

## Notice of Fundamental Decision

November 17, 2005

At the October 4, 2005 meeting of the Canada-Nova Scotia Offshore Petroleum Board (the Board), the Board reviewed and approved a request from Canadian Superior Energy Inc., a 100% interest owner of Exploration Licence 2406 (EL 2406) and Exploration Licence 2409 (EL 2409), to consolidate and amend the provisions of EL 2406 and EL 2409, subject to the conclusion of a consolidation and amendment agreement in a form acceptable to the Board and containing the following key conditions:

- 1) The agreement is only effective upon Canadian Superior and/or joint venture partners starting to drill a well on the consolidated licence and diligently pursuing drilling prior to the expiry of Period 1.
- 2) The consolidated total work expenditure commitment will be at least equal to the sum of individual EL commitments minus approved allowable expenditures.
- 3) The maximum term of individual ELs cannot exceed the legislated limit of 9 years (i.e. from the original effective date).
- 4) The consolidated licence will be validated for Period 2 with an expiry date of December 31, 2010.
- 5) 50% of EL 2406 (Mayflower) will be relinquished to the crown on December 31, 2008 if this agreement is implemented and an exploration well has not been started on EL 2406.

For more information, please contact:

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