Superior Plus

Q3

For the three months
ended September 30, 2018

TSX: SPB **November 7, 2018**

Superior Plus Corp. Announces 2018 Third Quarter Results, Confirms 2018 Financial Outlook and Introduces 2019 Adjusted EBITDA Guidance

Superior Plus Corp. (“Superior”) (TSX: SPB) announced today its financial and operating results for the third quarter ended September 30, 2018. All financial figures are expressed in Canadian dollars.

“The third quarter of 2018 was transformational for Superior, having closed the largest acquisition in the company’s history in July, significantly expanding the U.S. retail propane business. We also announced three more acquisitions since our second quarter results, and continue to gain momentum on achieving our Evolution 2020 initiatives,” said Luc Desjardins, Superior’s President and Chief Executive Officer.

Evolution 2020 and Strategy Highlights

- Superior confirms guidance of 2018 Adjusted EBITDA to be in the range of $345 million to $375 million, and the Adjusted Operating Cash Flow (“AOCF”) per share before transaction costs financial outlook is $1.75 to $1.95. Superior is introducing its 2019 Adjusted EBITDA guidance range of $445 million to $495 million, a 31% increase compared to the midpoint of the 2018 Adjusted EBITDA guidance. See “2018 & 2019 Financial Outlook and Adjusted EBITDA Guidance” for additional details.
- On July 10, 2018, the company completed the transformative acquisition of NGL Propane (“NGL”) for total consideration of approximately $1.2 billion. This acquisition provides an established platform to execute on further expansion opportunities in the U.S. with an increased presence throughout the Eastern U.S.
- Superior anticipates it will exceed the previous target of achieving $15.0 million in run-rate synergies related to the Canwest acquisition exiting 2018. The remaining run-rate synergies of approximately $5.0 million are anticipated to be achieved in 2019 by the end of the second quarter to achieve the full run-rate synergies of $20.0 million. The consolidation and integration of Canwest and Superior Propane field operations was completed in six waves in 2018, with the final wave completed in September.
- U.S. propane distribution began NGL integration activities during the third quarter and anticipates achieving $12.5 million in realized synergies in 2019. The synergies are anticipated to come primarily from operational and procurement cost-savings, effective supply chain management as well as improving margin through merging the sales and marketing teams and sharing best practices.
- On October 2, 2018, Superior closed the acquisition of all of the issued and outstanding shares of United Liquid Gas Company Inc., which operates under the trade name United Pacific Energy an independent wholesale natural gas liquid distributor in California. This acquisition adds significant sales volumes to the wholesale natural gas liquid portfolio, diversifies our customer and geographical base and includes an attractive group of assets with

coastal exposure which is integral in the continued expansion of the wholesale business along the western coast of the U.S.

Business and Financial Highlights

- AOCF per share before transaction and other costs during the third quarter was $0.01, 91% lower than the prior year quarter primarily due to an increase in interest expense, the impact from the increase in the weighted average shares outstanding and a decrease in Adjusted EBITDA. The increase in interest expense and weighted average shares outstanding increased as a result of the debt and equity financing for the NGL transaction. Net cash flows from operating activities in the third quarter were $11.6 million lower than the prior year quarter primarily due to an increase in interest paid, partially offset by an increase in cash generated from operations.
- Superior achieved third quarter Adjusted EBITDA of $25.9 million, a $3.1 million or 11% decrease over the prior year quarter primarily due to lower Energy Distribution EBITDA from operations and higher realized losses on foreign currency hedging contracts, partially offset by higher Specialty Chemicals EBITDA from operations and lower corporate costs.
- Superior generated a net loss of $39.8 million in the third quarter, which was $85.0 million lower than the net loss of $124.8 million in the prior year quarter. The improvement was primarily due to a reduction of income tax expense and increased gross profit, offset in part by an increase in selling, distribution and administrative costs. Income tax expense decreased $129.5 million compared to the prior year quarter as the prior year included a deferred income tax expense of $119.4 million related to the settlement with the CRA regarding Superior's corporate conversion, which occurred on December 31, 2008. Gross profit increased $36.1 million primarily due to the contribution from NGL, Canwest and tuck-in acquisitions as well as improved chlor-alkali results. Selling, Distribution and Administrative costs increased $61.7 million primarily due to the incremental expenses from NGL, Canwest and tuck-in acquisitions.
- Specialty Chemicals EBITDA from operations for the third quarter was $35.5 million, an increase of $5.9 million or 20% compared to the prior year quarter primarily due to higher chlor-alkali sales prices and modestly higher sales volumes, and higher sodium chlorite results related to strong demand from the oil and gas sector, partially offset by lower sodium chlorate gross profits. Sodium chlorate gross profits decreased primarily due to higher electricity costs and lower sales volumes.
- During the third quarter, Energy Distribution realized negative EBITDA from operations of $3.3 million, a decrease of $3.5 million compared to the prior year quarter primarily due to the continued weak wholesale natural gas liquid market fundamentals, including weak butane prices, as well as the impact of the divested U.S. wholesale assets during the second quarter. Energy Distribution gross profits were higher due to the contribution of NGL, partially offset by the weaker wholesale market fundamentals as well as the impact of the divested U.S. wholesale and retail distillate assets during the second quarter. Energy Distribution operating expenses were higher primarily due to the incremental expenses from NGL and Canwest, partially offset by the impact from the divested wholesale business and realized synergies. The third quarter generally provides the lowest contribution for Energy Distribution due to the seasonality of heating-related and oilfield demand.
- On September 21, 2018, Superior completed the acquisition of all of the propane distribution and other assets of Porco Energy Corp., an independent propane distributor in New York serving residential and commercial customers.
- On November 1, 2018, Superior closed the acquisition of all of the propane distribution and other assets of Musco Fuel & Propane LLP, an independent propane distributor in Connecticut serving residential and commercial customers.

- On September 27, 2018, Superior announced an At-the-Market ("ATM") equity financing program, which allows Superior to sell common shares directly from treasury. The ATM equity program enables Superior to issue smaller amounts of common shares at a lower cost than traditional equity offerings, without a discount and at prevailing trading prices. The ATM equity program was put in place as Superior maintains a robust pipeline of tuck-in acquisition opportunities, and the program serves as a low-cost, flexible funding alternative for these smaller acquisitions. During the third quarter of 2018, Superior issued 29,300 common shares for net proceeds of $0.4 million under the ATM program.

Financial Overview

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars, except per share amounts)	**2018**	**2017**	**2018**	**2017**
Revenue	**481.7**	465.5	**1,839.7**	1,616.1
Gross Profit	**169.7**	133.6	**618.6**	497.3
Net earnings (loss)	**(39.8)**	(124.8)	**14.3**	(73.2)
Net earnings (loss) per share, basic and diluted	$ **(0.23)**	$ (0.87)	$ **0.09**	$ (0.51)
EBITDA from operations [(1)]	**32.2**	29.8	**240.5**	190.0
Adjusted EBITDA [(1)]	**25.9**	29.0	**221.3**	188.5
Cash flows from (used in) operating activities	**(16.5)**	(4.9)	**221.4**	123.9
Cash flows from (used in) operating activities per share – basic [(2)]	$ **(0.10)**	$ (0.03)	$ **1.45**	$ 0.87
Cash flows from (used in) operating activities per share – diluted [(2)]	$ **(0.10)**	$ (0.03)	$ **1.45**	$ 0.87
AOCF before transaction and other costs [(1)(3)]	**2.2**	15.0	**169.6**	151.8
AOCF before transaction and other costs per share – basic [(1)(2)(3)]	$ **0.01**	$ 0.11	$ **$1.11**	$ 1.06
AOCF before transaction and other costs per share –diluted [(1)(2)(3)]	$ **0.01**	$ 0.11	$ **$1.11**	$ 1.05
AOCF [(1)]	**(13.4)**	(4.5)	**$137.6**	123.4
AOCF per share– basic and diluted [(1)(2)]	$ **(0.08)**	$ (0.03)	$ **0.90**	$ 0.86
Cash dividends declared	**31.5**	25.7	**82.9**	77.1
Cash dividends declared per share	$ **0.18**	$ 0.18	$ **0.54**	$ 0.54

[(1)] EBITDA from operations, Adjusted EBITDA and AOCF are non-GAAP measures. Refer to "Non-GAAP Financial Measures" for further details and the MD&A for reconciliations.

[(2)] The weighted average number of shares outstanding for the three and nine months ended September 30, 2018 is 171.4 million and 152.5 million, respectively (three and nine months ended September 30, 2017 - 142.8 million). The dilutive weighted average number of shares outstanding for the three and nine months ended September 30, 2018 is 171.4 million and 152.5 million respectively (three and nine months ended September 30, 2017 - 148.6 million shares).

[(3)] Transaction and other costs for the three and nine months ended September 30, 2018 and 2017 are related to acquisition activities and integration of acquisitions. See "Transaction and Other Costs" for further details.

Segmented Information

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
EBITDA from operations[(1)]				
Energy Distribution	**(3.3)**	0.2	**136.2**	99.1
Specialty Chemicals	**35.5**	29.6	**104.3**	90.9
	32.2	29.8	**240.5**	190.0

[(1)] See "Non-GAAP Financial Measures".

2018 & 2019 Financial Outlook and Adjusted EBITDA Guidance

- Superior expects 2018 Adjusted EBITDA and AOCF per share guidance consistent with the financial outlook provided at the end of the second quarter of 2018. The 2018 Adjusted EBITDA range is $345 million to $375 million, and the AOCF per share before transaction costs financial outlook is $1.75 to $1.95.
- Superior is introducing its 2019 Adjusted EBITDA guidance range of $445 million to $495 million, a 31% increase compared to the midpoint of the 2018 Adjusted EBITDA guidance. Superior's key assumptions related to the 2019 Adjusted EBITDA guidance are:
    - EBITDA from operations for Energy Distribution is anticipated to be higher than 2018 primarily due to full year results from NGL as well as the incremental contribution from the six tuck-in acquisitions completed in 2018. The increase also reflects approximately $5.0 million in incremental synergies related to Canwest and $12.5 million related to NGL to be realized in 2019. Supply market fundamentals in the Canadian propane distribution business are anticipated to be consistent with 2018. Average weather, as measured by degree days for 2019 is anticipated to be consistent with the five-year average.
    - EBITDA from operations for Specialty Chemicals is anticipated to be consistent with 2018 as an increase in chlor-alkali and sodium chlorite gross profit is expected to be offset by a decrease in sodium chlorate gross profit and a modest increase in operating expenses. Chlor-alkali gross profit is anticipated to be higher than 2018 due to continued improvements in hydrochloric acid pricing driven by robust oil and gas demand, as well as modest improvements in caustic soda pricing. Sodium chlorite gross profit is anticipated to be higher than 2018 on continued strong pricing and demand driven by the oil and gas sector, as well as customer mix. Sodium chlorate gross profit is anticipated to be lower than 2018 as modest improvements in sales prices are expected to be more than offset by increases in electricity mill rates and transport costs as well as the impact of a weaker U.S. dollar compared to 2018.

Debt Management Update

Superior remains focused on managing both its total debt and its total debt to Adjusted EBITDA ratio. Superior's total debt to Adjusted EBITDA ratio for the trailing twelve months (TTM) was 3.7x as at September 30, 2018, compared to 3.3x at December 31, 2017. The debt levels and total leverage ratio as at September 30, 2018 were higher than December 31, 2017, due to increased borrowings on the credit facilities and unsecured notes associated with the NGL and other tuck-in acquisitions. The TTM Adjusted EBITDA includes pro forma Adjusted EBITDA for acquisitions completed in 2017 and 2018.

The total debt to Adjusted EBITDA ratio is currently above the long-term target of 3.0x. Superior anticipates the total debt to Adjusted EBITDA ratio to be in the range of 3.8x to 4.2x as at December 31, 2018 primarily due to acquisitions completed and increased working capital related to the seasonality of the Energy Distribution segment. Superior anticipates total debt to Adjusted EBITDA will be in the range of 3.6x to 4.0x as at December 31, 2019 as cash generated from operations is used to repay debt.

MD&A and Financial Statements

Superior's MD&A, the unaudited Consolidated Financial Statements and the Notes to the Consolidated Financial Statements for the three and nine months ended September 30, 2018 provide a detailed explanation of Superior's operating results. These documents are available online at Superior's website at www.superiorplus.com under the Investor Relations section and on SEDAR under Superior's profile at www.sedar.com.

2018 Third Quarter Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2018 Third Quarter Results at 10:30 a.m. EST on Thursday, November 8, 2018. To participate in the call, dial: 1-844-389-8661. Internet users can listen to the call live, or as an archived call on Superior's website at www.superiorplus.com under the Events section.

Non-GAAP Financial Measures

Throughout the third quarter earnings release, Superior has used the following terms that are not defined by International Financial Reporting Standards ("Non-GAAP Financial Measures"), but are used by management to evaluate the performance of Superior and its business: AOCF before and after transaction and other costs, earnings before interest, taxes, depreciation and amortization ("EBITDA") from operations, and Adjusted EBITDA. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-GAAP financial measures do not have standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that non-GAAP financial measures are clearly defined, qualified and reconciled to their most comparable GAAP financial measures. Except as otherwise indicated, these non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods. See "Non-GAAP Financial Measures" in the MD&A for a discussion of non-GAAP financial measures and their reconciliations.

The intent of non-GAAP financial measures is to provide additional useful information to investors and analysts, and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate non-GAAP financial measures differently.

Investors should be cautioned that AOCF, EBITDA from operations, and Adjusted EBITDA should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of Superior's performance. Non-GAAP financial measures are identified and defined as follows:

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

AOCF is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be infrequent in nature and could distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. AOCF and AOCF per share are presented before and after transaction and other costs.

AOCF per share before transaction and other costs is calculated by dividing AOCF before transaction and other costs by the weighted average number of shares outstanding. AOCF per share is calculated by dividing AOCF by the weighted average number of shares outstanding.

AOCF is a performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses and ability to generate cash flow. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities of Superior. AOCF is also used as one component in determining short-term incentive compensation for certain management employees.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Distribution segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expenses, which can differ significantly from quarter to quarter. AOCF is reconciled to cash flow from operating activities.

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction and other costs, and unrealized gains (losses) on derivative financial instruments. Adjusted EBITDA is used by Superior and investors to assess its consolidated results and ability to service debt. Adjusted EBITDA is reconciled to net earnings before income taxes.

EBITDA from operations

EBITDA from operations is defined as Adjusted EBITDA excluding costs that are not considered representative of Superior's underlying core operating performance, including gains and losses on foreign currency hedging contracts, corporate costs and transaction and other costs. Management uses EBITDA from operations to set targets for Superior (including annual guidance and variable compensation targets). EBITDA from operations is reconciled to net earnings before income taxes.

Forward Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "plan", "forecast", "future", "outlook, "guidance", "may", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, expected Adjusted EBITDA, expected AOCF and AOCF per share, expected total debt to Adjusted EBITDA ratio, business strategy and objectives, development plans and programs, business expansion and cost structure and other improvement projects, market conditions in Canada and the U.S., expected synergies from the integration of Canwest, EBITDA and synergies associated with the NGL acquisition, expected seasonality of demand, future economic conditions, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior LP.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, and the historic performance of Superior's businesses. Such assumptions include anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels, trading data, cost estimates, our ability to obtain financing on acceptable terms, the assumptions set forth under the "Financial Outlook" sections of our MD&A. The forward looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) our MD&A under the heading "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF 2018 THIRD QUARTER RESULTS NOVEMBER 7, 2018

This Management's Discussion and Analysis (MD&A) contains information about the performance and financial position of Superior Plus Corp. (Superior) as at and for the three and nine months ended September 30, 2018, as well as forward-looking information about future periods. The information in this MD&A is current to November 7, 2018, and should be read in conjunction with Superior's third quarter unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2018.

The accompanying unaudited condensed interim consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2018 were prepared in accordance with *International Financial Reporting Standards* (IFRS).

All financial amounts in this MD&A are expressed in millions of Canadian dollars except where otherwise noted. This MD&A includes forward-looking statements and assumptions. See "Forward-Looking Information" for more details.

Overview of Superior

Superior is a diversified business corporation. Superior holds 99.9% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc. (Superior GP) as general partner and Superior as limited partner. Superior owns 100% of the shares of Superior GP and Superior GP holds 0.1% of Superior LP. The cash flow of Superior is solely dependent on the results of Superior LP and is derived from the allocation of Superior LP's income to Superior by means of partnership allocations.

Superior, through its ownership of Superior LP and Superior GP, has two operating segments: the Energy Distribution segment, which includes a Canadian propane distribution business and a U.S. propane distribution business; and the Specialty Chemicals segment, which produces and distributes sodium chlorate, chlor-alkali products and sodium chlorite.

Non-GAAP Financial Measures

Throughout the MD&A, Superior has used the following terms that are not defined under Canadian generally accepted accounting principles (GAAP), but are used by management to evaluate the performance of Superior and its businesses: adjusted operating cash flow (AOCF) before and after transaction and other costs, earnings before interest, taxes, depreciation and amortization (EBITDA) from operations, and Adjusted EBITDA. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-GAAP financial measures do not have standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that Non-GAAP financial measures are clearly defined, qualified and reconciled to their most comparable GAAP financial measures. Except as otherwise indicated, these Non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods.

The intent of using Non-GAAP financial measures is to provide additional useful information to investors and analysts; the measures do not have standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently.

See "Non-GAAP Financial Measures" for more information about these measures.

Forward-Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "plan", "forecast", "future", "outlook", "guidance", "may", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, expected Adjusted EBITDA, expected AOCF and AOCF per share, expected total debt to Adjusted EBITDA ratio, business strategy and objectives, development plans and programs, business expansion and cost structure and other improvement projects, expected product margins and sales volumes, market conditions in Canada and the U.S., expected synergies from the integration of Canwest, EBITDA and synergies associated with the NGL acquisition, expected seasonality of demand, future economic conditions, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior LP.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, and the historic performance of Superior's businesses. Such assumptions include anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, future commodity prices relating to the oil and gas industry, future oil rig activity levels, trading data, cost estimates, our ability to obtain financing on acceptable terms, the assumptions set forth under the "Financial Outlook" sections of our MD&A. The forward looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt servicing charges, the loss of key personnel, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving Superior's facilities, force majeure, labour relations matters, Superior's ability to access external sources of debt and equity capital, risks related to integrating the NGL business, assumption of NGL's liabilities, counterparty risk relating to obligations of the vendor of NGL and regulatory risks relating to NGL Propane, and the risks identified in (i) this MD&A under "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on Superior's forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

FINANCIAL OVERVIEW

Summary of AOCF

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars except per share amounts)	**2018**	2017	**2018**	2017
Revenue	**481.7**	465.5	**1,839.7**	1,616.1
Gross profit	**169.7**	133.6	**618.6**	497.3
EBITDA from operations [1]	**32.2**	29.8	**240.5**	190.0
Income from Canwest [2]	**–**	2.9	**–**	11.9
Corporate operating and administrative costs	**(3.7)**	(5.5)	**(14.7)**	(12.9)
Realized gains (losses) on foreign currency hedging contracts	**(2.6)**	1.8	**(4.5)**	(0.5)
Adjusted EBITDA [1]	**25.9**	29.0	**221.3**	188.5
Interest expense	**(22.0)**	(12.4)	**(46.5)**	(32.3)
Cash income tax expense	**(1.7)**	(1.6)	**(5.2)**	(4.4)
AOCF before transaction and other costs [1]	**2.2**	15.0	**169.6**	151.8
Transaction and other costs [3]	**(15.6)**	(19.5)	**(32.0)**	(28.4)
AOCF[1]	**(13.4)**	(4.5)	**137.6**	123.4
AOCF per share before transaction and other costs, basic [1][3][4]	**$0.01**	$0.11	**$1.11**	$1.06
AOCF per share before transaction and other costs, diluted [1][3][4]	**$0.01**	$0.11	**$1.11**	$1.05
AOCF per share, basic [1][3][4]	**($0.08)**	($0.03)	**$0.90**	$0.86
AOCF per share, diluted [1][3][4]	**($0.08)**	($0.03)	**$0.90**	$0.86
Dividends declared per share [4]	**$0.18**	$0.18	**$0.54**	$0.54

[1] EBITDA from operations, Adjusted EBITDA, AOCF before transaction and other costs, and AOCF are Non-GAAP measures. See "Non-GAAP Financial Measures".

[2] As of March 1, 2017 and up to the acquisition closing date of September 27, 2017, Superior was entitled to the benefit of the income from Canwest. In 2018, Canwest's income is included in EBITDA from operations.

[3] Transaction and other costs for the three and nine months ended September 30, 2018 and 2017 are related to acquisition activity and the integration of acquisitions. See "Transaction and Other Costs" for further details.

[4] The weighted average number of shares outstanding for the three and nine months ended September 30, 2018 is 171.4 and 152.5 million respectively (three and nine months ended September 30, 2017 – 142.8 million). The dilutive weighted average number of shares outstanding for the three and nine months ended September 30, 2018 is 171.4 and 152.5 million respectively (three and nine months ended September 30, 2017 148.6 million shares).

Comparable GAAP Financial Information

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars except per share amounts)	**2018**	2017	**2018**	2017
Net earnings (loss)	**(39.8)**	(124.8)	**14.3**	(73.2)
Net earnings (loss) per share, basic	**(0.23)**	(0.87)	**0.09**	(0.51)
Net earnings (loss) per share, diluted	**(0.23)**	(0.87)	**0.09**	(0.51)
Net cash flows from operating activities before income tax and interest paid	**7.8**	4.9	**266.1**	153.6
Net cash flows from operating activities before income tax and interest paid per share, basic	**0.05**	0.03	**1.75**	1.08
Net cash flows from operating activities before income tax and interest paid per share, diluted	**0.05**	0.03	**1.75**	1.03

Segmented Information

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
EBITDA from operations[1]				
Energy Distribution	**(3.3)**	0.2	**136.2**	99.1
Specialty Chemicals	**35.5**	29.6	**104.3**	90.9
	32.2	29.8	**240.5**	190.0

[1] EBITDA from operations is a Non-GAAP measure. See "Non-GAAP Financial Measures".

AOCF Reconciled to Net Cash Flow from Operating Activities [1]

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
Net cash flow from operating activities before income tax and interest paid	**7.8**	4.9	**266.1**	153.6
Add (deduct):				
Non-cash interest expense, loss on redemption and other	**2.2**	1.2	**17.0**	3.8
Changes in non-cash working capital	**2.4**	0.1	**(76.9)**	(4.3)
Canwest depreciation, amortization and other	**–**	4.5	**–**	10.8
Cash income tax expense	**(1.7)**	(1.6)	**(5.2)**	(4.4)
Finance expense recognized in net earnings	**(24.1)**	(13.6)	**(63.4)**	(36.1)
AOCF [1]	**(13.4)**	(4.5)	**137.6**	123.4

[1] AOCF is a Non-GAAP measure. See "Non-GAAP Financial Measures".

RECENT ACQUISITIONS

NGL Propane, LLC (NGL)

On July 10, 2018, Superior completed the acquisition of NGL Propane, LLC, NGL Energy Partners LP's retail propane distribution business (NGL) for cash proceeds of US$896.5 million (CDN $1,170.5 million), net of customary closing adjustments and excluding transaction costs. The purchase price was financed through the issuance of senior unsecured notes in the amounts of US$350.0 million (CDN $457.0 million) and CDN $150.0 million aggregate principal, the issuance of 32 million subscription receipts and borrowings under Superior's existing credit facilities. See Note 11 and Note 14 in the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 for more details on the debt raised and common shares issued.

Porco Energy Corp. (Porco)

On September 21, 2018, Superior completed the acquisition of the propane distribution and other assets of Porco, an independent propane and distillate fuel distributor in New York for total consideration of US$15.5 million (CDN $20.0 million). The acquisition was funded by drawing on Superior's credit facility and deferring US$5.5 million in payments over the next 5 years.

United Pacific Energy (UPE)

On October 2, 2018 Superior acquired all of the issued and outstanding shares of United Liquid Gas Company Inc., which operates under the trade name UPE an independent wholesale natural gas liquid distributor in California. The acquisition was funded by drawing on Superior's credit facility in the amount of US$33.0 million (CDN $42.6 million) plus customary adjustments to working capital.

Musco Fuel & Propane LLP (Musco)

On November 1, 2018, Superior acquired substantially all of the propane distribution assets of Musco, an independent propane distributor in Connecticut serving residential and commercial customers, for total consideration of US$14.5 million (CDN $19.1 million). The acquisition was funded by drawing on Superior's credit facility and deferring US$1.0 million in payments over the next 5 years.

Consolidated Statement of Net (Loss) Earnings

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars except per share amounts)	**2018**	2017	**2018**	2017
Revenue	**481.7**	465.5	**1,839.7**	1,616.1
Cost of sales (includes products and services)	**(312.0)**	(331.9)	**(1,221.1)**	(1,118.8)
Gross profit	**169.7**	133.6	**618.6**	497.3
Expenses				
Selling, distribution and administrative costs	**(217.9)**	(156.2)	**(540.2)**	(430.6)
Finance expense	**(24.1)**	(13.6)	**(63.4)**	(36.1)
Unrealized gain (loss) on derivative financial instruments	**16.8**	25.2	**(1.7)**	27.9
	(225.2)	(144.6)	**(605.3)**	(438.8)
(Loss) earnings before income taxes	**(55.5)**	(11.0)	**13.3**	58.5
Income tax (expense) recovery	**15.7**	(113.8)	**1.0**	(131.7)
Net (loss) earnings for the period	**(39.8)**	(124.8)	**14.3**	(73.2)
Net earnings (loss) per share, basic [1]	**(0.23)**	(0.87)	**0.09**	(0.51)
Net earnings (loss) per share, diluted [1]	**(0.23)**	(0.87)	**0.09**	(0.51)

[1] The weighted average number of shares outstanding for the three and nine months ended September 30, 2018 is 171.4 and 152.5 million respectively (three and nine months ended September 30, 2017 – 142.8 million). The dilutive weighted average number of shares outstanding for the three and nine months ended September 30, 2018 is 171.4 and 152.5 million respectively (three and nine months ended September 30, 2017 was 148.6 million shares).

Q3 2018 Summary Results Compared to the Prior Year Quarter

Net cash flows from operating activities before income tax and interest paid was $7.8 million for the three months ended September 30, 2018, an increase of $2.9 million from the prior year quarter. This is primarily due to increased earnings in the Specialty Chemicals segment partially offset by a decrease in earnings in the Energy Distribution segment.

AOCF before transaction and other costs for the quarter was $2.2 million, a decrease of $12.8 million or 85% from the prior year AOCF before transaction and other costs of $15.0 million. The decrease from the prior year quarter was primarily due to the impact of financing the NGL acquisition as higher interest expense was not offset by higher EBTIDA as a result of the third quarter being NGL's lowest contributing quarter due to the seasonality of the higher margin residential customer volumes. In addition to higher interest expense the decrease from the prior year quarter was due to lower Energy Distribution EBITDA from operations and a loss on foreign currency hedging contracts. The decrease in Energy Distribution EBITDA was primarily due to the continued weak market fundamentals within the supply portfolio management business, including weak butane prices. These decreases were partially offset by higher Specialty Chemicals EBITDA from operations due to increased sales volumes and prices for caustic soda and hydrochloric acid, and lower corporate costs related to lower incentive plan costs. AOCF per share before transaction and other costs was $0.01 per share, a decrease of $0.10 per share or 91% from the prior year results of $0.11 per share. The decrease on a per share basis is a result of the above and the impact of issuing 32 million shares during the quarter related to the NGL acquisition.

AOCF for the third quarter was ($13.4) million, a decrease of $8.9 million from the prior year AOCF of ($4.5) million. AOCF per share for the third quarter was ($0.08) per share, a decrease of $0.05 per share from the prior year results of ($0.03). Transaction and other costs for the third quarter were $15.6 million, $3.9 million lower than the prior year quarter primarily due to higher Canwest transaction, integration and restructuring costs in the prior year compared to acquisition costs for NGL and other tuck-in acquisitions recorded in the current quarter. The decrease on a per share basis is also a result of issuing 32 million shares during the quarter related to the NGL acquisition.

Revenue of $481.7 million for the three months ended September 30, 2018 was $16.2 million or 3% higher than the prior year quarter due to increased revenue for both the Energy Distribution and Specialty Chemicals segments. Specialty Chemicals revenue for the three months ended September 30, 2018 was $175.8 million, an increase of $17.1 million or 11.0% from the prior year primarily due to higher average selling prices for caustic soda, and hydrochloric acid and higher chlor-alkali sales volumes partially offset by lower sales volumes for sodium chlorate. Energy Distribution revenue for the three months ended was $308.5 million, an increase of $3.4 million from the prior year primarily due to the contribution from acquisitions, and to a lesser extent higher commodity prices, partially offset by the impact from the sale of certain refined fuel assets in the second quarter. Revenue for the third quarter includes a realized loss of $2.6 million related to foreign currency hedging contracts compared to a gain of $1.8 million in the prior year third quarter. Gross profit was $169.7 million, an increase of $36.1 million or 27% from $133.6 million in the prior year. The increase in gross profit is primarily due to the higher revenue discussed above and is partially offset by continued weak market fundamentals within the supply portfolio management business, including weak butane prices.

Selling, distribution and administrative costs were $217.9 million for the three months ended September 30, 2018, an increase of $61.7 million from the prior year. Energy Distribution costs were $161.0 million, an increase of $54.7 million from $106.3 million in the prior year quarter. The increase is a result of the impact of the NGL, Canwest and other tuck-in acquisitions. Energy Distribution costs in the prior year included a net loss of $1.5 million from Canwest for the period from July 1, 2017 until September 27, 2017. Specialty Chemicals costs were $40.5 million for the three months ended, September 30, 2018, an increase of $2.8 million from $37.7 million as a result of higher distribution costs due to increased exports. Corporate costs were $16.4 million, compared to $12.2 million in the prior year third quarter. The $4.2 million increase was primarily due to higher corporate transaction costs related to the NGL acquisition, partially offset by lower incentive plan costs due to a lower share price.

Finance expense for the three months ended September 30, 2018 was $24.1, million an increase of $10.5 million from $13.6 million in the prior comparable quarter. The increase is a result of higher debt balances as a result of the NGL and other tuck-in acquisitions completed during the year.

Unrealized gains on derivative financial instruments were $16.8 million for the three months ended September 30, 2018 compared to a gain of $25.2 million in the prior year quarter. This is mainly related to changes in market prices of commodities and timing of maturities of underlying financial instruments and foreign exchange rates relative to amounts hedged during the third quarter of 2018 as compared to 2017. For additional details, refer to Note 12 of the 2018 third quarter unaudited condensed interim consolidated financial statements.

Total income tax recovery of $15.7 million was $129.5 million lower than the prior year's expense of $113.8 million. Current income tax expense was $1.7 million, an increase of $0.1 million from the prior year third quarter tax. Deferred income tax recovery was $17.4 million, a decrease from the $112.2 million expense in the prior year third quarter primarily due to the impact of the Canada Revenue Agency agreement in the prior year regarding Superior's corporate conversion transaction which occurred on December 31, 2008.

The net loss for the three months ended September 30, 2018 was $39.8 million, compared to a net loss of $124.8 million in the prior year quarter. The increase from the prior year quarter is primarily due to the future tax recovery and to a lesser extent higher gross profits, and is partially offset by increased selling, distribution and administrative and finance costs. Basic loss per share was $0.23, compared to a loss per share of $0.87 in the prior year quarter.

Year-to-Date Comparison to Prior Year-to-Date
For the nine months ended September 30, 2018, AOCF before transaction costs was $169.6 million, an increase of $17.8 million or 12% from the prior year AOCF before transaction costs of $151.8 million. AOCF per share before transaction costs was $1.11 per share, an increase of $0.05 per share or a 5% increase from the prior comparable period of $1.06 per share. The increase from the prior year is due to higher EBITDA from operations due to the Canwest and other tuck-in acquisitions and colder weather in the first quarter. These were partially offset by higher finance expenses related to increased debt levels and to a lesser extent a larger realized loss on foreign currency hedging contracts. AOCF for the same period was $137.6 million, an increase from $123.4 million in the prior comparable quarter due to reasons noted above and was partially offset by higher transaction costs. The decrease on a per share basis is also a result of issuing 32 million shares during the quarter related to the NGL acquisition.

Revenue for the nine months ended September 30, 2018 of $1,839.7 million was $223.6 million or 14% higher than the prior year of $1,616.1 million. Energy Distribution revenues increased by $193.3 million or 17% due to the Canwest, NGL and other tuck-in acquisitions and to a lesser extent higher commodity prices and was partially offset by lower sales volumes associated with the sale of certain refined fuel assets. Revenue from the Specialty Chemical segment increased by $34.3 million due to higher selling prices for caustic soda and hydrochloric acid and higher chlor-alkali sales volumes. Revenue includes a realized loss of $4.5 million related to foreign currency hedging contracts compared to a loss of $0.5 million in the prior comparable year is primarily due to a greater average foreign exchange spread in the prior comparable year.

For the nine months ended September 30, 2018 selling, distribution and administration costs were $540.2 million an increase of $109.6 million or 25% due primarily to the impact of the NGL, Canwest and other tuck-in acquisitions and to a lesser extent higher transaction costs, partially offset by a $19.6 million gain on disposal of assets related primarily to the sale of certain refined fuel assets in the prior quarter.

For the nine months ended September 30, 2018, finance expense was $63.4 million, an increase of $27.3 million over the prior year of $36.1 million. The increase is primarily attributed to the higher debt levels, a $9.8 million early call premium related to the redemption of the 6.5% senior unsecured notes and to a lesser extent a higher effective interest rate due to the composition of debt compared to the prior year period.

For the nine months ended September 30, 2018 unrealized losses on derivative financial instruments were $1.7 million, compared to a gain of $27.9 million in the prior year, mainly related to the changes in market prices of commodities and foreign exchange rates and the timing of maturities of the underlying financial instruments.

Total income tax recovery for the nine months ended September 30, 2018 of $1.0 million was $132.7 million lower than the prior year expense of $131.7 million. Current income tax expense was $5.2 million, an increase $0.8 million from the prior year period. Deferred income tax recovery was $6.2 million, $133.5 million lower than the deferred income tax expense in the prior year period of $127.3 million primarily due to the Canada Revenue Agency agreement in the prior year regarding Superiors corporate conversion transaction which occurred on December 31, 2008.

The net earnings for the nine months ended September 30, 2018 was $14.3 million, compared to a loss of $73.2 million in the prior year. The increase in net earnings was mainly due to lower income tax expense, and increased income related to the growth of the business, partially offset by an increase in unrealized losses on derivative financial instruments and higher finance expenses.

RESULTS OF SUPERIOR'S OPERATING SEGMENTS

ENERGY DISTRIBUTION

Energy Distribution's condensed operating results for three and nine months ended September 30, 2018 and 2017:

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
Revenue	**308.5**	305.1	**1,333.1**	1,139.8
Cost of Sales	**(199.2)**	(228.1)	**(886.9)**	(804.1)
Gross profit	**109.3**	77.0	**446.2**	335.7
Selling, distribution and administrative costs	**(161.0)**	(106.3)	**(394.8)**	(293.0)
Add back (deduct):				
Amortization and depreciation included in selling, distribution and administrative costs	**46.1**	15.1	**91.7**	44.9
Transaction, restructuring, and other costs	**3.0**	13.2	**12.7**	13.6
Gain on disposal of assets and other	**(0.7)**	(0.3)	**(19.6)**	(0.9)
(Income) loss from Canwest	**–**	1.5	**–**	(1.2)
EBITDA from operations[1]	**(3.3)**	0.2	**136.2**	99.1
Add back (deduct):				
Income (loss) from Canwest	**–**	(1.5)	**–**	1.2
Gain on disposal of assets and other	**0.7**	0.3	**19.6**	0.9
Transaction, restructuring, and other costs	**(3.0)**	(13.2)	**(12.7)**	(13.6)
Amortization and depreciation included in selling, distribution and administrative costs	**(46.1)**	(15.1)	**(91.7)**	(44.9)
Unrealized gain (losses) on derivative financial instruments	**7.9**	11.5	**(4.4)**	3.4
Finance expense	**(0.8)**	(0.8)	**(2.7)**	(2.6)
Net earnings (loss) before income tax	**(44.6)**	(18.6)	**44.3**	43.5

[1] EBITDA from operations is a Non-GAAP financial measure. See "Non-GAAP Financial Measures".

Revenue for the third quarter was $308.5 million, an increase of $3.4 million from the prior year quarter primarily due to incremental revenue from NGL, Canwest, and other tuck-in acquisitions, higher wholesale propane prices, partially offset by reduced sales volumes as a result of the sale of certain refined fuel assets in the U.S. during the prior quarter. Wholesale propane supply prices increased due to lower industry inventory levels in the U.S. driven by higher exports out of North America and the higher West Texas Intermediate crude oil prices. Total gross profit for the third quarter was $109.3 million, an increase of $32.3 million or 42% from the prior year quarter primarily driven by the contribution from NGL, Canwest, and the other tuck-in acquisitions, and partially offset by the impact from the sale of certain refined fuel assets in the U.S. and the continued impact of weak basis differentials and market fundamentals on the supply portfolio management business within the Canadian propane distribution business. A review of gross profit is provided below.

Gross Profit Review

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
Canadian propane distribution	**55.9**	51.4	**265.1**	201.3
U.S. propane distribution	**39.3**	19.5	**150.2**	116.0
Other services	**14.1**	6.1	**30.9**	18.4
Total gross profit	**109.3**	77.0	**446.2**	335.7

Canadian Propane Distribution

Canadian propane distribution's gross profit for the third quarter of 2018 was $55.9 million, an increase of $4.5 million from 2017. The increase is primarily due to the contribution from Canwest as the prior year income from Canwest was recorded similar to an equity investment. Residential sales volumes increased by 4 million litres or 25%, commercial sales volumes increased by 11 million litres or 32%, oilfield volumes increased by 10 million litres or 111%, industrial volumes increased by 29 million litres or 59%, motor fuels sales volumes increased by 6 million litres or 15% from the prior year, primarily due to incremental sales volumes associated with Canwest. Wholesale propane volumes were lower by 11 million litres or 8% over the prior year primarily due to lower spot sales opportunities compared to the prior year and the continued weak market fundamentals partially offset by incremental volumes sold associated with Canwest.

Average propane sales margins for the third quarter of 2018 decreased to 16.4 cents per litre from 17.5 cents per litre in the prior year. Average propane margins were lower due to lower realized margins as a result of the continued weak market fundamentals within the supply portfolio management business, including weak butane prices.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application [1]

	Three Months Ended		**Nine Months Ended**	
	September 30		**September 30**	
(millions of litres)	**2018**	2017	**2018**	2017
Residential	**20**	16	**124**	88
Commercial	**45**	34	**240**	182
Oilfield	**19**	9	**172**	32
Industrial	**78**	49	**176**	141
Motor Fuels	**45**	39	**135**	113
Wholesale	**121**	132	**522**	438
Other	**12**	14	**81**	60
Total	**340**	293	**1,450**	1,054

[1] Q3 2017 excludes Canwest volumes prior to the transaction closing on September 27, 2017. See details on 2017 details from Canwest.

Volumes by Region [1]

	Three Months Ended		**Nine Months Ended**	
	September 30		**September 30**	
(millions of litres)	**2018**	2017	**2018**	2017
Western Canada	**199**	137	**813**	464
Eastern Canada	**83**	93	**383**	351
Atlantic Canada	**20**	21	**84**	83
United States	**38**	42	**170**	156
Total	**340**	293	**1,450**	1,054

[1] 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; Atlantic Canada region consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island. United States region consists primarily of Maine, Idaho, Kansas, Michigan, Washington, Alaska, California, North Dakota, Pennsylvania, and New York.

U.S. Propane Distribution

U.S. propane distribution gross profit for third quarter was $39.3 million, an increase of $19.8 million or 102% from the prior year. The increase in gross profit was due to the incremental sales volumes associated with the NGL and tuck-in acquisitions and was partially offset with lower volumes as a result of the sale of certain refined fuel assets in the prior quarter. Residential sales volumes increased by 61 million litres or 359% from the prior year due primarily to the NGL acquisition and tuck-in acquisitions, partially offset by timing of deliveries. Commercial volumes were modestly lower due primarily to the sale of certain refined fuel assets and a decrease in distillate sales as the business shifted focus to higher margin deliveries, partially offset by additional sales volumes related to the NGL acquisition. Wholesale volumes decreased by 168 million litres or 95% as the business disposed of certain refined fuel assets and the wholesale distillate business in the second quarter.

Average U.S. propane distribution sales margins were 24.4 cents per litre an increase of 244% from 7.1 cents per litre in the prior year quarter. Sales margins improved primarily due to the divestment of the lower margin wholesale business in the second quarter and the impact from the NGL and tuck-in acquisitions, which have an increased customer mix of higher margin residential business.

U.S. Propane Distribution Sales Volumes

Volumes by End-Use Application [(1)]

	Three Months Ended		Nine Months Ended	
	September 30		**September 30**	
(millions of litres)	**2018**	2017	**2018**	2017
Residential	**78**	17	**252**	164
Commercial	**75**	80	**257**	256
Wholesale	**8**	176	**205**	548
Total	**161**	273	**714**	968

[(1)] Includes heating oil, propane, diesel and gasoline sold in over twenty states primarily in the Eastern United States.

Other Services

Other services primarily include equipment installation, repair and maintenance, tank rentals, and customer minimum use charges. Gross profit was $14.1 million for the quarter, an increase of $8.0 million or 131% from the prior year primarily due to incremental service revenue associated with NGL and to a lesser extent Canwest.

Selling, Distribution and Administrative Costs

Selling, distribution and administrative costs were $161.0 million, an increase of $54.7 million or 51% over the prior year quarter. The increase in selling, distribution and administrative costs is primarily due to the acquisition of NGL during the quarter, the acquisition of Canwest which closed at the end of the third quarter in 2017 and to a lesser extent the tuck-in acquisitions during the current and prior year. Selling, distribution and administrative costs increased more than the gross profit as a result of the seasonality of acquisitions, in particular the NGL acquisition. NGL has a higher proportion of residential customers and is more seasonal than the Canadian and existing energy distribution businesses.

Net Earnings

Net loss before tax of $44.6 million, increased by $26.0 million over the prior year quarter, as a result of higher amortization as a result of finalizing the purchase price allocation of Canwest and was partially offset by lower transaction costs and a lower gain on derivative financial instruments.

Financial Outlook

EBITDA from operations in 2018 for Energy Distribution is anticipated to be higher than in 2017. The anticipated increase in EBITDA is primarily due to the full year results of Canwest, achieving $15.0 million in run-rate synergies exiting 2018 related to Canwest and results from the NGL acquisition and the tuck-in acquisitions. Supply market fundamentals in the Canadian propane distribution business are anticipated to be consistent to modestly lower than 2017. Average weather for 2018, as measured by degree days, is anticipated to be consistent with the trailing five-year average.

EBITDA from operations in 2019 for Energy Distribution is anticipated to be higher than 2018. The anticipated increase in the EBITDA is primarily due to the full year of results of NGL, the expected synergies of $12.5 million to be realized in 2019 from NGL, anticipated incremental synergies from the Canwest integration of $5 million and the full year results from tuck-in acquisitions completed in 2018. Supply market fundamentals in the Canadian propane distribution business are anticipated to be consistent with 2018. Average weather, as measured by degree days, for 2019 is anticipated to be consistent with the five-year average.

In addition to the significant assumptions referred to above, refer to "Forward-Looking Information" and "Risk Factors to Superior" for a detailed review of significant business risks affecting the Energy Distribution businesses.

SPECIALTY CHEMICALS

Specialty Chemicals' condensed operating results for three and nine months ended September 30, 2018 and 2017:

	Three Months Ended September 30				**Nine Months Ended September 30**			
(millions of dollars except per metric tonne (MT) amounts)	**2018**		2017		**2018**		2017	
		$ per MT		$ per MT		**$ per MT**		$ per MT
Revenue	**175.8**	**829**	158.7	731	**511.1**	**807**	476.8	746
Cost of Sales	**(112.8)**	**(532)**	(103.8)	(478)	**(334.2)**	**(528)**	(314.7)	(492)
Gross Profit [1]	**63.0**	**297**	54.9	253	**176.9**	**279**	162.1	254
Selling, distribution and administrative costs	**(40.5)**	**(191)**	(37.7)	(174)	**(111.2)**	**(176)**	(109.3)	(171)
Add back (deduct):								
Depreciation included in cost of sales	**12.7**	**60**	12.4	57	**37.8**	**60**	38.1	60
Amortization included in selling, distribution and administrative costs	**0.3**	**1**	-		**0.8**	**1**	-	
EBITDA from operations[2]	**35.5**	**167**	29.6	136	**104.3**	**164**	90.9	143
Add back (deduct):								
Amortization included in selling, distribution and administrative costs	**(0.3)**		-		**(0.8)**		-	
Depreciation included in cost of sales	**(12.7)**		(12.4)		**(37.8)**		(38.1)	
Unrealized loss on derivative financial	**–**		(0.3)		**–**		–	
Finance expense	**(0.5)**		(0.1)		**(1.2)**		(0.4)	
Net earnings before tax	**22.0**		16.8		**64.5**		52.4	

[1] Gross Profit per MT after adding back depreciation included in cost of sales for the three and nine months ended September 30, 2018 was $357/MT and $339/MT respectively (three and nine months ended September 30, 2017 - $310/MT and $314/MT).

[2] EBITDA from operations is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of Net Earnings before Income Taxes to EBITDA from Operations".

Sales Volumes by Product

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(thousands of MTs)	**2018**	2017	**2018**	2017
Sodium chlorate	**121**	128	**357**	375
Chlor-alkali	**88**	87	**269**	258
Chlorite	**3**	2	**7**	6
Total	**212**	217	**633**	639

Revenue for the third quarter of 2018 was $175.8 million an increase of $17.1 million or 11.0% from the prior year quarter. The increase was primarily due to higher chlor-alkali average selling prices and to higher sales volumes, and was partially offset by lower sodium chlorate sales volumes.

Sodium chlorate sales volumes decreased by 7 thousand tonnes or 5% over the prior year quarter primarily due to lower contracted sales volumes in 2018. The average sales price increased by 2% due to customer mix and the impact of the weaker Canadian dollar on U.S. denominated sales.

Chlor-alkali sales volumes increased by 1 thousand tonnes or 1% due to continued strong demand for hydrochloric acid primarily from the U.S. oil and gas sector related to rig activity and continued strong demand for caustic soda partially offset by lower demand for caustic potash due to weakness in the agricultural and fertilizer markets late in the third quarter.

Gross profit was $63.0 million, an increase of $8.1 million or 15% from the prior year comparable quarter primarily due to higher average sale prices and volumes for caustic soda and hydrochloric acid, partially offset by higher production costs and lower sodium chlorate sales volumes. Sodium chlorate production costs increased primarily due to higher average electricity costs and higher cost of raw materials used in production compared to the prior comparable quarter.

Selling, distribution and administrative costs were $40.5 million, an increase of $2.8 million over the prior year quarter primarily as a result of higher distribution costs.

Net earnings before tax for the third quarter increased $5.2 million or 31% over the prior year quarter as a result of higher gross profit and was partially offset by higher selling, distribution and administrative costs.

Financial Outlook

EBITDA from operations for Specialty Chemicals is anticipated to be higher than in 2017 due to the increase in chlor-alkali sales volumes and pricing, partially offset by a decrease in sodium chlorate sales volumes resulting from lower contracted volumes, chlorate sales prices and an increase in electricity mill rates.

EBITDA from operations for Specialty Chemicals is anticipated to be consistent with 2018 as an increase in chlor-alkali and sodium chlorite gross profit is expected to be offset by a decrease in sodium chlorate gross profit and a modest increase in operating expenses. Chlor-alkali gross profit is anticipated to be higher than 2018 due to continued improvements in hydrochloric acid pricing driven by robust oil and gas demand, as well as modest improvements in caustic soda pricing. Sodium chlorite gross profit is anticipated to be higher than 2018 on improved pricing and demand driven by the oil and gas sector. Sodium chlorate gross profit is anticipated to be lower than 2018 as modest improvements in sales prices are expected to be more than offset by increases in electricity mill rates and transport costs as well as the impact of a weaker U.S. dollar compared to 2018. In addition to the significant assumptions detailed above, refer to “Forward-Looking Information” and to “Risk Factors to Superior” for a detailed review of the significant business risks affecting Superior’s Specialty Chemicals segment.

CONSOLIDATED CAPITAL EXPENDITURE SUMMARY

Superior classifies its capital expenditures into three main categories: efficiency, process improvement and growth-related; maintenance capital; and investment in finance leases.

Efficiency, process improvement and growth-related expenditures will include expenditures such as acquisition of new customer equipment to facilitate growth, system upgrades and initiatives to facilitate improvements in customer service.

Maintenance capital expenditures will include required regulatory spending on tank refurbishments, replacement of chlorine railcars, replacement of plant equipment and any other required expenditures related to maintaining operations.

Superior's capital expenditures for 2018 and 2017:

	Three Months Ended		Nine Months Ended	
		September 30		September 30
(millions of dollars)	**2018**	2017	**2018**	2017
Efficiency, process improvement and growth-related	**7.7**	4.1	**17.0**	9.1
Maintenance capital	**12.7**	17.5	**32.9**	36.9
	20.4	21.6	**49.9**	46.0
Proceeds on disposition of capital and intangible assets	**(4.7)**	(1.1)	**(14.1)**	(3.3)
Property, plant and equipment acquired through acquisition	**274.7**	170.3	**280.9**	175.4
Total net capital expenditures	**290.4**	190.8	**316.7**	218.1
Investment in finance leases	**1.9**	3.7	**5.8**	19.3
Total expenditures including finance leases	**292.3**	194.5	**322.5**	237.4

(1) The September 30, 2017 Canwest balance for property, plant and equipment acquired through acquisition was restated to a fair value upon completion of the purchase price allocation, an increase of $43.7M, see note 4 in Superior's third quarter 2018 unaudited condensed interim consolidated financial statements.

Efficiency, process improvement and growth-related expenditures were $7.7 million for the three months ended September 30, 2018, compared to $4.1 million in the prior year comparative quarter. The increase is primarily due to business improvements related to the Canwest integration. The above table excludes the acquisition of a customer list in Atlantic Canada for approximately $3.5 million during the second quarter of 2018 which, is included in intangible assets.

Maintenance capital expenditures were $12.7 million for the three months ended September 30, 2018, compared to $17.5 million in the prior year comparative quarter, consisting primarily of required maintenance and general capital across Superior's segments. The decrease is a result of timing of expenditures.

Property, plant and equipment acquired through acquisition is related to the Porco and NGL acquisitions.

Superior entered into new leases with capital-equivalent value of $1.9 million for the three months ended September 30, 2018, compared to $3.7 million in the prior year comparative quarter, primarily related to vehicles for the Energy Distribution segment to support growth and replace aging vehicles. The decrease is due primarily to timing of delivery of vehicles for the Energy Distribution segment.

Capital expenditures were funded from a combination of operating cash flow and revolving-term bank credit facilities.

CORPORATE ADMINISTRATIVE COSTS

Corporate costs were $16.4 million for the three months ended September 30 2018, compared to $12.2 million in the prior year comparative quarter. The $4.2 million increase is primarily due to higher corporate transaction costs, and is partially offset by lower incentive plan costs due to the share price decline in the quarter.

FINANCE EXPENSE

Interest expense on borrowing and finance lease obligations was $24.1 million for three months ended September 30, 2018, compared to $13.6 million in the prior year comparative quarter. The $10.5 million increase was mainly due to higher average debt related to acquisitions and higher average effective interest rates.

TRANSACTION AND OTHER COSTS

Superior's transaction and other costs have been categorized together and excluded from segmented results. The table below summarizes these costs:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
Total transaction, restructuring and integration costs	**$15.6**	$19.5	**$32.0**	$28.4

For the three months ended September 30, 2018, Superior incurred $15.6 million in costs related primarily to the acquisition of NGL. The costs in the prior year related primarily to the acquisition, integration, and restructuring of Canwest.

INCOME TAXES

Consistent with prior periods, Superior recognizes a provision for income taxes for its subsidiaries that are subject to current and future income taxes, including Canada, U.S., Luxembourg, and Chilean income tax.

Total income tax recovery for the three months ended September 30, 2018 of $15.7 million, comprised of $1.7 million in cash income tax expense and $17.4 million in deferred income tax recovery. This compares to a total income tax expense of $113.8 million in the prior year quarter, which consisted of $1.6 million in cash income tax expense and a $112.2 million deferred income tax expense.

Cash income taxes for the three months ended September 30, 2018 was $1.7 million, consisting of income taxes in Canada of $0.1 million (2017 – $0.3 million), income taxes in the U.S. of $0.6 million (2017 – $0.8 million), income taxes in Chile of $0.8 million (2017 - $0.5 million), and income taxes in Luxembourg of $0.2 million (2017 – nil). Deferred income tax recovery for the three months ended September 30 2018 was $17.4 million (2017 – $112.2 million expense), resulting in a net deferred income tax asset of $34.6 million as at September 30, 2018.

FINANCIAL OUTLOOK

Superior is maintaining its 2018 Adjusted EBITDA guidance range of $345 million to $375 million, and AOCF before transaction and other costs per share of $1.75 to $1.95. Given the increase in common shares issued in connection with the NGL acquisition and the fact that 2018 won't include a full year of EBITDA related to NGL, we currently expect to be in the lower part of the AOCF per share range. Similar to Superior's U.S. Propane distribution business, NGL generates a material amount of EBITDA during the first half of the year due to the significant concentration of residential customers and seasonality of demand which is generally the highest during the first quarter. During NGL's last reported fiscal year, approximately 65% of the EBITDA was generated in the months of January to June. Given that seasonality of demand, for the balance of 2018, the anticipated positive EBITDA impact from the acquisition of NGL (which closed in July 2018) is expected to be outweighed by the impact of the additional equity and debt utilized to fund the acquisition. Achieving Superior's AOCF and Adjusted EBITDA depends on the operating results of its segments. In addition to the operating results of Superior's segments, significant assumptions underlying the achievement of Superior's 2018 midpoint guidance are:

- Economic growth in Canada and the U.S. is expected to increase modestly;
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;
- Superior's estimated total debt to Adjusted EBITDA ratio is based on maintenance and growth-related expenditures as well as capital equivalent of operating leases of $110 million to $120 million in 2018 and on working capital funding requirements which do not contemplate any significant commodity price changes;
- Superior is substantially hedged for its estimated U.S. dollar exposure for 2018, and due to the hedge position, a change in the Canadian to U.S. dollar exchange rate for 2018 would not have a material impact on Superior;
- The foreign currency exchange rate between the Canadian dollar and U.S. dollar is expected to average 0.77 for 2018 on all unhedged foreign currency transactions;
- Financial and physical counterparties are expected to continue fulfilling their obligations to Superior;
- Regulatory authorities are not expected to impose any new regulations impacting Superior;
- Superior's average interest rate on floating-rate debt is expected to modestly increase over 2017. Interest expense is anticipated to increase due to higher average debt levels related to the NGL acquisition, Canwest acquisition and tuck-in acquisitions;
- Realized losses on foreign currency hedging contracts are anticipated to be higher than 2017 due to the decrease in the average effective hedging rate; and
- Canadian, Chilean and U.S.-based cash taxes are expected to be in the range of $5 million to $10 million for 2018 based on existing statutory income tax rates and the ability to use available tax basis.

Energy Distribution

- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services; and
- Expected to realize part of the estimated synergies due to the restructuring and integration of Canwest and to a lesser extent NGL.

Specialty Chemicals

- Average plant utilization will approximate 90%-95% in 2018.

Superior is introducing its 2019 Adjusted EBITDA guidance range of $445 million to $495 million, which increases the midpoint from $360 million to $470 million a 31% increase compared to the 2018 guidance.

Achieving Superior's Adjusted EBITDA depends on the operating results of its segments. In addition to the operating results of Superior's segments, significant assumptions underlying the achievement of Superior's 2019 midpoint guidance are:

- Economic growth in Canada and the U.S. is expected to increase modestly;
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;

- Superior's estimates maintenance and growth-related expenditures as well as capital equivalent of operating leases of $120 million to $140 million in 2019 to account for the NGL acquisition;
- Superior is substantively hedged for its estimated U.S. dollar exposure for 2019, and due to the hedge position, a change in the Canadian to U.S, dollar exchange rate for 2019 would not have a material impact to Superior.
- The foreign currency exchange rate between the Canadian dollar and U.S. dollar is expected to average 0.80 for 2019 on all unhedged foreign currency transactions;
- Financial and physical counterparties are expected to continue fulfilling their obligations to Superior;
- Regulatory authorities are not expected to impose any new regulations impacting Superior;
- Superior's average interest rate on floating-rate debt is expected to modestly increase compared to 2018; interest expense is anticipated to increase due to higher average debt levels related to the Canwest and NGL acquisition and the interest costs for the Notes;
- Realized losses on foreign currency hedging contracts are anticipated to be higher than 2018 due to the decrease in the average hedge rate; and
- Canadian, Chilean and U.S.-based cash taxes are expected to be in the range of $15 million to $20 million for 2019 based on existing statutory income tax rates and the ability to use available tax basis.

Energy Distribution

- Wholesale propane prices are not anticipated to significantly affect demand for propane and related services; and
- Operating costs are expected to be lower due to continuous improvement initiatives, restructuring activities and realizing synergies related to NGL and Canwest.

Specialty Chemicals

- Average plant utilization will approximate 90%-95% in 2019.

In addition to Superior's significant assumptions detailed above, refer to "Forward-Looking Information", and for a detailed review of Superior's significant business risks, refer to "Risk Factors to Superior."

Debt Management Update

Superior remains focused on managing both its total debt and its total debt to Adjusted EBITDA ratio. Superior's total debt to Adjusted EBITDA ratio for the trailing twelve months (TTM) was 3.7x as at September 30, 2018, compared to 3.3x at December 31, 2017. The debt levels and total leverage ratio as at September 30, 2018 were higher than December 31, 2017, due to increased borrowings on the credit facilities and unsecured notes associated with the NGL and other tuck-in acquisitions. The TTM Adjusted EBITDA includes pro forma Adjusted EBITDA for acquisitions completed in 2017 and 2018.

The total debt to Adjusted EBITDA ratio is currently above the long-term target of 3.0x. Superior anticipates the total debt to Adjusted EBITDA ratio to be in the range of 3.8x to 4.2x as at December 31, 2018 primarily due to acquisitions completed and increased working capital related to the seasonality of the Energy Distribution segment. Superior anticipates total debt to Adjusted EBITDA will be in the range of 3.6x to 4.0x as at December 31, 2019 as cash generated from operations is used to repay debt.

In addition to Superior's significant assumptions detailed above, refer to "Forward-Looking Information" and for a detailed review of Superior's significant business risks, refer to "Risk Factors to Superior."

LIQUIDITY AND CAPITAL RESOURCES

Borrowing

Superior's revolving syndicated bank facility (credit facility), term loans and finance lease obligations (collectively borrowing) before deferred financing fees was $1,722.3 million as at September 30, 2018, an increase of $658.9 million from $1,063.4 million as at December 31, 2017. The increase is primarily due to the acquisition of NGL. Superior's total and available sources of credit are detailed below:

	As at September 30, 2018			
(millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving term bank credit facilities[1]	750.0	414.1	36.9	299.0
Term loans[1]	1,221.8	1,221.8		
Other debt [2]	30.5	30.5		
Finance lease obligations	55.9	55.9		
Total	2,058.2	1,722.3	36.9	299.0

[1] Revolving term bank credit facilities and term loan balances are presented before deferred financing fees.

[2] Account receivable factoring and deferred consideration.

On June 29, 2018, the syndicated credit facility was increased to $750.0 million from the existing $620.0 million. The credit facility can be further expanded up to $1,050.0 million and matures on May 8, 2023 with no changes to the financial covenants. On July 3, 2018, Superior announced the closing of US$350 million principal amount of 7.0% senior unsecured notes issued at par and due July 15, 2026. In addition, Superior concurrently closed on an issuance of $150 million, 5.125% senior unsecured notes due August 27, 2025 and issued at a price of $928.97 per $1,000 principal amount.

Net Working Capital

Consolidated net working capital was negative $10.6 million as at September 30, 2018 a decrease of $126.3 million from $115.7 million as at December 31, 2017. The decrease is primarily due to the seasonality of the energy distribution business, higher customer deposits related primarily to the NGL acquisition and the impact of the sale of certain refined fuel assets.

Compliance

In accordance with the credit facility, Superior must maintain certain covenants and ratios that require Non-GAAP financial measures. Superior is in compliance with the lender covenants as at September 30, 2018 and the covenant details are found in the credit facility documents filed in the System for Electronic Document Analysis and Retrieval ("SEDAR").

Pension Plans

As at September 30, 2018, Superior had an estimated defined benefit going concern surplus of approximately $14.2 million (September 30, 2017 – $20.4 million surplus) and a pension solvency surplus of approximately $7.0 million (September 30, 2017 – $0.9 million deficiency). Funding requirements required by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions used in Superior's audited consolidated financial statements.

Contractual Obligations and Other Commitments

(millions of dollars)	Note [1]	Total	Payments Due In 2018	2019-2020	2021-2022	Thereafter
Borrowing	11	1,722.3	43.8	25.9	13.9	1,638.7
Minimum future lease payments under finance leases	11	55.9	13.2	20.7	13.9	8.1
Operating leases[2]		197.6	11.2	65.1	48.9	72.4
US$ foreign currency forward sales contracts (US$)	12	449.3	63.5	322.8	63.0	–
Natural gas, diesel, WTI, propane, heating oil, and electricity purchase commitments [3]	12	134.7	73.3	61.4	–	–
Total contractual obligations		**2,559.8**	**205.0**	**495.9**	**139.7**	**1,719.2**

[1] Notes to the 2018 unaudited condensed interim consolidated financial statements as at and for the nine months ended September 30, 2018.
[2] Operating leases comprise Superior's off-balance-sheet obligations.
[3] Does not include the impact of financial derivatives.

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

SHAREHOLDERS' CAPITAL

On June 8, 2018, Superior completed a public offering of 32 million subscription receipts at a price of $12.50 per subscription receipt, raising gross proceeds of $400.0 million. On July 13, 2018, after completion of the NGL acquisition, the Company exchanged the subscription receipts and issued 32 million common shares of the Company.

On September 27, 2018, Superior entered into an At-the-Market equity distribution agreement to enable the sale of common shares from treasury having aggregate gross proceeds of up to $100 million at prevailing trading prices. Superior intends to use the net proceeds to fund tuck-in acquisitions and repay indebtedness under Superior's credit facilities. On September 29, 2018 Superior issued 29,300 common shares at an average price of $12.77 per share for total net proceeds of $0.4 million through this program. Superior incurs a commission of 2% on the gross proceeds.

As at September 30, 2018, the following common shares were issued and outstanding:

	Issued number of common shares (Millions)		Share Capital
Balance, December 31, 2017	142.8		$1,952.3
Issuance of common shares [1]	32.0		386.7
Balance, September 30, 2018	**174.9**	[1]	**$2,339.0**

[1] The issued number of common shares does not down add because of rounding to the nearest million.

Dividends Declared to Shareholders

Dividends declared to Superior's shareholders depend on its cash flow from operating activities with consideration for Superior's changes in working capital requirements, investing activities and financing activities. See "Summary of AOCF" for 2018, above, and "Summary of Cash Flow" for additional details.

Dividends declared to shareholders for three months ended September 30, 2018 were $31.5 million or $0.18 per share compared to $25.7 million or $0.18 per share for the three months ended September 30, 2017. Dividends declared to shareholders increased by $5.8 million as a result of the increase in the number of outstanding shares. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

Superior has a DRIP program that is currently not being utilized. The DRIP program remains in place should Superior elect to reactivate the DRIP, subject to regulatory approval, at a future date.

Normal Course Issuer Bid

On May 8, 2018 the Toronto Stock Exchange (the "TSX") accepted a notice filed by Superior of its intention to commence a normal course issuer bid (the "NCIB") with respect to its common shares. Under the NCIB, Superior may purchase up to 7,142,141 common shares, such amount representing 5% of the 142,842,820 common shares issued and outstanding as at May 1, 2018. The NCIB is subject to additional standard regulatory requirements as set out herein.

SUMMARY OF CASH FLOW

Superior's primary sources and uses of cash are detailed below:

	Three Months Ended September 30		Nine Months Ended September 30	
(millions of dollars)	**2018**	2017	**2018**	2017
Cash flows (used in) from operating activities	**(16.5)**	(4.9)	**221.4**	123.9
Investing activities:				
Purchase of property, plant and equipment and intangible assets	**(20.3)**	(21.6)	**(53.3)**	(46.0)
Proceeds on disposal of property, plant and equipment	**4.7**	1.1	**14.1**	3.3
Acquisitions, net of cash acquired and assets sold	**(1,178.8)**	6.9	**(1,195.9)**	(438.1)
Proceeds on sale of assets	**0.7**	–	**91.9**	–
Cash flows (used in) from investing activities	**(1,193.7)**	(13.6)	**(1,143.2)**	(480.8)
Financing activities:				
Net proceeds (repayment) of revolving term bank credits and other debt	**287.5**	65.7	**33.4**	247.1
Redemption of 6.5% convertible debentures	**–**	–	**(209.8)**	–
Proceeds from 7.0% senior unsecured notes	**451.8**	–	**451.8**	–
Proceeds from 5.25% senior unsecured notes	**–**	–	**–**	250.0
Proceeds from 5.125% senior unsecured notes	**139.3**	–	**359.3**	–
Repayment of finance lease obligation	**(3.2)**	(1.8)	**(13.4)**	(12.4)
Proceeds from share issuance, net of costs	**381.7**	–	**381.7**	–
Debt issuance costs	**(11.3)**	–	**(16.3)**	(6.7)
Dividends paid to shareholders	**(29.6)**	(25.7)	**(81.0)**	(77.1)
Cash flows from (used in) financing activities	**1,216.2**	38.2	**905.7**	400.9
Net increase in cash and cash equivalents	**6.0**	19.7	**(16.2)**	44.0
Cash and cash equivalents, beginning of period	**9.6**	29.9	**31.8**	5.0
Effect of translation of foreign currency-denominated cash	**(0.1)**	0.7	**(0.1)**	1.3
Cash and cash equivalents, end of period	**15.5**	50.3	**15.5**	50.3

Cash flows from operating activities for the three and nine months ended September 30, 2018 were ($16.5) million and $221.4 million, a decrease of ($11.6) million and an increase of $97.5 million, respectively, from the prior comparable periods. The third quarter decrease was primarily due to an increase and timing of interest paid related to the higher debt levels. The year to date increase is a result of higher earnings related to the Canwest, NGL and other tuck-in acquisitions and an increase in the changes in non-cash operating working capital related to the NGL acquisition partially offset by increased interest paid primarily due to higher debt levels.

Cash flow used in investing activities for the three months ended September 30, 2018 was ($1,193.7) million, a decrease of ($1,180.1) million from cash flow used in investing activities of ($13.6) million in the prior year quarter. The decrease occurred primarily due to the NGL acquisition.

Cash flow from financing activities was $1,216.2 million, an increase of $1,178.0 million from cash of $38.2 million in the prior year quarter and was primarily due to the new financing to fund the NGL acquisition.

FINANCIAL INSTRUMENTS – RISK MANAGEMENT

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

As at September 30, 2018 Superior has substantially hedged its estimated U.S. dollar exposure for 2018 and 78% for 2019. Due to the hedge position, a change in the Canadian to U.S. dollar exchange rate for 2018 would not have a material impact on Superior. A summary of Superior's U.S. dollar forward contracts for the remainder of 2018 and beyond is provided in the table below.

(US$ millions except exchange rates)	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Net US$ forward sales	63.5	200.3	122.5	39.0	24.0	449.3
Net average external US$/CDN$ exchange rate	1.26	1.26	1.29	1.30	1.29	1.27

Superior entered into derivative contracts on May 30, 2018 with the intent of hedging the future funding of the NGL acquisition. The contracts settled on July 9, 2018 and funded the acquisition which was completed on July 10, 2018.

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's annual consolidated financial statements, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 12 to the unaudited condensed interim consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures (DC&P) are designed by or under the supervision of Superior's President and Chief Executive Officer (CEO) and the Executive Vice President and Chief Financial Officer (CFO) in order to provide reasonable assurance that all material information relating to Superior is communicated to them by others in the organization as it becomes known and is appropriately disclosed as required under the continuous disclosure requirements of securities legislation and regulation. In essence, these types of controls are related to the quality, reliability and transparency of financial and non-financial information that is filed or submitted under securities legislation and regulation. The CEO and CFO are assisted in this responsibility by a Disclosure Committee, which is composed of senior leadership of Superior. The Disclosure Committee has established procedures so that it becomes aware of any material information affecting Superior in order to evaluate and discuss this information and determine the appropriateness and timing of its public release.

Internal Controls over Financial Reporting (ICFR) are also designed by or under the supervision of Superior's CEO and CFO and effected by Superior's Board of Directors, management and other personnel in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected. Accordingly, Superior's disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of the corporation's disclosure control system are met.

Changes in Internal Controls over Financial Reporting

No changes were made in Superior's ICFR that have materially affected, or are reasonably likely to materially affect, Superior's ICFR in the quarter ended September 30, 2018.

Effectiveness

An evaluation of the effectiveness of Superior's DC&P and ICFR was conducted as at September 30, 2018 by and under the supervision of Superior's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Superior's DC&P and ICFR were effective at September 30, 2018 with the following exception:

Section 3.3(1) of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, states that a company may limit its design of disclosure controls and procedures and internal controls over financial reporting for a business that it acquired not more than 365 days before the end of the financial period to which the certificate relates. Under this section, Superior's CEO and CFO have limited the scope of the design, and subsequent evaluation, of DC&P and ICFR to exclude controls, policies and procedures of NGL effective July 10, 2018. Summary financial information pertaining to these acquisitions that was included in the consolidated financial statements of Superior as at September 30, 2018, is as follows:

U.S. Propane Distribution – NGL

(millions of Canadian dollars)	**Three Months Ended September 30, 2018**	**Nine Months Ended September 30, 2018**
	NGL	**NGL**
Sales	$ 62.2	$ 62.2
Net loss for the period	$ (13.3)	$ (13.3)
Current assets	$ 75.9	$ 75.9
Non-current assets	$ 1,159.2	$ 1,159.2
Current liabilities	$ 73.4	$ 73.4
Non-current liabilities	$ 4.7	$ 4.7

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Superior's audited consolidated financial statements were prepared in accordance with IFRS. The significant accounting policies are described in the audited consolidated financial statements for the period ended September 30, 2018. 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. Superior's critical accounting estimates relate to the allowance for doubtful accounts, employee future benefits, deferred income tax assets and liabilities, the valuation of financial and non-financial derivatives, asset impairments and the assessment of potential provision retirement obligations.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) effective for accounting periods beginning on or after January 1, 2016, or later periods. The standards applicable to Superior are as follows:

Change in accounting policies

IFRS 9 – Financial Instruments

The Company adopted IFRS 9 Financial Instruments with a date of initial application of January 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. IFRS 9 also amends the requirements around hedge accounting, and introduces a single, forward-looking expected loss impairment model.

The Company has elected to apply the limited exemption in IFRS 9 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. The adoption of IFRS 9 had no impact on the Company's consolidated financial statements on the date of initial application. There was no change in the carrying amounts on the basis of allocation from original measurement categories under IAS 39 Financial Instruments: Recognition and Measurement to the new measurement categories under IFRS 9.

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standards establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted IFRS 15 using the modified retrospective method of adoption and applied the practical expedient in IFRS 15, under which the Company does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before the date of the initial application being January 1, 2018. The details and quantitative impact of the changes upon adoption of this standard are:

(i) Revenue from sale of propane
Certain propane contracts also include use of storage tanks for a range of charges and promotional discounts. The selling price allocated to the use of storage tanks is based on the residual value after allocating the observable stand-alone selling price to the sale of propane. The adoption of this policy resulted in an increase to contract liabilities of $10.4 million and an offsetting adjustment to deficit as of January 1, 2018 and had no impact to the net earnings for the year ended December 31, 2017.

As a result of this adjustment, Superior's deferred tax liability was decreased by $2.8 million with an offsetting adjustment to deficit as of January 1, 2018.

(ii) Transportation revenue
Revenue from sale of Specialty Chemicals is recognized when control of the goods has transferred, and the customer has full discretion over the goods. Sales where the Company arranges and charges for freight is considered a separate performance obligation. Consequently, the portion of revenue related to freight is recognized when the goods are delivered to their destination instead of when the product is shipped. The costs associated with this revenue will also be accrued and recognized at this time. The adoption of this policy resulted in a reduction of $0.1 million to trade and other receivable and trade and other payables as at January 1, 2018.

New and revised IFRS standards not yet effective
IFRS 16 – Leases
On January 13, 2016, the IASB issued IFRS 16 *Leases* was issued, which requires lessees to recognize assets and liabilities for most leases, as well as corresponding amortization and finance expense. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Company plans to adopt the new standard beginning January 1, 2019.

The Company expects that the new standard will result in an increase in assets and liabilities, as well as a corresponding increase in amortization and finance expense. The Company also expects that cash flow from operating activities will increase under the new standard because lease payments for most leases will be recorded as cash outflows from financing activities in the statements of cash flows. The magnitude of these impacts of adopting the new standard have not yet been determined.

The Company has established an implementation plan to assess the accounting impacts of the new standard and the related impacts on internal controls over the remainder of 2018. The Company is currently conducting a review of its contracts with suppliers to assess the impact of the new standard and to collect data necessary for adoption of the new standard. The Company expects to report more detailed information, including the quantitative impact, if material, in its consolidated financial statements as the effective date approaches.

NON-GAAP FINANCIAL MEASURES

Throughout the MD&A, Superior has used the following terms that are not defined by GAAP, but are used by management to evaluate the performance of Superior and its business. These measures may also be used by investors, financial institutions and credit rating agencies to assess Superior's performance and ability to service debt. Non-GAAP financial measures do not have standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that Non-GAAP financial measures be clearly defined, qualified and reconciled to their most comparable GAAP financial measures. Except as otherwise indicated, these Non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific items may only be relevant in certain periods.

The intent of non-GAAP financial measures is to provide additional useful information to investors and analysts, and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate non-GAAP financial measures differently. Investors should be cautioned that AOCF, EBITDA from operations, and Adjusted EBITDA should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of Superior's performance. Non-GAAP financial measures are identified and defined as follows:

AOCF and AOCF per Share

AOCF is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be infrequent in nature and could distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. AOCF and AOCF per share are presented before and after transaction and other costs.

AOCF per share before transaction and other costs is calculated by dividing AOCF before transaction and other costs by the weighted average number of shares outstanding. AOCF per share is calculated by dividing AOCF by the weighted average number of shares outstanding.

AOCF is the main performance measure used by management and investors to evaluate Superior's ongoing performance of its businesses and ability to generate cash flow. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities. AOCF is also used as one component in determining short-term incentive compensation for certain management employees.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Distribution segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenue and expenses, which can differ significantly from quarter to quarter.

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction and other costs, and unrealized gains (losses) on derivative financial instruments. Adjusted EBITDA is used by Superior and investors to assess its consolidated results and ability to service debt. Adjusted EBITDA is reconciled to net earnings before income taxes.

EBITDA from operations

EBITDA from operations is defined as Adjusted EBITDA excluding costs that are not considered representative of Superior's underlying core operating performance, including gains and losses on foreign currency hedging contracts, corporate costs and transaction and other costs. Management uses EBITDA from operations to set targets for Superior (including annual guidance and variable compensation targets). EBITDA from operations is reconciled to net earnings before income taxes.

QUARTERLY FINANCIAL AND OPERATING INFORMATION

GAAP Measures

(millions of dollars, except per share amounts)	**Q3 2018**	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Revenue	**481.7**	483.1	874.9	768.9	465.5	474.9	675.7	583.1
Gross profit	**169.7**	159.7	289.2	238.1	133.6	138.0	225.7	193.6
Net earnings (loss)	**(39.8)**	9.1 [2]	45.0 [2]	45.3	(124.8)	(1.6)	53.2	(22.8)
Per share, basic	**(0.23)**	0.06 [2]	0.32 [2]	0.32	(0.87)	(0.01)	0.37	(0.16)
Per share, diluted	**(0.23)**	0.06 [2]	0.32 [2]	0.32	(0.87)	(0.01)	0.34	(0.19)
Net working capital[1]	**(10.6)**	(5.1)	144.0	115.7	85.3	107.4	133.6	112.1

[1] Net working capital as at the quarter-end is comprised of trade and other receivables, prepaid expenses and inventories, less trade and other payables, deferred revenue, and dividends and interest payable.

[2] Restated Q1 and Q2 2018 net earnings and per share calculations to reflect the increased amortization partially offset by a reduction in future taxes as a result of finalizing the Canwest purchase price allocation.

Non-GAAP Financial Measures [1]

(millions of dollars, except per share amounts)	**Q3 2018**	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
AOCF before transaction and other costs	**2.2**	29.3	138.1	98.7	15.0	27.5	109.3	77.3
Per share, basic	**0.01**	0.21	0.97	0.69	0.11	0.19	0.77	0.54
Per share, diluted	**0.01**	0.21	0.97	0.69	0.11	0.19	0.77	0.54
AOCF	**(13.4)**	20.3	130.7	94.0	(4.5)	20.1	107.8	68.4
Per share, basic	**(0.08)**	0.14	0.91	0.66	(0.03)	0.14	0.75	0.48
Per share, diluted	**(0.08)**	0.14	0.91	0.66	(0.03)	0.14	0.75	0.48

[1] Net AOCF before transaction and other costs, AOCF and the related per share amounts, are Non-GAAP financial measures.

Fluctuations in Superior's individual quarterly results is subject to seasonality. Sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand of heating from end-use customers. They then decline through the second and third quarters, rising seasonally again in the fourth quarter with heating demand. In addition, during 2017 Superior acquired Canwest, Pomerleau, Yankee, IDI and Earhart and in 2018 acquired Hi-Grade, Blue Flame, Porco, and NGL and sold the refined fuel assets. Each transaction may impact quarterly results. For more information on these acquisitions and divestments see Note 5 in the 2017 annual audited consolidated financial statements and Note 4 in 2018 third quarter unaudited interim condensed quarterly financial statements.

Volumes [(1)] [(2)]

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Canadian propane sales volumes (millions of litres)	**340**	380	730	641	293	283	478	417
U.S. propane sales volumes (millions of litres)	**161**	157	396	369	273	298	397	373
Chemical sales volumes (thousands of MT)	**212**	208	213	212	217	210	212	203

Canadian propane sales by end-use application are as follows:

(millions of litres)	**Q3 2018**	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Residential	**20**	29	75	62	16	20	53	42
Commercial	**45**	58	137	108	34	44	103	73
Oilfield	**19**	51	102	84	9	9	14	12
Industrial	**78**	51	47	44	49	48	43	39
Motor Fuels	**45**	47	43	46	39	40	35	37
Wholesale	**121**	127	274	240	132	109	197	168
Other	**12**	17	52	57	14	13	33	46
Total	**340**	380	730	641	293	283	478	417

[(1)] Canwest volumes have been included commencing in Q4 2017.

[(2)] Comparative figures have been reclassified to reflect the current period presentation of end use.

U.S. propane sales by end-use application are as follows:

(millions of litres)	**Q3 2018**	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Residential	**78**	39	135	86	17	32	115	78
Commercial	**75**	76	106	103	80	82	94	94
Wholesale	**8**	42	155	180	176	184	188	201
Total	**161**	157	396	369	273	298	397	373

Specialty Chemicals sales volumes by product are as follows:

(thousands of MT)	**Q3 2018**	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Sodium chlorate	**121**	115	121	127	128	119	128	125
Chlor-alkali	**88**	91	90	83	87	88	83	76
Chlorite	**3**	2	2	2	2	3	1	2
Total	**212**	208	213	212	217	210	212	203

INCOME FROM CANWEST

As of March 1, 2017 and up to the acquisition closing date of September 27, 2017, Superior was entitled to the benefit of the net profits of Canwest. As a result, Superior recorded net income of $1.2 million, $10.7 of depreciation and amortization and $11.9 million in consolidated Adjusted EBITDA in 2017. On September 27, 2017, Superior received regulatory approval from the Competition Bureau and closed the acquisition of Canwest subject to certain conditions.

The results of Canwest subsequent to September 27, 2017 are included in the results of the Energy Distribution segment.

Below is a summary of Canwest's financial results and volumes in 2017:

(millions of dollars)	**Q1[1]**	**Q2**	**Q3[2]**	**March – Sept 27**	**Sep 27 – Dec 31**	**2017**
Revenue	25.7	34.6	34.4	94.7	77.1	171.8
Cost of sales	(13.2)	(16.0)	(17.1)	(46.3)	(46.4)	(92.7)
Gross profit	12.5	18.6	17.3	48.4	30.7	79.1
Selling, distribution and administrative costs (excluding depreciation and amortization)	(6.3)	(15.8)	(14.4)	(36.5)	(13.6)	(50.1)
EBITDA from operations	**6.2**	**2.8**	**2.9**	**11.9**	**17.1**	**29.0**
GAAP measures:						
Depreciation and amortization	(1.8)	(4.5)	(4.4)	(10.7)	(1.2)	(11.9)
Net earnings (loss)	**4.4**	**(1.7)**	**(1.5)**	**1.2**	**15.9**	**17.1**
Volumes (millions of litres)	**52.6**	**74.2**	**72.4**	**199.2**	**140.0**	**339.2**

[1] Q1 includes activity from March 1-31, 2017.

[2] Q3 includes activity from July 1 – September 27, 2017.

RECONCILIATION OF NET EARNINGS BEFORE INCOME TAXES TO ADJUSTED EBITDA

(millions of dollars)	**Energy**	**Specialty**		
For the Three Months Ended September 30,	**Distribution**	**Chemicals**	**Corporate**	**Total**
Net earnings (loss) before income taxes	**(44.6)**	**22.0**	**(32.9)**	**(55.5)**
Add: Depreciation and amortization included in selling, distribution and administrative costs	**46.1**	**0.3**	**0.1**	**46.5**
Depreciation included in cost of sales	**–**	**12.7**	**–**	**12.7**
Gain (loss) on disposal of assets	**(0.7)**	**–**	**–**	**(0.7)**
Finance expense	**0.8**	**0.5**	**22.8**	**24.1**
Gain on derivative financial instruments	**(7.9)**	**–**	**(8.9)**	**(16.8)**
Transaction, restructuring and other costs	**3.0**	**–**	**12.6**	**15.6**
Adjusted EBITDA	**(3.3)**	**35.5**	**(6.3)**	**25.9**

(millions of dollars)	**Energy**	**Specialty**		
For the Three Months Ended September 30, 2017	**Distribution**	**Chemicals**	**Corporate**	**Total**
Net earnings (loss) before income taxes	(18.6)	16.8	(9.2)	(11.0)
Add: Depreciation and amortization included in selling, distribution and administrative costs	15.1	–	0.4	15.5
Depreciation included in cost of sales	–	12.4	–	12.4
Income (loss) from Canwest	1.5		3.0	4.5
Gain (loss) on disposal of assets	(0.3)	–	–	(0.3)
Finance expense	0.8	0.1	12.7	13.6
Unrealized (gains) losses on derivative financial instruments	(11.5)	0.3	(14.0)	(25.2)
Transaction, restructuring and other costs	13.2	–	6.3	19.5
Adjusted EBITDA	0.2	29.6	(0.8)	29.0

Reconciliation of Net Earnings Before Income Taxes to Adjusted EBITDA

(millions of dollars) **For the nine months ended September 30, 2018**	**Energy Distribution**	**Specialty Chemicals**	**Corporate**	**Total**
Net earnings (loss) before income taxes	**44.3**	**64.5**	**(95.5)**	**13.3**
Add: Depreciation and amortization included in selling, distribution and administrative costs	**91.7**	**0.8**	**0.2**	**92.7**
Depreciation included in cost of sales	**–**	**37.8**	**–**	**37.8**
Gain (loss) on disposal of assets and other	**(19.6)**	**–**	**–**	**(19.6)**
Finance expense	**2.7**	**1.2**	**59.5**	**63.4**
Unrealized losses (gains) on derivative financial instruments	**4.4**	**–**	**(2.7)**	**1.7**
Transaction, restructuring and other costs	**12.7**	**–**	**19.3**	**32.0**
Adjusted EBITDA	**136.2**	**104.3**	**(19.2)**	**221.3**

(millions of dollars) For the nine months ended September 30, 2017	Energy Distribution	Specialty Chemicals	Corporate	Total
Net earnings (loss) before income taxes	43.5	52.4	(37.4)	58.5
Add: Depreciation and amortization included in selling, distribution and administrative costs	44.9	–	0.5	45.4
Depreciation included in cost of sales	–	38.1	–	38.1
Depreciation and amortization - Canwest Propane	10.8		–	10.8
Income (loss) from Canwest	(12.0)		12.0	–
Gain (loss) on disposal of assets	(0.9)	–	–	(0.9)
Finance expense	2.6	0.4	33.1	36.1
Unrealized losses (gains) on derivative financial instruments	(3.4)	–	(24.5)	(27.9)
Transaction, restructuring and other costs	13.6	–	14.8	28.4
Adjusted EBITDA	99.1	90.9	(1.5)	188.5

Risk Factors to Superior

The risks factors and uncertainties detailed below are a summary of Superior's assessment of its material risk factors as detailed in Superior's 2017 Annual Information Form ("AIF") under "Risks associated with our business" which is filed on the Canadian Securities Administrators' website, www.sedar.com, and on Superior's website, www.superiorplus.com. The AIF describes some of the most material risks to Superior's business by type of risk: financial; strategic; operational; and legal.

General risks to Superior are as follows:

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

Superior depends entirely on the operations and assets of Superior LP. Superior's ability to make dividend payments to its shareholders depends on Superior LP's ability to make distributions on its outstanding limited partnership units, as well as on the operations and business of Superior LP.

There is no assurance regarding the amount of cash to be distributed by Superior LP or generated by Superior LP and, therefore, there is no assurance regarding funds available for dividends to shareholders. The amount distributed in respect of the limited partnership units will depend on a variety of factors including, without limitation, the performance of Superior LP's operating businesses, the effect of acquisitions or dispositions on Superior LP, and other factors that may be beyond the control of Superior LP or Superior. In the event significant sustaining capital expenditures are required by Superior LP or the profitability of Superior LP declines, there would be a decrease in the amount of cash available for dividends to shareholders and such decrease could be material.

Superior's dividend policy and the distribution policy of Superior LP are subject to change at the discretion of the Board of Directors of Superior or the Board of Directors of Superior General Partner Inc., the general partner of Superior LP, as applicable. Superior's dividend policy and the distribution policy of Superior LP are also limited by contractual agreements including agreements with lenders to Superior and its affiliates and by restrictions under corporate law.

Additional Shares
In the event the Board of Directors of Superior decides to issue additional common shares, preferred shares or securities convertible into common shares, existing shareholders may suffer significant dilution.

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

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

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

Interest Rates
Superior maintains substantial floating interest rate exposure through a combination of floating interest rate borrowing and uses derivative instruments at times, to mitigate this risk. Demand for a significant portion of Energy Distribution's sales and substantially all of Specialty Chemicals' sales are affected by general economic trends. Generally speaking, when the economy is strong, interest rates increase, as does demand from Superior's customers, thereby increasing Superior's sales and its ability to pay higher interest costs. The opposite is also true. In this way, there is a common relationship among economic activity levels, interest rates and Superior's ability to pay higher or lower rates. Increased interest rates will, however, affect Superior's borrowing costs, which will have an adverse effect.

Foreign Exchange Risk
A portion of Superior's net cash flow is denominated in U.S. dollars. Accordingly, fluctuations in the Canadian/U.S. dollar exchange rate can impact profitability. Superior attempts to mitigate this risk with derivative financial instruments.

Changes in Legislation and Expected Tax Profile

There can be no assurance that income tax laws in the numerous jurisdictions in which Superior operates will not be changed, interpreted or administered in a manner which adversely affects Superior and its shareholders. In addition, there can be no assurance that the CRA (or a provincial tax agency), the U.S. Internal Revenue Service (or a state or local tax agency), the Chilean Internal Revenue Service or the Luxembourg Tax Authorities (collectively, the "tax agencies") will agree with how Superior calculates its income for tax purposes or that these various tax agencies referenced herein will not change their administrative practices to the detriment of Superior or its shareholders.

Acquisitions and Divestitures

Superior may not be able to find or buy appropriate acquisition targets on economically acceptable terms. Superior's acquisition agreements will contain certain representations, warranties and indemnities from the respective vendors subject to certain applicable limitations and thresholds and Superior will conduct due diligence prior to completion of such acquisitions. If, however such representations and warranties are inaccurate or limited in applicability or if any liabilities that are discovered exceed such limits or are not covered by the representations, warranties or indemnities, or the applicable vendors default in their obligations or if certain liabilities are not identified in such agreements, Superior could become liable for any such liabilities which may have an adverse effect on Superior. In addition, there may be liabilities or risks that were not discovered in such due diligence investigations which could have an adverse effect on Superior.

Acquiring complementary businesses is often required to optimally execute Superior's business strategy. Distribution systems, technologies, key personnel or businesses of companies Superior acquires may not be effectively assimilated into its business, or its alliances may not be successful. There is also no assurance regarding the completion of a planned acquisition as Superior may be unable to obtain shareholder approval for a planned acquisition or Superior may be unable to obtain government and regulatory approvals required for a planned acquisition, or required government and/or regulatory approvals may result in delays. There may be penalties associated with not completing a planned acquisition. Superior may not be able to successfully complete certain divestitures on satisfactory terms, if at all. Divestitures may reduce Superior's total revenue and net earnings by more than the sales price. The terms and conditions, representations, warranties and indemnities, if any, associated with divestiture activity may hold future risks.

Canwest and NGL Acquisitions

A variety of factors may adversely affect Superior's ability to achieve the anticipated benefits of these acquisitions. A failure to realize the anticipated benefits from the acquisitions, including but not limited to, the anticipated synergies associated with the acquisitions and included in the assumptions relating to expected accretion, could have a material adverse effect on Superior's business, financial condition, operations, assets or future prospects.

Superior will compete with other potential employers for employees, and it may not be successful in keeping the services of the executives and other employees that it needs to realize the anticipated benefits of the acquisition. Superior's failure to retain key personnel as part of the management team of Canwest and NGL in the period following the acquisition could have a material adverse effect on the business and operations of Superior.

Integrating NGL's operations with Superior's existing business will be a complex, time consuming and costly process. Failure to successfully integrate NGL and its operations in a timely manner may have a material adverse effect on Superior's business, results of operations, cash flows and financial position. The difficulties of integrating NGL include, but are not limited to, coordinating geographically disparate organizations, systems and facilities, adapting to additional regulatory and other legal requirements, integrating corporate, technological and administrative function and employment and compensation policies and practices, and diverting management's attention from other business concerns.

Information Technology and Cyber Security

Superior utilizes a number of information technology systems for the management of its business and the operation of its facilities. The reliability and security of these systems is critical. If the function of these systems is interrupted or fails and cannot be restored quickly, or if the technologies are no longer supported, Superior's ability to operate its facilities and conduct its business could be compromised. Superior has continued to mature its approach to technology planning. Superior continually assesses and monitors its cyber security risk. In an effort to mitigate such risks, Superior has employed a fully managed third party cyber security service that deploys industry leading technology, conducted comprehensive employee training and utilizes monitoring software to protect its systems.

Although the technology systems Superior utilizes are intended to be secure and Superior has employed various methods to mitigate cyber risks, there is still a risk that an unauthorized third party could access the systems. Such a security breach could lead to a number of adverse consequences, including but not limited to, the unavailability, disruption or loss of key function within Superior's control systems and the unauthorized disclosure, corruption or loss of sensitive company, customer or personal information. Superior attempts to prevent such breaches through the implementation of various technology security measures, segregation of control systems from its general business network, engaging skilled consultants and employees to manage Superior's technology applications, conducting periodic audits and adopting policies and procedures as appropriate.

To date, Superior has not been subject to a cyber-security breach that has resulted in a material impact on its business or operations; there is no guarantee, however, that the measures it takes to protect its business systems and operational control systems will be effective in protecting against a breach in the future.

RISKS TO SUPERIOR'S SEGMENTS

Risks associated with the Energy Distribution business are set out below.

CANADIAN PROPANE DISTRIBUTION AND U.S. PROPANE DISTRIBUTION

Competition

Propane is sold in competition with other energy sources such as fuel oil, electricity and natural gas, some of which are less costly on an energy-equivalent basis. While propane is usually more cost-effective than electricity, electricity is a major competitor in most areas. Fuel oil is also used as a residential, commercial and industrial source of heat and, in general, is less costly on an equivalent-energy basis, although operating efficiencies, environmental and air quality factors help make propane competitive with fuel oil. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas with natural gas service. Other alternative energy sources such as compressed natural gas, methanol and ethanol are available or could be further developed and could have an impact on the future of the propane industry in general and Canadian propane distribution in particular. The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Canadian Propane Distribution's sales. Increases in the cost of propane encourage customers to reduce fuel consumption and to invest in more energy efficient equipment, reducing demand. Propane commodity prices are affected by crude oil and natural gas commodity prices.

Automotive propane demand depends on propane pricing, the market's acceptance of propane conversion options and the availability of infrastructure. Superior Propane has strategic partnerships with companies focused on after-market conversion technologies. This segment has been impacted by the development of more fuel efficient and complicated engines which increase the cost of converting engines to propane and reduce the savings per kilometre driven.

Competition in the U.S. propane distribution business' markets generally occurs on a local basis between large, full-service, multi-state marketers and smaller, independent local marketers. Marketers primarily compete based on price and service and tend to operate in close proximity to customers, typically within a 35-miles marketing radius from a central depot, in order to minimize delivery costs and provide prompt service.

Volume Variability, Weather Conditions and Economic Demand
Weather, general economic conditions and the volatility in the cost of propane affect propane market volumes. Weather influences the demand for propane, primarily for home and facility heating uses and also for agricultural applications, such as crop drying.

Harsh weather can create conditions that exacerbate demand for propane, impede the transportation and delivery of propane, or restrict the ability of Superior to obtain propane from its suppliers. Such conditions may also increase Superior's operating costs and may reduce customers demand for propane, any of which may have an adverse effect on Superior. Conversely, low prices tend to make customers less price sensitive and less focused on their consumption volume.

Spikes in demand caused by weather or other factors can stress the supply chain and hamper Superior's ability to obtain additional quantities of propane. Transportation providers (railways and trucking companies) have limited ability to provide resources in times of extreme peak demand. Changes in propane supply costs are normally passed through to customers, but timing lags (between when Superior purchases the propane and when the customer purchases the propane) may result in positive or negative gross margin fluctuations.

For U.S. propane distribution, demand from end-use heating applications is predictable. Weather and general economic conditions, however, affect distillates and propane market volumes. Weather influences the immediate demand, primarily for heating, while longer-term demand declines due to economic conditions as customer's trend towards conservation and supplement heating with alternative sources such as wood pellets.

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

Health, Safety and Environment
Superior's operations are subject to the risks associated with handling, storing and transporting propane in bulk. To mitigate risks, Superior has established a comprehensive environmental, health and safety protection program. It consists of an environmental policy, codes of practice, periodic self-audits, employee training, quarterly and annual reporting and emergency prevention and response.

The U.S. propane distribution business, through a centralized safety and environment management system, ensures that safety practices and regulatory compliance are an important part of its business. The storage and delivery of refined fuels pose the risk of spills which could adversely affect the soil and water of storage facilities and customer properties.

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

Employee and Labour Relations

Approximately 18% of Superior's Canadian propane distribution business employees and 2% of U.S. propane distribution business employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the renegotiation process that could have an adverse impact on Superior.

SPECIALTY CHEMICALS

Risks associated with the Specialty Chemicals business are as follows:

Competition

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

Supply Arrangements

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

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

Foreign Currency Exchange

Specialty Chemicals is exposed to fluctuations in the U.S. dollar and the euro versus the Canadian dollar. Specialty Chemicals manages its exposure to fluctuations between foreign currencies and Canadian dollar by entering into hedge contracts with external third parties and internally with other Superior businesses.

Health, Safety and Environment

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

Regulatory

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

Manufacturing and Production

Specialty Chemicals' production facilities maintain complex process and electrical equipment. The facilities have existed for many years and undergone upgrades and improvements. Routine maintenance is regularly completed to ensure equipment is operated within appropriate engineering and technical requirements. Notwithstanding Specialty Chemicals' operating standards and history of limited downtime, breakdown of electrical transformer or rectifier equipment would temporarily reduce production at the affected facility. Although the segment has insurance to mitigate substantial loss due to equipment outage, Specialty Chemicals' reputation and its ability to meet customer requirements could be harmed by a major electrical equipment failure.

Employee and Labour Relations

Approximately 25% of Specialty Chemicals' employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the negotiation process that could have an adverse impact on Superior.

Superior Plus Corp.
Condensed Consolidated Balance Sheets

(unaudited, millions of Canadian dollars)	**Note**	**As at September 30 2018**	As at December 31 2017
Assets			Restated (see Note 4)
Current Assets			
Cash		**15.5**	31.8
Trade and other receivables	**5**	**239.4**	318.5
Prepaid expenses		**24.7**	29.4
Inventories	**6**	**141.2**	137.0
Other current financial assets	**12**	**29.0**	30.0
Assets held for sale	**4**	**–**	16.7
Total Current Assets		**449.8**	563.4
Non-Current Assets			
Property, plant and equipment	**4, 7**	**1,339.5**	1,120.8
Intangible assets	**4**	**428.2**	238.8
Goodwill	**4**	**1,052.9**	352.3
Notes and finance lease receivables		**3.5**	2.7
Employee future benefits		**14.1**	8.1
Deferred tax asset	**13**	**45.2**	87.4
Other non-current financial assets	**12**	**6.5**	10.1
Total Non-Current Assets		**2,889.9**	1,820.2
Total Assets		**3,339.7**	2,383.6
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**9**	**386.1**	350.7
Contract liabilities		**19.3**	9.9
Borrowing	**11**	**25.0**	28.7
Dividends and interest payable		**10.5**	8.6
Other current financial liabilities	**12**	**24.9**	21.8
Total Current Liabilities		**465.8**	419.7
Non-Current Liabilities			
Borrowing	**11**	**1,663.5**	1,024.1
Other liabilities	**10**	**6.1**	4.0
Provisions	**8**	**75.1**	69.9
Employee future benefits		**20.0**	21.0
Deferred tax liabilities	**4, 13**	**10.6**	64.4
Other non-current financial liabilities	**12**	**3.8**	4.5
Total Non-Current Liabilities		**1,779.1**	1,187.9
Total Liabilities		**2,244.9**	1,607.6
Equity			
Capital		**2,340.2**	1,953.5
Deficit		**(1,343.1)**	(1,266.9)
Accumulated other comprehensive income		**97.7**	89.4
Total Equity	**14**	**1,094.8**	776.0
Total Liabilities and Equity		**3,339.7**	2,383.6

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Changes in Equity

(unaudited, millions of Canadian dollars)	Share capital	Contributed surplus	**Total capital**	**Deficit**	**Accumulated other comprehensive income**	**Total**
As at December 31, 2017	**1,952.3**	**1.2**	**1,953.5**	**(1,266.9)**	**89.4**	**776.0**
Net earnings	**–**	**–**	**–**	**14.3**	**–**	**14.3**
Change in accounting policies (Note 2)	**–**	**–**	**–**	**(7.6)**	**–**	**(7.6)**
Unrealized foreign currency gain on translation of foreign operations	**–**	**–**	**–**	**–**	**3.5**	**3.5**
Actuarial defined-benefit gain	**–**	**–**	**–**	**–**	**6.5**	**6.5**
Income tax expense on other comprehensive income	**–**	**–**	**–**	**–**	**(1.7)**	**(1.7)**
Issuance of common shares	**386.7**	**–**	**386.7**	**–**	**–**	**386.7**
Total comprehensive income	**386.7**	**–**	**386.7**	**6.7**	**8.3**	**401.7**
Dividends and dividend equivalent declared to shareholders	**–**	**–**	**–**	**(82.9)**	**–**	**(82.9)**
As at September 30, 2018	**2,339.0**	**1.2**	**2,340.2**	**(1,343.1)**	**97.7**	**1,094.8**
As at December 31, 2016	1,952.3	1.2	1,953.5	(1,136.2)	111.3	928.6
Net loss	–	–	–	(73.2)	–	(73.2)
Unrealized foreign currency loss on translation of foreign operations	–	–	–	(4.6)	(24.1)	(28.7)
Actuarial defined-benefit gain	–	–	–	–	2.3	2.3
Income tax recovery on other comprehensive income	–	–	–	–	0.2	0.2
Total comprehensive income	–	–	–	(77.8)	(21.6)	(99.4)
Dividends declared to shareholders	–	–	–	(77.1)	–	(77.1)
As at September 30, 2017	1,952.3	1.2	1,953.5	(1,291.1)	89.7	752.1

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Net (Loss) Earnings and Total Comprehensive (Loss) Earnings

		Three Months Ended September		Nine Months Ended September	
(unaudited, millions of Canadian dollars except per share amounts)	**Note**	**2018**	2017	**2018**	2017
Revenues	**15, 17**	**481.7**	465.5	**1,839.7**	1,616.1
Cost of sales (includes products and services)	**15**	**(312.0)**	(331.9)	**(1,221.1)**	(1,118.8)
Gross profit		**169.7**	133.6	**618.6**	497.3
Expenses					
Selling, distribution and administrative costs	**15**	**(217.9)**	(156.2)	**(540.2)**	(430.6)
Finance expense	**15**	**(24.1)**	(13.6)	**(63.4)**	(36.1)
Unrealized gain (loss) on derivative instruments	**12, 15**	**16.8**	25.2	**(1.7)**	27.9
		(225.2)	(144.6)	**(605.3)**	(438.8)
(Loss) earnings before income taxes		**(55.5)**	(11.0)	**13.3**	58.5
Income tax (expense) recovery	**13**	**15.7**	(113.8)	**1.0**	(131.7)
Net (loss) earnings for the period		**(39.8)**	(124.8)	**14.3**	(73.2)
Other comprehensive (loss) income					
Items that may be reclassified subsequently to net earnings					
Unrealized foreign currency (loss) gain on translation of foreign operations		**(19.5)**	(10.3)	**3.5**	(24.1)
		(19.5)	(10.3)	**3.5**	(24.1)
Items that will not be reclassified to net (loss) earnings					
Actuarial defined benefit gain		**4.3**	3.3	**6.5**	2.3
Income tax (expense) recovery on other comprehensive income		**(1.1)**	–	**(1.7)**	0.2
		3.2	3.3	**4.8**	2.5
Other comprehensive (loss) income for the period		**(16.3)**	(7.0)	**8.3**	(21.6)
Total comprehensive (loss) income for the period		**(56.1)**	(131.8)	**22.6**	(94.8)
Net (loss) earnings per share					
Basic	**16**	**$(0.23)**	$(0.87)	**$0.09**	$(0.51)
Diluted	**16**	**$(0.23)**	$(0.87)	**$0.09**	$(0.51)

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Superior Plus Corp.
Condensed Consolidated Statements of Cash Flows

		Three Months Ended September 30		**Nine Months Ended September 30**	
(unaudited, millions of Canadian dollars)	**Note**	**2018**	2017	**2018**	2017
OPERATING ACTIVITIES					
Net (loss) earnings for the period		**(39.8)**	(124.8)	**14.3**	(73.2)
Adjustments for:					
Depreciation included in selling, distribution and administrative costs	**7**	**30.9**	13.1	**66.9**	39.8
Amortization of intangible assets		**15.6**	2.4	**25.7**	5.6
Depreciation included in cost of sales	**7**	**12.7**	12.4	**37.8**	38.1
Gains on disposal of assets and other non-cash items		**(0.8)**	(0.3)	**(19.6)**	(0.9)
Unrealized gains on derivative financial instruments	**12**	**(16.8)**	(25.2)	**1.7**	(27.9)
Finance expense recognized in net earnings		**24.1**	13.6	**63.4**	36.1
Income tax (recovery) expense recognized in net earnings	**13**	**(15.7)**	113.8	**(1.0)**	131.7
Changes in non-cash operating working capital	**18**	**(2.4)**	(0.1)	**76.9**	4.3
Net cash flows from operating activities before income tax and interest paid		**7.8**	4.9	**266.1**	153.6
Income taxes received (paid)		**–**	0.4	**–**	(1.0)
Interest paid		**(24.3)**	(10.2)	**(44.7)**	(28.7)
Cash flows (used in) from operating activities		**(16.5)**	(4.9)	**221.4**	123.9
INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets	**19**	**(20.3)**	(21.6)	**(53.3)**	(46.0)
Proceeds on disposal of property, plant and equipment		**4.7**	1.1	**14.1**	3.3
Acquisitions, net of cash acquired and assets sold		**(1,178.8)**	6.9	**(1,195.9)**	(438.1)
Proceeds on sale of assets	**4**	**0.7**	–	**91.9**	–
Cash flows used in investing activities		**(1,193.7)**	(13.6)	**(1,143.2)**	(480.8)
FINANCING ACTIVITIES					
Net proceeds of revolving term bank credits and other debt		**1,200.9**	374.1	**2,269.5**	1,275.0
Net repayment of revolving term bank credits and other debt		**(913.4)**	(308.4)	**(2,236.1)**	(1,027.9)
Redemption of 6.5% convertible debentures		**–**	–	**(209.8)**	–
Proceeds from 7.0% senior unsecured notes		**451.8**		**451.8**	
Proceeds from 5.25% senior unsecured notes		**–**	–	**–**	250.0
Proceeds from 5.125% senior unsecured notes		**139.3**	–	**359.3**	
Repayment of finance lease obligations		**(3.2)**	(1.8)	**(13.4)**	(12.4)
Proceeds from share issuance, net of costs		**381.7**	–	**381.7**	–
Debt issue costs		**(11.3)**	–	**(16.3)**	(6.7)
Dividends paid to shareholders		**(29.6)**	(25.7)	**(81.0)**	(77.1)
Cash flows from financing activities		**1,216.2**	38.2	**905.7**	400.9
Net increase (decrease) in cash and cash equivalents		**6.0**	19.7	**(16.1)**	44.0
Cash and cash equivalents, beginning of the period		**9.6**	29.9	**31.8**	5.0
Effect of translation of foreign currency-denominated cash		**(0.1)**	0.7	**(0.2)**	1.3
Cash and cash equivalents, end of the period		**15.5**	50.3	**15.5**	50.3

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, tabular amounts in millions of Canadian dollars, except per share amounts)

1. ORGANIZATION

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. The registered office is located at Suite 401, 200 Wellington Street West, Toronto, Ontario. Superior holds 99.9% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc. (Superior GP) as general partner and Superior as limited partner. Superior owns 100% of the shares of Superior GP and Superior GP holds 0.1% of Superior LP. Superior does not conduct active business operations but rather distributes to shareholders a portion of the income it receives from Superior Plus LP in the form of partnership allocations, net of expenses. Superior's investment in Superior Plus LP is financed by share capital. Superior is a publicly traded company with its common shares trading on the Toronto Stock Exchange under the exchange symbol SPB.

The accompanying unaudited condensed consolidated financial statements (consolidated financial statements) of Superior as at September 30, 2018 and for the nine months ended September 30, 2018 and 2017 were authorized for issuance by the Board of Directors on November 7, 2018.

Reportable Operating Segments

Superior currently operates two distinct reportable operating segments: Energy Distribution and Specialty Chemicals. Superior's Energy Distribution operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels under the following: Canadian propane division and U.S. propane division. Specialty Chemicals is a leading supplier of sodium chlorate and technology to the pulp and paper industry and a regional supplier of chlor-alkali products in the U.S. Midwest and Western Canada.

2. BASIS OF PRESENTATION

Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements were prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) using the accounting policies Superior adopted in its annual condensed consolidated financial statements as at and for the year ended December 31, 2017, except as for the adoption of new standards effective as of January 1, 2018. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The accounting policies are based on the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee interpretations that were applicable at that time. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements, except as disclosed below, and have been applied consistently throughout the consolidated entities.

The consolidated financial statements are presented in Canadian dollars. All financial information presented in Canadian dollars has been rounded to the nearest hundred thousand. These consolidated financial statements should be read in conjunction with Superior's 2017 annual consolidated financial statements.

The consolidated financial statements were prepared on the historical cost basis, except for the revaluation of certain financial instruments, and incorporate the accounts of Superior and its subsidiaries. Subsidiaries are all entities over which Superior has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The results of subsidiaries are included in Superior's condensed consolidated statements of net earnings and total comprehensive income from date of acquisition, or in the case of disposals, up to the effective date of disposal.

All transactions and balances between Superior and its subsidiaries are eliminated on consolidation. Superior's subsidiaries are all wholly owned directly or indirectly by Superior Plus Corp.

Changes in Accounting Policies

(i) IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments with a date of initial application of January 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. IFRS 9 also amends the requirements around hedge accounting, and introduces a single, forward-looking expected loss impairment model.

The Company has elected to apply the limited exemption in IFRS 9 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. The adoption of IFRS 9 had no impact on the Company's consolidated financial statements on the date of initial application. There was no change in the carrying amounts on the basis of allocation from original measurement categories under IAS 39 Financial Instruments: Recognition and Measurement to the new measurement categories under IFRS 9.

(ii) IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standards establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted IFRS 15 using the modified retrospective method of adoption and applied the practical expedient in IFRS 15, under which the Company does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before the date of the initial application being January 1, 2018.

The impact on the consolidated balance sheet and cumulative catch-up adjustment to the opening balance of retained earnings as at January 1, 2018 is as follows:

	Adjustments	$
Assets		
Trade and other receivables	**(ii)**	(0.1)
Total Assets		**(0.1)**
Liabilities and Equity		
Trade and other payables	**(ii)**	(0.1)
Deferred tax liability	**(i)**	(2.8)
Contract liabilities	**(i)**	10.4
Total Liabilities		7.5
Equity		
Deficit	**(i)**	(7.6)
Total Equity		**(7.6)**
		–

There is no material impact on the condensed consolidated statement of cash flows or on basic and diluted earnings per share. The details and quantitative impact of the changes in the above accounting policies are disclosed below:

- *Revenue from sale of propane*

  Certain propane contracts also include use of storage tanks for a range of charges and promotional discounts. The selling price allocated to the use of storage tanks is based on the residual value after allocating the observable stand-alone selling price to the sale of propane. The adoption of this policy resulted in an increase to contract liabilities of $10.4 million and an offsetting adjustment to deficit as of January 1, 2018 and had no impact to the net earnings for the year ended December 31, 2017.

  As a result of this adjustment, Superior's deferred tax liability was decreased by $2.8 million.

- *Transportation revenue*

  Revenue from sale of specialty chemicals is recognized when control of the goods has transferred, and customer has full discretion over the goods. Sales where the Company arranges and charges for freight is considered a separate performance obligation. Consequently, the portion of revenue related to freight is recognized when the goods are delivered to their destination instead of when the product is shipped. The costs associated with this revenue will also be accrued and recognized at this time. The adoption of this policy resulted in a reduction of $0.1 million to trade and other receivable, and trade and other payables as at January 1, 2018.

The Company's accounting policies after the adoption of IFRS 9 and IFRS 15 are as follows:

(i) Financial instruments and derivative financial instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated balance sheets when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories; i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss, or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

For classification of the Company's financial assets and financial liabilities, refer to Note 12.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through the condensed consolidated statements of net earnings and total comprehensive income (irrevocable election at the time of recognition with no recycling of gains or losses to net earnings). For financial liabilities measured subsequently at FVTPL, changes in fair value due to own credit risk are recorded in other comprehensive income.

Impairment

The Company recognizes expected credit losses for trade and other receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward-looking macro-economic factors in the measurement of the expected credit losses associated with its financial assets carried at amortized cost.

The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Derivative Financial Instruments

Superior enters into a variety of derivative and non-financial derivative instruments to manage its exposure to certain financial risks. Such instruments arise from contracts comprising natural gas financial swaps, electricity financial swaps, fixed-price electricity purchase, propane forward purchase and sale, foreign currency forwards, interest rate swaps, and equity hedges. For commodity contracts, if physical delivery is effected based on Superior's expected procurement, sale or usage requirements, the requirements of the so-called "own use exemption" under IFRS 9 are met, which do not represent derivative financial instruments in terms of IFRS 9, but represent pending purchase and sale transactions, which are assessed for possible impending losses in accordance with the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. If the requirements for the own use exemption are not met (for example, by transactions for short-term optimization), the contracts are recorded as derivatives in accordance with IFRS 9. Further details of derivative and non-financial derivative instruments are disclosed in Note 12.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are measured subsequently at FVTPL. The resulting gain or loss is recognized in net earnings. Realized gains and losses on derivatives are recognized as a component of revenue, cost of sales or finance expense/revenue, the classification of which depends on the underlying nature of the economic exposure being managed. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognized in net earnings.

Superior does not formally designate and document economic hedges, in accordance with the requirements of applying hedge accounting under IFRS and, therefore, does not apply hedge accounting.

Classification as Debt or Equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments

An equity instrument is any contract that has a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Superior are recorded at the proceeds received, net of direct issuance costs.

Derecognition of Financial Liabilities

Superior derecognizes financial liabilities solely when Superior's obligations are discharged, cancelled or expire.

Financial Guarantees at FVTPL

Financial guarantees are classified as FVTPL when the financial liability is designated as FVTPL upon initial recognition. Financial guarantees at FVTPL are stated at fair value with any resulting gain or loss recognized in net earnings. Fair value is determined in the manner described in Note 12.

(ii) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer, which may occur at a point in time or over a period of time.

The Company generates its revenue through its principal activities, which are separated by reportable segments. The nature of the goods and services and the timing of satisfaction of performance obligations is as follows:

Energy Distribution

(i) Propane distribution business

Propane sales contracts include supply of propane along with the loaning of storage tanks, equipment and related servicing and maintenance activities provided by the Company. Revenue from sale of propane is recognized when control of the goods has transferred, being when the goods are delivered to the customer (which occurs when the goods have been shipped to the specific location), the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Revenue from loaning of storage tanks and maintenance activities is recognized as the performance obligations are satisfied over time, which is generally in accordance with the terms of the contract. The customer does not control the storage tank during the term of the contract. The customer does not have the right to direct the use of the storage tank, and there is no practical or contractual restriction on the Company's ability to transfer the storage tank to another customer. The Company is able to redirect the storage tank to another customer at little or no additional cost and therefore it has an alternative use to the Company. In many cases, propane sales and the loaning of storage tanks is included under one sales contract. Propane sales prices are consistent based on the customer geography and type and therefore, the residual amount is related to loaning of storage tanks.

(ii) U.S. refined fuels distribution business

This business is involved in the distribution of liquid fuels and propane gas, heating oil and refined fuels in the northeastern United States. Its products are generally used in home heating, water heating and motor vehicle fuel. Revenue from sale of refined fuels is also recognized when control of the goods has transferred, being when the goods are delivered to the customer (which occurs when the goods have been shipped to the specific location), the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Specialty Chemicals

Specialty Chemicals is involved in the distribution of sodium chlorate and environmentally preferred chlorine dioxide technology to the pulp and paper industries as well as a supplier of potassium and chlor-alkali products. Revenue from sale of specialty chemicals is also recognized when control of the goods has transferred, and customer has full discretion over the goods.

Sales where the Company arranges and charges for freight is considered a separate performance obligation. Consequently, the portion of revenue related to freight is recognized when the goods are delivered to their destination.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of Superior's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings and related disclosure. The estimates and associated assumptions are based on historical experience and various other factors deemed reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements are consistent with those disclosed in Superior's 2017 annual consolidated financial statements.

Revenue from sale of specialty chemicals

Chemical sales are sometimes sold with discounts and volume rebates. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated discounts and volume rebates. Accumulated experience is used to estimate and provide for the discounts, using the expected value or most likely method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected discounts payable to customers in relation to sales made until the end of the reporting period. No element of significant financing component exists.

Revenue from sale of propane, including storage tanks

Certain propane supply contracts entered into by the Company include sale of propane along with the loaning of storage tanks and equipment by the Company. Because these contracts include multiple performance obligations, the transaction price must be allocated to the performance obligations.

Management estimates the stand-alone selling price using the residual approach. The price of propane charged is consistent by geography and customer type, whereas fees and discounts associated with loaning storage tank can vary. Management allocates revenue to the sale of propane based on the consistent price by customer geography and region and the residual amount is applied to loaning the storage tank.

New and revised IFRS standards issued but not yet effective

IFRS 16 – *Leases*
On January 13, 2016, the IASB issued IFRS 16 *Leases* was issued, which requires lessees to recognize assets and liabilities for most leases, as well as corresponding amortization and finance expense. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Company plans to adopt the new standard beginning January 1, 2019.

The Company expects that the new standard will result in an increase in assets and liabilities, as well as a corresponding increase in amortization, finance expense and reduction in selling, distribution and administrative expenses. The Company also expects that cash flow from operating activities will increase under the new standard because lease payments for most leases will be recorded as cash outflows from financing activities in the statements of cash flows. The magnitude of these impacts of adopting the new standard have not yet been determined.

The Company has established an implementation plan to assess the accounting impacts of the new standard and the related impacts on internal controls over the remainder of 2018. The Company is currently conducting a review of its contracts to assess the impact of the new standard and to collect data necessary for adoption of the new standard. The Company expects to report more detailed information, including the quantitative impact, if material, in its consolidated financial statements as the effective date approaches.

3. SEASONALITY OF OPERATIONS

Energy Distribution

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

For the twelve months ended September 30, 2018, Superior's Energy Distribution segment reported gross profit of $625.4 million (2017 – $476.2 million) and net earnings of $109.4 million (2017 – $92.0 million).

4. ACQUISITIONS AND DIVESTITURES

Acquisitions

	Porco	NGL	Blue Flame Gas	Hi-Grade Oil	Canwest Propane
Current assets	0.70	59.8[2]	0.9	1.0	58.5[1]
Property, plant and equipment	4.00	273.9	3.9	2.3	161.8
Other assets	–	3.2	–	–	3.9
Intangibles	2.80	195.0	10.6	3.7	160.6
Assets sold	–	–	–	2.4	13.0
Accounts payable and accrued liabilities	–	(18.0)	(0.3)	(0.5)	(16.1)
Contract liabilities	–	(26.9)	–	(0.6)	(2.5)
Provisions	–	–	–	–	(7.7)
Other liabilities	–	(35.4)	(0.9)	–	(1.6)
Deferred tax liability	–	–	–	–	(71.0)
Net identifiable assets and liabilities	**7.5**	**451.6**	**14.2**	**8.3**	**298.9**
Goodwill arising on acquisition	12.5	718.9	–	–	**133.5**
Total consideration	**20.0**	**1,170.5**	**14.2**	**8.3**	**432.4**

[1] Canwest Propane acquisition includes cash of $39.2 million in current assets.
[2] NGL acquisition includes cash of $5.0 million in current assets.

Porco Energy Corp. (Porco)

On September 21, 2018, Superior closed the acquisition of the propane distribution assets of Porco, an independent propane and distillate fuel distributor in New York for total consideration of $20.0 million (US$15.5million). Included in the total consideration are $7.1 million (US$5.5 million) in deferred payments. The deferred payments are recorded as part of deferred consideration and other (see Note 11). The acquisition was initially funded by drawing on Superior's credit facility.

The purchase price is considered preliminary, and as a result, will be adjusted during the 12-month period following the acquisition once all the required information is obtained and assessed. Superior has allocated the purchase price to the identified assets and liabilities based on their current book value as an estimated fair value at the time of acquisition. Goodwill arising on acquisition is deductible for tax purposes and forms part of the Energy Distribution segment.

Revenue and net loss for the three months ended September 30, 2018, would have been $2.9 million and $0.6 million, respectively, if the acquisition had occurred on January 1, 2018. Revenue and net earnings for the nine months ended September 30, 2018, would have been $16.5 million and $0.7 million, respectively, if the acquisition had occurred on January 1, 2018. Subsequent to the acquisition date of September 21, 2018, the acquisition contributed revenue and net loss of $0.2 million and nil, respectively, to the Energy Distribution segment for the period ended September 30, 2018.

NGL Propane, LLC (NGL)

On July 10, 2018, Superior completed the acquisition of NGL Propane, LLC, NGL Energy Partners LP's retail propane distribution business (NGL) for cash proceeds of US$896.5 million (CDN $1,170.5 million), net of customary closing adjustments and excluding transaction costs. The purchase price was financed through a combination of debt and equity, including Superior's recently completed United States and Canadian debt offerings of US$350 million (CDN $457.0 million) and CDN $150.0 million aggregate principal amount of senior unsecured notes, respectively, the net proceeds of Superior's recent bought deal offering of subscription receipts (the "Subscription Receipts") and borrowings under Superior's existing credit facilities.

The purchase price is considered preliminary, and as a result, will be adjusted during the 12-month period following the acquisition once all the required information is obtained and assessed. Superior has allocated the purchase price to the identified assets and liabilities based on their current book value as an estimated fair value at the time of acquisition. The acquisition costs directly attributable to the acquisition of NGL were approximately $9.0 million. These costs were expensed and included in selling, distribution and administrative costs. Goodwill arising on acquisition is deductible for tax purposes and forms part of the Energy Distribution segment. The goodwill recognized represents the expected synergies from operations, the intangible assets that do not qualify for separate recognition and other factors.

Revenue and net earnings for the nine months ended September 30, 2018, would have been $440.0 million and $25.6 million, respectively, if the acquisition had occurred on January 1, 2018. Subsequent to the acquisition date of July 10, 2018, the acquisition contributed revenue and net loss of $62.2 million and ($13.3) million, respectively, to the Energy Distribution segment for the period ended September 30, 2018.

Blue Flame Gas Service (Blue Flame)

On May 1, 2018, Superior closed the acquisition of the propane distribution assets of Blue Flame Gas Service, an independent propane distributor in Pennsylvania for total consideration of $14.2 million (US$11.0 million). Included in the total consideration are $3.0 million in deferred payments.

Revenue and net earnings for the nine months ended September 30, 2018, would have been $5.7 million and $0.5 million, respectively, if the acquisition had occurred on January 1, 2018. Subsequent to the acquisition date of May 1, 2018, the acquisition contributed revenue and net loss of $1.4 million and $0.4 million, respectively, to the Energy Distribution segment for the period ended September 30, 2018.

Hi-Grade Oil (Hi-Grade)

On February 2, 2018, Superior closed the acquisition of the propane distribution assets of Hi-Grade, an independent propane and distillate fuel distributor in Ohio for total cash consideration of $8.3 million (US$6.4 million). Immediately following this purchase the distillate assets were sold to another party for approximately $2.4 million (US$1.7 million).

Revenue and net earnings for the nine months ended September 30, 2018, would have been $2.3 million and $0.7 million, respectively, if the acquisition had occurred on January 1, 2018. Subsequent to the acquisition date of February 2, 2018, the acquisition contributed revenue and net earnings of $1.6 million and $0.3 million, respectively, to the Energy Distribution segment for the period ended September 30, 2018.

Canwest Propane (Canwest)

On March 1, 2017, Superior entered into certain agreements to purchase 100% of the entities that carry on the industrial propane business of Canwest from Gibson Energy ULC (the Canwest Option) for cash consideration of $412.0 million plus $20.4 million of working capital. The acquisition was subject to the satisfaction of certain conditions, including the receipt of customary regulatory approvals. On September 27, 2017, Superior received regulatory approval from the Competition Bureau and closed the acquisition of Canwest subject to certain conditions. As outlined in the consent agreement registered with the Competition Bureau, Superior agreed to divest five local branches and nine satellite locations from the combined Superior Propane and Canwest Propane organization. These assets were sold for $13.0 million which included approximately $1.6 million of working capital.

The purchase price allocation was finalized during the third quarter and as a result, was adjusted as follows:

Property, plant and equipment was increased by approximately $45.3 million as a result of the finalization of fair value of these assets being larger than the original estimate that was based on book value. These assets are being amortized over the estimated remaining useful life of the respective class of assets.

Intangible assets was increased by approximately $153.5 million to $160.6 million. Of the total fair value $151.6 million represents the value of the customer relationships and will be amortized over the estimated life of these relationships of approximately 15 years. The remaining fair value is attributable to the brands that Canwest owns and operates under. These are being amortized over periods ranging from 5 to 15 years.

Assets held for sale was increased by $1.9 million to $13.0 million as a result of completing these disposals.

Debt was increased by $1.6 million as a result of aligning accounting policies which involved recording certain service vehicle leases as finance leases. This adjustment was recorded as at December 31, 2017 but not reflected in the disclosure for the net identifiable assets and liabilities acquired.

The deferred tax liability was increased by approximately $46.9 million to account for the increase in the above fair values.

As a result of the above adjustments, goodwill was reduced by $152.1 million. The final goodwill balance of $133.5 million comprises the value of expected on going synergies from the acquisition. The goodwill arising from the acquisition is not deductible for tax purposes. The goodwill associated with the Canwest acquisition forms part of the Energy Distribution segment.

Upon completion of finalizing the purchase price allocation, Superior has restated the comparative period to record the impact of the finalized purchase allocation as if the accounting for the business combination had been completed at the acquisition date. As a result, the following changes were made:

	Reported	Adjustment	Restatement
Plant, property and equipment	1,077.1	43.7	1,120.8
Intangible assets	85.3	153.5	238.8
Assets held for sale	14.8	1.9	16.7
Goodwill	504.5	(152.2)	352.3
Deferred tax liability	(17.5)	(46.9)	(64.4)

Divestitures

On April 19, 2018, Superior Propane sold its inventory and fixed assets associated with the Petrofuels business in St. Catharines, Ontario to McDougall Energy Inc. for total purchase price of $4.1 million, resulting in a gain of $2.7 million. The gain is recorded as part of selling, distribution and administrative costs.

On April 3, 2018, Superior sold certain retail distillate assets in Pennsylvania to a third party for total cash consideration of $20.7 million (US$16.7 million). This resulted in a gain of $9.9 million (US$8.0 million). The gain is recorded as part of selling, distribution and administration costs.

On April 25, 2018, Superior sold certain wholesale refined fuels business assets located across five states in the northeast U.S., and three pipeline connected terminals located in New York to Sunoco LP for cash consideration of approximately $50.8 million (US$39.5 million), plus net working capital of approximately $20.4 (US$16.0 million). This resulted in a gain of $5.3 million (US$4.1 million). The gain is recorded as part of selling, distribution and administration costs.

5. TRADE AND OTHER RECEIVABLES

A summary of trade and other receivables is as follows:

	September 30 2018	December 31 2017
Trade receivables, net of allowances	**217.6**	292.9
Accounts receivable – other	**21.8**	25.6
Trade and other receivables	**239.4**	318.5

Pursuant to their respective terms, trade receivables, before the deduction for an allowance for doubtful accounts, are aged as follows:

	September 30 2018	December 31 2017
Current	**158.5**	212.4
Past due less than 90 days	**50.9**	80.4
Past due over 90 days	**18.1**	7.0
Trade receivables	**227.5**	299.8

The current portion of Superior's trade receivables is neither impaired nor past due and there are no indications as of the reporting date that the debtors will not make payment. Superior's trade receivables are stated after deducting a provision of $9.9 million as at September 30, 2018 (December 31, 2017 – $6.9 million). The movement in the provision for doubtful accounts is as follows:

	September 30 2018	December 31 2017
Allowance for doubtful accounts, beginning of the period	**(6.9)**	(4.3)
Impact of acquisitions and disposals	**0.1**	(3.1)
Impairment losses recognized on receivables	**(5.9)**	(4.0)
Amounts written off during the year as uncollectible	**0.6**	2.3
Amounts recovered	**2.2**	2.2
Allowance for doubtful accounts, end of the period	**(9.9)**	(6.9)

6. INVENTORIES

	September 30 2018	December 31 2017
Propane, heating oil and other refined fuels	**84.7**	85.6
Propane retailing materials, supplies, appliances and other	**12.8**	8.0
Chemical finished goods and raw materials	**27.4**	28.3
Chemical stores, supplies and other	**16.3**	15.1
	141.2	137.0

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2018	2017	**2018**	2017
Cost of inventories recognized as an expense	**255.8**	293.1	**1,044.7**	1,043.8
Inventory write-downs	**0.6**	0.3	**3.2**	1.3
Write-down reversals	**(0.1)**	0.2	**(0.1)**	0.7

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Specialty Chemicals Plant and Equipment	Energy Distribution Retailing Equipment	Leasehold Improvements	Total
As at December 31, 2017[1]	48.3	257.7	961.3	978.2	8.6	2,254.1
Balance at September 30, 2018	**60.2**	**285.6**	**988.2**	**1,119.6**	**9.3**	**2,462.9**
Accumulated Depreciation						
Balance at December 31, 2017[1]	–	85.4	571.9	471.7	4.3	1,133.3
Balance at September 30, 2018	**–**	**89.8**	**607.3**	**421.7**	**4.6**	**1,123.4**
Carrying Amount						
As at December 31, 2017[1]	48.3	172.3	389.4	506.5	4.3	1,120.8
Balance at September 30, 2018	**60.2**	**195.8**	**380.9**	**697.9**	**4.7**	**1,339.5**

[1] 2017 balances have been restated (see Note 4)

Depreciation per cost category:

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2018	2017	**2018**	2017
Selling, distribution and administrative costs	**30.8**	13.1	**66.9**	39.8
Cost of sales	**12.7**	12.4	**37.8**	38.1
Total	**43.5**	25.5	**104.7**	77.9

The carrying amount of Superior's property, plant and equipment includes $62.5 million of leased assets as at September 30, 2018 (December 31, 2017 – $63.9 million).

8. PROVISIONS

	Restructuring	Decommissioning	Other	Total
Balance at December 31, 2017	13.4	64.0	7.8	85.2
Additions	—	10.8	—	10.8
Utilization	(5.4)	—	—	(5.4)
Amounts reversed during the year	(0.2)	(0.5)	(1.5)	(2.2)
Unwinding of discount	—	1.3	—	1.3
Impact of change in discount rate	—	(2.1)	—	(2.1)
Divestitures	—	(2.7)	—	(2.7)
Net foreign currency exchange difference	—	0.5	—	0.5
Balance at September 30, 2018	**7.8**	**71.3**	**6.3**	**85.4**

	September 30 2018	December 31 2017
Current	**10.3**	15.3
Non-current	**75.1**	69.9
	85.4	85.2

Restructuring

Provisions for restructuring are recorded in provisions, except for the current portion, which is recorded in trade and other payables. As at September 30, 2018, the current portion of restructuring costs was $ 7.8 million (December 31, 2017 – $13.4 million). The restructuring provisions relate primarily to the Canwest acquisition and is included in the Energy Distribution operating segment. The provision is primarily for severance, lease costs and consulting fees.

Decommissioning

The provisions are on a discounted basis and are based on existing technologies at current prices or long-term price assumptions, depending on the expected timing of the activity.

Specialty Chemicals

Superior makes full provision for the future cost of decommissioning Specialty Chemicals' chemical facilities. As at September 30, 2018, the discount rate used in Superior's calculation was 2.4% (December 31, 2017 – 2.26%). Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be approximately $139.6 million (December 31, 2017 – $115.0 million), which will be paid over the next one to 40 years. The increase from December is a result of an update in estimates. While Superior's provision for decommissioning costs is based on the best estimate of future costs and the economic lives of the chemical facilities, the amount and timing of these costs is uncertain.

Energy Distribution

Superior records a provision for the future costs of decommissioning certain assets associated with the Energy Distribution segment. Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be approximately $4.4 million as at September 30, 2018 (December 31, 2017 – $8.5 million) which will be paid over the next 15 years. The discount rate of 2.4% at September 30, 2018 (December 31, 2017 – 2.5%) was used to calculate the present value of the estimated cash flows.

Other

Environmental
Provisions for environmental remediation are made when a clean-up is probable and the amount of the obligation can be reliably estimated. Generally, this coincides with the commitment to a formal plan or, if earlier, on divestment or closure of inactive sites. Superior estimates the total undiscounted expenditures required to settle its environmental expenditures to be approximately nil as at September 30, 2018, (December 31, 2017 – $0.1 million) which will be paid over the next year. The provision for environmental expenditures has been estimated using existing technology at current prices. No discount rate has been applied as the liability is to be settled within 12 months. The extent and cost of future remediation programs are inherently difficult to estimate. They depend on the scale of any possible contamination, the timing and extent of corrective actions, and Superior's share of the liability.

Supply contract
As part of the bidding process to acquire Canwest, Superior was required to enter into a five-year supply agreement with the seller. The supply agreement was for terms that were unfavourable to Superior based on current supply arrangements under contract. As a result, Superior has recorded a provision with a balance of $6.3 million as at September 30, 2018, (December 31, 2017 – $7.7 million) related to this contract.

Other claims
Superior is subject to various claims and potential claims in the normal course of business, but the Company does not expect the ultimate settlement of any of these to have a material effect on its financial results. The outcomes of all the proceedings and claims against Superior are subject to future resolution that includes the uncertainties of litigation. It is not possible for Superior to predict the result or magnitude of the claims due to the various factors and

uncertainties involved in the legal process. Based on information currently known to Superior, it is not probable that the ultimate resolution of any proceedings and claims, individually or in total, will have a material effect on the consolidated statements of net earnings and total comprehensive income or consolidated balance sheets. If it becomes probable that Superior is liable, Superior will record a provision in the period the change in probability occurs, and the resulting impact could be material to the consolidated statements of net earnings and total comprehensive income or consolidated balance sheets.

9. TRADE AND OTHER PAYABLES

A summary of trade and other payables is as follows:

	September 30 2018	December 31 2017
Trade payables	**260.9**	228.5
Provisions (see Note 8)	**10.3**	15.3
Other payables	**85.6**	82.5
Quebec cap and trade program	**8.9**	8.9
Share-based payments	**20.4**	15.5
Trade and other payables	**386.1**	350.7

10. OTHER LIABILITIES

	September 30 2018	December 31 2017
Supply agreement	**0.6**	2.5
Québec cap and trade payable	**2.4**	–
Ontario cap and trade payable	**3.1**	1.5
Other liabilities	**6.1**	4.0

The supply agreement above relates to the Specialty Chemicals purchase and supply agreements with Tronox LLC (Tronox) whereby Superior agreed to purchase up to 130,000 metric tonnes of sodium chlorate per year from Tronox's Hamilton, Mississippi facility, as nominated annually by Specialty Chemicals. Specialty Chemicals also agreed to supply Tronox with certain products to service Tronox's requirements in North America. Tronox commenced decommissioning of the facility upon completion of Superior's 2015 sodium chlorate requirements. However, Specialty Chemicals' supply portion of the agreement will continue to 2019.

Superior transports propane to and from Québec and Ontario and therefore must purchase compliance instruments to comply with the Québec Cap and Trade regulations (Québec) and Ontario Cap and Trade regulations (Ontario). Intangible assets are recorded when purchased, and cap and trade liabilities are recorded upon the import of propane. The liability as at September 30, 2018, is $2.4 million for Québec (December 31, 2017 – nil excluding $8.9 million which was reclassified to trade and other payables), and $3.1 million (December 31, 2017 – $1.5 million) for Ontario.

Superior is required to settle the compliance instruments with the Québec and Ontario provincial governments at the end of each compliance period.

11. BORROWING

	Year of Maturity	Effective Interest Rate	**September 30 2018**	**December 31 2017**
Revolving Term Bank Credit Facilities [(1)]				
Bankers' Acceptances (BA)	2023	Floating BA rate plus 1.70%	**32.0**	31.0
Canadian Prime Rate Loan (Prime and Swingline)	2023	Prime rate plus 0.70%	**5.1**	–
LIBOR Loans (US $278.0 million; 2017 – US $267.0 million)	2023	Floating LIBOR rate plus 1.70%	**358.9**	335.6
US Base Rate Loans (US $14.0 million; 2017 – US $16.3 million)	2023	U.S. Prime rate plus 0.70%	**18.1**	20.5
			414.1	387.1
Other Debt				
Accounts receivable factoring program[(2)]		Floating BA Plus 1.63%	**2.7**	2.1
Deferred consideration and other	2018 - 2023	Non-interest-bearing	**27.8**	11.1
			30.5	13.2
Senior Unsecured Notes				
Senior unsecured notes[(4)]	2021	6.50%	**–**	200.0
Senior unsecured notes[(3)]	2024	5.25%	**400.0**	400.0
Senior unsecured notes[(4)]	2025	5.125%	**370.0**	–
Senior unsecured notes[(5)]	2026	7.000%	**451.8**	
			1,221.8	600.0
Finance Lease Obligations				
Finance lease obligation			**55.9**	63.1
Total borrowing before deferred financing fees			**1,722.3**	1,063.4
Deferred financing fees and discounts			**(33.8)**	(10.6)
Total borrowing before current maturities			**1,688.5**	1,052.8
Current maturities			**(25.0)**	(28.7)
Total borrowing			**1,663.5**	1,024.1

[(1)] As at September 30, 2018, Superior had $36.9 million of outstanding letters of credit (December 31, 2017 – $31.7 million) and $173.2 million of outstanding financial guarantees on behalf of its businesses (December 31, 2017 – $157 million). The fair value of Superior's revolving term bank credit facilities, other debt, letters of credit, and financial guarantees approximates their carrying value as a result of the market-based interest rates, the short-term nature of the underlying debt instruments and other related factors. On June 29, 2018, Superior extended and restated its syndicated credit facility with ten lenders, with no changes to the financial covenants and extending the maturity to May 8, 2023. On June 29, 2018, the size of the facility was increased from $620 million to $750 million and can be expanded further up to $1,050 million.

[(2)] Superior has entered into a Master Receivables Purchase Agreement with a financial institution by which it may purchase from time to time, on an uncommitted revolving basis, 100% interest in receivables from Superior. The maximum aggregate amount of purchased receivables purchased by the financial institution under this agreement and outstanding at any time is limited to $15 million. As at September 30, 2018, the accounts receivable factoring program totaled $2.7 million (December 31, 2017 – $2.1 million).

[(3)] On February 27, 2017, Superior completed an offering of $250 million in 5.25% senior unsecured notes (the notes). The notes were issued at par value and mature on February 27, 2024. The notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the notes at various redemption prices, which include the principal plus accrued and unpaid interest, if any, to the application redemption date. Interest is payable semi-annually on February 27 and August 27, and commenced August 27, 2017. On October 16, 2017, Superior issued an additional $150 million in notes due on February 27, 2024. The fair value is $390.8 million, based on prevailing market prices.

[(4)] On February 1, 2018, Superior LP closed a private placement of $220 million in senior unsecured notes (the notes) bearing interest at 5.125% and due August 27, 2025. The notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the notes at various redemption prices, which include the principal plus accrued and unpaid interest, if any, to the application redemption date. The net proceeds redeemed the outstanding principal balance of $200 million, 6.50% senior unsecured notes on March 8, 2018. As a result of redeeming the $200 million 6.5% senior unsecured note, the company incurred a $9.8 million early call premium. The early call premium is included in financing expenses. On July 3, 2018, Superior issued an additional $150 million in notes at a discount of 0.92897% per note to partially fund the acquisition of NGL (see Note 4). The fair value is $351 million, based on prevailing market prices.

[5] On July 3, 2018, Superior also closed a private placement of US$350 million in senior unsecured notes (the notes) bearing interest at 7.000% and due July 15, 2026. The notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the notes at various redemption prices, which include the principal plus accrued and unpaid interest, if any, to the application redemption date. The proceeds were used to partially fund the acquisition of NGL (see Note 4). The fair value is $454.2 million, based on prevailing market prices.

Repayment requirements of borrowing before deferred finance fees are as follows:

Current maturities	**43.8**
Due in 2019	**11.1**
Due in 2020	**14.8**
Due in 2021	**10.0**
Due in 2022	**3.9**
Due in 2023	**417.0**
Subsequent to 2023	**1,221.7**
Total	**1,722.3**

12. FINANCIAL INSTRUMENTS

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

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

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous active market for that instrument to which Superior has immediate access (Level 1). Where bid and ask prices are unavailable, Superior uses the closing price of the instrument's most recent transaction. In the absence of an active market, Superior estimates fair values based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as discounted cash flow analysis using, to the extent possible, observable market-based inputs (Level 2). Superior uses internally developed methodologies and unobservable inputs to determine the fair value of some financial instruments when required (Level 3).

Fair values determined using valuation models require assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Superior looks primarily to available readily observable external market inputs including forecast commodity price curves, interest rate yield curves, currency rates and price and rate volatilities as applicable.

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

As at September 30, 2018

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Foreign currency forward contracts, net sale	**6.8**	**–**	**–**	**6.8**
Natural gas financial swaps – Alberta Energy Company (AECO)	**–**	**1.7**	**–**	**1.7**
Propane, diesel, butane and heating oil wholesale purchase and sale contracts, net sale – Energy Distribution	**–**	**27.0**	**–**	**27.0**
Total assets	**6.8 –**	**28.7 –**	**– –**	**35.5**
Liabilities				
Natural gas financial swaps – AECO	**–**	**1.7**	**–**	**1.7**
Foreign currency forward contracts, net sale	**9.3**	**–**	**–**	**9.3**
Cross-currency interest rate exchange agreements	**0.7**	**–**	**–**	**0.7**
Propane and butane wholesale purchase and sale contracts, net sale – Energy Distribution	**–**	**15.9**	**–**	**15.9**
WTI wholesale purchase and sale contracts, net sale – Energy Distribution	**–**	**1.1**	**–**	**1.1**
Total liabilities	**10.0**	**18.7**	**–**	**28.7**
Total net (liabilities) assets	**(3.2)**	**10.0**	**–**	**6.8**
Current portion of assets	**2.3**	**26.7**	**–**	**29.0**
Current portion of liabilities	**7.2**	**17.7**	**–**	**24.9**

As at December 31, 2017

	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency forward contracts	11.6	–	–	11.6
Natural gas financial swaps – AECO	–	3.6	–	3.6
Propane, diesel, butane and heating oil wholesale purchase and sale contracts – Energy Distribution	–	24.9	–	24.9
Total assets	11.6	28.5	–	40.1
Liabilities				
Natural gas financial swaps – AECO	–	3.6	–	3.6
Foreign currency forward contracts	8.1	–	–	8.1
Cross-currency interest rate exchange agreements	2.7	–	–	2.7
Equity derivative contract	–	0.9		0.9
Propane and butane wholesale purchase and sale contracts – Energy Distribution	–	10.8	–	10.8
WTI wholesale purchase and sale contracts – Energy Distribution	–	0.2	–	0.2
Total liabilities	10.8	15.5	–	26.3
Total net assets	0.8	13.0	–	13.8
Current portion of assets	4.9	25.1	–	30.0
Current portion of liabilities	8.2	13.6	–	21.8

The following table outlines quantitative information about how the fair values of these financial and non-financial assets and liabilities are determined, including valuation techniques and inputs used:

Description	Notional	Term	Effective Rates	Valuation Technique(s) and Key Input(s)
Level 1 fair value hierarchy:				
Foreign currency forward contracts, net sale	US$ 449.3	2018 - 2022	$1.27	Quoted bid prices in the active market.
Cross currency interest rate exchange agreements	US$ 187.0	2018	$1.30	Quoted bid prices in the active market.
Level 2 fair value hierarchy:				
Equity derivative contracts	CAD$ 20.1	2018 – 2021	$12.65	Discounted cash flow – Future cash flows are estimated based on equity derivative contracts.
Heating oil, diesel and propane wholesale purchase and sale contracts, net sale – Energy Distribution	12.89 USG (1)	2018 – 2020	$0.85 - $2.18	Quoted bid prices for similar products in the active market.

(1) Millions of United States gallons (USG) purchased.

	Three Months Ended September 30		Three Months Ended September 30	
	2018		2017	
Description	**Realized Gain (Loss)**	**Unrealized Gain (Loss)**	Realized Gain (Loss)	Unrealized Gain (Loss)
Foreign currency forward contracts, net sale	**(4.4)**	**4.0**	0.8	13.0
Cross-currency interest rate swaps	**–**	**(7.0)**	–	(7.2)
Equity derivative contracts	**(0.1)**	**0.0**	–	0.8
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**(1.9)**	**8.2**	(4.7)	11.5
Fixed-price electricity purchase agreements – Specialty Chemicals	**–**	**–**	–	(0.2)
Total (losses) gains on financial and non-financial derivatives	**(6.4)**	**5.2**	(3.9)	17.9
Foreign currency translation of borrowings	**–**	**11.6**	–	7.2
Change in fair value of debenture-embedded derivative	**–**	**–**	–	0.1
Total (losses) gains	**(6.4)**	**16.8**	(3.9)	25.2

	Nine Months Ended September 30 2018		Nine Months Ended September 30 2017	
Description	**Realized Gain (Loss)**	**Unrealized Gain (Loss)**	Realized Gain (Loss)	Unrealized Gain (Loss)
Natural gas financial swaps – AECO	**–**	**–**	–	0.4
Foreign currency forward contracts, net sale	**(4.5)**	**(6.0)**	(1.0)	29.0
Cross-currency interest rate swaps	**–**	**(2.0)**	–	(4.3)
Equity derivative contracts	**–**	**0.8**	0.2	(0.2)
Propane, WTI, butane, heating oil and diesel wholesale purchase and sale contracts – Energy Distribution	**(1.6)**	**(4.1)**	5.5	2.9
Fixed-price electricity purchase agreements – Specialty Chemicals	**–**	**–**	(0.3)	0.1
Total (losses) gains on financial and non-financial derivatives	**(6.1)**	**(11.3)**	4.4	27.9
Foreign currency translation of borrowings	**–**	**9.6**	–	4.3
Change in fair value of debenture-embedded derivative	**–**	**–**	–	(4.3)
Total (losses) gains	**(6.1)**	**(1.7)**	4.4	27.9

Realized gains or losses on financial and non-financial derivatives and foreign currency translation gains or losses on the revaluation of Canadian domiciled U.S. denominated working capital have been classified on the condensed statements of net earnings and total comprehensive income based on the underlying nature of the consolidated financial statement line item and/or the economic exposure being managed.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the consolidated balance sheets when Superior currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, Superior enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting, but do, however, still allow for the related amount to be set-off in certain circumstances, such as bankruptcy or the termination of contracts.

Financial Instruments – Risk Management

Market Risk

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

At the time Superior Energy Management was divested, the Company entered into financial swaps to offset any financial swaps that could not be transferred to the buyer. As a result, the Energy Distribution segment has nominal exposure to any losses or gains related to the remaining natural gas and electricity financial swaps.

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

Superior, on behalf of its operating divisions, enters into foreign currency forward contracts to manage the economic exposure of its operations to movements in foreign currency exchange rates. Energy Distribution contracts a portion of its fixed-price natural gas, and propane purchases and sales in U.S. dollars and enters into forward U.S. dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Superior enters into U.S. 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 U.S. dollars. Interest expense on Superior's U.S. dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

Superior manages its overall liquidity risk in relation to its general funding requirements by utilizing a mix of short-term and longer-term debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an ongoing basis to ensure it is able to meet its liquidity requirements.

Credit Risk

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 creditworthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Energy Distribution deals with a large number of small customers, thereby reducing this risk. Energy Distribution actively monitors the creditworthiness of its commercial customers. Specialty Chemicals, due to the nature of its operations, sells its products to a relatively small number of customers. Specialty Chemicals mitigates its customer credit risk by actively monitoring the overall creditworthiness of its customers. Overall, Superior's credit quality is enhanced by its portfolio of customers, which is diversified across geographical (primarily Canada and the United States) and end-use (primarily commercial, residential and industrial) markets.

Allowances for doubtful accounts and past due receivables are reviewed by Superior as at each balance sheet date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of trade receivables with each customer, taking into account historical collection trends of past due accounts and current economic conditions. Trade receivables are written off once it is determined they are uncollectible.

Liquidity Risk

Liquidity risk is the risk that Superior cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To ensure it is able to react to contingencies and investment opportunities quickly, Superior maintains sources of liquidity at the corporate and subsidiary levels. The main sources of liquidity are cash and other financial assets, the undrawn committed revolving term bank credit facility, equity markets and debenture markets.

Superior is subject to the risks associated with debt financing, including the ability to refinance indebtedness at maturity. Superior believes these risks are mitigated through the use of long-term debt secured by high quality assets, maintaining debt levels that in management's opinion are appropriate, and by diversifying maturities over an extended period. Superior also seeks to include in its agreements terms that protect it from liquidity issues of counterparties that might otherwise affect liquidity.

Equity Price Risk

Equity price risk is the risk of volatility in earnings as a result of volatility in Superior's share price. Superior has equity price risk exposure to shares that it issues under various forms of share-based compensation programs, which affect earnings when outstanding units are revalued at each reporting period. Superior uses equity derivatives to manage volatility derived from its share-based compensation program.

As at September 30, 2018, Superior estimates that a 10% increase in its share price would have resulted in a $1.4 million increase in earnings due to the revaluation of equity derivative contracts.

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

	2018	2019	2020	2021	2022	2023 and thereafter	Total
Borrowing	43.8	11.1	14.8	10.0	3.9	1,638.7	1,722.3
US $ foreign currency forward sales contracts	63.5	200.3	122.5	39.0	24.0	–	449.3
Natural gas, butane, propane, heating oil and diesel purchases	73.3	58.1	3.3	–	–	–	134.7

Superior's contractual obligations are considered 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 flows from operations, proceeds on revolving term bank credit facilities and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities as at September 30, 2018, are consistent with those disclosed in Superior's 2017 annual consolidated financial statements.

13. INCOME TAXES

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

Total income tax expense (recovery), comprised of current taxes and deferred taxes for the three and nine months ended September 30, 2018 was ($15.7) million and ($1.0) million respectively, compared to $113.8 million and $131.7 million in the comparative period. For the three and nine months ended September 30, 2018, deferred income tax recovery from operations in Canada, the United States and Chile was ($17.4) million and ($6.2) million which resulted in a corresponding total net deferred income tax asset of $34.6 million at September 30, 2018.

14. TOTAL EQUITY

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

	Issued Number of Common Shares (Millions)	Share Capital
Balance, December 31, 2017	142.8	1,952.3
Issuance of common shares	32.0	386.7
Balance, September 30, 2018[1]	**174.9**	**2,339.0**

[2] The issued number of common shares does not down add due to rounding to the nearest million

Issuance of common shares

On June 8, 2018, Superior completed a public offering of 32 million subscription receipts at a price of $12.50 per subscription receipt, raising gross proceeds of $400 million. On July 13, 2018, after completion of the NGL acquisition, the Company exchanged the issued and outstanding subscription receipts into 32 million Common Shares of the Company along with a cash payment of $0.06 per subscription receipt less withholding tax which is equal to the aggregate amount of dividends per share paid since the issuance of the subscription receipts.

On September 27, 2018, Superior entered into an at-the-market equity distribution agreement to enable the sale of common shares from treasury having aggregate gross proceeds of up to $100 million at prevailing trading prices.

Superior intends to use the net proceeds to fund tuck-in acquisitions and repay indebtedness under Superior's credit facilities. During the quarter, Superior issued 29,300 common shares at an average price of $12.77 per share for net proceeds of $0.4 million through this program. Superior incurs a 2% commission issuing shares through this program.

Total gross proceeds during the quarter was $400 million less share issue costs of $18.3 million and net of a future tax recovery of $5.0 million.

	September 30	December 31
	2018	2017
Accumulated other comprehensive income		
Currency translation adjustment		
Balance, beginning of the period	**98.9**	123.6
Unrealized foreign currency losses on translation of foreign operations	**3.5**	(24.7)
Balance, end of the period	**102.4**	98.9
Actuarial defined benefits		
Balance, beginning of the period	**(2.4)**	(5.2)
Actuarial defined benefit gains	**6.5**	3.8
Income tax expense on other comprehensive income	**(1.7)**	(1.0)
Balance, end of the period	**2.4**	(2.4)
Accumulated derivative losses	**(7.1)**	(7.1)
Accumulated other comprehensive income, end of the period	**97.7**	89.4

Other Capital Disclosure

Additional Capital Disclosure

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

In the management of capital, Superior includes shareholders' equity (excluding accumulated other comprehensive income, current and long-term borrowing, and convertible unsecured subordinated debentures). Superior manages its capital structure and makes adjustments in light of changes in economic conditions and the nature of the underlying assets. In order to maintain or adjust the capital structure, Superior may adjust the amount of dividends to shareholders, issue additional share capital, conduct additional borrowing or issue convertible unsecured subordinated debentures, or conduct new borrowing or issue convertible unsecured subordinated debentures with different characteristics.

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

Superior is subject to various financial covenants in its credit facility agreements, including senior debt, total debt to EBITDA ratio and restricted payments tests, which are measured on a quarterly basis. As at September 30, 2018, Superior was in compliance with all of its financial covenants.

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

15. Supplemental Disclosure of Consolidated Statement of Total Comprehensive Income

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2018	2017	**2018**	2017
Revenues				
Revenue from products	**457.2**	447.2	**1,766.9**	1,559.7
Revenue from the rendering of services	**19.8**	11.3	**50.5**	35.4
Rental revenue	**11.6**	6.7	**31.1**	16.0
Realized (loss) gain on derivative financial instruments	**(6.9)**	0.3	**(8.8)**	5.0
	481.7	465.5	**1,839.7**	1,616.1
Cost of sales (includes products and services)				
Cost of products and services	**(299.4)**	(314.6)	**(1,186.0)**	(1,080.7)
Depreciation included in cost of sales	**(12.7)**	(12.4)	**(37.8)**	(38.1)
Realized gain (loss) on derivative financial instruments	**0.1**	(4.9)	**2.7**	–
	(312.0)	(331.9)	**(1,221.1)**	(1,118.8)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**(60.3)**	(60.9)	**(177.1)**	(167.9)
Restructuring, transaction and other costs	**(15.6)**	(12.8)	**(32.0)**	(13.2)
Employee future benefit expense	**1.0**	(0.7)	**(1.9)**	(2.2)
Employee costs	**(76.7)**	(52.4)	**(206.7)**	(165.3)
Vehicle operating costs	**(14.0)**	(8.9)	**(41.4)**	(30.2)
Facilities maintenance expense	**(5.7)**	(1.1)	**(8.4)**	(3.5)
Depreciation included in selling, distribution and administrative costs	**(30.9)**	(13.1)	**(66.9)**	(39.8)
Amortization of intangible assets	**(15.6)**	(2.4)	**(25.7)**	(5.6)
Net (loss) earnings from Canwest Propane	**–**	(1.5)	**–**	1.2
Gain on disposal of assets	**0.7**	0.3	**19.6**	0.9
Realized gain on long-term incentive program (LTIP)	**–**	–	**–**	0.2
Realized (loss) gain on the translation of U.S.-denominated net working capital	**(0.8)**	(2.7)	**0.3**	(5.2)
	(217.9)	(156.2)	**(540.2)**	(430.6)
Finance expense				
Interest on borrowing	**(21.5)**	(10.1)	**(44.5)**	(25.4)
Interest on convertible unsecured subordinated debentures	**–**	(1.5)	**–**	(4.4)
Interest on obligations under finance leases	**(0.5)**	(0.7)	**(2.0)**	(2.5)
Loss on debenture redemption	**–**	–	**(9.8)**	–
Unwinding of discount on debentures, borrowing and decommissioning liabilities	**(2.1)**	(1.3)	**(7.1)**	(3.8)
	(24.1)	(13.6)	**(63.4)**	(36.1)
Unrealized gain (loss) on derivative financial instruments	**16.8**	25.2	**(1.7)**	27.9
Net (loss) earnings before taxes	**(55.5)**	(11.0)	**13.3**	58.5
Income tax recovery (expense)	**15.7**	(113.8)	**1.0**	(131.7)
Net (loss) earnings	**(39.8)**	(124.8)	**14.3**	(73.2)

16. NET EARNINGS (LOSS) PER SHARE

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	**2017**	**2018**	2017
Net (loss) earnings per share				
Net (loss) earnings	**$(39.8)**	$(124.8)	**$14.3**	$(73.2)
Weighted average shares outstanding (millions)	**171.4**	142.8	**152.5**	142.8
Net (loss) earnings per share	**$(0.23)**	$(0.87)	**$0.09**	$(0.51)

17. DISAGGREGATION OF REVENUE

Revenue is disaggregated by primary geographical market, type of customer and major product and services lines. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

For the three months ended September 30, 2018				**Energy Distribution**
	Canada	**USA**	**Other**	**Total**
Revenue from sale of products	140.3	139.6	–	279.9
Revenue from services	8.9	10.5	–	19.4
Tank and equipment rental	9.0	2.6	–	11.6
Derivative financial instruments loss	(2.2)	(0.2)	–	(2.4)
Total revenue	156.0	152.5	–	308.5

				Specialty Chemicals
	Canada	**USA**	**Other**	**Total**
Revenue from sale of chemicals	79.7	68.0	27.7	175.4
Revenue from services	0.2	0.2	–	0.4
Total revenue	79.9	68.2	27.7	175.8

For the nine months ended September 30, 2018				**Energy Distribution**
	Canada	**USA**	**Other**	**Total**
Revenue from sale of products	639.7	617.9	–	1,257.6
Revenue from services	29.9	18.8	–	48.7
Tank and equipment rental	26.7	4.4	–	31.1
Derivative financial instruments loss	(3.6)	(0.7)	–	(4.3)
Total revenue	692.7	640.4	–	1,333.1

				Specialty Chemicals
	Canada	**USA**	**Other**	**Total**
Revenue from sale of chemicals	157.8	277.9	73.6	509.3
Revenue from services	1.2	0.6	0.0	1.8
Total revenue	159.0	278.5	73.6	511.1

For the three months ended September 30, 2017				Energy Distribution
	Canada	USA	Other	Total
Revenue from sale of products	118.5	168.6	–	287.1
Revenue from services	5.8	5.2	–	11.0
Tank and equipment rental	6.7	–	–	6.7
Derivative financial instruments gain	0.3	–	–	0.3
Total revenue	131.3	173.8	–	305.1

				Specialty Chemicals
	Canada	USA	Other	Total
Revenue from sale of chemicals	39.5	91.8	27.2	158.5
Revenue from services	0.1	0.1	–	0.2
Total revenue	39.6	91.9	27.2	158.7

For the nine months ended September 30, 2017				Energy Distribution
	Canada	USA	Other	Total
Revenue from sale of products	458.7	625.6	–	1,084.3
Revenue from services	18.1	16.4	–	34.5
Tank and equipment rental	16.0	–	–	16.0
Derivative financial instruments gain	5.0	–	–	5.0
Total revenue	497.8	642.0	–	1,139.8

				Specialty Chemicals
	Canada	USA	Other	Total
Revenue from sale of chemicals	111.3	286.3	78.3	475.9
Revenue from services	0.3	0.4	0.2	0.9
Total revenue	111.6	286.7	78.5	476.8

18. SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING WORKING CAPITAL CHANGES

		Three months ended September 30		**Nine months ended September 30**
	2018	2017	**2018**	2017
Changes in non-cash working capital				
Trade receivables and other	**23.2**	(51.8)	**114.7**	17.2
Inventories	**(26.9)**	(32.3)	**(7.3)**	(19.3)
Trade and other payables	**5.8**	92.0	**(31.7)**	19.1
Other, including foreign exchange	**(4.5)**	(8.0)	**1.2**	(12.7)
	(2.4)	(0.1)	**76.9**	4.3

19. REPORTABLE SEGMENT INFORMATION

Superior operates two distinct businesses, being Energy Distribution and Specialty Chemicals. Superior's Energy Distribution operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels under the following: Canadian propane division and U.S. refined fuels division. Due to the nature of the product sold and methods of distribution, these divisions are aggregated under the Energy Distribution operating segment.

Specialty Chemicals is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chlor-alkali products in the U.S. Midwest and Western Canada.

Superior's Chief Operating Decision Maker, the President, reviews the operating results, assesses performance, and makes capital allocation decisions with respect to the Energy Distribution and Specialty Chemicals businesses and the corporate office. Therefore, Superior has presented these as operating segments for financial reporting purposes in accordance with IFRS 8, *Operating Segments*.

For the three months ended September 30, 2018	**Energy Distribution**	**Specialty Chemicals**	**Corporate**	**Total**
Revenue	**308.5**	**175.8**	**(2.6)**	**481.7**
Cost of sales (includes products and services)	**(199.2)**	**(112.8)**	**–**	**(312.0)**
Gross Profit (Loss)	**109.3**	**63.0**	**(2.6)**	**169.7**
Expenses				
Depreciation included in selling, distribution and administrative costs	**(30.8)**	**–**	**(0.1)**	**(30.9)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(15.3)**	**(0.3)**	**–**	**(15.6)**
Selling, distribution and administrative costs	**(114.9)**	**(40.2)**	**(16.3)**	**(171.4)**
Finance expense	**(0.8)**	**(0.5)**	**(22.8)**	**(24.1)**
Unrealized gain on derivative financial instruments	**7.9**	**–**	**8.9**	**16.8**
	(153.9)	**(41.0)**	**(30.3)**	**(225.2)**
Net (loss) earnings before taxes	**(44.6)**	**22.0**	**(32.9)**	**(55.5)**
Income tax recovery	**–**	**–**	**15.7**	**15.7**
Net (loss) earnings	**(44.6)**	**22.0**	**(17.2)**	**(39.8)**

For the nine months ended September 30, 2018	**Energy Distribution**	**Specialty Chemicals**	**Corporate**	**Total**
Revenue	**1,333.1**	**511.1**	**(4.5)**	**1,839.7**
Cost of sales (includes products and services)	**(886.9)**	**(334.2)**	**–**	**(1,221.1)**
Gross Profit (Loss)	**446.2**	**176.9**	**(4.5)**	**618.6**
Expenses				
Depreciation included in selling, distribution and administrative costs	**(66.8)**	**–**	**(0.2)**	**(67.0)**
Amortization of intangible assets included in selling, distribution and administrative costs	**(24.9)**	**(0.8)**	**–**	**(25.7)**
Selling, distribution and administrative costs	**(303.1)**	**(110.4)**	**(34.0)**	**(447.5)**
Finance expense	**(2.7)**	**(1.2)**	**(59.5)**	**(63.4)**
Unrealized (loss) gain on derivative financial instruments	**(4.4)**	**–**	**2.7**	**(1.7)**
	(401.9)	**(112.4)**	**(91.0)**	**(605.3)**
Net earnings (loss) before taxes	**44.3**	**64.5**	**(95.5)**	**13.3**
Income tax recovery	**–**	**–**	**1.0**	**1.0**
Net earnings (loss)	**44.3**	**64.5**	**(94.5)**	**14.3**

For the three months ended September 30, 2017	Energy Distribution	Specialty Chemicals	Corporate	Total
Revenue	305.1	158.7	1.7	465.5
Cost of sales (includes products and services)	(228.1)	(103.8)	–	(331.9)
Gross Profit	77.0	54.9	1.7	133.6
Expenses				
Depreciation included in selling, distribution and administrative costs	(12.7)	–	(0.4)	(13.1)
Amortization of intangible assets included in selling, distribution and administrative costs	(2.4)	–	–	(2.4)
Selling, distribution and administrative costs	(91.2)	(37.7)	(11.8)	(140.7)
Finance expense	(0.8)	(0.1)	(12.7)	(13.6)
Unrealized gain (loss) on derivative financial instruments	11.5	(0.3)	14.0	25.2
	(95.6)	(38.1)	(10.9)	(144.6)
Net (loss) earnings before taxes	(18.6)	16.8	(9.2)	(11.0)
Income tax expense	–	–	(113.8)	(113.8)
Net (loss) earnings	(18.6)	16.8	(123.0)	(124.8)

For the nine months ended September 30, 2017	Energy Distribution	Specialty Chemicals	Corporate	Total
Revenue	1,139.8	476.8	(0.5)	1,616.1
Cost of sales (includes products and services)	(804.1)	(314.7)	–	(1,118.8)
Gross Profit (Loss)	335.7	162.1	(0.5)	497.3
Expenses				
Depreciation included in selling, distribution and administrative costs	(39.3)	–	(0.5)	(39.8)
Amortization of intangible assets included in selling, distribution and administrative costs	(5.6)	–	–	(5.6)
Selling, distribution and administrative costs	(248.1)	(109.3)	(27.8)	(385.2)
Finance expense	(2.6)	(0.4)	(33.1)	(36.1)
Unrealized gain on derivative financial instruments	3.4		24.5	27.9
	(292.2)	(109.7)	(36.9)	(438.8)
Net earnings (loss) before taxes	43.5	52.4	(37.4)	58.5
Income tax expense	–	–	(131.7)	(131.7)
Net earnings (loss)	43.5	52.4	(169.1)	(73.2)

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

	Energy Distribution	**Specialty Chemicals**	**Corporate**	**Total**
As at September 30, 2018				
Net working capital[(1)]	**(21.7)**	**51.2**	**(40.1)**	**(10.6)**
Total assets	**2,587.9**	**681.8**	**70.0**	**3,339.7**
Total liabilities	**433.6**	**193.5**	**1,617.8**	**2,244.9**
As at December 31, 2017				
Net working capital[(1)]	88.4	54.3	(27.0)	115.7
Total assets	1,609.3	720.7	53.6	2,383.6
Total liabilities	434.3	201.0	972.3	1,607.6
For the three months ended, September 30, 2018				
Purchase of property, plant and equipment	**14.4**	**5.9**	**–**	**20.3**
For the three months ended, September 30, 2017				
Purchase of property, plant and equipment	10.0	11.6	–	21.6
For the nine months ended, September 30, 2018				
Purchase of property, plant and equipment	**35.5**	**17.8**	**–**	**53.3**
For the nine months ended, September 30, 2017				
Purchase of property, plant and equipment	24.9	20.3	0.8	46.0

[(1)] Net working capital reflects amounts at year-end and is comprised of trade and other receivables, prepaid expenses and inventories, less trade and other accounts payable, contract liabilities and dividends and interest payable.

20. GEOGRAPHICAL INFORMATION

	Canada	United States	Other	Total Consolidated
Revenue for the three months ended September 30, 2018	**233.3**	**220.7**	**27.7**	**481.7**
Revenue for the nine months ended September 30, 2018	**847.2**	**918.9**	**73.6**	**1,839.7**
Property, plant and equipment as at September 30, 2018	**631.3**	**662.0**	**46.2**	**1,339.5**
Intangible assets as at September 30, 2018	**180.7**	**247.5**	**–**	**428.2**
Goodwill as at September 30, 2018	**325.7**	**727.2**	**–**	**1,052.9**
Total assets as at September 30, 2018	**1,450.8**	**1,834.7**	**54.2**	**3,339.7**
Revenue for the three months ended September 30, 2017	172.6	265.7	27.2	465.5
Revenue for the nine months ended September 30, 2017	608.9	928.7	78.5	1,616.1
Property, plant and equipment as at December 31, 2017	652.4	423.1	45.3	1,120.8
Intangible assets as at December 31, 2017	193.3	45.5	–	238.8
Goodwill as at December 31, 2017	326.9	25.4	–	352.3
Total assets as at December 31, 2017	1,609.3	720.7	53.6	2,383.6

21. SUBSEQUENT EVENTS

On October 2, 2018, Superior acquired the shares of United Liquid Gas Company which operates under the trade name United Pacific Energy (UPE) for CDN $42.6 million (US$33.0 million), plus working capital. UPE is a well-established independent wholesale propane and butane distributor with operations in California. UPE operates four rail terminals with approximately 9.8 million litres of natural gas liquid storage capacity; serving over 115 wholesale customers, which include retail propane distribution companies, primarily in the California market.

On November 1, 2018, Superior acquired substantially all of the propane distribution assets of Musco, an independent propane distributor in Connecticut serving residential and commercial customers for total consideration of CDN $19.1 million (US$14.5 million). The acquisition was funded by drawing on Superior's credit facility and deferring US$1.0 million in payments over the next 5 years.