

## Oil Sands Monthly Royalty Rates

April 2011

### Royalty Rates

Pre-Payout Gross: 6.37600% (based on **Prod Month actual WTI Price**)  
 Post-Payout Gross: 7.44554% (based on the **average WTI price for Prod Year**)  
 Post-Payout Net: 37.08538% (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	
<b>Apr 2011</b>	<b>Act</b>	<b>\$102.98</b>	<b>1.04360712</b>	<b>= \$98.68 (CAD\$)</b>
May 2011	Est	\$110.04	0.98380000	
Jun 2011	Est	\$113.93	0.98380000	
Jul 2011	Est	\$114.43	0.98380000	
Aug 2011	Est	\$114.71	0.98380000	
Sep 2011	Est	\$114.83	0.98380000	
Oct 2011	Est	\$114.82	0.98380000	
Nov 2011	Est	\$114.78	0.98380000	
Dec 2011	Est	\$114.73	0.98380000	
<b>Average</b>		<b>\$106.98</b>	<b>0.99639766</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 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**