

Production Month: July 2022

Royalty Information

Pre-Payout Gross Royalty Rate: 9.00000% (based on **Production Month actual WTI Price**)
 Post-Payout Gross Royalty Rate: 9.00000% (based on the **average WTI Price for Production Year**)
 Post-Payout Net Royalty % Factor (NRPF): 40.00000% (based on the **average WTI Price for Production Year**)

WTI Prices and Exchange Rates

Month	Act/Est	WTI Price (\$US)	Exchange Rate (\$US/\$CDN)	WTI Price (\$CDN)
Jan 2022	Act	\$71.69	0.79264426	
Feb 2022	Act	\$82.98	0.78641082	
Mar 2022	Act	\$91.63	0.79001422	
Apr 2022	Act	\$108.26	0.79189104	
May 2022	Act	\$101.64	0.77808901	
Jun 2022	Act	\$109.26	0.78039644	
Jul 2022	Act	\$114.34	0.77267810	= \$147.98
Aug 2022	Est	\$99.38	0.79000000	
Sep 2022	Est	\$98.62	0.79000000	
Oct 2022	Est	\$96.75	0.79000000	
Nov 2022	Est	\$95.30	0.79000000	
Dec 2022	Est	\$93.87	0.79000000	
Average		\$96.98	0.78684366	= \$123.25

Gross Royalty Rate

Minimum Royalty Rate: $R_G\% = 1\%$ for $W \leq L$
 Maximum Royalty Rate: $R_G\% = 9\%$ for $W \geq H$
 Price Sensitive Royalty Rate: $R_G\% = 1\% + [(W - L) * F_G]$ for $L < W < H$

Net Royalty % Factor (NRPF)

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

W = WTI Price \$CDN

L = \$CDN 55/bbl

H = \$CDN 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