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May 06, 2008

Superior Plus Announces First Quarter Results and Construction Products Distribution Acquisition

Highlights

- The Fund's operating distributable cash flow of $66.7 million for the first quarter of 2008 was down from the record high quarter of $76.3 million in 2007. The decrease in cash flow resulted in distributable cash flow per trust unit of $0.61 compared to $0.73.

- These lower results were mainly attributable to the timing of certain cash flow items totaling $7.3 million compared to the prior year quarter.

    - Propane had a $2.0 million swing in maintenance capital with $1.3 million in the first quarter of 2008 compared to a $0.7 million recovery in the first quarter of 2007. We expect total maintenance capital of $4 to $5 million for the year.
    - Propane's wholesale and related gross profits were reduced by $2.6 million compared to the prior year quarter, which should be earned over the remainder of the year.
    - ERCO received a one time royalty payment of $1.3 million in the first quarter of 2007 which will not be repeated this year.
    - SEM had $0.6 million in electricity administration start-up costs as we begin to penetrate the Ontario electricity market as well as the absence of foreign exchange translation gains in the prior year of $0.8 million.

- Given the timing of these items, the Fund expects a more normal distribution of cash flow weighted to the last half of the year in 2008.

- Management's estimates of annual distributable cash flow per trust unit of $1.90-$2.10 are unchanged from our prior estimates. The Fund's annual payout ratio for 2008 is forecasted to be 80% based on the mid-point of guidance.

- The Senior Debt and Total Debt to EBITDA ratios for 2008 are expected to be 1.9x and 2.9x, which includes funding of approximately $80 million of growth capital expenditures including Port Edwards capital of $38 million.

- The Fund's US denominated cash flows are currently hedged 90% for 2008 and 51% for 2009.

- On April 30, 2008, Winroc entered into an acquisition agreement (the "Acquisition") for approximately $23 million anticipated to close in the second quarter of 2008.

Financial Summary

(millions of dollars, except per trust unit amounts)	**Three Months Ended March 31** **2008**	2007
Financial		
Operating distributable cash flow		
Superior Propane	**36.6**	42.3
ERCO Worldwide ("ERCO")	**23.5**	24.8
Winroc	**4.6**	6.2
Superior Energy Management ("SEM")	**2.0**	3.0
	66.7	76.3
Interest	**(9.8)**	(11.1)
Corporate costs	**(3.5)**	(2.9)
Distributable cash flow	**53.4**	62.3
Distributable cash flow per trust unit, basic and diluted	**$0.61**	$0.73
Average number of trust units outstanding (millions)	**88.1**	85.7
Distributions paid per trust unit	**$0.395**	$0.39

Corporate Growth Strategy

- Superior Propane expects to complete the final phase of its reorganization of the business into six regional centres in the second quarter while continuing to focus on customer service and retention. The implementation of enhanced asset management, on-board truck computing and GPS technology projects are proceeding as scheduled for 2008.
- ERCO continues to invest in efficiency improvement projects reducing its manufacturing costs and expanding facility capacity. The Port Edwards USD$95 million conversion project is on-budget and on-schedule for completion in the last half of 2009.
- Winroc continues to identify and execute on acquisition and expansion opportunities as part of its North American growth platform with the latest purchase agreement executed on April 30, 2008.
- Superior Energy Management continues to penetrate the British Columbia and Ontario natural gas and Ontario electricity markets.

Propane Distribution

- Operating distributable cash flow was $36.6 million, a $5.7 million decrease from the prior year quarter mainly due to the timing of maintenance capital and wholesale business profit generation.
- Retail propane and delivery gross profit of $80.7 million was the same as the prior year quarter with a 1.7% reduction in volumes being offset by improved profitability.
- Temperatures across Canada were colder than the five year average, but the 30% increase in the cost of wholesale propane created some customer conservation and was compounded by higher costs resulting from adverse weather conditions.
- Wholesale marketing gross profit was $2.6 million lower than the prior year quarter due to the timing of the recognition of profits. It is anticipated on a full year basis that wholesale marketing related gross profits will be consistent with the prior year.
- Maintenance capital was $2.0 million higher than the prior year quarter, primarily due to timing of capital expenditures and the continued investment in infrastructure enhancements as part of the business transformation project.

- We have reduced our 2008 and 2009 guidance by 2% to reflect the possible impact of customer conservation due to the increased wholesale cost of propane. Our revised operating distributable cash flow guidance is in the range of $98 - $103 million for 2008, increasing in 2009 to $103 - $108 million. (The guidance assumptions are located in Management's Discussion and Analysis of the 2008 First Quarter Results).

Specialty Chemicals

- Operating distributable cash flow was $23.5 million, a decrease of $1.3 million from the prior year quarter primarily as a result of lower technology project activity in 2008 and the timing of maintenance capital projects.
- Pulp prices were high throughout the quarter supporting a stable sodium chlorate demand profile.
- Gross profit was strong at $52.5 million due to strong pricing received on sodium chlorate and chloralkali/potassium products partially offset by lower technology gross profit.
- Technology gross profit was $1.4 million lower than the prior year quarter due to a one-time royalty payment received in the prior year quarter.
- Maintenance capital expenditures were $0.4 million higher than the prior year quarter due to timing of scheduled maintenance.
- Operating distributable cash flow guidance is expected to be in the range of $78 - $83 million for 2008, increasing in 2009 to $80 - $85 million. The increase in guidance range of $3 million in 2008 and $2 million for 2009 is primarily as a result of an increase in ERCO's forecasted chemical prices. (The guidance assumptions are located in Management's Discussion and Analysis of the 2008 First Quarter Results).

Construction Products Distribution

- Operating distributable cash flow was $4.6 million, a decrease of $1.6 million from the prior year quarter due to lower gross profit and higher operating expenses partially offset by reduced maintenance capital.
- Drywall sales volumes have decreased 11% compared to the prior year quarter due primarily to weakness in United States and softness in Eastern Canada as a result of the continued decline in new residential housing starts.
- Cash operating and administration costs were $1.5 million higher than the prior year quarter primarily due to increased fuel costs, additional branches, and the implementation of the master truck lease program.
- Winroc continued to implement its master truck lease program throughout the first quarter resulting in a $0.4 million reduction in maintenance capital compared to the prior year quarter.
- Winroc continues to evaluate tuck-in acquisitions as part of its North American diversification strategy. Current economic conditions are expected to provide additional expansion opportunities at attractive valuation multiples in the United States and Canada.
- Operating distributable cash flow guidance is expected to remain in the $32 - $37 million range for 2008, increasing by $2 million in 2009 to $34 - $39 million. The increase in guidance for 2009 reflects the full year cash flow from the Acquisition. (The guidance assumptions are located in Management's Discussion and Analysis of the 2008 First Quarter Results).

Fixed-Price Energy Services

- Operating distributable cash flow was $2.0 million, a decrease of $1.0 million from the prior year quarter primarily due to start-up related costs to enter the Ontario electricity market and increased amortization of customer contracts.
- SEM continues to focus on growing its high-margin residential and small commercial customer base.
- The floating price for natural gas and electricity has been low over the past year with minimal volatility in system prices resulting in reduced interest by customers to lock-in future natural gas and electricity prices.
- Acquisition of new customers has been difficult due to confusion created by prescribed changes to the Ontario energy rules creating increased customer mobility and the resulting turnover in sales agents.
- Higher sales activity is forecast in the last half of 2008 due to increased natural gas prices, additions to our sales agent program and greater customer interest in fixed-price services.
- Operating distributable cash flow is expected to be $10 - $13 million in 2008, increasing to $13 - $18 million in 2009. The decrease in guidance range of $5 million in 2008 and 2009 reflects the slower than anticipated entry into the Ontario electricity market and reduced natural gas customer growth due to lower system prices and agent retention. (The guidance assumptions are located in Management's Discussion and Analysis of the 2008 First Quarter Results).

Key Quarterly Corporate Items

- Corporate costs for the first quarter were $3.5 million, compared to $2.9 million in the prior year quarter.
- Excluding the impact of long-term incentive plan costs, corporate costs were consistent with the prior year quarter.
- Total interest expense of $9.8 million in the first quarter decreased by $1.3 million compared to the prior year quarter due to lower debt levels and the early repayment of $59.2 million Series II, 8% Debentures.
- Superior Plus has total credit facilities of $670 million with undrawn credit capacity of $330 million (excluding its securitization program) as at March 31, 2008.
- As of March 31, 2008, the Fund had undrawn capacity of $125 million available under its securitization program. The Fund's securitization program is currently unutilized with a maturity date of June 30, 2008.

Consolidated Outlook

- While the Fund has updated the segment guidance, the consolidated distributable cash flow per trust unit and payout guidance for 2008 and 2009 remains unchanged from the 2007 Fourth Quarter release on February 28, 2008 reflecting the Fund's diversified asset base.
- The projected Senior Debt to EBITDA and Total Debt to EBITDA ratios of 1.9x and 2.9x for 2008 and 1.9x and 2.8x for 2009 includes our announced Acquisition in Q2 2008 and a total of USD$95 million investment in the Port Edwards conversion completed in the last half of 2009.
- We believe the diversification of our four growth-orientated businesses, our improved financial flexibility, and our disciplined approach to capital allocation will result in long-term stability of distributions and high total returns for our Unitholders.

Financial Outlook

(millions of dollars, except per trust unit amounts)	2008 Prior[4]	2008 Current	2009 Prior[4]	2009 Current
Operating distributable cash flow				
Superior Propane	100-105	98-103	105-110	103-108
ERCO	75-80	78-83	78-83	80-85
Winroc	32-37	32-37	32-37	34-39
SEM	15-18	10-13	18-23	13-18
Distributable cash per trust unit	1.90-2.10	1.90-2.10	2.05-2.25	2.05-2.25
Payout ratio (below 90%)	80%[1]	80%[1]	75%[1]	75%[1]
Average Senior Debt/EBITDA (target of 1.5 to 2.0x)	1.7x[2]	1.9x[3]	1.6x[2]	1.9x[3]
Average Total Debt/EBITDA (target of 2.5 to 3.0x)	2.8x[2]	2.9x[3]	2.7x[2]	2.8x[3]

(1) Based on mid-point of the distributable cash flow per unit range.
(2) Superior's debt ratios take into account the impact of the off-balance sheet receivable sales program amounts, cash on hand, the suspension of the DRIP program, and the Port Edwards conversion project.
(3) Superior's debt ratios take into account the impact of the off-balance sheet receivable sales program amounts, cash on hand, the suspension of the DRIP program, the Port Edwards conversion project, and the Acquisition.
(4) As provided in the 2007 Fourth Quarter Financial Outlook.
(5) The assumptions and definitions relating to the Financial Outlook are discussed in Management's Discussion and Analysis of the 2008 First Quarter Results.

First Quarter Results

The Fund's financial statements for the period ended March 31, 2008, including its Management's Discussion and Analysis, are available on Superior's website at: www.superiorplus.com under investor information section and at www.sedar.com.

Conference Call

Superior Plus will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2008 First Quarter Results 9:30 a.m. EST (7:30 a.m. MST) on Wednesday, May 7, 2008. To participate in the call, dial: 1-800-732-6179. An archived recording of the call will be available for replay until midnight, June 7, 2008. To access the recording, dial: 1-877-289-8525 and enter pass code 21268794 followed by the # key. Internet users can listen to the call live, or as an archived call, on Superior's website at: www.superiorplus.com under the Events and Presentations section.

For more information about Superior, visit our website at: www.superiorplus.com or contact:

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Management's Discussion and Analysis of 2008 First Quarter Results
May 6, 2008

Forward Looking Information
Certain information included or incorporated by reference herein is forward-looking, within the meeting 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, distributable cash flow, taxes and plans and objectives of or involving Superior Plus Income Fund (the Fund) 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 Management's Discussion and Analysis includes but is not limited to, outlooks, capital expenditures, business strategy and objectives. The Fund 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 statements should not be unduly relied upon.

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 the Fund'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 the Fund's 2007 Annual Information Form under the heading "Risk Factors". Any forward-looking information is made as of the date hereof and, except as required by law, neither the Fund nor Superior LP undertakes any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

Non-GAAP Financial Measures
Distributable Cash Flow
Distributable cash flow of the Fund available for distribution to Unitholders, is equal to cash generated from operations, adjusted for changes in non-cash working capital and natural gas and electricity customer acquisition costs, less maintenance capital expenditures. Maintenance capital expenditures are equal to capital expenditures incurred to maintain the capacity of Superior's operations and are deducted from the calculation of distributable cash flow. Acquisitions and other capital expenditures incurred to expand the capacity of Superior's operations or to increase its profitability (growth capital), are excluded from the calculation of distributable cash flow. The Fund may deduct or include additional items to its calculation of distributable cash flow; these items would generally, but not necessarily, be items of a non-recurring nature. Distributable cash flow is the main performance measure used by management and investors to evaluate the performance of the Fund and its businesses. Readers are cautioned that distributable cash flow is not a defined performance measure under Canadian generally accepted accounting principles (GAAP), and that distributable cash flow cannot be assured. The Fund's calculation of distributable cash flow, maintenance capital and growth capital may differ from similar calculations used by comparable entities. Operating distributable cash flow is distributable cash flow before corporate and interest expenses. It is also a non-GAAP measure and is used by management to assess the performance of the operating divisions.

Standardized Distributable Cash Flow
During 2007, the CICA published an interpretive release, *Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure,* in order to provide its recommendations related to the measurement and disclosure of cash available for distributions. The guidance was issued in an effort to improve the consistency, comparability, and transparency of the reporting of the measure commonly referred to as distributable cash flow. Superior's calculation of standardized distributable cash flow is, in all material respects, in accordance with the recommendations provided by the CICA.

Superior views the CICA recommendations as a positive step in providing stakeholders with meaningful information, but consistent with the guidance provided by the CICA, Superior has determined, that due to the nature of Superior's businesses, certain adjustments to standardized distributable cash flow are required to better reflect the cash flow available to be distributed to Unitholders. Superior's adjusted standardized distributable cash flow is referred to as distributable cash flow, and is unchanged from Superior's previous definition or measurement of distributable cash flow.

Superior's distribution policy is based on distributable cash flow on an annualized basis, accordingly, the seasonality of Superior's individual quarterly results must be assessed in the context of annualized distributable cash flow. Adjustments recorded by Superior as part of its calculation of distributable 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 expense, which can from quarter to quarter differ significantly. Superior's calculation also distinguishes between capital expenditures that are maintenance related and those that are growth related, in addition to allowing for the proceeds received on the sale of certain capital items. 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.

EBITDA

EBITDA represents earnings before interest, taxes, depreciation and amortization 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, and is not a defined performance measure under GAAP. Superior's calculation of EBITDA may differ from similar calculations used by comparable entities.

Overview of the Fund

Superior Plus Income Fund is a diversified business trust. The Fund holds 100% of Superior Plus LP (Superior), a limited partnership formed between Superior Plus Inc., as general partner and the Fund as limited partner. The distributable cash flow of the Fund is solely dependent on the results of Superior LP and is derived from the allocation of Superior LP's income to the Fund by means of partnership allocations. Superior has four operating businesses: a propane distribution and related services business operating under the trade name Superior Propane; a specialty chemicals business operating under the trade name ERCO Worldwide; a construction products distribution business operating under the trade name Winroc; and a fixed-price energy services business operating under the trade name Superior Energy Management or (SEM).

First Quarter Results

First quarter distributable cash flow was $53.4 million, a decrease of $8.9 million (14%) over the prior year quarter. The decrease in distributable cash flow was due to reduced operating cash flow at Superior Propane, ERCO, Winroc and SEM which was partially offset by lower interest costs. Distributable cash flow per trust unit was $0.61 per trust unit in the first quarter, a decrease of $0.12 per trust unit (16%) from the prior year quarter, due to the decrease in distributable cash flow and a 3% increase in the average number of trust units outstanding.

Net earnings for the first quarter were $127.2 million compared to $107.7 million for the prior year quarter. The increase in net earnings is due principally to $105.3 million of unrealized gains on financial instruments, compared to $63.7 million in the prior year quarter. The unrealized gains are principally the result of gains on Superior Energy Management's financial natural gas derivative contracts due to changes in the forward price of natural gas and a gain on ERCO Worldwide's fixed-price electricity purchase agreement due to changes in the forecasted price of electricity in deregulated markets. Revenues of $681.4 million were $7.2 million higher than the prior year quarter due principally to an increase in the retail selling price of propane because of an increase in the wholesale cost of propane, which more than offset reduced sales volumes. Gross profits of $169.9 million were $15.8 million lower than the prior year quarter. The current quarter's gross profit includes $10.6 million in non-cash amortization that is required to be included as a component of gross profit due to the adoption of a new inventory accounting standard on January 1, 2008, see "Changes in Accounting Policies" for a further discussion on this change. Operating costs of $113.9 million were $2.0 million higher than the prior year due principally to general inflationary pressures. Total interest expense of $9.8 million was $1.3 million lower than the prior year quarter due to lower debt levels and interest rates. Amortization of $6.3 million was $11.2 million lower than the prior year due to the change in accounting policy for ERCO Worldwide's inventory as noted above. Income tax expense of $18.0 million was $15.4 million higher than the prior year quarter due principally to the recognition of Canadian future income taxes in the current period as a result of revised income tax legislation which has impacted the Fund, see "Taxation" for a further explanation of this change.

Distributable Cash Flow [1]

(millions of dollars except per unit amounts)	Three months ended March 31 **2008**	2007
Cash flows from operating activities of continuing operations	**63.2**	47.3
Less: Total capital expenditures	**(10.7)**	(2.8)
Standardized distributable cash flow[2]	**52.5**	44.5
Add: Growth capital expenditures	**8.1**	1.6
Proceeds on disposal of capital items	**0.3**	0.9
Natural gas customer acquisition costs capitalized	**0.7**	2.7
Strategic plan costs	**–**	1.6
Increase in non-cash working capital	**–**	12.1
Less: Decrease in non-cash working capital	**(6.6)**	–
Amortization of natural gas customer acquisition costs	**(1.6)**	(1.1)
Distributable cash flow	**53.4**	62.3
Distributable cash flow	**53.4**	62.3
Distributable cash flow borrowed (reinvested)[5]	**(18.6)**	(28.9)
Distributed cash flow	**34.8**	33.4
Distributable cash flow per trust unit, basic[3] and diluted[4]	**$0.61**	$0.73
Distribution payout ratio[5]	**65%**	53%

(1) See the Interim Consolidated Financial Statements for cash flows from operating activities, management internalization costs, capital expenditures/proceeds (maintenance, growth and acquisitions), natural gas customer acquisition costs and changes in non-cash working capital.

(2) Standardized distributable cash flow is a measure defined by the Canadian Institute of Chartered Accountants (CICA). See “Non-GAAP Financial Measures”.

(3) The weighted average number of trust units outstanding for the quarter ended March 31, 2008 is 88.1 million (2007 – 85.7 million).

(4) For the three months ended March 31, 2008 and 2007, there were no dilutive instruments.

(5) See “Distributions Paid to Unitholders”.

Superior Propane

Superior Propane generated operating distributable cash flow of $36.6 million in the first quarter, a decrease of $5.7 million (13%) from the prior year quarter due principally to lower gross profit and higher maintenance capital.

Condensed operating results for the three months ended March 31, 2008 and 2007 are provided in the following table. See "Segmented Distributable Cash Flow" for detailed comparative business segment results.

	Three months ended March 31			
(millions of dollars except per litre amounts)	**2008**		2007	
		¢/litre		¢/litre
Revenue	**369.7**	**78.8**	353.7	74.2
Cost of sales	**(277.7)**	**(59.2)**	(258.7)	(54.2)
Gross profit	**92.0**	**19.6**	95.0	20.0
Less: cash operating, administration and tax costs	**(54.1)**	**(11.5)**	(53.4)	(11.2)
Cash generated from operations before changes in net working capital	**37.9**	**8.1**	41.6	8.8
Maintenance capital proceeds (expenditures), net	**(1.3)**	**(0.3)**	0.7	0.2
Operating distributable cash flow	**36.6**	**7.8**	42.3	9.0
Propane retail volumes sold *(millions of litres)*	**469**		477	

(1) Effective January 1, 2007, Superior discontinued hedge accounting for all economic hedging activities. As such amounts related to these contracts must be accounted for separately on Superior's financial statements (see Notes 7 and 11 to the Interim Consolidated Financial Statements). In order to better reflect the results of its operations, Superior has reclassified these amounts for purposes of this management discussion and analysis to present its results as if it had accounted for these transactions as accounting hedges. As such, included in revenue for the three months ended March 31, 2008 and 2007 is $1.0 million and ($0.1) million in realized foreign currency forward contract losses (gains).

Revenues for the first quarter of 2008 were $369.7 million, an increase of $16.0 million from revenues of $353.7 million in 2007. The increase in revenues was due to higher retail propane prices offset in part by reduced propane sales volumes. Total gross profit for the first quarter of 2008 was $92.0 million, a decrease of $3.0 million (3%) over the prior year quarter. Total gross profit per litre for the first quarter of 2008 was 19.6 cents per litre, a decrease of 0.4 cents per litre (2%) compared to the prior year quarter. A summary and detailed review of gross profit by segment is provided below.

Gross Profit by Segment

	Three months ended March 31	
(millions of dollars)	**2008**	2007
Retail propane and delivery	**80.7**	80.7
Other services	**5.2**	5.6
Wholesale and related	**6.1**	8.7
Total gross profit	**92.0**	95.0

Propane retail and delivery gross profit for the first quarter was $80.7 million which was consistent with the prior year quarter, as a 0.3 cents per litre (2%) increase in the average retail and delivery sales margin was fully offset by an 8 million (2%) reduction in sales volumes. Residential and commercial volumes decreased by 11 million litres (6%), due principally to customer conservation as a result of an increase in the average retail selling price of propane due to the approximate 30% increase in the wholesale cost of propane. Weather did not have a material impact on volumes in the quarter. Despite average weather across Canada being 3% colder than the prior year and the five year average, regionalized warmer weather in Quebec and Atlantic Canada had a negative impact on heating related volumes. Industrial volumes increased by 10 million litres (4%), due principally to improved mining and oil field volumes as a result of colder than average weather in the Prairies, offset in part by reduced forklift volumes in Ontario. Automotive propane volumes declined by 4 million litres (14%), consistent with historical decline trends in this end-use market. Propane continued to actively manage sales margins in the first quarter, resulting in average retail propane and delivery sales margins of 17.2 cents per litre, which was 0.3 cents per litre higher than the prior year quarter average margin of 16.9 cents per litre. Average margins compared to the prior year quarter were positively impacted by strong margin management despite the high retail cost of propane and higher delivery charges due to increased fuel costs, offset in part, by the continued competitive pressures on automotive margins.

Other services gross profit was $5.2 million for the first quarter, a decrease of $0.4 million (7%) over the prior year quarter, due to reduced demand for service and installation services. Superior Propane is continuing to focus on building its service and rental gross profits in conjunction with its focus on its service business. Wholesale and related gross profits were $6.1 million for the first quarter, a decrease of $2.6 million compared to the prior year quarter due to reduced gross profits within the trading business, principally due to the timing of the recognition of profits compared to the prior year quarter. Superior Propane is anticipating that on a full year basis, wholesale and related gross profits will be consistent with the prior year.

Superior Propane Annual Sales Volumes and Gross Profit:

Volumes by End-Use Application [(1)]			***Volumes by Region*** [(1) (2)]		
	Three months ended March 31			**Three months ended March 31**	
	2008	2007		**2008**	2007
Residential	**66**	71	Western Canada	**264**	259
Commercial	**118**	124	Eastern Canada	**173**	183
Agricultural	**25**	28	Atlantic Canada	**32**	35
Industrial	**236**	226			
Automotive	**24**	28			
	469	477		**469**	477

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

(2) **Regions**: Western Canada region consists of British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Ontario, Yukon and Northwest Territories; Eastern Canada region consists of Ontario (except for Northwest Ontario) and Quebec.

Cash operating and administrative costs of $54.1 million, increased by $0.7 million (1%) from the prior year quarter due to higher truck fuel, maintenance and leasing costs, offset by reduced wages and benefits. Leasing costs were higher than the prior year as a result of the implementation of the comprehensive operating lease program in 2007. Net maintenance capital expenditures for the quarter were $1.3 million, compared to proceeds of $0.7 million in the prior year quarter. The increase in maintenance capital expenditures compared to the prior year quarter is due to the timing of expenditures and the absence of the sale of excess fleet that occurred in the prior year quarter.

Outlook

Superior Propane expects operating distributable cash flow for 2008 to be between $98 million and $103 million, increasing in 2009 to between $103 million and $108 million. Superior Propane’s previous outlook, as provided in the 2007 fourth quarter earnings release and 2007 annual report was: 2008 - $100 million to $105 million and 2009 - $105 million to $110 million. The reduction in Superior Propane’s outlook is due to the ongoing impact of customer conservation as a result of increases in the wholesale cost of propane. Superior Propane’s significant assumptions underlying its current outlook are:

- 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 further impact demand for propane and related propane services;
- Total gross profit for Superior Propane is projected to increase due to the on-going implementation of customer service programs and an increase in propane volumes; and
- Market opportunities for Superior Propane’s wholesale trading division are expected to be consistent with the prior years.

In addition to Superior Propane’s significant assumptions detailed above, refer to the Fund’s 2007 Annual Information Form for a detailed review of Superior Propane’s operations and its significant business risks.

ERCO Worldwide

ERCO Worldwide generated operating distributable cash flow in the first quarter of $23.5 million, a decrease of $1.3 million (5%) from the prior year quarter due to a reduction in chemical and technology gross profits, offset in part, by lower operating expenditures.

Condensed operating results for the three months ended March 31, 2008 and 2007 are provided in the following table. See "Segmented Distributable Cash Flow" for detailed comparative business segment results.

(millions of dollars except per metric tonne (MT) amounts)	**Three months ended March 31**			
	2008		2007	
Revenue		**$ per MT**		$ per MT
Chemical[1]	**110.4**	**578**	109.7	565
Technology	**5.5**	**29**	12.2	63
Cost of Sales				
Chemical[1] [2]	**(59.8)**	**(313)**	(58.2)	(300)
Technology	**(3.6)**	**(19)**	(8.9)	(46)
Gross Profit	**52.5**	**275**	54.8	282
Less: Cash operating, administrative and tax costs	**(28.0)**	**(147)**	(29.4)	(151)
Cash generated from operations before changes in net working capital	**24.5**	**128**	25.4	131
Maintenance capital expenditures	**(1.0)**	**(5)**	(0.6)	(3)
Operating distributable cash flow	**23.5**	**123**	24.8	128
Chemical volumes sold (thousands of MTs)	**191**		194	

(1) Effective January 1, 2007, Superior discontinued hedge accounting for all economic hedging activities. As such, amounts related to these contracts must be accounted for separately on Superior's financial statements (see Notes 7 and 11 to the Interim Consolidated Financial Statements.) In order to better reflect the results of its operations, Superior has reclassified these amounts for purposes of this management discussion and analysis to present its results as if it had accounted for these transactions as accounting hedges. As such, included in revenue for the three months ended March 31, 2008 and 2007 is $2.5 million and $2.4 million in realized foreign currency forward contract gains and included in chemical cost of sales for the three months ended March 31, 2008 and 2007 is $3.3 million and $1.9 million in realized fixed-price electricity gains.

(2) Effective January 1, 2008, Superior adopted a revised CICA Handbook section related to Inventory. This section impacts the calculation of the cost of inventory at ERCO Worldwide, due to the requirement to inventory the cost of certain fixed overhead items, principally the amortization of property, plant and equipment. Additionally, this section requires that the amortization that is inventoried be classified as a component of cost of products sold once sold. As such, Superior has excluded $10.6 million in non-cash amortization from cost of sales in the calculation of ERCO Worldwide's operating distributable cash flow.

Chemical and technology revenues for the first quarter of $115.9 million were $6.0 million lower than the prior year quarter as higher pricing on chemical volumes was more than offset by reduced technology revenues and lower chemical sales volumes. First quarter gross profit was $52.5 million, comprised of $50.6 million from chemical sales and $1.9 million from technology projects. Chemical sales gross profit was $0.9 million lower than the prior year quarter, due to marginally lower sodium chlorate and chloralkali/potassium gross profits. Sodium chlorate gross profits were modestly lower than the prior year due to a 1% decrease in sodium chlorate sales volumes and higher realized electricity costs. Sodium chlorate sales prices and hedging gains were consistent with the prior year quarter. Chloralkali/potassium gross profits were modestly lower than the prior year quarter, as a reduction in sales volumes was partially offset by higher realized selling prices. Technology gross profit was $1.4 million lower than the prior year quarter due to the absence of a one-time royalty payment that was received in the prior year quarter and the normal course expiration of royalty revenues. Cash operating, administration and tax costs of $28.0 million were $1.4 million (5%) lower than the prior year quarter, due principally to a reduction in US denominated expenses as a result of the appreciation of the Canadian dollar. Maintenance capital expenditures of $1.0 million were $0.4 million greater than the prior year quarter due to the timing of projects.

Growth capital expenditures of $7.3 million were incurred in the first quarter, with $2.1 million incurred in relation to a number of small projects, including continued work related to anode cell replacement. ERCO incurred $5.2 million (US$ 5.1 million) related to its Port Edwards, Wisconsin chloralkali facility (US$ 6.5 million, cumulatively).

During 2007, ERCO determined that it will convert 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 cost of the conversion is estimated to be US $95 million.

Outlook

ERCO Worldwide expects operating distributable cash flow for 2008 to be between $78 million and $83 million, increasing in 2009 to between $80 million and $85 million. ERCO's previous outlook, as provided in the 2007 fourth quarter earnings release and 2007 annual report was: 2008 - $75 million to $80 million and 2009 - $78 million to $83 million. The increase in ERCO's outlook is principally due to an increase in ERCO's forecasted chemical prices. ERCO Worldwide's significant assumptions underlying its current outlook are:

- Current supply and demand fundamentals for both sodium chlorate and potassium/chloralkali products will remain stable, resulting in no significant changes to the total assumed chemical sales prices and sales volumes;
- ERCO's average plant utilization is expected to be greater than 90%;
- The foreign currency exchange rate between the Canadian and United States dollar is expected to be par on all unhedged foreign currency transactions; and
- ERCO's conversion of its Port Edwards, Wisconsin chloralkali facility from mercury based technology to membrane technology for US $95 million is expected to be completed on budget in the second half of 2009.

In addition to ERCO Worldwide's significant assumptions detailed above, refer to the Fund's 2007 Annual Information Form for a detailed review of ERCO Worldwide's operations and its significant business risks.

Winroc
Winroc generated operating distributable cash flow of $4.6 million, a decrease of $1.6 million (26%) from the prior year quarter, due to lower gross profit and higher operating expenses, offset partially by lower maintenance capital expenditures.

Condensed operating results for the three months ended March 31, 2008 and 2007 are provided in the following table. See "Segmented Distributable Cash Flow" for detailed comparative business segment results.

	Three months ended March 31	
(millions of dollars)	**2008**	2007
Distribution and direct sales revenue	**115.4**	117.0
Distribution and direct sales cost of sales	**(86.8)**	(87.9)
Distribution and direct sales gross profit	**28.6**	29.1
Less: Cash operating, administrative and cash tax costs	**(24.0)**	(22.5)
Cash generated from operations before changes in net working capital	**4.6**	6.6
Maintenance capital expenditures, net	**–**	(0.4)
Operating distributable cash flow	**4.6**	6.2

Distribution and direct sales revenues of $115.4 million for the first quarter of 2008 were $1.6 million (1%) lower than the prior year quarter due principally to reduced sales volumes. Distribution and direct sales gross profit of $28.6 million in the first quarter was $0.5 million (2%) lower than the prior year quarter, as decreased sales volumes in all regions except for British Columbia, was partially offset by increased sales margins. Direct drywall sales volumes, an indicator of overall direct sales volumes, decreased 11% compared to the prior year quarter. The decrease in direct sales volumes was principally due to weakness in the United States reflecting the ongoing slowdown in new residential housing starts, particularly in the Midwest US. Sales margins remained strong in all operating regions except for British Columbia which had modestly lower sales margins; improved overall sales margins are the result of Winroc's strong focus on margin management. Cash operating and administrative costs were $1.5 million (7%) higher than the prior year quarter due to general inflationary pressures, increased fuel costs, increased occupancy costs due to additional operating branches in the current year quarter and the implementation of a comprehensive operating lease program in 2007, which results in higher operating expenses and lower maintenance capital. Winroc continues to focus on closely managing its cost structure. Maintenance capital expenditures were $nil million for the first quarter, compared to $0.4 million in the prior year quarter due to the timing of expenditures and the implementation of the leasing program in 2007 related to Winroc's fleet requirements.

On April 30, 2008, Winroc entered into an agreement to acquire all of the shares of a privately held gypsum and related products distributor for consideration of approximately $23.0 million (not including acquisition costs and normal course closing adjustments). The acquisition is anticipated to close in the second quarter of 2008.

Outlook
Winroc expects operating distributable cash flow for 2008 to between $32 million and $37 million, increasing in 2009 to between $34 million and $39 million. Winroc's previous outlook, as provided in the 2007 fourth quarter earnings release and 2007 annual report was: 2008 - $32 million to $37 million and 2009 - $32 million to $37 million. The outlook for 2009 has been increased to reflect the anticipated full year contribution of the acquisition, as noted above. Winroc's significant assumptions underlying its current outlook are:

- The current economic conditions in Canada and the United States are expected to prevail in 2008 with slight improvement in 2009;
- Gross profit is expected to be stable as, strong demand in Western Canada for residential and commercial sales volumes, continues to offset weakness in Ontario and United States residential sales volumes; and
- The acquisition in the second quarter of 2008 is completed.

In addition to Winroc's significant assumptions detailed above, refer to the Fund's 2007 Annual Information Form for a detailed review of Winroc's operations and its significant business risks.

Superior Energy Management ("SEM")

SEM's condensed operating results for the three months ended March 31, 2008 and 2007 are provided below. See "Segmented Distributable Cash Flow" for detailed comparative business segment results.

	Three months ended March 31	
(millions of dollars)	**2008**	2007
Revenue	**81.9**	84.1
Cost of sales [(1)]	**(74.5)**	(77.3)
Gross profit	**7.4**	6.8
Less: Operating, administrative and selling costs	**(5.4)**	(3.8)
Operating distributable cash flow	**2.0**	3.0

(1) Effective January 1, 2007, Superior discontinued hedge accounting for all economic hedging activities. As such, amounts related to these contracts must be accounted for separately on Superior's financial statements (see Notes 7 and 11 to the Interim Consolidated Financial Statements.) In order to better reflect the results of its operations, Superior has reclassified these amounts for purposes of this management discussion and analysis to present its results as if it had accounted for these transactions as accounting hedges. As such, included in cost of sales for the three months ended March 31, 2008 and 2007 is $6.3 million and $1.8 million in realized foreign currency forward contract losses and $1.7 million and ($2.5) million related to natural gas commodity realized fixed price gains (losses).

Gross Profit by Segment

(millions of dollars except volume and per unit amounts)

	Three months ended 2008			Three months ended 2007		
	Gross Profit	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural Gas [(1)]	**7.24**	**8.7**	**83.2 ¢/GJ**	6.8	10.3	66.0 ¢/GJ
Electricity [(2)]	**0.16**	**10.4**	**1.54 ¢/KwH**	-	-	-
Total	**7.40**			6.8		

(1) Natural gas volumes and per unit amounts are expressed in millions of gigajoules (GJ).
(2) Electricity volumes and per unit amounts are express in millions of kilowatt hours (KwH).

SEM generated operating distributable cash flow of $2.0 million in the first quarter, a decrease of $1.0 million compared to the prior year quarter. SEM's revenues were $81.9 million in the first quarter, compared to $84.1 million in the prior year quarter. Revenues were impacted by reduced sales volumes, offset by higher selling prices. Natural gas gross profit was $7.2 million in the first quarter, an increase of $0.4 million (6%) compared to the prior year quarter, as gross profit per gigajoule (GJ) was 83.2 cents per GJ, a 26% increase from the prior year quarter, offsetting the 16% decrease in natural gas volume sold. The increase in gross margin per GJ and the decrease in natural gas volume sold, reflect SEM's continued strategy of increasing gross profit through growth in its lower-volume, higher-margin residential and small commercial customer base. Residential and small commercial customer volumes comprised approximately 30% of total sales volumes in the first quarter (2007 first quarter – 27%). Operating, administration and selling costs of $5.4 million were $1.6 million higher than the prior year quarter due to higher amortization of customer acquisition costs which represented approximately $0.5 million of the total increase in costs. The remaining increase in costs is due to higher administrative costs, in part due to infrastructure associated with the marketing of fixed-price electricity contracts, in addition to losses on the translation of US denominated payables. Foreign currency translation losses result in higher realized gains on foreign currency forward contracts, the impact of which is recorded as a component of gross profit.

SEM invested $0.7 million in customer acquisition costs during the quarter, resulting in a customer base of 95,400 residential, 6,000 commercial natural gas customers and 2,500 electricity customers. The acquisition of new customers and the retention rate of SEM's existing customers has been challenged in all of SEM's markets due in part to retention and recruitment problems with SEM's residential direct sales channels. Additionally, the low system price of natural gas, compared to the fixed-rate alternative SEM is able to offer. The system price of natural gas has been both constant and low due to the absence of volatility in the spot price of natural gas over the prior quarters, resulting in reduced customer demand for long-term, fixed-price natural gas contracts, as the immediate perceived benefit of entering into a long-term deal is reduced at the current fixed-price rates. Similar to the sign-up of natural gas customers, SEM's sign-up for fixed-price electricity customers has been lower than expected due to the absence of volatility in the spot price of electricity. The average remaining term of SEM's sales contracts at March 31, 2008 was 30 months (March 31, 2007 – 43 months).

Outlook
SEM expects operating distributable cash flow for 2008 to be between $10 million and $13 million, increasing in 2009 to between $13 million to $18 million. SEM's previous outlook, as provided in the 2007 fourth quarter earnings release and 2007 annual report was: 2008 - $15 million to $18 million and 2009 - $18 million to $23 million. The outlook for 2008 and 2009 has been reduced to reflect the slower than anticipated entry into the Ontario electricity market and reduced growth in the natural gas customer base due to the low system price of natural gas and the retention of sales agents. SEM's significant assumptions underlying its current outlook are:

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

In addition to SEM's significant assumptions detailed above, refer to the Fund's 2007 Annual Information Form for a detailed review of SEM's operations and its significant business risks.

Corporate
Corporate costs for the first quarter were $3.5 million, compared to $2.9 million in the prior year quarter. Corporate costs were impacted by a increase in the Fund's trust unit value during the first quarter of 2008, increasing the cost of the Fund's long-term incentive plans by $0.6 million compared to the prior year quarter. Excluding the impact of trust unit based compensation, corporate costs were consistent with the prior year quarter.

Interest expense on revolving term bank credits and term loans was $6.1 million for the first quarter, which was consistent with the prior year quarter. Interest costs were consistent with the prior year quarter as the impact of lower interest rates on floating rate debt and the appreciation of the Canadian dollar on US dollar denominated interest was fully offset by higher average revolving term bank credit and term loan debt levels. Revolving term bank credits and term loans are higher than the prior year quarter due to a reduction in the utilization of the accounts receivable securitization and the repayment and redemption of the Series I, 8% and Series II, 8% convertible unsecured subordinated debentures during 2007. See "Liquidity and Capital Resources" discussion for further details.

Interest on the Fund's convertible unsecured subordinated debentures (the Debentures) was $3.7 million for the first quarter of 2008, a decrease of $1.3 million from the prior year quarter. The reduction in Debenture interest is due to the maturity of $8.1 million Series I, 8% Debentures on July 31, 2007 and the Fund's early redemption of $59.2 million Series II, 8% Debentures on November 5, 2007.

Taxation
Total income tax expense for the first quarter was $18.0 million, comprised of $1.7 million in cash income taxes and a $16.3 million future income tax expense, compared to a total income tax expense of $2.6 million in the prior year quarter, which was comprised of $2.1 million in cash income taxes and a $0.5 million future income tax expense.

Cash income and withholding taxes for the first quarter were limited to cash taxes in the United States and were $1.7 million (2007 Q1 – $2.1 million). Cash income taxes have been charged to the businesses from which the taxable income was derived. Future income tax expense for the first quarter was $16.3 million (2007 Q1 - $0.5 million future income tax expense), resulting in a corresponding future income tax asset of $4.3 million as at March 31, 2008. The change in future income tax expense compared to the prior year quarter is due principally to the presence of Canadian future income taxes in the current quarter which were not present in the prior year quarter as a result of changes to taxation legislation that have impacted the Fund.

In June 2007 the Government of Canada enacted new legislation imposing additional income taxes upon publicly traded income trusts, including Superior Plus Income Fund, effective January 1, 2011. Prior to this legislation, the Fund was only taxable on any taxable income not allocated to the Unitholders and estimated its future income tax on certain temporary differences between amounts recorded on its balance sheet for book and tax purposes at a nil effective tax rate. Under the legislation, the Fund estimates the effective tax rate on the post 2010 reversal of these temporary differences to be 29.5 percent in 2011 and 28.0 percent in 2012 and thereafter. Temporary differences reversing before

2011 will still give rise to nil future income taxes. Consistent with prior periods, the Fund also recognizes a provision for income taxes for its subsidiaries that are subject to current and future income taxes, including United States income tax, United States non-resident withholding tax and Chilean income tax.

The Fund believes it will be subject to current and future income taxes under the new legislation, however, the estimated effective tax rate on temporary difference reversals after January 1, 2011 may change in future periods. As the legislation is new, future technical interpretations of the legislation may occur and could materially affect management's estimate of the future income tax asset/liability. The amount and timing of reversals of temporary differences will also depend on the Fund's future operating results, acquisitions and dispositions of assets and liabilities, and distribution policy. A significant change in any of the preceding assumptions could materially affect the Fund's estimate of the future income tax asset/liability.

As a result of the Government of Canada's enacted legislation imposing additional income taxes on the Fund for taxation years commencing January 1, 2011, the Fund is continuing to evaluate the new legislation and the Fund's organizational alternatives in order to maximize Unitholder value. As the legislation is not effective until 2011, the Fund's current financial condition is unaffected from this change. The Fund anticipates that it has sufficient growth opportunities to grow our businesses to offset the impact of this legislation on the distributable cash flow of the Fund. Superior currently has approximately $415 to $430 million in Canadian tax pools as at March 31, 2008. These tax pools will be impacted by adjustments to reduce tax at the Fund level due to a payout ratio below 100% and additional capital outlays.

Other Corporate

Superior did not incur any strategic plan costs in the first quarter of 2008. Strategic plan costs incurred in the prior year quarter were $1.6 million and consisted of $1.0 million of employee severance and retention and $0.6 million related to ERCO's closure of its Bruderheim, Alberta facility.

Consolidated Outlook

The Fund expects consolidated distributable cash flow per trust unit for 2008 to be between $1.90 and $2.10 per trust unit, increasing in 2009 to between $2.05 and $2.25 per trust unit, unchanged from the outlook provided in the 2007 fourth quarter earnings release and the 2007 annual report. The Fund's consolidated distributable cash flow outlook is dependent on the operating results of its four divisions. See the discussion of operating results by division for additional details on the Fund's 2008 and 2009 outlook. In addition to the operating results of the Fund's four divisions, significant assumptions underlying the Fund's current 2008 and 2009 outlook are:

- The Fund expects current economic conditions in Canada and the United States to prevail for 2008 with an improved outlook for 2009;
- The Fund continues to attract capital and obtain financing on acceptable terms;
- The foreign currency exchange rate between the Canadian and United States dollar is expected to be par on all unhedged foreign currency transactions;
- Superior's average interest rate on floating rate debt is expected to remain stable to marginally lower throughout 2008, increasing modestly in 2009;
- Financial and physical counterparties continue to fulfill their obligations with Superior; and
- Regulatory authorities do not impose any new regulations impacting the Fund.

In addition to the Fund's significant assumptions detailed above, refer to the Fund's 2007 Annual Information Form for a detailed review of the Fund's operations and its significant business risks.

Liquidity and Capital Resources

As at March 31, 2008, revolving term bank credits and term loan borrowings before deferred financing fees totaled $423.3 million ($423.3 million including accounts receivable securitization), compared to $340.5 million ($440.5 million including accounts receivable securitization) as at December 31, 2007. The increase in revolving term bank credits and term loans is due to reduced utilization of Superior's securitization program in order to take advantage of lower borrowing costs on existing debt facilities, offset in part, by the repayment of debt facilities with operating cash flow in excess of distributions for the first quarter. Superior's existing revolving term credit facility (capacity of $595.0

million) matures on June 28, 2010. Superior has determined at the current time, that it will not seek an extension of this facility past its current maturity. Superior will continue to assess credit markets to determine the appropriate time to negotiate an extension of its existing facility.

As at March 31, 2008, Debentures before deferred issue costs issued by the Fund totaled $247.4 million, which is consistent with the balance at December 31, 2007.

Consolidated net working capital was $273.9 million as at March 31, 2008, an increase of $100.9 million compared to December 31, 2007 ($173.0 million). The increase in net working capital is principally the result of reducing the accounts receivable securitization program to $nil as at March 31, 2008 from $100.0 million at December 31, 2007, allowing Superior to take advantage of lower interest rates on revolving term facilities compared to the securitization program. (See Note 11 to the Interim Consolidated Financial Statements for segmented net working capital levels by division, net of the accounts receivable sales program.) Superior's net working capital requirements are financed from revolving term bank credit facilities and, when utilized, proceeds raised from the accounts receivable securitization program. The program expires on June 30, 2008.

Proceeds received from Superior's distribution reinvestment plan (DRIP) were $8.9 million for the three months ended March 31, 2008. On February 28, 2008, Superior announced that it would suspend the DRIP after the February 2008 distribution.

As at March 31, 2008, Superior's senior debt and total debt to EBITDA are 1.9 and 3.0 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 within the requirements contained in Superior's debt covenants which restrict its ability to pay distributions. In accordance with the Fund's credit facilities, the Fund must maintain a consolidated debt to EBITDA ratio of not more than 5.0 to 1.0, a consolidated senior debt to EBITDA of not more than 3.0 to 1.0 and distributions (including payment to debenture holders) cannot exceed EBITDA (plus $25.0 million) on a trailing twelve month rolling basis. At March 31, 2008, the senior debt ratio when calculated in accordance with Superior's senior banking agreements was 2.0 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 2.0 times to 1.0 (December 31, 2007 – 2.0 times to 1.0). Total debt to EBITDA for purposes of senior credit agreements does not include the Debentures.

Superior has entered into an agreement to sell, with limited recourse, certain accounts receivable on a 30-day revolving basis to an entity sponsored by a Canadian chartered bank to finance a portion of its working capital requirements and represents an off-balance sheet obligation. The receivables are sold at a discount to face value based on prevailing money market rates. As at March 31, 2008, proceeds of $nil (December 31, 2007 - $100.0 million) had been raised from this program and were used to repay revolving term bank credits. (See Note 4 to the Interim Consolidated Financial Statements). Superior is able to adjust the size of the securitization program and requires Superior to maintain a minimum secured credit rating of BB and meet certain collection performance standards. Superior is currently fully compliant with program requirements.

On April 26, 2007, DBRS confirmed Superior's senior secured notes rating at BBB (low), the Fund's stability rating at STA-3 (low) and changed Superior's negative outlook to stable. On August 2, 2007, Standard and Poor's confirmed Superior's BBB- (negative outlook) secured long-term debt credit rating.

Unitholders' Capital

The weighted average number of trust units outstanding during the first quarter was 88.1 million trust units, an increase of 2.4 million trust units compared to the prior year quarter, due to trust units issued under the DRIP.

As at March 31, 2008 and December 31, 2007, the following trust units, and securities convertible into trust units, were outstanding:

	March 31, 2008		December 31, 2007	
(millions)	**Convertible Securities**	**Trust Units**	Convertible Securities	Trust Units
Trust units outstanding		**88.4**		87.6
Series 1, 5.75% Debentures (convertible at $36 per trust unit)	**$174.9**	**4.9**	$174.9	4.9
Series 1, 5.85% Debentures (convertible at $31.25 per trust unit)	**$75.0**	**2.4**	$75.0	2.4
Warrants (exercisable @ $20 per trust unit until May 2008)	**2.3**	**2.3**	2.3	2.3
Trust units outstanding, and issuable upon conversion of Debenture and Warrant securities		**98.0**		97.2

As at March 31, 2008, there were 250,500 trust unit options outstanding (December 31, 2007 – 500,500 trust units) with a weighted average exercise price of $28.09 per trust unit (December 31, 2007 – $23.87 per trust unit). The number of trust units issued upon exercise of the trust unit options is equal to the growth in the value of the options at the time the options are exercised, (represented by the market price less the exercise price) times the number of options exercised, divided by the current trust unit market price.

Distributions Paid to Unitholders

The Fund distributes to holders of trust units (Unitholders), income earned by Superior LP, after interest payments to holders of the convertible unsecured subordinated debentures (the "Debentures") of the Fund (Debentureholders), and provision for administrative expenses and reserves of the Fund. The Fund's distributions to Unitholders are sourced entirely from its equity in Superior LP. See "Summary of Cash Flows" detailed in the table below for additional details on the sources and uses of cash. The Fund's investments are in turn financed by trust unit equity and by the Debentures.

Distributions paid to Unitholders in the first quarter were $34.8 million or $0.395 per trust unit, compared to $33.4 million or $0.39 per trust unit in the first quarter of 2007. Effective with the March 2008 distribution, the Fund increased its monthly distribution to $0.135 per trust unit ($1.62 on an annualized basis).

Distributable cash flow exceeded distributions paid to Unitholders $18.6 million in the first quarter (2007 Q1 – $28.9 million) resulting in a payout ratio of 65% (2007 Q1 – 54%). Superior's distributions are based on the typical results of an entire fiscal year, with the first and fourth quarters having a payout ratio below 100% and the second and third quarters have payout ratios that are greater than 100%, reflecting the seasonality of Superior's operations, principally Superior Propane.

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

Summary of Cash Flows [1]

	Three months ended March 31 2008	2007
Cash flows from operating activities	**63.2**	47.3
Investing activities:		
Maintenance capital expenditures	**(2.3)**	(0.3)
Other capital expenditures – growth	**(8.1)**	(1.6)
Proceeds on the sale of JW Aluminum	**–**	1.4
Cash flows from investing activities	**(10.4)**	(0.5)
Financing activities:		
Distributions to Unitholders	**(34.8)**	(33.4)
Proceeds from DRIP	**8.9**	3.3
Revolving term bank credits and term loans	**74.0**	(43.7)
Repayment of accounts receivable securitization program	**(100.0)**	(15.0)
Cash flows from financing activities	**(51.9)**	(88.8)
Net increase (decrease) in cash	**0.9**	(42.0)
Cash, beginning of period	**14.1**	33.6
Cash, end of period	**15.0**	(8.4)

[1] See the Interim Consolidated Statements of Cash Flows for additional details.

Financial Instruments – Risk Management

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

SEM enters into NYMEX and AECO natural gas financial swaps with ten counterparties to manage the economic exposure of providing fixed-price natural gas to its customers. SEM monitors its fixed-price natural gas positions on a daily basis to monitor compliance with established risk management policies. SEM maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

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

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

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

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

As at March 31, 2008, SEM and Superior Propane had hedged approximately 100% of their US dollar natural gas and propane purchase (sales) obligations and ERCO Worldwide had hedged 80%(3) and 40%(3) of its estimated US dollar exposure for the remainder of 2008 and 2009. The estimated distributable cash flow sensitivity for Superior, including divisional US exposures and the impact on US denominated debt with respect to a $0.01 change in the Canadian to United States exchange rate is: 2008 - $0.1 million and 2009 - $0.6 million, after giving effect to United States forward contracts for 2008 and 2009, as shown in the table below. Superior's sensitivities and guidance are based on an anticipated Canadian to USD foreign currency exchange rate for 2008 and 2009 of 1.00.

(US$ millions)	2008	2009	2010	2011	2012	2013 and Thereafter	Total
SEM – US $ forward purchases(1)	88.4	111.2	61.9	5.4	–	–	266.9
Superior Propane – US $ forward purchases (sales)	9.5	3.6	–	–	–	–	13.1
Superior Plus LP(2)	–	–	–	–	–	30.0	30.0
ERCO – US $ forward sales (3)	(65.6)	(48.0)	–	–	–	–	(113.6)
Net US $ forward purchases	32.3	66.8	61.9	5.4	–	30.0	196.4
SEM – Average US $ forward purchase rate(1)	1.22	1.21	1.16	1.11	–	–	1.20
Superior Propane – Average US $ forward rate	1.00	1.01	–	–	–	–	1.00
Superior Plus LP (2)	–	–	–	–	–	1.00	1.00
ERCO – Average US $ forward sales rate(3)	1.11	1.06	–	–	–	–	1.09
Net average external US$/Cdn$ exchange rate	1.16	1.16	1.16	1.11	–	1.00	1.15

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

(2) Superior has entered into a US$ forward purchase contract for $30.0 million in 2015 in relation to the repayment profile of its US dollar senior secured notes. (See Note 5 of the interim consolidated financial statements).

(3) Does not include the impact of the United States dollar conversion of ERCO's Port Edwards, Wisconsin chloralkali facility which is anticipated to cost US $95.0 million in aggregate, of which $5.2 million (US $5.1 million) was incurred in 2008, (US$6.5 million cumulatively) with the remaining costs expected as follows: the remainder of 2008 – US $33.9 million and 2009 – US $54.6 million.

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

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

For additional details on the Fund's financial instruments, including the amount and classification of gains and losses recorded in the Fund's Interim Consolidated Financial Statements and significant assumptions used in the calculation of the fair value of the Fund's financial instruments see Note 7 to the Interim Consolidated Financial Statements.

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

Superior and Superior's operating divisions are exposed to market risks and various operational risks. For a detailed discussion of these risks see our 2007 Annual Information Form filed on the Canadian Securities Administrator's web site, www.sedar.com and Superior's website, www.superiorplus.com.

Critical Accounting Policies and Estimates

The Fund's unaudited Interim Consolidated Financial Statements have been prepared in accordance with Canadian GAAP. The significant accounting policies are described in the Consolidated Financial Statements, see Note 2 on pages 49 to 55 of the 2007 annual report. Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Our critical accounting estimates relate to the allowance for doubtful accounts, employee future benefits, future income tax assets and liabilities, the valuation of derivatives and non-financial derivatives and asset impairments.

Changes in Accounting Policies

Inventory

On January 1, 2008, the Fund adopted CICA Handbook Section 3031 *Inventory*. This section provides increased guidance on the determination of the cost and financial statement presentation of inventory. The implementation of Section 3031 impacts the calculation of the cost of inventory at ERCO Worldwide, due to the requirement to inventory the cost of certain fixed overhead items, principally, the amortization of property, plant and equipment. Additionally, Section 3031 requires that amortization that is inventoried be classified as a component of costs of product sold. Previously, all amortization was expensed and classified on the income statement as amortization. The Fund adopted Section 3031 retrospectively, but did not restate prior periods. Accordingly, the Fund increased the carrying value of its inventory as at January 1, 2008 by $1.2 million, with a corresponding decrease to the Fund's opening accumulated deficit; comparative earnings and inventory balances for prior periods have not been restated.

Financial Instruments – Disclosure and Presentation

On January 1, 2008, the Fund adopted CICA Handbook Section 3862 *Financial Instruments – Disclosures* and Handbook Section 3863 *Financial Instruments – Presentation*. These standards provide enhanced disclosure and presentation requirements, with an increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages these risks.

Capital Disclosures

On January 1, 2008, the Fund adopted CICA Handbook Section 1535 *Capital Disclosures*. This section requires the disclosure of (i) the Fund's objectives, policies and processes for managing capital; (ii) quantitative data about what the Fund regards as capital; (iii) whether the Fund has complied with any capital requirements; and (iv) if the Fund has not complied, the consequences of such non-compliance.

Future Accounting Changes

International Financial Reporting Standards

In April 2008, the CICA published an exposure draft related to the adoption of International Financial Reporting Standards (IFRS) in Canada. This exposure draft includes an outline of key decisions that the CICA will need to make as it implements its strategic plan for publicly accountable enterprises what will converge Canadian GAAP with IFRS. The changeover date from Canadian GAAP to IFRS is for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011.

Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, replacing Handbook Section 3062, *Goodwill and Other Intangible Assets* and Handbook Section 3450, *Research and Development Costs*. The purpose of Section 3064 is to provide more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The Section harmonizes Canadian GAAP with IFRS and applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Fund does not anticipate that this Section will have a material impact on its consolidated financial statements.

Quarterly Financial and Operating Information

	2008 Quarter	2007 Quarters				2006 Quarters			
(millions of dollars except per trust unit amounts)	First	Fourth	Third	Second	First	Fourth	Third	Second	First
Propane sales volumes (millions of litres)	469	416	256	280	477	407	261	270	448
Chemical sales volumes (thousands of metric tonnes)	191	194	187	193	194	191	190	183	191
Natural gas sales volumes (millions of GJs)	9	9	9	9	10	10	11	10	9
Electricity sales volumes (millions of KwH)	10	2	–	–	–	–	–	–	–
Gross profit	169.9	185.8	145.9	144.4	185.7	174.1	143.5	141.2	172.1
Asset impairments, net of tax	–	–	–	–	–	–	56.3	170.8	–
Net earnings (loss) from continuing operations	127.2	64.5	(25.9)	(25.5)	106.3	25.3	46.3	(157.4)	30.2
Net earnings (loss)	127.2	64.5	(26.9)	(25.5)	107.7	38.1	1.1	(153.3)	33.3
Per basic trust unit from continuing operations	$1.44	$0.74	($0.30)	($0.30)	$1.24	$0.30	$0.54	($1.84)	$0.35
Per diluted trust unit from continuing operations	$1.44	$0.74	($0.30)	($0.30)	$1.24	$0.30	$0.54	($1.84)	$0.35
Per basic trust unit	$1.44	$0.74	($0.31)	($0.30)	$1.26	$0.45	$0.01	($1.79)	$0.39
Per diluted trust unit	$1.44	$0.74	($0.31)	($0.30)	$1.26	$0.45	$0.01	($1.79)	$0.39
Distributable cash flow	53.4	63.0	25.7	19.4	62.3	55.6	33.8	34.6	56.5
Per basic trust unit	$0.61	$0.72	$0.30	$0.23	$0.73	$0.65	$0.40	$0.40	$0.66
Per diluted trust unit	$0.61	$0.72	$0.30	$0.23	$0.73	$0.65	$0.40	$0.40	$0.66
Net working capital [2]	273.9	173.0	141.9	134.1	162.7	178.9	237.9	294.8	310.6

[1] Net working capital reflects amounts as at the quarter end and is comprised of cash and cash equivalents, accounts receivable and inventories, less bank indebtedness, accounts payable and accrued liabilities.

Segmented Distributable Cash Flow [1]

For the three months ended March 31, 2008	**Superior Propane**	**ERCO**	**Winroc**	**SEM**	**Corporate**	**Total Consolidated**
Net earnings (loss)	26.7	19.5	3.2	86.0	(8.2)	127.2
Add: Amortization of property, plant and equipment, intangible assets and accretion of convertible debenture issue costs	3.8	1.0	1.0	–	0.5	6.3
Amortization included in Cost of Sales	–	10.6	–	–	–	10.6
Future income tax expense (recovery)	3.8	9.8	0.4	1.1	1.2	16.3
Superior Propane non-cash pension expense	0.6	–	–	–	–	0.6
Unrealized (gains) losses on financial instruments	3.0	(16.4)	–	(85.1)	(6.8)	(105.3)
Strategic plan costs (recovery)	–	–	–	–	–	–
Less: Maintenance capital expenditures	(1.3)	(1.0)	–	–	–	(2.3)
Distributable cash flow	**36.6**	**23.5**	**4.6**	**2.0**	**(13.3)**	**53.4**

For the three months ended March 31, 2007	**Superior Propane**	**ERCO**	**Winroc**	**SEM**	**Corporate**	**Total Consolidated**
Net earnings (loss) from continuing operations	32.4	23.8	5.5	59.3	(14.7)	106.3
Add: Amortization of property, plant and equipment, intangible assets and accretion of convertible debenture issue costs	5.2	10.6	1.1	–	0.6	17.5
Future income tax expense (recovery)	–	0.5	–	–	–	0.5
Superior Propane non-cash pension expense	0.4	–	–	–	–	0.4
Unrealized (gains) losses on financial instruments	3.3	(10.1)	–	(56.6)	(0.3)	(63.7)
Strategic plan costs	0.3	0.6	–	0.3	0.4	1.6
Less: Maintenance capital proceeds (expenditures)	0.7	(0.6)	(0.4)	–	–	(0.3)
Distributable cash flow	**42.3**	**24.8**	**6.2**	**3.0**	**(14.0)**	**62.3**

(1) See the Interim Consolidated Financial Statements for net earnings (loss), amortization of property, plant and equipment, intangible assets and accretion of convertible debenture issue costs, future income tax expense (recovery), trust unit incentive plan expense (recovery), management internalization costs, impairment of property, plant and equipment and goodwill, non-cash pension expense, unrealized (gains) losses on financial instruments and maintenance capital expenditures.

SUPERIOR PLUS INCOME FUND
Consolidated Balance Sheets

(unaudited, millions of dollars)	**March 31 2008**	December 31 2007
Assets		
Current Assets		
Cash and cash equivalents	**15.0**	14.1
Accounts receivable and other (Note 4)	**362.2**	265.8
Inventories	**90.0**	105.2
Current portion of unrealized gains on financial instruments (Note 7)	**98.4**	48.0
	565.6	433.1
Property, plant and equipment	**512.4**	514.4
Customer acquisition costs	**16.5**	17.4
Intangible assets	**23.2**	23.5
Goodwill	**452.3**	451.8
Accrued pension asset	**21.3**	21.9
Future income tax asset (Note 8)	**4.3**	20.3
Long-term portion of unrealized gains on financial instruments (Note 7)	**89.7**	60.4
	1,685.3	1,542.8
Liabilities and Unitholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**193.3**	212.1
Current portion of term loans (Note 5)	**1.3**	3.9
Distributions and interest payable to Unitholders and Debentureholders	**16.3**	12.1
Current portion of unrealized losses on financial instruments (Note 7)	**34.7**	51.1
	245.6	279.2
Revolving term bank credits and term loans (Note 5)	**419.7**	334.1
Convertible unsecured subordinated debentures (Note 6)	**240.5**	240.0
Future employee benefits	**18.8**	18.5
Long-term portion of unrealized losses on financial instruments (Note 7)	**37.0**	54.3
Total Liabilities	**961.6**	926.1
Unitholders' Equity		
Unitholders' capital (Note 9)	**1,375.7**	1,366.8
Accumulated deficit	**(636.2)**	(729.8)
Accumulated other comprehensive income (loss) (Note 9)	**(15.8)**	(20.3)
	723.7	616.7
	1,685.3	1,542.8

(See Notes to the Interim Consolidated Financial Statements)

SUPERIOR PLUS INCOME FUND
Consolidated Statements of Net Earnings (Loss), Comprehensive Income (Loss) and Deficit

(unaudited, millions of dollars except per trust unit amounts)	Three months ended March 31 2008	2007
Revenues	**681.4**	674.2
Cost of products sold (Note 1(b))	**(511.7)**	(488.6)
Realized gains (losses) on financial instruments (Note 7)	**0.2**	0.1
Gross profit	**169.9**	185.7
Expenses		
Operating and administrative	**113.9**	111.9
Amortization of property, plant and equipment	**4.7**	15.6
Amortization of intangible assets	**1.1**	1.3
Interest on revolving term bank credits and term loans	**6.1**	6.1
Interest on convertible unsecured subordinated debentures	**3.7**	5.0
Accretion of convertible debenture issue costs	**0.5**	0.6
Unrealized losses (gains) on financial instruments (Note 7)	**(105.3)**	(63.7)
	24.7	76.8
Net earnings before income taxes from continuing operations	**145.2**	108.9
Income tax expense (Note 8)	**(18.0)**	(2.6)
Net earnings from continuing operations	**127.2**	106.3
Net earnings from discontinued operations (Note 3)	**–**	1.4
Net Earnings	**127.2**	107.7
Net earnings	**127.2**	107.7
Other comprehensive income (loss), net of tax:		
Unrealized foreign currency gains (losses) on translation of self-sustaining foreign operations	**(3.6)**	(0.7)
Reclassification of derivative gains and losses	**8.1**	7.4
Comprehensive Income (Loss)	**131.7**	114.4
Deficit, Beginning of Period	**(729.8)**	(745.3)
Cumulative impact of adopting new accounting requirements for inventory (Note 1(b))	**1.2**	–
Cumulative impact of adopting new accounting requirements for financial instruments	**–**	30.6
Net earnings	**127.2**	107.7
Distributions to Unitholders	**(34.8)**	(33.4)
Deficit, End of Period	**(636.2)**	(640.4)
Net earnings per trust unit from continuing operations, basic and diluted (Note 10)	**$1.44**	$1.24
Net earnings per trust unit from discontinued operations, basic and diluted (Note 10)	**–**	$0.02
Net earnings per trust unit, basic and diluted (Note 10)	**$1.44**	$1.26

(See Notes to the Interim Consolidated Financial Statements)

SUPERIOR PLUS INCOME FUND
Consolidated Statements of Cash Flows

(unaudited, millions of dollars)	Three months ended March 31 **2008**	2007
Operating Activities		
Net earnings	**127.2**	107.7
Net earnings from discontinued operations	–	(1.4)
Items not affecting cash:		
Amortization of property, plant and equipment, intangible assets and accretion of convertible debenture issue costs	**6.3**	17.5
Amortization of customer acquisition costs	**1.6**	1.1
Amortization included in cost of sales (Note 1(b))	**10.6**	–
Pension expense	**0.6**	0.4
Unrealized losses (gains) on financial instruments	**(105.3)**	(63.7)
Future income tax expense	**16.3**	0.5
Customer acquisition costs	**(0.7)**	(2.7)
Decrease (increase) in non-cash operating working capital items	**6.6**	(12.1)
Cash flows from operating activities	**63.2**	47.3
Investing Activities		
Maintenance capital expenditures	**(2.3)**	(0.3)
Other capital expenditures	**(8.1)**	(1.6)
Proceeds on sale of JW Aluminum Company (Note 3)	–	1.4
Cash flows from investing activities	**(10.4)**	(0.5)
Financing Activities		
Revolving term bank credits and term loans	**74.0**	(43.7)
Repayment of accounts receivable sales program	**(100.0)**	(15.0)
Proceeds from trust unit distribution reinvestment program	**8.9**	3.3
Distributions to Unitholders	**(34.8)**	(33.4)
Cash flows from financing activities	**(51.9)**	(88.8)
Net increase (decrease) in cash	**0.9**	(42.0)
Cash and cash equivalents (bank indebtedness), beginning of period	**14.1**	33.6
Cash and cash equivalents (bank indebtedness), end of period	**15.0**	(8.4)

(See Notes to the Interim Consolidated Financial Statements)

Notes to Interim Consolidated Financial Statements

(unaudited, tabular amounts in millions of dollars, unless noted otherwise, except per trust unit amounts)

1. Accounting Policies

(a) Basis of Presentation

The accompanying unaudited Interim Consolidated Financial Statements have been prepared according to Canadian generally accepted accounting principles (GAAP), applied on a consistent basis with those as set out in the Fund's annual financial statements for the year ended December 31, 2007, except as noted below, and include the accounts of the Superior Plus Income Fund (the Fund), its wholly owned subsidiaries, Superior Plus LP (Superior), and Superior's subsidiaries. These financial statements do not conform in all respects to the note disclosure requirement of GAAP for annual financial statements as certain information and disclosures included in the annual financial statements notes have been condensed or omitted. These interim financial statements and notes thereto should be read in conjunction with the Fund's financial statements for the year ended December 31, 2007. All significant transactions and balances between the Fund, the Fund's subsidiaries, Superior, and Superior's subsidiaries have been eliminated on consolidation.

(b) Changes in Accounting Policies

Inventory

On January 1, 2008, the Fund adopted CICA Handbook Section 3031 *Inventory*. This section provides increased guidance on the determination of the cost and financial statement presentation of inventory. The implementation of Section 3031 impacts the calculation of the cost of inventory at ERCO Worldwide, due to the requirement to inventory the cost of certain fixed overhead items, principally, the amortization of property, plant and equipment. Additionally, Section 3031 requires that amortization that is inventoried be classified as a component of costs of product sold. Previously, all amortization was expensed and classified on the income statement as amortization. The Fund adopted Section 3031 retrospectively, but did not restate prior periods. Accordingly, the Fund increased the carrying value of its inventory as at January 1, 2008 by $1.2 million, with a corresponding decrease to the Fund's opening accumulated deficit; comparative earnings and inventory balances for prior periods have not been restated.

Financial Instruments – Disclosure and Presentation

On January 1, 2008, the Fund adopted CICA Handbook Section 3862 *Financial Instruments – Disclosures* and Handbook Section 3863 *Financial Instruments – Presentation*. These standards provide enhanced disclosure and presentation requirements, with an increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages these risks.

Capital Disclosures

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(c) Future Accounting Changes

International Financial Reporting Standards

In April 2008, the CICA published an exposure draft related to the adoption of International Financial Reporting Standards (IFRS) in Canada. This exposure draft includes an outline of key decisions that the CICA will need to make as it implements its strategic plan for publicly accountable enterprises what will converge Canadian GAAP with IFRS. The changeover date from Canadian GAAP to IFRS is for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011.

Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, replacing Handbook Section 3062, *Goodwill and Other Intangible Assets* and Handbook Section 3450, *Research and Development Costs*. The purpose of Section 3064 is to provide more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The Section harmonizes Canadian GAAP with IFRS and applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Fund does not anticipate that this Section will have a material impact on its consolidated financial statements.

(d) Business Segments
Superior operates four distinct business segments; a propane distribution and related services business operating under the Superior Propane trade name; a specialty chemicals manufacturer operating under the ERCO Worldwide trade name (ERCO); a construction products distribution business operating under the Winroc trade name; and a fixed-price energy services business operating under the Superior Energy Management trade name (SEM). (See Note 11).

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

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

3. Disposition – JW Aluminum
In July of 2006, the Fund announced the results of its strategic review designed to maximize Unitholder value which included the decision to sell JWA in order to reduce debt levels and refocus its operations on its existing Canadian businesses. Accordingly, effective July 1, 2006, JWA's balance sheet, results of operations and cash flows were classified as discontinued operations on a retroactive basis.

On December 7, 2006, the Fund completed the sale of all the issued and outstanding shares of JWA on a cash and debt free basis to Wellspring Capital Management LLC, for total consideration of $356.1 million (US $310.1 million), net of $4.9 million (US $4.3 million) in disposition costs. Final post closing adjustments were completed during 2007 and accordingly, $1.4 million in net earnings from discontinued operations for the three months ended March 31, 2007 was recorded. There was no impact on the balance sheet or the statement of cash flows for the period ended March 31, 2007.

4. Accounts Receivable and Other
Superior sells, with limited recourse, certain trade accounts receivable on a revolving basis to an entity sponsored by a Canadian chartered bank. The accounts receivable are sold at a discount to face value based on prevailing money market rates. Superior has retained the servicing responsibility for the accounts receivable sold and has therefore recognized a servicing liability. The level of accounts receivable sold under the program fluctuates seasonally with the level of accounts receivable. As at March 31, 2008 proceeds of $nil (December 31, 2007 – $100.0 million) had been received.

Included in accounts receivable and other as at March 31, 2008 is $9.7 million (March 31, 2007 - $16.6 million) of prepaid expenses.

5. Revolving Term Bank Credits and Term Loans

	Maturity Date	Effective Interest Rate	**March 31 2008**	December 31 2007
Revolving term bank credits (1)				
Bankers Acceptances (BA)	2010	Floating BA rate plus applicable credit spread	**173.0**	96.5
LIBOR Loans (US$66.3 million; 2007 – US$66.7 million)	2010	Floating LIBOR rate plus applicable credit spread	**68.2**	65.9
			241.2	162.4
Other Debt				
Notes payable	2007-2010	Prime	**6.8**	6.8
Deferred consideration	2008-2010	Non-interest bearing	**4.6**	7.0
Loan payable	2008-2014	6.3%	**5.3**	5.2
Mortgage payable (US$1.0 million; 2007 – US$1.0 million)	2011	7.53%	**0.9**	1.0
			17.6	20.0
Senior Secured Notes				
Senior secured notes subject to floating interest rates (US$60.0 million; 2007 – US$85.0 million) (2)	2015	Floating LIBOR rate plus 1.7%	**61.7**	84.0
Senior secured notes subject to fixed interest rates (US$100.0 million; 2007 – US$75.0 million) (2)	2013, 2015	6.65%	**102.8**	74.1
			164.5	158.1
Total revolving term bank credits and term loans before deferred financing fees			**423.3**	340.5
Deferred financing fees			**(2.3)**	(2.5)
Revolving term bank credits and term loans			**421.0**	338.0
Current maturities			**(1.3)**	(3.9)
Revolving term bank credits and term loans			**419.7**	334.1

(1) Superior and its wholly-owned subsidiaries, Superior Plus US Holdings Inc. and Commercial e Industrial (Chile) Limitada have revolving term bank credit borrowing capacity of $595.0 million. These facilities are secured by a general charge over the assets of Superior and certain of its subsidiaries.

(2) Senior Secured Notes (the Notes) totaling US $160.0 million (CDN $164.5 million at March 31, 2008 and CDN $158.1 million at December 31, 2007) are secured by a general charge over the assets of Superior and certain of its subsidiaries. Principal repayments begin in 2009. Management has estimated the fair value of the Notes based on comparisons to treasury instruments with similar maturities and interest rates. The estimated fair value of the Notes at March 31, 2008 was CDN $172.5 million (December 31, 2007 – CDN $163.8 million). In conjunction with the issue of the Notes, Superior swapped US $60.0 million (CDN $61.7 million) (December 31, 2007 – US $85.0 million (CDN $84.0 million)) of the fixed rate obligation into a US dollar floating rate obligation.

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

Current portion	1.3
Due in 2009	11.0
Due in 2010	247.4
Due in 2011	35.0
Due in 2012	34.1
Subsequent to 2012	94.5
Total	423.3

6. Convertible Unsecured Subordinated Debentures

The Fund has issued two series of Debentures denoted as 5.75 percent Series 1 and 5.85 percent Series 1 as follows:

	Series 1	Series 1	Unamortized Discount	Total Carrying Value
Maturity date	December 31, 2012	October 31, 2015		
Interest rate	5.75%	5.85%		
Conversion price per trust unit	$36.00	$31.25		
Debentures outstanding at December 31, 2007	174.9	75.0	(3.3)	246.6
Conversion and repayment / redemption of Debentures and accretion of discount during 2008	–	–	0.8	0.8
Deferred issue costs	(4.6)	(2.3)		(6.9)
Debentures outstanding	170.3	72.7	(2.5)	240.5
Quoted market value March 31, 2008	170.6	70.5		
Quoted market value December 31, 2007	152.2	67.5		

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

7. Financial Instruments

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

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, the Fund looks primarily to available, readily observable external market inputs, including factors such as interest rate yield curves, currency rates, and price and rate volatilities as applicable. With respect to the valuation of ERCO's fixed-price electricity agreements, the valuation of these agreements requires Superior to make assumptions about the long-term price of electricity in electricity markets for which active market information is not available. The impact of the assumption for the long-term forward price curve of electricity has a material impact on the fair value of these agreements. Any changes in the fair values of financial instruments classified or designated as held-for-trading measured at fair value are recognized in net income.

Financial and Non-Financial Derivatives

Description	Notional [(1)]	Term	Effective Rate	Fair Value as at March 31 2008	Fair Value as at December 31 2007
Natural gas financial swaps−NYMEX	38.9 GJ[(2)]	2008-2011	$7.34/GJ USD	88.7	33.4
Natural gas financial swaps−AECO	34.9 GJ[(2)]	2008-2013	$7.76/GJ CDN	10.3	(18.7)
SEM electricity swaps	0.5 MW[(3)]	2008-2013	$71.61/MWh	0.5	(0.4)
Foreign currency forward contracts, net	$196.4 USD[(4)]	2007-2015	1.15	(34.5)	(46.0)
Interest rate swaps−USD	$60.0 USD[(4)]	2013-2015	Floating LIBOR rate plus 1.7%	5.1	2.6
Propane wholesale purchase and sale contracts, net	7.1 USG[(5)]	2007-2008	$1.43/USG	2.5	5.5
ERCO fixed-price electricity purchase agreement	45 MW[(3)]	2008-2017	$45-$52/MWh	43.8	26.6
ERCO fixed-price electricity purchase agreement	43 MW[(6)]	2008	$39-$75/MWh	−	−

[(1)] Notional values as at March 31, 2008 [(2)] Millions of gigajoules purchased [(3)] Mega watts ("MW") on a 24/7 continual basis per year purchased [(4)] Millions of dollars purchased [(5)] Millions of United States gallons purchased [(6)] 239,943 mega watt hours purchased

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

Description	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities
Natural gas financial swaps – NYMEX and AECO	82.4	46.9	15.4	14.9
SEM electricity swaps	0.3	0.2	−	−
Foreign currency forward contracts, net	4.6	1.6	18.6	22.1
Interest rate swaps	−	5.1	−	−
Propane wholesale purchase and sale contracts	3.2	−	0.7	−
ERCO fixed-price power purchase agreements	7.9	35.9	−	−
As at March 31, 2008	98.4	89.7	34.7	37.0
As at December 31, 2007	48.0	60.4	51.1	54.3

	For the three months ended March 31, 2008		For the three months ended March 31, 2007	
Description	Realized gain (loss)	Unrealized gain (loss)	Realized gain (loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	1.7	84.6	(2.5)	56.6
SEM electricity swaps	−	0.5	0.7	−
Foreign currency forward contracts, net	(4.8)	10.7	−	(1.8)
Interest rate swaps	−	2.5	−	0.1
Propane wholesale purchase and sale contracts	−	(3.0)	−	(3.3)
ERCO fixed-price power purchase agreements	3.3	17.2	1.9	10.4
Total realized and unrealized gains (losses) on financial and non-financial derivatives	0.2	112.5	0.1	62.0
Foreign currency translation of senior secured notes (Note 5)	−	(6.4)	−	2.0
Foreign currency translation of ERCO royalty assets	−	(0.8)	−	(0.3)
Total realized and unrealized gains and losses	0.2	105.3	0.1	63.7

Non-Derivative Financial Instruments

The Fund's accounts receivable have been designated as available for sale due to the Fund's accounts receivable securitization program, the Fund's accounts payable, distributions and interest payable to Unitholders and Debentureholders, revolving term bank credits and term loans and Debentures have been designated as other liabilities. The carrying value of the Fund's cash, accounts receivable, accounts payable, and distributions and interest payable to Unitholders and Debentureholders approximates their fair value due to the short-term nature of these amounts. The carrying value and the fair value of the Fund's revolving term bank credits and term loans, and Debentures, is provided in Notes 5 and 6 of the Interim Consolidated Financial Statements.

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

SEM enters into NYMEX and AECO natural gas financial swaps with nine counterparties to manage the economic exposure of providing fixed-price natural gas to its customers. SEM monitors its fixed-price natural gas positions on a daily basis to monitor compliance with established risk management policies. SEM maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

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

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

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

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

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

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

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

	2008	2009	2010	2011	2012	There-after	Total
Revolving term bank credits and term loans	1.3	11.0	247.4	35.0	34.1	94.5	423.3
Convertible unsecured subordinated debentures	–	–	–	–	174.9	75.0	249.9
CDN$ equivalent of US$ foreign currency forward purchase contracts	117.4	138.2	71.7	6.0	–	30.0	363.3
US$ foreign currency forward sales contracts (US dollars)	65.6	48.0	–	–	–	–	113.6
Fixed-price electricity purchase commitments	23.8	17.7	17.7	17.7	17.7	88.7	183.3
CDN$ natural gas purchases	66.8	26.9	32.2	3.0	0.4	–	129.3
US$ natural gas purchases (US dollars)	137.7	156.6	62.9	2.8	–	–	360.0
CDN$ propane purchases	0.3	–	–	–	–	–	0.3
US$ propane purchases (US dollars)	31.8	–	–	–	–	–	31.8

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

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

	Three months ended March 31, 2008
Increase (decrease) to net earnings of a $0.01 increase in the CDN$ to the US$	(1.6)
Increase (decrease) to net earnings of a 0.5% increase in interest rates	(0.3)
Increase (decrease) to net earnings of a $0.40/GJincrease in the spot price of natural gas	37.1
Increase (decrease) to net earnings of a $0.04/litre increase in the spot price of propane	0.3
Increase (decrease) to net earnings of a $1.00/KwH increase in the spot price of electricity	1.8

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

8. Income Taxes

The Fund is a Mutual Fund Trust for income tax purposes. In June 2007 the Government of Canada enacted new legislation imposing additional income taxes upon publicly traded income trusts, including Superior Plus Income Fund, effective January 1, 2011. Prior to the legislation, the Fund was only taxable on any taxable income not allocated to the Unitholders and estimated its future income tax on certain temporary differences between amounts recorded on its balance sheet for book and tax purposes at a nil effective tax rate. Under the legislation, the Fund estimates the effective tax rate on the post 2010 reversal of these temporary differences to be 29.5% in 2011 and 28.0% in years thereafter. Temporary differences reversing before 2011 will still give rise to $nil future income taxes. Accordingly, the Fund began recording a Canadian future income tax provision effective June 30, 2007. Consistent with prior periods, the Fund recognizes a provision for income taxes for its subsidiaries that are subject to current and future income taxes, including United States income tax, United States non-resident withholding tax and Chilean tax.

For the three months ended March 31, 2008 future income tax expense/recovery from operations in Canada, the United States and Chile was a $16.0 million expense compared to future income tax expense of $0.5 million for the comparative period. Total income tax expense, comprised of current and future taxes for the three months ended March 31, 2008 was $18.0 million compared to an income tax expense of $2.6 million for the comparative period.

The Fund expects it will be subject to current and future income taxes under the new legislation, however, the estimated effective tax rate on temporary difference reversals after January 1, 2011 may change in future periods. As the legislation is new, future technical interpretations of the legislation may occur and could materially affect management's estimate of the future income tax asset/liability. The amount and timing of reversals of temporary differences will also depend on the Fund's future operating results, acquisitions and dispositions of assets and liabilities, and distribution policy. A significant change in any of the preceding assumptions could materially affect the Fund's estimate of the future income tax asset/liability.

9. Unitholders' Equity

Authorized

The Fund may issue an unlimited number of trust units. Each trust unit represents an equal undivided beneficial interest in any distributions from the Fund and in the net assets in the event of termination or wind-up of the Fund. All trust units are of the same class with equal rights and privileges.

	Issued Number of Trust Units (millions)	Unitholders' Equity
Unitholders' equity, December 31, 2007	**87.5**	**616.7**
Trust unit distribution reinvestment program	**0.8**	8.9
Cumulative impact of adopting new accounting requirements for inventory (Note 1(b))	–	1.2
Net earnings	–	127.2
Other comprehensive income	–	4.5
Distributions to unitholders	–	(34.8)
Unitholders' equity, March 31, 2008	**88.3**	**723.7**

Unitholders' capital, deficit and accumulated other comprehensive income as at March 31, 2008 and December 31, 2007 consists of the following components:

	March 31 2008	December 31 2007
Unitholders' capital		
Trust unit equity	**1,370.9**	1,362.0
Conversion feature on warrants and convertible debentures	**4.8**	4.8
	1,375.7	1,366.8
Accumulated deficit		
Retained earnings from operations	**591.1**	433.3
Cumulative impact to deficit upon implementation of new accounting requirements for inventory (Note 1(b))	**1.2**	–
Cumulative impact to deficit upon implementation of new accounting requirements financial instruments	–	30.6
Accumulated distributions on trust unit equity	**(1,228.5)**	(1,193.7)
	(636.2)	(729.8)
Accumulated other comprehensive income (loss)		
Balance at beginning of year	**(20.3)**	–
Transitional adjustment upon implementation of financial instruments	–	(18.0)
Unrealized foreign currency gains (losses) on translation of self-sustaining foreign operations	**(3.6)**	(13.5)
Reclassification of derivative gains and losses previously deferred	**8.1**	11.2
	(15.8)	(20.3)

As at March 31, 2008, the Fund had 2.3 million trust unit warrants outstanding (December 31, 2007 – 2.3 million), exercisable at $20 per trust unit warrant. The trust unit warrants expire May 8, 2008.

Additional Capital Disclosures

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

In the management of capital, the Fund includes Unitholders' equity (excluding accumulated other comprehensive income) (AOCI), current and long-term debt, convertible debentures, securitized accounts receivable and cash and cash equivalents.

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

The Fund monitors its capital based on the ratio of senior debt outstanding to net earnings before interest, taxes, depreciation, amortization and other non-cash charges (EBITDA), as defined by its revolving term credit facility, and the ratio of total debt outstanding to EBITDA.

The Fund is subject to various financial covenants in its credit facility agreements, including senior debt and total debt to EBITDA ratios, which are measured on a quarterly basis. As at March 31, 2008 and December 31 2007, the Fund was in compliance with all of its financial covenants.

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

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

	March 31 2008	December 31 2007
Unitholders' equity (excluding AOCI)	**739.5**	637.0
Current portion of term loans	**1.3**	3.9
Revolving term bank credits and term loans [1]	**422.0**	340.5
Accounts receivable securitization program	**–**	100.0
Total senior debt	**423.3**	444.4
Convertible unsecured subordinated debentures [1]	**247.4**	247.3
Total debt	**670.7**	691.7
Cash	**(15.0)**	(14.1)
Total capital	**1,395.2**	1,314.6

	Twelve months ended March 31 2008	Twelve months ended December 31 2007
Net earnings (loss) from continuing operations	**140.3**	119.8
Adjusted for:		
Interest on revolving term bank credits and term loans	**25.2**	25.2
Interest on convertible unsecured subordinated debentures	**18.2**	19.5
Accretion of convertible debenture issue costs	**2.7**	2.8
Amortization of property, plant and equipment	**46.7**	57.6
Amortization included in cost of sales	**10.6**	–
Amortization of intangible assets	**4.7**	4.9
Income taxes	**10.3**	(5.1)
Unrealized (gains) losses on financial instruments	**(44.3)**	(2.7)
Management internalization costs	**0.5**	0.5
Superior Propane non-cash pension expense	**1.9**	1.7
EBITDA [2]	**216.8**	224.2

	Target	**March 31 2008**	December 31 2007
Senior Debt to Adjusted EBITDA	**1.5:1 – 2.0:1**	**2.0**	2.0
Total Debt to Adjusted EBITDA	**2.5:1 – 3.0:1**	**3.1**	3.1

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

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

10. Net Earnings per Trust Unit

	Three months ended March 31	
	2008	2007
Net earnings per trust unit computation, basic and diluted (1)		
Net earnings from continuing operations	**127.2**	106.3
Net earnings from discontinued operations	**–**	1.4
Net earnings	**127.2**	107.7
Weighted average trust units outstanding	**88.1**	85.7
Net earnings from continuing operations per trust unit, basic and diluted	**$1.44**	$1.24
Net earnings from discontinued operations per trust unit, basic and diluted	**–**	$0.02
Net earnings per trust unit, basic and diluted	**$1.44**	$1.26

(1) All outstanding trust unit options and warrants were excluded from this calculation as they were anti-dilutive.

11. Business Segments

Superior operates four distinct business segments; a propane distribution and related services business operating under the Superior Propane trade name; a specialty chemicals manufacturer operating under the ERCO Worldwide trade name (ERCO); a construction products distribution business operating under the Winroc trade name; and a fixed-price energy services business operating under the Superior Energy Management trade name (SEM). Superior's corporate office arranges intersegment foreign exchange contracts from time to time between its business segments. Intersegment revenues and cost of sales pertaining to intersegment foreign exchange gains and losses are eliminated under the Corporate cost column.

For the three months ended March 31, 2008	**Superior Propane**	**ERCO**	**Winroc**	**SEM**	**Corporate**	**Total Consolidated**
Revenues	370.7	113.4	115.4	81.9	–	681.4
Cost of products sold	(277.7)	(77.3)	(86.8)	(69.9)	–	(511.7)
Realized gains (losses) on financial instruments	(1.0)	5.8	–	(4.6)	–	0.2
Gross profit	92.0	41.9	28.6	7.4	–	169.9
Expenses						
Operating and administrative	54.7	26.5	23.8	5.4	3.5	113.9
Amortization of property, plant and equipment	3.8	–	0.9	–	–	4.7
Amortization of intangible assets	–	1.0	0.1	–	–	1.1
Interest on revolving term bank credits and term loans	–	–	–	–	6.1	6.1
Interest on convertible unsecured subordinated debentures	–	–	–	–	3.7	3.7
Accretion of convertible debenture issue costs	–	–	–	–	0.5	0.5
Unrealized (gains) losses on financial instruments	3.0	(16.4)	–	(85.1)	(6.8)	(105.3)
	61.5	11.1	24.8	(79.7)	7.0	24.7
Net earnings (loss)	30.5	30.8	3.8	87.1	(7.0)	145.2
Income tax expense	(3.8)	(11.3)	(0.6)	(1.1)	(1.2)	(18.0)
Net Earnings (Loss)	26.7	19.5	3.2	86.0	(8.2)	127.2

For the three months ended March 31, 2007	**Superior Propane**	**ERCO**	**Winroc**	**SEM**	**Corporate**	**Total Consolidated**
Revenues	353.6	119.5	117.0	84.1	–	674.2
Cost of products sold	(258.7)	(69.0)	(87.9)	(73.0)	–	(488.6)
Realized gains (losses) on financial instruments	0.1	4.3	–	(4.3)	–	0.1
Gross profit	95.0	54.8	29.1	6.8	–	185.7
Expenses						
Operating and administrative	54.1	28.2	22.2	4.1	3.3	111.9
Amortization of property, plant and equipment	5.2	9.4	1.0	–	–	15.6
Amortization of intangible assets	–	1.2	0.1	–	–	1.3
Interest on revolving term bank credits and term loans	–	–	–	–	6.1	6.1
Interest on convertible unsecured subordinated debentures	–	–	–	–	5.0	5.0
Accretion of convertible debenture issue costs	–	–	–	–	0.6	0.6
Unrealized (gains) losses on financial instruments	3.3	(10.1)	–	(56.6)	(0.3)	(63.7)
	62.6	28.7	23.3	(52.5)	14.7	76.8
Net earnings (loss) before income taxes from continuing operations	32.4	26.1	5.8	59.3	(14.7)	108.9
Income tax expense	–	(2.3)	(0.3)	–	–	(2.6)
Net earnings (loss) from continuing operations	32.4	23.8	5.5	59.3	(14.7)	106.3
Net earnings from discontinued operations (Note 3)						1.4
Net Earnings						107.7

Total Assets, Net Working Capital, Acquisitions and Other Capital Expenditures

	Superior Propane	ERCO	Winroc	SEM	Corporate	Discontinued Operations (Note 3)	Total Consolidated
As at March 31, 2008							
Net working capital	156.8	50.4	64.4	6.0	(3.7)		273.9
Total assets	723.1	560.3	199.0	180.9	22.0		1,685.3
As at December 31, 2007							
Net working capital	73.9	19.0	65.7	8.8	5.6		173.0
Total assets	663.0	533.1	195.2	115.2	36.3		1,542.8
For the three months ended March 31, 2008							
Acquisitions	–	–	–	–	–		–
Other capital expenditures	–	7.3	0.6	0.2	–		8.1
For the three months ended March 31, 2007							
Acquisitions (dispositions)	–	–	–	–	–	(1.4)	(1.4)
Other capital expenditures	–	0.7	0.9	–	–		1.6

Geographic Information

	Canada	United States	Other	Total Consolidated
Revenues for the three months ended March 31, 2008	583.5	77.4	20.5	681.4
Property, plant and equipment as at March 31, 2008	419.5	33.6	59.3	512.4
Total assets as at March 31, 2008	1,485.8	129.7	69.8	1,685.3
Revenues for the three months ended March 31, 2007	560.0	93.8	20.4	674.2
Property, plant and equipment as at December 31, 2007	428.1	28.8	57.5	514.4
Total assets as at December 31, 2007	1,360.2	117.8	64.8	1,542.8

12. Subsequent Event

On April 30, 2008, Winroc entered into an agreement to acquire all of the shares of a privately held gypsum and related products distributor for consideration of approximately $23.0 million (not including acquisition costs and normal course closing adjustments). The acquisition is anticipated to close in the second quarter of 2008.