

Oil Sands Monthly Royalty Rates

May 2011

Royalty Rates

Pre-Payout Gross: 7.34092% (based on **Prod Month actual WTI Price**)
 Post-Payout Gross: 6.59015% (based on the **average WTI price for Prod Year**)
 Post-Payout Net: 35.48154% (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	= \$106.52 (CAD\$)
Jun 2011	Est	\$101.36	0.98380000	
Jul 2011	Est	\$102.70	0.98380000	
Aug 2011	Est	\$103.27	0.98380000	
Sep 2011	Est	\$103.73	0.98380000	
Oct 2011	Est	\$104.09	0.98380000	
Nov 2011	Est	\$104.36	0.98380000	
Dec 2011	Est	\$104.57	0.98380000	
Average		\$100.47	1.00050459	= \$100.42 (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 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