



August 18, 2009

INFORMATION CIRCULAR

To the Affected Creditors of Canadian Superior Energy Inc.:

On behalf of the Independent Committee of Directors of Canadian Superior, I would like to say to Canadian Superior's creditors that everyone on the board, and in the organization regrets that events unfolded in a way that compelled Canadian Superior to seek insolvency protection under the *Companies' Creditors Arrangements Act* in March of this year.

As those of you who have been following the CCAA proceedings are aware, the past six months have been marked by significant upheaval in the management of Canadian Superior, a difficult credit market, depressed natural gas prices, a challenging sales process for a portion of Canadian Superior's Trinidad interests, and protracted negotiations with Challenger to conclude the Arrangement Agreement.

I want you all to know, that I am very proud of what the people in this organization have accomplished in the past six months, and I believe that the plan we are putting before you represents an excellent outcome for Canadian Superior's creditors.

At the time Canadian Superior filed for CCAA protection its main partner in the Trinidad asset had initiated proceedings based on Canadian Superior's defaults which put that asset at risk. While the likelihood that Canadian Superior would have forfeited its interest in Trinidad was not great, the consequences of a forfeiture would have been catastrophic, and would almost certainly have meant that Canadian Superior's creditors could not have been repaid in full. As well, at the same time Canadian Superior's primary lender had given notice that it intended to enforce its security over the company's Canadian assets, most likely by appointing a receiver to liquidate the assets, which could also have been devastating for Canadian Superior's stakeholders.

Even if Canadian Superior's assets could realize enough value today to fully repay all of its creditors, the Monitor estimates that if Canadian Superior were placed into receivership or bankruptcy now (which remains the only real option if the Plan is not approved by Affected Creditors) it could be many months before the Affected Creditors group would be paid the amounts owed to them.

Instead, Canadian Superior has proposed a CCAA plan which offers Affected Creditors payment in full of the amount owed to them at the time Canadian Superior was granted CCAA protection, plus interest on that amount at 5% per annum from that date until the Plan Implementation Date, which we expect to be September 15, 2009. The Monitor, which will be responsible for distributing payments to Affected Creditors advises us that it expects to be able to mail cheques to you within a few days after the Plan Implementation Date.

We at Canadian Superior have worked hard to try to produce the best result possible in the circumstances, and we think that we have succeeded. Please read the enclosed information carefully, and fill out and send in the yellow proxy form attached to the plan as Schedule "B," instructing either me or the Monitor to vote in favour of the plan, as quickly as possible. I speak on behalf of everyone at Canadian Superior when I say that I hope that you will support this plan.

Sincerely,

Richard Watkins
Director
Member of the Independent Committee