

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE SUPERIOR OFFSHORE)	CIVIL ACTION NO. H-08-687
INTERNATIONAL, INC.)	JUDGE NANCY F. ATLAS
SECURITIES LITIGATION)	

STIPULATION AND AGREEMENT OF SETTLEMENT

Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Stipulation and Agreement of Settlement (the “Stipulation”) is submitted for the review and approval of the Court for the Settlement (the “Settlement”) of the above-referenced action (the “Action”) between Lead Plaintiff, Charles Ognar (“Ognar” or “Lead Plaintiff”), individually and on behalf of a class (the “Class”) who purchased the common stock of Superior Offshore International, Inc. (“Superior” or the “Company”) between April 20, 2007 and April 25, 2008, inclusive (the “Class Period”), and Defendants James Mermis, Roger Burks, Louis Schaefer, Josh Koch (collectively “Individual Defendants”), JP Morgan Securities Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc. (collectively “Underwriters”) (all collectively the “Parties”).¹

WHEREAS:

A. Several lawsuits alleging violations of the federal securities laws were filed in February and March 2008, and pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”) were consolidated in April 2008.

B. On May 20, 2008, this Court appointed Charles Ognar Lead Plaintiff and appointed Kahn Swick & Foti LLC (“KSF”) as Lead Counsel (“Lead Counsel”).

C. Lead Plaintiff filed a Consolidated Amended Complaint on July 21, 2008 (the “Complaint”), and on September 25, 2008, Defendants filed a motion to dismiss the Complaint. On January 12, 2009, the Court denied Defendants’ motion to dismiss.

D. On February 17, 2009, Defendants answered the Complaint, denying that they violated any laws or committed any improper acts and asserting affirmative defenses.

¹ Neither Superior nor its bankruptcy estate is a party to this Stipulation.

Since that time, over a million documents have been produced in discovery and more than 20 depositions have been taken.

E. The Court considered Lead Plaintiff's Motion for Class Certification, Defendants' Opposition to Class Certification, and entered its Order Denying Class Certification on June 8, 2010. Thereafter, the Parties filed an agreed stipulation requesting that the Court withdraw its Order Denying Class Certification and administratively close the Action so the Parties could attempt to settle the Action. On June 17, 2010, the Court administratively closed the Action.

F. Lead Plaintiff and Defendants, by their counsel, have engaged in discussions and arm's-length Settlement negotiations. At the time the Settlement was reached, the Court had denied Lead Plaintiff's Motion for Class Certification, and the Court had granted the Parties' Motion to Vacate the Court's Order Denying Class Certification to provide the Parties with the opportunity to mediate. Lead Plaintiff faced the certainty that, absent a settlement agreement, the Court's order denying class certification would have been reinstated; the risk that appeal of that decision would be denied; and the risk that even were the Action to proceed as a Class Action, it would not survive summary judgment, or that some or all of the claims would be dismissed before trial. Had the case gone to trial, Defendants would have asserted a myriad factual and legal defenses, including that Superior Offshore's IPO prospectus and registration statement fully complied with the federal securities laws and did not contain any materially untrue or misleading statements or omissions. Defendants also would contest: (1) the measure and

amount of recoverable damages, if any; (2) the extent to which the statements that Lead Plaintiff alleged as materially false or misleading influenced (if at all) the trading price of Superior Offshore's common stock at various times during the relevant time period; and (3) whether Lead Plaintiff had standing to assert all of the claims in the Complaint.

G. Further, to the extent Lead Plaintiff succeeded on any claims, Defendants could appeal, which could result in additional years of litigation with no certainty as to of the outcome for either side. Thus, had this Action continued, Lead Plaintiff and the proposed Class would have faced the possibility of obtaining no recovery. This Settlement enables the Class to recover a percentage of the alleged damages as calculated by Lead Counsel in conjunction with their consultants, without incurring any additional risk. As a result, Lead Plaintiff and Lead Counsel believe this Settlement is a fair and reasonable recovery.

H. Based upon the discovery conducted in this case, Lead Plaintiff and Lead Counsel have concluded that the terms and conditions of the Settlement are fair, reasonable and adequate to the Class Members and in their best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of this Stipulation, after considering (a) the substantial benefits that Lead Plaintiff and the members of the Class will receive from Settlement of the Action, (b) the attendant risks of litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

I. Defendants deny any and all alleged wrongdoing and this Stipulation is not

an admission of any facts on their part with respect to any claim or defense contained in this Action.

J. The Parties stipulate that the litigation has been filed by Lead Plaintiff and defended by Defendants in good faith and with adequate basis in fact under Federal Rule of Civil Procedure 11, that the litigation is being voluntarily settled after advice of counsel, and that the terms of the Settlement are fair, adequate and reasonable.

NOW THEREFORE, without any admission or concession on the part of Lead Plaintiff of any lack of merit of the Action, and without any admission or concession of any liability or claim of wrongdoing or lack of merit in the defenses asserted by Defendants, it is hereby STIPULATED AND AGREED, by and among the Parties to this Stipulation, through their respective attorneys, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the Parties hereto from the Settlement, that all Settled Claims (as defined below) as against the Released Parties (as defined below) shall be compromised, settled, released and dismissed with prejudice, upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings:

(a) “Action” means *In re Superior Offshore International, Inc. Securities Litigation*, Civil Action No. 4:08-687 (S.D. Tex.), and all cases consolidated therewith.

(b) “Defendants” means James Mermis, Roger Burks, Louis Schaefer, Josh Koch, JP Morgan Securities Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

(c) “Bankruptcy Proceeding” means *In re Superior Offshore International, Inc.*, Case No. 08-32590-H2-11 (U.S. Bankruptcy Court, S.D. Texas, Houston Division).

(d) “Authorized Claimant” means a Class Member who submits a timely and valid Proof of Claim form to the Claims Administrator.

(e) “Claims Administrator” means Strategic Claims Services, which shall administer the Settlement.

(f) “Class” and “Class Members” mean, for the purposes of this Settlement only, all Persons who purchased the publicly traded common stock of Superior during the period between April 20, 2007, and April 25, 2008, inclusive, and were damaged as alleged in the Action thereby. A Person whose common stock is held by a broker Defendant as nominee will not be excluded on that basis. Excluded from the Class are Defendants, all officers, directors, partners and affiliates of Superior at all relevant times, members of Defendants’ immediate families and their legal representatives, heirs, successors or assigns and any entity in which any Defendant has or had a controlling interest, and all shares of Superior stock owned or acquired, directly or indirectly, by any of them. For purposes of this Settlement, the term “controlling interest” shall include any interest of 5% or more of the stock of any entity. Also excluded from the Class are any putative Class Members who exclude themselves by filing a timely request for

exclusion in accordance with the requirements set forth in the Notice (defined herein below).

(g) “Class Period” means, for the purposes of this Settlement only, the period of time between April 20, 2007 and April 25, 2008, inclusive.

(h) “Court” means the United States District Court for the Southern District of Texas, the Honorable Nancy Atlas presiding.

(i) “Effective Date of Settlement” or “Effective Date” means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in ¶ 30.

(j) “Fee Award” means the amount of attorneys’ fees awarded by the Court to Lead Counsel as described in ¶ 13.

(k) “Final Order” means an order as to which there is no pending appeal, stay, motion for reconsideration or motion to vacate or similar request for relief, and as to which the period of time for a Party to appeal or petition for a writ of certiorari has expired. For purposes hereof if no appeal or motion for reconsideration, to vacate, or for similar relief is filed within thirty (30) days after entry by the Court of the order in the District Court, the order shall be deemed to be a Final Order, unless the 30th day falls on a weekend or a Court holiday, in which case the date for purposes of this Stipulation shall be deemed to be the next business day after such 30th day.

(l) “Defendants’ Counsel” means the law firms of Greenburg Traurig LLP, Bracewell Giuliani LLP, and Mayer Brown LLP.

(m) “Superior” means Superior Offshore International, Inc. and/or its bankruptcy estate in the Bankruptcy Proceeding.

(n) “Lead Plaintiff” means Charles Ognar.

(o) “Escrow Account” means an account maintained by the Escrow Agent.

(p) “Escrow Agent” means Kahn Swick & Foti, LLC or its successor(s).

(q) “Notice” means the Notice of Pendency of Class Action and Proposed Settlement with All Defendants, Motion for Attorneys’ Fees, and Settlement Fairness Hearing (the “Notice”), which is to be sent to members of the Class and all other appropriate recipients substantially in the form attached hereto as Exhibit A-1.

(r) “Final Judgment and Order” means the proposed order to be entered certifying the Class and approving the Settlement substantially in the form attached hereto as Exhibit B.

(s) “Preliminary Approval Order” means the proposed order Order Preliminarily Approving Settlement and Providing for Notice of Pendency, substantially in the form attached hereto as Exhibit A.

(t) “Lead Counsel” means the law firm of Kahn Swick & Foti LLC.

(u) “Plan of Allocation” means the plan described in the Notice or any alternate plan approved by the Court for allocation of each Authorized Claimant’s pro rata share of the Net Settlement Fund.

(v) “Proof of Claim” means the Proof of Claim and Release, substantially in the form attached hereto as Exhibit A-2.

(w) “Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Notice, and “Authorized Claim” is any claim so allowed.

(x) “Publication Notice” means the summary Notice for the proposed certification of the Class and Settlement and for the hearing, for publication substantially in the form attached as Exhibit A-3.

(y) “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof, and any entity, including any business or legal entity, and, as to each of the foregoing, their spouses, heirs, predecessors, successors, representatives, or assignees.

(z) “Released Parties” means Superior, Defendants, Lead Plaintiff, confidential witnesses and any and all of their past or present partners, principals, employees, predecessors, successors, parents, subsidiaries, affiliates, officers, directors, attorneys, agents, insurers, assigns, spouses and heirs.

(aa) “Settled Claims” means any and all claims, debts, demands, rights or causes of action or liabilities (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability), whether based on United States federal, state, local, statutory or common law or any other law, rule or regulation, whether foreign or domestic, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or

unmatured, foreseen or unforeseen, whether class or individual in nature, including, without limitation, both known claims and Unknown Claims (as defined below) (i) that have been asserted in the Action by Lead Plaintiff and the Class Members or any of them against any of the Released Parties (whether pleaded in the Complaint or not), or (ii) that could have been asserted in the Action or in any forum by Lead Plaintiff and the Class Members or any of them against any of the Released Parties, which arise out of any of the claims, allegations, activities, press releases or public statements set forth in the Complaint and relate to the purchase, sale, transfer or acquisition of the publicly traded common stock of Superior during the Class Period, or any actions, representations or omissions that were alleged or might have been alleged to affect the price of any publicly traded common stock of Superior during the Class Period. For the avoidance of doubt, Settled Claims do not include derivative claims against the Individual Defendants which are the property of Superior's bankruptcy estate, including but not limited to claims asserted in *Barbara Fontenelle, derivatively on behalf of Nominal Defendant Superior Offshore International, Inc., Cause No. 2008-16760*, filed in the 234th Judicial District of Harris County, Texas and *Gary Pearlman, derivatively on behalf of Nominal Defendant Superior Offshore International, Inc., Civil Action No. H-08-0740*, filed in the Southern District of Texas, Houston Division.

(bb) "Settled Defendants' Claims" means any and all claims, rights or causes of action or liabilities (including, but not limited to, any claims for damages, interest,

attorneys' fees, expert or consulting fees, and any other costs, expenses or liability), whether based on United States federal, state, local, statutory or common law, or any other law, rule or regulation, whether foreign or domestic, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, whether class or individual in nature, including both known claims and Unknown Claims (as defined below) that have been or could have been asserted by the Defendants or any of them against each other, Lead Plaintiff, Class Members, Lead Counsel, or Plaintiff's Confidential Witnesses which arise out of any of the claims, allegations, activities, press releases or public statements set forth in the Complaint and relate to the purchase, sale, transfer or acquisition of the publicly traded common stock of Superior during the Class Period, or any actions, representations or omissions that were alleged or might have been alleged to affect the price of any publicly traded common stock of Superior during the Class Period.

(cc) "Settlement" means the Settlement described by this Stipulation.

(dd) "Settlement Fairness Hearing" means the hearing scheduled by the Court to review the Settlement and determine whether it is fair and should be approved.

(ee) "Unknown Claims" means any and all Settled Claims which Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Settled Defendants' Claims which Defendants do not know or suspect to exist in their favor, which if known by him, her or

it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants' Claims, the Parties stipulate and agree that by operation of the Final Judgment and Order, upon the Effective Date, the Lead Plaintiff and Defendants shall have expressly waived, and each Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Lead Plaintiff and Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendants' Claims was separately bargained for and was a key element of the Settlement.

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Settlement shall be in full and final disposition of the Action against Defendants and any and all Settled Claims as against all Released Parties and any and all Settled Defendants' Claims.

3. (a) By operation of the Final Judgment and Order, upon the Effective

Date of this Settlement, Lead Plaintiff and members of the Class on behalf of themselves, their heirs, executors, administrators, predecessors, successors and assigns and all persons (now or in the future) acting in concert with, or who purport to act through, such persons, shall have fully, finally and forever waived, released, discharged, dismissed and are forever enjoined and barred from asserting all claims, including, without limitation, each and every Settled Claim against any of the Released Parties in any action or proceeding of any nature. The foregoing applies regardless of whether Lead Plaintiff and/or members of the Class ever seek or obtain any distribution from the Net Settlement Fund; whether Lead Plaintiff and/or members of the Class executed and delivered a Proof of Claim; whether Lead Plaintiff and/or members of the Class filed an objection to the Settlement or to their claim being rejected as provided in this Stipulation, the proposed Plan of Allocation, any application by Lead Counsel for an award of attorneys' fees and expenses; and whether the claims of such Lead Plaintiff and/or members of the Class have been approved or allowed or such objection has been overruled by the Court.

(b) By operation of the Final Judgment and Order, upon the Effective Date of this Settlement, Defendants and the Released Parties, other than Superior, shall release and forever discharge each and every of the Settled Defendants' Claims against each other, Lead Plaintiff, Class Members, Lead Counsel, or Lead Plaintiff's Confidential Witnesses.

(c) Notwithstanding the provisions of ¶¶3(a) and (b) hereof, in the event that any of the Released Parties asserts against Lead Plaintiff, any Class Member or

their respective counsel, any claim that is a Settled Defendants' Claim, then Lead Plaintiff, such Class Member or counsel shall be entitled to use and assert such factual matters included within the Settled Claims only against such Released Party in defense of such claim but not for the purposes of affirmatively asserting any claim against any Released Party.

(d) Notwithstanding the provisions of ¶¶3(a) and (b) hereof, in the event that Lead Plaintiff or any member of the Class asserts against any of the Released Parties or their respective counsel any claim that is a Settled Claim, then such Released Party or counsel shall be entitled to use and assert such factual matters included within the Settled Defendants' Claims only against such Lead Plaintiff or Class member in defense of such claim but not for the purposes of affirmatively asserting any claim against Lead Plaintiff or any Class member.

(e) Upon the Effective Date of this Settlement, the Released Parties shall obtain protection barring future claims in accordance with a Final Judgment and Order substantially in the form of Exhibit B.

(f) The releases provided in this Stipulation shall become effective immediately upon occurrence of the Effective Date without the need for any further action, notice, condition or event.

(g) Upon the Effective Date of Settlement, Lead Plaintiff and Lead Counsel shall withdraw with prejudice all proofs of claim that they filed in the Bankruptcy Proceeding based upon a Settled Claim, including but not limited to any such

proof of claim filed on behalf of the Class. Participation in the Settlement shall in no way limit the rights of those Class Members who are holders of equity in Superior and may be entitled to a distribution as holders of Class 8 Interests as defined in and pursuant to the First Amended Joint Chapter 11 Plan of Liquidation, to assert such claim(s) and/or to continue to assert such claim(s) in the Bankruptcy Proceeding.

THE SETTLEMENT CONSIDERATION

4. The Parties agree, for purposes of this Stipulation and Settlement only, to the certification of the Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure. If for any reason (including the exercise of a right to terminate under the Stipulation) Final Approval of the Settlement is not granted, then the certification of the Class shall become null and void without further order of any court.

5. Defendants shall pay or cause to be paid \$1.9 million (the “Settlement Fund”) into escrow in an account established by and for the benefit of Lead Plaintiff and the Class.

6. On or before thirty (30) days after entry of an order granting preliminary approval of the Settlement (the “Preliminary Approval Order”), Defendants shall cause to be deposited into an account in a bank to be designated by Lead Counsel a sum not less than one hundred thousand dollars (\$100,000.00) (the “Notice and Administration Fund”). All reasonable costs and expenses of class notice and administration of the Settlement shall be paid from the Notice and Administration Fund when incurred.

7. Defendants shall pay or cause their insurers to pay the remainder of the

Settlement Fund, one million eight hundred thousand dollars (\$1.8 million), on or before thirty-five (35) days after the entry of an order granting final approval of the Settlement (the “Final Order and Judgment”), into an account in a bank to be designated by Lead Counsel. The account shall be administered by Lead Counsel subject to Court oversight, and a signature from a partner of Lead Counsel shall be required to release deposited funds from the account. The Parties hereto agree that the Settlement Fund is intended to be a Qualified Fund within the meaning of Treasury Regulations Section 1.468B 1.

8. Lead Plaintiff and Class Members shall look solely to the Settlement Fund as satisfaction of all claims that are released hereunder. Under no circumstances will Defendants or their insurers be required to pay more than \$1.9 million to the Settlement Fund pursuant to this Stipulation and the Settlement set forth herein. Lead Plaintiff and Class Members acknowledge that as of the Effective Date, the releases given herein shall become effective immediately by operation of the Final Judgment and Order and shall be permanent, absolute and unconditional.

9. (a) The Settlement Fund, net of taxes, if any, (as defined below) on the income thereof, shall be used to pay (i) the notice and administration costs referred to in ¶12 hereof, and (ii) the attorneys’ fee and expense award referred to in ¶13 hereof, and any other attorney and administrative costs, fees, payments or awards approved by the Court. The balance of the Settlement Fund after the above payments shall be the “Net Settlement Fund,” which shall be distributed to the Authorized Claimants as provided in

¶¶14-26 hereof. Any portions of the Settlement Fund required to be held in escrow prior to the Effective Date shall be held by the Escrow Agent for the Settlement Fund. The Settlement Fund held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the Net Settlement Fund shall be distributed to Authorized Claimants, or returned to Defendants or their insurers pursuant to this Stipulation and/or further order of the Court. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation §1.468B-1 and that the Escrow Agent, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible for filing tax returns for the Settlement Fund and paying from the Settlement Fund any taxes owed with respect to the Settlement Fund. Defendants agree to provide promptly to the Escrow Agent the statement described in Treasury Regulation § 1.468B-3(e). Such returns shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶9(b) of this Stipulation. In addition, the Escrow Agent shall timely make such elections as necessary or advisable, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary Parties, and thereafter to cause

the appropriate filing to occur.

(b) All (i) taxes, if any, on the income of the Settlement Fund and (ii) expenses and costs incurred in connection with the taxation of the Settlement Fund, including, without limitation, expenses of tax attorneys and accountants, (collectively “Taxes”) shall be paid out of the Settlement Fund, shall be considered to be a cost of administration of the Settlement, and shall be timely paid by the Escrow Agent without prior Order of the Court. Defendants and the Released Parties shall have no liability or responsibility for the payment of any Taxes.

(c) For the purpose of ¶¶9(a) to 9(b) of this Stipulation, references to the Settlement Fund shall include the Settlement Fund, the Notice and Administration Fund and the Net Settlement Fund, and shall also include any earnings on each of the foregoing.

CAFA NOTICE

10. The undersigned Defendants shall, no later than ten (10) calendar days following the filing of this Stipulation in Court, serve a notice of the proposed Settlement in compliance with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1711 et seq.

ADMINISTRATION

11. The Claims Administrator shall administer the Settlement subject to the jurisdiction of the Court. The Claims Administrator is subject to the jurisdiction of the Court with respect to the administration of the Settlement and the distribution of the

Settlement Fund pursuant to the terms of this Stipulation. Defendants shall have no responsibility for the administration of the Settlement and shall have no liability to Lead Plaintiff or the Class in connection with, as a result of, or arising out of such administration.

12. Lead Counsel may pay from the Notice and Administration Fund, without further approval from Defendants or the Court, the reasonable costs and expenses up to the sum of \$100,000 associated with identifying appropriate recipients of the Notice and effecting mail Notice and Publication Notice to the appropriate recipients, and the administration of the Settlements, including without limitation, the actual costs of publication, printing and mailing the Notice, reimbursements to nominee owners for forwarding notice to their beneficial owners, and the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice and processing the submitted claims.

ATTORNEYS' FEES AND EXPENSES

13. Lead Counsel may apply to the Court for an award from the Settlement Fund of attorneys' fees, in an amount not to exceed 15%, and reimbursement of expenses. Defendants take no position regarding the amount of attorneys' fees or expenses payable to Lead Counsel. Such attorneys' fees and expenses as are awarded by the Court shall be paid from the Settlement Fund to Lead Counsel immediately upon award by the Court, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to

Lead Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or cost award is reduced or reversed or return of the Settlement Fund is required consistent with the provisions of ¶33 hereof. Notwithstanding any other provision of this Stipulation to the contrary, the procedure for the allowance (in whole or in part) by the Court of any application by Lead Plaintiff for attorneys' fees and expenses to be paid out of the Settlement Fund are to be considered by the Court separately and apart from its consideration of the fairness, reasonableness, and adequacy of the Settlement, and any order or proceeding relating to the award of fees and expenses, or any appeal of any order relating thereto, shall not operate to terminate or cancel this Stipulation and Settlement of the Action.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

14. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the "Net Settlement Fund" based upon each Authorized Claimant's Recognized Claim as defined in the Plan of Allocation described in the Notice annexed hereto as Exhibit A-1, or in such other plan of allocation as the Court approves.

15. The Plan of Allocation proposed in the Notice is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular plan of allocation be approved.

16. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his or her Recognized Claim compared to the total

Recognized Claims of all accepted claimants. This is not a claims-made Settlement. Defendants shall not be entitled to the return of any of the Settlement Fund, or interest earned thereon, once the Settlement becomes final. Defendants shall have no involvement in reviewing or challenging claims and shall have no responsibility or liability for the determination or allocation of any payments to any Class Members or for any other matters pertaining to the Plan of Allocation.

17. Any member of the Class who does not submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Amount and, unless the Class Member has opted out of the Class, will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

18. The Claims Administrator shall process the Settlement based upon Proofs of Claim which may be submitted in connection with this Settlement, and distribute the Net Settlement Fund to the Authorized Claimants. Except for their obligation to pay the Settlement Amount or cause it to be paid, Defendants shall have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund. Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Lead Counsel reasonably deem to be formal or technical defects in any Proofs of Claim submitted in the interests of achieving substantial justice.

19. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the conditions set forth in the Notice, annexed hereto as Exhibit A-1, shall apply. Moreover:

(a) Each Class Member shall be required to submit a Proof of Claim (*see* attached Exhibit A-2), supported by such documents as are designated therein, including proof of the transactions claimed and the losses incurred thereon, or such other documents or proof as the Claims Administrator or Lead Counsel in their discretion may deem acceptable;

(b) Any Class Member who fails to submit a Proof of Claim shall be forever barred from receiving any payment pursuant to this Stipulation, and – unless the Class Member has opted out of the Class – shall in all other respects be bound by all of the terms of this Stipulation and the Settlement including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims. Proofs of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, Proofs of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, who shall determine in accordance with this Stipulation and the approved Plan of Allocation the extent, if any, to which each claim shall be allowed;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the claimant in order to remedy curable deficiencies in the Proofs of Claim submitted. The Claims Administrator shall notify all claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to request reconsideration by the Claims Administrator, and that should the Claims Administrator confirm that the claim is to be rejected, the claimant has the right to have his, her, or its claim reviewed by the Court, if the claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant shall, within of the time specific in the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting reconsideration by the Claims Administrator, or, should such reconsideration result in confirmation of the rejection, a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court. Class Members involved in such a dispute whose rejection is ultimately upheld by the Court shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by Order of the Court, a later submitted Proof of Claim by such Class Member

is approved), and shall in all other respects be bound by all of the terms of this Stipulation and the Settlement including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

20. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant's status as a Class Member and the validity and amount of the claimant's claim. Except for discovery that Lead Counsel may serve on Superior's transfer agent to obtain a shareholder list to effectuate the notice provisions of this Settlement, no discovery shall be allowed and no discovery shall be directed to Defendants or any of the Released Parties, and no discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim. The Parties agree that, in view of the discovery taken to date, including extensive document and other written discovery as well as numerous depositions, no further discovery is necessary to confirm the fairness, reasonableness, and adequacy of the Settlement.

21. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Claims Administrator or whose claims do not result in a Recognized Loss shall be barred from participating in distributions from the Net Settlement Fund, and unless the

Class Member has opted out of the Class, otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

22. The Final Judgment and Order shall contain language directing payment of the Net Settlement Fund to Authorized Claimants.

23. The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation, by Court order, or by written agreement of counsel for all Parties. Upon Final Approval of the Settlement and completion of the claims processing, the Escrow Agent shall distribute the Net Settlement Fund (as defined below) in accordance with the Court-approved Plan of Allocation and the Final Judgment and Order, without further order of the Court.

24. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired, and all fees and costs of administration have been paid. The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with a Plan of Allocation to be described in the Notice and approved by the Court. Any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, statutory limitation on

damages set forth at 15 U.S.C. § 77k(e), or otherwise) shall be donated to a non-profit organization selected by Lead Plaintiff.

25. No Person shall have any claim against Lead Counsel, the Claims Administrator, or other entity designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

26. All proceedings with respect to the administration, processing and determination of claims described by ¶¶ 14-25 of this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

TERMS OF PRELIMINARY APPROVAL ORDER

27. Promptly after this Stipulation has been fully executed, Lead Counsel and Defendants jointly shall apply to the Court by motion on notice for entry of an Preliminary Approval Order, substantially in the form annexed hereto as Exhibit A.

28. Lead Counsel and Defendants shall jointly request that the postmark deadline for submitting exclusions from this Settlement be set at least fourteen (14) calendar days prior to the Settlement Fairness Hearing. Upon receiving any request(s) for exclusion pursuant to the Notice, the Claims Administrator shall promptly notify Lead Counsel and Defendants' Counsel of such request(s) for exclusion.

TERMS OF FINAL JUDGMENT AND ORDER

29. If the Settlement contemplated by this Stipulation is approved by the

Court, Lead Counsel and Defendants shall request that the Court enter a Final Judgment and Order substantially in the form annexed hereto as Exhibit B.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

30. The Effective Date of Settlement shall be the date when all the following shall have occurred:

(a) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(b) entry by the Court of a Final Judgment and Order, substantially in the form set forth in Exhibit B annexed hereto, and the expiration of any time for appeal or review of such Final Judgment and Order, or, if any appeal is filed and not dismissed, after such Final Judgment and Order is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by writ of certiorari, or, in the event that the Court enters a final judgment and order in form other than that provided above (“Alternative Judgment”) and none of the Parties hereto elect to terminate this Settlement, the date that such Alternative Judgment becomes final and no longer subject to appeal or review.

31. Defendants or Lead Plaintiff, through their respective counsel, shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so (“Termination Notice”) to all other Parties hereto within thirty (30) days of: (a) the filing of an order pursuant to which the Court declines to certify the

Class for settlement purposes or declines to enter the Preliminary Approval Order in any material respect; (b) the Court files an order refusing to approve this Stipulation or any material part of it; (c) the Court files an order declining to enter the Order and Final Judgment in any material respect; (d) the date upon which the Order and Final Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; or (e) the date upon which an Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court. Notwithstanding this paragraph, the Court's determination as to the attorneys' fees and expenses to be awarded to Lead Plaintiff shall not provide grounds for termination of the Stipulation or Settlement

32. If prior to the Settlement Hearing, any Persons who otherwise would be Class Members have timely requested exclusion ("Requests for Exclusion") from the Class in accordance with the provisions of the Preliminary Approval Order and the Notice given pursuant thereto, and such Persons in the aggregate purchased or otherwise acquired a number of shares of Superior common stock during the Class Period in an amount greater than the sum specified in a separate Supplemental Agreement between the Parties, Defendants shall have, in their sole and absolute discretion, the option to terminate this Stipulation in accordance with the procedures set forth in the Supplemental Agreement. Lead Plaintiff shall have the right to seek a retraction of any excluded shares pursuant to ¶ 5 of the Supplemental Agreement. The Supplemental Agreement will not be filed with the Court unless and until a dispute among the Parties

concerning its interpretation or application arises. Copies of all Requests for Exclusion received, together with copies of all written revocations of Requests for Exclusion, shall be delivered to Defendants' counsel within five (5) business days of receipt by the Lead Counsel but in any event no later than five (5) business days before the Settlement Fairness Hearing.

33. Except as otherwise provided herein, in the event the Settlement is terminated in accordance herewith, vacated, or fails to become effective for any reason, then the Court shall reinstate its June 8, 2010 Order, denying class certification and the Parties to this Stipulation shall be deemed to have reverted to their respective status in the Action as of the date of this Stipulation and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Stipulation and any related orders had not been entered, and any portion of the Notice and Administration Fund previously paid by or on behalf of Defendants, together with any interest earned thereon (and, if applicable, repayment of any attorneys' fee and expense award referred to in ¶ 13 hereof), less any Taxes due with respect to such income, and less costs of administration and notice actually incurred and paid or payable from the Notice and Administration Fund shall be returned to Defendants within ten (10) business days after written notification of such event. At the request of counsel for Defendants, the Escrow Agent or its designee shall apply for any tax refund owed on the Notice and Administration Fund and pay the proceeds, after deduction for any fees or expenses incurred in connection with such application(s) for refund, to Defendants.

DEFENDANTS' DENIALS OF WRONGDOING

34. Defendants deny that they have committed any act or omission giving rise to any liability and/or violation of law, and state that they are entering into this Settlement to eliminate the burden and expense of further litigation. This Stipulation, whether or not consummated, including any and all of its terms, provisions, exhibits and prior drafts, and any negotiations or proceedings related or taken pursuant to it:

(a) shall not be offered or received against Defendants as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by Defendants with respect to the truth of any fact alleged by Lead Plaintiff or the validity of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault, or wrongdoing of the Defendants;

(b) shall not be offered or received against Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by Defendants;

(c) shall not be offered or received against Defendants as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against Defendants, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

provided, however, that if this Stipulation is approved by the Court, Defendants and any other Released Party may refer to it to effectuate the liability protection granted them hereunder;

(d) shall not be construed against Defendants as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

(e) shall not be construed as or received in evidence as an admission, concession or presumption against Lead Plaintiff or any Class Member that any of their claims are without merit, or that any defenses asserted by Defendants have any merit, or that damages recoverable under the Complaint would not have exceeded the Settlement Fund.

(f) shall not be used, described, portrayed or referred to by Lead Plaintiff, Class Members or Lead Counsel for any purpose other than to effectuate the provisions of the Stipulation, and in no event in a manner inconsistent with the terms and provisions of the Stipulation and its exhibits. This paragraph 34 shall survive the termination of this Stipulation.

CLAIMS OF LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT

35. Lead Plaintiff believes that the claims asserted in this Action have merit and that the evidence developed to date supports the claims. However, Lead Plaintiff recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and possible appeals. Lead

Plaintiff also has taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as this Action.

36. Further, Lead Plaintiff has considered the Action's inherent difficulties and delays as discussed above at ¶¶F, G, and H, as well as the possibility that the Defendants may be unable to satisfy any eventual judgment awarded in favor of the Lead Plaintiff and the Class. Lead Plaintiff also is mindful of the inherent problems of proof and the possible defenses to the securities law violations asserted in the Action. Based on their evaluation, Lead Plaintiff and Lead Counsel believe that the Settlement set forth in the Stipulation confers substantial benefits upon and is in the best interests of the Class.

MISCELLANEOUS PROVISIONS

37. The Parties (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their reasonable best efforts to accomplish the terms and conditions of the Stipulation.

38. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

39. Upon final approval of the Settlement, the Parties agree to abide by the provisions in ¶ 7 of the Protective Order issued on March 5, 2009 [Doc. # 127], regarding the return or destruction of Confidential Information.

40. The Parties intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Lead Plaintiff and the Class Members

against the Released Parties with respect to the Settled Claims. Accordingly, the Parties agree not to assert in any forum that the litigation was brought by Lead Plaintiff or defended by Defendants in bad faith or without a reasonable basis. The Parties shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense, or Settlement of the Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length in good faith by the Parties, and reflect a Settlement that was reached voluntarily after consultation with experienced legal counsel.

41. Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Released Persons; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal, administrative, or other proceeding before any court, administrative agency, arbitration tribunal, or other body. Any of the Released Parties may file the Stipulation and/or the Judgment in any action or other proceeding that may be brought against them in order to support a defense, argument, or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith Settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense, argument, or counterclaim.

42. This Stipulation may not be modified or amended, nor may any of its

provisions be waived except by a writing signed by all Parties hereto.

43. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

44. Subject to further order and/or direction as may be made by the Court, the Escrow Agent is authorized to execute transactions on behalf of the Class Members that are consistent with the terms of the Stipulation.

45. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Lead Counsel and enforcing the terms of this Stipulation.

46. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

47. This Stipulation, its exhibits, and the Supplemental Agreement identified in ¶32 above constitute the entire agreement among the Parties hereto concerning the Settlement of the Action, and no representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation and its exhibits other than those contained and memorialized in such documents.

48. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Stipulation shall exchange among

themselves original signed counterparts.

49. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

50. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of Texas, without regard to conflicts of laws, except to the extent that federal law requires that federal law governs.

51. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

52. Should any objector, Class Member, or other person submit a request to any of the Parties to examine discovery materials, including produced documents, deposition transcripts, or other non-public material, the Party to whom the request is made shall inform all other Parties of the request, and all Parties shall have an opportunity to redact or mark sections of those materials as confidential or "Attorneys' Eyes Only." The Parties agree to meet and confer in good faith to ensure that only sections relevant to sensitive issues are redacted or marked confidential or "Attorneys' Eyes Only."

53. All counsel and any other person executing this Stipulation and any of

the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

54. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order, the Stipulation and the Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the District Court of the Settlement.

IT IS HEREBY AGREED by the undersigned as of January 3, 2011.

/s/ Michael J. Biles

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Greenberg TRAURIG, LLP
300 West 6th Street, Suite 2050
Austin, TX 78701-3911
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**COUNSEL FOR LEAD PLAINTIFF
AND THE CLASS**

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE SUPERIOR OFFSHORE
INTERNATIONAL, INC.
SECURITIES LITIGATION**

**CIVIL ACTION NO. 08-cv-00687
JUDGE NANCY F. ATLAS**

**ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING
FOR NOTICE OF PENDENCY**

WHEREAS, a putative class action is pending before the Court entitled *In re Superior Offshore International, Inc. Securities Litigation*, Case No. 08-cv-00687.

WHEREAS, the Court has received the Stipulation and Agreement of Settlement dated January 3, 2011, including documents and Exhibits executed pursuant thereto (the “Stipulation”), which has been entered into by the Court-appointed Lead Plaintiff Charles Ognar and Defendants; and the Court has reviewed the Stipulation and its attached Exhibits;

WHEREAS, Defendant Superior Offshore International, Inc. was dismissed by Order of this Court dated January 5, 2011, and the Parties¹ to this Action have entered into the Stipulation, allowing for a full and final resolution of this Action;

WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth in the Stipulation; and,

WHEREAS, the Parties having moved, pursuant to Federal Rule of Civil

¹ The Parties are Lead Plaintiff Charles Ognar and Defendants James Mermis, Roger Burks, Louis Schaefer, Josh Koch, JP Morgan Securities Inc., and Merrill Lynch,

Procedure 23(e), for an order preliminarily approving the Settlement in accordance with the Stipulation, which sets forth the terms and conditions for a proposed Settlement of the Action and for dismissal of the Action with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto:

IT IS THIS 5th day of January 2011 ORDERED as follows:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement, subject to further consideration at the Settlement Fairness Hearing described below.

2. The Court certifies, for settlement purposes only, pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, a settlement class consisting of all persons who purchased the publicly traded common stock of Superior during the period between April 20, 2007, and April 25, 2008, inclusive, and were damaged as alleged in the Action thereby. A Person whose common stock is held by a broker Defendant as nominee will not be excluded on that basis. Excluded from the Class are Defendants, all officers, directors, partners and affiliates of Superior at all relevant times, members of Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which any Defendant has or had a controlling interest, and all shares of Superior stock owned or acquired, directly or indirectly, by any of them. For purposes of this Settlement, the term "controlling interest" shall include any interest of 5% or more of the stock of any entity. Also excluded from the Class are

Pierce, Fenner & Smith Inc.

any putative Class members who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the Notice.

3. The Court has determined for the purpose of settlement only that: (a) the Class is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims or defenses of Lead Plaintiff are typical of the claims or defenses of the Class; and (d) Lead Plaintiff will fairly and adequately protect the interests of the Class. The Court further finds that the questions of law or fact common to Class Members predominate over any questions affecting individual members, including but not limited to whether Superior Offshore's Registration Statement, which incorporates and includes the Prospectus, issued in connection with the April 20, 2007, IPO, contained untrue or misleading statements as alleged by Lead Plaintiff. The Court also finds that a class action is superior to other available methods for the fair and efficient adjudication of this controversy.

4. The Settlement Fairness Hearing shall be held before this Court on ~~May 10, 2011, at 9:30 a.m.~~, at United States Courthouse, 515 Rusk Avenue, Houston, TX 77002, to determine: whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class and should be approved by the Court; whether a Final Judgment and Order as provided in the Stipulation and its Exhibit B, which, *inter alia*, dismisses the Action with prejudice as to all Defendants and contains releases, should be entered herein; whether the proposed Plan of Allocation should be approved; to determine the reasonable reimbursement for time and expenses, if any, that should be awarded to Lead

Plaintiff; and the reasonable award of attorneys' fees and reimbursement of expenses, if any, that should be awarded to Lead Counsel. The Court may adjourn the Settlement Fairness Hearing without further notice to Class Members.

5. The Court approves, as to form and content, the Notice of Pendency of Class Action and Proposed Settlement with All Defendants, Motion for Attorneys' Fees, and Settlement Fairness Hearing (the "Notice"), the Proof of Claim and Release form (the "Proof of Claim"), and Publication Notice, included respectively as Exhibits A-1, A-2, and A-3 to the Stipulation, and finds that the mailing and distribution of the Notice and publishing of the Publication Notice substantially in the manner and form set forth therein meet the requirements of Federal Rule of Civil Procedure 23 and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

6. The Court further reserves the right to enter a Final Judgment and Order of Dismissal with Prejudice that approves the Settlement and dismisses the Action on the merits and with prejudice regardless of whether the Court has approved the Plan of Allocation, ordered distribution of the Net Settlement Fund, or awarded attorneys' fees and reimbursement of expenses or Lead Plaintiff's time and expenses.

7. The Court appoints Strategic Claims Services ("Claims Administrator") to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Not later than 5 days after entry of this order, Computershare, the transfer agent for Superior Offshore, shall release to Lead Plaintiff the list of registered

holders of Superior Offshore common stock during the Class Period;

(b) Not later than 21 days after entry of this order (the “Notice Date”), Lead Counsel shall cause a copy of the Notice and the Claim Form, substantially in the forms annexed as Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Class Members who can be identified with reasonable effort;

(c) Beginning not later than 28 days after the entry of this Order, Lead Counsel shall cause the Publication Notice to be published on three consecutive business days online over the *PR Newswire* or the *Globe Newswire*, and not later than 28 days after the entry of this Order, Lead Counsel shall place a copy of the Complaint and the Stipulation (including Exhibits) on the Claims Administrator’s website; and

(d) Not later than 28 days prior to the Settlement Fairness Hearing, Lead Counsel shall cause to be served on Defendants’ counsel and filed with the Court: papers in support of the Settlement, the Plan of Allocation, the application by Lead Counsel for award of attorneys’ fees and reimbursement of expenses, and the application for Lead Plaintiff’s reimbursement of time and expenses; proof, by affidavit or declaration, of the mailing and publishing described in ¶7 (a-c) above.

8. In accordance with the Notice, nominees who purchased or otherwise acquired Superior Offshore common stock for the benefit of any Class Member(s) during the Class Period shall send the Notice and the Claim Form to all such Class Members within ten (10) days after receipt thereof, or send a list of the names and addresses of such beneficiaries to the Claims Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and the Claim

Form to such beneficiaries. Lead Counsel shall, if requested, reimburse, out of the Notice and Administration Fund, banks, brokerage houses, or other nominees solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficiaries who are Class Members, which expenses would not have been incurred except for the sending of such notice, subject to further order of this Court with respect to any dispute concerning such compensation.

9. All Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Class.

10. Class Members who wish to participate in the Settlement shall complete and submit a Claim form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim forms must be postmarked no later than 120 after entry of this Order. Any Class Member who does not timely submit a Claim Form within the time provided for shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court.

11. Any Person who desires to request exclusion from the Class shall do so within the time set forth and in the manner described in the Notice, and any such requests for exclusion must be postmarked not later than 14 days prior to the Settlement Fairness Hearing. All Persons who submit valid and timely requests for exclusion in the manner set forth in the Notice shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment.

12. Any Class Member may enter an appearance in the Action, at their own

expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

13. Any Class Member may appear and show cause, if he, she, or it has any reason why the proposed Settlement of the Action should or should not be approved as fair, reasonable, and adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, why an award of attorneys' fees and reimbursement of expenses should or should not be awarded to Lead Counsel, or why reimbursement for time and expenses should or should not be awarded to Lead Plaintiff; provided, however, that no Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, or the award of attorneys' fees and reimbursement of expenses to be awarded to Lead Counsel, or reimbursement of time expenses approved for payment to Lead Plaintiff, unless that Class Member or that Person has delivered by hand or sent by first class mail written objection(s) filed or postmarked not later than 14 days prior to the Settlement Fairness Hearing to: the Court; Kahn Swick & Foti, LLC on behalf of Lead Plaintiff; and Counsel for the Defendants, at the following addresses:

COURT:

Clerk of the Court
P. O. Box 61010
Houston, TX 77208

FOR LEAD PLAINTIFF:

Lewis S. Kahn

KAHN SWICK & FOTI, LLC
206 Covington Street
Madisonville, Louisiana 70447

Lead Counsel for Lead Plaintiff and the Class

FOR DEFENDANTS:

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Counsel for Defendants Louis E. Schaefer, Jr. and R. Joshua Koch, Jr.

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Tel. 713 238-2645
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*Counsel for Underwriter Defendants Merrill Lynch, Pierce, Fenner & Smith, Inc.
and J.P. Morgan Securities, Inc.*

14. Any Class Member who does not make a written objection in the manner provided and/or appear in person or through a representative at the Settlement Fairness Hearing shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the Settlement, to the Plan of

Allocation, to the award of attorneys' fees and reimbursement of expenses to Lead Counsel, or to the reimbursement of time and expenses to Lead Plaintiff, unless otherwise ordered by the Court.

15. Not later than 7 days prior to the Settlement Fairness Hearing, Lead Counsel shall cause to be served on Defendants' counsel and filed with the Court any response to objections or oppositions filed or mailed by Class Members in accordance with ¶ 13 above.

16. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and Plan of Allocation.

17. No Released Persons shall have any responsibility for or liability with respect to the Plan of Allocation or any application for attorneys' fees or reimbursement of expenses submitted by Lead Counsel, Lead Plaintiff, or counsel for any Class Member, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

18. At or after the Settlement Fairness Hearing, the Court will determine whether the Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees or reimbursement of expenses, including reimbursement for time and expenses proposed to be paid to Lead Plaintiff, shall be approved.

19. All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the

Stipulation, without further Order of this Court. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither Lead Plaintiff nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Class Notice and Administration Fund pursuant to ¶ 12 of the Stipulation.

20. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by any Released Person of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of, or an admission or concession that, Lead Plaintiff or any Class Members have suffered any damages, harm, or loss.

21. In the event that the Settlement does not become Final in accordance with the terms of the Stipulation or the Effective Date does not occur, this Order shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated. In such event, all orders entered and releases delivered in connection herewith shall also be null and void to the extent provided by and in accordance with the Stipulation.

22. The Court reserves the right to continue the Settlement Fairness Hearing without further notice to the Class Members and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. Should the Court continue the Settlement Fairness Hearing, such a continuance will be reflected in the Court's calendar and accessible *via* the Court's website. The Court may approve the


Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Class.

23. Pending the Settlement Fairness Hearing, all Class Members are enjoined from initiating or prosecuting any actions or claims against any Released Person that are within the scope of the Releases provided for by the Stipulation.

24. The following schedule of dates shall govern resolution of this Settlement:

Deadline for filing of papers in support of (i) the Settlement, (ii) the Plan of Allocation, (iii) the application by Lead Counsel for attorneys' fees or reimbursement of expenses, and (iv) the application for Lead Plaintiff's reimbursement of time and expenses (collectively, such filings as to (i) to (iv), the "Applications"); Deadline for Lead Counsel to file affidavit of notice mailing and publication	28 days prior to Settlement Fairness Hearing
Deadline for submitting requests to be excluded from the Class and/or objections; Deadline for filing an opposition to any of the Applications	14 days prior to Settlement Fairness Hearing
Deadline for Lead Counsel and/or counsel for Defendants to file all papers responding to any objection filed and/or any opposition to the Applications	7 days prior to Settlement Fairness Hearing
Deadline for Class Members' submission of Proof of Claim and Release forms	120 days from entry of this Order

DATED: January 4, 2011



 Nancy F. Atlas
 United States District Judge

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE SUPERIOR OFFSHORE
INTERNATIONAL, INC.
SECURITIES LITIGATION**

CIVIL ACTION NO. 08-cv-00687

JUDGE NANCY F. ATLAS

**EXHIBIT A-1
NOTICE OF PENDENCY**

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT
WITH ALL DEFENDANTS, MOTION FOR ATTORNEYS' FEES, AND SETTLEMENT
FAIRNESS HEARING**

If you purchased or otherwise acquired the publicly-traded common stock of Superior Offshore International, Inc. (“Superior Offshore”) (trading symbol NASDAQ: DEEP) between April 20, 2007, and April 25, 2008, inclusive, you could get a payment from a class action Settlement.¹

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- The Settlement resolves a federal class action lawsuit alleging that Superior Offshore, certain of its officers and directors, and the underwriters of its initial public offering violated the Securities Act of 1933 by including materially untrue and/or misleading statements and/or omissions in Superior Offshore’s prospectus and registration statement issued in connection with its April 20, 2007, initial public offering (“IPO”). Herein, the “Action” means *In re Superior Offshore International Inc. Securities Litigation*, Case No. 08-cv-00687.
- The Court-appointed Lead Plaintiff is Charles Ognar (“Lead Plaintiff”). He was appointed as lead plaintiff by order of the Court dated May 20, 2008.
- The Defendants are James Mermis, Roger Burks, Louis Schaefer, Josh Koch, JP Morgan Securities Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.
- Defendants deny the allegations of Lead Plaintiff. The parties disagree on whether Defendants violated any federal securities laws, whether the alleged violations actually caused any damages to the Class Members (as defined below), and on the average amount of damages per share that would be recoverable if Lead Plaintiff and the Class (as defined below) prevailed on their claims.
- The federal court has certified, for settlement purposes only, a “Class” consisting of all Persons who purchased the publicly traded common stock of Superior during the period between April 20, 2007, and April 25, 2008, inclusive, and were damaged as alleged in the Action thereby. A Person whose common stock is held by a broker Defendant as nominee will not be excluded on that basis. Excluded from the Class are Defendants, all officers, directors, partners and affiliates of Superior at all relevant times, members of Defendants’ immediate families and their legal representatives, heirs, successors or assigns and any entity in which any Defendant has or had a controlling interest, and all shares of Superior stock owned or acquired, directly or indirectly, by any of them. For purposes of this Settlement, the term “controlling interest” shall include any interest of 5% or more of the stock of any entity. Also excluded from the Class are any putative Class members who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in this Notice. “Class Member” means a Person who falls within the definition of the Class.
 - “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association,

¹ All capitalized terms not defined in this document have the meaning provided in the Stipulation of Settlement, dated January 3, 2011.

government, or any political subdivision or agency thereof, and any entity, including any business or legal entity, and, as to each of the foregoing, their spouses, heirs, predecessors, successors, representatives, or assignees.

- The Settlement will provide a \$1,900,000 cash Settlement Fund for the benefit of Class Members. Lead Counsel estimate that the average per-share benefit to Class Members from this Settlement will be \$0.15 before deduction of Court-approved fees and expenses.
- In connection with the Settlement, Lead Plaintiff and the Class have also agreed to dismiss with prejudice all claims and causes of action asserted against Defendant Superior Offshore, with regard to which this litigation was stayed pending Superior Offshore’s bankruptcy proceedings, pursuant to Fed. R. Civ. P. 41(a) and have filed concurrently with the Stipulation of Settlement, a Stipulation and [Proposed] Order of Dismissal With Prejudice of Superior Offshore, Inc.
- This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the merits of the claims or defenses asserted.
- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY _____	The only way to get a payment in this Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT BY SUBMITTING AN OPT-OUT FORM BY _____	Get no payment pursuant to this Settlement. This is the only option that allows you to be a part of any other lawsuit against the Defendants and other Released Parties involving the claims released by this Settlement.
OBJECT BY _____	Write a letter to the Court objecting to the Settlement. You must still file a claim if you want to receive payment from the Settlement.
GO TO A HEARING ON _____	Ask to speak in Court about the Settlement.
DO NOTHING	Get no payment from this Settlement. You also will be giving up your rights regarding all claims released by this Settlement and any other lawsuit as to the stock issued pursuant to the IPO.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals by Class Members are resolved, if the Settlement remains effective after any such appeals.

END OF COVER PAGE

SUMMARY NOTICE

Statement of Class Recovery Under the Settlement

Pursuant to the Settlement described herein, a \$1,900,000 cash Settlement Fund has been established. Lead Plaintiff estimates that there were approximately 12,440,000 shares of Superior Offshore common stock traded during the Class Period that may have been damaged. Lead Plaintiff estimates that the “average recovery per damaged share” of Superior Offshore common stock under the Settlement is \$0.15 before deduction of fees and expenses. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund (defined below), determined by that Claimant’s recognized loss (*i.e.*, a claim proved by timely submission of a valid Proof of Claim and Release form) as compared to the total recognized losses of all Class Members. This proportional allocation is called “proration.” See the Plan of Allocation beginning on Page 9 for more information.

Statement of Claims, Issues, Defenses, and Potential Outcome of Case

Lead Plaintiff alleged that Defendants violated Sections 11 and/or 15 of the Securities Act of 1933 by issuing or allowing the issuance of a prospectus and registration statement containing materially untrue or misleading statements or omissions regarding the financial and business condition of Superior Offshore, its plans for international and deepwater expansion, the strength of its management, and its compliance with GAAP and SEC accounting and disclosure rules and regulations.

Defendants moved to dismiss the Complaint, arguing that Superior Offshore’s prospectus and registration statement were not false or misleading, and that Lead Plaintiff did not adequately allege any valid claim under the federal securities laws. On January 12, 2009, the Court denied the motions to dismiss, and the parties engaged in protracted discovery proceedings over the course of approximately one year that included extensive document production of more than a million pages and numerous depositions of key former and current employees. The parties underwent a formal mediation session before an experienced neutral mediator, Michael D. Young, as well as months of extensive informal settlement negotiations to arrive at a compromise. The parties had largely completed discovery and were in the process of exchanging expert reports when the parties entered into a settlement agreement.

At the time the Settlement was reached, the Court had denied Lead Plaintiff’s Motion for Class Certification, and the Court had granted the Parties’ Motion to Vacate the Court’s Order Denying Class Certification to provide the Parties with the opportunity to mediate. Lead Plaintiff faced the certainty that, absent a settlement agreement, the Court’s order denying class certification would have been reinstated; the risk that appeal of that decision would be denied; and the risk that even were the Action to proceed as a Class Action, it would not survive summary judgment, or that some or all of the claims would be dismissed before trial. Had the case gone to trial, Defendants would have asserted myriad factual and legal defenses, including that Superior Offshore’s IPO prospectus and registration statement fully complied with the federal securities laws and did not contain any materially untrue or misleading statements or omissions. Defendants also would contest: (1) the measure and amount of recoverable damages, if any; (2) the extent to which the statements that Lead Plaintiff alleged as materially false or misleading influenced (if at all) the trading prices of Superior Offshore’s common stock at various times during the relevant time period; and (3) whether Lead Plaintiff has standing to assert all of the claims in the Complaint.

Further, to the extent Lead Plaintiff succeeded on any claims, Defendants could appeal, which could result in additional years of litigation with no certainty as to outcome for either side. Thus, had this Action continued, Lead Plaintiff and the proposed Class would have faced the possibility of obtaining no recovery. This Settlement enables the Class to recover a percentage of the alleged damages as calculated

by Lead Counsel in conjunction with their consultants, without incurring any additional risk. As a result, Lead Plaintiff and Lead Counsel believe this Settlement is a fair and reasonable recovery.

Statement of Attorneys' Fees and Costs Sought, Lead Plaintiff' Expenses Sought, and Notice Costs and Expenses

Lead Counsel will move the Court to award attorneys' fees in an amount not greater than 15% of the Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of this Action not to exceed \$640,000. Lead Counsel also will move the Court to award reimbursement to Lead Plaintiff for reasonable time, costs, and expenses incurred directly related to representation of the Class, in an amount up to \$7,000. Lead Counsel are authorized by the Stipulation to pay to the Claims Administrator, Strategic Claims Services, its fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Settlement proceeds to the Class Members; these fees and expenses are estimated to be no greater than \$75,000 and will be paid out of a Class Notice and Administration Fund established with funds from the Settlement Fund. Lead Counsel estimates that the requested fees and expenses would amount to an average of not more than \$0.08 per damaged share in total for fees and expenses.

See Questions 8-11 below for more information. Class Members are not personally liable for any such fees, expenses, or compensation.

Further Information

Further information regarding the Action and this Notice of Pendency of Class Action and Proposed Settlement with All Defendants, Motion for Attorneys' Fees, and Settlement Fairness Hearing (the "Notice") may be obtained by contacting Lead Counsel: Lewis S. Kahn, Esq., Kahn Swick & Foti, LLC, 206 Covington Street, Madisonville, Louisiana 70447, Telephone: 866-467-1400.

Reasons for the Settlement

For Lead Plaintiff, the principal reason for the Settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Lead Plaintiff further considered, after conducting a substantial investigation into the facts of this case, the risks to proving liability and damages and if successful in doing so, whether a larger judgment could ultimately be collected. For Defendants, who deny all allegations of wrongdoing or liability, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM AND RELEASE FORM

1. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim and Release form ("Claim Form"). A Claim Form is being circulated with this Notice. You also may get a Claim Form on the Internet at www.strategicclaims.net/superioroffshore. Read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it postmarked no later than _____.

2. When would I get my payment?

The Court will hold a hearing on _____, to decide whether to approve the Settlement (the "Settlement Fairness Hearing"). If the Court approves the Settlement, there may be appeals by Class

Members after the approval. Resolving appeals can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed.

3. What am I giving up to get a payment?

Unless you specifically exclude yourself, you will be treated as a member of the Class Action. This means that upon the Effective Date, you will relinquish all Settled Claims against the Released Parties. These terms are defined below:

“Settled Claims” means any and all claims, debts, demands, rights or causes of action or liabilities (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability), whether based on United States federal, state, local, statutory or common law or any other law, rule or regulation, whether foreign or domestic, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether class or individual in nature, including, without limitation, both known claims and Unknown Claims (as defined below) (i) that have been asserted in the Action by Lead Plaintiff and the Class Members or any of them against any of the Released Parties (whether pleaded in the Complaint or not), or (ii) that could have been asserted in the Action or in any forum by Lead Plaintiff and the Class Members or any of them against any of the Released Parties, which arise out of any of the claims, allegations, activities, press releases or public statements set forth in the Complaint and relate to the purchase, sale, transfer or acquisition of the publicly traded common stock of Superior during the Class Period, or any actions, representations or omissions that were alleged or might have been alleged to affect the price of any publicly traded common stock of Superior during the Class Period. For the avoidance of doubt, Settled Claims do not include derivative claims against the Individual Defendants which are the property of Superior’s bankruptcy estate, including but not limited to claims asserted in *Barbara Fontenelle, derivatively on behalf of Nominal Defendant Superior Offshore International, Inc., Cause No. 2008-16760*, filed in the 234th Judicial District of Harris County, Texas and *Gary Pearlman, derivatively on behalf of Nominal Defendant Superior Offshore International, Inc., Civil Action No. H-08-0740*, filed in the Southern District of Texas, Houston Division.

“Released Parties” means Superior, Defendants, Lead Plaintiff, confidential witnesses and any and all of their past or present partners, principals, employees, predecessors, successors, parents, subsidiaries, affiliates, officers, directors, attorneys, agents, insurers, assigns, spouses and heirs.

“Unknown Claims” means any and all Settled Claims which Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Settled Defendants’ Claims which Defendants do not know or suspect to exist in their favor, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants’ Claims, the Parties stipulate and agree that by operation of the Final Judgment and Order, upon the Effective Date, the Lead Plaintiff and Defendants shall have expressly waived, and each Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH
THE CREDITOR DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Lead Plaintiff and Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims and Settled Defendants’ Claims was separately bargained for and was a key element of the Settlement.

The “Effective Date” will occur when the Settlement Fund has been funded, Defendants have not exercised their option to terminate the Settlement, and a Judgment entered by the Court approving the Settlement and dismissing the Action with prejudice, including the releases set forth in this Notice, becomes final and not subject to appeal.

The Parties disagree on the amount of damages, if any, which would have been recoverable had Lead Plaintiff prevailed on all claims in this litigation. Lead Plaintiff contends that the misrepresentations and omissions alleged in the Complaint were the direct cause of the artificial elevation and eventual decline in Superior Offshore’s stock price and caused Lead Plaintiff and the Class to be damaged. Lead Plaintiff further contends that the alleged stock decline is fully attributable to the alleged misrepresentations and omissions set forth in the Complaint. Defendants contend that they made no misrepresentations or omissions, but in all events the alleged misrepresentations and/or omissions set forth in the Complaint did not cause a decline in Superior Offshore’s stock price and, therefore, Lead Plaintiff and the Class have not been damaged.

If you remain a Class Member, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties in some other lawsuit as to the Settled Claims, then you must take steps to remove yourself from this lawsuit. This is called excluding yourself from or “opting out” of the Class. If more than a certain percentage of Class Members opt out or exclude themselves from the Class, Defendants may withdraw from and terminate the Settlement.

4. How do I exclude myself from the proposed Settlement?

To exclude yourself from the Class, you must send a signed letter by mail stating that you “request exclusion from the Class in *In re Superior Offshore, Inc. Securities Litigation*, Case No. 08-cv-00687.” Your letter must state, for each of your purchases and sales of Superior Offshore common stock during the Class Period, the date(s) of purchase(s) or sale(s), the number of shares purchased and/or sold, and the price paid or received per share for each such purchase or sale. In addition, you must include your name, address, telephone number, and signature, and provide proper evidence of your purchases and sales of Superior Offshore common stock during the Class Period. You must mail your exclusion request postmarked no later than _____ to:

In re Superior Offshore International, Inc. Securities Litigation
Strategic Claims Services
P.O. Box 220
Media, PA 19063

You cannot exclude yourself by telephone or by email. If you ask to be excluded, you will not get any

Settlement payment and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Parties in the future. If you exclude yourself, do not send in a Claim Form to ask for any money.

If you submit a request for exclusion but subsequently change your mind, you may submit a written revocation of your request for exclusion and may receive a payment pursuant to the Settlement provided that your written revocation is mailed to the above address and postmarked no later than _____ and also provided that you submit a valid Claim Form and include all the documents the form asks for, sign it, and mail it postmarked no later than _____ (see Question 1).

5. If I do not exclude myself from the Settlement, can I sue the Defendants and the other Released Parties later for the same alleged conduct?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is _____.

6. If I exclude myself from the Settlement, can I get money from the proposed Settlement?

No, but you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

IF YOU DO NOTHING

7. What happens if I do nothing at all?

The Judgment of the Court will be binding upon you if you do nothing. You will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case, ever again. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 1). To start, continue, or be a part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case, you must exclude yourself from this Class (*see* Question 4).

THE LAWYERS REPRESENTING CLASS MEMBERS

8. Do I have a lawyer in this case?

The Court ordered that the law firm of Kahn Swick & Foti, LLC represent all Class Members. This firm is called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

9. How will Lead Counsel be paid?

Lead Counsel will move the Court to award Lead Counsel's fees from the Settlement Fund in a total amount not greater than 15% of the Settlement Fund and reimbursement of their expenses in an amount no greater than \$640,000, as may be awarded by the Court.

10. How will the Lead Plaintiff be paid?

Lead Counsel will move the Court to award reimbursement to Lead Plaintiff Charles Ognar for reasonable time and expenses incurred directly related to representation of the Class, in an amount up to \$7,000. Lead Plaintiff in this case supervised this litigation in all respects, including conferring frequently with Lead Counsel, producing documents, answered written questions, sitting for a deposition in Chicago, and approving the settlement.

11. How will the notice costs and expenses be paid?

Lead Counsel are authorized by the Stipulation to pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Settlement proceeds to the Class Members. The Claims Administrator's fees and expenses will be paid out of the Settlement Fund and are estimated to be no greater than \$75,000.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

12. How do I object to the Settlement?

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, the application by Lead Counsel for an award of fees and expenses and/or the application of Lead Plaintiff for reimbursement for his time and expenses. You may write to the Court setting out your objection(s). You should state reasons why you think the Court should not approve the terms or arrangements of any or all of these documents or applications.

You must object in writing by sending a signed letter stating that you object to the proposed Settlement, proposed Plan of Allocation, the application by Lead Counsel for an award of fees and expenses and/or the application of Lead Plaintiff for reimbursement for his time and expenses in *In re Superior Offshore USA IPO Securities Litigation*, Civil Action No. 07-CV-5619(SDW). Your objection must include a cover page identifying this case name and number and naming the hearing date of _____, at ____ a.m. before Judge Nancy F. Atlas. Be sure to include your name, address, telephone number, and signature; identify the date(s), price(s), and number of shares of all purchases and sales of Superior Offshore common stock you made during the Class Period, and state the reasons for your objection. Your objection must be postmarked on or before ____ to the Court; Kahn Swick & Foti, LLC, on behalf of the Lead Plaintiff; and Counsel for the Defendants at the following addresses:

COURT:

Clerk of the Court
P. O. Box 61010
Houston, TX 77208

FOR LEAD PLAINTIFF:

Lewis S. Kahn
KAHN SWICK & FOTI, LLC
206 Covington Street
Madisonville, Louisiana 70447
*Lead Counsel for Lead Plaintiff and the
Class*

FOR DEFENDANTS:

Michael J. Biles
GREENBERG TRAURIG, LLP
300 West 6th Street, Suite 2050
Austin, TX 78701
Counsel for Defendants James J. Mermis and Roger D. Burks

Tony L. Visage
BRACEWELL & GIULIANI LLP
711 Louisiana Street, Ste. 2300
Houston, TX 77002
Tel: 713-223-2300
Fax: 713-221-1212
Counsel for Defendants Louise E. Schaefer, Jr., and R. Joshua Koch, Jr.

Mark D. Manela
MAYER BROWN LLP
700 Louisiana, Suite 3400
Houston, TX, 77002
Tel. 713 238-2645
Fax 713-238-4645
Counsel for Underwriter Defendants Merrill Lynch, Pierce, Fenner & Smith, Inc. and J.P. Morgan Securities, Inc.

You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court.

At the Settlement Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class may appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses, or Lead Plaintiff's motion for an award for reimbursement for reasonable time and expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Settlement Fairness Hearing. If you or your representative intends to appear in person but have not submitted a written objection postmarked by _____, it is recommended that you give advance notice to Lead Counsel for the Class and/or counsel for Defendants of your intention to attend the hearing in order to object and the basis for your objection. You may contact them at the addresses provided above.

13. What is the difference between objecting and excluding myself from the Class?

Objecting is simply telling the Court that you do not like something about the proposed Settlement, the proposed Plan of Allocation, the application by Lead Counsel for an award of fees and expenses and/or the application of Lead Plaintiff for reimbursement for his time and expenses. You can object only if you remain in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

14. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Fairness Hearing at _____ on _____, before Judge Nancy F. Atlas at the United States Courthouse, 515 Rusk Avenue, Houston, TX 77002. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. At the Settlement Fairness Hearing, the Court will also consider the proposed Plan of Allocation for the proceeds of the Settlement, the application of Lead Counsel for attorneys' fees and reimbursement of expenses, and the application of Lead Plaintiff for reimbursement for his time and expenses. The Court will take into consideration any written objections mailed in accordance with the instructions in the answer to Question 12. The Court also will listen to people who seek to speak at the hearing, but decisions regarding the conduct of the hearing will be made by the Court. *See* Question 12 for more information about speaking at the hearing. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

GETTING MORE INFORMATION

15. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation and Agreement of Settlement dated January 3, 2011. You can get a copy of the Stipulation by writing to Lead Counsel at their address above.

You also can call the Claims Administrator toll-free at 1-866-274-4004; write to the Claims Administrator at In re Superior Offshore International, Inc. Securities Litigation, Strategic Claims Services, P.O. Box 230, Media, Pennsylvania, 19063; or visit the Claims Administrator's website at www.strategicclaims.net/superioroffshore, where you will find a Claim Form, answers to common questions about the Settlement, and other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

16. How do I get more information?

For more detailed information concerning the matters involved in this Action, you can inspect the pleadings, the Stipulation, the Orders entered by the Court, and the other papers filed in the Action at the Office of the Clerk at the United States Courthouse, 515 Rusk Avenue, Houston, TX 77002, during regular business hours. You may also contact Lead Counsel.

**PLAN OF ALLOCATION OF NET SETTLEMENT FUND
AMONG CLASS MEMBERS**

This Plan of Allocation has been prepared by Lead Plaintiff and Lead Counsel. Defendants do not agree with the characterization that any damages were suffered by any Class Members.

The \$1,900,000 cash Settlement Amount and the interest earned thereon shall be the "Settlement Fund." The Settlement Fund, less all taxes and approved costs, fees, and expenses (the "Net Settlement Fund") shall be distributed to Class Members who submit acceptable Claim Forms ("Authorized

Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s recognized loss. The recognized loss formula is not intended to be an estimate of the amount a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The recognized loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the allegations in the Consolidated Amended Class Action Complaint and Demand For Jury Trial (the “Complaint”) that Defendants made materially untrue and misleading statements and omissions in the Registration Statement and Prospectus in connection with Superior Offshore’s April 20, 2007, IPO, resulting in violations of Sections 11 and 15 of the Securities Act of 1933. The Complaint alleges that these alleged misrepresentations resulted in the artificial inflation of the prices of Superior Offshore’s publicly traded common stock during the Class Period from April 20, 2007, through April 25, 2008. In addition, the Plan of Allocation reflects the release of claims for violations of the Securities Exchange Act of 1934. Defendants deny that they did anything wrong.

Each Authorized Claimant shall be paid based on the percentage of the Net Settlement Fund that each Authorized Claimant’s recognized loss bears to the total of the recognized losses of all Authorized Claimants (the “Pro Rata Share”)

Shares with recognizable losses are those shares of Superior Offshore common stock purchased from April 20, 2007, and April 24, 2008, inclusive.

Plan of Allocation

Recognized losses are available for publicly traded shares of Superior Offshore common stock purchased between April 20, 2007, and April 24, 2008, inclusive. If claims are received for all eligible shares, the average per-share benefit after deduction of court-awarded fees and expenses would be approximately \$0.08. A damaged share may have been traded more than once during the Class Period, and the indicated average recovery will be the total for all purchasers of that share.

Recognized loss per share for those shares of Superior Offshore purchased in the open market between April 20, 2007, and April 24, 2008, is as follows:

1. For shares both purchased and sold between April 20, 2007, and August 14, 2007, the recognized loss per share is zero.
2. For shares purchased between April 20, 2007, and August 14, 2007, and sold between August 15, 2007, and November 14, 2007, recognized loss per share is the lesser of:
 - (i) \$1.48; and
 - (ii) The price paid less the price received.
3. For shares purchased between April 20, 2007, and August 14, 2007, and sold between November 15, 2007, and April 1, 2008, the recognized loss per share is \$1.48 plus the lesser of:
 - (i) \$3.48; and
 - (ii) \$9.74 less the price received.
4. For shares purchased between April 20, 2007, and August 14, 2007, and sold between April 2, 2008, and April 24, 2008, recognized loss per share is \$7.05.

5. For shares purchased between April 20, 2007, and August 14, 2007, and held on April 25, 2008, recognized loss per share is \$7.29.
6. For shares both purchased and sold between August 15, 2007, and November 14, 2007, the recognized loss per share is zero.
7. For shares purchased between August 15, 2007, and November 14, 2007, and sold between November 15, 2007, and April 1, 2007, recognized loss per share is the lesser of:
 - (i) \$9.74 less the price received; and
 - (ii) \$3.48.
8. For shares purchased between August 15, 2007, and November 14, 2007, and sold between April 2, 2008, and April 24, 2008, recognized loss is \$5.57.
9. For shares purchased between August 15, 2007, and November 14, 2007, and held on April 25, 2008, recognized loss per share is \$5.81.
10. For shares both purchased and sold between November 15, 2007, and April 1, 2008, the recognized loss per share is zero.
11. For shares purchased between November 15, 2007, and April 1, 2008, and sold between April 2, 2008, and April 24, 2008, recognized loss per share is the lesser of:
 - (i) \$2.09; and
 - (ii) the price paid less \$1.36.
12. For shares purchased between November 15, 2007, and April 1, 2008, and held on April 25, 2008, recognized loss per share is the lesser of:
 - (i) \$2.33; and
 - (ii) the price paid less \$.25.
13. For shares both purchased and sold between April 2, 2008, and April 24, 2008, the recognized loss per share is zero.
14. For shares purchased between April 2, 2008, and April 24, 2008, and held on April 25, 2008, recognized loss per share is \$0.24.

OTHER INFORMATION REGARDING THE DISTRIBUTION

In the event a Class Member has more than one purchase or sale of Superior Offshore common stock, all purchases and sales shall be matched on a first in, first out (FIFO) basis. Class Period sales will be matched first against any Superior Offshore shares held at the beginning of the Class Period and then against purchases in chronological order.

A purchase or sale of Superior Offshore common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, devise, or operation of law of Superior Offshore common stock during the Class Period shall not be deemed a purchase or sale of Superior Offshore common stock for the calculation of an Authorized Claimant’s recognized loss, nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Superior

Offshore common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Superior Offshore common stock.

To the extent an Authorized Claimant had a gain from his, her, or its overall transactions in Superior Offshore common stock during the Class Period, the value of the recognized loss will be zero. To the extent that a Claimant suffered an overall loss on his, her, or its overall transactions in Superior Offshore common stock during the Class Period, but that loss was less than the recognized loss calculated above, then the recognized loss shall be limited to the amount of the actual loss. There shall be no recognized loss on short sales of Superior Offshore common stock during the Class Period; however, any recognized gains with respect to short sales shall be offset against recognized losses on other transactions.

The following defined terms shall be used to describe the process the Claims Administrator shall use to determine whether a Claimant had a gain or suffered a loss in overall transactions in Superior Offshore common stock during the Class Period: the "Total Purchase Amount" is the total amount paid by the Claimant for all Superior Offshore common stock and options purchased during the Class Period less commissions and fees; the "Sales Proceeds" means the amount received for sales of shares of Superior Offshore common stock and options sold by the Claimant during the Class Period less commissions and fees; and "Holding Value" means the monetary value assigned to the shares of Superior Offshore common stock purchased by the Claimant during the Class Period and still held by the Claimant at the end of the Class Period.

The difference between the Total Purchase Amount and the sum of Sales Proceeds and Holding Value will be deemed a Claimant's gain or loss on his, her, or its overall transactions in Superior Offshore common stock during the Class Period. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its recognized loss as compared to the total recognized losses of all Authorized Claimants. Class Members who do not submit acceptable Claim Forms will not share in the Settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Claim Form will nevertheless be bound by the Settlement and the order and final judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed for those claims with *Pro Rata* Shares of \$10.00 or more after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one year after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. If after six months after such redistribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to a non-profit organization selected by Lead Plaintiff.

Lead Plaintiff, Defendants, their respective counsel, and all other Related Parties shall have no responsibility for or liability whatsoever for the administration, investment, distribution, or disbursement of the Settlement Fund, the Net Settlement Fund, or the Plan of Allocation; the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator; the Notice and Administration Fund; the administration of, distribution of, or disbursement from the Notice and Administration Fund; the payment or withholding of taxes owed by the Settlement Fund; or any losses incurred in connection therewith.

**SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER
NOMINEES**

If you are a nominee for any Class Member, the Court has directed that **WITHIN TEN DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either: (a) provide to the Claims Administrator the name and last known address of each such person or organization; or (b) request additional copies of this Notice and the Claim Form, which will be provided to you free of charge, and within ten days mail the Notice and Claim Form directly by first class mail to all such persons or organizations. If you choose to follow alternative procedure (b), the Court has directed that upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Superior Offshore International Securities Litigation
Strategic Claims Services
P.O. Box 230
Media, PA 19063

If you choose to mail the Notice and Claim Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Claim Form and which would not have been incurred but for the obligation to forward the Notice and Claim Form, upon submission of appropriate documentation to the Claims Administrator.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE SUPERIOR OFFSHORE
INTERNATIONAL, INC.
SECURITIES LITIGATION**

CIVIL ACTION NO. 08-cv-00687

JUDGE NANCY F. ATLAS

**EXHIBIT A-2
PROOF OF CLAIM AND RELEASE**

Deadline for Submission: _____

If you purchased or otherwise acquired the publicly-traded common stock of Superior Offshore International, Inc. (“Superior Offshore”) (trading symbol NASDAQ: DEEP) between April 20, 2007, and April 25, 2008, inclusive, you could get a payment from a class action Settlement.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE (“PROOF OF CLAIM”) AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____ TO THE FOLLOWING ADDRESS:

In re Superior Offshore International, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Phone: (866) 274-4004
Fax: (610) 565-7985

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2011, WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT’S STATEMENT

1. I (we) purchased common stock in Superior Offshore. and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase Superior Offshore common stock during the designated Class Period).

2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency of Class Action and Proposed Settlement with all Defendants, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Actions or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of Superior Offshore common stock during the Class Period, each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of Superior Offshore common stock listed below in support of our claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Effective Date, as defined in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Parties", as defined in the Notice.
8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-274-4004 or visit their website at www.strategicclaims.net to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

CLAIMANT INFORMATION

Name:		
Address:		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email Address		

Specify one of the following:

- Individual(s)
 Corporation
 UGMA Custodian
 IRA
 Partnership
 Estate
 Trust
 Other:

Enter Taxpayer Identification Number below for the Beneficial Owner(s).

Social Security No. (for individuals)

or Taxpayer Identification No.

SCHEDULE OF TRANSACTIONS IN SUPERIOR OFFSHORE SECURITIES

Purchases:

A. Separately list each and every publicly-traded purchase of SUPERIOR OFFSHORE common stock during the period from April 20, 2007, through April 25, 2008, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price	Total Cost (Excluding Commissions, Taxes, and Fees)

Sales:

B. Separately list each and every sale of SUPERIOR OFFSHORE common stock during the period April 20, 2007, through April 25, 2008, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

C. State the total number of shares of SUPERIOR OFFSHORE common stock owned at the close of trading on April 25, 2008, long or short (*must be documented*).

--

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

Substitute Form W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals)	or	Taxpayer Identification Number (for estates, trusts, corporations, etc.)

Certification

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)
(See Item 2 on Page ___ for instructions)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN _____, 2011, AND MUST BE MAILED TO:

**In re Superior Offshore International, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063**

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by _____, 2011, and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page ___. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE SUPERIOR OFFSHORE
INTERNATIONAL, INC. SECURITIES
LITIGATION

Civil Action No. 08-CV-00687 (NFA)

SUMMARY NOTICE

EXHIBIT A-3

TO: ALL PERSONS AND ENTITIES (INCLUDING THEIR BENEFICIARIES) WHO PURCHASED OR OTHERWISE ACQUIRED THE PUBLICLY-TRADED COMMON STOCK OF SUPERIOR OFFSHORE INTERNATIONAL, INC. (“SUPERIOR OFFSHORE”) (TRADING SYMBOL NYSE:DEEP) BETWEEN APRIL 20, 2007, AND APRIL 25, 2008, INCLUSIVE:

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of Texas, that a hearing will be held on ____, at ____, before the Honorable Nancy F. Atlas at the United States Courthouse, 515 Rusk Street, Room 9015, Houston, Texas 77002, for the purpose of determining: (1) whether the proposed Settlement for the sum of \$1,900,000 in cash should be approved by the Court as fair, reasonable, and adequate; (2) whether, after the hearing, this Action should be dismissed with prejudice pursuant to the terms and conditions set forth in the Stipulation dated as of January 3, 2011; (4) whether the Plan of Allocation is fair, reasonable, and adequate and should be approved; (5) whether the application of Lead Counsel for the award of attorneys’ fees and reimbursement of expenses incurred in this Action should be approved; and (6) whether the application of Lead Plaintiff¹ Charles Ognar for the reimbursement of reasonable time and expenses should be approved.

If you purchased or otherwise acquired (including as a beneficiary) the publicly-traded common stock of Superior Offshore International, Inc. (“Superior Offshore”) (trading symbol NASDAQ: DEEP) between April 20, 2007, and April 25, 2008, inclusive, your rights may be affected by the Settlement of this Action. If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and a copy of the Proof of Claim and Release (“Proof of Claim”), you should obtain copies by writing to In re Superior Offshore International, Inc. Securities Litigation, c/o Strategic Claims Services, P.O. Box 230, Media, PA 19063. The Notice contains details about this Action and Settlement, including what you must do to exclude yourself from the Settlement, object to the terms of the Settlement, or file a Proof of

¹ All capitalized terms not defined in this document have the meaning provided in the Stipulation of Settlement, dated January 3, 2011.

Claim. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim postmarked no later than _____, establishing that you are entitled to recovery.

If you desire to be excluded from the Class, you must submit a Request for Exclusion postmarked by _____, in the manner and form explained in the detailed Notice referred to above. All Class Members who have not timely and validly requested exclusion from the Class will be bound by any judgment entered in the Action pursuant to the terms and conditions of the Stipulation. Your objection(s) must be mailed on or before _____ to: the Court; Kahn Swick & Foti, LLC on behalf of the Lead Plaintiff; and Counsel for the Defendants, at the following addresses:

COURT:

Clerk of the Court
P. O. Box 61010
Houston, TX 77208

FOR LEAD PLAINTIFF:

Lewis S. Kahn
KAHN SWICK & FOTI, LLC
206 Covington Street
Madisonville, Louisiana 70447
Lead Counsel for Lead Plaintiff and the Class

FOR DEFENDANTS:

Michael J. Biles
GREENBERG TRAUIG, LLP
300 West 6th Street, Suite 2050
Austin, TX 78701
Counsel for Defendants James J. Mermis and Roger D. Burks

Tony L. Visage
BRACEWELL & GIULIANI LLP
711 Louisiana Street, Ste. 2300
Houston, TX 77002
Tel: 713-223-2300
Fax: 713-221-1212
Counsel for Defendants Louis E. Schaefer, Jr. and R. Joshua Koch, Jr.

Mark D. Manela
MAYER BROWN LLP
700 Louisiana, Suite 3400
Houston, TX, 77002
Tel. 713 238-2645
Fax 713-238-4645
*Counsel for Underwriter Defendants Merrill Lynch, Pierce, Fenner &
Smith, Inc. and J.P. Morgan Securities, Inc.*

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE
REGARDING THIS NOTICE.** If you have any questions about the Settlement, you
may contact Lead Counsel for Lead Plaintiff and the Class at the address listed above.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE SUPERIOR OFFSHORE
INTERNATIONAL, INC.
SECURITIES LITIGATION**

CIVIL ACTION NO. 08-cv-00687

JUDGE NANCY F. ATLAS

EXHIBIT B

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

This matter came before the Court for hearing on the application of the Parties¹ for approval of the Settlement set forth in the Stipulation and Agreement of Settlement dated as of January 3, 2011. Due and adequate notice having been given of the Settlement, and the Court having previously certified the Class for settlement purposes only, and having considered all papers filed and proceedings held herein, otherwise being fully informed in the premises, and good cause appearing therefor,

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

1. This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings set forth in the

¹ Upon stipulation by the Parties and Order of this Court entered on _____, Defendant Superior Offshore International, Inc. was dismissed with prejudice. All remaining Parties to this Action have entered into the Stipulation of Settlement, which Settlement fully and finally resolves the allegations in this Action as to all Parties.

Stipulation.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including Class Members.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of settlement only, Lead Plaintiff is certified as the class representative and Lead Plaintiff's selection of Kahn Swick & Foti, LLC as Lead Counsel for the Class is approved.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement and finds that said Settlement is, in all respects, fair, reasonable, and adequate to, and is in the best interests of, the Lead Plaintiff, the Class, and each of the Class Members. This Court further finds the Settlement is the result of arm's-length negotiations between experienced counsel representing the interests of the Lead Plaintiff, the Class Members, and the Defendants. Accordingly, the Settlement is hereby approved in all respects and shall be consummated in accordance with its terms and provisions. The Parties are hereby directed to perform the terms of the Stipulation.

5. Except as to any individual claim of those Persons who have validly and timely requested exclusion from the Class, the Action and all claims contained therein, as well as all of the Settled Claims, are dismissed with prejudice as against each and all of the Released Parties, including all Defendants. Lead Plaintiff and the Class will not make applications against any Released Party, and Defendants will not make applications against Lead Plaintiff or the Class, for fees, costs, or sanctions pursuant to Rule 11, Rule 37, Rule 45 or any other court rule or statute, with respect to any claims or defenses in this Action or to any aspect of the institution, prosecution, or defense of this Action.

6. Upon the Effective Date, the Lead Plaintiff and each of the Class Members, on behalf of themselves, their respective present and former parent entities, subsidiaries, divisions, and affiliates, the present and former employees, officers, directors, advisors, partners, and agents of each of them, and the predecessors, heirs, executors,

administrators, trusts, family members, successors, and assigns of each of them, and anyone claiming through or on behalf of any of them, shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Settled Claims (including Unknown Claims) as against the Released Parties, whether or not such Class Member executes and delivers a Claim Form or participates in the Settlement Fund.

7. Upon the Effective Date, all Class Members (including Lead Plaintiff) and anyone claiming through or on behalf of any of them, except any Person who has validly and timely requested exclusion from the Class, will be forever barred and enjoined from commencing, instituting, intervening in or participating in, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind or character (whether brought directly, in a representative capacity, derivatively, or in any other capacity) asserting any of the Settled Claims against any of the Released Parties.

8. Upon the Effective Date, each of the Released Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Lead Plaintiff, each and all of the Class Members, any Confidential Witness, any individual contacted by Lead Counsel in the course of their investigation, and Lead Counsel from all claims whatsoever arising out of, relating to, or in connection with the investigation, institution, prosecution, assertion, settlement, or resolution of the Action or the Settled Claims, except for those claims brought to enforce the Settlement.

9. The Court hereby finds that the distribution of the Notice of Pendency and Proposed Settlement of Class Action and the publication of the Publication Notice as provided for in the Order Preliminarily Approving Settlement and Providing for Notice constituted the best notice practicable under the circumstances – including individual notice to all Class Members who could be identified through reasonable effort – of those

proceedings and of the matters set forth therein, including the proposed Settlement, to all Persons entitled to such notice, and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, the requirements of due process, and any other applicable law.

10. Neither the Plan of Allocation submitted by Lead Counsel or any portion of this order regarding the attorneys' fee and expense application and the Lead Plaintiff's expense application shall in any way disturb or affect the finality of this Judgment.

11. Neither the Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, concession or evidence of, the validity of any Settled Claim, the truth of any fact alleged in the Action, the deficiency of any defense that has been or could have been asserted in the Action, or of any alleged wrongdoing, liability, negligence, or fault of any Released Party; or (b) is or may be deemed to be or may be used as an admission, concession or evidence of, any fault or misrepresentation or omission of, including with respect to any statement or written document attributed to, approved or made by, any Released Party in any civil, criminal, administrative, or other proceeding before any court, administrative agency, arbitration tribunal, or other body. Any Released Party may file the Stipulation and/or the Judgment in any other action or other proceeding that may be brought against them in order to support a defense, argument, or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense, argument, or counterclaim.

12. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of this Settlement; (b) disposition of the Settlement Fund; (c) all Parties hereto for the purpose of construing, enforcing and administering the Stipulation and this Judgment.

13. After completion of the processing of all claims by the claims administrator, Lead Plaintiff shall disburse the Net Settlement Fund in accordance with the Stipulation and Plan of Allocation without further order of this Court.

14. The Court finds that during the course of the Action, the parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

15. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Class Members advising them: (a) that Lead Counsel would seek an award of attorneys' fees of up to 15% of the Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of the Action not to exceed \$640,000; and (b) that Class Members had a right to object to such application(s). A full and fair opportunity was given to all Persons who are Class Members to be heard with respect to the application for the award of attorneys' fees and expenses. The Court finds and concludes that the requested fee award is reasonable and awards attorneys' fees of _____% percent of the Settlement Fund, plus reimbursement of expenses in the amount of \$_____, both to be paid from the Settlement Fund pursuant to the terms of the Stipulation, not less than 35 days after entry of this Order.

16. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Class Members advising them of the Plan of Allocation and of their right to object, and a full and fair opportunity was given to all Class Members to be heard with respect to the Plan of Allocation. The Court finds that the formula for the calculation of the claims of Authorized Claimants, which is set forth in the Notice of Pendency and Proposed Settlement of Class Action sent to Class Members, provides a fair and reasonable basis upon which to allocate among Class Members the proceeds of the Settlement Fund established by the Stipulation, with due consideration having been given to administrative

convenience and necessity. The Court hereby finds and concludes that the Plan of Allocation set forth in the Notice is in all respects fair and reasonable and the Court hereby approves the Plan of Allocation.

17. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Class Members, advising them that Lead Plaintiff would seek reimbursement of time and expenses. A full and fair opportunity was given to Class Members to be heard with respect to Lead Plaintiff's application for the reimbursement of time and expenses. The Court finds and concludes that the requested reimbursement for time and expenses is reasonable and awards \$_____ to the Lead Plaintiff, Charles Ognar, in reimbursement for the time spent and expenses incurred fulfilling his role a Lead Plaintiff.

18. This Action is hereby dismissed in its entirety with prejudice as to all Defendants.

19. In the event that the Settlement does not become Final in accordance with the terms of the Stipulation or the Effective Date does not occur, this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated. In such event, all orders entered and releases delivered in connection herewith shall also be null and void to the extent provided by and in accordance with the Stipulation.

20. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

DATED: _____

THE HONORABLE NANCY F. ATLAS
UNITED STATES DISTRICT JUDGE