

Action No. 0901-02012

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

BETWEEN:

BG INTERNATIONAL LIMITED

Plaintiff

- and -

CANADIAN SUPERIOR ENERGY INC.

Defendant

**RECEIVER'S FIFTH REPORT TO THE COURT
SUBMITTED BY DELOITTE & TOUCHE INC.**

August 26, 2009

INTRODUCTION

1. On the application of BG International Limited ("**BGI**") on February 11, 2009, Deloitte & Touche Inc. (the "**Receiver**") was appointed Interim Receiver of Canadian Superior Energy Inc.'s Participating Interest, as outlined in Article 3.2(c) of a Joint Operating Agreement dated August 11, 2007 among BGI, Canadian Superior Energy Inc. ("**CSEI**") and Challenger Energy Corp. (the "**JOA**") and given exclusive charge of conduct of all Joint Operations as defined in the JOA (the "**Receivership Order**"). An Amending and Restated Order was obtained on March 25, 2009, changing Deloitte's designation from Interim Receiver to Receiver.
2. This Fifth Report of the Receiver (the "**Fifth Report**") provides the Court with an update of the Receiver's activities since the Fourth Report dated March 25, 2009.

TERMS OF REFERENCE

3. In preparing this Fifth Report, the Receiver has relied upon information provided by CSEI and BGI. The Receiver has not performed an audit or other form of verification of such information.
4. Capitalized terms not defined in this Fifth Report are as defined in the Receivership Order or the Interim Receiver's First, Second, Third or Fourth Report. All references to dollars are in US currency unless otherwise noted.

ACTIVITIES OF THE RECEIVER

5. To date the Receiver has issued the following Receiver Certificates, all of which have been funded by BGI:

(a)	Certificate #1 – February 18, 2009	\$ 962,280
(b)	Certificate #2 – February 19, 2009	4,000,000
(c)	Certificate #3 – February 20, 2009	2,000,000
(d)	Certificate #4 – February 27, 2009	33,037,720
(e)	Certificate #5 – March 20, 2009	7,000,000
(f)	Certificate #6 – May 22, 2009	<u>5,000,000</u>
		<u>\$52,000,000</u>

6. To date the Receiver has also received \$26,303,944.85 from BGI, \$873,452.62 of which was payment for the months of November 2008 to January 2009 for the sublease from the Joint Venture of a drilling vessel leased by CSEI for the Joint Venture and \$25,430,492.23 of which was in response to billings made to BGI for its portion of Joint Venture expenses for December 2008 through June 2009.
7. As of August 25, 2009 the Receiver has paid \$78,701,630 and CDN\$2,305,024 to Block 5C vendors related to billings for services rendered for November 2008 through July 2009, which payments the Receiver believed were necessary to ensure the drilling program was completed.
8. As of August 25, 2009, the Receiver believes \$7,459,709.90 remains due to Block 5C vendors. The Receiver understands that to the extent that these vendors are not paid by the date of closing of the transaction between BGI and CSEI, they will be paid from the sale proceeds. The Receiver further understands that if any Block 5C vendors are owed disputed amounts, these amounts will be escrowed from the sale proceeds and paid out later from these funds, if deemed appropriate.
9. The Receiver has, in the period from its appointment up to and including today's date, been actively working with CSEI and BGI in order to ensure that the Block 5C vendors are paid, as the full amount available under the Receiver's Borrowings has been drawn.

The Receiver's is now reliant on collecting VAT refunds from the Trinidad & Tobago Government, and on collecting on-going JIB invoices issued to BGI to pay these outstanding balances,.

10. Due to the economic climate in Trinidad & Tobago, the Receiver has been required to explore a variety of avenues for exchanging the VAT refunds (which are paid in local Trinidad & Tobago Dollar currency) into US Dollars, as the majority of the Block 5C vendors require for US Dollar settlement of their invoices. CSEI and BGI are aware of these currency exchange matters and of the efforts made by the Receiver to expeditiously convert funds. This has resulted in multiple payments to the Block 5C vendors as US Dollars became available.
11. In accordance with the drilling plan that had been developed by BGI and CSEI, formal operations were completed on March 24, 2009 when the drilling vessel was demobilized. During the period February 11, 2009 to April 21, 2009, the Receiver was the operator and, in accordance with the Receivership Order, contracted with BGI to conduct operations under the supervision of the Receiver pursuant to a Management Services Agreement. Then pursuant to the JOA, operatorship of the project was turned over to BGI on April 21, 2009.
12. The Receiver made application to the Court in Trinidad & Tobago to have the Receivership Order recognized and that recognition in that jurisdiction was granted April 29, 2009.
13. During the course of the receivership, the Receiver has worked closely with CSEI and Challenger Energy Corporation ("CEC") and both of their respective Monitors and agents, throughout the process of the reorganizations of both entities under their

Companies' Creditors Arrangement Act filings to ensure that the interests of Block 5C were being properly protected. In addition, the Receiver monitored the CSEI and CEC asset sales and related marketing activities.

14. An updated Statement of Receipts and Disbursements is attached to our report as Appendix 1. The Receiver's paid Administration Expenses are outlined as follows:

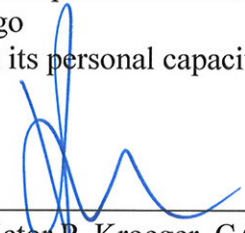
	Canadian Currency	Paid to
Deloitte & Touche Inc	\$551,576.90	July 31, 2009
Davis LLP	\$225,851.65	May 31, 2009
Osler Hoskin & Harcourt	\$225,987.63	Per Court Order
Total Canadian Expenses	\$1,003,416.18	

	US Dollar Currency	Paid to date
Hamel-Smith & Co.	\$29,822.93	July 31, 2009
BGI under MSA	\$183,469.65	June 30, 2009
Total US Dollar Expenses	\$213,292.58	

All of which is respectfully submitted this 26th day of August, 2009.

DELOITTE & TOUCHE INC.,
In its capacity as Receiver of
CSEI's Participation Interest in Block 5C Trinidad
and Tobago
and not in its personal capacity

Per:



Victor P. Kroeger, CA•CIRP, CFE
Senior Vice President

APPENDIX 1

Canadian Superior Energy Inc. - Block 5C in Receivership
Statement of Cash Receipts & Disbursements for the period ending August 24, 2009
All amounts in US Dollars

Cash Receipts:

BGI JIB Payments Received

3/3/2009 December JIB	\$ 5,741,717.47	
3/3/2009 January JIB	5,888,669.50	
4/15/2009 February JIB	7,368,089.74	
5/20/2009 March JIB	4,099,532.29	
5/28/2009 April JIB	1,955,930.45	
7/13/2009 May JIB	<u>376,552.78</u>	\$ 25,430,492.23

Receiver Certificates

2/19/2009 Certificate 1	962,280.00	
3/3/2009 Certificate 2	4,000,000.00	
3/3/2009 Certificate 3	2,000,000.00	
3/3/2009 Certificate 4	33,037,720.00	
4/7/2009 Certificate 5	7,000,000.00	
5/22/2009 Certificate 6	<u>5,000,000.00</u>	52,000,000.00

Other receipts

2/23/2009 re: Carl Thome Vessel	873,452.62	
6/3/2009 Credit from Baroid Trinidad Services	292,534.87	
* 8/20/2009 Net VAT Refunds Collected	<u>7,581,754.05</u>	<u>8,747,741.54</u>

Total Cash Receipts

86,178,233.77

Cash Disbursements:

Block 5C Costs	80,522,598.83	
Foreign Exchange gain/loss/service charges	47,937.36	
Administration costs	<u>1,005,991.36</u>	

Total Cash Disbursements

81,576,527.56

Excess of Cash Receipts over Cash Disbursements

\$ 4,601,706.21

Represented by:

US Dollar Bank Account	\$ 1,239,247.61
** CDN Dollar Bank Account expressed in USD	1,103,410.93
*** TT Dollar Bank Account expressed in USD	2,259,047.67
	<u>\$ 4,601,706.21</u>

* VAT refunds converted at \$.16

** Canada/US Rate used is \$.79

*** TT Dollar/US Rate used is \$.16

Administration Fees Summary

Canadian Dollar Payments

Deloitte & Touche Inc.	\$ 551,576.90	
Davis LLP	225,851.65	
Osler Hoskin & Harcourt LLP	<u>225,987.63</u>	
Canadian Total	1,003,416.18	
Exchange rate	0.79	\$ 792,698.78

US Dollar Payments

Hamel-Smith & Co.	29,822.93	
BGI - Management fees	<u>183,469.65</u>	<u>213,292.58</u>

Total Administration fees represented in USD

\$ 1,005,991.36

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TO THE COURT SUBMITTED BY
DELOITTE & TOUCHE INC.**

CLERK OF THE COURT

AUG 26 2009

CALGARY, ALBERTA

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