

Oil Sands Monthly Royalty Rates

August 2011

Royalty Data

Pre-Payout Gross Royalty: 6.00554% (based on **Prod Month actual WTI Price**)
 Post-Payout Gross Royalty: 5.53415% (based on the **average WTI price for Prod Year**)
 Post-Payout Net Royalty % Factor: 33.50154% (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	
Jun 2011	Act	\$101.36	1.02380343	
Jul 2011	Act	\$96.29	1.04679158	
Aug 2011	Act	\$97.34	1.01746337	= \$95.67 (CAD\$)
Sep 2011	Est	\$86.34	1.02530000	
Oct 2011	Est	\$88.81	1.02530000	
Nov 2011	Est	\$89.16	1.02530000	
Dec 2011	Est	\$89.57	1.02530000	
Average		\$94.20	1.02572613	= \$91.84 (CAD\$)

Gross Royalty Formula

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 Formula

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