

IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

**BG INTERNATIONAL LIMITED**

I hereby certify this to be a true copy of  
the original order

Plaintiff

Dated this 25 day of March 2009  
[Signature]  
Clerk of the Court

- and -

**CANADIAN SUPERIOR ENERGY INC.**

Defendant

BEFORE THE HONOURABLE	)	AT THE COURTHOUSE, IN THE CITY
MADAM JUSTICE	)	OF CALGARY, IN THE PROVINCE OF
B.E.C. ROMAINE	)	ALBERTA, ON WEDNESDAY, THE 11 <sup>th</sup>
IN CHAMBERS	)	DAY OF FEBRUARY, 2009 AND AMENDED
	)	AND RESTATED THE 25 <sup>th</sup> OF MARCH, 2009.

**AMENDED AND RESTATED RECEIVERSHIP ORDER**

UPON the application of BG International Limited ("BGI") in respect of Canadian Superior Energy Inc. ("CSEI"); AND UPON having read the within Statement of Claim, the Notice of Motion, Affidavit of Ewen Denning, and the Affidavits of Service of Ryan Tilleman and Jessica Eng, respectively, filed; AND UPON reading the consent of Deloitte & Touche Inc. ("Deloitte") to act as receiver and manager of certain of CSEI's Property (as hereinafter defined) ("Receiver") filed; AND UPON hearing counsel for BGI, counsel for Deloitte, counsel for Canadian Western Bank ("CWB"), counsel for the Defendant, CSEI and other interested parties; IT IS HEREBY ORDERED AND DECLARED THAT:

**SERVICE**

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient. CSEI's application for an adjournment is denied.

**DEFINITIONS**

2. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Joint Operating Agreement dated August 11, 2007 among BG International Inc., Canadian Superior Energy Inc., and Challenger Energy Corp. (the "JOA").

## APPOINTMENT

3. Pursuant to sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, and 64 of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 Deloitte is hereby appointed Receiver, without security, of CSEI's Participating Interest (as outlined in Article 3.2(c) the JOA) and all of the rights, property, interests and assets (including contractual rights) held by CSEI in its capacity as Operator for the Joint Account but not of or as against CSEI's other rights, property, interests and assets, and for greater certainty and without limiting the generality of the foregoing, the Receiver shall have exclusive charge of and conduct of all Joint Operations (collectively the "Property").

## RECEIVER'S POWERS

4. Until discharged by Court Order and subject to subparagraph (o) hereof, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (c) to manage, operate and carry on the business of CSEI in respect of the Property and the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of CSEI in respect of the Property;
  - (d) subject to paragraph 5 hereof, to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
  - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of CSEI, relating to the Property or any part or parts thereof;
  - (f) to receive and collect all monies and accounts now owed or hereafter owing in respect of the Property and to exercise all remedies of CSEI in respect of the Property in collecting such monies, including, without limitation, to enforce any security held by CSEI in respect of the Property;

- (g) to settle, extend or compromise any indebtedness owing to or by CSEI relating to the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of CSEI, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of CSEI in respect of the Property;
- (j) to initiate, prosecute and continue the prosecution of proceedings and to defend proceedings hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court and provided further that CSEI shall remain at liberty to appeal this Order;
- (k) to report to, meet with and discuss with BGI, CWB and other such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (m) in respect of the Property, to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of CSEI;
- (n) to take any steps reasonably incidental to the exercise of these powers; and
- (o) to facilitate the assumption by BGI of the role of Operator on April 21, 2009 pursuant to article 4.1 of the JOA;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including CSEI, and without interference from any other Person.

5. The Receiver is directed to retain BGI to assist it in carrying out its duties hereunder on terms substantially in accordance with those set forth in the attached Schedule "A". The Receiver shall apply to this court on notice should it seek to terminate the retainer of BGI.

## DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. (i) CSEI, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
7. All Persons shall forthwith advise the Receiver of the existence of any Property, including any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of CSEI in respect of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in such Person's possession or control, shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
8. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.
9. CSEI is hereby directed to co-operate with the Receiver and BGI in carrying out the terms of this Order and effect an orderly transition of management of the Property to the Receiver.

### NO PROCEEDINGS AGAINST THE RECEIVER

10. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

### SECURITY

11. Further, nothing in this Order precludes nor restricts the ability of CWB or BGI to make further registrations or filings of their respective security interests as against the Property.

### NO INTERFERENCE WITH THE RECEIVER

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by CSEI in respect of the Property, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an “eligible financial contract” (as defined in section 2 of the *Companies’ Creditors Arrangement Act*) with CSEI from terminating such contract or exercising any rights of set-off, in accordance with its terms.

### CONTINUATION OF SERVICES

13. All Persons having oral or written agreements with CSEI in respect of the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to CSEI are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver.

### RECEIVER TO HOLD FUNDS

14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.
15. For the purpose of carrying out its duties hereunder, the Receiver shall establish and operate a separate Joint Account as defined in the JOA (the “**Receiver’s Joint Account**”) and follow the procedures set out in the Accounting Procedure.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
  - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
    - A. complies with the order, or
    - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
  - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
    - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
    - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by Section 14.06 of the BIA or any other applicable legislation.

#### RECEIVER'S ACCOUNTS

- 17. Subject to further Order of this Court, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel (the "**Receiver's Expenses**"), shall be for the Joint Account and be allowed to it in passing its accounts and shall form a first charge on each Party's Participating Interest in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "**Receiver's Charge**").
- 18. The Receiver and its legal counsel shall pass their accounts from time to time.
- 19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### FUNDING OF THE RECEIVERSHIP AND COURT-ORDERED CHARGES

- 20. The Receiver is at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, including to pay the Receiver's Expenses, provided that the outstanding principal amount does not exceed US \$47 million (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of CSEI's Participating Interest (as outlined in article 3.2(c) of the JOA) shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and subordinate in priority to the CWB Charge (as defined herein).
- 21. As secured creditor, \$14,000,000 (Cdn) of the debt owing to the CWB shall be and is hereby charged by way of a fixed and specific charge as against the whole of CSEI's Participating Interest (the "**CWB Charge**") in priority to the Receiver's Borrowings

Charge and all other security interests, trust, liens, charges and encumbrances, in favour of any person, but subordinate in priority to the Receiver's Charge.

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order, and may apply to this Court on notice to the parties hereto to sell, assign or convey CSEI's Participating Interest (as outlined in Article 3.2(c) of the JOA) or any part thereof in order to collect upon or realize any amount borrowed under any Receiver's Certificates.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **ALLOCATION**

25. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge and the CWB Charge amongst the various assets comprising CSEI's Participating Interest (as outlined in article 3.2(c) of the JOA).

#### **GENERAL**

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. Nothing in this Order shall prevent the Receiver from acting as receiver and manager or interim receiver or as a trustee in bankruptcy of CSEI.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in Trinidad and Tobago, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the CSEI's Participating Interest with such priority and at such time as this Court may determine.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver, BGI and CWB and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

#### **PRESERVATION OF RIGHTS**

32. Except as expressly set forth herein, all rights and obligations of the Parties under the JOA shall remain unchanged and unaffected by this Order, including, but not limited to, BGI's assumption of the role of Operator on April 21, 2009 pursuant to article 4.1 of the JOA, and nothing herein shall preclude CSEI from marketing CSEI's Participating Interest, subject always to the terms of this Order, the JOA, and the "PSC" as defined in paragraph 17 of the Affidavit of Ewen Denning, filed February 10, 2009, and provided always that the Receiver is kept fully and regularly informed by CSEI of the status of the sales process.
33. The fact that the Receiver borrows monies from BGI and issues Receiver's Certificates in respect of same to fund the joint account shall not: (a) constitute a waiver or cure of any breach or default under the JOA; or (b) relieve CSEI of its obligation to remedy any such breach or defaults.
34. Nothing herein affects or stays the Arbitration between the parties hereto commenced by Request for Arbitration in the London Court of International Arbitration and served on CSEI on February 8, 2009.

#### **FILING**

35. This Order is issued and shall be filed in Court of Queen's Bench Action No. 0901-02012.

*B.E.C. ROMAINE*  
\_\_\_\_\_  
J.C.C.Q.B.A.

ENTERED this 25<sup>th</sup> day of March, 2009.

*V.A. Brandt*  
\_\_\_\_\_  
CLERK OF THE COURT

V.A. BRANDT 



SCHEDULE "A"

February \_\_\_\_, 2009

Deloitte & Touche Inc.  
#3000, 700 - 2 Street SW  
Calgary, AB T2P 0S7

Attention: Victor Kroeger

Dear Mr. Victor Kroeger:

**Re: Agreement to Retain BGI International Limited ("BGI") to Fulfill Rights & Duties as Operator under Joint Operator Agreement**

The Trinidad and Tobago Ministry of Energy and Energy Industries and Canadian Superior Energy Inc. ("CSEI") are parties to a Production Sharing Contract ("PSC") dated July 20, 2005. The PSC relates to an area known as Block 5C offshore Trinidad and Tobago. BGI earned a 30% interest in the PSC from CSEI pursuant to a Farm-In Agreement dated December 30, 2005 (the "Farm-In Agreement"). The Joint Operating Agreement ("JOA") is annexed to the Farm-In Agreement. CSEI is currently the Operator under the JOA.

This letter is delivered to confirm that in the event that the court appoints Deloitte & Touche Inc. ("Deloitte") to act as court appointed Receiver and Manager of CSEI's rights, interests, duties and obligations as Operator under and as described and defined in the JOA ("Receiver"), Deloitte agrees to retain BGI to assist it in carrying out its duties as receiver on commercially reasonable terms to be agreed on which shall include that:

1. BGI shall act in a manner that is consistent with the Operator's role under the JOA, with special regard to the rights and duties under Article 4.2 of the JOA;
2. All liabilities and expenses incurred by BGI in connection with Joint Operations, shall be charged to the Receiver's Joint Account as defined in Receivership Order the JOA;
3. The liability of BGI resulting from performing its duties and functions under the retainer shall be limited to that of an Operator under Article 4.6 of the JOA;
4. The Parties shall each give at least 15 days written notice to each other prior to terminating the retainer; and

Yours truly,

**BG International Limited**

Per: \_\_\_\_\_

Name: ●

Title: ●

Accepted and Agreed to this \_\_\_\_ day of  
\_\_\_\_\_, 2009

**Deloitte & Touche Inc.**

By: \_\_\_\_\_

Name: Victor Kroeger

Title: ●

**SCHEDULE "B"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., receiver and manager (the "Receiver") of all of CSEI's rights and interests, duties and obligations as Operator as described in the Joint Operating Agreement dated August 11, 2007 among the Applicants and the Respondents to these proceedings (the "JOA") appointed by Order of the Court of Queen's Bench of Alberta (collectively, the "Court") dated the 11<sup>th</sup> day of February, 2009 (the "Order") made in action number 0901-02012, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of US \$ \_\_\_\_\_, being part of the total principal sum of US \$47,000,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the last day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of the Canadian Western Bank from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon CSEI's Participating Interest (as defined in the JOA), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of CSEI's Participating Interest in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \*.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with CSEI's Participating Interest (as defined in the JOA) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

DELOITTE & TOUCHE INC., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: \_\_\_\_\_  
Name: Vic Kroeger  
Title: Partner

Action No: 0901 02012

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IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL DISTRICT OF CALGARY

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BETWEEN:

**BG INTERNATIONAL LIMITED**

Applicant

- and -

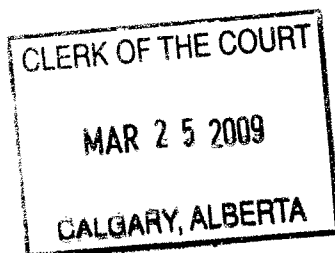
**CANADIAN SUPERIOR ENERGY INC.**

Respondents

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**AMENDED AND RESTATED  
RECEIVERSHIP ORDER**

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**OSLER, HOSKIN & HARCOURT LLP**

Barristers & Solicitors  
2500, 450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta T2P 5H1

C. Nicholson

M. Killoran

Telephone: 403.260.7000

Facsimile: 403.260.7024

File: 1113913