

## Oil Sands Monthly Royalty Rates

May 2010

### Royalty Rates

Pre-Payout Gross: 5.05662% (based on **Prod Month actual WTI Price**)  
 Post-Payout Gross: 4.16554% (based on the **estimated average WTI price for Prod Year**)  
 Post-Payout Net: 30.93538% (based on the **estimated average WTI price for Prod Year**)

### WTI Prices and Exchange Rates

Month		WTI Price USD\$	Exchange Rate	
Jan 2010	Act	\$74.60	0.95883253	
Feb 2010	Act	\$78.40	0.94623493	
Mar 2010	Act	\$76.45	0.97751295	
Apr 2010	Act	\$81.29	0.99496359	
<b>May 2010</b>	<b>Act</b>	<b>\$84.58</b>	<b>0.96161243</b>	<b>= \$87.96 (CAD\$)</b>
Jun 2010	Est	\$74.12	0.95000000	
Jul 2010	Est	\$73.97	0.95000000	
Aug 2010	Est	\$75.16	0.95000000	
Sep 2010	Est	\$76.12	0.95000000	
Oct 2010	Est	\$76.88	0.95000000	
Nov 2010	Est	\$77.58	0.95000000	
Dec 2010	Est	\$78.24	0.95000000	
<b>Average</b>		<b>\$77.28</b>	<b>0.95742970</b>	<b>= \$80.72 (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**