THIS IS EXHIBIT "4" REFERRED TO IN THE

AFFIDAVIT OF EWEN DENNING

SWORN BEFORE ME THIS 9TH DAY OF FEBRUARY, 2009

A Commissioner for Oaths
in and for the Province of Alberta

Jessica Wing-Tse Ng
Student-at-Law
A Commissioner for Oaths
in and for the Province of Alberta
My Commission expires at the Pleasure
of the Lieutenant Governor

FARM-IN AGREEMENT

This Farm-in Agreement ("**Agreement**"), is entered into this 11th day of August, 2007, by and between:

BG International Limited, a company incorporated under the laws of England and Wales and registered as an external company in Trinidad and Tobago under the Companies Act, Chap 81:01 with its principal place of business at BG House, 5 St. Clair Avenue, Port of Spain, Republic of Trinidad ("BGIL");

- and -

Canadian Superior Energy Inc., a company incorporated under the laws of the Province of Alberta at Suite 2700, 605 - 5th Avenue S.W., Calgary, Alberta T2P 3H5, Canada ("SNG")

SNG and BGIL and their respective successors and assignees (if any), may sometimes individually be referred to as "Party" and collectively as the "Parties"

WITNESSETH:

WHEREAS, the Ministry of Energy and Energy Industries and SNG entered into the Production Sharing Contract dated the 20th July 2005 for the exploration, development and production of hydrocarbons in the Contract Area;

WHEREAS, as of the date of this Agreement, SNG holds one hundred percent (100%) of the rights and obligations as Contractor in and under the PSC and in the Contract Area;

WHEREAS the rights and obligations of SNG as Contractor in and under the PSC and in the Contract Area are subject to the terms and conditions of an Amended and Restated Participation Agreement dated December 30, 2005 between SNG and Challenger Energy Corp. ("Challenger") pursuant to which Challenger has the right to earn a portion of SNG's said rights and obligations (as amended, the "Challenger Agreement"); and

WHEREAS, in consideration for BGIL undertaking to fund certain of the obligations under the PSC, SNG has agreed to assign to BGIL an undivided thirty percent (30%) Participating Interest in and under the PSC and in the Assets together with all rights and obligations thereto, subject to and upon the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereto do hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms

When used in this Agreement unless otherwise specified, the following terms have the respective meanings assigned to them in this Article, the preambles to this Agreement, or in the Sections, Subsections, and Annexes referred to below. Capitalized words used in this Agreement and not defined herein shall have the meaning ascribed to them in the JOA or PSC, as the case may be.

(a) "Assets" means the Farm-in Participating Interest and a 30% undivided interest in and to:

(i) the PSC;

(ii) the Records;

(iii) the Other Agreements;

(iv) Governmental authorizations and governmental licenses held on behalf of SNG appurtenant to or used or held for use in connection with the use, ownership or operation of the Assets but only to the extent such authorizations and licenses are assignable; and

(v) credits, prepaid expenses and other advance payments to the extent used, held for use, or from or attributable to the PSC and the Other Agreements.

(b) "Assignment Approval" means the execution of the Consent on behalf of the MOEEI and such other Government actions, if any, that are necessary for the Deed of Assignment and the Consent to be legally valid and enforceable.

(c) "Assignment Approval Date" means the date on which the Assignment Approval occurs.

(d) "Business Day" means a day other than a Saturday, a Sunday, or a day which is a customary, statutory or bank holiday in Calgary, Alberta, Canada, the Republic of Trinidad and Tobago, Houston, Texas, USA or London, England.

(e) "Consent" means the approval by the MOEEI to the transfer and conveyance of the Farm-in Participating Interest as contemplated herein as required by Article 31 of the PSC substantially in the form attached hereto as Annex III and as provided for in this Agreement.

(f) "Conveyance" means the document evidencing the transfer and conveyance of the Assets from SNG to BGIL in the form attached hereto as Annex IV.

(g) "Costs" means the costs and expenses incurred in connection with the Exploration Wells and determined in accordance with the Accounting Procedure (subject to Section 2.5 hereof and to the extent not otherwise inconsistent with the terms of this Agreement).

(h) "Deed of Assignment" means the document to be executed between the Parties by which the Farm-in Participating Interest is transferred and conveyed from SNG to BGIL substantially in the form attached hereto as Annex II and as provided for in this Agreement.

(i) "Execution Date" means the date that this Agreement is entered into as shown in the first page of this Agreement.

(j) "Exploration Wells" mean the three exploration wells to be drilled under the PSC pursuant to the first phase of the Exploration Period, as described in Annexes V, VI and VII respectively.

(k) "Exploration Well Operations" means the drilling of an Exploration Well and, subject to Section 7.5(c)(v) and Article 6.1(F)(1) of the JOA, the Completion, Testing, plugging and abandoning thereof, and, for certainty, do not include the Deepening or Sidetracking of the Exploration Well.

(l) "FCPA" means the United States Foreign Corrupt Practices Act, as amended from time to time.

(m) "Farm-in Participating Interest" means thirty percent (30%) of one hundred percent (100%) of the total Participating Interests including the rights and obligations derived from the PSC and in the Contract Area.

(n) "JOA" means the Joint Operating Agreement entered into contemporaneously with this Agreement, comprised of the 2002 Model Form International Operating Agreement distributed by the Association of International Petroleum Negotiators ("AIPN") along with the 2004 AIPN Model Form International Accounting Procedure, with the specific agreed upon elections indicated therein, a copy of which is attached hereto as Annex I and as amended, supplemented and/or novated from time to time.

(o) "Law" or "Laws" means, any applicable Government law, statute, decree, rule, or regulation governing activities under or relating to the PSC or applicable to the Parties or their activities in Trinidad and Tobago.

(p) "Lien" means any mortgage, deed of trust, pledge, security interest, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority, or other security agreement or preferential arrangement, or encumbrance of any kind or nature including, without limitation, any conditional sale or other title retention agreement or any agreement having substantially the same effect as any of the foregoing whatsoever.

(q) "Ministry of Energy and Energy Industries" or "MOEEI" means the Ministry of Energy and Energy Industries of Trinidad and Tobago.

(r) "Other Agreements" means all contracts, agreements and instruments to SNG's reasonable knowledge, used or held for use by SNG in connection with the Contract Area other than:

(i) the PSC, the JOA and the Challenger Agreement;

(ii) contracts between SNG and its personnel; and

(iii) contracts relating to the Operator's office premises;

including the contracts, agreements and instruments described in Annex VIII.

(s) "Person" means an individual, corporation, partnership, limited liability company, association, joint stock company, pension fund, trust or trustee thereof, estate or executor thereof, unincorporated organization or joint venture, court or governmental unit or any agency or subdivision thereof, or any other legally recognizable entity.

(t) "Production Sharing Contract" or "PSC" means the Production Sharing Contract dated 20 July 2005 between Canadian Superior Energy, Inc. and the Republic of Trinidad and Tobago covering the offshore Block 5c and any extension, renewal or amendment thereof.

(u) "Records" means all items, accounts, records, correspondence, files, data, maps, books, contracts, agreements, instruments and other documents and records (whether in paper or electronic form) relating to the Contract Area or the Assets other than the Records and in the possession of or under the control of SNG or its Affiliates, including:

(i) title records, including evidence of payment of bonuses;

(ii) the Seismic Data and all other geological, geophysical, well, engineering, technical data and logs, if any, related to the Contract Area; and

(iii) environmental and regulatory permits, filings, notices, sanctions and information, including environmental impact assessments and plans, and health, environmental and safety materials reported to the Government.

Notwithstanding the foregoing, Records does not mean the Challenger Agreement, any agreements with suppliers, contractors or vendors or any other types of records that contain or are subject to confidentiality provisions that prohibit third party access to such records. Notwithstanding anything contained in this Agreement to the contrary, the PSC, together with any and all supplements and amendments thereto, shall not be considered to be a Record.

(v) "Seismic Data" means the reprocessed seismic data related to the Contract Area which is owned by or licensed to SNG.

(w) "Tax" means all forms of taxation whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset value, turnover, added value or other sales taxes and statutory governmental, state, provincial, local government or municipal imposition taxes, duties, contributions, rates and levies (including without limitation any payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of a Person or a Party, and all penalties, charges, costs and interest relating thereto.

1.2 Rules of Construction

All references in this Agreement to Articles, Sections, Subsections and other subdivisions refer to the corresponding Articles, Sections, Subsections and other subdivisions of this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any of such subdivisions are for convenience only and shall not constitute part of such subdivisions and shall be disregarded in construing the language contained in such subdivisions. The words "this Agreement", "this instrument", "herein", "hereof", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Unless the context otherwise requires: "including" and its grammatical variations mean "including without limitation"; "or" is not exclusive; words in the singular form shall be construed to include the plural and vice versa; words in any gender include all other genders; references herein to any instrument or agreement refer to such as it may be from time to time amended or supplemented; and references herein to any Person include such Person's successors and assigns. All references in this Agreement to Annexes refer to Annexes to this Agreement unless expressly provided otherwise, and all such Annexes are hereby incorporated herein by reference and made a part hereof for all purposes.

1.3 Annexes

The following Annexes are attached to and form part of this Agreement:

Annex I - Joint Operating Agreement

Annex II - Deed of Assignment

Annex III - Consent

Annex IV - Conveyance

Annex V - First Exploration Well

Annex VI - Second Exploration Well

Annex VII - Third Exploration Well

Annex VIII - Other Agreements

Annex IX - To-Date Costs

1.4 **Supersession**

This Agreement supersedes and replaces the Letter Agreement – "Intrepid" 5(c) – between the Parties dated July 30, 2007, as amended, which Letter Agreement is hereby terminated in its entirety.

ARTICLE 2
BGIL OBLIGATIONS

2.1 **Reimbursement of Past Costs**

On or before August 27, 2007 BGIL shall pay to SNG thirty eight million, nine hundred and eighteen thousand, eight hundred and forty nine United States Dollars (U.S.$ 38,918,849) by way of wire transfer to an account designated by SNG to BGIL or by certified cheque or bank draft and all subject to Canadian clearing house rules, representing:

(a) a portion of the costs and expenses incurred by SNG prior to June 30, 2007 as set out and described in Annex IX, and notwithstanding any other provision in this Agreement, the PSC and/or the JOA, there shall be no further amounts payable by BGIL, and no adjustments made between the Parties, in respect of this amount or the matters included in Annex IX except that in connection with the amount payable to Maersk under AFE 207700, if a credit is received which results in a difference from the costs attributed to that AFE as described in Annex IX, the Parties shall make an adjustment such that BGIL receives 40% of such credit. Such adjustment shall be settled by payment to BGIL by SNG of such amount as soon as practicable but in no event later than 30 days following receipt of the credit or payment from Maersk; plus

(b) fifteen million United States Dollars (U.S.$15,000,000) as an additional contribution to the costs of the Exploration Wells, and to be allocated equally among such Exploration Wells, provided that such amount may be received, retained and handled by SNG and Article 4.8 of the JOA shall not apply to such amount.

2.2 **Remaining Exploration Costs**

(a) In respect of the first and second Exploration Wells, BGIL shall, subject to Section 7.5(c)(v) and (i) and (ii) below, pay to SNG forty percent (40%) of the Costs of the Exploration Well Operations incurred from and after July 1, 2007, provided that:

(i) if the gross aggregate of the Costs for such an Exploration Well (whether incurred before or after July 1, 2007) exceeds sixty two million, five hundred thousand United States

Dollars (US$62,500,000), BGIL shall only pay thirty percent (30%) of the Costs in excess of such amount; and

(ii) if the gross aggregate of the Costs for such an Exploration Well (whether incurred before or after July 1, 2007) is less than sixty two million, five hundred thousand United States Dollars (US$62,500,000), BGIL shall also pay to SNG and amount equal to ten percent (10%) of such difference.

For certainty, such Costs shall include the costs and expenses (other than Non-Well Costs) set forth in Annex IX.

(b) In respect of the third Exploration Well:

(i) if the quantity of Natural Gas which is economically recoverable from one or more hydrocarbon bearing structures discovered by the first two Exploration Wells is equal to or greater than one trillion cubic feet (one Tcf) (determined in accordance with internationally-accepted offshore natural gas industry standards using all available data, including the Seismic Data), BGIL shall, subject to Section 7.5(c)(v) below, pay SNG forty percent (40%) of the Costs of the Exploration Well Operations incurred from and after July 1, 2007; and

(ii) if the quantity of Natural Gas which is economically recoverable from one or more hydrocarbon bearing structures discovered by the first two Exploration Wells is less than one trillion cubic feet (one Tcf) (determined in accordance with internationally-accepted offshore natural gas industry standards using all available data, including the Seismic Data), BGIL shall, subject to Section 7.5(c)(v) below, pay SNG thirty percent (30%) of the Costs of the Exploration Well Operations incurred from and after July 1, 2007.

If the Parties cannot agree upon the quantity of Natural Gas which is economically recoverable from any such Discoveries, the dispute shall be resolved pursuant to Article 18.3 of the JOA.

(c) For the purposes only of determining the $62,500,000.00 threshold amount in respect of the Costs of the Exploration Well Operations for the purposes of (a) and (b):

(i) the Costs shall include the Costs of, without limitation, the drilling and (subject to Section 7.5(c)(v) below and Article 6.1(F)(1) of the JOA) Completion or plugging and abandoning of such Exploration Wells, but not the Testing of such Exploration Wells;

(ii) the amounts which are identified as "Non-Well Costs" in part II of Annex IX shall not be included; and

(iii) mobilization and demobilization costs for the drilling rig, vessels, shore base and related third party services used in connection with the Exploration Well Operations shall be allocated equally among the three Exploration Wells.

(d) For greater certainty, amounts payable pursuant to this Section 2.2 shall: (i) be invoiced and paid within 30 days of being invoiced therefore and otherwise in accordance with the Accounting Procedure; and (ii) not be in duplication of amounts payable pursuant to Section 2.1(a).

2.3 **JOA Costs Generally**

In respect of operations conducted under the JOA other than Exploration Well Operations, BGIL shall be responsible for, and shall pay in accordance with the Accounting Procedure, its Participating Interest share of all costs and expenses payable by it under the PSC and/or the JOA (which, for certainty, shall not be in duplication of any amounts in respect of the operations and matters giving rise to the payment obligations in Sections 2.1(a) or 2.2).

2.4 **Exploration Wells**

SNG shall undertake the Exploration Well Operations at the locations, and in accordance with the description for such Exploration Wells, provided for in Annexes V, VI and VII or as may otherwise be mutually agreed by the Parties.

2.5 **Office and Travel Costs**

Notwithstanding anything to the contrary herein or in the JOA (including the Accounting Procedure) contained, until the end of the first phase of the Exploration Period (as described in Article 4.1 of the PSC), in the determination and allocation of the Costs covered by Section 2 of the Accounting Procedure, such Costs shall be allocated such that BGIL shall be responsible for:

(a) in respect of SNG's Halifax office, 40% of 25% of the costs and expenses reasonably incurred in connection with such office;

(b) in respect of SNG's Port of Spain office, 40% of 82.5% of the costs and expenses reasonably incurred in connection with such office; and

(c) in respect of the travel, entertainment and related costs and expenses reasonably incurred by SNG Calgary-based personnel (which for certainty does not include anyone based in Halifax or Port of Spain) in connection with the PSC, 40% of 100% of such costs.

For greater certainty, such costs shall be deemed to be chargeable costs and expenditures covered by Section 2 of the Accounting Procedure but shall not be in duplication of any other costs or expenses included in the Costs for which BGIL is responsible.

ARTICLE 3
FARM-IN PARTICIPATING INTEREST

3.1 **Assignment**

(a) BGIL shall be assigned the Farm-in Participating Interest and Assets upon and subject to the terms and conditions herein, including Sections 4.1, 8.2 and 8.3. On the same terms and conditions and subject to the same provisos as just set forth, the Parties' Participating Interests shall thereafter be as follows:

SNG	70% (subject to the Challenger Agreement)
BGIL	30%

(b) Notwithstanding anything in this Agreement, without derogating from its obligations under the JOA in connection with its 30% Participating Interest, BGIL shall have no obligation or liability whatsoever in respect of the Challenger Agreement.

3.2 Cost Recovery

Notwithstanding the Parties' respective Participating Interests, to the extent the Parties are entitled to Cost Recovery Petroleum pursuant to Article 18 to the PSC, the Parties shall be entitled to a share of the Cost Recovery Petroleum in the same proportion as costs were originally borne by them, provided that:

(a) for certainty, in the case of BGIL, the costs shall include those set forth in Section 2.1(b); and

(b) such costs shall not include the costs paid by BGIL pursuant to Section 2.2(a)(ii).

ARTICLE 4
ASSIGNMENT DOCUMENTATION

4.1 Delivery of Documents

Contemporaneously with the execution and delivery of this Agreement, and subject to Sections 8.2 and 8.3, SNG shall execute and deliver to BGIL the following documents:

(a) three initialled and signed copies of the Deed of Assignment which originals will be executed by BGIL on receipt of the Consent from the MOEEI; and

(b) three original executed copies of the JOA, also executed by Challenger,

all once again subject to the terms and conditions of this Agreement.

Upon payment by BGIL of the amounts set forth in Section 2.1 and subject to Sections 8.2 and 8.3, SNG shall execute and deliver to BGIL two original executed copies of the Conveyance.

In addition, SNG shall have delivered to BGIL prior to the execution hereof such evidence (including one or more "no interest letters") as BGIL may reasonably require and have previously requested, evidencing that the Farm-In Participating Interest is free and clear of any and all claims, interests and encumbrances.

4.2 Counter Execution

Within five (5) Business Days following delivery by SNG of the documentation specified in Section 4.1, BGIL shall countersign the Deed of Assignment, the Conveyance and the JOA and return one original of the Deed of Assignment and the Conveyance and two originals of the JOA to SNG.

4.3 Assignment Approval

(a) Within two (2) Business Days of the execution of this Agreement, SNG and BGIL shall file with the MOEEI the Consent with an unexecuted copy of the Deed of Assignment.

(b) Within two (2) Business Days of the receipt by SNG of the Consent, SNG shall, (i) with BGIL, immediately finalize the execution of the Deed of Assignment (including any amendment which may be required by the MOEEI); (ii) file a copy of the executed Deed of Assignment and the JOA with the MOEEI in accordance with the PSC; and (iii) provide evidence to BGIL of the filing with the MOEEI of the Deed of Assignment and the JOA.

(c) Within two (2) Business Days from receipt of the Assignment Approval or any correspondence or notice related thereto from the MOEEI, SNG shall provide BGIL copies of the Consent or other form of Assignment Approval, correspondence or notices. SNG shall at all times keep BGIL apprised of any information to or from, or discussions with, the MOEEI pertaining to the Assignment Approval.

(d) SNG agrees that it will file with the MOEEI a deed of assignment in respect to any assignment of an interest in the PSC to Challenger after receipt of the Assignment Approval and, if possible, within 90 days of the date hereof.

4.4 Delay in Assignment Approval

(a) Until such time as either the Assignment Approval has been obtained, or BGIL has delivered to SNG a Re-Assignment Notice pursuant to Section 4.4(b):

(i) SNG shall with reasonable diligence do such things, and take such steps, as are reasonably necessary to obtain the Assignment Approval; and

(ii) SNG shall hold BGIL's thirty percent (30%) interest in the PSC and the Assets related thereto in trust for the benefit of BGIL. To the fullest extent possible under applicable Laws, BGIL shall be entitled to all of the rights and benefits available to it, and shall be subject to all of the obligations attributable to it, as if the Assignment Approval had been obtained.

(b) If the Assignment Approval has not been obtained by October 29, 2007, then at any time on or before December 31, 2007 BGIL may, by providing written notice to SNG (a "Re-Assignment Notice"), elect to reassign to SNG the Farm-in Participating Interest and:

(i) with the delivery of the Re-Assignment Notice, BGIL shall deliver to SNG two executed conveyances to SNG of BGIL's interest in the Assets, which conveyance shall be in the same form *mutatis mutandis* as that attached hereto as Annex IV, and SNG shall execute and deliver to BGIL within 5 Business Days of the receipt thereof one fully executed copy of such conveyance;

(ii) within 30 days of the receipt of the Re-Assignment Notice:

(A) SNG shall provide to BGIL an accounting of all costs incurred prior to the date of the Re-Assignment Notice;

(B) SNG shall pay to BGIL all amounts paid by BGIL to SNG hereunder in respect of costs which had not been incurred prior to the date upon which the Re-Assignment Notice was received; and

(C) BGIL shall forfeit, and SNG shall be entitled to retain, all amounts paid by BGIL hereunder in respect of costs which had been incurred prior to the date of the Re-Assignment Notice, including without limitation those amounts paid pursuant to Section 2.1.

Any dispute as to the amount to be paid to BGIL pursuant to (B) above shall be resolved pursuant to Section 18.2 of the JOA.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF SNG

SNG represents and warrants to BGIL as of the Execution Date that:

5.1 Authority

SNG is a corporation duly organized and validly existing under the laws of the jurisdiction of its incorporation. SNG has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. All material corporate acts required to be undertaken by SNG to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and properly taken and no further corporate action on its part is required. This Agreement has been duly executed and delivered by SNG and constitutes the legal, valid and binding obligation of SNG, enforceable against SNG in accordance with its terms.

5.2 No Conflicts

The execution, delivery and performance of this Agreement by SNG, the consummation of the transactions contemplated hereby, and the compliance by SNG with the provisions hereof will not (i) violate any provision of its articles of incorporation or other governing documents, (ii) result in a default (with due notice or lapse of time or both) or the creation of any Lien or encumbrance or give rise to any right of termination, cancellation, or acceleration under any note, bond, mortgage, indenture, license, or agreement to which SNG is a party or which affects the Assets, (iii) violate any judgment, order, ruling or decree applicable to SNG or the Assets, or (iv) violate any law applicable to SNG or any of the Assets.

5.3 Third Party Consents and Approvals

Other than the Assignment Approval in respect of the Deed of Assignment and Consent, SNG need not give any notice to, make any filing with, or obtain any authorization, consent or approval of any third party or governmental entity in order to consummate the transactions contemplated by this Agreement.

5.4 SNG's Rights

SNG holds the rights to a 100% undivided Participating Interest (subject to the Challenger Agreement), free and clear of any liens, claims, burdens or encumbrances, other than the liens, claims, burdens or encumbrances in favour of the Government according to the terms of the PSC and applicable Laws. The PSC, together with applicable Laws, contains the entirety of the obligation of SNG to the Government,

and no other understanding or agreement exists between SNG and the Government in relation to the subject matter of the PSC except as otherwise disclosed under this Agreement.

5.5 Agreements and Information

(a) SNG has given BGIL a complete, true and correct copy of the PSC, and any amendments thereto to which it is a party or by which it is bound, and any amendments thereto. The PSC is in full force and effect and has not been amended, supplemented or otherwise modified. SNG has not received any notice of being in breach of its obligations under the PSC, nor to SNG's knowledge (i) is it in breach of its obligations under the PSC or (ii) is it aware of any act, omission or circumstance which through the passage of time would constitute a breach of its obligations under the PSC.

(b) SNG has given BGIL a complete, true and correct copy of all material Other Agreements and the Challenger Agreement, and any amendments thereto to which it is a party or by which it is bound. There are no other material contracts, agreements and instruments to SNG's reasonable knowledge, used or held for use by SNG in connection with the Contract Area, other than the contracts, agreements and instruments set forth in Annex VIII. All of the material Other Agreements were properly executed and are valid and in full force and effect. SNG has not received any notice of being in breach of its obligations under the material Other Agreements or the Challenger Agreement, nor to SNG's knowledge (i) is it in breach of its obligations under the material Other Agreements or Challenger Agreement or, (ii) is it aware of any act, omission or circumstance which through the passage of time would constitute a breach of its obligations under the material Other Agreements or Challenger Agreement.

5.6 Litigation

There are no claims, demands, actions, investigations, audits, suits, governmental inquiries, or proceedings pending against SNG or, to SNG's knowledge, threatened against SNG, related to the Assets or operations thereunder, nor are there any judgments, decrees, injunctions, orders, or awards outstanding against SNG with respect to the Assets or operations thereunder.

5.7 Government Authorizations

SNG has obtained and is maintaining all governmental authorizations that are necessary or required for the ownership of the Farm-in Participating Interest and operations thereunder.

5.8 Taxes

SNG has timely filed all Trinidad and Tobago Tax returns with respect to its ownership of the Assets with the appropriate governmental entities for each period for which any returns were due (taking into account any extensions of time to file), and all Trinidad and Tobago Taxes shown by such returns to be payable and any other material Trinidad and Tobago Taxes due and payable with respect to the Assets have been timely paid. There are no Tax liens burdening the Assets.

5.9 Information about Assets

(a) Capital Commitments. Other than those provided for in the Other Agreements and the PSC, including the annual lease rentals for the Contract Area, as of the date of this Agreement there are no outstanding contracts, commitments or agreements to make capital expenditures which are binding on the Assets which will require expenditures by the Parties after the Execution Date.

(b) Records and Agreements. SNG has made available to BGIL, and has not withheld, any and all material Records and any material agreements the costs of which will be for the Joint Account or otherwise payable by BGIL.

5.10 Lien

None of the Assets is subject to any Lien.

5.11 Farm-in Agreements

SNG is not a party to any arrangements which are in the nature of farm-in or farm-out arrangements relating to any part of this Farm-in Participating Interest other than the JOA and the Challenger Agreement.

5.12 Compliance with Applicable Laws

SNG represents that it has complied with all applicable Laws with respect to the ownership and operation of the Assets, in every material respect.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BGIL

BGIL represents and warrants to SNG as of the Execution Date and the Assignment Approval Date that:

6.1 Authority

BGIL is a corporation duly organized and validly existing under the laws of England and Wales and registered as an external company in Trinidad and Tobago. BGIL has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. All material corporate acts required to be undertaken by BGIL to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and properly taken, and no further corporate action on the part of BGIL is required. This Agreement has been duly executed and delivered by BGIL and constitutes a legal, valid and binding obligation of BGIL, enforceable against BGIL in accordance with its terms.

6.2 No Conflicts

The execution, delivery and performance of this Agreement by BGIL, the consummation of the transactions contemplated hereby, and the compliance by BGIL with the provisions hereof will not (i) violate any provision of the certificate of its articles of incorporation or other governing documents, (ii) result in a default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation, or acceleration under any note, bond, mortgage, indenture, license, or agreement to which BGIL is a party, (iii) violate any judgment, order, ruling or decree applicable to BGIL or its properties or business, or (iv) violate any law applicable to BGIL or any of its properties or business.

6.3 Third Party Consents and Approvals

Other than the Assignment Approval, BGIL need not give any notice to, make any filing with, or obtain any authorization, consent or approval of any third party or any governmental entity in order to consummate the transactions contemplated by this Agreement.

6.4 Litigation

There are no claims, demands, actions, investigations, audits, suits, governmental inquiries or proceedings pending, or, to BGIL's knowledge, threatened, against BGIL that would constitute a material adverse effect on the ability of BGIL to consummate the transactions contemplated by this Agreement. Further, no action, suit or proceeding is pending by or before any governmental entity seeking to prevent consummation of this Agreement, and no judgment, order, decree or injunction enjoining, preventing or making illegal the consummation of any substantial portion of this Agreement is in effect.

6.5 Qualification

To it knowledge, BGIL is capable of being qualified by MOEEI to hold the Assets pursuant to all Laws.

6.6 Evaluation

BGIL represents that by reason of BGIL's knowledge and experience in the evaluation, acquisition and operation of oil and gas properties, BGIL has evaluated the merits and risks of entering into this Agreement and has formed an opinion based solely on BGIL's knowledge and experience. BGIL has had the opportunity to see and evaluate the Records and other data and information relating to the PSC or Contract Area that has been made available to BGIL by SNG. BGIL has had a sufficient opportunity to examine and analyze all agreements as well as the data and information made available to BGIL by SNG through its own process of due diligence and BGIL represents that its process of due diligence has been completed to BGIL's satisfaction.

6.7 Financial Ability

BGIL has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to meet all of its obligations as provided in this Agreement.

6.8 No Knowledge of Breach by BGIL

BGIL has no knowledge of any breach by BGIL of any representation or warranty of BGIL, or any other fact, event, condition, or circumstance that would excuse BGIL from the timely performance of its obligations hereunder.

ARTICLE 7
COVENANTS OF THE PARTIES

7.1 Public Announcements

If a Party wishes to issue or make any public announcement or statement regarding this Agreement or the Joint Operations, it shall not do so unless, prior to the release of the public announcement or statement, such Party furnishes the other Party with a copy of such announcement or

statement. No Party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with the applicable laws, rules or regulations of any government, legal proceedings or stock exchange have jurisdiction over such Party or its Affiliates as set forth in Article 15.2 of the JOA.

7.2 **Access to Information**

From the date hereof until the termination of this Agreement, to the extent it is permitted to do so: (i) SNG shall provide to BGIL copies of all Records pertaining to the Participating Interest requested by BGIL; and (ii) SNG shall permit representatives of BGIL to have reasonable access during normal business hours to all premises, properties, personnel and Records pertaining to the Participating Interest and/or operations conducted or to be conducted pertaining to the Participating Interest.

7.3 **Taxation**

BGIL shall bear one hundred per cent (100%) of any and all transfer, documentary, sales, use, registration, value-added and similar Trinidad and Tobago taxes incurred in connection with the transfer of the Farm-in Participating Interest and the Assets to BGIL as provided in this Agreement. Except as provided in the preceding sentence, each Party shall be solely responsible for the timely filing for, and prompt payment of, any and all Trinidad and Tobago or Canadian Taxes, fees, levies imposed upon such Party (including any income and capital gains taxes) as a consequence of entering into this Agreement, whether with respect to the receipt of any amounts due under this Agreement or otherwise.

7.4 **Further Action**

Each of the Parties shall use reasonable efforts to take, or cause to be taken, all appropriate action, to do or cause to be done all things necessary, proper or advisable under applicable law, and to execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement.

7.5 **Application of JOA**

(a) SNG shall, as Operator, carry out all operations in respect of the Exploration Wells with reasonable diligence and materially in accordance with the terms of this Agreement and the JOA. Until the Exploration Wells have been drilled, SNG shall not conduct any other operations under the PSC or JOA.

(b) Subject to Section 7.5(c), the JOA is effective between the Parties from and after the Execution Date. In the event of any conflict or inconsistency between any terms or conditions in this Agreement and any terms or conditions in the JOA, the terms and conditions of this Agreement shall prevail.

(c) In respect of the Exploration Well Operations:

(i) there shall be no requirement for any further approval, AFE or Work Program and Budget under the JOA (except for the election under Article 6.1(F)(1) of the JOA), it being agreed that this Agreement constitutes all approvals and consents required under the JOA to conduct the Exploration Well Operations;

(ii) except as contemplated in (v) below, no Party shall propose an Exclusive Operation (other than the Deepening, Testing or Sidetracking of an Exploration Well) until the Exploration Well Operations are complete;

(iii) no Party may withdraw from the PSC, in whole or in part, as permitted in Article 13 of the JOA until the Exploration Well Operations are complete;

(iv) BGIL agrees that as of the date hereof, subject to the representations and warranties in Article 5 hereof being true and correct, SNG is not in material breach of any obligation as Operator under the JOA; and

(v) Testing, Completion and the running of casing in respect of each of the Exploration Wells shall be undertaken in accordance with the terms of the JOA, and such operations may, for certainty, be undertaken pursuant to Section 7.1 of the JOA, provided that:

(A) if SNG undertakes the Completion of an Exploration Well as an Exclusive Operation, BGIL shall not have the casing point election contemplated in Article 6.1(F)(1) of the JOA and BGIL shall remain responsible for 40% of the Costs incurred in respect of such Completion;

(B) if SNG desires to plug and abandon an Exploration Well, BGIL shall have the casing point election contemplated in Article 6.1(F)(1) of the JOA and if BGIL elects to Complete the Exploration Well it may do so as an Exclusive Operation and SNG shall remain responsible for 60% of the Costs that would have been incurred to plug and abandon the Exploration Well had the Completion not occurred and SNG's right to participate in any subsequent Development Well Completed in the same reservoir as that in which the Completion was undertaken shall be subject to SNG reimbursing BGIL for the Costs of such Completion in accordance with Article 7.5(A) of the JOA and paying a 300% premium in accordance with Article 7.5(B) of the JOA;

(C) Testing of an Exploration Well shall be subject to a separate AFE to be provided under Article 6.6 of the JOA, and:

(I) if SNG proposes the Testing of an Exploration Well, BGIL may elect to participate in such Testing and if it elects to do so, BGIL shall be responsible for 40% of Costs incurred in connection with such Test;

(II) if BGIL elects not to participate in the Testing, SNG may undertake such Test as a Exclusive Operation and BGIL's right to participate in any subsequent Development Well Completed in the same reservoir as that to which such Test applied shall be subject to BGIL reimbursing SNG for the Costs of such Test in accordance with Article 7.5(A) of the JOA and paying a 300% premium in accordance with Article 7.5(B) of the JOA;

(III) if BGIL proposes the Testing of an Exploration Well, SNG may elect to participate in such Testing and if SNG elects not to participate, SNG will conduct such Test on BGIL's behalf as a BGIL Exclusive Operation and SNG's right to participate in any subsequent Development Well Completed in the same reservoir as that to which such Test applied shall be subject to SNG reimbursing BGIL for the Costs of such Test in

accordance with Article 7.5(A) of the JOA and paying a 300% premium in accordance with Article 7.5(B) of the JOA;

and provided further that:

(IV) regardless of whether or not the Test is proceeding as an Exclusive Operation, if the anticipated surface well-head pressure (gas-to-surface) of the Exploration Well to be Tested is estimated to be less than 7500 psi, then such Test shall only proceed if:

1. all planning for such Test is complete and equipment and procedures for such Test have been certified and adopted; and

2. BGIL and SNG have performed a rigorous HAZID/HAZOP study by a team comprised of both SNG and BGIL personnel;

(V) regardless of whether or not the Test is proceeding as an Exclusive Operation, if the anticipated surface well-head pressure (gas-to-surface) of the Exploration Well to be Tested is estimated to be greater than 7500 psi and up to and including surface well-head pressure in the order of 10,000 psi, then such Test shall only proceed if:

1. all planning for such Test is complete and equipment and procedures for such Test have been certified and adopted; and

2. BGIL and SNG have performed a rigorous HAZID/HAZOP study by a team comprised of both SNG and BGIL personnel; and

prior to commencing such Test, senior management of one or both of SNG and BGIL are satisfied that the Test can be undertaken safely and that the well and Test design, operating plans and procedures, contingency plans and QAQC reviews have been reviewed by a qualified independent third party well testing firm agreed to by the Parties and such independent third party well testing firm deems that the Test can be undertaken safely and that the maximum surface pressures are in the order of 10,000 psi; and

(VI) if the anticipated surface well-head pressure (gas-to-surface) of the Exploration Well to be Tested is estimated to be in excess of in the order of 10,000 psi, then such Test shall only proceed if both Parties, each in their sole discretion, have agreed that the Test may be undertaken safely.

(d) If, pursuant to the JOA, one or more of the parties to the JOA causes and extension to the term of the first phase of the PSC from that set forth in Article 4.1 thereof, BGIL shall in no event be responsible for more than its Participating Interest Share of any additional work commitment or obligation undertaken in obtaining such extension.

(e) The Parties agree to maintain the insurance SNG has in place as of the date hereof in respect of the first Exploration Well, provided that the Parties shall meet and endeavour to agree on such

changes to the insurance coverage from and after the date hereof, failing which Article 4.7 of the JOA shall apply.

ARTICLE 8
DURATION, DEFAULT AND TERMINATION

8.1 Duration

This Agreement is effective on the Execution Date, and shall continue in effect until terminated or suspended by agreement of the parties or as provided for in Section 8.2.

8.2 Default

(a) Notwithstanding the provisions of Article 8 of the JOA, if, prior to the completion of the Exploration Well Operations, BGIL is materially in default of any of its obligations hereunder, including but not limited to, failure to pay when due the amounts provided for in Article 2 hereof, SNG may at any time during the period such default continues give BGIL notice stating with reasonable particulars the nature of the default. If BGIL fails to remedy such default in all material respects:

(i) within 30 days after receipt of such notice; or

(ii) if BGIL disputes that there is a default, within 30 days of the resolution of such dispute whether pursuant to Article 18.2 of the JOA or by the agreement of the Parties;

BGIL shall have forfeited its Participating Interest, as well as all monies paid to SNG to that time and shall comply with the provisions of Section 8.3 hereof forthwith.

(b) In the event of such forfeiture of BGIL's interest:

(i) this Agreement shall terminate, subject to the provisions of Section 8.4, provided further that such termination shall not absolve BGIL of any liability in respect of any amounts payable hereunder, including those which were the subject of the notice of default, arising, accrued or accruing prior to or at the time of termination; and

(ii) BGIL shall have no further rights under the JOA or the PSC.

(c) The rights and remedies granted to SNG in this Section 8.2 shall be cumulative, not exclusive, and shall be in addition to any other rights and remedies that may be available to SNG, whether at law, in equity, or otherwise. Each right and remedy available to SNG may be exercised from time to time and so often and in such order as may be considered expedient by SNG in its sole discretion.

8.3 Reassignment on Default

Should this Agreement be terminated pursuant to Section 8.2, without limiting any other remedy available to SNG under this Agreement or at law, BGIL shall immediately and at BGIL's sole expense, take all steps and execute all documents as may be required to reassign the Farm-In Participating Interest and the Assets to SNG including, without limitation, obtaining MOEEI approval for such

reassignment. Until such time as such reassignment is fully effected and such approval is obtained, BGIL shall hold the Farm-In Participating Interest and the Assets in trust for the benefit of SNG, and to the fullest extent possible under applicable Laws, SNG shall be entitled to all of the rights and benefits available to it and shall be subject to all of the obligations attributable to it as if the approval for such reassignment had been obtained.

8.4 Survival

This Article shall survive any termination of this Agreement without time limit.

ARTICLE 9
NOTICES

All notices, billings and payments authorized or required between the Parties by any of the provisions of this Agreement shall be in writing (in English) and delivered in person or by courier service or by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and properly addressed to the other Party. Verbal communication does not constitute notice for purposes of this Agreement and telephone numbers and email addresses for the Parties are listed below as a matter of convenience only. A notice given under any provision of this Agreement shall be deemed delivered only when received by the Party to whom such notice is directed, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received. "Received" for purposes of this Article shall mean actual delivery of the notice to the address of the Party specified hereunder.

If to BGIL:

BG International Limited
Attn: Vice President, Upstream Assets
BG House
5 St. Clair Avenue
Port of Spain
Trinidad and Tobago
Fax: 1-868-622-7832

with a copy to:

BG International Limited
Legal Department
Fax: 1-868-622-3854

If to SNG:

Canadian Superior Energy, Inc
2700, 605 – 5th Avenue S.W.
Calgary, Alberta T2P 3H5
Canada
Attention: President
Fax: 1-403-216-2374

with a copy to:
Canadian Superior Energy, Inc.
5 Herbert Street
St. Clair, Port of Spain
Trinidad and Tobago
Attention: Country Manager
Fax: 1-868-628-3072

ARTICLE 10
APPLICABLE LAW AND DISPUTE RESOLUTION

10.1 Applicable Law

This Agreement shall be governed by, construed, interpreted and applied in accordance with the substantive laws of Alberta, Canada, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.

10.2 Dispute Resolution

Any disputes under this Agreement shall be resolved in accordance with the dispute resolution provisions as set forth in Article 18 of the JOA, *mutatis mutandis*, provided that the seat of the arbitration shall be Alberta, Canada.

ARTICLE 11
GENERAL PROVISIONS

11.1 Business Practices

Each of the Parties shall not, directly or indirectly, give cash, gifts or other consideration to government officials or government employees which may reasonably be expected to affect the judgment or influence a decision by such official or employee in favour of a Party or the Parties in relation to the subject of this Agreement, the PSC or the JOA and to otherwise abide by the terms on the FCPA which document is incorporated herein by reference to the same extent as if it were copied verbatim herein.

11.2 Further Assurances

Each of the Parties shall do all such acts and execute and deliver all such documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

11.3 Waiver

No waiver by any Party of any one or more defaults by another Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party whether of a like or of a different character. Except as expressly provided in this Agreement, no Party shall be deemed to have waived, released or modified any of its right under this Agreement unless such Party has expressly stated, in writing, that it does waive, release or modify such right.

11.4 Severability

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

11.5 Modification

There shall be no modification or amendment of this Agreement except by written consent of all Parties.

11.6 Successors and Assigns

(a) Except as set forth in Section 8.3, the Parties may only assign their interest in this Agreement in connection with a permitted assignment of a corresponding interest in the PSC, provided that, for certainty, for so long as SNG is holding BGIL's interest in the PSC in trust for BGIL pursuant to Section 4.4(a)(ii), SNG shall continue to hold the legal title to, and registered interest in, the PSC corresponding to BGIL's interest in the PSC and shall not assign such title and interest except as BGIL may permit, in writing, in its sole discretion.

(b) Notwithstanding anything to the contrary herein or in the JOA contained but subject to any and all consents and approvals as may be required from the MOEEI, SNG may assign a 25% Participating Interest in and under the PSC to Challenger pursuant to and in accordance with the terms and conditions of the Challenger Agreement and, provided that Challenger is not insolvent and is not in material breach of its obligations under the JOA, in furtherance thereof BGIL, covenants and agrees that neither it nor its Affiliates will take any actions, by complaint or otherwise, to constrain or in any way curtail or discourage any such assignment by SNG to Challenger. Furthermore, provided that Challenger is not insolvent and is not in material breach of its obligations under the JOA, BGIL covenants and agrees that it and its Affiliates will cooperate fully and unconditionally support any application or submission made by or on behalf of SNG and its Affiliates, successors and assigns to the MOEEI and in respect of any such future assignment, provided that there are no costs or expenses to BGIL or it Affiliates to do so.

(c) This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the Parties.

11.7 No Third Party Rights

This Agreement is intended to be solely for the benefit of the Parties to this Agreement and is not intended to confer any benefits upon, or create any rights in favour of, any Person other than the Parties to this Agreement.

11.8 Entirety

With respect to the subject matter contained herein, this Agreement (i) is the entire agreement of the Parties; and (ii) supersedes all prior understandings and negotiations of the Parties.

11.9 Limitation on Liability

Notwithstanding anything to the contrary in this Agreement, no Party shall be liable in an action initiated by one against the other for special, indirect or consequential damages resulting from or arising out of this Agreement, including loss of value, loss of production, loss of financial advantage, loss of profit or business interruptions, irrespective of whether such loss was caused or contributed to by the sole or concurrent negligence, strict liability or breach of duty (statutory or otherwise) of the other Parties.

11.10 Counterpart Execution

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided that no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, SNG is authorized to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

11.11 Interest

Where, in this Agreement, any payment is not made by the due date, interest shall be paid on the amount outstanding as provided in the JOA at the Agreed Interest Rate.

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument in two equal original versions on the date hereof, before the undersigned witnesses.

CANADIAN SUPERIOR ENERGY INC.

BG INTERNATIONAL LIMITED

Per: _____
Name: MARTIN HOUSTON
Title: DIRECTOR

Per: _____
Name: MICHAEL COOLEN
Title: CHIEF EXECUTIVE OFFICER
& DIRECTOR

ANNEX I

Attached to and forming part of a Farm-in Agreement between

BG International Limited and Canadian Superior Energy Inc.

JOINT OPERATING AGREEMENT