C. K. COOPER & COMPANY

EQUITY RESEARCH
April 21, 2006

CANADIAN SUPERIOR ENERGY INC.

BUY **$5.00 TARGET**

(AMEX: SNG) – EXPLORATION & PRODUCTION

"Funding + Rig = Execution"

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Current Price:	$2.38
52 Week Range:	$1.30 / $ 2.73
Shares Outstanding F/D:	125,000

Market Cap:	$ 297,500
EP Value:	$ 272,500
RABUV	$ 5.15

Average Volume:	330,272
Yr End Reserves: (Bcf)	35
Oil/Gas Reserve Mix:	26% / 74%

YEAR	REVENUES	NET INCOME	CASH FLOW	EPS	CFPS
2003	$ 25,568	$ (312)	$ 13,492	$ (0.00)	$ 0.12
2004	$ 31,761	$ (3,554)	$ 20,455	$ (0.03)	$ 0.19
2005	$ 44,829	$ 3,056	$ 30,042	$ 0.03	$ 0.27
2006E	$ 54,612	$ 6,930	$ 38,615	$ 0.06	$ 0.31
2007E	$ 61,500	$ 7,916	$ 43,511	$ 0.06	$ 0.35

*Financial Data in Thousands Except for Per Share Amounts (Figures in Canadian Dollars)

Market Data	
Peer Group YTD:	12%
WTI (Bbl):	$72.17
NYMEX (mcf):	$8.20
DOW:	11,278.77
NASDAQ:	2,370.88

Since our last research update in December on Canadian Superior (AMEX: SNG), several positive catalysts have occurred to further encourage accumulation.

- The Company announced 2005 production exit rate of **3,470** BOE per day, **6%** higher than in our December update.
- Completed $8.9 million flow through share offering at $3.00 per share Canadian.
- Completed $15 million preferred stock deal at $2.50 per share U.S.
- Trinidad Partner, Challenger Energy, completed $19.5 million Canadian common stock offering to fully fund their commitment on first two offshore Trinidad & Tobago wells.
- Contracted the **Kan Tan IV Semi-Submersible Rig** for back to back wells in the 4th quarter 2006.

Investors have taken notice of these positive occurrences, at one point propelling shares of SNG to a new 52-week high of $2.68. However, a first quarter collapse in natural gas prices has drawn back shares to the $2.30 range. Additionally, we were surprised that the formal announcement of a drilling rig was met with little excitement in the market; a possible explanation could be that drilling is most likely to start in the 4th quarter of 2006 versus the Company's original estimate of 2nd quarter 2006.

In an environment where billion dollar E&P companies are complaining about rig availability, the signing of the Kan Tan IV is a definitive sign of execution. Exploration risk still remains, and will only be placated upon the drilling of the wells. However, with Canadian Superior's current stock price in the $2.30 per share range, we are reiterating our current rating of a **BUY** and raising our price target to **$5.00** per share reflecting our updated Risk-Adjusted Break-Up Value.

IMPORTANT DISCLOSURE ON PAGE 5

VALUATION UPDATE
"Onshore Assets Continue To Provide Solid Foundation"

As we previously stated, Canadian Superior continues to increase daily production from their Onshore Western Canadian assets. In early January, the Company reported a year-end exit rate of 3,470 BOE per day. This was 6% higher than our estimate calling for an exit rate of 3,250 BOE per day. The following table is an updated version of our valuation analysis of what those assets are potentially worth given the robust acquisition market in Canada, driven in part by royalty trusts. Additionally, we have updated the per share value to reflect recent equity offerings, which has raised the total number of shares outstanding to 125 million.

Onshore Western Canadian Assets

	*Conservative	C.K. Cooper	**Aggressive
Daily Production	3,450	3,470	3,750
Price Per Boe	$ 50,000	$ 65,000	$ 83,000
Per Share Value	$ 1.22	$ 1.60	$ 2.20
Prospective CBM Acreage	69,000	69,000	69,000
Recent per Acre Value	$ 390.00	$ 600.00	$ 1,984.00
Per Share Value	$ 0.18	$ 0.28	$ 0.93
Total in U.S. Dollars	**$ 1.40**	**$ 1.88**	**$ 3.14**

*Based Upon Company Estimates
**Based upon recent Petrofund Acquisition (NYSE: PTF)

The estimated value for onshore assets affords investors with some downside protection with SNG's stock trading at only a 20% premium. Additionally, SNG closed out 2005 reporting excellent financial results. Daily production averaged 2,950 BOE per day in the 4th quarter, in line with our estimates. This resulted in a net income of $1.4 million and cash flow of $8.4 million, both in line with our estimates.

Currently, the Company has an estimated $15 million in cash on hand and zero debt on a $25 million credit facility. We believe this $40 million in liquidity combined with 2006 cash flow, estimated to be $38 million Canadian in 2006, should be sufficient to spend $8 to $10 million on Western Canadian drilling and complete the two wells in Trinidad & Tobago, estimated at $60 million gross or $39.6 million net.

Obviously a successful discovery in Trinidad will take an estimated $200 to $300 million to fully develop. With each prospect estimated to have 1 Tcfe in un-risked potential, this large CAPEX requirement would equal a paltry $0.20 to $0.30 in development costs. With current natural gas prices well above $7.00 per Mcfe, it is easy to see why a project of this size has true homerun potential.

TRINIDAD & TOBAGO
"Valuation Update"

With the recent announcement of contracting the Kan Tan IV for back to back wells in Trinidad & Tobago, we feel it is prudent to update our valuation analysis for these two exciting projects. Since our original analysis, two important variables have improved: royalty rates and average price received for natural gas. Originally, we estimated government royalty at 50% and natural gas prices at $4.00 per Mcfe. In a recent press release by Petro-Canada (NYSE: PCZ), they reported an implied royalty rate in Trinidad of 21%, down from 29% in 2004. Additionally, they reported an average natural gas price of $5.69 versus $4.13 in 2004.

Using this data, we created a new valuation table to reflect only the first two wells being drilled. While we still believe that a third prospect could yield another 1 Tcfe of un-risked reserves, there has been no timeline set for this third well. Given the Petro-Canada data, we have changed our royalty assumption from 50% to 40%, still remaining conservative, and increased our natural gas price from $4.00 to $5.00 per Mcfe. This results in the following valuation.

2006 Back to Back Drilling Campaign

Block 5(c) Trinidad & Tobago Exploration Portfolio

	Prospect 1	Prospect 2
Unrisked Reserves (Bcf)	1,000	1,000
Estimated Government Royalty	40%	40%
Net Unrisked Reserve Exposure	600	600
Non-Operated Partner 1/3 for 1/4 Interest	150	150
Total Unrisked Reserves Net to Company (Bcfe)	**450**	**450**
Unrisked Mcfe per fully diluted SNG share	**3.60**	**3.60**
PV-10 Value per Mcfe @ $5.00 Natural Gas	$1.82	$1.78
Unrisked Per Share Value	$6.55	$6.41
Drilling Success Rate	35%	35%
Risked Per Share Value	**$2.29**	**$2.24**
Total Risked Per Share Value	**$4.54**	

Utilizing a 35% drilling success rate, this results in a per share value of **$4.54** for Canadian Superior shareholders. However, one successful well is potentially worth over **$6.00** per share for shareholders. As we have stated repeatedly, ***exploration risk cannot be avoided until the well is drilled***. The fact that Canadian Superior has contracted the Kan Tan IV for two wells improves the odds for a successful well and for shareholders.

We anticipate drilling to start in October with each well taking approximately 80 to 100 days. That would imply results from the first well by year-end 2006. The second well's timing will obviously be impacted by the success/failure of the first well. If the first well is successful, testing could take an additional 10 to 20 days, which would push the second well's SPUD date into late January or early February with results due sometime during the 2nd quarter of 2007.

CONCLUSION
"Investors asleep at the wheel"

Simply put, now is the time to begin accumulating shares of Canadian Superior. The Company has done an excellent job in raising capital - $24 million at an average price of $2.51, a full 15% premium to the current stock price. They have contracted a rig, the Kan Tan IV for back to back wells in the 4th quarter of 2006.

Most notable on the rig contract is that no other E&P companies are involved in this contract. This means Canadian Superior has control of this vessel until they complete the first two wells. A success could set the stage for the Company to renew the contract and possibly drill a 3rd exploratory well. Additionally, they could keep the rig to drill developmental wells offsetting a discovery; this would fulfill their 5 well commitment to the Trinidad and Tobago Government.

The Kan Tan IV is currently undergoing refurbishing in Brownsville Texas. Upon completion, it will be towed to Port of Spain, Trinidad for final preparation before moving to the site location approximately 60 miles offshore Trinidad. Canadian Superior is ahead of schedule as they have completed the necessary environmental and site survey work, as well as acquiring long-lead time equipment, such as drill pipes, for the project. The Company is currently reprocessing the 3D seismic data, shot by British Gas (NYSE: BG) to determine which of the two targets will be drilled first.

We are frequently asked the question, "How did Canadian Superior get involved in such a huge project?" Now that contracts have been signed, the Company has provided additional insight. In short, this block was previously owned by British Gas. British Gas spent an estimated $140 million on shooting high quality 3D seismic data, and analyzing the basin including well data from several surrounding blocks. However, when exploring in most foreign countries, a company is required to release all data to the government. It seems that British Gas did not comply fully with this requirement. With the lease on this block expiring, it went back up for auction and Canadian Superior made a healthy bid of $2 million as well as a work commitment of 5 wells in 3 years.


Undated Photo of Kan Tan IV in Dry Dock

The next 6 to 12 months will undoubtedly be the most exciting for Canadian Superior's shareholders. Two high-risk/high-reward wells being drilled back to back should bring a tremendous amount of new investor interest the closer we get to first drilling. Again we believe now is the time to accumulate shares with the belief that investors will see higher share prices as the well begins drilling. Depending upon one's cost basis and/or risk profile, prudence might suggest taking some money off the table before exploration results are announced. We are therefore reiterating our current rating of a **BUY**, while raising our price target to **$5.00** per share, reflecting a slight discount to our Risk-Adjusted Break-Up Value.

IMPORTANT DISCLOSURE:

Stock Ratings: Within our three tier rating system, we provide a rating based upon our perceived performance of a particular issue. In general, a **BUY** rating signifies that the stock will outperform the general markets. A **HOLD** rating signifies that the stock is fairly valued and/or reached our target price and we would not recommend aggressive accumulation, and would in certain instances, recommend taking profits. A **SELL** rating signifies that the company is going to under-perform the general markets. The methodology used to determine a rating includes our views on the overall stock market, commodity price environment, each issue's growth profile, management's execution, and expected total return over the next 12 months. Price targets are based on, but not restricted to, analyses of market risk, cash flow, EBITDA, EPS, and our Risk-Adjusted Break-Up Value (RABUV).

Risks: C. K. Cooper & Company's peer group is comprised of small cap exploration and production companies. Investors should take note that small capitalization stocks have higher risks associated with trading volatility, access to capital, and liquidity. Operating results are highly dependent upon a number of factors including, but not limited to, the price of oil and natural gas.

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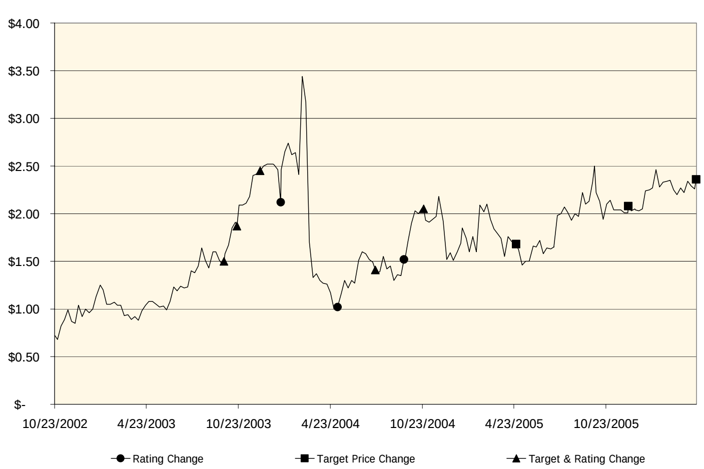
Research: BUY 94% , HOLD 6% , SELL 0%

Banking: BUY 33% , HOLD 0% , SELL 0%



Date	Closing Price	Target Price	Rating
9/24/2003	$ 1.50	$ 2.00	BUY
10/20/2003	$ 1.87	$ 2.50	BUY
12/5/2003	$ 2.45	$ 3.00	HOLD
1/15/2004	$ 2.12	$ 3.00	BUY
5/7/2004	$ 1.02	$ 3.00	S/C
7/22/2004	$ 1.41	$ 2.00	HOLD
9/16/2004	$ 1.52	$ 2.00	HOLD
10/25/2004	$ 2.05	$ 3.50	BUY
4/27/2005	$ 1.68	$ 3.00	BUY
12/6/2005	$ 2.08	$ 4.25	BUY
4/21/2006	$ 2.36	$ 5.00	BUY

Canadian Superior Energy Inc. Earnings Model & Operating Data

	2004	2005	Q1 - E	Q2 - E	Q3 - E	Q4 - E	2006E	2007E
REVENUES								
Total Revenues	$ 31,761	$ 44,829	$ 13,448	$ 13,079	$ 13,079	$ 15,006	$ 54,612	$ 61,500
COSTS & EXPENSES								
Operating Expenses	$ 6,991	$ 7,239	$ 2,302	$ 2,437	$ 2,437	$ 2,572	$ 9,747	$ 10,989
DD&A	$ 22,256	$ 23,539	$ 7,246	$ 7,671	$ 7,671	$ 8,096	$ 30,685	$ 34,595
General & Administrative	$ 4,441	$ 5,398	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 6,000	$ 6,000
Other Expense	$ 1,800	$ 3,657	$ -	$ -	$ -	$ -	$ -	$ -
Interest Expense	$ 185	$ 1,015	$ -	$ -	$ -	$ 250	$ 250	$ 1,000
Total Expenses	$ 35,673	$ 40,848	$ 11,048	$ 11,608	$ 11,608	$ 12,418	$ 46,682	$ 52,584
Gross Income	$ (3,912)	$ 3,981	$ 2,400	$ 1,471	$ 1,471	$ 2,588	$ 7,930	$ 8,916
Taxes	$ 86	$ (210)	$ 250	$ 250	$ 250	$ 250	$ 1,000	$ 1,000
Net Income	$ (3,554)	$ 3,056	$ 2,150	$ 1,221	$ 1,221	$ 2,338	$ 6,930	$ 7,916
KEY METRICS								
EBITDA	$ 18,529	$ 27,400	$ 9,646	$ 9,142	$ 9,142	$ 10,934	$ 38,865	$ 44,511
Cash Flow	$ 20,455	$ 30,042	$ 9,646	$ 9,142	$ 9,142	$ 10,684	$ 38,615	$ 43,511
CFPS F/D	$ 0.19	$ 0.27	$ 0.08	$ 0.07	$ 0.07	$ 0.09	$ 0.31	$ 0.35
EPS F/D	$ (0.03)	$ 0.03	$ 0.02	$ 0.01	$ 0.01	$ 0.02	$ 0.06	$ 0.06
Outstanding Shares F/D	108,000	112,170	125,000	125,000	125,000	125,000	125,000	125,000
PRODUCTION								
Oil (Bbl)	229,606	225,570	67,500	67,500	67,500	67,500	270,000	290,000
Price Received	$ 41.37	$ 57.96	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00
Natural Gas (Mmcfe)	4,163	4,410	1,300	1,400	1,400	1,500	5,600	6,400
Price Received	$ 6.76	$ 9.40	$ 9.50	$ 8.50	$ 8.50	$ 9.50	$ 9.00	$ 9.00
Avg. Daily Production (Mcfe)	15,390	16,010	18,944	20,056	20,056	21,167	20,056	22,611
Avg. Price Received (Mcfe)	$ 6.80	$ 9.46	$ 9.62	$ 8.84	$ 8.84	$ 9.61	$ 9.22	$ 9.21
COST DATA								
LOE/Mcfe	$ 1.26	$ 1.26	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 1.35
DD&A/Mcfe	$ 4.02	$ 4.08	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25
G&A/Mcfe	$ 0.80	$ 0.94	$ 0.88	$ 0.83	$ 0.83	$ 0.79	$ 0.83	$ 0.74

***Financial Data in $Thousands Except for Per Share Amounts**

***Cash Flow is defined as Net Income, DD&A, Non-Cash Charges, and Deferred Taxes**

***All Numbers are in Canadian Dollars**

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RESEARCH UNIVERSE

04/21/06

Issue	Symbol	Current Price	2005E EPS Est.	2005E CFPS Est.	P/E	P/CF	2006E EPS Est.	2006E CFPS Est.	P/E	P/CF	RABUV	Price Target	Rating	Last Update
Abraxas Petroleum Corp.	**ABP**	**$ 6.48**	$ 0.38	$ 0.87	17.04	7.48	$ 0.57	$ 0.84	11.30	7.73	$ 11.91	**$ 11.00**	BUY	03/07/06
American Oil & Gas Inc.	**AEZ**	**$ 4.45**	$ 0.03	$ 0.08	172.87	56.78	$ 0.07	$ 0.23	59.37	19.33	$ 8.85	**$ 6.00**	BUY	01/17/06
Arena Resources Inc.	**ARD**	**$ 36.43**	$ 0.68	$ 1.17	53.64	31.15	$ 1.42	$ 2.65	25.61	13.74	$ 39.60	**$ 38.00**	BUY	03/17/06
ATP Oil & Gas	**ATPG**	**$ 47.67**	$ (0.43)	$ 2.11	(110.32)	22.57	$ 4.22	$ 12.07	11.29	3.95	$ 60.15	**$ 60.00**	BUY	03/10/06
Berry Petroleum	**BRY**	**$ 77.85**	$ 4.99	$ 7.92	15.59	9.82	$ 5.81	$ 9.17	13.39	8.49	$ 95.03	**$ 90.00**	BUY	02/27/06
Canadian Superior Energy	**SNG**	**$ 2.38**	$ 0.03	$ 0.27	87.36	8.89	$ 0.06	$ 0.31	42.93	7.70	$ 6.24	**$ 5.00**	BUY	03/27/06
Edge Petroleum Corp.	**EPEX**	**$ 26.00**	$ 1.88	$ 4.98	13.86	5.23	$ 1.65	$ 5.72	15.78	4.55	$ 29.04	**$ 30.00**	BUY	03/10/06
Endeavour International Corp.	**END**	**$ 3.46**	$ (0.34)	$ 0.11	(10.26)	30.12	$ (0.03)	$ 0.09	(126.44)	38.38	$ 8.92	**$ 8.50**	BUY	02/22/06
Goodrich Petroleum	**GDP**	**$ 28.76**	$ (0.71)	$ 1.83	(40.34)	15.68	$ 0.99	$ 3.27	29.19	8.79	$ 59.01	**$ 50.00**	BUY	02/07/06
Harvest Natural Resources	**HNR**	**$ 13.00**	$ 1.30	$ 2.77	9.97	4.69	$ 0.53	$ 1.18	24.60	11.01	$ 13.57	**$ 13.00**	HOLD	02/27/06
Infinity Energy Resources Inc.	**IFNY**	**$ 8.45**	$ (0.76)	$ 0.35	(11.14)	23.81	$ 0.29	$ 0.78	29.56	10.82	$ 12.65	**$ 12.00**	BUY	03/03/06
NGAS Resources Inc.	**NGAS**	**$ 9.19**	$ 0.04	$ 0.32	212.85	28.28	$ 0.07	$ 0.39	134.96	23.56	$ 12.71	**$ 11.00**	BUY	03/21/06
Petroleum Dev. Corp.	**PETD**	**$ 42.79**	$ 2.64	$ 5.06	16.20	8.46	$ 3.53	$ 5.66	12.11	7.56	$ 62.94	**$ 60.00**	BUY	01/30/06
PRB Gas Transportation Inc.	**PRB**	**$ 5.35**	$ (1.14)	$ (0.17)	(4.71)	(31.12)	$ (0.18)	$ (0.08)	(29.84)	(66.83)	$ 7.25	**$ 9.00**	BUY	03/01/06
The Exploration Co.	**TXCO**	**$ 12.25**	$ 0.47	$ 1.30	26.13	9.43	$ 0.50	$ 1.14	24.42	10.70	$ 11.11	**$ 11.00**	BUY	03/10/06
Teton Energy Corp.	**TEC**	**$ 6.69**	$ (0.40)	$ (0.38)	(16.80)	(17.48)	$ (0.06)	$ 0.00	(109.9)	-	$ 12.52	**$ 10.75**	BUY	01/09/06
Group Median					**14.72**	**9.63**			**20.10**	**8.64**				

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