048	Managing Partner of ECMI.
Peter Valentine [1] Alberta, Canada	2004	2,048	Corporate director and consultant.

Notes:

1) Member of Audit Committee.
2) Member of Governance and Nominating Committee.
3) Member of Compensation Committee.
4) Messrs. Billing and Gish also own $1,030,000 and $60,000 principal amount of convertible Debentures of Superior, respectively.
5) Mr. Gish served as a trustee of the Fund from September 2000 to October 2003 and as Chairman of ICG Propane Inc. ("ICG") from December 1998 to September 2000.
6) Mr. Gish is a director of Railpower Technologies Corp. ("Railpower"). Railpower was granted an initial order on February 4, 2009 by the Commercial Division of the Superior Court of Quebec for protection under the *Companies Creditors' Arrangement Act* (Canada).
7) Mr. Green was appointed Lead Director of Superior on August 11, 2003. Mr. Green has been appointed as a director and officer of companies that have financial difficulties to assist such companies with financial restructuring, proposals or compromise arrangements. In this capacity, Mr. Green was appointed a director of Phillip Services Corp. which made a proposal under chapter 11 of the U.S. Bankruptcy Code and the *Companies Creditors' Arrangement Act* (Canada) in 1999 and briefly became the Chairman and C.E.O. of Norigen Inc. which went into receivership in August, 2001.
8) Mr. MacDonald was the Director of ICG for the duration of the Hold-Separate Order of the Competition Bureau which required Superior to keep ICG's operations separate from its own. ICG was amalgamated with Superior effective September 30, 2000.
9) The Corporation does not have an Executive Committee.

Officers of Superior Plus Corp. who are not Directors

Name and Municipality of Residence	Principal Occupation
Wayne M. Bingham Calgary, Canada	Executive Vice-President and Chief Financial Officer of Superior since December 31, 2008 and the Fund from November 1, 2006 to December 31, 2008. Also Executive Vice-President and Chief Financial Officer of Finning International Inc., (a heavy equipment distribution business) from May 1, 2003 to January 31, 2006 and, Executive Vice-President and Chief Financial Officer of Ontario Power Generation from April, 1999 to April, 2003.
Jay Bachman Calgary, Canada	Corporate Controller of Superior since December 31, 2008 and the Fund from March 2007 to December 31, 2008 and Manager, Corporate Reporting since August 2004. Prior thereto, Manager at KPMG Chartered Accountants.
A. Scott Daniel Calgary, Canada	Vice-President, Treasurer and Investor Relations of Superior since December 31, 2008 and the Fund from March 2007 to December 31, 2008. From February 2005 to March 2007, Manager of Treasury and Investor Relations at Daylight Resources Trust (an oil and gas trust). From 1994 to February 2005, various senior corporate finance positions within CIBC, a major Canadian Bank.
Craig S. Flint Calgary, Canada	Vice-President, Business Process and Compliance of Superior since December 31, 2008 and the Fund from September 2006 to December 31, 2008. Prior thereto, various senior financial positions with Superior and the businesses. From April 1991 to October 1998, Manager at PricewaterhouseCoopers.
Eric McFadden Canmore, Canada	Executive Vice-President, Business Development of Superior since December 31, 2008 and the Fund from October 2008 to December 31, 2008. Prior thereto, Mr. McFadden managed a windpower business from 2004 to 2007. From 1990 to 2004, he held various roles at Scotia Capital where his last position was Managing Director and Co-Head Investment Banking in Calgary.

AUDIT COMMITTEE

Independence of Boards and Committee Members

Director independence is determined by the Board based on the definition of independence in National Instrument 52-110 - "Audit Committees", as amended effective March 17, 2008 (the "Audit Committee Rule"), which is incorporated by reference in National Instrument 58-101 – "Disclosure of Corporate Governance Practices" and National Policy 58-201 - "Corporate Governance Guidelines".

Composition and Qualifications

The Audit Committee of the board of directors of Superior consists of four directors, Mr. Smith (Chair), Ms. Best, and Messrs. Green and Valentine all of whom are "financially literate", and "independent" within the meaning of the Audit Committee Rule. In considering criteria for the determination of financial literacy, the board of directors looks at the ability to read and understand a balance sheet, an income statement and a statement of cash flow of a public entity. Mr. Smith is a chartered financial analyst with over 25 years experience in the investment banking, investment research and management industry. His experience includes investment research, mergers and acquisitions, project finance, privatization and corporate finance. Mr. Smith currently is a managing director and founding partner of Enterprise Capital Management Inc. Ms. Best is a chartered accountant with over 25 years experience. Currently, Ms. Best serves as Executive Vice-President, Risk Management and Chief Financial Officer for the Calgary Health Region where she is responsible for all finance functions, including financial operations, budgeting, forecasting and planning, business support for operating and corporate portfolios, performance reporting, business planning and treasury management. Ms. Best was a chartered accountant at Ernst & Young for nineteen years, the last ten years as Corporate Audit Partner. Mr. Green is a chartered accountant and international business advisor with over 30 years of experience in senior executive roles, including 25 years as Chief Executive Officer or Chief Operating Officer of international companies. Currently, Mr. Green serves as Chairman of Patheon Inc., a global pharmaceutical company. Mr. Valentine is a consultant and corporate director. Mr. Valentine is a chartered accountant, served as Auditor General of Alberta from 1995 to 2002 and held various senior accounting, audit and advisory positions with KPMG over a 38-year period. He served as a member of the Accounting Standards Committee and the Public Sector Accounting Standards Board of the Canadian Institute of Chartered Accountants. Mr. Valentine also served as senior advisor to the CEO, Calgary Health Region and senior advisor to the Dean of Medicine, University of Calgary until 2007.

Responsibilities and Terms of Reference

The Audit Committee reviews with management and the external auditors, and recommends to the board of directors for approval, the annual and interim financial statements of Superior, the reports of the external auditors thereon and related financial reporting, including management's discussion and analysis and financial press releases. The Audit Committee reviews and oversees, in conjunction with the external auditors and management, audit plans and procedures and meets with the auditors independent of management at each quarterly meeting. The Audit Committee is responsible for reviewing auditor independence, approving all non-audit services, reviewing and making recommendations to the board of directors on internal control procedures and management information systems. In addition, the committee is responsible for assessing and reporting to the board of directors on financial risk management positions and monitoring the processes and compliance with respect to National Instrument 52-109 "Certification of Disclosure in Issuer's Annual and Interim Filings" requirements. The mandate of the Audit Committee is posted on Superior's website at *www.superiorplus.com*.

Audit Fees

Fees payable to Deloitte & Touche for the years ended December 31, 2007 and December 31, 2008 are detailed in the following table:

	Year Ended December 31, 2007	**Year Ended December 31, 2008**
Audit fees	$663,450	$807,636
Audit-related fees	$224,522	$218,941
Tax Fees	–	–
All other fees	$10,600	$583,613
	$898,572	**$1,610,190**

Audit fees were paid for professional services rendered by the auditors for the audit of Superior's and Superior LP's annual financial statements or services provided in connection with statutory and regulatory filings. Audit-related fees were paid for review of quarterly financial statements of Superior and Superior LP, attendance at quarterly audit meetings, pension plan audits, regulatory reviews, and for services provided in connection with financings, accounts receivable securitization program requirements, including French translation services provided in connection therewith.

All permissible categories of non-audit services require approval from the Audit Committee. "All other fees" reported in the above table in respect of 2007 consists of fees paid to Deloitte and Touche LLP in connection with internal management training relating to International Financial Reporting Standards ("IFRS Training"). "All other fees" reported in the above table in respect of 2008 consists of fees paid to Deloitte and Touche LLP in connection with IFRS Training and due diligence relating to the Conversion.

RISK FACTORS

Cash Dividends to Shareholders are Dependent on the Performance of Superior LP

The Corporation is entirely dependent upon the operations and assets of Superior LP. The Corporation'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.

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 the Corporation. 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 is subject to change at the discretion of the board of directors of Superior or the board of directors of the General Partner, as applicable. Superior's dividend policy and the distribution policy of Superior LP are also limited by contractual agreements including agreements with lenders to the Fund and its affiliates. See "Dividends/Cash Distributions".

Access to Capital

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. Please refer to page 41 for a description of the requirements contained in Superior's debt covenants.

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 its current business and to make necessary principal payments, uncertainties and assumptions under its term credit facilities may be impaired.

Forward-Looking Information May Prove Inaccurate

Numerous statements containing forward-looking information are found in this Annual Information Form, documents incorporated by reference herein and other documents forming part of Superior's public disclosure record. Such statements and information are subject to risks and uncertainties and involve certain assumptions, some, but not all, of which are discussed elsewhere in this document. The occurrence or non-occurrence, as the case may be, of any of the events described in such risks could cause actual results to differ materially from those expressed in the forward-looking information.

Interest Rates

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 approximately half of Superior

Propane's sales and substantially all of ERCO Worldwide's and Winroc'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, a common relationship between economic activity levels, interest rates and Superior's ability to pay higher or lower rates are generally aligned.

Foreign Exchange Risk

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

Capital Investment

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 distribution to Shareholders. Dividends may be reduced, or even eliminated, at times when significant capital expenditures are incurred or other unusual expenditures are made.

Limited Liability

Superior holds a 99.9% limited partnership interest in Superior LP. As a limited partner of a limited partnership existing under the laws of the Province of Ontario, Superior's liability for indebtedness, claims and other liabilities of Superior LP is limited to its investment in such partnership. However, there are certain circumstances in which Superior could lose its limited liability in connection with its investment in Superior LP. For example, if Superior were to directly assume active management of Superior LP, its limited liability would be jeopardized.

Additional Shares

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

Operating Risks and Insurance Coverage

Superior LP's operations are subject to the risks associated with the operations of each of its businesses some of which are outlined below. Superior LP is and will continue to be involved in various legal proceedings and litigation that arises in the normal course of its business. Superior LP maintains insurance policies with insurers in such amounts and with such coverages and deductibles as it believes are reasonable and prudent. However, there can be no assurance that such insurance will be adequate to protect Superior LP from all material expenses related to potential future claims related to the operations of its businesses or that such levels of insurance will be available in the future at economical prices. Also there can be no assurance that Superior's insurance providers will have the ability to satisfy all future claims in accordance with our policies.

Superior LP May Not Be Successful in Making Acquisitions

Superior LP and its predecessors have historically expanded their business through organic growth and acquisitions. Superior LP intends to consider and evaluate opportunities for growth acquisitions. There can be no assurance that Superior LP will find attractive acquisition candidates in the future, or that Superior LP will be able to acquire such candidates on economically acceptable terms.

Collections from Customers

Superior's operating divisions are dependent in part on the viability of its customers for collections of trade accounts receivable and notes receivable. Superior cannot assure that its customers will not experience financial difficulties in the future and may not collect all of its trade accounts receivable or notes receivable.

Third Party Credit Risk Relating to Completion of the Conversion

Superior is or may be exposed to third party credit risk relating to any obligations of Ballard that are not transferred, or if transferred, from which obligations Superior has not been released. Superior has, through the contractual provisions in the Arrangement Agreement and the indemnity agreement (the "Indemnity Agreement") and divestiture agreement ("Divestiture Agreement") contemplated thereby, 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 and to the extent any applicable insurance coverage is not available, Superior may be liable for such obligations which could have a material adverse effect on the business, financial condition and results of operations of Superior.

Due Diligence

Although the Fund conducted investigations of, and engaged legal counsel to review, the corporate, legal, financial and business records of Ballard and attempted to ensure, through the contractual provisions in the Arrangement Agreement, Indemnity Agreement and Divestiture Agreement, and through securing certain insurance coverage, that the liabilities and obligations relating to the business of Ballard are transferred to and assumed by New Ballard, there may be liabilities or risks that the Fund may not have uncovered in its due diligence investigations, or that may have an unanticipated material adverse effect on Superior. These liabilities and risks could have, individually or in the aggregate, a material adverse effect on the business, financial condition and results of operations of Superior.

Tax Related Risks Associated with the Conversion

The steps under the Arrangement Agreement were structured to be tax deferred to the Fund and Fund Unitholders based on the SIFT Reorganization Amendments proposed by the Department of Finance on July 14, 2008. On March 5, 2009 the Budget Implementation Act, 2009 (Bill C-10 (2009)), which includes the SIFT Reorganization Amendments, received second reading in the Senate and has been referred to the Senate Standing Committee on National Finance. If the SIFT Reorganization Amendments are not passed in their current form or other legislation or amendments to existing legislation are proposed or announced, there is a risk that the tax consequences contemplated by the Fund or the tax consequences of the Conversion to the Fund and the Unitholders may be materially different than the tax consequences described in the Arrangement Agreement. While Superior is confident in its position, there is a possibility that the Canada Revenue Agency could successfully challenge the tax consequences of the Conversion or prior transactions of Ballard or legislation could be enacted or amended, resulting in different tax consequences than those contemplated in the Arrangement Agreement for Superior. Such a challenge or legislation could potentially affect the availability or quantum of the tax basis or other tax accounts of Superior.

Ballard Operational Risks

The Fund 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.

Superior Propane

Competition

Propane is sold in competition with other energy sources such as fuel oil, electricity and natural gas, some of which are less costly on an energy equivalent basis. While propane is usually more cost effective than electricity, electricity is a major competitor in most areas. Fuel oil is also used as a residential, commercial and industrial source of heat and, in general, is less costly on an equivalent energy basis, although operating efficiencies, environmental and air quality factors help make propane competitive with fuel oil. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas where natural gas already exists. Other alternative energy sources such as compressed natural gas, methanol and ethanol are available or could be further developed and could have an impact on the propane industry and Superior Propane in the future. The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Superior Propane's sales. Demand for automotive uses is presently declining at a rate of approximately 10% to 15% per year due to the development of more fuel efficient and complicated engines which increase the cost of converting engines to propane and reduce the savings per kilometre driven. Propane commodity prices are affected by crude oil and natural gas commodity prices. Crude oil and natural gas commodity prices have recently been volatile and at historically high levels. In turn, propane commodity prices have followed similar trends. As a result, the competitiveness of propane relative to certain other energy sources may have been reduced.

In addition to competition from other energy sources, Superior Propane competes with approximately 200 other retail marketers. Propane retailing is a local, relationship-based business, in which propane competes for market share based on price and level of service. The industry is mature, with limited growth potential and barriers to entry are relatively low. Superior Propane's ability to remain an industry leader depends on its ability to provide reliable service at competitive selling prices.

Volume Variability Due to Weather Conditions and Economic Demand

Historically, overall propane demand from non-automotive end-use applications has been stable. However, weather and general economic conditions affect propane market volumes. Weather influences the demand for propane primarily for space heating uses and also for agricultural applications, such as crop drying. Approximately 80% of Superior Propane’s annual cash flow is typically generated in the October to March winter heating season. Superior Propane accumulates propane inventory during the summer months for delivery to its fixed-price customers during the winter heating season.

Propane Demand, Supply and Pricing

Propane represents less than 2% of the overall Canadian energy market and is used in a wide range of applications, including residential, commercial, industrial, agricultural and automotive uses. Demand for traditional propane end-use applications is increasing marginally with general economic growth. However, increases in the cost of propane encourage customers to reduce fuel consumption and to invest in more energy efficient equipment, reducing demand. Automotive propane demand is presently declining at a rate of approximately 10% to 15% per year due to the development of more fuel-efficient and complicated engines which increase the cost of converting engines to propane and reduce the savings per kilometre driven. Reversal of this market trend will require increased support of governments and original equipment vehicle manufacturers. Based on the most recently available industry data, it is estimated that on an annual basis, approximately 11 billion litres of propane are produced in Canada of which approximately four billion litres are consumed domestically. The remainder is exported to the United States. Superior Propane’s supply is currently purchased from 20 propane producers in Canada. Superior Propane leases underground propane storage capacity in Marysville, Michigan; Mt. Belvieu, Texas; Conway, Kansas; Regina, Saskatchewan and Fort Saskatchewan, Alberta and accumulates propane storage positions during the summer months to provide it with further supply security and distribution capacity in periods of supply disruption and high demand in the winter season. Propane is mainly purchased under annual contracts, with pricing arrangements based principally on industry posted prices at the time of delivery. The retail propane business is a "margin-based" business where the level of profitability is largely dependent on the difference between retail sales prices and wholesale product costs. Changes in propane supply costs are normally passed through to customers, but timing lags may result in positive or negative gross margin fluctuations.

Health, Safety and Environment

Slight quantities of propane may be released during transfer operations. The storage and transfer of propane has limited impact on soil or water given that a release of propane will disperse into the atmosphere. To mitigate risks, Superior Propane 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.

Superior Propane's operations are subject to the risks associated with handling, storing and transporting propane in bulk. The potential exists for accidents to occur or equipment to fail which could result in the release of propane and any such release could result in a fire or explosion causing damage to facilities, death or injury and liabilities to third parties.

Employee and Labour Relations

As of December 31, 2008, Superior Propane had 1,435 full-time and 156 part-time employees. Approximately 348 or 22% of its employees are unionized through three provincial or regional certifications in British Columbia, Yukon and Quebec with expiry dates ranging from December 31, 2010 to April 30, 2011. Collective bargaining agreements are renegotiated in the normal course of business.

Fixed-Price Offerings

Superior Propane offers its customers various fixed-price propane programs. In order to mitigate the price risk from offering these services, Superior Propane 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. See Note 16(ii) to the Consolidated Financial Statements for fixed-price propane purchase and sale commitment amounts. To the extent that Superior Propane has an exposure related to US dollars, the exposure is mitigated through foreign currency hedge contracts. See "Foreign Currency Hedging" and Note 10 to the Consolidated Financial Statements.

ERCO Worldwide

Competition

ERCO Worldwide, one of four global sodium chlorate companies, competes with Eka, Kemira and Canexus on a worldwide basis. The business also competes with a number of smaller regional producers. Key competitive factors include price, product quality, logistics capability, reliability of supply, and technical capability and service. Of the global producers, Kemira and Canexus do not provide chlorine dioxide generators or related technology. The business also competes with chloralkali producers, such as Dow Chemicals, Occidental Chemicals, Olin Corporation, Ashta Chemicals and PPG Industries as well as Canexus in North Vancouver.

In addition, the end-use markets for ERCO Worldwide's products are correlated to the general economic environment and the competitiveness of its customers which is outside of its control. North American bleached pulp producers are experiencing global competitive pressure as a result of increased fibre and energy costs and the impact of exchange rates which may result in reduced demand for sodium chlorate in North America. In addition, North American demand for chlorine and chlorine related products may be impacted by the general economic environment, which can directly impact the pricing for chloralkali products. During recessionary times pricing for alkali products (NaOH) is elevated as the slowdown usually increases demand for Cl_2 causing a tight alkali market.

Supply Arrangements

ERCO Worldwide uses four primary raw materials to produce its chemical products: electricity, salt, potash and water. Electricity comprises 70% to 85% of variable production costs for sodium chlorate. The business has long-term contracts or contracts that renew automatically with power producers in each of the jurisdictions in which its plants are located. These contracts generally provide ERCO Worldwide with some portion of firm power supply and a portion that may be interrupted by the producer based on the terms of the various agreements. The business can reduce its power consumption quickly and at minimal cost, which allows it, in some jurisdictions, to reduce its overall power costs by selling ancillary services back to the power producer or to the power grid. In jurisdictions where electrical costs are deregulated, fixed-price term supply contracts are entered into in order to manage production costs. Approximately 10% of ERCO Worldwide's annual power requirements are located in deregulated electricity jurisdictions, of which 100% has been sourced through fixed-price electrical contracts, for remaining terms up to nine years. Electricity for ERCO Worldwide's Chilean facility is supplied from CMPC and is supplied as part of ERCO's long-term sodium chlorate supply agreement with CMPC. See Note 16(iii) to the Consolidated Financial Statements for a summary of ERCO's fixed-price electricity commitments.

ERCO Worldwide purchases salt from third-party suppliers at each of its plants with the exception of the Hargrave and Saskatoon facilities, which are self-supplied through long-term salt reserves that are solution-mined on site. Salt purchase contracts are typically fixed-price contracts with terms of one year or greater, often with automatic renewals. Salt costs typically comprise about 10% of variable production costs of sodium chlorate.

Potassium Chloride (KCl) is a major raw material used in the production of KOH at ERCO Worldwide's Port Edwards Wisconsin facility. Substantially all of ERCO Worldwide's KCl is received from PCS. PCS operates two KCl mines that are able to provide the product specifications required by ERCO. ERCO Worldwide currently has a limited ability to source KCl from additional suppliers. In the event of a KCl supply interruption, ERCO's Port Edwards facility is able to switch production to the sodium molecule from the potassium molecule. The ability to switch between sodium and potassium significantly reduces the risks associated with a single point of supply for KCl.

The cost of electricity is far greater than all other costs of production combined for ERCO Worldwide. Therefore, supply of electricity at reasonable prices and on acceptable terms is critical. If ERCO Worldwide is unable to obtain electricity at reasonable prices and on acceptable terms, it will have a negative impact on its results of operations. The electricity that ERCO Worldwide uses is supplied by others and may be subject to wide price fluctuations for a variety of reasons beyond ERCO Worldwide's control. The current trend towards deregulation of electric power makes short-term future costs for electric power uncertain in certain jurisdictions in which this business operates. There is no assurance that ERCO Worldwide will continue to be able to secure adequate supplies of electricity at reasonable prices or on acceptable terms.

Foreign Currency Exchange

ERCO Worldwide's exposure to fluctuations in the United States dollar and Canadian dollar foreign currency exchange rates is expected to be approximately $115 million to $125 million in 2009, and consists of US denominated net revenue from Canadian operations and the net cash flow generated from operations in the United States and Chile. ERCO Worldwide manages its exposure to fluctuations between the United States and Canadian dollar by entering into hedge contracts with external third parties and internally with other Superior Plus businesses. Approximately 75% and 53% of ERCO Worldwide's estimated United States dollar exposure for 2009 and 2010 have been hedged.

Health, Safety and Environment

ERCO Worldwide's 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. ERCO Worldwide is a founding member of Responsible Care®, an initiative of the Canadian Chemical Producers Association, an association that promotes the safe and environmentally sound management of chemicals. ERCO Worldwide manages its environmental and safety risk in a manner consistent with Responsible Care® protocols and strives to achieve an environmental and safety record that compares favourably with other businesses in the chemical industry. ERCO Worldwide applies this ethic worldwide through the Global Charter. The business has not had a material environmental or safety incident for over 15 years and has steadily reduced the number of safety incidents at all of its facilities.

Regulatory

ERCO Worldwide's 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 ERCO Worldwide.

Operational Matters

The operations of ERCO Worldwide are subject to the risks normally incident to the handling, production, transportation and disposal of chemical products. ERCO Worldwide's facilities produce large volumes of chemicals, using equipment with fine tolerances. 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.

Employee and Labour Relations

As at December 31, 2008, ERCO Worldwide had 450 fulltime employees of which approximately 125 (28%) are unionized. The plants in Vancouver and Saskatoon are subject to collective bargaining agreements, which expire November 2009 and September 2010 respectively. During 2008, the Buckingham facility renewed one of its two collective agreements until 2011 and the other agreement will be renegotiated in 2009. Collective bargaining agreements are renegotiated in the normal course of business.

Winroc

Competition

The North American walls and ceilings construction product business is estimated to generate annual sales revenues of more than $20 billion. Specialty distributors such as Winroc service the builder/contractor market, traditionally representing 50% to 60% of total industry revenues. The remainder of industry revenues is earned through big-box home centres and independent lumber yards, which service the "do-it-yourself" market, as well as direct sales to modular home manufacturers.

The specialty distribution sector is highly fragmented with the top six competitors representing an estimated 32% of overall North American industry revenues. The specialty walls and ceilings distribution business is a local, relationship-based business in which distributors compete on the basis of price and service. Barriers to entry are relatively low, but Winroc's multi-location distribution network, strong market position, purchasing scale, product line breadth and product and customer knowledge, all provide it with a competitive advantage over smaller competitors.

Demand, Supply and Pricing

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.

Housing starts reflect the level of new residential construction activity. The level of new commercial construction activity has historically lagged new residential activity as commercial infrastructure is put in place to service residential development. Renovation activity trends have historically followed existing home resales and turnover of occupants in commercial building space. Winroc's sales are moderately seasonal, consistent with new construction and renovation market activity, with approximately 53% of annual revenues generated during the second and third quarters.

Winroc carries a comprehensive product line comprised of approximately 40,000 stock-keeping units. Its six principal product lines, are sourced from over 100 suppliers. Winroc is not reliant on any one supplier to source product within its principal product lines. Winroc leverages its purchasing capability through its Allroc purchasing division, which also provides third-party purchasing services to ten independent distributors and retailers. Winroc purchases its products pursuant to various purchasing programs and does not enter into long-term purchase contracts.

The walls and ceilings specialty distribution business is a "margin-based" business where the level of profitability is dependent on the difference earned between selling prices and wholesale product cost, as well as management of operating expenses and working capital. Changes in product costs are normally passed through to customers, but timing lags may result in both positive and negative fluctuations of gross margins.

During periods of reduced overall demand for Winroc's products and services, market prices can become depressed as manufacturing suppliers seek to increase capacity utilization, and specialty distribution competitors seek to protect business levels and cash flow through price reductions.

Health, Safety and Environment

The distribution of walls and ceilings construction products involves risks, including the failure or substandard performance of equipment, natural disasters, suspension of operations and new governmental statutes, regulations, guidelines and policies. Winroc's operations are also subject to various hazards incidental to the handling, processing, storage and transportation of certain hazardous materials, including industrial chemicals. These hazards can cause fatal personal injury, severe damage to and destruction of property and equipment and environmental damage. There can be no assurance that as a result of past or future operations, there will not be claims of injury by employees or members of the public due to exposure, or alleged exposure, to these materials. There can be no assurance as to the actual amount of these liabilities or the timing of them. Winroc maintains safe working practices through proper procedures and direction and utilization of equipment such as forklift trucks, cranes and carts. Winroc handles and stores a variety of construction materials and maintains appropriate materials handling compliance programs.

Employee and Labour Relations

As at December 31, 2008, Winroc had 885 employees of which approximately 71 (8%) were unionized at seven locations. Collective bargaining agreements expire from 2009 to 2011, and are renegotiated in the normal course of business.

Superior Energy Management

Competition

The energy retailing business is competitive and many of SEM's competitors have greater financial and other resources than SEM. It is possible that new entrants may enter the market and compete directly for the customer base that SEM targets, slowing or reducing its market share. Such competition may have an adverse effect on the results of this business.

Effective June 2007, the Ontario Energy Board implemented customer portability rules in the Ontario natural gas market. The new regulation referred to as Gas Distribution Access Rules has allowed utilities to enroll customers with a natural gas marketer regardless if they are already on a contract with a different natural gas marketer. This can create customer enrollment issues, whereby customers have been enrolled with a new natural gas marketer without completing their contractual obligation with their original natural gas marketer, leaving the customer financially obligated to both retailers. In most cases, the customer is faced with early cancellation fees by the natural gas marketer it wishes to leave. In addition, suppliers may be required to collect from unwilling customers who have switched retailers which could result in increase collection costs or customer defaults.

Fixed-Price Offering

Gas Fixed-Price Offerings. SEM purchases natural gas to meet its estimated commitments to its customers based upon the historical consumption of gas of its customers. Depending on a number of factors, including weather, customer attrition and poor economic conditions affecting commercial customers' production levels, customer natural gas consumption may vary from the volume purchased. This variance must be reconciled and settled at least annually and may require SEM to purchase or sell natural gas at market prices which may have an adverse impact on the results of this business. To mitigate potential balancing risk, SEM 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, SEM 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.

Power Fixed-Price Offerings. SEM matches its customers estimated electricity requirements by entering into electricity swaps in advance of acquiring customers. Depending on several factors, including weather, customer's energy consumption may vary from the volumes purchased by SEM. SEM is able to invoice existing commercial electricity customers for balancing charges when the amount of energy used is greater than or less than 10% of the amount of energy that SEM estimated. In certain circumstances, there can be balancing issues for which SEM is responsible when customer aggregation forecasts are not realized.

Supply and Third Party Credit

Superior Energy Management 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 Energy Management 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 its obligations to Superior Energy Management. However, the financial condition of each counterparty is evaluated and credit limits are established to minimize Superior Energy Management'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 Energy Management's risk management policy.

Starting with 2008, the supply for new natural gas business in Canada billed through the utility will be transacted with Constellation, accordingly, failure by Constellation meet its obligations may have a material adverse effect on the results of SEM, however SEM monitors this credit risk on a regular basis.

For the electricity business, SEM has entered into a long-term electricity supply agreement with Bruce Power, Ontario's largest independent electricity generator. Under the terms of the agreement, Bruce Power has agreed to supply electricity to SEM in order to fix prices for residential and small commercial customers for terms up to five years. While SEM has the ability to select alternative suppliers under certain circumstances, failure by Bruce Power to meet its obligations would have a material adverse effect on the results of SEM, however SEM monitors this credit risk on a regular basis.

Dependence on Sales Agents
SEM must retain qualified sales agents in order to properly execute its business strategy. The continued growth of SEM 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 SEM would limit future growth of the cash flow.

Regulatory
SEM operates in the highly regulated energy industry in the provinces of 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 SEM, including invoicing, collection, assuming specific bad debt risks and storage and distribution of natural gas. Any elimination or change to these rules could have a significant adverse effect on the results of this business.

In November 2008, Ontario MPP David Ramsay's private members Bill 131 was introduced and passed second reading. The bill was scheduled to go the Ontario Provincial Parliament's Standing Committee on Regulations and Private Bills in February 2009. If it were to pass through committee and pass third reading, it could receive Royal Assent. The bill contains several consumer protection measures, such as the requirement for a written re-affirmation with the customer. The bill, if passed, could negatively impact the acquisition of residential natural gas and power customers in Ontario.

TRANSFER AGENT AND REGISTRAR

Superior's transfer agent and registrar for all its publicly traded securities is Computershare Trust Company of Canada with offices in Calgary and Toronto.

EXPERTS

Deloitte & Touche LLP is the auditor of Superior and Superior LP. Deloitte and Touche LLP is independent of Superior and Superior LP within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

MATERIAL CONTRACTS

Superior did not enter into any material contracts during the most recently completed financial year or prior thereto, which are still material and in effect, other than contracts entered into in the ordinary course of business other than the following:

- Amended and Restated Limited Partnership Agreement dated December 31, 2008 between Superior Plus Corp. and Superior Plus Inc;
- Amended and Restated Trust Indenture dated as of December 31, 2008 between Superior Plus Corp. and Computershare Trust Company of Canada;
- Arrangement Agreement dated October 30, 2008 between the Fund and Ballard; and
- Amended and Restated Credit Agreement dated as of December 31, 2008.

DOCUMENTS INCORPORATED BY REFERENCE

Documents incorporated by reference in the Annual Information Form can be found on SEDAR under Superior's profile at *www.sedar.com*.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Superior's securities, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions and audit committee information, where applicable, is contained in the Information Circular of Superior dated March 10, 2009. Also, additional financial information is included in the Consolidated Financial Statements and MD&A of Superior for the year ended December 31, 2008, which are included in Superior's 2008 Annual Report as filed with the applicable Canadian regulatory authorities. These documents are available on SEDAR at *www.sedar.com* and may also be obtained without charge by writing to the Executive Vice-President and Chief Financial Officer, Wayne Bingham of Superior LP at Suite 2820, 605 – 5 Avenue SW, Calgary, Alberta, T2P 3H5.