

CANADIAN SUPERIOR ENERGY CLASS ACTIONS NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARINGS

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.

CLASS MEMBERS: To all persons who purchased securities (including without limitation, Warrants or Special Warrants) of Canadian Superior Energy, Inc. ("Canadian Superior"), in Canada, from November 1, 2003 to March 11, 2004, inclusive (the "Class" and the "Class Members").

1. PURPOSE OF THIS NOTICE

Class proceedings have been commenced in the Ontario Superior Court of Justice (the "Ontario Court") and the Québec Superior Court (the "Québec Court" and, collectively with the Ontario Court, the "Courts") alleging that Canadian Superior and certain of its current and former officers and directors (collectively, the "Defendants") disseminated misrepresentations in connection with the drilling of an offshore, exploratory gas well, "Mariner 1-85", in the Nova Scotia basin from November 2003 until March 2004.

A Settlement Agreement has been reached between the Plaintiffs and the Defendants. The Settlement Agreement is not an admission of liability on the part of the Defendants. The sum of C\$2.15 million (the "Settlement Fund") shall be paid to settle the claims of all Class Members, wherever they may reside. If you would like a copy of the Settlement Agreement, it is available on the website of Class Counsel (as defined below) at www.classaction.ca. You can obtain a hard copy by contacting Class Counsel, toll free, at 1-800-461-6166 ext. 217.

In addition to seeking the Courts' approval of the Settlement Agreement, Class Counsel will seek the Courts' approval of legal fees not to exceed 25% of the Settlement Fund, plus disbursements and applicable taxes. These legal fees and expenses will be deducted from the Settlement Fund. Class Counsel will not seek additional payment for their future time spent or expenses incurred in the proceedings against the Defendants.

2. ONTARIO APPROVAL HEARING

A settlement approval hearing in the Ontario class proceeding has been scheduled for **April 3, 2006 at 10:00 a.m.** at the Courthouse of the Ontario Court, 393 University Ave., Toronto, ON, M5G 1E6. At this hearing, the Ontario Court will determine whether the Settlement Agreement is in the best interests of the Class Members who are resident in jurisdictions other than Québec (the "Ontario Class Members"). All timely filed, written submissions from Ontario Class Members will be considered at this time. If the Settlement Agreement is approved, the Ontario Court will certify the action as a class proceeding for settlement purposes only, and will determine the fee request of Ontario Class Counsel.

If you wish to comment on, or make an objection to, the Settlement Agreement, you must deliver a written submission to Ontario Class Counsel, at the address listed below, no later than **March 24, 2006**. Ontario Class Counsel will forward all such submissions to the Ontario Court. If you do not deliver a written submission to Ontario Class Counsel by **March 24, 2006**, you will not be entitled to participate in the hearing and you will have no standing to later file an appeal should the Settlement Agreement be approved. Should the Settlement Agreement receive final approval from the Ontario Court, further Notices will be published on the website at www.classaction.ca, and in such media as are directed by the Ontario Court.

3. QUÉBEC APPROVAL HEARING

A settlement approval hearing in the Québec class action has been scheduled for **March 20, 2006, at 9:30 a.m.** in room 3.37 of the Québec City Court House, 300, boul. Jean-Lesage, Québec City, (Québec) G1K 8K6. At this hearing, the Québec Court will determine whether the Settlement Agreement is in the best interests of the Class Members who reside in Québec (the "Québec Class Members"). All timely filed written submissions from Québec Class Members will be considered at this time. If the Settlement Agreement is approved, the Québec Court will then grant the motion for Authorization to File a Class Action for settlement purposes only and will determine the fee request of Québec Class Counsel.

If you are a Québec Class Member and wish to comment on, or make an objection to, the Settlement Agreement, you must deliver a written submission to Québec Class Counsel at the address listed below, no later than **March 5, 2006**. Québec Class Counsel will forward all such submissions to the Court. If you do not deliver a written submission to Québec Class Counsel by **March 5, 2006**, you will not be entitled to participate in the hearing and you will have no standing to later file an appeal should the Settlement Agreement be approved. Should the Settlement Agreement receive final approval, further Notices will be published on the website at www.classaction.ca, and in such media as are directed by the Québec Court.

4. DISTRIBUTION PROTOCOL

If the Settlement Agreement receives the approval of both Courts, the settlement payments will be made in accordance with the Distribution Protocol approved by the Courts.

To qualify for a claim, Class Members will be required to submit a properly completed Claim and Release Form to the Claims Administrator within the time prescribed by the Court. Each Class Member who is eligible for compensation, and who submits a valid and timely Claim and Release Form, will be entitled to receive the compensation set out below.

The amount of each Class Member's compensation will depend on (1) the number of valid Claim and Release Forms that Class Members file with the Claims Administrator, (2) the number of Canadian Superior securities that the Class Member purchased, (3) when the Class Member bought and sold those securities, and (4) whether the Class Member received or will receive compensation in connection with the settlement of a parallel U.S. Litigation, which was commenced in the United States Federal Court for the Southern District of New York under the caption *In re Canadian Superior Energy Inc. Securities Litigation, No. 04-CV-2020 (RO)* (the "U.S. Class Action").

PLEASE NOTE THAT, under the Settlement Agreement, your actual recovery will reflect your **pro rata share of the Settlement Fund, after deduction of court-approved fees and expenses, and additionally in Québec, deduction of the**

percent withheld for the Fonds d'Aide. Therefore, your actual recovery per security is likely to be much less than the nominal amount per security to which you are entitled under the formula set forth below. The amount of your actual recovery will depend in part upon the number of Class Members who timely submit a valid Claim and Release Form. The fewer the persons who do not timely submit a valid Claim and Release Form, the larger the payment to those who do so. Although it is impossible to know in advance the number of Class Members who will timely submit a valid Claim and Release Form, it is typical in cases of this nature for a significant percentage of the Class Members not to submit a Claim and Release Form.

A claim will be calculated as follows:

A. For Class Members who purchased Canadian Superior securities between November 1, 2003 to and including March 10, 2004 and who:

1. sold such securities prior to March 11, 2004, the nominal entitlement per security is 20% of the difference between the purchase price per security and the sales price per security;
2. sold such securities on March 11, 2004, the nominal entitlement per security is the lesser of (i) the purchase price per security less \$1.68, or (ii) \$1.90; and
3. retained such securities at the end of March 11, 2004, the nominal entitlement per security is the lesser of (i) the purchase price per security less \$1.68, and (ii) \$2.04.

B. For Class Members who purchased Canadian Superior securities on March 11, 2004 and who:

1. sold such securities prior to March 12, 2004, the nominal entitlement per security is 20% of the difference between the purchase price per security and the sales price per security; and
2. retained such securities at the end of March 11, 2004, the nominal entitlement per security is the lesser of (i) the purchase price per security less \$1.68, and (ii) the difference between the purchase price per security and the sales price per security.

C. For Class Members who exercised Warrants into Warrant Common Shares between November 1, 2003 and March 10, 2004 and such Warrant Common Shares were:

1. sold prior to March 11, 2004, the nominal entitlement per security is 5% of the difference between the purchase price per security and the sales price per security;
2. sold on March 11, 2004, the nominal entitlement per security is the lesser of (i) the purchase price per security less \$1.68, or (ii) \$1.90 (the March 11, 2004 price decline); and
3. retained at the end of March 11, 2004, the nominal entitlement per security is the lesser of (i) the purchase price per security less \$1.68, and (ii) \$2.04 (the March 11, 2004 and March 12, 2004 price declines).

D. For Class Members who exercised Warrants into Warrant Common Shares on March 11, 2004 and such Warrant Common Shares were:

1. sold prior to March 12, 2004, the nominal entitlement per security is 5% of the difference between the purchase price per security and the sales price per security; and
2. retained at the end of March 11, 2004, the nominal entitlement per security is the lesser of (i) the purchase price per security less \$1.68, and (ii) the difference between the purchase price per security and the sales price per security.

If a Class Member has made a claim against the settlement fund for the U.S. Class Action, any payment the Class Member receives or is due to receive in satisfaction of that claim will be deducted from the amount that the Class Member would have otherwise received in satisfaction of his, her or its claim against this Settlement Fund, and the amount so deducted will be re-allocated to the Settlement Fund for distribution to Authorized Claimants.

5. RELEASE OF CLAIMS AND EFFECT ON OTHER PROCEEDINGS

If the Settlement Agreement receives the Courts' approval, you will be bound by the terms of the Settlement Agreement, unless you "opt out". This means that you will not be able to bring or maintain any other claim or legal proceeding against the Defendants in relation to the matters alleged in these proceedings.

If you opt out you will not be eligible for any of the benefits of the Settlement Agreement. This means that you will be barred from making a claim and receiving payment pursuant to the Settlement Agreement.

6. CLASS COUNSEL

The law firm of *Siskind, Cromarty, Ivey & Dowler LLP* ("Ontario Class Counsel") represents the Class Members who are resident in jurisdictions other than Québec. Ontario Class Counsel can be reached at 680 Waterloo Street, P.O. Box 2520, London, Ontario, N6A 3V8, Attention: Monique Radlein, or by telephone, toll free, at **1-800-461-6166, Ext. 217**.

The law firm of *Siskinds, Desmeules LLP* ("Québec Class Counsel") represents the Class Members who reside in Québec. Québec Class Counsel can be reached 43, Rue Buade, Bur 320, Québec City, Québec, G1R 4A2, Attention: Simon Hébert, or by telephone at **418-694-2009**.

7. INTERPRETATION

If there is a conflict between the provisions of this Notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.