

Oil Sands Monthly Royalty Rates

December 2011

Royalty Data

Pre-Payout Gross Royalty: 6.47323% (based on **Prod Month actual WTI Price**)
 Post-Payout Gross Royalty: 5.71138% (based on the **average WTI price for Prod Year**)
 Post-Payout Net Royalty % Factor: 33.83385% (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	
Aug 2011	Act	\$97.34	1.01746337	
Sep 2011	Act	\$86.34	0.99740674	
Oct 2011	Act	\$85.61	0.98056039	
Nov 2011	Act	\$86.43	0.97483080	
Dec 2011	Act	\$97.16	0.97676758	= \$99.47 (CAD\$)
Average		\$94.34	1.01142325	= \$93.28 (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: $R_G \% = [1\% + (W - L) * F_G]$ 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 = 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