

Maison  
Placements  
Canada



## Maison Placements Canada Investment Presentation

Re-Introducing Research Coverage:

*CANADIAN SUPERIOR*  
*ENERGY INC.*



Prepared by Schachter Asset Management Inc.

January 9<sup>th</sup>, 2007

# Maison Placements Canada

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**SCHACHTER**  
ASSET MANAGEMENT INC.

January 9, 2006

**Canadian Superior Energy**

**SNG \$2.16**

**Outperform**

**Potential Upside 57%**

**Target Price \$3.40**

	2005 Actual	2006 Estimate	2007 Estimate		
<b>Production</b>				<b>Reporting Periods</b>	
Oil & Liquids b/d	618	660	875	Year-end:	December 31st
Natural Gas mmcf/d	12.1	13.3	15.8	Next Report:	Q4 Mar 15/07
Total 6:1	2,632	2,880	3,500	<b>Shares O/S</b>	
Volume Growth	3%	9%	22%	Basic:	131M
Per million shares	22.1	22.0	23.2	Fully diluted:	151M
Gross wells drilled	67	60	55	<b>Financial Data</b>	
<b>Volumes Mix %</b>				Market Cap \$M:	\$283M
Oil & Liquids	23%	23%	25%	Enterprise Value \$M:	\$283M
Natural Gas	77%	77%	75%	Enterprise Value per	
<b>Financials</b>				2007 avg. production \$:	\$80,857
Cash Flow/Share	\$0.27	\$0.17	\$0.22	<b>Reserve Life Index (years)</b>	
Price/Cash Flow	8.0x	12.7x	9.8x	Proven:	5.0
Capital Exp	\$44.1M	\$50M	\$150M	P+P	7.7
Cash Flow	\$30.3M	\$22M	\$32M	<b>Net Asset Value @ 10% BT</b>	
CapEx/Cash Flow	1.5x	2.3x	4.7x	Dec 2006	
<b>Commodity Prices</b>				SAMI Est. \$2.00	
(SAMI forecasts)				<b>Debt</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Bear</b>	Dec-06	
US\$ WTI	\$56.70	\$66.27	60	Debt Line:	\$30M
C\$ AECO	\$8.90	\$6.61	\$9.00	Net Debt Utilized:	\$0M
				<b>Insider Ownership</b>	
				5%	
				CEO:	Greg Noval
				Pres&COO:	Mike Coolen
				Director :	Alex Squires
				Institutions:	Trapeze Capital
				Total Institutions	~13%
				~40%	
				<b>Service Providers</b>	
				Bankers:	Canadian Western & HSBC
				Auditors:	Meyers Norris Penny LLP
				Engineers:	GLJ and McDaniels

## Quarterly Results

	Production (b/d)			Cash Flow per Share		
	2005	2006E	2007E	2005	2006E	2007E
Q1	2,411	2,889	3,200e	0.05	0.06	0.04e
Q2	2,451	2,682	3,200e	0.05	0.04	0.05e
Q3	2,705	2,808	3,600e	0.08	0.03	0.06e
Q4	2,953	3,150e	4,000e	0.09	0.04e	0.07e
Exit	3,120	3,350e	4,300e			

**Disclosure:** Maison Placements has acted as an agent on a securities offering for this company during the last 12 months



### **Greg S. Noval - Chairman & Chief Executive Officer**

Mr. Noval is Chairman and Chief Executive Officer of Canadian Superior Energy Inc. Prior to April of 2000, Mr. Noval was President and Chief Executive Officer and the founder of Canadian 88 Energy Corp. ("Canadian 88").

Mr. Noval founded Canadian 88 with \$200,000 of seed capital and built it up into three-quarters of a billion dollar company during his tenure with the Company. Having recognized the world-class potential of the Scotian Shelf at Canadian 88, he created Canadian Superior as a spin-out of Canadian 88 through a special dividend of Canadian 88 to concentrate on capturing the tremendous oil and gas opportunities present in the basin. Mr. Noval has been involved in numerous natural gas processing and gas gathering projects in Western Canada and has over 25 years of experience in the Canadian energy industry and offshore experience in Canadian Superior's operations offshore Nova Scotia and offshore Trinidad and Tobago. Prior to forming Canadian Superior and Canadian 88, he worked in various operating and management capacities for a number of public and privately owned companies, including Imperial Oil Limited and Hudson's Bay Oil and Gas Company Limited. Mr. Noval holds Bachelor of Commerce and Bachelor of Arts (Econ.) degrees from the University of Alberta and a Bachelor of Law degree from the University of Saskatchewan.

### **Mike E. Coolen - President & Chief Operating Officer**

Mr. Coolen is President and Chief Operating Officer, and a director of Canadian Superior. Since joining Canadian Superior in July 2001, Mr. Coolen has been responsible for Canadian Superior's operations Offshore Nova Scotia, Canada, operations Offshore Trinidad and Tobago and a variety of other corporate management responsibilities associated with various senior management positions within the Corporation, including, as of April, 2006, those of the President and Chief Operating Officer of the Corporation.

Mr. Coolen is a highly experienced veteran in the offshore and onshore oil and gas industry with proven management credentials relating to business units (profit centers) and projects. In addition to onshore related experience, Mr. Coolen is an Engineer with over 30 years experience in the offshore oil and gas industry in several disciplines. His offshore experience includes floating and fixed rigs, production platforms, marine terminals and pipelines; and onshore experience including gas plants, oil batteries, pipelines and drilling. In his 30 plus years in the oil and gas business, 20 of these with Mobil (ExxonMobil), Mr. Coolen has been involved in numerous oil and gas projects and natural gas processing and gas gathering projects, involving all aspects of Onshore and Offshore Exploration and Production (engineering, drilling, construction, commissioning, start-up and operations. Directly prior to joining Canadian Superior, he was Safety, Health and Environmental Manager, ExxonMobil Canada, seconded to the Sable Offshore Energy Project, offshore Nova Scotia, Canada, as Sable's Manager of Health, Safety and Environment.

Mr. Coolen holds a Bachelor of Science degree from Dalhousie University, Nova Scotia, Canada, a Bachelor of Mechanical Engineering with Distinction from Nova Scotia

Technical College, Nova Scotia, Canada; and, has a variety of post graduate training, including courses at Dalhousie University, Texas A&M and Oklahoma State University. Mr. Coolen is a Professional Engineer and a member of the Association of Professional Engineers of Nova Scotia ("APENS") and the Association of Professional Engineers, Geologists and Geophysicists of Alberta ("APEGGA").

### **Leigh S. Bilton – Executive Vice President**

Mr. Bilton is Executive Vice President of Canadian Superior. Since joining Canadian Superior in 2000, Mr. Bilton has been responsible for Canadian Superior's Western Canada operations in addition to a variety of other corporate management responsibilities.

Mr. Bilton has over 25 years of onshore oil and gas industry in exploration, development and production operations and was Vice President Operations with Canadian 88 Energy Corp. prior to joining Canadian Superior Energy.

### **Ed Chau – Exploration Manager**

Mr. Chau is Exploration Manager at Canadian Superior, with over 20 years of experience in the Western Canada Sedimentary Basin. Prior to joining Canadian Superior he was a Chief Geophysicist for Wiser Oil of Canada, where he found a large Cretaceous gas pool and the area became a core producing area for the company. Prior to this, he spent 5 years in intermediate producer and participated in growing the company from 180 mmcf/d to 550 mmcf/d, \$550 million market capitalization to \$2.5 billion, and eventually sold to a large producer. His experience ranged from large U.S. companies to junior producers including Chevron, Amerada Hess, Seagull Energy, Rio Alto Exploration and Wiser Oil of Canada.

### **Neil Dore - Vice President, Western Canada Operations**

Mr. Dore is a professional Engineer with over 16 years of diverse experience in the oil and gas business, including having spent the past five years with Canadian Superior, most recently as the Company's General Manager of Western Canada Operations, where Mr. Dore has been involved in most areas of the upstream oil and gas business including drilling, completions, reservoir, A&D, facilities, regulatory, operations and management of HS&E programs. Throughout his career, Mr. Dore has worked for both major and junior oil and gas companies including Amerada Hess Corp., Crestar Energy, Canadian 88 Energy Corp., Murphy Oil Corp. and Canadian Superior.

Mr. Dore holds a Bachelor of Science Degree (Honors) in Petroleum Engineering from the Montana College of Mineral Science and Technology, Butte, Montana and is a member of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta (APEGGA). Mr. Dore has over 13 years of engineering experience. He is currently the Engineering Manager at Canadian Superior Energy where he manages and oversees the Corporation's daily operations; ensures that regulatory guidelines and requirements are met; he evaluates the acquisition/divestiture opportunities; he also manages facilities design and engineering designs.

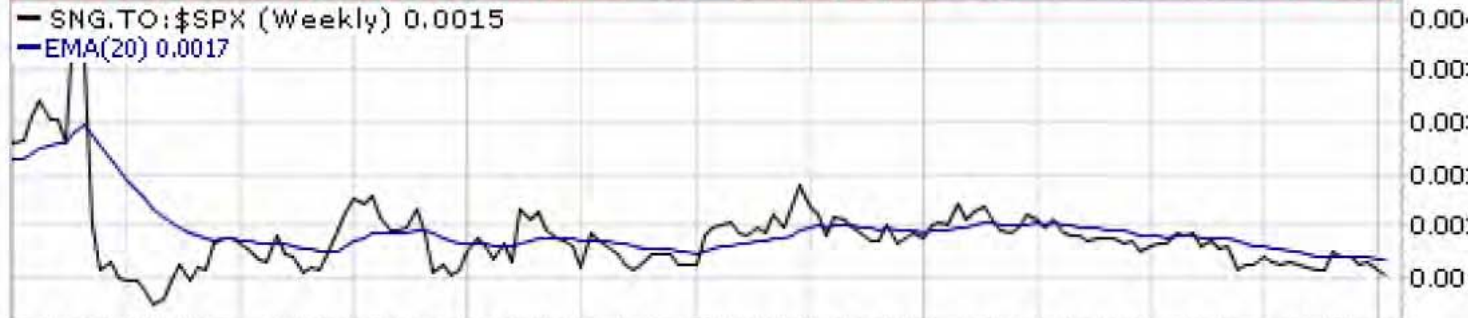
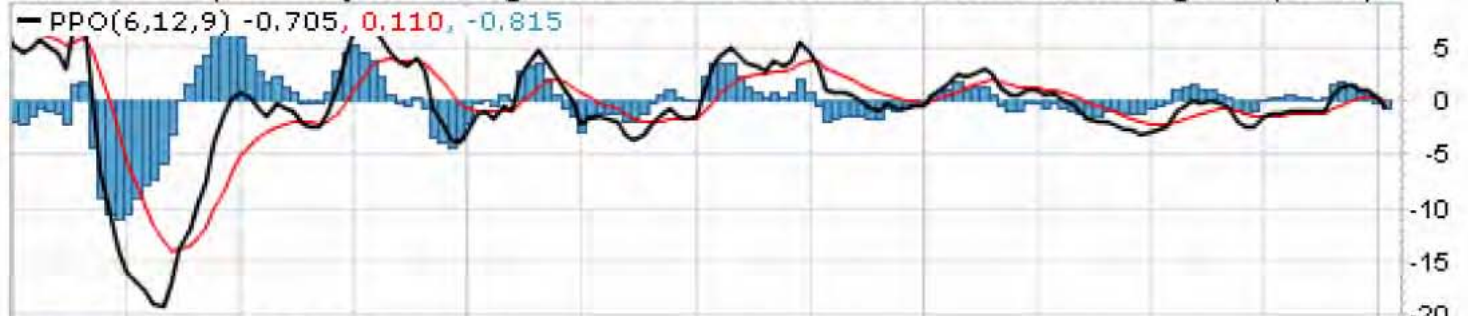
## **Roger Harman – Chief Financial Officer**

Mr. Harman has over 30 years of extensive experience in the oil and gas industry, including Financial, Marketing, Joint Venture and Production Accounting; and, is a Certified Management Accountant (CMA), having acquired his CMA in 1987. Prior to joining Canadian Superior in June 2003, as Manager, Revenues & Marketing, Mr. Harman held senior management positions with a number of public companies including AltaGas Services, TXU Energy Trading Canada, Promark Marketing Limited and Canadian 88 Energy Corp.

# SNG.TO (Canadian Superior Energy Inc.) TSE

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9-Jan-2007 1:48pm **Open 2.25 High 2.26 Low 2.14 Last 2.16 Volume 103.1K Chg -0.06 (-2.70%)**



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