

Oil Sands Monthly Royalty Rates

July 2011

Royalty Data

Pre-Payout Gross Royalty:	5.55262% (based on Prod Month actual WTI Price)
Post-Payout Gross Royalty:	6.04246% (based on the average WTI price for Prod Year)
Post-Payout Net Royalty % Factor:	34.45462% (based on the average WTI price for Prod Year)

WTI Prices and Exchange Rates

Month		WTI Price USD\$	Exchange Rate	
Jan 2011	Act	\$89.23	1.00619312	
Feb 2011	Act	\$89.58	1.01260183	
Mar 2011	Act	\$89.74	1.02396980	
Apr 2011	Act	\$102.98	1.04360712	
May 2011	Act	\$110.04	1.03308326	
Jun 2011	Act	\$101.36	1.02380343	
Jul 2011	Act	\$96.29	1.04679158	= \$91.99 (CAD\$)
Aug 2011	Est	\$97.34	0.98380000	
Sep 2011	Est	\$95.70	0.98380000	
Oct 2011	Est	\$96.13	0.98380000	
Nov 2011	Est	\$96.60	0.98380000	
Dec 2011	Est	\$97.08	0.98380000	
Average		\$96.84	1.00908751	= \$95.97 (CAD\$)

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:	$R_G \% = [1\% + (W - L) * F_G] \text{ for } L < W < H$

Net Royalty % Factor Formula

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

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