

# Maison Placements Canada

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**SCHACHTER**  
ASSET MANAGEMENT INC.

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**Canadian Superior Energy SNG \$3.23**

**OutPerform**

**Potential Upside 80% Target Price \$5.80**

|                         | 2007<br>Estimate | 2008<br>Estimate | 2009<br>Estimate |  |
|-------------------------|------------------|------------------|------------------|--|
| <b>Production</b>       |                  |                  |                  | <b>Reporting Periods</b>                                   |
| Oil & Liquids b/d       | 587              | 900              | 1,845            | Year-end: December 31st                                    |
| Natural Gas mmcf/d      | 13.2             | 21.6             | 44.3             | Next Report: Q4 Mar/15/08                                  |
| Total 6:1               | 2,795            | 4,500            | 9,225            | <b>Shares O/S (est. post Seeker acquisition)</b>           |
| Volume Growth           | -3%              | 61%              | 105%             | Basic: 147M  |
| Per million shares      | 21.3             | 28.0             | 48.3             | Fully diluted: 161M  |
| Gross wells drilled     | 40               | 22               | 30               | <b>Financial Data</b>                                      |
| <b>Volumes Mix %</b>    |                  |                  |                  | Market Cap \$M: \$475M                                     |
| Oil & Liquids           | 21%              | 20%              | 20%              | Enterprise Value \$M: \$495M                               |
| Natural Gas             | 79%              | 80%              | 80%              | Enterprise Value per<br>2008 avg. production \$: \$110,000 |
| <b>Financials</b>       |                  |                  |                  | <b>Reserve Life Index (years)</b> 2006                     |
| Cash Flow/Share         | \$0.11           | \$0.20           | \$0.42           | <b>Proven:</b> 4.9   |
| Price/Cash Flow         | 29.4             | 16.2             | 7.7              | <b>P+P</b> 7.7   |
| Capital Exp             | \$70M            | \$150M           | \$240M           | <b>Net Asset Value @ 10% BT</b> Feb 2008                   |
| Cash Flow               | \$14M            | \$31M            | \$81M            | SAMI Est. \$3.70   |
| CapEx/Cash Flow         | 5.0x             | 4.8x             | 3.0x             | <b>Debt</b> Mar-08   |
| <b>Commodity Prices</b> |                  |                  |                  | Debt Line: \$45M   |
| (SAMI forecasts)        |                  |                  |                  | Bank Debt Utilized: \$20M                                  |
|                         | <b>Actual</b>    | <b>SAMI Est.</b> | <b>SAMI Est.</b> | <b>Insider Ownership</b> 5%                                |
| US\$ WTI                | \$66.27          | \$70.00          | \$70.00          | CEO: Craig McKenzie 1.5M WT & OPT                          |
| C\$ AECO                | \$6.61           | \$7 to \$9       | \$9.00           | Chairman: Greg Noval 320k                                  |
|                         |                  |                  |                  | Director: Alex Squires 508k                                |
|                         |                  |                  |                  | Institutions: Trapeze Capital ~13%                         |
|                         |                  |                  |                  | Total Institutions ~40%                                    |

|      | Quarterly Results |         |         |                     |       |       |
|------|-------------------|---------|---------|---------------------|-------|-------|
|      | Production (b/d)  |         |         | Cash Flow per Share |       |       |
|      | 2007E             | 2008E   | 2009E   | 2007E               | 2008E | 2009E |
| Q1   | 2,897             | 3,300e  | 8,500e  | 0.05                | 0.03e | 0.10e |
| Q2   | 2,623             | 4,500e  | 9,000e  | 0.02                | 0.05e | 0.10e |
| Q3   | 2,656             | 5,000e  | 9,500e  | 0.02                | 0.05e | 0.11e |
| Q4   | 3,000e            | 5,200e  | 9,900e  | 0.02e               | 0.07e | 0.11e |
| Exit | 3,530             | 8,500e* | 10,000e |                     |       |       |

\*Production number contingent on another successful acquisition in the WCSE

**Service Providers**

Bankers: Canadian Western & HSBC

Auditors: Meyers Norris Penny LLP

Engineers: GLJ and McDaniels

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

