

Oil Sands Monthly Royalty Rates

January 2012

Royalty Data

Pre-Payout Gross Royalty: 6.52492% (based on **Prod Month actual WTI Price**)
 Post-Payout Gross Royalty: 6.45354% (based on the **average WTI price for Prod Year**)
 Post-Payout Net Royalty % Factor: 35.22538% (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	= \$99.89 (CAD\$)
Feb 2012	Est	\$100.32	1.00500000	
Mar 2012	Est	\$98.48	1.00500000	
Apr 2012	Est	\$98.85	1.00500000	
May 2012	Est	\$99.27	1.00500000	
Jun 2012	Est	\$99.64	1.00500000	
Jul 2012	Est	\$99.90	1.00500000	
Aug 2012	Est	\$100.04	1.00500000	
Sep 2012	Est	\$100.12	1.00500000	
Oct 2012	Est	\$100.18	1.00500000	
Nov 2012	Est	\$100.24	1.00500000	
Dec 2012	Est	\$100.28	1.00500000	
Average		\$99.66	1.00349264	= \$99.31 (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 $L < W < H$

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

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

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

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

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

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