



*CANADIAN SUPERIOR*  
*ENERGY INC.*

## **CODE OF BUSINESS CONDUCT AND ETHICS**

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## **CODE OF BUSINESS CONDUCT AND ETHICS**

***To all Directors, Officers, Employees and Consultants of Canadian Superior Energy Inc.***

This Code of Business Conduct and Ethics (the “Code”) applies to all directors, officers, employees and consultants of Canadian Superior Energy Inc. (“Canadian Superior” or the “Corporation”).

It is the policy at Canadian Superior that all our activities be conducted with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements. In varying degrees, as a director, officer, employee or consultant of Canadian Superior, each of us represents the Corporation in our dealings with others, whether they be other employees, customers, suppliers, competitors, governments or the general public.

So that there can be no doubt as to what is expected of each of, the Board of Directors of Canadian Superior (the “Board”) has adopted this Code.

### **SUMMARY OF THE CODE**

As a director, officer, employee or consultant when acting on behalf of Canadian Superior you are expected to:

1. Protect the Corporation’s assets, and use them properly and with care for the benefit of Canadian Superior, and not for personal use.
2. Avoid situations in which your personal interests conflict or might conflict with the interests of Canadian Superior. This includes:
  - a. Not take personal opportunities discovered by using property of Canadian Superior or in your role with Canadian Superior.
  - b. Obtain permission before joining the board of directors of another company or related organization.
3. Protect Canadian Superior’s confidential information.
4. Ensure that the books and records of Canadian Superior are complete and accurate.
5. Provide accurate and fair public disclosure and report any accounting, auditing or disclosure concerns. Not speak on behalf of Canadian Superior unless authorized to do so.
6. Be committed to the prevention of workplace discrimination and harassment.
7. Be committed to ensuring the health and safety of all individuals in our organization.
8. Know and comply with all laws, rules and regulations applicable to your position.
9. Deal fairly with Canadian Superior’s customers, suppliers and competitors.
10. Not trade in Canadian Superior securities or any other company’s securities if you possess material “non-public information”.
11. Not solicit, accept or pay bribes or make other payments for any purpose. Use your best judgment in giving and receiving gifts.
12. Acknowledge annually that you have read and agree to conduct yourself in accordance with the Code.

## **EXPLANATION OF THE CODE**

The Code prescribes the minimum moral and ethical standards of business conduct required of all directors, officers, employees and consultants of Canadian Superior. Violations of the Code can have severe consequences and will result in the appropriate discipline being taken, up to and including discharge where warranted by the circumstances.

The Code is general in nature and not intended to cover all situations. The fact that a certain activity or action is not mentioned as improper does not imply that it is permissible. The exercise of common sense and good judgment is required with respect to any matter not specifically covered by the Code or other policies of the Corporation. Conduct or activities which may not be illegal under applicable law or regulation are nonetheless prohibited if they violate the Code.

An explanation of each of the rules is set forth below. If you are an employee or an officer who has questions regarding the application of any rule or about the best course of action in a particular situation, you should seek guidance from your supervisor.

### **1. PROTECTING CANADIAN SUPERIOR ASSETS AND RESOURCES**

**Canadian Superior assets are to be used only for the purposes of fulfilling your corporate responsibilities.**

The Corporation's assets are meant for business use, not for personal use. We all have a responsibility to protect and safeguard Canadian Superior's assets from loss, theft, misuse and waste.

The Corporation's property should never be used for personal gain or for illegal activities. If you become aware of theft, misuse or waste of our assets or funds or have any questions about your proper use of them, promptly discuss them in accordance with the Reports and Complaints section of this Code.

Misappropriation of Canadian Superior's assets is a breach of your duty to the Corporation and may be an act of fraud against the Corporation. Taking the Corporation's property from Canadian Superior facilities without permission is regarded as theft and could result in dismissal. In addition, carelessness or waste of Canadian Superior's assets may also be a breach of your duty to the Corporation and could result in dismissal.

The Corporation's assets include the proprietary information of the Corporation. Proprietary information includes intellectual property such as reserve reports, well logs, geologic and geophysical records, production reports, trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and exploitation ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate this Code. It could also be illegal and result in civil or criminal

penalties. All information belonging to the Corporation is to be returned promptly after your service with the Corporation ceases, or at any time that Canadian Superior requests.

***Use Canadian Superior's various forms of communication properly and appropriately.***

We provide our employees with access to e-mail, the internet, telephones and other forms of communication for business purposes, and while we understand the need for limited and occasional use of these tools for personal purposes, this use should not be excessive or cause detriment to Canadian Superior. Internet use must be conducted in a professional manner. For example, intentionally transmitting viruses, accessing internet sites containing obscene or offensive material, or sending e-mails that contain inappropriate content, are derogatory or harassing to another person or group of people or chain e-mails, is prohibited. In addition, employees must be vigilant to ensure that the network security is maintained.

## **2. CONFLICTS OF INTEREST**

***Avoid situations in which your personal interests conflict, might conflict or might appear to conflict with the interests of Canadian Superior.***

As an employee, consultant, officer or a director, we expect that you will act honestly and ethically and in the best interests of Canadian Superior by avoiding conflicts of interest in your personal and professional relationships. While we respect your right to manage your personal affairs and investments and we do not wish to intrude on your personal life, Canadian Superior employees should place the Corporation's interest in any business transaction ahead of any personal interest or gain.

You may have a conflict of interest if you are involved in any activity that prevents you from performing your duties to Canadian Superior properly, or that may create a situation that would affect your judgment or ability to act in the best interests of Canadian Superior. While it is impossible to describe every circumstance which may create a conflict of interest, employees and officers must knowingly avoid the following situations:

- owning any interest (other than nominal amounts of stock in publicly-traded companies) in any supplier, customer or competitor. Generally, financial interest which, regardless of value, amount to less than 1% of an enterprise would be considered "nominal";
- consulting with, or being an employee of, any customer, lessor, lessee, contractor, supplier or competitor;
- providing services to another company engaged in any capacity in oil or gas businesses; and
- participating in any outside business activities that are competitive with any of the Corporation's businesses;

- purchasing from, or selling to, Canadian Superior assets, goods or services.

In addition, you will be considered to have an interest in a matter if your family members have an interest in the matter. Family members include a spouse, children and other close relatives.

Directors, officers, employees and consultants who become involved in a situation in which their personal interests conflict or might conflict with their duties to the Company must immediately report the situation to their manager or a senior executive officer or, in the case of officers or directors, report in writing to the Board.

To avoid conflicts of interest, you should identify potential conflicts when they arise and notify your supervisor if you are unsure whether a relationship or transaction poses a conflict or appears to pose a conflict. Your supervisor will be able to clear or resolve certain conflicts, or will be able to contact someone else who can. Directors should consult with the Chairman of the Board.

***Do not take personal opportunities that are discovered through the use of property or information of Canadian Superior or in your role with Canadian Superior.***

You are prohibited from taking for yourself opportunities that you discover through the use of Canadian Superior property, information or position; from using Canadian Superior property, information or position for personal gain; and from competing with the Corporation. Employees, officers and directors owe a duty to Canadian Superior to advance its legitimate interests when the opportunity arises.

***If you are a director, officer, employee or consultant of Canadian Superior, obtain permission before you join the board of directors of another company or government organization.***

Serving as a director of another company, even one in which Canadian Superior has an interest, may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, may also create a conflict.

Before accepting an appointment to the board or a committee of any organization, employees and consultants must receive written approval from Canadian Superior's Chairman of the Board. Officers and Directors must receive approval of the Board of Directors before accepting an appointment to the board of another company.

Directors, officers, employees and consultants are permitted to serve on boards of charities or non-profit organizations or in private family businesses that have no relation to Canadian Superior and its businesses or its prospects. Prior approval is not required for these types of situations. If you hold a position with a charity or nonprofit organization and if you speak publicly for the entity, you should ensure that you are seen as speaking on behalf of the entity or as an individual, and not on behalf of Canadian Superior.

### 3. CONFIDENTIAL INFORMATION

***Protect the confidentiality of information concerning Canadian Superior.***

Except where it is authorized or legally required, all directors, officers, employees and consultants must keep confidential, and not use for themselves or other persons including relatives or friends, all confidential information concerning Canadian Superior.

Confidential information includes all proprietary information, technical information, financial information, business information, results or prospects and other “non-public” information that might be of use to competitors, or harmful to Canadian Superior or its customers or business partners, if disclosed. “Non-public” information is information that is not generally available to the investing public through a press release, disclosure to shareholders or widely reported media coverage. The circulation of rumors, or “talk on the street”, even if accurate, is not considered public disclosure. The most common example of “non-public” information is information about earnings or financial performance that has not yet been publicly disclosed.

The obligation to keep information confidential applies both during appointment or employment with Canadian Superior, and after termination of appointment, or employment, including retirement.

***Protect the confidentiality of “non-public” information about customers and others.***

We also respect confidentiality of information regarding other companies. If you learn of confidential information about another company in the course of your position, you should protect it the same way that you would protect confidential information about Canadian Superior.

Disclosure of confidential information can be harmful to Canadian Superior and could be the basis for legal action against the Corporation and/or the consultant, employee, officer or director responsible for the disclosure.

### 4. ACCURACY OF BOOKS AND RECORDS

***Ensure that the books and records of Canadian Superior are complete and accurate.***

The books and records of Canadian Superior must reflect in reasonable detail all its transactions in a timely and accurate manner in order to, among other things, permit the preparation of accurate financial statements in accordance with generally accepted accounting principles. All assets and liabilities of Canadian Superior must be recorded as necessary to maintain accountability for them.

All business transactions must be properly authorized. All transactions must be supported by accurate documentation in reasonable detail and recorded properly. The recorded value for assets must be compared to the existing assets at reasonable intervals and appropriate action taken with respect to any differences.

No information may be concealed from the auditors, the internal audit function, the Audit Committee or the Board.

In addition, it is unlawful to fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant who is auditing our financial statements.

## **5. ACCOUNTING, AUDITING OR DISCLOSURE CONCERNS**

### ***Provide accurate and fair public disclosure.***

We are required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission (SEC), the Ontario Securities Commission (OSC) and other Canadian securities regulators, the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE), as well as in other public communications made by Canadian Superior. All employees who are responsible for the preparation of Canadian Superior public disclosures, or who provide information as part of the process, have a responsibility to ensure that disclosures and information are made honestly, accurately and in compliance with Canadian Superior's disclosure controls and procedures.

### ***Report any accounting, auditing or disclosure concerns.***

It is essential for Canadian Superior to maintain a workplace where concerns regarding questionable business practices can be raised without fear of any discrimination, retaliation or harassment. All directors, officers, employees and consultants are encouraged to promptly report all evidence of activity by a department, director, officer, employee or consultant of the Corporation that may constitute any of the following:

- Questionable accounting or auditing matters;
- Inadequate internal accounting controls;
- The misleading or coercion of auditors;
- Disclosure of fraudulent or misleading financial information;
- Instances of corporate fraud;
- Any material misrepresentation in any written or oral disclosure made by or on behalf of the Corporation.

The Reports and Complaints section of this Code and the appended Whistleblower Policy describe how you may report any accounting, auditing or disclosure concerns.

### ***Do not speak on behalf of Canadian Superior unless you are authorized to do so.***

The Corporation has individuals who are authorized to act as spokespersons and to release information to the public. When members of the media, financial analysts or government authorities contact the Corporation to request information, the response can have far-reaching implications, including effects on Canadian Superior's stock price and

ability to compete. When we provide information on the Corporation's operational strategies or financial results, we must ensure both that the information is accurate and that it is an appropriate time to "go public" with that information.

In addition, we must comply with the requirements of securities regulators and stock exchanges about how and when we disclose information, and understand that there are strict consequences for doing so improperly.

## **6. DISCRIMINATION AND HARASSMENT FREE ENVIRONMENT**

***Canadian Superior has zero tolerance for workplace discrimination and harassment, and all directors, officers, employees and consultants must be committed to preventing an inhospitable work environment.***

All directors, officers, employees and consultants must ensure that Canadian Superior is a safe and respectful environment, free of discrimination and harassment where high value is placed on equity, fairness and dignity. Harassment in any form is prohibited. Harassment generally means offensive verbal or physical conduct that singles out a person to the detriment or objection of that person. Harassment covers a wide range of conduct, from direct requests of a sexual nature to insults, offensive jokes or slurs, which results in an inhospitable work environment. Harassment may occur in a variety of ways and may, in some circumstances, be unintentional. Regardless of intent, such conduct is not acceptable and may also constitute a violation of human rights legislation.

No director, officer, employee or consultant may harass a customer, vendor, supplier, visitor or any other person on Canadian Superior's premises or while doing its business regardless of location.

## **7. SAFE WORKING CONDITIONS**

***We are committed to ensuring the health and safety of our people.***

We all have the right to work in an environment that is safe and healthy. In this regard, we must:

- a. Comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent;
- b. Follow work instructions or procedures on health and safety laws;
- c. Not engage in illegal or dangerous behaviors; and
- d. Not possess or use weapons or firearms or any type of dangerous materials in Canadian Superior's facilities or at Canadian Superior-sponsored functions unless you are authorized by Canadian Superior or the law to do so.

Canadian Superior has zero tolerance for acts of violence, threats of violence, acts of intimidation and hostility towards another person or group of persons. Promptly report to your supervisor or in accordance with the Reports and Complaints section of this Code, any accident, injury or unsafe equipment, practices or conditions, violent behavior or weapons possession.

## 8. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

***Know and comply with all laws, rules and regulations applicable to your position.***

Obeying the law, both in letter and in spirit, is the foundation on which the Corporation's ethical standards are built. In conducting the business of the Corporation, all directors, officers, employees and consultants shall comply with applicable governmental laws, rules and regulations at all levels of government in Canada and in any non-Canadian jurisdiction in which the Corporation does business. Although you are not expected to know the details of these laws, it is important to know enough about the applicable laws, rules and regulations to determine when to seek advice from supervisors, managers or other appropriate personnel. If you have any doubts as to the applicability of any law, you should refer the matter to your supervisor who may obtain advice from Canadian Superior's counsel.

## 9. FAIR DEALING

***Deal fairly with Canadian Superior's customers, suppliers and competition.***

You must endeavor to deal fairly with Canadian Superior's securityholders, customers, suppliers, competitors and employees. Do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

## 10. SECURITIES LAWS AND INSIDER TRADING

***Do not trade in Canadian Superior securities if you possess material "non-public" information. If you have material information about a company with which Canadian Superior does business that is not known to the investing public, you should not buy or sell securities of that company until after the information has become public.***

Information about Canadian Superior is "material":

- a. If publicly known, results in or would reasonably be expected to result in a significant change in the market price or value of any Canadian Superior securities; or
- b. If there is a substantial likelihood that a reasonable shareholder or investor would consider it important in making a decision to buy, sell or hold Canadian Superior securities.

If you are not sure whether information is material or "non-public", you should seek guidance before engaging in any transaction in Canadian Superior securities.

You are also prohibited from disclosing material "non-public" information about Canadian Superior to other people, such as relatives or friends, who may trade on the basis of the information. Securities laws prohibit trades made on the basis of these "tips". In addition, you should avoid trading in puts and calls relating to Canadian Superior securities.

Canadian Superior may establish "black out periods" or similar policies during which the

directors, officers and certain employees and consultants will be prohibited from trading in the Corporation's stock.

## 11. INDUCEMENTS AND GIFTS

***Soliciting, accepting, or paying bribes or other illicit payments for any purpose will not be tolerated.***

All directors, officers, employees or consultants of the Corporation are strictly forbidden from offering, promising or giving money, gifts, loans, rewards, favours or anything of value to any governmental official, employee, agent or other intermediary, either inside of Canada or otherwise, which is prohibited by law. Those paying a bribe may subject the Corporation and themselves to civil and criminal penalties. The Corporation will tolerate no improper payments by directors, officers, employees or consultants when such people are dealing with government officials or otherwise.

Examples of laws to which Canadian Superior is subject include the Corruption of Foreign Public Officials Act (Canada) (the "CFPOA"), the Foreign Corrupt Practices Act (USA) and equivalent legislation in other countries. Non-compliance could have serious ramifications.

The CFPOA prohibits the payment of, or offer to pay, anything of value, directly or indirectly to any foreign public official, if the purpose of the payment is to cause the recipient to act, or refrain from acting, so as to assist a company in obtaining or retaining business or in directing business to any particular person. Payment made indirectly, such as through a consultant, contractor or other intermediary, is also prohibited.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers, business partners, or foreign public officials. No gift or entertainment should ever be offered or accepted by a director, officer, employee or consultant or any family member of such person unless it (i) is consistent with customary business practices, (ii) is not excessive in value, (iii) cannot be construed as a bribe or payoff, and (iv) does not violate any laws or regulations. The offer or acceptance of cash gifts by any director, officer, employee or consultant is prohibited. All directors, officers, employees or consultants should discuss with their supervisors, managers or other appropriate personnel any gifts or proposed gifts which they think may be inappropriate. Notwithstanding the foregoing, no gift or entertainment should ever be offered or accepted by a director, officer, employee or consultant of the Corporation, or any family member of such person, without the prior written approval of the Chairman of the Board in the case of a director, or the CEO of the Corporation in the case of all other individuals.

The CFPOA does provide for an exception for facilitation payments, if they are legal and customary in the local country. It is the policy of the Corporation that these payments be avoided wherever possible. If such payments are necessary, they must be approved in advance by the Chairman of the Board in the case of a director, or the CEO of the Corporation in the case of all other individuals. Such payments must be recorded in

reasonable detail, including the amount paid, the purpose and authorization for such payment.

The CFPOA applies to all Canadian companies, foreign companies subject to the jurisdiction of Canadian securities laws and all persons subject to Canadian jurisdiction. Any person who contravenes the CFPOA is guilty of an indictable offence and is liable to imprisonment for a term not exceeding five years. Individuals should consult the Department of Justice Canada website at <http://laws.justice.gc.ca> , where the full text of the CFPOA can be viewed.

***Use your best judgment in giving and receiving gifts.***

Directors, officers, employees or consultants whose duties permit them to do so, such as employees in marketing, may offer modest gifts, entertainment or other benefits to persons who have a business relationship with the Corporation. The benefits must be given in accordance with generally accepted ethical business practices. For example, it is acceptable to take a customer to dinner but it is not acceptable to give a customer cash.

It is acceptable to accept modest gifts, entertainment or other benefits from persons doing or seeking to do business with Canadian Superior, provided the benefits are given in accordance with generally accepted ethical business practices. For example, a pair of tickets to a baseball game may be accepted from a supplier. However, it is not appropriate to accept a trip from a supplier, unless there is a specific business purpose and the trip has been approved by the head of the employee's department.

Any donation or benefit to a public official or political party must be in accordance with the Code. We encourage you to become involved in political activity acting on your own behalf, but not as a representative of Canadian Superior.

## **COMPLIANCE WITH THE CODE**

Each director, officer, employee and consultant of Canadian Superior will be provided with a copy of the Code. Senior management has the primary accountability for ensuring that all Canadian Superior activities comply with the letter and spirit of the Code. All managers are responsible for the implementation of the Code.

## **REPORTS AND COMPLAINTS**

As an employee, if you believe that a violation of the Code or any law, rule or regulation has been or is likely to be committed by you or someone else who is a representative of Canadian Superior, you have an obligation to promptly report the relevant information to your supervisor, since your supervisor will generally be in the best position to resolve the issue. However, if you feel uncomfortable approaching your supervisor with your concern, or if you have any specific or general questions, you may contact Canadian Superior's CEO.

If you believe it is inappropriate to raise your complaint or report of a violation with either your supervisor or the CEO, you can write to the Chair of the Audit Committee (for issues related to accounting controls, auditing or disclosure) or the Chairman of the Board for all other types of issues.

Directors should promptly report violations to the Chairman of the Board, or to the relevant committee Chair.

Employees and consultants are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. If you do not believe it appropriate or are not comfortable approaching your supervisor or superior about your concerns or complaints, then you are encouraged to submit your concerns following the procedures outlined in the Whistleblower Policy (see Appendix A to this Code). If your concerns or complaints require confidentiality, including keeping your identity anonymous, then this confidentiality will be protected, subject to applicable laws, regulations or legal proceedings.

The most important thing to remember when dealing with these types of questions or concerns is: Ask first, act later.

## **TREATMENT OF REPORTS AND COMPLAINTS**

Confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to law. You may make a report anonymously, in which case you should write a letter and include as many specific details as possible, including back-up documentation where feasible, in order to permit adequate investigation of the concern or conduct reported. Vague, non-specific or unsupported allegations are inherently more difficult to pursue.

The party receiving the complaint must make a record of its receipt, document how the situation was dealt with and file a report with Canadian Superior's CEO. The CEO will retain all such reports, and will also maintain a separate log that will track the receipt, investigation and resolution of reported complaints specifically related to accounting controls, auditing and disclosure matters. Based on this log, the CEO will periodically, but not less often than quarterly, compile a comprehensive summary of all of these types of complaints and the corrective actions taken and will bring the summary to the attention of the Chair of the Audit Committee for review. The CEO will bring any other significant complaints or reported violations to the attention of the Chair of the Corporate Governance Committee.

## **PENALTIES FOR VIOLATING THE CODE**

Retaliation is prohibited. We want you to know that we will not discharge, demote or suspend you if you, in good faith, bring forward concerns about actual or potential violations of laws, rules or regulations, or the Code. However, we reserve the right to discipline you if you make an accusation without a reasonable, good faith belief in the truth and accuracy of the information or if you knowingly provide or make false information or accusations. "Good faith" does not mean that you have to be right - but it does mean that you must believe you are providing truthful information.

If you believe that you have been unfairly or unlawfully retaliated against, you may file a complaint with your supervisor, Canadian Superior's CEO or the Chairman of the Board.

## **DISCIPLINARY ACTION FOR CODE VIOLATIONS**

We will impose discipline for each Code violation that fits the nature and particular facts of the violation. If you fail to comply with laws or regulations governing Canadian Superior's businesses, this Code or any other Canadian Superior policy or requirement, you may be disciplined up to and including immediate termination, and if warranted, legal proceedings may be brought against you. Violations of the Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending individual and the Corporation. All directors, officers, employees and consultants are expected to cooperate in internal investigations of misconduct.

## **WAIVERS**

Waivers of the Code for employees and consultants may be granted only in writing by Canadian Superior's CEO and reported to the Governance Committee. Any waiver of the Code for Canadian Superior officers or directors may only be made in writing by the Board and will be disclosed to shareholders to the extent required by law, regulation or stock exchange requirement.

## **LEGAL NOTICE**

This Code serves as a reference to you. Canadian Superior reserves the right to modify, suspend or revoke this Code and any and all policies, procedures, and programs in whole or in part, at any time. Canadian Superior also reserves the right to interpret and amend this Code and these policies in its sole discretion as it deems appropriate. Any amendments to the Code will be disclosed and reported as required by law.

Neither this Code, these policies nor any statements made by any employee of Canadian Superior, whether oral or written, confer any rights, privileges or benefits on any employee, create an entitlement to continued employment at Canadian Superior, establish conditions of employment, or create an express or implied employment contract of any kind between employees and Canadian Superior. In addition, all employees should understand that this Code does not modify their employment relationship, whether at will or governed by a written contract.

The version of the Code that appears online at *www.cansup.com* may be more current and up to date and supersedes any paper copies, should there be any discrepancy between paper copies and what is posted online.

**APPROVAL AND EFFECTIVE DATE**

This Code has been approved by the Board effective November 11, 2009.

## **APPENDIX A**

### **WHISTLEBLOWER POLICY**

#### **A. Purpose**

As a publicly traded company, the integrity, transparency and accountability of the financial, operational, administrative and management practices of Canadian Superior Energy Inc. (the "Corporation") is critical. The financial and operational information respecting the Corporation guides the decisions of the board of directors of the Company (the "Board") and is relied upon by shareholders of the Company and the financial markets. For these reasons, it is essential for the Corporation to maintain a workplace where concerns regarding questionable business practices can be raised without fear of any discrimination, retaliation or harassment.

#### **B. Scope**

All directors, officers, employees and consultants are encouraged to promptly report all evidence of activity by a department, director, officer, employee or consultant of the Corporation that may constitute any of the following:

- Questionable accounting or auditing matters;
- Inadequate internal accounting controls;
- The misleading or coercion of auditors;
- Disclosure of fraudulent or misleading financial information;
- Instances of corporate fraud;
- Any material misrepresentation in any written or oral disclosure made by or on behalf of the Corporation;
- Breaches of the Corporation's policy on trading in securities; and
- Other activities which may violate the Corporation's Code of Business Conduct and Ethics or which the individual believes is illegal, unethical or otherwise detrimental to the Corporation.

#### **C. Definitions**

1. **"Anonymous"** means of unknown authorship, and without designation that might lead to information about the authorship. Anonymity is not compromised by assignment of a code or other designation with which a person can communicate without revealing his or her identity.
2. **"Complaint"** means any adverse information provided to the Corporation, whether in the form of a concern, a demand for remedial action, or a report of a suspected violation of law or company policy, including complaints that relate to the Corporation's accounting, internal accounting controls, or auditing matters.
3. **"Confidential"** means authorized for access by only those persons who have a need to know. Ordinarily, a need to know arises from any obligation to investigate or to take remedial or disciplinary action.

## **D. Procedure**

In an effort to offer all directors, officers, employees and consultants complete anonymity and confidentiality, the Audit Committee has retained an independent third party, Global Corporate Compliance Inc., to provide a confidential, anonymous whistle blowing service.

This service enables you to contact them by any of the three methods below:

### **1. Website at [www.globalcci.com](http://www.globalcci.com)**

- Select Whistle Blowing (last item on right side)
- You will be prompted to enter your login ID and password
  - Login ID: **Cansup**
  - Password: **C10energy**
  
- Select Whistle Blowing (last item on right side)
- Fill out Whistle Blower Contact Form (see page 3)
- When you have submitted your form you will need to logoff of the Internet.
- Once an issue has been lodged with Global Corporate Compliance Inc. they will contact the Chair of the Audit Committee within 24 hours.
- Should you have any questions or concerns regarding the process please contact Global Corporate Compliance Inc. at the numbers provided below.

### **2. Toll free fax: 1-877-216-8459**

### **3. Toll free telephone line:**

- **Canada and U.S. call 1-877-266-2579**
- **Trinidad call 1-866-450-2579**

The website passwords, toll free telephone number and toll free fax number are dedicated numbers and are for the sole use of directors, officers, employees and consultants and are not for public distribution.

Persons who report incidents are encouraged to provide as much specific information as possible including names, dates, places and events that took place, the person's perception of why the incident(s) may be a violation, and what action the person recommends be taken.

## **E. Investigation and Retention of Complaints**

Global Corporate Compliance Inc. will send to the Chair of the Audit Committee all complaints. All complaints will be sent to the Chair anonymously. The Chair will consider the complaint if it relates to the Corporation's accounting, internal accounting controls and auditing systems and, if he or she considers it appropriate, will call a meeting of the other members of the Audit Committee. The Chair of the Audit Committee will refer all other complaints to the Chair of the Corporate Governance Committee.

All directors, officers, employees and consultants have a duty to co-operate in an investigation. Should a director, officer, employee or consultant fail to co-operate or provide false information in an investigation, the Corporation will take effective remedial action commensurate with the severity of the offence. This action may include disciplinary measures up to and including termination or, in the case of a consultant, termination of the consulting contract and, if warranted, legal proceedings.

Complaints will be retained by the respective Chair for at least five years.

#### **F. Protection**

Any individual who in good faith reports such incidents described above and who chooses not to remain anonymous will be protected from threats of retaliation, harassment, discharge, or other types of discrimination including, but not limited to, respecting compensation or terms and conditions of employment, that are directly related to the disclosure of such reports. If any employee or other person believes they have been unfairly or unlawfully retaliated against in respect of a report made by such person under this Policy, they may file a complaint with Global Corporate Compliance Inc.

The Corporation reserves the right to discipline any individual who makes an accusation without a reasonable, good faith belief in the truth and accuracy of the information or who knowingly provides false information or makes false accusations, and such discipline may result in termination or, in the case of a consultant, termination of the consulting contract and, if warranted, legal proceedings.

#### **G. Approval and Effective Date**

This Whistleblower Policy has been approved by the Board effective November 11, 2009.