

**THE COURT OF QUEEN'S BENCH OF ALBERTA JUDICIAL
DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, as amended**

AND IN THE MATTER OF CANADIAN SUPERIOR ENERGY INC.

AND IN THE MATTER OF SEEKER PETROLEUM LTD.

**AND IN THE MATTER OF CANADIAN SUPERIOR TRINIDAD AND TOBAGO
LIMITED**

**NOTICE OF MOTION
(Palo Alto Settlement Agreement)**

TAKE NOTICE THAT an application will be made on behalf of Canadian Superior Energy Inc. ("CSEI"), Seeker Petroleum Ltd. ("SPL"), and Canadian Superior Trinidad and Tobago Limited ("CSTT") (CSEI, SPL and CSTT are referred to herein collectively as "Canadian Superior") before K.M. Horner, in Chambers, at the Court House, in the City of Calgary, in the Province of Alberta, on Wednesday, the 12th day of August, 2009 at 10 in the forenoon, or so soon thereafter as Counsel may be heard for an Order substantially in the form attached hereto as Schedule "A":

1. Deeming service of this Notice of Motion and all other materials filed in support of this Notice of Motion good and sufficient;
2. Ratifying and approving the execution of settlement between CSEI and Palo Alto Investors, LLC ("PAI") (the "Settlement") on the terms set forth in the Settlement Agreement between CSEI and PAI effective August 5, 2009 (the "Settlement Agreement") attached as Exhibit "A" to the Affidavit of Richard M. Watkins sworn August 10, 2009 (the "Watkins Affidavit");

3. Authorizing CSEI and PAI to take such additional steps and execute any such additional documents as may be necessary or desirable to effect the Settlement.
4. Any other relief that this Honourable Court may deem just and appropriate under the circumstances.

AND FURTHER TAKE NOTICE that the grounds upon which CSEI relies in support of this application include the following:

- (a) CSEI has, subject to the approval of this Honourable Court, entered into the Settlement Agreement;
- (b) the Settlement Agreement is the result of extensive discussions and negotiations between CSEI and PAI;
- (c) the Settlement and the execution of the Settlement Agreement are important steps in CSEI's restructuring and are critical to CSEI submitting a Plan of Compromise or Arrangement to its creditors;
- (d) The Monitor and PAI support the within application; and
- (e) Such further and other grounds as counsel may advise and this Honourable Court may permit.

AND FURTHER TAKE NOTICE in support of this application, CSEI intends to rely on: the Watkins Affidavit, filed; the previous Affidavits and Reports of the Monitor filed herein; the pleadings and proceedings had and taken in this Action, including all prior Orders of this Honourable Court; the Alberta *Rules of Court*, the provisions of the *Companies' Creditors Arrangement Act*; and such further and other material as Counsel may advise.

DATED at the City of Calgary, in the Province of Alberta, this 10th day of August, 2009.

BORDEN LADNER GERVAIS LLP

Per: _____

TRAVIS PALYSAK

Solicitors for Canadian Superior
Energy Inc., Seeker Petroleum Ltd.,
and Canadian Superior Trinidad and
Tobago Limited

TO: The Clerk of the Court
AND TO: See List attached as Schedule "B"

SCHEDULE "A"

Action No. 0901-02873

**THE COURT OF QUEEN'S BENCH OF ALBERTA JUDICIAL
DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**AND IN THE MATTER OF CANADIAN SUPERIOR TRINIDAD AND TOBAGO
LIMITED**

**BEFORE THE HONOURABLE
K. M. HORNER
IN CHAMBERS**

) **AT THE CALGARY COURTS CENTRE,**
) **IN THE CITY OF CALGARY, IN THE**
) **PROVINCE OF ALBERTA, ON**
WEDNESDAY,
) **THE 12TH DAY OF AUGUST, 2009.**

APPROVAL ORDER
(Palo Alto Settlement Agreement)

UPON the application of Canadian Superior Energy Inc. ("CSEI"), Seeker Petroleum Limited and Canadian Superior Trinidad and Tobago Limited (collectively, "Canadian Superior") for an Order, *inter alia*, approving the settlement between CSEI and Palo Alto Investors, LLC ("PAI") (the "Settlement") on the terms and conditions set out in the Settlement Agreement between CSEI and PAI effective August 5, 2009 (the "Settlement Agreement"); AND UPON having read the Affidavit of Richard M. Watkins sworn August 10, 2009, AND UPON hearing counsel for Canadian Superior, counsel for PAI, counsel for the Monitor and counsel present for other parties; AND UPON being satisfied that the execution of the Settlement Agreement is a prudent and necessary step in the restructuring of Canadian Superior;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby deemed to be good and sufficient.
2. The execution of our Settlement Agreement by CSEI and PAI is hereby ratified and approved.
3. CSEI and PAI are hereby authorized to take such additional steps and execute any such additional documents as may be necessary or desirable to effect the Settlement.

J.C.C.Q.B.A.

ENTERED THIS ____ DAY OF
August, 2009.

Clerk of the Court

Action No.: **0901-02873**

IN THE COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

BETWEEN:

**IN THE MATTER OF THE *COMPANIES*
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, C. c-36, as amended;**

**AND IN THE MATTER OF CANADIAN
SUPERIOR ENERGY INC.**

**AND IN THE MATTER OF SEEKER
PETROLEUM LTD.**

**AND IN THE MATTER OF CANADIAN
SUPERIOR TRINIDAD AND TOBAGO
LIMITED**

**APPROVAL ORDER
(Palo Alto Settlement Agreement)**

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
1000 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta T2P 4H2

Attention: Josef G.A. Krüger
Telephone: (403) 232-9563
Fax: (403) 266-1395

File No. 433114-000012

SCHEDULE "B"**SERVICE LIST**

Action #0901-02873

In the Matter of Canadian Superior Energy Inc. et al**SERVICE LIST
(As at July 23, 2009)**

Counsel	Telephone	Fax	Counsel For
Alger & Associates Inc. 400, 602-11 Avenue SW Calgary, AB T2R 1J8 Attention: Guy Odhams godhams@alger.ca	403-296-3143	403-296-2988	Monitor of Challenger Energy Corp.
Bennett Jones LLP 4500, 855-2 Street SW Calgary, AB T2P 4K7 Attention: Chris Simard simardc@bennettjones.ca Attention: Frank Dearlove dearlovef@bennettjones.ca	403-298-4485	403-265-7219	Hardie & Kelly Inc. (Monitor) and Scotia Waterous
Blake, Cassels & Graydon LLP 3500, 855-2 Street SW Calgary, AB T2P 4J8 Attention: Kelly Bourassa Kelly.Bourassa@blakes.com	403-260-9600	403-260-9700	Palo Alto
Borden Ladner Gervais LLP 1000, 400-3 Avenue SW Calgary, AB T2P 4H2 Attention: Josef G.A. Kruger jkruger@blgcanada.com Attention: Patrick McCarthy pmccarthy@blgcanada.com Attention: John Poetker jpoetker@blgcanada.com Attention: Travis Lysak tlysak@blgcanada.com	403-232-9563 403-232-9441 403-232-9455 403-232-9719	403-266-1395	Canadian Superior Energy Inc.
Brownlee LLP 2000, 530-8 Avenue SW Calgary, AB t2P 3S8 Attention: Phil Lalonde plalonde@brownleelaw.com	403-260-1465	403-232-8408	Greg Noval

Burstall Winger LLP 1600, 333-7 Avenue SW Calgary, AB T2P 2Z1 Attention: Jennifer L. Smith smith@burstall.com	403-232-3340	403-265-8586	Acumen Capital
Caron & Partners LLP 2100, 700-2 Street SW Calgary, AB T2P 2W1 Attention: Richard J.N. Gilborn, Q.C. rgilborn@caronpartners.com	403-260-1576	403-237-0111	Iris Wong
Carscallen Leitch LLP 1500, 407-2 Street SW Calgary, AB t2P 2Y3 Attention: Stan Carscallen, QC carscallen@cllawyers.com Glenn Blackett blackett@cllawyers.com	403-262-3775	403-262-2952	CSEI Special Committee HSE Integrated Ltd., The Barlon Engineering Group Ltd., Ensign Drilling Partnership, Opsco Energy Industries Ltd., Chandel Equipment Rentals,
Code Hunter LLP 850, 440 – 2 Avenue SW Calgary, AB T2P 5E9 Attention: Katherine Reiffenstein katherine.reiffenstein@codehunterllp.com	403-234-9800	403-261-2054	Encana Corporation
ConocoPhillips Canada 401-9 Avenue SW Calgary, AB T2P 2H7 Attention: Larina J. Taylor Larina.j.taylor@conodocophillips.com	403-233-3563	403-233-5505	ConocoPhillips
Davis LLP 1000, 250-2 Street SW Calgary, AB T2P 0C1 Attention: Larry B. Robinson, Q.C. lbrobinson@davis.ca Attention: Dezaræ Senft dsenft@davis.ca	403-698-8715	403-296-4474	Deloitte & Touche Inc.
Deloitte & Touche 3000, 700-2 Street SW Calgary, AB T2P 0S7 Attention: Victor Kroeger vkroeger@deloitte.ca	403-367-0609	403-263-2390	Receiver in BGI action

Duncan & Craig LLP 2800, 10060 Jasper Avenue Edmonton, AB T5J 3V9 Attention: George E. Bowker, Q.C. gbowker@dcllp.com	780-428-6036	780-428-9683	Westlund, A Division of Emco Corporation
Fasken Martineau Dumoulin LLP 3400, 350-7 Avenue SW Calgary, AB T2 3N9 Attention: Richard Peters rpeters@fasken.com Edmond Lamek elamek@fasken.com	403-261-5375 416-865-4506	403-261-5351 416-364-7813	Fasken Martineau Dumoulin LLP 3400, 350-7 Avenue SW Calgary, AB T2 3N9 Attention: Richard Peters rpeters@fasken.com Edmond Lamek elamek@fasken.com
Fleming LLP 900, 926-5 Avenue SW Calgary, AB T2P 0N7 Attention: Carmen A. Alger calger@flemingllp.com	403-266-7750	403-265-5910	Midfield Supply ULC (and McJunkin RedMan Tubular, A division of Midfield Supply ULC)
Fraser Milner Casgrain LLP 30 th Floor, 237-4 Avenue SW Calgary, AB T2P 4X7 Attention: David Mann David.mann@fmc-law.com Attention: David LeGeyt David.legeyt@fmc-law.com	403-268-6890	403-268-3100	HSBC Petrotrin
Goodmans LLP 250 Young Street, Suite 2400 Toronto, ON M5B 2M6 Attention: Brendan O'Neill boneill@goodmans.ca	416-849-6017	416-979-1234	RWE Dea AG
Gowling Lafleur Henderson LLP 1400, 700-2 Street SW Calgary, AB T2P 4V5 Attention: Peter S. Jull, Q.C. Peter.jull@gowlings.com Attention: Craig McMahon Craig.mcmahon@gowlings.com	403-298-1000	403-263-9193	Energy Management and Services Company (EMSC) and AECOM Canada Ltd.
Hardie & Kelly Inc. 206, 5800-2 Street SW Calgary, AB T2H 0H2 Attention: Marc Kelly mkelly@insolvency.net	403-252-1766	403-640-0591	Monitor of Canadian Superior Energy Inc.
Heenan Blaikie 12 th Floor, 425-1 Street SW Calgary, AB T2P 3L8 Attention: Cairen Hanert chanert@heenan.ca	403-234-1262	403-234-7987	Essential Energy Services Trust, Leader Energy Services Ltd.

<p>McCarthy Tetrault LLP 3300, 421-7 Avenue SW Calgary, AB T2P 4K9 Attention: Tim Ellam tellam@mccarthy.ca Attention: Sean Collins scollins@mccarthy.ca</p>	<p>403-260-3533 403-260-3531</p>	<p>403-260-3501</p>	<p>Challenger Energy Corp.</p>
<p>Macleod Dixon LLP 3700, 400-3 Avenue SW Calgary, AB T2P 4H2 Attention: Howard Gorman Howard.gorman@macleoddixon.com Attention: Kevin Barr Kevin.barr@macleoddixon.com</p>	<p>403-267-8222</p>	<p>403-264-5973</p>	<p>Canadian Western Bank</p>
<p>MacPherson Leslie & Tyerman LLP 1500, 410-22 Street East Saskatoon, SK S7K 5T6 Attention: Jeff Lee jmlee@mlt.com</p>	<p>306-975-7136</p>	<p>306-975-7145</p>	<p>OMERS Realty Corporation</p>
<p>Miles Davison LLP 1600, 205-5 Avenue SW Calgary, AB t2P 2V7 Attention: Sean Fitzgerald fitz@milesdavison.com</p>	<p>403-298-0348</p>	<p>403-263-6840</p>	<p>Saxon Drilling Canada Limited Partnership</p>
<p>Miller Thomson LLP 3000, 700-9 Avenue SW Calgary, AB T2P 3V4 Attention: Nicole Taylor-Smith ntaylorsmith@millerthomson.com</p>	<p>403-298-2453</p>	<p>403-262-0007</p>	<p>Nabors Canada ULC</p>
<p>Ministry of Attorney General #601, 1175 Douglas Street Victoria, BC V8W 9J7 Aaron Welch Aaron.Welch@gov.bc.ca</p>	<p>250-356-8589</p>	<p>250-387-0700</p>	<p>Province of BC, Revenue & Taxation Group</p>
<p>Osler Hoskin & Harcourt LLP 2500, 450-1 Street SW Calgary, AB T2P 5H1 Attention: Christa Nicholson cnicholson@osler.com Attention: Maureen Killoran mkilloran@osler.com</p>	<p>403-260-7025 403-260-4003</p>	<p>403-260-7024</p>	<p>BG International Limited</p>
<p>Parlee McLaws LLP 3400, 150-6 Avenue SW Calgary, AB T2P 3Y7 Attention: G. Scott Watson swatson@parlee.com</p>	<p>403-294-7038</p>	<p>403-265-8263</p>	<p>Canaden Resources Ltd., Bolter Resource Consulting Ltd., Choya Petroleum Ltd.</p>

Peacock Linder & Halt LLP Suite 850, 607 – 8 th Avenue SW Calgary, AB T2P 0A7 Attention: Peter T. Linder, Q.C. plinder@plhlaw.ca	403-296-2282	403-296-2299	Michael Coolen
Stones Carbert Waite LLP 1600, 635-9 Avenue SW Calgary, AB T2P 3M3 Attention: Kelly Patrick Colborne colborne@scwlawyers.com	403-705-3337	403-263-5553	Apex Oilfield Services (2000) Ltd.
Thackray Burgess 1900, 736-6 Avenue SW Calgary, AB T2P 3T7 Attention: Michael Thackray mthackray@thackrayburgess.com	403-531-4710	403-531-4720	Canadian Superior Energy Inc.

Action No.: 0901-02873

**Let the within Notice of Motion
be filed forthwith**

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JUDICIAL DISTRICT OF CALGARY

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