

## Oil Sands Monthly Royalty Rates

February 2012

### Royalty Data

Pre-Payout Gross Royalty: 6.53477% (based on **Prod Month actual WTI Price**)  
 Post-Payout Gross Royalty: 7.44554% (based on the **average WTI price for Prod Year**)  
 Post-Payout Net Royalty % Factor: 37.08538% (based on the **average WTI price for Prod Year**)

### WTI Prices and Exchange Rates

Month		WTI Price USD\$	Exchange Rate	
Jan 2012	Act	\$98.58	0.98691167	
<b>Feb 2012</b>	<b>Act</b>	<b>\$100.32</b>	<b>1.00348352</b>	<b>= \$99.97 (CAD\$)</b>
Mar 2012	Est	\$102.26	0.98600000	
Apr 2012	Est	\$107.07	0.98600000	
May 2012	Est	\$107.52	0.98600000	
Jun 2012	Est	\$107.95	0.98600000	
Jul 2012	Est	\$108.25	0.98600000	
Aug 2012	Est	\$108.30	0.98600000	
Sep 2012	Est	\$108.21	0.98600000	
Oct 2012	Est	\$108.09	0.98600000	
Nov 2012	Est	\$107.97	0.98600000	
Dec 2012	Est	\$107.86	0.98600000	
<b>Average</b>		<b>\$106.03</b>	<b>0.98753293</b>	<b>= \$107.37 (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 % 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:  $R_N \% = [25\% + (W - L) * F_N]$  for  $L < W < H$

$W = \text{WTI Price CAD\$}$

$L = \text{CAD\$55/bbl}$

$H = \text{CAD\$120/bbl}$

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

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

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