

## Oil Sands Monthly Royalty Rates

March 2011

### Royalty Rates

Pre-Payout Gross: 5.01723% (based on **Prod Month actual WTI Price**)  
 Post-Payout Gross: 7.00000% (based on the **average WTI price for Prod Year**)  
 Post-Payout Net: 36.25000% (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	
<b>Mar 2011</b>	<b>Act</b>	<b>\$89.74</b>	<b>1.02396980</b>	<b>= \$87.64 (CAD\$)</b>
Apr 2011	Est	\$102.98	0.98380000	
May 2011	Est	\$106.72	0.98380000	
Jun 2011	Est	\$107.24	0.98380000	
Jul 2011	Est	\$107.71	0.98380000	
Aug 2011	Est	\$107.99	0.98380000	
Sep 2011	Est	\$108.18	0.98380000	
Oct 2011	Est	\$108.30	0.98380000	
Nov 2011	Est	\$108.35	0.98380000	
Dec 2011	Est	\$108.33	0.98380000	
<b>Average</b>		<b>\$102.86</b>	<b>0.99141373</b>	<b>= \$103.75 (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**