

Oil Sands Monthly Royalty Rates

May 2012

Royalty Data

Pre-Payout Gross Royalty:	7.07631% (based on Prod Month actual WTI Price)
Post-Payout Gross Royalty:	5.91200% (based on the average WTI price for Prod Year)
Post-Payout Net Royalty % Factor (NRPF):	34.21000% (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	
Feb 2012	Act	\$100.32	1.00348352	
Mar 2012	Act	\$102.26	1.00618345	
Apr 2012	Act	\$106.21	1.00742472	
May 2012	Act	\$103.35	0.99025499	= \$104.37 (CAD\$)
Jun 2012	Est	\$94.72	0.98600000	
Jul 2012	Est	\$86.53	0.98600000	
Aug 2012	Est	\$86.85	0.98600000	
Sep 2012	Est	\$87.17	0.98600000	
Oct 2012	Est	\$87.45	0.98600000	
Nov 2012	Est	\$87.68	0.98600000	
Dec 2012	Est	\$87.91	0.98600000	
Average		\$94.09	0.99135486	= \$94.91 (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:	$R_G\% = [1\% + (W - L) * F_G] \text{ for } L < W < H$

Net Royalty % Factor (NRPF)

Minimum Royalty % Factor:	$NRPF = 25\% \text{ for } W \leq L$
Maximum Royalty % Factor:	$NRPF = 40\% \text{ for } W \geq H$
Price Sensitive % Factor:	$NRPF = [25\% + (W - L) * F_N] \text{ for } L < W < H$

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

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

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

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

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

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