

CANADIAN SUPERIOR ENERGY INC

Form 6-K

May 07, 2010

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the month of, May
Commission File Number 001-31395

2010

Canadian Superior Energy Inc.
(Translation of registrant's name into English)

Suite 3200, 500 - 4th Avenue SW, Calgary, Alberta, Canada T2P 2V6
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40F:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

DOCUMENTS INCLUDED AS PART OF THIS REPORT

Document	Description
1.	Management Information Circular, dated May 3, 2010.
2.	Form of Proxy
3.	Letter of Transmittal
4.	Notice of Annual and Special Meeting of Shareholders, dated April 8, 2010.
5.	Mailing List Request Form

This Report on Form 6-K is incorporated by reference into the Registration Statement on Form F-3 of the Registrant, which was originally filed with the Securities and Exchange Commission on April 21, 2010 (File No. 333-166209).



Notice of Meeting and Information Circular

in respect of the

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held June 3, 2010

May 3, 2010

May 3, 2010

Dear Shareholders:

You are cordially invited to attend an annual and special meeting of the holders ("Shareholders") of common shares ("Common Shares") of Canadian Superior Energy Inc. (the "Company"), which will be held in the McMurray Room at the Calgary Petroleum Club on Thursday, June 3, 2010, at 3:00 p.m. Enclosed with this letter is a formal Notice of the Annual and Special Meeting of Shareholders, Information Circular, Letter of Transmittal and form of proxy. I would like to direct your attention to the following three meeting items in particular, all of which are explained in more detail in the Information Circular:

1. Name Change

The board of directors of the Company (the "Board") is seeking to change the name (the "Name Change") of the Company, from "Canadian Superior Energy Inc" to "Sonde Resources Corp." A "sonde" is the section of a logging tool used by the energy industry, which contains the measurement sensors used in formation evaluation. It assists with assessment of resources and with planning for the future. The name "Sonde Resources" captures the dynamic nature of our ongoing assessment of current and future energy assets, partnerships and direction. The objective of the Name Change is to better represent ourselves as a company with the vision and expertise to develop assets and evaluate and plan for the future. A new name signifies a shift, not only in the direction of the Company, but in our renewed commitment to good governance and a transparent and respectful relationship with Shareholders. Please see Meeting Matters, Section 4 of the Information Circular for further detail.

2. Approval of Consolidation

The Board is proposing to consolidate (the "Consolidation") the issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every five pre-consolidation Common Shares, or such lesser consolidation ratio as the Board may determine. The Board and senior management believe that it is in the best interests of Shareholders for the Company to complete the Consolidation for several reasons, including: increased flexibility to seek additional financing and pursue strategic transactions; an anticipated higher Common Share price which may permit the purchase of the Common Shares by certain institutional investors and investment funds that are currently prohibited; Shareholders may benefit from relatively lower trading costs; certain investment banks and brokerage firms will not provide market research and analysis for low priced shares on a consistent basis; and banks and other financial institutions are more likely to allow higher priced Common Shares to be used as collateral for loans.

I encourage you to read Meeting Matters, Section 5 of the Information Circular for a more complete discussion of the proposed Consolidation, and for information regarding the procedure to follow in order to exchange your Common Share certificates, should the Consolidation proceed.

3. New Shareholder Rights Plan

The Board is proposing a new 2010 Shareholder Rights Plan, to replace the Company's existing Shareholder Rights Plan, which is due to expire in January 2011. The proposed 2010 Shareholder Rights Plan preserves the fair treatment of Shareholders, is consistent with current Canadian corporate best practice and addresses institutional investor

guidelines. It has also been reviewed for conformity with current practices of Canadian companies with respect to shareholder rights plans. The objective of the 2010 Shareholder Rights Plan is to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any initiative to

acquire control of the Company. Please see Meeting Matters, Section 6 of the Information Circular for further detail.

On behalf of the Board, I encourage you to attend the meeting on June 3, 2010. If you are unable to attend, please feel free to direct questions or comments to my attention at Canadian Superior Energy Inc., 3200, 500 - 4th Avenue S.W., Calgary, Alberta, T2P 2V6. We appreciate your continued interest and participation in the Company and value your feedback, at any time of year.

Thank you for your continued support and I look forward to seeing you on June 3.

Yours truly,

(Signed) "Marvin M. Chronister"

Marvin M. Chronister
Chairman of the Board

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NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held June 3, 2010

TO THE SHAREHOLDERS OF CANADIAN SUPERIOR ENERGY INC.

Notice is hereby given that the annual and special meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") of Canadian Superior Energy Inc. (the "Company") will be held in the McMurray Room, at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta, on Thursday, June 3, 2010, at 3:00 p.m. (Calgary time), for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2009 and the report of the auditors thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint Deloitte & Touche llp as auditors of the Company;
4. to consider and, if thought advisable, pass, with or without variation, a special resolution, the full text of which is set forth in the Information Circular accompanying this Notice, to amend the articles of the Company to change the name of the Company from "Canadian Superior Energy Inc." to "Sonde Resources Corp.";
5. to consider and, if thought advisable, pass, with or without variation, a special resolution, the full text of which is set forth in the Information Circular accompanying this Notice, to amend the articles of the Company to consolidate the issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every five pre-consolidation Common Shares, or such lesser consolidation ratio as the board of directors of the Company may determine;
6. to consider and, if thought advisable, pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Information Circular accompanying this Notice, to approve the adoption of a new shareholder rights plan of the Company;
7. to consider and, if thought advisable, pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Information Circular accompanying this Notice, to confirm the new By-Law Number 1 of the Company; and
8. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

If you are a registered Shareholder and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Valiant Trust Company, the registrar and transfer agent of the Common Shares, at Suite 310, 606 - 4th Street S.W., Calgary, Alberta, T2P 1T1, or by facsimile, at (403) 233-2857, by no later than 3:00 p.m. (Calgary time) on June 1, 2010 or two business days preceding the date of any adjournment.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by

your broker or by the other intermediary.

Notice of the Annual and Special Meeting of Shareholders 1

The board of directors of the Company has fixed May 3, 2010 as the record date. Shareholders of record at the close of business on May 3, 2010 are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) thereof, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to May 3, 2010; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Marvin M. Chronister"

Marvin M. Chronister
Chairman of the Board

May 3, 2010

Notice of the Annual and Special Meeting of Shareholders 2

INFORMATION CIRCULAR

for the Annual and Special Meeting of Shareholders to be held June 3, 2010

PURPOSE OF SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of Canadian Superior Energy Inc. ("Canadian Superior" or the "Company") for use at the annual and special meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") of the Company.

The Meeting will be held in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta on Thursday, June 3, 2010 at 3:00 p.m. (Calgary time) and at any adjournments thereof for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the "Notice of Meeting") accompanying this Information Circular. Information contained herein is given as of May 3, 2010 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of Canadian Superior who will not be additionally compensated thereof. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by Canadian Superior.

APPOINTMENT AND REVOCATION OF PROXIES

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of Canadian Superior. A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy to be acted upon must be deposited with Valiant Trust Company, the registrar and transfer agent of the Common Shares, at Suite 310, 606 - 4th Street S.W., Calgary, Alberta, T2P 1T1, or by facsimile, at (403) 233-2857, by no later than 3:00 p.m. (Calgary time) on June 1, 2010 or two business days preceding the date of any adjournment.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing, executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof, and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The Information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of Canadian Superior as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of Canadian Superior. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the names of CDS & Co. (the registration name for CDS Depository and Clearing Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("Broadridge"). Broadridge typically mails a scanable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit www.proxyvote.com to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for a registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for a registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of

all the matters set out thereon. The enclosed form of proxy confers discretionary

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authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.

At the time of the printing of this Information Circular, the management of Canadian Superior knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The board of directors of Canadian Superior (the "Board") has fixed May 3, 2010 as the record date. Shareholders at the close of business on May 3, 2010 are entitled to receive notice of the Meeting and to vote thereat or at any adjournments thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to May 3, 2010; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

As of the date hereof, 311,481,737 Common Shares were issued and outstanding as fully paid and non-assessable.

As of the date hereof, to the knowledge of the directors and executive officers of Canadian Superior, there are no persons or companies who beneficially own, directly or indirectly, or control or direct Common Shares carrying 10% or more of the voting rights attached to all of the Common Shares, except as set forth below:

Name	Voting Securities Held	Percentage of Voting Securities Held
Clayton H. Riddell	40,877,862 Common Shares(1)	13.12 %

Note:

- 1)Includes 38,461,538 Common Shares held by Treherne Resources Ltd., a private company controlled by Mr. Clayton H. Riddell.

As of the date hereof, the directors and executive officers of Canadian Superior, as a group, beneficially owned, directly or indirectly, 236,279 Common Shares, representing less than one percent of the issued and outstanding Common Shares.

As of the date hereof, the directors and executive officers of Canadian Superior, as a group, beneficially owned, directly or indirectly, 3,566,000 options ("Options") to purchase Common Shares issuable pursuant to the stock option plan (the "Option Plan") of the Company. If all such Options were exercised, the directors and executive officers of Canadian Superior, as a group, would hold approximately one percent of the then issued and outstanding Common Shares (on a fully diluted basis).

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Management of Canadian Superior is not aware of any material interest, direct or indirect, of any director or executive officer of Canadian Superior or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

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INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer of Canadian Superior, nor any of their respective associates or affiliates, is or has been indebted to the Company or its subsidiaries since the beginning of the Company's most recently completed financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options and inducement options ("Inducement Options"), the weighted average exercise price of such outstanding Options and Inducement Options and the number of Common Shares remaining available for future issuance under the Option Plan as at December 31, 2009.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options and Inducement Options	Weighted-average exercise price of outstanding Options and Inducement Options	Number of Common Shares remaining available for future issuance under the Option Plan (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	8,405,553	\$1.61	11,300,217
Equity compensation plans not approved by Shareholders(1)	1,483,332	\$2.98	-
Total	9,888,865	\$1.82	11,300,217

Note:

1) Consists of Inducement Options granted to persons who were not previously employed by the Company to enter into contracts of full time employment in senior executive positions with the Company. Inducement Options are separate from the Option Plan and do not require Shareholder approval provided that the Common Shares issued thereunder to any one individual do not exceed 2% of the issued and outstanding Common Shares. Inducement Options are available to the Company on an as-needed discretionary basis when the Option limits under the Option Plan constrain the Company's ability to attract preferred candidates for senior executive positions. The Company does not intend that Inducement Options will form a regular component of the Company's compensation program and does not anticipate issuing any Inducement Options in the foreseeable future.

EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis ("CD&A") is to provide information about the Company's philosophy for executive compensation, the elements of compensation and the objectives for such elements. This disclosure is intended to communicate the compensation provided to the Company's senior leaders during 2009, being the six identified named executive officers ("Named Executive Officers"). The Named Executive Officers who are the focus of the CD&A are as follows: Leif Snethun, Chief Operating Officer ("COO"); Robb Thompson, Chief Financial Officer ("CFO"); Marvin Chronister, Chairman of Board (the "Chairman"), Roger Whelan, Senior Vice President, Business Development; Michael Coolen, former President and Chief Executive Officer ("CEO"); and Gregory Noval, former Executive Chairman.

Although Mr. Chronister, as Chairman, was considered to be a Named Executive Officer for 2009, the following discussion and analysis of the Company's executive compensation program does not describe compensation applicable to Mr. Chronister as his compensation is received principally in his capacity as a director of the Company.

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Compensation Philosophy and Objectives

The Compensation Committee is responsible for ensuring the Company's executive compensation program reflects the objectives and long term interests of the Company. The primary objectives of the Company's executive compensation program are: (i) to attract and retain talented and experienced people by providing competitive total compensation; (ii) to motivate and reward executive officers; (iii) to align the interests of executive officers and Shareholders; and (iv) to provide flexibility to enable the Company to be responsive to changes in the organization, the marketplace and the economy.

The Company's method of determining compensation has varied from case to case based on a determination by the Compensation Committee and the Board on what was appropriate at the time and given the existing circumstances. During 2009, the Compensation Committee did not set specific performance objectives in assessing the performance of the Named Executive Officers; rather, the Compensation Committee used its experience and judgment in determining an overall compensation package for each Named Executive Officer. See "Corporate Governance - Board Committees and their Mandates - Compensation Committee" for details of the Compensation Committee's members, independence, responsibilities and powers.

During 2009, the Company was involved in proceedings under the Companies' Creditors Arrangement Act ("CCAA") from March 2009 through September 2009 (the "CCAA Proceedings"). This was the most significant factor influencing compensation decisions described further below for executive officers, directors and employees during the year and contributed to additional challenges for the Company in retaining and motivating qualified individuals. The CCAA Proceedings are described in detail in the Company's Annual Information Form for the year ended December 31, 2009 dated March 30, 2010 (the "AIF").

Elements of Compensation

Standard compensation arrangements for the Named Executive Officers generally include three key elements: (i) base salary; (ii) performance based cash bonus; and (iii) Options. The Named Executive Officers are also eligible to participate in the same benefits as are offered to full-time employees. The Company does not view these benefits as a significant element of its compensation structure. The Compensation Committee does not have a formal policy for allocating compensation between cash and non-cash compensation. Instead, the Compensation Committee currently determines on a case-by-case basis the appropriate level and mix of various compensation components.

Base Salaries

The objective of base salary compensation is to attract, retain and reward executive officers. The Company recognizes that the size of the Company prohibits base salary compensation from matching larger industry competitors. Base salary is intended to be competitive with companies of similar size and industry. In setting base compensation levels, consideration is given to such factors as level of responsibility and experience. Subjective factors such as leadership, commitment and attitude are also considered.

Base salaries are generally reviewed annually by the Compensation Committee. In addition to the above factors, decisions regarding salary increases are impacted by each executive officer's current salary and the amounts paid to peers outside the Company that have comparable responsibilities in similarly positioned companies, although the Compensation Committee did not conduct any formal benchmarking process during 2009.

Performance Based Cash Bonuses

The Board, based upon recommendations from the Compensation Committee, has authority to award discretionary annual cash bonuses to executives and employees. The actual amount of any bonus is determined following a review of each officer's individual performance. Bonuses are

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determined based on subjective criteria, including the Company's ability to pay such bonuses, individual performance and contributions and other competitive considerations.

During 2009, retention bonuses were also paid to certain Named Executive Officers (and other employees) in light of the CCAA Proceedings. See "Analysis of 2009 Compensation and Compensation Decisions" for details.

Options

Option grants are an integral component of the compensation package for the Company's senior officers. The Option Plan is designed to: (i) recognize and reward the impact of longer-term strategic actions undertaken by management; (ii) align the interests of the Company's executives and employees with Shareholders; (iii) focus management on developing and successfully implementing the continuing growth strategy of the Company; (iv) foster the retention of key management personnel; and (v) attract talented individuals to the Company.

Option grants are approved by the Board after considering the recommendations of the Compensation Committee. In granting new Options, consideration is given to: (i) the number and terms of Options already outstanding on an individual basis; (ii) the limits imposed by the Toronto Stock Exchange ("TSX") on the total number of Options that may be outstanding; and (iii) the expected impact of the role of the executive on the Company's performance and strategic development.

In recommending Option grants to the Board, the Compensation Committee generally uses a formula that takes into consideration the base salary of the individual and applies a factor based on the individual's position with the Company. The Compensation Committee then uses its discretion to adjust the number of Options to be granted up or down based upon performance and other factors. See "Option Plan" for details on the Option Plan.

Benefits and Other Perquisites

The Company has an employee stock savings plan ("ESSP") under which officers and employees may contribute up to 5% of their base salaries towards the purchase of Common Shares through the facilities of the TSX and the Company matches these contributions. Participation in the ESSP is voluntary.

In addition, the Named Executive Officers are eligible to participate in the benefits generally offered to all full time employees. These benefits and other perquisites includes such items as life insurance, disability, medical, dental, health and accident plans, four to six weeks of annual paid vacation and parking. These benefits and other perquisites are designed to be competitive overall with equivalent positions in similar companies.

Compensation Process

The Board, relying on significant input from the Compensation Committee, has the ultimate responsibility for the Company's compensation program and compensation decisions. The Compensation Committee and the Board generally seek advice of officers and other advisors when making these decisions. When determining senior officer compensation, the Board evaluates the Company's performance relative to the corporate objectives and strategic business plans and the executive's achievements during the fiscal year.

During 2009, the Compensation Committee relied extensively on the advice of counsel and external advisors who were involved in assisting the Company throughout the CCAA Proceedings prior to making any recommendations with respect to compensation.

The current Board has been conducting an executive search for a CEO since September, 2009. In the absence of a CEO, the Chairman and the COO have taken a more active role in the

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compensation process. It is anticipated that once a CEO is in place, the CEO will assist in setting performance goals and monitoring performance in relation to these goals to guide the determination of Named Executive Officer (other than CEO) compensation.

Analysis of 2009 Compensation and Compensation Decisions

Compensation decisions and payments made during 2009 were significantly affected by the unique circumstances of the Company during the year. The Company was involved in the CCAA Proceedings for the majority of the year and management and the Board, including members of the Compensation Committee, were fully engaged in this process. Key members of management were terminated during this process and a new Board was elected.

As such, objective corporate or individual performance goals in determining compensation during 2009 were not used and would not necessarily have been meaningful. The nature and amount of compensation paid to senior officers in 2009 was guided by the primary goal of retaining the qualified individuals necessary for the Company to emerge from CCAA protection and to function successfully thereafter, while being limited by restrictions imposed on the Company during the CCAA Proceedings.

In this regard, retention bonus payments were made to Named Executive Officers (and other employees) continuing with the Company. Details of these payments are outlined in the Summary Compensation Table and the Director Compensation Table.

The amount of retention bonuses paid to certain Named Executive Officers was determined with reference to the base salary of such individuals and the department of the Company in which they served.

In addition, as responsibilities of certain officers increased, base salary increases were warranted. For example, Mr. Snethun was appointed to the position of COO during the year and his duties have been expanded while the Company continues its search process for a CEO. As a result of Mr. Snethun's appointment to COO, he received a base salary increase on May 1, 2009.

Proposed Changes to the Compensation Process during 2010

During 2010, the Company will continue to assess its compensation processes with the goal of implementing a comprehensive compensation program consistent with best corporate practices and focused on performance.

In March, 2010 the Compensation Committee retained Mercer (Canada) Limited ("Mercer") to provide advice on executive and director compensation arrangements. It is anticipated Mercer will assess the Company's current executive compensation program and recommend changes based on current trends and competitive information. The Compensation Committee will implement such changes to the Company's executive compensation program and processes as appropriate. The decisions made by the Compensation Committee are the responsibility of the Compensation Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer.

Performance Graph

The following graph compares the yearly change in the cumulative total Shareholder return of a \$100 investment from December 31, 2004 to December 31, 2009 in the Common Shares with the cumulative total return of the TSX/S&P Composite Total Return Index assuming the reinvestment of dividends, where applicable, for the comparable period.

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Date	Canadian Superior	TSX/S&P Composite Total Return Index
December 31, 2004	\$100.00	\$100.00
December 30, 2005	\$125.65	\$124.13
December 29, 2006	\$123.04	\$145.55
December 31, 2007	\$152.36	\$159.86
December 31, 2008	\$62.83	\$107.10
December 31, 2009	\$33.51	\$144.65

The trend shown in the above graph does not necessarily correspond to the trend in the Named Executive Officer compensation for the year ended December 31, 2009 or for any prior periods. During the last year, compensation increased for the Named Executive Officers while the Common Share price decreased. The level of Named Executive Officer compensation was necessary to retain such executives through a critical and challenging time period for the Company and is also reflective of the increased demands that were placed on the Named Executive Officers through this period. However, a significant portion of standard Named Executive Officer compensation has been delivered in the form of Options, which are currently out-of-the money and will not regain their value unless the Common Share price rises above the applicable exercise prices for such Options.

Summary Compensation Table

The following table provides information concerning compensation of the Named Executive Officers for the years ended December 31, 2009 and 2008.

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Name and Principal Position	Year	Non-Equity Incentive Plan Compensation (\$)							Total Compensation (\$)
		Salary (\$)	Option-Based Awards(1) (\$)	Annual Incentive Plans(2) (\$)	Long-term Incentive Plans (\$)	Pension Value (\$)	All Other Compensation(3) (\$)		
Leif Snethun(4) COO	2009	266,667	273,060	61,250	Nil	Nil	346,396(5)	947,373	
	2008	188,462	426,999	25,000	Nil	Nil	89,025	729,486	
Robb Thompson(6) CFO	2009	275,000	273,060	60,000	Nil	Nil	587,768(5)	1,195,828	
	2008	223,958	418,799	42,333	Nil	Nil	103,694	788,784	
Marvin Chronister Chairman(7)	2009	Nil	Nil	Nil	Nil	Nil	364,443(8)	364,443	
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Roger Whelan Senior Vice President, Business Development(9)	2009	418,800	198,440	104,700	Nil	Nil	14,281	736,221	
	2008	296,040	793,957	104,700	Nil	Nil	139,209	1,333,906	
Michael Coolen(10) Former President and CEO and Director	2009	183,333	Nil	Nil	Nil	Nil	1,947,681	2,131,014	
	2008	412,500	Nil	196,875	Nil	Nil	94,948	704,323	
Gregory Noval(11) Former Executive Chairman and Director	2009	170,188	Nil	Nil	Nil	Nil	1,385,161	1,555,348	
	2008	464,149	Nil	116,037	Nil	Nil	134,409	714,595	

Notes:

- 1) Amounts disclosed under "Option-Based Awards" represent Option grants and are based on the grant date fair value in the current year and pricing at time of issue as determined using the Black-Scholes model.
- 2) Amounts reported under "Annual Incentive Plans" represent annual discretionary cash bonus payments awarded for performance during 2009 and 2008, respectively.
- 3) For all Named Executive Officers, other than Mr. Chronister, the amount reported under "All Other Compensation" includes matching payments under the ESSP, parking expenses, life insurance premiums, signing bonuses, employment settlement payments, retention payments and automobile lease and insurance payments. For details of the employment settlement payments made to Messrs. Coolen and Noval in 2009 see "Termination and Change of Control Benefits".

4)

Mr. Snethun was appointed as the Vice President, Western Canada on February 5, 2008. Mr. Snethun was subsequently appointed COO on April 30, 2009.

- 5) For Messrs. Snethun and Thompson, amounts reported under "All Other Compensation" include \$325,000 and \$566,080 paid to Messrs. Snethun and Thompson, respectively, pursuant to retention bonuses upon the Company emerging from CCAA protection.
- 6) Mr. Thompson was appointed as the CFO on February 1, 2008.
- 7) Mr. Chronister was elected as a director and became Chairman on September 9, 2009. The compensation paid to Mr. Chronister and reported in the table represent fees paid for his services as a director, Chairman and Chair of the Audit Committee. See Note 8.
- 8) Compensation reported for Mr. Chronister includes an annual retainer paid to Mr. Chronister in his capacity as Chairman and Chair of the Audit Committee and attendance fees for Board, committee and business meetings attended by Mr. Chronister during 2009. See "Director Compensation". In addition, Mr. Chronister's compensation includes the grant date fair value of stock units ("Stock Units") granted under Stock Unit award agreements calculated on the basis of the closing price of the Common Shares on the TSX immediately prior to the date of grant (being \$0.74) multiplied by the number of Stock Units granted to Mr. Chronister. In 2009, the Board delegated to Mr. Chronister, as Chairman, additional responsibilities until such time as the Board appoints a CEO. In consideration for these additional responsibilities, Mr. Chronister is entitled to additional director fees in the amount of U.S.\$1,500 per day plus expenses for each day in which he is required to spend a significant amount of time on Company matters. In 2009, an aggregate of U.S.\$39,000 was paid to Mr. Chronister in respect of these additional fees. Fees paid to Mr. Chronister were provided in United States dollars and for purposes of the above table have been converted from United States dollars to Canadian dollars based on the following rate: U.S.\$0.9555 = Cdn\$1.00, reflecting the average noon Bank of Canada rate for December 31, 2009.

- 9) Mr. Whelan was appointed as Senior Vice President, Business Development on May 15, 2008. Compensation paid to Mr. Whelan was provided in United States dollars and for purposes of the above table has been converted from United States dollars to Canadian dollars based on the following rate: U.S.\$0.9555 = Cdn\$1.00, reflecting the average noon Bank of Canada rate for December 31, 2009.
- 10) Mr. Coolen ceased to be the President and CEO on April 24, 2009 and did not stand for re-election to the Board at the annual and special meeting of Shareholders held on September 9, 2009 (the "2009 Meeting"). From April, 2009, upon ceasing to act as an officer of the Company, Mr. Coolen was paid non-executive director fees of \$12,500 which amount is included under "All Other Compensation".
- 11) Mr. Noval ceased to be the Executive Chairman on April 24, 2009 and did not stand for re-election to the Board at the 2009 Meeting. From April, 2009, upon ceasing to act as an officer of the Company, Mr. Noval was paid non-executive director fees of \$5,000 which amount is included under "All Other Compensation".

Outstanding Option-Based Awards

The following table sets forth information with respect to the outstanding Options granted under the Option Plan to each Named Executive Officer holding Options as of December 31, 2009, which includes Options granted prior to January 1, 2010. The Company does not currently have in place a share-based award plan.

Name and Principal Position	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)
Leif Snethun, COO	350,000	3.05	January 13, 2018	Nil
	666,000	0.64	November 11, 2019	Nil
Robb Thompson CFO	300,000	3.49	January 31, 2018	Nil
	666,000	0.64	November 11, 2019	Nil
Roger Whelan Senior Vice President, Business Development	600,000	3.13	May 5, 2018	Nil
	484,000	0.64	November 11, 2019	Nil

Option Plan

The Option Plan was initially adopted on April 30, 2001 and amended on June 11, 2004, June 25, 2005 and June 27, 2008. The Option Plan is intended to provide an incentive, in the form of a proprietary interest in the Company, to officers, directors, consultants and employees of the Company or its subsidiaries and any person or company engaged to provide ongoing management or consulting services for the Company or its subsidiaries (collectively, the "Participants") who are in a position to contribute materially to the successful operation of the business of the

Company, to increase their interest in Canadian Superior welfare and to provide a means through which Canadian Superior can attract and retain persons of experience and ability.

Under the Option Plan:

1. Options may be granted in such numbers and with such vesting provisions as the Board may determine, although generally Options vest in 1/3 increments over a three year period;
2. the exercise price of Options shall not be less than the "market value" of the Common Shares at the date of granting such Option. For purposes of the Option Plan, "market value" means the last reported trading price of the Common Shares on the TSX prior to the date on which the Option is granted;

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3. the term and expiry date of the Options granted shall be determined in the discretion of the Board at the time of granting of the Options, subject to the maximum term allowable for Options being 10 years;
4. the aggregate number of Common Shares that may be reserved for issuance under the Option Plan must not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis);
5. the number of Common Shares, when combined with any other share compensation arrangements, issuable (or reserved for issuance) to "insiders" of Canadian Superior and their associates and affiliates may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis);
6. the issuance of Common Shares to any one "insider" of Canadian Superior and such insider's associates and affiliates, when combined with any other share compensation arrangements, within a one year period may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
7. in the event of the resignation or retirement of a Participant, or the termination of the employment of a Participant, with or without cause, prior to the expiry time of an Option, such Option, if vested, shall cease and terminate on the ninetieth day following the effective date of such resignation, retirement or termination or the expiry time of such option, whichever occurs first and thereafter shall be of no further force or effect whatsoever as to the Common Shares in respect of which such Option has not previously been exercised;
8. in the event of the death or permanent disability of a Participant, prior to the expiry time of an Option, such Option, if vested, shall be exercisable for one year following the death or permanent disability of the Participant or the expiry time of such Option, whichever occurs first and thereafter shall be of no further force or effect whatsoever as to the Common Shares in respect of which such Option has not previously been exercised;
9. in the event of a "Change of Control" (as such term is defined under the Option Plan), the Board may, in its sole discretion, accelerate or provide for vesting of Options previously granted;
10. in the event that the an Option expires during any period during which the holder of the Option is not permitted to trade Common Shares pursuant to the policies of the Company or within nine business days after such a period ends, then the expiry date of the Options shall be extended to the date that is the 10th business day after the date on which such period ends; and
11. the Board has the ability to suspend or terminate the Option Plan. The Board may amend the Option Plan or any Option at any time and from time to time without the approval of Shareholders, provided that no such amendment may: (i) increase the maximum percentage of the issued and outstanding Common Shares issuable pursuant to the Option Plan; (ii) reduce the exercise price of an outstanding Option; (iii) amend the expiry date to extend the term of any Option or allow such Option to be exercisable for a period exceeding 10 years from the date the Option is granted; or (iv) permit Options to be transferable and assignable other than in the event of death or permanent disability of a Participant. Notwithstanding the foregoing no amendment may be made that would alter or impair any Options previously granted to a Participant without the consent or deemed consent of the Participant.

Options granted under the Option Plan are not transferable or assignable and no financial assistance has been or is expected to be provided by Canadian Superior to Participants to facilitate the purchase of Common Shares under the Option Plan.

As of the date hereof, a total of 9,888,865 Common Shares are issuable upon exercise of currently outstanding Options, representing approximately 3% of the issued and outstanding Common Shares as of the date hereof.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options granted pursuant to the Option Plan and discretionary annual cash bonus payments to the Named Executive Officers that vested during the year ended December 31, 2009.

Name and Principal Position	Options-Based Awards Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Leif Snethun COO	Nil	61,250
Robb Thompson CFO	Nil	60,000
Roger Whelan Senior Vice President, Business Development	Nil	104,700

Termination and Change of Control Benefits

Mr. Coolen was terminated by the Company and ceased to be President and CEO on April 24, 2009. Pursuant to a settlement agreement dated August 11, 2009 (as amended September 2, 2009) between Mr. Coolen and the Company, Mr. Coolen received a payment of \$1,778,152 in connection with the CCAA Proceedings.

Mr. Noval was terminated by the Company and ceased to be Executive Chairman on April 24, 2009. Pursuant to a settlement agreement dated August 14, 2009 between Mr. Noval and the Company, Mr. Noval received a payment of \$1,317,548 in connection with the CCAA Proceedings.

Neither Mr. Snethun nor Mr. Thompson has an employment agreement with the Company that provides for payments to such officer upon termination or change of control.

Mr. Whelan is party to an executive employment agreement with the Company. Pursuant to Mr. Whelan's executive employment agreement and based on his 2009 annualized base salary, the table below sets out an estimated payment that he would have been entitled to if the event resulting in termination of employment occurred on December 31, 2009.

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Name and Principal Position	Termination without "Just Cause" (\$)	Termination upon "Change of Control" (\$)	Termination for "Just Cause"(1) (\$)
Roger Whelan Senior Vice President, Business Development	209,400(2)	Nil	Nil

Notes:

- 1) In the event of a termination for "just cause", the Company shall have no further obligation to Mr. Whelan, other than the payment of annual base salary accrued and unpaid through the date of termination, outstanding expense reimbursements and any statutory vacation pay.
- 2) Compensation paid to Mr. Whelan was provided in United States dollars and for purposes of the above table has been converted from United States dollars to Canadian dollars based on the following rate: U.S.\$0.9555 = Cdn\$1.00, reflecting the average noon Bank of Canada rate for December 31, 2009.

In addition, under the terms of the Option Plan, the Board has the discretion to accelerate unvested Options held by Named Executive Officers, in whole or part, in the event of a "change of control".

Mr. Chronister, as Chairman, does not have an employment contract with the Company. If Mr. Chronister ceased to be a member of the Board for any reason as of December 31, 2009 he would have been entitled to a cash payment of \$12,478, representing the value of the vested Stock Units based on the closing price of the Common Shares on the TSX as of such date (\$0.64). See "Director Compensation".

Director Compensation

The following table provides information concerning the Company's non-executive director fee structure in effect prior to the 2009 Meeting, at which date a new slate of directors was elected to the Board.

Type of Fee	Amount (\$)
Annual Retainers	
Director/Committee Chair Annual Cash Retainer	25,000
Attendance Fees	
Board Meetings attended in person (per meeting)	2,500
Board Meetings attended by telephone (per meeting)	500
Committee Meetings (per meeting)	500
Equity Compensation	

Option grants

As recommended by the Compensation
Committee and determined by the Board

The following table provides information concerning the Company's non-executive director fee structure in effect after the 2009 Meeting, at which date a new slate of directors was elected to the Board.

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Type of Fee	Amount (\$)(1)
Annual Retainers	
Director Annual Cash Retainer(2)	42,415
Board Chair Annual Cash Retainer	21,208
Committee Chair Annual Cash Retainer (other than the Audit Committee Chair)	10,604
Audit Committee Chair Annual Cash Retainer	15,906
Attendance Fees	
Board Meetings attended in person (per meeting)	2,121
Board Meetings attended by telephone (per meeting as determined by the Chairman)	1,591 to 2,121
Committee Meetings (per meeting)	1,060
Business Meetings(3) (per day)	1,591
Equity Compensation	
Option grants and Stock Unit awards	As recommended by the Governance Committee and determined by the Board

Notes:

1) Fees are paid in United States dollars and for purposes of the above table have been converted from United States dollars to Canadian dollars based on the following rate: U.S.\$0.9430 = Cdn\$1.00, reflecting the average noon Bank of Canada rate for the period from the 2009 Meeting to December 31, 2009. In 2010, the Company's non-executive director fee structure will continue to be paid in United States dollars as follows: Director Annual Cash Retainer, U.S.\$40,000; Board Chair Annual Cash Retainer, U.S.\$20,000; Committee Chair Annual Cash Retainer (other than the Audit Committee Chair), U.S.\$10,000; Audit Committee Chair Annual Cash Retainer, U.S.\$15,000; Board Meetings attended in person (per meeting), U.S.\$2,000; Board Meetings attended by telephone (per meeting as determined by the Chairman), U.S.\$1,500 to U.S.\$2,000; Committee Meetings (per meeting), U.S.\$1,000; Business Meetings (per day), U.S.\$1,500.

2) A business meeting is a meeting or event (other than a Board or committee meeting) that a director attends on behalf of the Company and requires a substantial commitment of time.

Directors are also reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors and are eligible to participate in the ESSP.

Director Compensation Table

The following table provides information concerning compensation paid to the non-executive directors for the year ended December 31, 2009.

Name	Non-Equity
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	Fees Earned(1) (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Charles Dallas(2)	52,167	Nil	Nil	Nil	Nil	Nil	52,167
Thomas Harp(2)	57,667	Nil	Nil	Nil	Nil	Nil	57,667
Kaare Idland(2)	49,667	Nil	Nil	Nil	Nil	Nil	49,667
Alexander Squires(2)	53,167	Nil	Nil	Nil	Nil	Nil	53,167
Kerry Brittain(3)	91,127	Nil	Nil	Nil	Nil	165,760(4)	256,887
Dr. James Funk(3)	84,321	Nil	Nil	Nil	Nil	165,760(4)	250,081
Dr. William J.F. Roach(3)	81,143	Nil	Nil	Nil	Nil	165,760(4)	246,903
Gregory Turnbull(3)	69,626	Nil	Nil	Nil	Nil	165,760(4)	235,386
Richard Watkins	325,337(5)	Nil	Nil	Nil	Nil	107,300(4)	432,637

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Notes:

- 1) Fees are paid in United States dollars and for purposes of the above table have been converted from United States dollars to Canadian dollars based on the following rate: U.S.\$0.9555 = Cdn\$1.00, reflecting the average noon Bank of Canada rate for December 31, 2009.
- 2) Messrs. Dallas, Harp, Idland and Squires did not stand for re-election to the Board at the 2009 Meeting.
- 3) Messrs. Brittain, Funk, Roach and Turnbull were elected to the Board at the 2009 Meeting.
- 4) Includes the grant date fair value of Stock Units granted under Stock Unit award agreements calculated on the basis of the closing price of the Common Shares on the TSX immediately prior to the date of grant (being \$0.74) multiplied by the number of Stock Units granted.
- 5) In 2009 Mr. Watkins assumed additional responsibilities during the CCAA Proceedings, including chairing the Independent Committee of the Board formed during that process. In consideration for these additional responsibilities, Mr. Watkins was paid additional director fees of \$193,850.

Messrs. Chronister, Noval and Coolen each served on the Board for a portion of 2009 and were Named Executive Officers of the Company for the 2009 year. As such, all fees paid to Mr Chronister are disclosed in the Summary Compensation Table. While Mr. Noval and Mr. Coolen were executives of the Company they were not paid any director compensation. Upon ceasing to be officers of the Company on April 24, 2009, they were paid non-executive director fees until they resigned from the Board on September 9, 2009. These fees are reported in the Summary Compensation Table.

Stock Units

The following table sets forth information with respect to the outstanding Stock Units granted under Stock Unit award agreements to the directors as of December 31, 2009.

Name	Number of Stock Units (#)	Value of Total Stock Units Granted(1) (\$)
Marvin Chronister	297,000	190,080
Kerry Brittain	224,000	143,360
Dr. James Funk	224,000	143,360
Dr. William J.F. Roach	224,000	143,360
Gregory Turnbull	224,000	143,360
Richard Watkins	145,000	92,800

Note:

- 1) The value of the Stock Units reported are based on the closing price of the Common Shares on the TSX on December 31, 2009 being \$0.64. Stock Units are not exercisable until the vesting conditions are met as described below.

The Stock Unit grants were approved by the Board and are intended to ensure that a substantial portion of the compensation of the directors is in the form of long-term equity based compensation. This reflects the Board's belief that the directors should develop a meaningful equity position in the Company and that a significant portion of each director's compensation be tied to the long-term performance of the Company so that the interests of directors are aligned with Shareholders.

Each Stock Unit represents a right to receive a cash amount equal to the closing price of a Common Share on the TSX (or such other stock exchange upon which the Common Shares are then listed and where the greatest volume of trading has occurred) on the applicable vesting date. Stock Units vest on the earlier of: (i) the last business day of the third anniversary of the grant date (which, in the case of the Stock Units, disclosed in the above table, will be December, 31, 2012); (ii) upon a change of control (as defined in the stock unit award agreements); or (iii) upon the director ceasing to be a member of the Board for any reason (in respect of a pro rata portion of Stock Units determined with reference to the date of termination).

Payments made in respect of Stock Units will be made in cash. However, if at some point in the future the Shareholders approve an equity compensation plan under which the Stock Units may

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be paid in Common Shares, the Board (or the Compensation Committee) may determine that all or any portion of the Stock Units be paid in Common Shares.

On January 18, 2010, the Company issued 206,000 Stock Units to Mr. Riddell in connection with his appointment to the Board.

Director Compensation - Option-Based Awards and Incentive Plan Compensation

The following table sets forth information with respect to the outstanding Options granted under the Option Plan to directors as of December 31, 2009. The only director who currently holds Options is Mr. Watkins. The Company does not currently have in place a share-based award plan.

Name	Option-Based Awards			Value of Unexercised In-the-Money Options (\$)
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	
R i c h a r d	300,000	2.30	May 25, 2016	Nil
Watkins	200,000	2.20	July 5, 2016	Nil

Director Compensation - Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options granted pursuant to the Option Plan to directors that vested during the year ended December 31, 2009. The only director who currently holds Options is Mr. Watkins.

Name	Options-Based Awards - Value Vested During the Year (\$)
Richard Watkins	Nil

CORPORATE GOVERNANCE

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of its Shareholders but that it also promotes effective decision making at the Board level. The Board is of the view that its approach to corporate governance is appropriate and continues to work to align with the recommendations currently in effect and contained in National Policy 58-201, Corporate Governance Guidelines which are addressed below. In addition, the Board monitors and considers for implementation by Canadian Superior the corporate governance standards which are proposed by various Canadian regulatory authorities or which are published by various non-regulatory organizations in Canada. The Company strives to enhance its disclosure to Shareholders on an annual basis.

Mandate of the Board

The Board has responsibility for the stewardship of the Company. The Board has adopted a formal written mandate which is set out as Appendix "A" to this Information Circular. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Company's

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debt and borrowing policies and setting the policies and principles for CEO selection and performance. The Board strives to ensure that actions taken by management correspond closely with the objectives of the Board and Shareholders.

Composition of the Board

Independence

The Board currently consists of seven directors who provide the Company with a wide diversity of business experience. Mr. Watkins is not standing for re-election to the Board. Additional information for each of the directors can be found under the heading "Meeting Matters - Election of Directors". All Board members are independent as such term is defined by National Instrument 58-101, Disclosure of Corporate Governance Practices by having no direct or indirect material relationship with the Company, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interest of the Company or which could reasonably be expected to interfere with the exercise of the director's independent judgment.

The Board has considered and determined that the expanded responsibilities delegated to the Chairman (and the associated increase in director fees) on an interim basis while the Board conducts a search for a CEO have not caused Mr. Chronister to have a "material relationship" with the Company (within the meaning of National Instrument 52-110, Audit Committees), being a relationship which could reasonably be expected to interfere with the exercise of his independent judgement. While the CEO selection process is ongoing, the Board will continue to evaluate Mr. Chronister's role on a regular basis to assess whether the nature of his responsibilities or the fees he is entitled to compromise his independence.

Other Directorships

The following directors currently serve on the board of directors of the reporting issuers (or equivalent) listed below, each of which are reporting issuers in one or more Canadian (or foreign) jurisdictions:

Name	Name of Reporting Issuer
Marvin Chronister	N/A
Dr. James Funk	Range Resources Corp. Superior Energy Services, Inc.
Kerry Brittain	N/A
Dr. William J.F. Roach	UTS Energy Company
Gregory Turnbull	Crescent Point Energy Corp. Storm Exploration Inc. Heritage Oil Plc. BNP Resources Inc. Porto Energy Corp. Seaview Energy Inc. Hawk Exploration Ltd.
James Riddell	Big Rock Brewery Ltd.

Paramount Resources Ltd.
MGM Energy Trust
Trilogy Energy Trust

Richard Watkins(1)

N/A

Note:

- 1) Mr. Watkins is not standing for re-election to the Board.

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Board and Committee Meetings

The following tables disclose the attendance record for each director for all Board and standing committee meetings held during 2009, before and after the 2009 Meeting, for which such director was eligible to attend.

Name	Number of Meetings Attended (After September 9, 2009)				
	Board	Audit Committee	Compensation Committee	Corporate Governance Committee	Health, Safety, Environment and Reserves Committee
M a r v i n Chronister(1)	7 / 7	2 / 2	2 / 2	N/A	1 / 1
Dr. J a m e s Funk(1)	7 / 7	N/A	N/A	1 / 1	1 / 1
K e r r y Brittain(1)	6 / 7	2 / 2	2 / 2	1 / 1	N/A
Dr. W i l l i a m J.F. Roach(1)	7 / 7	N/A	N/A	N/A	1 / 1
G r e g o r y Turnbull(1)	6 / 7	2 / 2	N/A	1 / 1	N/A
R i c h a r d Watkins	7 / 7	N/A	2 / 2	N/A	N/A

Note:

- 1) Messrs. Chronister, Funk, Brittain, Roach and Turnbull were elected to the Board at the 2009 Meeting.

Name	Number of Meetings Attended (Before September 9, 2009)			
	Board	Audit Committee	Reserves Committee	Compensation Committee
G r e g o r y Noval(1)	12 / 15	N/A	0 / 1	N/A
M i c h a e l E. Coolen(1)	15 / 15	N/A	N/A	N/A
C h a r l e s Dallas(1)	15 / 15	3 / 3	N/A	N/A
T h o m a s Harp(1)	15 / 15	N/A	1 / 1	2 / 2
A l e x a n d e r Squires(1)	14 / 15	3 / 3	N/A	N/A

K a a r e Idland(1)	15 / 15	N/A	1 / 1	2 / 2
R i c h a r d Watkins	15 / 15	3 / 3	N/A	2 / 2

Note:

1) Messrs. Noval, Coolen, Harp, Dallas, Squires and Idland did not stand for re-election to the Board at the 2009 Meeting.

The Board has at least four regularly scheduled meetings per year. During certain meetings, the Board and its committees conduct in camera sessions, at which no members of management are present. The in camera sessions of the Board are held at such times as the Chairman determines advisable. The in camera sessions are intended not only to encourage the Board and its committees to fully and independently fulfill their mandates, but also to facilitate the performance of the fiduciary duties and responsibilities of the Board and its committees on behalf of Shareholders.

Position Descriptions

Chairman

The Board has developed a written position description for the chairman, which provides that the Chairman is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to ensure that the Board is alert to its obligations to the Company.

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Committee Chairs

The Board has developed written position descriptions for the chairs of each committee. The chairs of each committee are to provide effective leadership at the committee level and ensure that the each committee fulfills its mandate.

Chief Executive Officer

The Board has adopted a position description for its CEO. The CEO's principal duties and responsibilities are for planning the strategic direction of the Company, providing leadership to the Company, reporting to Shareholders, and overseeing the executive management of the Company in particular with respect to the day-to-day affairs of the Company. In addition, the written mandate of the Compensation Committee provides that it will conduct annual performance reviews of the CEO with the results of such reviews to be communicated to the Board, giving the Board a formal opportunity to provide direction and feedback to the CEO concerning the performance of his or her duties.

Orientation and Continuing Education

The Company has not adopted a formalized process of orientation for new Board members. However, the Corporate Governance Committee is mandated, as may be required from time to time, to oversee an orientation and education program for new directors and ongoing educational opportunities for all directors. No formal programs have been implemented to date.

All directors have been provided with a base line of knowledge about the Company which serves as a basis for informed decision making. This base line of knowledge includes a combination of written material and one-on-one meetings with senior management of the Company.

Directors are kept informed as to matters impacting, or which may impact, the Company's operations through regular communications from management and reports and presentations at Board meetings.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code") for all directors, officers, employees and consultants of the Company. The Code has been filed on, and has been accessible through, SEDAR at www.sedar.com. The Company expects that all directors, officers, employees and consultants of the Company will adhere to the highest ethical standards in the Company's business activities. All directors, officers, employees and consultants of the Company are expected to deal fairly with other employees, customers, suppliers, competitors, governments and the general public.

The Board and management of the Company monitor compliance with the Code. All directors, officers, employees and consultants of the Company are encouraged to report violations of the Code to an employee's supervisor, any senior officer or director, the chair of the Audit Committee or the Chairman, as may be appropriate in the circumstances. The Board has adopted a whistleblower policy (the "Whistleblower Policy") which allows for