PRELIMINARY SHORT FORM PROSPECTUS DATED MARCH 7, 2003

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Alberta, Ontario and Nova Scotia but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States of America or to U.S. persons except pursuant to the Agency Agreement in transactions exempt from the registration requirements of such Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States of America. See "Plan of Distribution".

New Issue •, 2003

CANADIAN SUPERIOR
ENERGY INC.

Canadian Superior Energy Inc.
Maximum of $15,000,000
Maximum of 10,000,000 Units

Price: $1.50 per Unit

This short form prospectus qualifies the distribution of up to a maximum of 10,000,000 units ("Offered Units"), each consisting of one common share ("Common Share") and one-half of one common share purchase warrant ("Warrant") of Canadian Superior Energy Inc. ("Canadian Superior" or the "Corporation") at a price of $1.50 per Offered Unit. Each whole Warrant entitles the holder to purchase one Common Share of the Corporation for a period of twelve months following the closing date of this offering at a price of $2.00 per Common Share. The Warrants will be issued in registered form. The Common Shares and the Warrants comprising the Offered Units will separate immediately upon the closing of this offering. See "*Plan of Distribution*". The offering price of the Offered Units was determined by negotiation between the Corporation and the Agents (as defined below). Of the offering price, the Corporation has allocated $1.499 for each Common Share and $0.001 for each one-half Warrant comprising each Offered Unit. The outstanding Common Shares of the Corporation are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "SNG" and on the American Stock Exchange (the "Amex") under the symbol "SNG". On March 6, 2003 the closing price of the Common Shares on the TSX was $1.50 and on the Amex was US$1.03. **The Warrants will not be listed on any stock exchange and, accordingly, there is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this short form prospectus.**

	Price to the Public	Agency Fee(1)	Net Proceeds to the Corporation(2)
Per Offered Unit	$1.50	$0.09	$1.41
Maximum Total	$15,000,000	$900,000	$14,100,000

Notes:
(1) The agency fee represents 6% of the offering price (the "Agency Fee").
(2) Before deducting the expenses of this offering estimated to be $250,000, which, together with the Agency Fee, will be paid by the Corporation. See "*Plan of Distribution*".

Maison Placements Canada Inc. and Acadian Securities Incorporated (the "Agents"), as agents, conditionally offer the Offered Units for sale on a "best efforts" basis, subject to acceptance of subscriptions and prior sale if, as and when issued by the Corporation and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to approval of certain matters on behalf of the Corporation by McCarthy Tétrault LLP and on behalf of the Agents by Borden Ladner Gervais LLP. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of this offering is expected to occur on or about March 19, 2003, but may occur on such other date or dates as the Corporation and the Agents may agree, but in any event not later than May 1, 2003. The Agents may over-allot the Offered Units offered by this prospectus or effect transactions which stabilize or maintain the market price of the Offered Units at a level other than that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained on request without charge from the Corporate Secretary of Canadian Superior at 3300, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2 (telephone (403) 294-1411). For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Corporate Secretary of Canadian Superior at the above-mentioned address and telephone number.

The following documents have been filed with the securities commission or similar authority in each of the provinces of Canada and are specifically incorporated by reference in, and form an integral part of, this prospectus:

(a) comparative annual financial statements and auditors' report for the years ended December 31, 2001 and 2000 as contained in the 2001 Annual Report of the Corporation;

(b) management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2001 and 2000 as contained in pages 16 to 18 of the 2001 Annual Report of the Corporation as supplemented by management's discussion and analysis contained in pages 20 and 21 of the Annual Information Form (as defined below);

(c) revised initial annual information form of the Corporation dated April 26, 2002 (the "Annual Information Form");

(d) unaudited comparative interim financial statements of the Corporation for the nine month periods ended September 30, 2002 and 2001 as contained in the 2002 Third Quarter Report of the Corporation;

(e) management's discussion and analysis of the financial condition and results of operations for the nine month period ended September 30, 2002 as contained in pages 6 to 9 of the 2002 Third Quarter Report of the Corporation;

(f) management information circular dated January 17, 2003 prepared in connection with a special meeting of the Corporation's shareholders to be held on February 19, 2003 (excluding the sections entitled "Compensation Committee", "Report on Executive Compensation", and "Performance Graph", which shall be deemed not to be incorporated by reference in this prospectus); and

(g) material change report dated January 22, 2003 with respect to an agreement to acquire certain oil and gas assets, production facilities, gas plants and undeveloped lands effective as of October 1, 2002 for an estimated $59.0 million net of purchase price adjustments.

Any documents of the type referred to above (except confidential material change reports) filed by the Corporation with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this prospectus.

The Offered Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act"), and may not be offered, sold or delivered in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the registration requirements of the U.S. Securities Act and state securities laws. See "*Plan of Distribution*".

FORWARD LOOKING STATEMENTS

The Corporation cautions that certain statements in this short form prospectus and the documents incorporated by reference herein including estimates of reserves, estimates of future production as well as other statements about anticipated future events or results are forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “targeting” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. The forward-looking statements that are contained in this short form prospectus and the documents incorporated by reference herein involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified in “Risk Factors” and the management’s discussion and analysis incorporated by reference herein. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed in “Risk Factors” and to those that may be discussed as part of particular forward-looking statements.

ABBREVIATIONS

Oil and Natural Gas Liquids		Natural Gas	
Bbls	Barrels	Mcf	Thousand cubic feet
MBbls	thousand barrels	MMcf	million cubic feet
Bcfe	billion cubic feet equivalent	Bcf	billion cubic feet
Boe/d	barrels of oil equivalent per day	Mcf/d	Thousand cubic feet per day
Bopd	barrels of oil per day	MMcf/d	million cubic feet per day
Bbls/d	barrels of oil per day	M^3	cubic metres
MMBbls	million barrels	MMBTU	million British Thermal Units
API	American Petroleum Institute	Gigajoule	trillion joules
MSTB	thousands of Stock Tank Barrels of oil (oil volume at 60º F and 14.65 PSIA)	TCF	trillion cubic feet
		MMscf	million standard cubic feet

Other:

BOE	Barrel of oil equivalent of natural gas and crude oil on the basis of 1 Bbl of crude oil for 6 Mcf of natural gas (this conversion factor is not based on either energy content or current prices)
$M	Thousands of dollars
$MM	Millions of dollars
$ or CDN$	means Canadian dollars and US$ means United States dollars

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial units to the International System of units (or metric units).

To Convert From	To	Multiplied By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls oil	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Milometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
Gigajoules	MMBTU	0.950

THE CORPORATION

The Corporation's head office is located at 3300, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2 and registered office at 3300, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9. The Corporation also has an east coast office located at 704, 1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2.

Intercorporate Relationships

The Corporation has no subsidiaries which individually represent more than 10% and in the aggregate represent more than 20% of the total consolidated assets and total consolidated revenues of the Corporation as at the date hereof.

THE BUSINESS OF THE CORPORATION

Canadian Superior is a crude oil and natural gas exploration and production company with its primary emphasis on the exploration for, and production of, crude oil and natural gas in western Canada and in the Nova Scotia offshore area.

Recent Developments

On February 25, 2003, Canadian Superior announced that it had closed a bought deal financing and issued 13,400,000 shares at $1.60 per share for total gross proceeds of $21,440,000.

On January 22, 2003, Canadian Superior announced that the Canada-Nova Scotia Offshore Petroleum Board had completed its review and had issued its environmental approval of the Corporation's "Environmental Assessment for Exploration Drilling in License EL 2409". The Corporation also announced that preparations for drilling in the "Mariner" block (EL 2409) were underway and that commencement of drilling is targeted for the end of May 2003.

On January 13, 2003, Canada Superior announced it had entered into an agreement with the Canadian division of El Paso Corporation to acquire El Paso's Drumheller area oil and gas assets, production facilities, gas plants and undeveloped lands, effective October 1, 2002, for approximately $59.0 million, net of purchase price adjustments. See *"Significant Probable Acquisition"*.

On November 18, 2002, Canadian Superior announced that it had completed an acquisition in Northwest Alberta comprising 22 contiguous sections located updip of the main Ladyfern gas field. In a subsequent announcement January 20, 2003 the Corporation announced that it had spudded the first well of a planned four well drilling program at Ladyfern.

SIGNIFICANT PROBABLE ACQUISITION

On January 13, 2003 Canadian Superior announced that it had entered into an agreement with El Paso Velvet Exploration Partnership, the Canadian division of El Paso Corporation (collectively "El Paso") to acquire El Paso's Drumheller area oil and gas assets, production facilities, gas plants and undeveloped lands (the "El Paso Properties") located in Central Alberta, effective October 1, 2002, for a purchase price of approximately $59.0 million, net of purchase price adjustments. The transaction is expected to close on or about March 20, 2003 and not later than May 1, 2003. The completion of the transaction is subject to certain conditions to be satisfied prior to closing including obtaining any required waivers, rulings or approvals under the *Competition Act* (Canada). In addition, the agreement may be terminated by the mutual agreement of the parties; in the event that the transaction has not closed by May 1, 2003; in the event of certain catastrophic occurrences (including volcanic eruptions, acts of God, terrorist action, fire, explosion, earthquake, windstorm, flood, drought, condemnation, exercise of rights of eminent domain, confiscation and seizure) or environmental defects resulting in a significant reduction in the value of the assets; if less than 75% of the purchase price is delivered to the vendor at closing; and if on closing any conditions precedent to the obligations of a party to close have not been satisfied or waived. El Paso participates with Canadian Superior in its east coast exploration activities.

The proposed acquisition includes approximately 2,800 boe/d of company operated sweet gas and light crude oil production and high working interests in 170,000 gross acres of land (106,693 net acres). The proposed acquisition includes extensive seismic data and key infrastructure assets consisting of interests in three gas plants, three oil batteries, 20 production facilities and 130 kilometres of company-operated pipelines. Production is comprised of approximately 75% natural gas and 25% light sweet crude. According to the GLJ Report (as defined below), as of the effective date of such report, 95% (10.9 mmcf/d and 780 Bbls/d) of the El Paso proved producing reserves are in production. Approximately 40 high working interest drilling locations have been identified for drilling during 2003. See "*Significant Probable Acquisition – Oil and Gas Wells*", "*Undeveloped Lands*", "*Production History*", "*Oil and Gas Reserves*", "*Actual Production Volumes*" and "*Estimated Production Volumes*".

Management anticipates that the purchase price will be satisfied in cash of which approximately $25 million is anticipated to be borrowed by the Corporation from one or more banks with the balance to be obtained from the issuance of equity, including amounts raised under the offering completed February 25, 2003 and this offering, and other securities of the Corporation. The Corporation has delivered a deposit to El Paso in the amount of $5 million which was drawn on its revolving production loan which is refundable unless the acquisition is not completed due to a default by the Corporation. The completion of this offering is not conditional upon the closing of the acquisition of the El Paso Properties. See "*Risk Factors – Acquisition of El Paso Properties*".

Set out below is a map, contained in the GLJ Report, indicating the locations of the oil and gas assets included in the El Paso Properties.

The Schedule of Revenues, Royalties and Operating expenses of the El Paso Properties for the three years ended December 31, 1999, 2000 and 2001 has been audited by PricewaterhouseCoopers LLP. See "*Schedule of Revenues, Royalties and Operating Expenses*". The Schedule is summarized in the following table which also includes unaudited Revenues, Royalties and Operating expenses for the nine month periods ended September 30, 2002 and 2001:

El Paso Properties Schedule of Revenues and Expenses

	Nine Months Ended		Years Ended December 31		
	Sept. 30, 2001 (unaudited)	Sept. 30, 2002 (unaudited)	1999	2000	2001
	($000's)	($000's)	($000's)	($000's)	($000's)
Oil and gas sales	28,348	16,734	9,067	25,935	33,415
Royalties	6,841	3,327	1,836	5,735	7,913
Operating expenses	3,148	3,516	2,032	3,463	4,261
Excess of revenues over operating expenses	18,359	9,891	5,199	16,737	21,241

Oil and Gas Wells

The following table sets forth the number and status of wells included in the El Paso Properties in which the Corporation expects to acquire a working or a royalty interest as at the date hereof which were producing or which El Paso considered to be capable of production.

Producing				Shut-In[1]			
Oil		Gas		Oil		Gas	
Gross[2]	Net[3]	Gross[2]	Net[3]	Gross[2]	Net[3]	Gross[2]	Net[3]
66.0	44.4	134.0	63.8	33.0	21.0	28.0	12.5

Notes:

(1) "Shut-in" wells means wells which have encountered and are capable of producing crude oil or natural gas but which are not producing due to lack of available transportation facilities, available markets or other reasons.

(2) "Gross" wells are defined as the total number of wells in which the Corporation has an interest.

(3) "Net" wells are defined as the aggregate of the numbers obtained by multiplying each gross well by the Corporation's percentage working or participating interest therein.

Undeveloped Lands

The following table sets out the undeveloped land holdings included in the El Paso Properties as at the date hereof.

Gross Acres[1]	Net Acres[2]	Average Working Interest
80,000	64,000	80%

Notes:

(1) "Gross" refers to the total acres in which the Corporation has or may earn an interest.

(2) "Net" refers to the total acres in which the Corporation has an interest or may earn an interest, multiplied by the percentage working interest therein owned or to be owned by the Corporation.

The value of the 64,000 net acres (80,000 gross) of undeveloped land holdings is estimated by the Corporation to be $5 million.

Production History

The following table sets forth the average daily production volume of the El Paso Properties (before deductions of royalties payable to others), product prices, and expenditures incurred for each of the last seven quarters and the periods then ended. Also shown are average annual netbacks received by product category.

	2002				2001				
	Quarter Ended				Quarter Ended				
	Sept. 30	June 30	March 31	2002 Total	Dec. 31	Sept. 30	June 30	March 31	2001 Total
Average Daily Production Volumes				(for nine months)					
Oil and NGLs (bopd)	810	853	935	865	951	1,071	1,002	653	921
Natural Gas (mcf/d)	8,956	8,778	8,821	8,852	10,018	12,147	12,833	10,064	11,266
Total Boe/d (6:1)	2,303	2,316	2,405	2,340	2,619	3,096	3,141	2,330	2,799
Per Unit Amounts									
Realized price									
Oil & NGLs/bbl	38.07	34.93	27.79	33.38	22.56	33.19	34.79	35.43	31.24
Natural gas/mcf	3.31	4.19	3.49	3.66	3.36	3.29	6.38	9.60	5.57
Royalty/Government Share ($)									
Oil & NGLs/bbl	6.23	5.74	4.67	5.51	4.52	6.02	6.95	6.41	5.95
Natural gas/mcf	0.83	0.96	0.73	0.84	0.73	0.94	1.66	2.48	1.44

	2002				2001				
	Quarter Ended				Quarter Ended				
	Sept. 30	June 30	March 31	2002 Total	Dec. 31	Sept. 30	June 30	March 31	2001 Total
Operating Costs ($)									
Oil & NGLs/bbl	5.10	6.16	5.26	5.50	4.62	4.73	3.02	4.48	4.17
Natural gas/mcf	0.85	1.03	0.88	0.92	0.77	0.79	0.50	0.75	0.70
Netbacks ($)									
Oil & NGLs/bbl	26.74	23.03	17.86	22.37	13.42	22.24	24.82	24.54	21.12
Natural gas/mcf	1.63	2.20	1.88	1.90	1.86	1.56	4.22	6.37	3.43

Oil and Gas Reserves

Gilbert Laustsen Jung Associates Ltd. (“GLJ”), an independent petroleum engineering firm in Calgary, Alberta, prepared a report dated January 20, 2003 which evaluated as at October 1, 2002 the reserves of the El Paso Properties and the estimated cumulative cash flows from such reserves on a before tax basis utilizing both escalated and constant prices and cost basis (the “GLJ Report”).

The reserve evaluation of the El Paso Properties and the estimated cumulative cash flow to be derived therefrom on an escalated and constant pricing and cost basis are summarized in the following table. **The GLJ Report presents the estimated cumulative cash flow of the El Paso Properties prior to provision for indirect cost on a “before tax” (“BIT”) basis. It should not be assumed that the discounted cumulative cash flows presented below are representative of the fair market value of the reserves. The reserve volumes and the present worth values of probable reserves have been reduced by 50% by GLJ to reflect the risk associated with recovery of these reserves.**

Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

El Paso Properties' Reserves and Cumulative Cash Flow
Values Based on Escalated Prices and Cost Assumptions
Summary of Reserves and Economics
October 1, 2002

Net to Appraised Interest

	Reserves						Cumulative Cash Flow (BIT) – M$			
	Oil MSTB		Sales Gas MMcf		NGL MBbls			Discounted at:		
Description	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Undisc.**	**10%/year**	**15%/year**	**20%/year**
Proven										
• Producing	1083	975	15576	12160	192	131	59657	44701	40257	36839
• Non-Producing	75	69	1334	1054	21	14	4529	2993	2525	2168
Total Proven	**1157**	**1043**	**16910**	**13214**	**212**	**144**	**64186**	**47694**	**42782**	**39006**
Probable	**1939**	**1668**	**4275**	**3367**	**62**	**42**	**32681**	**12170**	**8215**	**5750**
Total Proven Plus Probable	**3096**	**2711**	**21185**	**16581**	**274**	**186**	**96867**	**59864**	**50997**	**44756**
Less 50% Probable	969	834	2138	1683	31	27	16340	6085	4108	2875
Proven Plus 50% Probable	**2127**	**1877**	**19047**	**14898**	**243**	**165**	**80527**	**53779**	**46889**	**41881**

El Paso Properties' Reserves and Cumulative Cash Flow
Values Based on Unescalated Prices and Cost Assumptions
Summary of Reserves and Economics
October 1, 2002

Net to Appraised Interest

	Reserves						Cumulative Cash Flow (BIT) – M$			
	Oil MSTB		Sales Gas MMcf		NGL MBbls			Discounted at:		
Description	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Undisc.**	**10%/year**	**15%/year**	**20%/year**
Proven										
• Producing	1134	1020	15814	12353	196	133	72976	52463	46580	42125
• Non-Producing	82	76	1349	1064	21	14	5843	3724	3111	2653
Total Proven	**1216**	**1096**	**17163**	**13417**	**217**	**147**	**78819**	**56187**	**49691**	**44778**
Probable	**2007**	**1711**	**4322**	**3418**	**62**	**42**	**44269**	**15908**	**10825**	**7699**
Total Proven Plus Probable	**3223**	**2807**	**21485**	**16835**	**279**	**189**	**123088**	**72095**	**60516**	**52477**
Less 50% Probable	1003	855	2161	1709	31	21	22135	7954	5413	3849
Proven Plus 50% Probable	**2220**	**1952**	**19324**	**15126**	**248**	**168**	**100953**	**64141**	**55103**	**48628**

Notes:

(1) *"Reserve Definitions"* as evaluated by Gilbert Laustsen Jung Associates Ltd. (GLJ) are in accordance with the following definitions, which meet guidelines set out by Canadian securities regulatory authorities (National Policy 2 B):

Proved Reserves: Those reserves estimated as recoverable under current technology and existing economic conditions in the case of constant price and cost analyses and anticipated economic conditions in the case of escalated price and cost analyses, from that portion of a reservoir which can be reasonably evaluated as economically productive on the basis of analysis of drilling, geological, geophysical and engineering data, including the reserves to be obtained by enhanced recovery processes demonstrated to be economic and technically successful in the subject reservoir.

Probable Reserves: Those reserves which analysis of drilling, geological, geophysical and engineering data does not demonstrate to be proved, but where such analysis suggests the likelihood of their existence and future recovery under current technology and existing or anticipated economic conditions. Probable additional reserves to be obtained by the application of enhanced recovery processes will be the increased recovery over and above that estimated in the proved category which can be realistically estimated for the pool on the basis of enhanced recovery processes which can be reasonably expected to be instituted in the future.

Producing Reserves: Those reserves that are actually on production or, if not producing, that could be recovered from existing wells and facilities and where the reasons for the current nonproducing status is the choice of the owner rather than the lack of markets or some other reasons. An illustration of such a situation is a well or zone which is capable but is shut-in because its deliverability is not required to meet contract commitments. If reserves are currently shut-in, the date of resumption of production must be known with reasonable certainty.

Nonproducing Reserves: Those reserves that are not currently producing either due to lack of facilities and/or markets.

(2) "*Crude Oil*" (Oil) means a mixture consisting mainly of pentanes and heavier hydrocarbons that may contain sulphur compounds that is liquid at the conditions under which its volume is measured or estimated, but excluding such liquids obtained from the processing of natural gas.

(3) "*Natural Gas*" (Gas) means the lighter hydrocarbons and associated non hydrocarbons substances occurring naturally in and underground reservoir, which under atmospheric conditions is essentially a gas, but which may contain liquids. The natural gas reserve estimates are reported on a marketable basis, that is the gas which is available to a transmission line after removal of certain hydrocarbons and non hydrocarbon compounds present in the raw natural gas and which meets specifications for use as domestic commercial or industrial fuel.

(4) "*Natural Gas Liquids*" (NGL) means those hydrocarbon components recovered from raw natural gas as a liquid by processing through extraction plants or recovered from field separators, scrubbers, or other gathering facilities. These liquids include the hydrocarbon components ethane, propane, butanes and pentanes plus a combination thereof.

(5) "*Gross Reserves*" are the total of the Corporation's working and/or royalty interest share before deduction of royalties owned by others.

(6) "*Net Reserves*" are the total of the Corporation's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

(7) The escalating price report of GLJ contained in the GLJ Report includes certain assumptions regarding future increases in the prices of oil, natural gas and natural gas liquids as follows:

PRICE FORECASTS
EFFECTIVE JANUARY 1, 2003

		Alberta	Alberta			Natural Gas & By-Products Price Forecasts		
Date	**WTI[(a)] Crude Oil At Cushing Oklahoma US$/Bbl**	**Light Sweet Oil (40 API, 0.3%S) at Edmonton CDN$/Bbl**	**Bow River Crude Oil Stream Quality at Hardisty CDN$/Bbl**	**Alberta Reference Price CDN$/MMBTU**	**AECO-C Spot Gas [(b)] CDN$/MMBTU**	**Propane [(d)] CDN$/Bbl**	**Butane[(d)] CDN$/Bbl**	**Pentanes Plus [(d)] CDN$/Bbl**
HISTORICAL PRICES								
1993	18.46	21.94	16.73	1.71	2.26	14.10	13.64	21.17
1994	17.18	22.22	18.47	1.81	1.98	12.53	13.45	21.69
1995	18.39	24.23	20.80	1.31	1.15	13.90	13.79	24.11
1996	21.99	29.39	25.13	1.63	1.39	22.31	17.15	30.06
1997	20.61	27.85	21.17	1.96	1.84	18.62	18.73	30.91
1998	14.42	20.36	14.64	1.94	2.03	11.15	12.44	21.83
1999	19.29	27.69	23.84	2.48	2.92	15.89	18.70	27.71
2000	30.22	44.56	35.25	4.50	5.08	32.18	35.60	46.31
2001	25.97	39.40	27.70	5.41	6.21	31.85	31.17	42.48

		Alberta	Alberta			Natural Gas & By-Products Price Forecasts		
Date	**WTI[(a)] Crude Oil At Cushing Oklahoma US$/Bbl**	**Light Sweet Oil (40 API, 0.3%S) at Edmonton CDN$/Bbl**	**Bow River Crude Oil Stream Quality at Hardisty CDN$/Bbl**	**Alberta Reference Price CDN$/MMBTU**	**AECO-C Spot Gas [(b)] CDN$/MMBTU**	**Propane [(d)] CDN$/Bbl**	**Butane[(d)] CDN$/Bbl**	**Pentanes Plus [(d)] CDN$/Bbl**
CURRENT YEAR FORECAST								
2002 Q4	25.50	38.50	29.50	5.35	5.65	24.75	27.25	39.50
FUTURE FORECAST								
2003	25.50	38.50	29.50	5.35	5.65	24.75	27.25	39.50
2004	22.00	32.50	25.50	4.75	5.00	19.75	21.50	33.00
2005	21.00	30.50	24.50	4.50	4.70	19.50	20.50	31.00
2006	21.00	30.50	25.00	4.65	4.85	19.50	20.50	31.00
2007	21.25	30.50	25.00	4.65	4.85	19.50	20.50	31.00
2008	21.75	31.00	25.50	4.65	4.85	19.75	21.00	31.50
2009	22.00	31.50	26.00	4.65	4.85	20.25	21.50	32.00
2010	22.25	32.00	26.50	4.70	4.90	20.50	22.00	32.50
2011	22.50	32.50	27.00	4.75	4.95	20.75	22.50	33.00
2012	23.00	33.00	27.50	4.85	5.05	21.00	23.00	33.50
2013	23.25	33.50	28.00	4.90	5.10	21.50	23.50	34.00
2014+	+1.5%/yr	+1.5%/yr	+1.5%/yr		+1.5%/yr	Escalate at 1.5% per year		

Notes:

(a) West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.

(b) Equivalent price for Light Sweet Crude (D2/S2) landed in Edmonton after transportation and exchange rate adjustments.

(c) Bow River at Hardisty, Alberta. (905 kg/m³, 21.0 g sulphur).

(d) Capital expenditures and operating costs are escalated at 1.5% per year.

(e) Alberta Reference Price (ARP) represents the average of all system and direct (spot and firm) sales.

(f) Price paid at field delivery point.

(g) Reference point is FOB Edmonton for fractionated product.

(8) Net production revenue is income derived from the sale of net reserves, less all capital costs, production taxes, royalties and operating costs and before provision for income taxes and administrative overhead costs.

(9) "*Alberta Royalty Tax Credits*" ("*ARTC*") are not applicable for these properties.

(10) Capital expenditures and operating costs are escalated at 1.5% per year.

(11) Product prices used in constant price evaluation were the first year natural gas, oil and NGL prices in the GLJ Report reflecting the estimated average prices expected from January 1, 2003 to December 31, 2003. The constant price assumptions assume the continuance of current laws, regulations and operating costs in effect on the date of the GLJ Report.

(12) The $U.S./$Can. exchange rate is assumed to be $0.65 in 2002 and 2003, $0.66 in 2004, $0.67 in 2005 and 2006, and $0.68 thereafter.

(13) In the escalated price case, capital expenditures of $380,000 and $661,000 in 2002 and 2003, respectively, and $52,000 after 2008 were scheduled in the total proved case. In the proved plus probable case, capital expenditures of $380,000 and $3,019,000 in 2002 and 2003, respectively, $1,419,000 in 2004 and $53,000 after 2009 were scheduled.

Actual Production Volumes

The following table sets forth actual production volumes for the El Paso Properties before deductions of royalties payable to others for each of the three years ended December 31, 1999, 2000 and 2001 and for the nine months ended September 30, 2002.

	Year Ended December 31			Nine Months Ended
	1999	2000	2001	Sept. 30, 2002
Oil and NGLs (bbls)	120,486	153,260	335,936	236,208
Natural Gas (mcf)	2,312,026	3,834,172	4,112,000	2,416,649
Total (BOE)	505,824	792,289	1,021,269	638,983

Estimated Production Volumes

The following table, based on the GLJ Report (total proven category), sets forth estimates of the total production volumes for the El Paso Properties before deductions of royalties payable to others for the three months ended December 31, 2002 and for each of the three years ended December 31, 2003, 2004 and 2005.

	Three Months Ended	Year Ended December 31		
	December 31, 2002	2003	2004	2005
Oil and NGLs (bbls)	72,772	243,102	190,530	155,125
Natural Gas (mcf)	1,089,004	3,587,585	2,558,650	1,876,465
Total BOE (6:1)	254,272	841,032	616,972	467,869

Capital Expenditures

The following table, based on the GLJ Report, sets out the estimated capital costs necessary to achieve the net cash flow and the amount of such costs estimated to be incurred for the periods noted for the constant price scenario contained in the GLJ Report.

	Three Months Ended	Year Ended December 31	
	December 31, 2002	2003	2004
Proved	$380,000	$652,000	Nil
Proved plus probable	$380,000	$2,975,000	1,377,000

DESCRIPTION OF SECURITIES

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of first preferred shares, issuable in series. As at March 7, 2003, 78,586,673 Common Shares and no first preferred shares were outstanding.

Common Shares

The Common Shares are entitled to notice of and to vote at all meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per share. The holders of Common Shares are entitled to receive such dividends as the Board of Directors may declare and, upon liquidation, to receive such assets of Canadian Superior as are distributable to holders of Common Shares.

Shareholder Rights Plan

The shareholders of the Corporation have adopted a shareholder rights plan (the "Rights Plan"). The Rights Plan is contained in an agreement dated as of January 22, 2001, as amended and restated as of May 17, 2001, between the Corporation and Computershare Trust Company of Canada (the "Rights Plan Agreement"). The effective date of the Rights Plan was January 22, 2001 (the "Effective Date") and it was amended and restated as of May 17, 2001. The Rights Plan continues in effect until January 22, 2011, being ten years from its effective date.

Under the Rights Plan, one right (a "Right") is attached to each Common Share of the Corporation. The Rights will separate from the Common Shares and become exercisable eight trading days (the "Separation Time") after a person acquires, or commences a take-over bid to acquire, 20% or more of the voting shares or other securities convertible into voting shares of the Corporation, unless the Separation Time is deferred. The acquisition by any person (an "Acquiring Person") of 20% or more of the Common Shares, other than in a permitted manner, is called a "Flip-in Event". Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-In Event.

Eight trading days after a Flip-in Event, each Right will permit the holder (other than an Acquiring Person) to purchase from the Corporation, on payment of the $15 exercise price, Common Shares with a market value of $30. The result will be massive dilution of the holdings of the Acquiring Person. The Corporation anticipates that no Acquiring Person will be willing to risk such dilution and so will instead either make a take-over bid that is permitted by the Rights Plan, negotiate with the Board of Directors for a waiver of the Rights Plan, or apply to regulatory authorities for an order rendering the Rights Plan ineffective.

A person will not become an Acquiring Person, and will not trigger the separation and ability to exercise the Rights, by becoming the beneficial owner of 20% or more of the Common Shares pursuant to a take-over bid specifically permitted by the Rights Plan (a "Permitted Bid") or in other circumstances provided for under the Rights Plan. Investment advisors (for fully managed accounts), trust companies (acting in their capacities as trustees and administrators) and statutory bodies acquiring 20% of the Common Shares are exempted from triggering a Flip-In Event, provided that they are not making, and are not part of a group making, a take-over bid.

The issue of the Rights is not initially dilutive. However, upon a Flip-In Event occurring and the Rights separating from the Common Shares, reported earnings per share on a fully diluted or non-diluted basis may be affected. Holders of Rights who do not (or, in the case of an Acquiring Person, cannot) exercise their Rights upon the occurrence of a Flip-In Event will suffer substantial dilution.

This summary is qualified in its entirety by reference to the Rights Plan Agreement. Shareholders may obtain a copy of the Rights Plan Agreement on written request to the Corporate Secretary of the Corporation at the Corporation's head office.

CAPITALIZATION

The following table summarizes the capitalization of the Corporation as at: (i) December 31, 2001; (ii) September 30, 2002; and (iii) September 30, 2002 as adjusted to give effect to the offering completed February 25, 2003 and this offering. The table should be read in conjunction with the Corporation's annual financial statements, and the notes thereto, and management's discussion and analysis of financial condition and results of operations related thereto incorporated by reference in this prospectus.

	As at December 31, 2001 (audited)	**As at September 30, 2002 (unaudited)**	**As at September 30, 2002 after giving effect to the offering(2)(3)(4)(5) (unaudited)**
Debt			
Revolving Production Loan	Nil	$6,800,000	$6,800,000
Long Term Debt	Nil	Nil	Nil
Shareholders' Equity			
Preferred Shares (unlimited)	Nil	Nil	Nil
Common Shares (unlimited) (1)	40,312,834 ($20,946,999)	56,936,373 ($43,332,746)	88,336,373 ($89,121,346)
Special Warrants	10,106,874 ($10,834,152)	Nil	Nil

Notes:

(1) This table does not include Common Shares issuable upon the exercise of directors', officers', employees' and consultants' stock options (which equal 5,535,603 as of the date hereof).

(2) Includes the issuance of the maximum 10,000,000 Common Shares comprising the Offered Units pursuant to the offering for proceeds of $14,100,000 (net of Agency Fee of $900,000). This table does not include the potential issuance of up to 5,000,000 Common Shares issuable upon exercise of the Warrants which, if exercised, would increase the outstanding Common Shares by 5,000,000 and share capital by $10,000,000.

(3) In February, 2003, the Corporation issued by way of public offering pursuant to a prospectus dated February 19, 2003, 13,400,000 Common Shares and 54,000 underwriters' warrants (with 54,000 Common Shares underlying such warrants) at a price of $1.60 per Common Share for proceeds of $20,153,600 (net of underwriting fees of $1,286,400).

(4) In November and December, 2002 the Corporation issued by way of private placement 8,000,000 flow-through Common Shares at a price of $1.50 per flow-through Common Share for proceeds of $11,535,000 (net of underwriting fees of $465,000).

(5) If the acquisition of the El Paso Properties is completed, the revolving production loan is anticipated to increase by approximately $25,000,000.

USE OF PROCEEDS

In the event that the maximum 10,000,000 Offered Units are sold, the net proceeds to the Corporation from the sale of the Offered Units will be approximately $13,850,000, after deduction of the estimated expenses of the offering and the Agency Fee. The Corporation intends to use the proceeds to finance a portion of the acquisition of the El Paso Properties although the closing of this offering is not conditional upon the completion of such acquisition. In the event that the acquisition of the El Paso Properties does not close, the net proceeds will be used to expand the Corporation's capital expenditure program, to fund future opportunities and for general corporate purposes. See *"Risk Factors – Acquisition of El Paso Properties"*.

DETAILS OF THE OFFERING

The offering consists of a maximum of 10,000,000 Offered Units, each Offered Unit consisting of one Common Share and one-half of a Warrant. Each whole Warrant will entitle the holder to purchase one additional Common Share of the Corporation for a period of twelve months from the date of issue of the Warrants at a price of $2.00 per Common Share. Of the offering price, the Corporation has allocated $1.499

for the Common Share and $0.001 for the one-half Warrant. The Corporation considers it reasonable to allocate $1.499 for the Common Share and $0.001 for the one-half Warrant.

Warrants

The Warrants will be issued in registered form under a warrant indenture (the "Warrant Indenture") between the Corporation and Computershare Trust Company of Canada (the "Trustee") to be dated as of the closing date of this offering. The Corporation will appoint the principal transfer office of the Trustee in Toronto as the location at which the Warrants may be surrendered for exercise, transfer or exchange. The Warrant Indenture will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Common Shares to be issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Corporation's common shares, the payment of stock dividends and the amalgamation of the Corporation.

The Warrants may not be exercised in the United States or by or on behalf of a U.S. person unless an exemption from the registration requirements in the 1933 Act and applicable state securities laws is available to the holder. The Warrants will not be listed on any stock exchange.

The foregoing is a summary only of the terms of the Warrants and is qualified subject to the more detailed provisions of the Warrant Indenture.

PLAN OF DISTRIBUTION

Under an agreement dated •, 2003 (the "Agency Agreement") between the Corporation and Maison Placements Canada Inc. and Acadian Securities Incorporated (the "Agents"), the Corporation has appointed the Agents as its agents to offer the maximum 10,000,000 Offered Units at a price of $1.50 per Offered Unit, on a "best efforts" basis, subject to the terms and conditions of the Agency Agreement. The Agents will receive a fee of $0.09 per Offered Unit subscribed for pursuant to this offering. While the Agents have agreed to use their best efforts to sell the Offered Units which are the subject of this offering, they are not obligated to purchase any Offered Units. The offering price of the Offered Units was determined by negotiation between the Corporation and the Agents. The obligations of the Agents under the Agency Agreement may be terminated at their discretion on the basis of their assessment of the financial markets and may also be terminated upon the occurrence of certain stated events. In addition, the Corporation has agreed to indemnify the Agents against certain liabilities.

Each Offered Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one Common Share for a period of twelve months following the closing of this offering at a price of $2.00 per Common Share. The Common Shares and the Warrants comprising the Offered Units will separate immediately upon the closing of this offering and the Warrants will be issued in registered form.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Agents may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares of the Corporation. The foregoing restriction is subject to certain exceptions, including a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution, provided that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares of the Corporation. Pursuant to the first-mentioned exception, in connection with this offering the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares of the Corporation at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Offered Units have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to the Agency Agreement in transactions exempt from the U.S. Securities Act and applicable state securities laws. The Agents have agreed that, except as permitted by the Agency Agreement, they will not offer or sell the Offered Units within the United States.

The Corporation is applying to list the Common Shares comprised in the Offered Units and the Common Shares issuable upon exercise of the Warrants to be distributed under this short form prospectus on the TSX and the Amex. Listing will be subject to the fulfillment by the Corporation of all listing requirements of the TSX and Amex. **The Warrants will not be listed on any stock exchange and as a result there will be no market through which the Warrants may be sold and none is expected to develop.**

RISK FACTORS

The Offered Units should be considered highly speculative due to the nature of the Corporation's business and the present stage of its development. Before making a decision to purchase Offered Units, investors should consider the risks affecting the Corporation in connection with its business which are set out below and set out in management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2001 and 2000 on pages 16 to 18 of the Annual Report of the Corporation for the year ended December 31, 2001 under the heading "Business Risks" and on page 20 of the Annual Information Form under the heading "Business Risks". An investment in securities of the Corporation should only be made by persons who can afford a significant or total loss of their investment.

Acquisition of El Paso Properties

The acquisition of the El Paso Properties by the Corporation is subject to certain conditions to be satisfied prior to closing including obtaining any required waivers, rulings or approvals under the *Competition Act* (Canada). Consequently, there can be no assurance that the acquisition of the El Paso Properties will close as planned or be completed at all. The closing of this offering is not conditional upon the completion of the acquisition of the El Paso Properties. In the event that the acquisition is not completed, the Corporation will use the proceeds from this offering to expand the Corporation's capital expenditure program, to fund future opportunities and for general corporate purposes.

Exploration, Development and Production Risks

An investment in the Offered Units is speculative due to the nature of the Corporation's involvement in the exploration, development and production of oil and natural gas and its present stage of development.

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Corporation will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Management will evaluate exploration and development prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Corporation will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Insurance

The Corporation’s involvement in the exploration for and development of oil and natural gas properties may result in the Corporation becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Corporation has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation’s financial position, results of operations or prospects.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Corporation. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of the Corporation’s oil and gas reserves. The Corporation might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Corporation's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Corporation are in part determined by the borrowing base of the Corporation. A sustained material decline in prices from historical average prices could limit the Corporation's borrowing base, therefore reducing the bank credit available to the Corporation, and could require that a portion of any then existing bank debt of the Corporation be repaid.

In addition to establishing markets for its oil and natural gas, the Corporation must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by the Corporation will be affected by numerous factors beyond its control. The Corporation will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by the Corporation. The ability of the Corporation to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. The Corporation will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and other aspects of the oil and natural gas business.

Substantial Capital Requirements and Liquidity

The Corporation anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Corporation's revenues or reserves decline, the Corporation may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's financial condition, results of operations or prospects.

Competition

The Corporation actively competes for reserve acquisitions, exploration leases, licences and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than the Corporation. The Corporation's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The oil and gas industry is highly competitive. The Corporation's competitors for the acquisition, exploration, production and development of oil and natural gas properties, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Corporation.

Certain of the Corporation's customers and potential customers are themselves exploring for oil and gas, and the results of such exploration efforts could affect the Corporation's ability to sell or supply oil or gas to these customers in the future. The Corporation's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operations or prospects.

Reserve Replacement

The Corporation's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Corporation successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Corporation may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Corporation's reserves will depend not only on the Corporation's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Corporation's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Reliance on Operators and Key Employees

To the extent the Corporation is not the operator of its oil and natural gas properties, the Corporation will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators. In addition, the success of the Corporation will be largely dependent upon the performance of its management and key employees. The Corporation has no key-man insurance policies, and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Corporation.

Corporate Matters

To date, the Corporation has not paid any dividends on its outstanding Common Shares and does not anticipate the payment of any dividends on its Common Shares for the foreseeable future. Certain of the directors and officers of the Corporation are also directors and officers of other oil and gas companies involved in natural resource exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the *Business Corporations Act* (Alberta).

Permits and Licenses

The operations of the Corporation may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

Additional Funding Requirements

The Corporation's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Corporation may require additional financing in order to carry out its oil and natural gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Corporation's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Corporation's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favourable terms.

Issuance of Debt

From time to time the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. Neither the Corporation's articles nor its by-laws limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness from time to time could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

LEGAL MATTERS

Certain legal matters in respect of this offering will be passed upon on behalf of the Corporation by McCarthy Tétrault LLP, and on behalf of the Agents by Borden Ladner Gervais LLP. The partners and associates of McCarthy Tétrault LLP and the partners and associates of Borden Ladner Gervais LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

The auditors of the Corporation are Brown Smith Owen LLP, Chartered Accountants, Red Deer, Alberta. The partners of Brown Smith Owen LLP, as a group, beneficially own, directly or indirectly, no securities of the Corporation.

Gilbert Laustsen Jung Associates Ltd. and its management, as a group, beneficially own, directly or indirectly, no securities of the Corporation.

OTHER MATERIAL INFORMATION

The President and Chief Executive Officer of the Corporation has assigned to Hughes Air Corp. ("Hughes"), a company controlled by him, his right to receive a payment from the Corporation which became payable to him under an executive employment contract with the Corporation dated July 1, 2000 when his equity position in the Corporation fell below a specified amount. The Corporation and Hughes agreed to set off amounts owed to each other, such that all obligations from Hughes to the Corporation were extinguished.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

El Paso Properties

Schedule of Revenues, Royalties and
Operating Expenses
For the nine months ended
September 30, 2002 and 2001 and for the years ended December 31, 2001, 2000 and 1999
(in thousands of dollars)

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February 19, 2003

Auditors' Report

To the Directors of
Canadian Superior Energy Inc.

At the request of Canadian Superior Energy Inc., we have audited the schedule of revenues, royalties and operating expenses for the three years ended December 31, 2001, 2000 and 1999 for the **El Paso Properties** that are expected to be purchased by Canadian Superior Energy Inc. under an agreement dated January 10, 2003. This financial information is the responsibility of management. Our responsibility is to express an opinion on this financial information based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial information presentation.

In our opinion, the schedule of revenues, royalties and operating expenses presents fairly, in all material respects, the revenues, royalties and operating expenses for the El Paso Properties for the three years ended December 31, 2001, 2000 and 1999 in accordance with the basis of accounting disclosed in note 1.

PricewaterhouseCoopers LLP

Chartered Accountants

Calgary, Alberta

El Paso Properties
Schedule of Revenues, Royalties and Operating Expenses

(in thousands of dollars)

	Nine months ended		Years ended December 31,		
	September 30, 2002 $ (Unaudited)	**September 30, 2001 $** (Unaudited)	**2001 $**	**2000 $**	**1999 $**
Oil and gas sales	16,734	28,348	33,415	25,935	9,067
Royalties	(3,327)	(6,841)	(7,913)	(5,735)	(1,836)
	13,407	21,507	25,502	20,200	7,231
Operating expenses	(3,516)	(3,148)	(4,261)	(3,463)	(2,032)
Excess of revenues over operating expenses	9,891	18,359	21,241	16,737	5,199

El Paso Properties

Notes to Schedule of Revenues, Royalties and Operating Expenses
For the nine months ended September 30, 2002 and 2001 and for the years ended December 31, 2001, 2000 and 1999

1 Basis of presentation

The Schedule of Revenues, Royalties and Operating Expenses includes the operating results relating to the El Paso Properties that are expected to be acquired by Canadian Superior Energy Inc. under an agreement dated January 10, 2003.

The Schedule of Revenues, Royalties and Operating Expenses does not include any provision for the depletion and depreciation, site restoration, future capital costs, impairment of unevaluated properties, general and administrative costs and income taxes as these amounts are based on the consolidated operations of the vendor of which the selected property forms only a part.

2 Significant accounting policies

Revenue recognition

Revenue from the sale of product is recognized upon delivery to the purchasers and recorded net of transportation costs.

Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable regulations and/or the terms of individual royalty agreements.

Operating costs

Operating costs include amounts incurred on extraction of product to the surface, gathering, field processing, treating and field storage.

Joint venture operations

Some of the El Paso Properties are operated through joint ventures, therefore the Schedule only reflects the vendor's proportionate interest.

PRO FORMA FINANCIAL STATEMENTS

CANADIAN SUPERIOR ENERGY INC.
PRO FORMA COMBINED FINANCIAL STATEMENTS

(Unaudited – See Compilation Report)

As at September 30, 2002 and for the nine months ended September 30, 2002 and the year ended December 31, 2001

COMPILATION REPORT

To the Directors of Canadian Superior Energy Inc.

We have reviewed, as to compilation only, the accompanying pro forma combined balance sheet of Canadian Superior Energy Inc. as at September 30, 2002 and the pro forma combined statements of earnings for the nine months ended September 30, 2002 and the year ended December 31, 2001 which have been prepared for inclusion in the prospectus relating to the distribution of 10,000,000 units, each unit consisting of one common share and one-half of one common share purchase warrant, of the Corporation. In our opinion, the pro forma combined balance sheet and the pro forma combined statements of earnings have been properly compiled to give effect to the proposed transaction and the assumptions described in the accompanying notes thereto.

Red Deer, Canada
March •, 2003

Chartered Accountants

CANADIAN SUPERIOR ENERGY INC.
PRO FORMA COMBINED BALANCE SHEET
(Unaudited - See Compilation Report)
SEPTEMBER 30, 2002

(thousands of dollars)

	Canadian Superior	El Paso Properties	Pro Forma Adjustments	Note	Pro Forma Combined
Assets	**$**	**$**	**$**		**$**
Current assets					
Cash and short term investments	1,819				1,819
Accounts receivable	4,553				4,553
Prepaid expenses	1,253				1,253
	7,625				7,625
Term deposits	12,032				12,032
Capital assets	70,004	59,000		2(a)(i)	129,004
	89,661	59,000	-		148,661
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	10,005				10,005
Revolving production loan	6,800	24,746		2(a)(iv)	31,546
	16,805	24,746			41,551
Deferred future site restoration costs	191				191
Future income taxes	19,824				19,824
	36,820	24,746			61,566
Shareholders' Equity					
Share capital	43,333	20,154		2(a)(ii)	77,587
		14,100		2(a)(iii)	
Retained earnings	9,508				9,508
	52,841	34,254			87,095
	89,661	59,000			148,661

See accompanying notes to unaudited pro forma consolidated financial statements

CANADIAN SUPERIOR ENERGY INC.
PRO FORMA COMBINED STATEMENT OF EARNINGS
(Unaudited - See Compilation Report)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002

(thousands of dollars)

	Canadian Superior	El Paso Properties	Pro Forma Adjustments	Note	Pro Forma Combined
	$	$	$		$
Revenue					
Oil and gas	5,161	16,734			21,895
Royalties, net of royalty tax credit	(1,283)	(3,327)			(4,610)
	3,878	13,407			17,285
Expenses					
General and administrative	1,911		300	2(b)(i)	2,211
Production and operating	1,714	3,516			5,230
Interest	78		1,028	2(b)(ii)	1,106
Depletion and amortization	2,307		7,273	2(b)(iii)	9,580
Future site restoration	75		709	2(b)(iv)	784
	6,085	3,516	9,310		18,911
Earnings (loss) from operations	(2,207)	9,891	(9,310)		(1,626)
Other income					
Interest	344				344
Earnings (loss) before income taxes	(1,863)	9,891	(9,310)		(1,282)
Income taxes					
Current	118		45	2(b)(v)	163
Future (reduction)	(373)		464	2(b)(vi)	91
	(255)		509		254
Net earnings (loss)	(1,608)	9,891	(9,819)		(1,536)
Earnings (loss) per share	(0.03)				(0.02)
Diluted earnings (loss) per share	(0.03)				(0.02)

See accompanying notes to unaudited pro forma consolidated financial statements

CANADIAN SUPERIOR ENERGY INC.
PRO FORMA COMBINED STATEMENT OF EARNINGS
(Unaudited - See Compilation Report)
FOR THE YEAR ENDED DECEMBER 31, 2001

(thousands of dollars)

	Canadian Superior	El Paso Properties	Pro Forma Adjustments	Note	Pro Forma Combined
	$	$	$		$
Revenue					
Oil and gas	4,945	33,415			38,360
Royalties, net of royalty tax credit	(867)	(7,913)			(8,780)
	4,078	25,502			29,580
Expenses					
General and administrative	2,291		400	2(b)(i)	2,691
Production and operating	1,054	4,261			5,315
Interest	-		1,370	2(b)(ii)	1,370
Depletion and amortization	992		8,539	2(b)(iii)	9,531
Future site restoration	63		866	2(b)(iv)	929
	4,400	4,261	11,175		19,836
Earnings (loss) from operations	(322)	21,241	(11,175)		9,744
Other income					
Total per schedule	13,499				13,499
Earnings (loss) before income taxes	13,177	21,241	(11,175)		23,243
Income taxes					
Current	140		2,269	2(b)(vii)	2,409
Future	4,928		1,926	2(b)(vi)	6,854
	5,068		4,195		9,263
Net earnings (loss)	8,109	21,241	(15,370)		13,980
Earnings per share	0.20				0.22
Diluted earnings per share	0.19				0.21

See accompanying notes to unaudited pro forma consolidated financial statements

1. Basis of presentation:

The accompanying unaudited pro forma combined financial statements of Canadian Superior Energy Inc. ("Canadian Superior") have been prepared by management to give effect to the probable acquisition of the El Paso properties, which have oil and gas production in Canada.

The pro forma combined balance sheet of Canadian Superior as at September 30, 2002 is based on the unaudited balance sheet of Canadian Superior as at September 30, 2002, and the assumptions outlined in note 2(a).

The pro forma combined statements of earnings of Canadian Superior for the year ended December 31, 2001 and for the nine months ended September 30, 2002 are based on the following:

- The audited statement of earnings of Canadian Superior for the year ended December 31, 2001.
- The audited schedule of revenues, royalties and operating expenses of the El Paso properties for the year ended December 31, 2001.
- The unaudited statement of earnings of Canadian Superior for the nine months ended September 30, 2002.
- The unaudited schedule of revenues, royalties and operating expenses of the El Paso properties for the nine months ended September 30, 2002.

The pro forma combined financial statements may not be indicative of results that actually would have occurred if the events reflected herein had been in effect on the dates indicated or of the results expected in future periods. In preparing these pro forma combined financial statements no adjustments have been made to reflect operating synergies or cost savings that may have been achieved as a result of combined operations of the combined assets.

Accounting policies used in the preparation of the pro forma combined financial statements are in accordance with those disclosed in Canadian Superior's audited financial statements as at and for the period ended December 31, 2001.

The pro forma combined financial statements should be read in conjunction with Canadian Superior's audited financial statements as at and for the period ended December 31, 2001, Canadian Superior's unaudited financial statements as at and for the period ended September 30, 2002, and the schedule of revenue, royalties and operating expenses of the El Paso properties for the year ended December 31, 2001, and nine months ended September 30, 2002.

2. Pro forma adjustments and assumptions

a) The pro forma combined financial statements have been prepared under the following assumptions:

   i) The purchase price of the El Paso properties, net of adjustments, is $59.0 million.

   ii) In February 2003, the Corporation issued by way of public offering pursuant to a prospectus dated February 19, 2003, 13,400,000 Common Shares at a price of $1.60

per common share the proceeds of $20,153,600 (net of underwriting fees of $1,286,400).

iii) The financing entered into with the agents in accordance with the prospectus dated March 7, 2003 will be fully subscribed for 10,000,000 units, for proceeds of $14,100,000 (net of Agency fee of $900,000).

iv) The balance of the net purchase price of the El Paso properties, of approximately $24,746,400, will be funded by an expected increase in the revolving production loan.

b) The pro forma combined statements of earnings for the nine months ended September 30, 2002 and for the year ended December 31, 2001 have been prepared as if the El Paso properties had been acquired on January 1, 2002 and January 1, 2001, respectively.

Additionally:

i) Incremental general and administrative expenses were assumed to be $400,000 per annum. Actual general and administrative expenses may be higher.

ii) Incremental interest expense relating to the increase in the revolving production loan has been recorded at 5.55% per annum.

iii) Depletion and amortization have been increased as a result of an increase in the oil and gas assets from the acquisition and has been calculated on a combined basis.

iv) Future site restoration charges have been increased as a result of an increase in the oil and gas assets from the acquisition and have been calculated on a combined basis.

v) Current taxes have been increased to record an expected increase in Large Corporations Tax.

vi) Future taxes were adjusted to account for income taxes at the estimated rate of 42.5%.

vii) Current taxes have been increased to account for current income taxes and an increase in Large Corporations Tax.

3. Shares outstanding:

The pro forma per share information has been calculated giving effect to the assumed Canadian Superior shares issued as referred to in 2(a)(ii), and the assumed units issued as referred to in 2(a)(iii).

CERTIFICATE OF CANADIAN SUPERIOR ENERGY INC.

Dated: March 7, 2003

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of Alberta, Ontario and Nova Scotia.

(signed) Gregory S. Noval
Gregory S. Noval
President and Chief Executive Officer

(signed) Robert A. Pilling
Robert A. Pilling
Vice-President and Corporate Secretary
(as Chief Financial Officer)

On behalf of the Board of Directors:

(signed) Frederick T. Purich
Frederick T. Purich
Director

(signed) Thomas J. Harp
Thomas J. Harp
Director

CERTIFICATE OF THE AGENTS

Dated: March 7, 2003

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of Alberta, Ontario and Nova Scotia.

Maison Placements Canada Inc.

By: *(signed) John Ing*

Acadian Securities Incorporated

By: *(signed) John Hanrahan*