

## Oil Sands Monthly Royalty Rates

January 2011

### Royalty Rates

Pre-Payout Gross: 5.14523% (based on **Prod Month actual WTI Price**)  
 Post-Payout Gross: 6.43385% (based on the **average WTI price for Prod Year**)  
 Post-Payout Net: 35.18846% (based on the **average WTI price for Prod Year**)

### WTI Prices and Exchange Rates

Month		WTI Price USD\$	Exchange Rate	
<b>Jan 2011</b>	<b>Act</b>	<b>\$89.23</b>	<b>1.00619312</b>	<b>= \$88.68 (CAD\$)</b>
Feb 2011	Est	\$89.58	0.96190000	
Mar 2011	Est	\$92.19	0.96190000	
Apr 2011	Est	\$94.28	0.96190000	
May 2011	Est	\$95.82	0.96190000	
Jun 2011	Est	\$96.78	0.96190000	
Jul 2011	Est	\$97.53	0.96190000	
Aug 2011	Est	\$98.05	0.96190000	
Sep 2011	Est	\$98.40	0.96190000	
Oct 2011	Est	\$98.71	0.96190000	
Nov 2011	Est	\$99.01	0.96190000	
Dec 2011	Est	\$99.32	0.96190000	
<b>Average</b>		<b>\$95.74</b>	<b>0.96559109</b>	<b>= \$99.15 (CAD\$)</b>

### Gross Royalty Formula

Minimum Royalty Rate:  $R_G \% = 1 \% \text{ for } W \leq L$   
 Maximum Royalty Rate:  $R_G \% = 9 \% \text{ for } W \geq H$   
 Price Sensitive Royalty Rate:  $R_G \% = [1\% + (W - L) * F_G]$  for  $L < W < H$

### Net Royalty Formula

Minimum Royalty Rate:  $R_N \% = 25 \% \text{ for } W \leq L$   
 Maximum Royalty Rate:  $R_N \% = 40 \% \text{ for } W \geq H$   
 Price Sensitive Royalty Rate:  $R_N \% = [25\% + (W - L) * F_N]$  for  $L < W < H$

W = WTI Price CAD\$

L = CAD\$55/bbl

H = CAD\$120/bbl

$F_G = 8\%/\$65$  per barrel increase in W (straight line relation)

$F_N = 15\%/\$65$  per barrel increase in W (straight line relation)

**Note: Formulas are the working level representation of the legal version that is in OSRR2009**