

CANADIAN SUPERIOR ENERGY INC  
Form 40-F  
April 03, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 40-F**

(Check One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

Commission File Number: 001-31395

**CANADIAN SUPERIOR ENERGY INC.**

(Exact name of Registrant as specified in its charter)

**Alberta**  
(Province or other jurisdiction of incorporation  
or organization)

**1311**  
(Primary Standard Industrial  
Classification Code (if applicable))

**Not Applicable**  
(I.R.S. Employer Identification Number (if  
applicable))

**Suite 330, 400 3<sup>rd</sup> Avenue, SW  
Calgary, Alberta, Canada T2P 4H2**

**(403) 294-1411**

(Address and telephone number of Registrant's principal executive offices)

**PTSGE Corp.**

**Attn: Gary Kocher**

**925 Fourth Avenue, Suite 2900**

**Seattle, Washington 98104**

**(206) 623-7580**

(Name, address (including zip code) and telephone number

(including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

	<b>Title</b>	<b>Name of Each Exchange on Which Quoted</b>
Common Shares		American Stock Exchange Toronto Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None.**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None.**

For annual reports, indicate by check mark the information filed with this Form:

Annual information form

Audited annual financial statements

Indicate number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The Registrant had 119,135,361 common shares outstanding as of December 31, 2005.

Indicate by check mark whether the Registrant by filing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the Exchange Act). If **Yes** is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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TABLE OF CONTENTS

Principal Documents  
Disclosure Controls and Procedures  
Changes in Internal Control Over Financial Reporting  
Audit Committee Financial Expert  
Code of Ethics  
Principal Accountant Fees and Services  
Pre-Approval Policies  
Off-Balance Sheet Arrangements  
Disclosure of Contractual Obligations  
Audit Committee  
Undertaking  
Consent to Service of Process

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**Except where otherwise indicated, all dollar amounts stated in this Annual Report on Form 40-F are Canadian dollars.**

### **Principal Documents**

The following documents have been filed as part of this Annual Report on Form 40-F:

#### **A. Annual Information Form**

For our Annual Information Form for the twelve-month period ended December 31, 2005, see Exhibit 99.1 to this Annual Report on Form 40-F.

#### **B. Audited Annual Financial Statements**

For our Consolidated Audited Financial Statements for the twelve-month period ended December 31, 2005, including the report of independent chartered accountants with respect thereto, see Exhibit 99.2 to this Annual Report on Form 40-F. For a reconciliation of important differences between Canadian and United States generally accepted accounting principles, see Note 15 of the Notes to the Consolidated Financial Statements.

#### **C. Management's Discussion and Analysis**

For Management's Discussion and Analysis for the twelve-month period ended December 31, 2005, see Exhibit 99.3 to this Annual Report on Form 40-F.

### **Disclosure Controls and Procedures**

We have carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 40-F. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in ensuring that information that we are required to disclose in our reports filed with the SEC is recorded, processed, summarized and reported within the time periods specified by the SEC. It should be noted that the design of any system of control is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

**Changes in Internal Controls Over Financial Reporting**

There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Audit Committee Financial Expert**

Our Board of Directors has determined that Mr. Squires is an audit committee financial expert serving on our audit committee (as defined in paragraph 8(b) of General Instruction B to Form 40-F). Our Board of Directors has determined that Mr. Squires is independent pursuant to the standards of the American Stock Exchange. For a description Mr. Squires' relevant experience in financial matters, see his employment history in the section "Directors and Executive Officers" in our Annual Information Form for the year ended December 31, 2005, which is filed as Exhibit 99.1 to this Annual Report on Form 40-F.

**Code of Ethics**

Our code of ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions is disclosed in our Code of Ethics, which is applicable to all of our directors, officers and employees. Our Code of Ethics is filed as Exhibit 99.4 to this Annual Report on Form 40-F. In the event that we:

- (i) amend any provision of our Code of Business Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions that relates to

any element of the code of ethics definition enumerated in paragraph (9)(b) of General Instruction B to Form 40-F, or

(ii) grant a waiver, including an implicit waiver, from a provision of our Code of Business Conduct to any of our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions that relates to any element of the code of ethics definition as enumerated in paragraph (9)(b) of General Instruction B to Form 40-F,

then we will disclose in a Form 6-K any such amendment or waiver. Such disclosure will specifically describe the nature of the amendment or waiver, and will, in the case of a waiver, name the person to whom the waiver was granted.

### Principal Accountant Fees and Services

The following table provides information about the fees billed to us for professional services rendered by Meyers Norris Penny LLP, our principal accountant during fiscal 2005, and by KPMG LLP, our principal accountant during fiscal 2004:

	2005	2004
Audit fees	\$ 125,000	\$ 150,000
Audit-related fees	42,550	
Tax fees	4,600	
All other fees (1)	55,296	43,600
Total fees	\$ 227,446	\$ 193,600

(1) Total includes \$44,696 paid to KPMG LLP in 2005.

**Audit Fees.** Audit fees consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.

**Audit-Related Fees.** Audit-related fees included fees relating to the review of our quarterly financial statements.

**Tax Fees.** Tax fees included tax compliance, tax planning, tax advice and various taxation matters.

**All Other Fees.** All other fees consists of services provided by our principal accountant other than audit, audit-related and tax services, including prospectus and other offering related work.

**Pre-Approval Policies**

All audit and non-audit services performed by our auditors for the 2005 and 2004 fiscal years were pre-approved by our audit committee. It is our policy that all audit and non-audit services performed by our auditors will continue to be pre-approved by our audit committee.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements to report.



## Disclosure of Contractual Obligations

In the normal course of business we are obligated to make future payments. These obligations represent contracts and other commitments that are known and committed.

	Total	Payment Due by Period			
		Less than 1 year	1 3 years	3 5 years	More than 5 years
Long-term debt obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital (finance) lease obligations	0	0	0	0	0
Operating lease obligations	3,370,000	1,197,000	1,907,000	266,000	0
Purchase obligations	0	0	0	0	0
Other long-term liabilities reflected on the Company's balance sheet under the GAAP of the primary financial statements	8,929,000	8,929,000	0	0	0
Total	\$ 12,299,000	\$ 10,126,000	\$ 1,907,000	\$ 266,000	\$ 0

**Audit Committee**

We have established an audit committee in accordance with section 15 U.S.C. 78c(a)(58)(A). Each of the following directors serves on the audit committee: Mr. Gerald J. Maier, Mr. Alexander Squires and Mr. Thomas J. Harp. See the section entitled "Audit Committee" in our Annual Information Form for the year ended December 31, 2005, which is filed as Exhibit 99.2 to this Annual Report on Form 40-F.

**Undertaking**

We undertake to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when required to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an Annual Report on Form 40-F arises; or transactions in said securities.

**Consent to Service of Process**

We have previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this Annual Report on Form 40-F arises. Any change to the name and address of the agent for service of process shall be communicated promptly to the Securities and Exchange Commission by an amendment to the Form F-X.

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereto duly authorized.

CANADIAN SUPERIOR ENERGY INC.

By: /s/ GREGORY S. NOVAL  
Name: Gregory S. Noval  
Title: President and Chief Executive Officer  
Date: March 31, 2006

**EXHIBITS**

<b>Exhibit</b>	<b>Description</b>
99.1	Annual Information Form of the Registrant for the twelve-month period ended December 31, 2005.
99.2	Consolidated Audited Financial Statements of the Registrant for the twelve-month period ended December 31, 2005, including Auditors' Report to the Shareholders.
99.3	Management's Discussion and Analysis of the Registrant for the twelve-month period ended December 31, 2005.
99.4	Code of Ethics.
99.5	Consent of Myers Norris Penny LLP.
99.6	Certifications of Chief Executive Officer pursuant to Rule 13a-14(a).
99.7	Certifications of Chief Financial Officer pursuant to Rule 13a-14(a).
99.8	Certifications of Chief Executive Officer pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
99.9	Certifications of Chief Financial Officer pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).