

FULL OF ENERGY AND IDEAS FOR INVESTORS!

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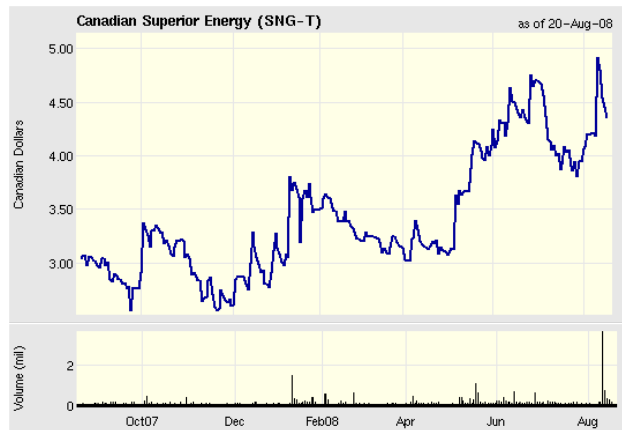
Canadian Superior Energy Inc. (SNG: TSX, AMEX)

BUY
Twelve Month Target: \$7.00
Updating Coverage

Market Data

Last Price (August 20, 2008)	\$4.36
52 Week High	\$4.99
52 Week Low	\$2.52
Share Capital - MM	
Shares Outstanding - Basic	148.9
Shares Outstanding - FD*	172.0
Capitalization - \$MM	
Net Debt (Pro Forma YE 2008)	23.4
Market Value	649.2
Enterprise Value	672.6

*Assumes conversion of convertible preferred shares



Stock chart courtesy of GlobeInvestor.com

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Operations

	2007	2008 Q2	2008E	2009E
Oil & NGL - BOPD	594	678	700	1,000
Natural Gas - MCF per Day	13,496	16,875	20,000	25,000
BOE per Day 6:1	2,843	3,491	4,033	5,167
Reserves (P+P) - MM BOEs	8.55	n/a	n/a	n/a

Financials - \$MM

Revenue (Net of Royalties)	41.5	33.5	69.3	82.4
Net Earnings	-9.9	-3.5	-7.3	-6.1
Cash Flow	13.9	19.9	38.9	44.0
Net Debt	-12.7	25.5	23.4	49.5
Capital Expenditures	66.3	37.7	75.0	70.0
EPS - FD	-\$0.07	-\$0.02	-\$0.04	-\$0.04
CFPS - Basic W/A	\$0.10	\$0.14	\$0.26	\$0.30
CFPS - FD	\$0.10	\$0.14	\$0.23	\$0.26

Market Valuations

P/E - FD (x)	-41.7	-72.4	-103.3	-122.5
P/CF - Basic W/A (x)	29.9	12.6	16.7	14.8
P/CF - FD (x)	29.9	12.6	19.3	17.1
DACFM - FD (x)	23.4	12.0	18.2	16.1
EV per BOEPD - \$M	\$148.5	\$154.5	\$166.8	\$135.2
EV/DACF - Basic (x)	24.5	12.3	15.8	14.1
Net Debt to Cash Flow	-0.91	0.64	0.60	1.13

Price Assumptions

WTI - U.S.\$	\$72.23	\$110.90	\$115.00	\$110.00
Natural Gas - C\$ per MCF	\$6.46	\$9.00	\$8.15	\$8.00
Exchange Rate (U.S.\$/C\$)	\$1.06	\$1.01	\$1.01	\$1.01

- 2008E - 2009E fully diluted share calculations assume "all-in" options and warrants
- Market & Enterprise Values are based on total basic shares outstanding
- Historical market values based on weighted average share prices
- Net Debt includes all debt plus working capital (negative value implies cash surplus)
- DACFM (debt adjusted cash flow multiple)
- Oil price assumptions adjusted for corporate differential

Back to back successes supported by extensive geo-technical data and production tests at Victory and Bounty point upwards from 1.0 TCF of net natural gas resource potential and 100 mmcf per day of production potential, which translates to an RLI well in excess of 20 years.

CORPORATE UPDATE – We are updating our previous May 23, 2008 research report to reflect Canadian Superior’s six months ended 2008 financial and recent operations results. Highlights are as follows:

- Averaged 3,491 BOEPD over the first half of 2008 with Q2 production averaging 3,870 BOEPD, a 48% increase over Q2 2007
- Generated \$19.9 million in cash flow (\$10.7 million in Q2, a 40% increase over Q2 2007)
- Successfully acquired Seeker Petroleum, adding 1,035 BOEPD of production and 2.1 million BOE’s of proven plus probable reserves from western Canada
- Successfully drilled the Victory well offshore Trinidad with two zones testing at combined gross production capacity of up to 200 mmcf per day (Canadian Superior 45%)
- Successfully spudded and drilled the Bounty well, the second of three offshore Trinidad drilling projects with recent test results indicating production potential of up to 200 mmcf per day and 2.6 TCF of natural gas resource potential (Canadian Superior 45%)

OPERATIONS UPDATE

Bounty well test results suggest extensive reservoir – Based on extensive 2D and 3D seismic interpretation, detailed log analysis and production testing results, Canadian Superior has furthered its interests in Trinidad with up to 2.6 TCF of additional natural gas resource potential over and above the Victory reserve potential of 0.6 – 1.0 TCF. On a combined basis, gross production potential from Victory and Bounty could surpass 300 mmcf per day (Canadian Superior 45%). Well logs over the Bounty well measure a 200 foot pay section with 21% average porosity within a homogeneous, gas saturated clean sand reservoir. Canadian Superior has indicated that there was no water zone evident on well logs. The well tested at a facilities restricted rate of 60.0 mmcf per day with 7,186 PSI flowing bottomhole pressure. Canadian Superior and partners are currently rigging down operations at Bounty in preparation to relocate the Kan Tan IV drilling vessel to the Endeavour prospect approximately five miles away.

OTHER EVENTS

Canadian Superior announces 50:50 joint venture participation in LNG project – Canadian Superior recently announced a 50% joint venture participation, along with a New York based private company (Global LNG Inc.), in an estimated \$550.0 million LNG import re-gasification project for the northeast U.S. that will be operated by a newly established company, Excalibur Energy Inc. The proposed facility (gas import hub) will be located underwater, approximately fifteen miles offshore New Jersey. Subject to regulatory approval, the project will have the capacity to ship 2.4 BCF per day of natural gas into the existing on-shore pipeline grid located near Linden, New Jersey, by the end of 2011. The regulatory approval process is expected to get underway early in 2009 and be up to twelve months in duration.

Tunisia drilling license imminent – Canadian Superior is currently in negotiations to secure a drilling rig in anticipation of receiving formal government approval for a Tunisia/Libya offshore exploration license. Canadian Superior expects to commence drilling soon after receiving the license. The exploration block is in close proximity to a proven prolific light oil pool.

SUMMARY & RECOMMENDATION – In consideration of Q2 2008 results and increased capital exposure to offshore operations in Trinidad and Tunisia/Libya, we are lowering our average 2008 western Canada production estimate from 4,400 BOEPD to 4,033 BOEPD. We are maintaining our 2009 western

Canada production forecast of 5,167 BOEPD. With an increase in our oil and natural gas price forecast for 2009 (\$110.00 WTI, \$8.00 AECO), we are revising our 2009 western Canada cash flow forecast upwards from \$42.7 million to \$44.0 million or \$0.26 per share – fully diluted.

Since our last report, dated May 23, 2008, Canadian Superior shares increased approximately 24% from \$4.04 per share to a recent high nearing \$5.00 per share, which has been our twelve month price target since initiating coverage in January 2008. We reason that Canadian Superior's current share price of approximately \$4.36 is indicative of the current market weakness in natural gas stocks across the board.

With the Victory and Bounty wells now drilled, logged and tested with very encouraging results, **Acumen Capital Partners** is maintaining its **BUY** recommendation on **Canadian Superior Energy Inc.** with an increased price target of **\$7.00**. With tangible results from both Victory and Bounty in hand, we continue to reason that this price target is a fair valuation given the upside potential of the two Trinidad prospects (upwards of 1.0 TCF net to Canadian Superior). Our price target implies a **60%** increase in value from the August 20, 2008 closing share price of \$4.36.■

Company: Canadian Superior Energy Inc.

Disclosure Requirements

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|--|--------|-------------------------------------|----------|-------------------------------------|
| Is this an issuer related or industry related publication? | Issuer | <input checked="" type="checkbox"/> | Industry | <input type="checkbox"/> |
| Does the Analyst have a financial interest in securities of the subject issuer?
If yes, nature of interest: Owns common shares | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
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Other disclosures:

* Acumen has a pool for compensation purposes, which includes research analysts, investment banking personnel and institutional traders. Revenue in the pool includes trading commissions, advisory fees, new issue commissions and broker warrant proceeds.

Acumen Recommendation Structure: Buy Speculative Buy Hold-positive bias Hold-neutral bias Hold-negative bias Sell Under Review Tender
Full Recommendation Structure explanation can be found at the Acumen Capital Partners website: www.acumencapital.com

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