

January 25, 2012

INFORMATION LETTER 2012-05**Subject: Petroleum Royalty Regulation, 2009
Par Prices – March 2012 Production Month**

This Information Letter provides the Crude Oil Category and Density, and the various prices for oil necessary to determine the royalty volume payable to the Crown.

Category of Crude Oil	Density	March 2012 Par Prices \$/M³
Light Oil	less than 850 kilograms per cubic metre	631.31
Medium Oil	greater than or equal to 850 kilograms per cubic metre and less than 900 kilograms per cubic metre	609.89
Heavy Oil	greater than or equal 900 kilograms per cubic metre and less than 925 kilograms per cubic metre	559.49
Ultra Heavy Oil	greater than or equal to 925 kilograms per cubic metre	515.59

Crude Oil Calculation Data

This information is also available on the Internet at <http://www.energy.alberta.ca/>
– Information Letters.

For further information please contact:

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CALCULATION OF PAR PRICES (Note: Numbers may not add due to rounding.)

Light for March 2012	(C\$/m³)
February Contract Month Average of Edmonton Postings	613.62
February Contract Month Average Nymex WTI	643.65
February Contract Month Average Trans. Diff. Cushing to Edmonton	-16.30
Average Field Quality Adjustment	19.99
Average Field Transportation Cost to Edmonton	-11.91
March Light Par Price Formula	
$(0.3 \times \text{Edm Post.}) + [0.7 \times (\text{Nymex WTI} + \text{Trans. Diff.})] \pm \text{Average Field Quality Adj.} - \text{Average Field Transportation Cost}$	
$(0.3 \times 613.62) + [0.7 \times (643.65 - 16.30)] + 19.99 - 11.91$	631.31

Medium for March 2012	(C\$/m³)
February Contract Month Average of MSO Stream Postings @ Hardisty	599.05
Average Field Quality Adjustment	28.05
Average Field Transportation Cost to Hardisty	-17.21
March Medium Par Price Formula	
Average of Postings \pm Average Field Quality Adjustment. $-$ Average Field Transportation Cost	
$599.05 + 28.05 - 17.21$	609.89

Heavy for March 2012	(C\$/m³)
February Contract Month Average Bow River Postings @ Hardisty	565.50
Average Field Quality Adjustment	6.97
Average Field Transportation Cost to Hardisty	-12.98
March Heavy Par Price Formula	
Average of Postings \pm Average Field Quality Adjustment $-$ Average Field Transportation Cost	
$565.50 + 6.97 - 12.98$	559.49

Ultra Heavy for March 2012	(C\$/m³)
February Contract Month Average LLB Postings @ Hardisty	551.45
February Contract Month Average WCS Postings @ Hardisty	553.18
Average of Postings (LLB and WCS) @ Hardisty	552.32
Average Field Quality Adjustment	-25.84
Average Field Transportation Cost to Hardisty	-10.89
March Ultra Heavy Par Price Formula	
Average of Postings \pm Average Field Quality Adjustment $-$ Average Field Transportation Cost	
$552.32 - 25.84 - 10.89$	515.59

CRUDE OIL ROYALTY CALCULATION DATA TABLE

MONTH	2012 PAR PRICES			
	\$/M³			
	Light	Medium	Heavy	Ultra Heavy
January	608.99	569.45	537.58	502.12
February	632.20	616.38	575.01	539.89
March	631.31	609.89	559.49	515.59
April				
May				
June				
July				
August				
September				
October				
November				
December				