

Royalty Redesigned IX

*Indian Oil and Gas Canada
Information Letter of September 2007*

New Developments at IOGC

Company Contact Information

IOGC uses the Primary Royalty Contact information provided on the Electronic Services Website to communicate with Royalty Payers. It is essential that this contact information be accurate and up-to-date to ensure effective, timely communication directed to those who report royalty information to IOGC. Correspondence can include notification of upcoming changes at IOGC, changes to the royalty submission process or requirements, royalty statement inquiries or updates to IOGC contact information.

To encourage frequent updates to the contact information, IOGC has modified the Company Contact screen on the Electronic Services Website.

Beginning October 1, 2007 and on a quarterly basis thereafter, all Royalty Payers will be prompted to update their company's Primary Royalty Contact information.

The Primary Royalty Contact is the person responsible for the calculation and submission of royalty data and is the sole contact for royalty related issues for the Company.

In addition to the quarterly update, new validation rules will be in place to ensure that standard formats for address, phone, fax and e-mail fields are adhered to.

When prompted, please take the time to update your company's Primary Royalty Contact information. This small step will ensure that your company receives information from IOGC in a timely manner.

If you have any questions or concerns regarding this new process, please contact Twila Watcheston at IOGC, WatchestonT@inac-ainc.gc.ca.

The screenshot shows the IOGC website interface. At the top, there are navigation links for 'Home', 'About IOGC', 'Using Royalties', 'Acting as a Royalty Payer', and 'Site Map'. A user is logged in as 'TEST - admin'. The main heading is 'Update Company Contact Information'. Below this, there is a note: 'Please enter the contact information for the Primary Royalty Contact within your company.' A sub-note states: 'Note: all fields are required.' The form includes input fields for 'User ID', 'Address', 'City', 'Province', 'Postal Code', 'Phone', 'Fax', and 'E-Mail'. At the bottom of the form, there are 'Cancel' and 'Save' buttons. A footer note reads: 'To maintain accurate, up-to-date contact information, we ask that you take the time to review and update this page on a quarterly basis.' The page is dated 'Last Updated: July 19, 2007' and includes links for 'Back to Top' and 'Important Notices'.

Project Activities at IOGC

Initiated on January 23rd of this year, the 2004-2005 Billing Project has accomplished some significant milestones. As many of our industry partners are now aware, a billing package contains several cross-referenced financial summaries detailing a company's royalty reporting activities on an individual Indian reserve for the January 2004 through December 2005 time period. Out of the 264 unique Company/Reserve combinations, 122 billing packages have been transmitted to industry.



To date, client response has been positive. Over the past several months, we have seen a mutual willingness on behalf of IOGC and its clients to constructively achieve a balanced account for prior payments received versus calculated royalty obligations.

Questions or concerns regarding the assessments or reported dollars allocated to a royalty entity must be submitted in writing separately for each Company/Reserve combination, either by letter to IOGC, attention Myrna Matthews or via e-mail to royaltybilling@inac-ainc.gc.ca.

Royalty Submissions

Royalty payments continue to be due by the 25th of the month following production and must be accompanied by a Remittance Advice, unless otherwise specified within the terms and conditions of the lease.

Submission of actual royalty data must take place on or before the 25th day of the third month after production. This has been done to enable Royalty Payers to finalize their actual numbers prior to submission. Royalty Payers who do not submit statements before this deadline are in non-compliance and will be subject to further action, including issuance of a Direction to Comply.



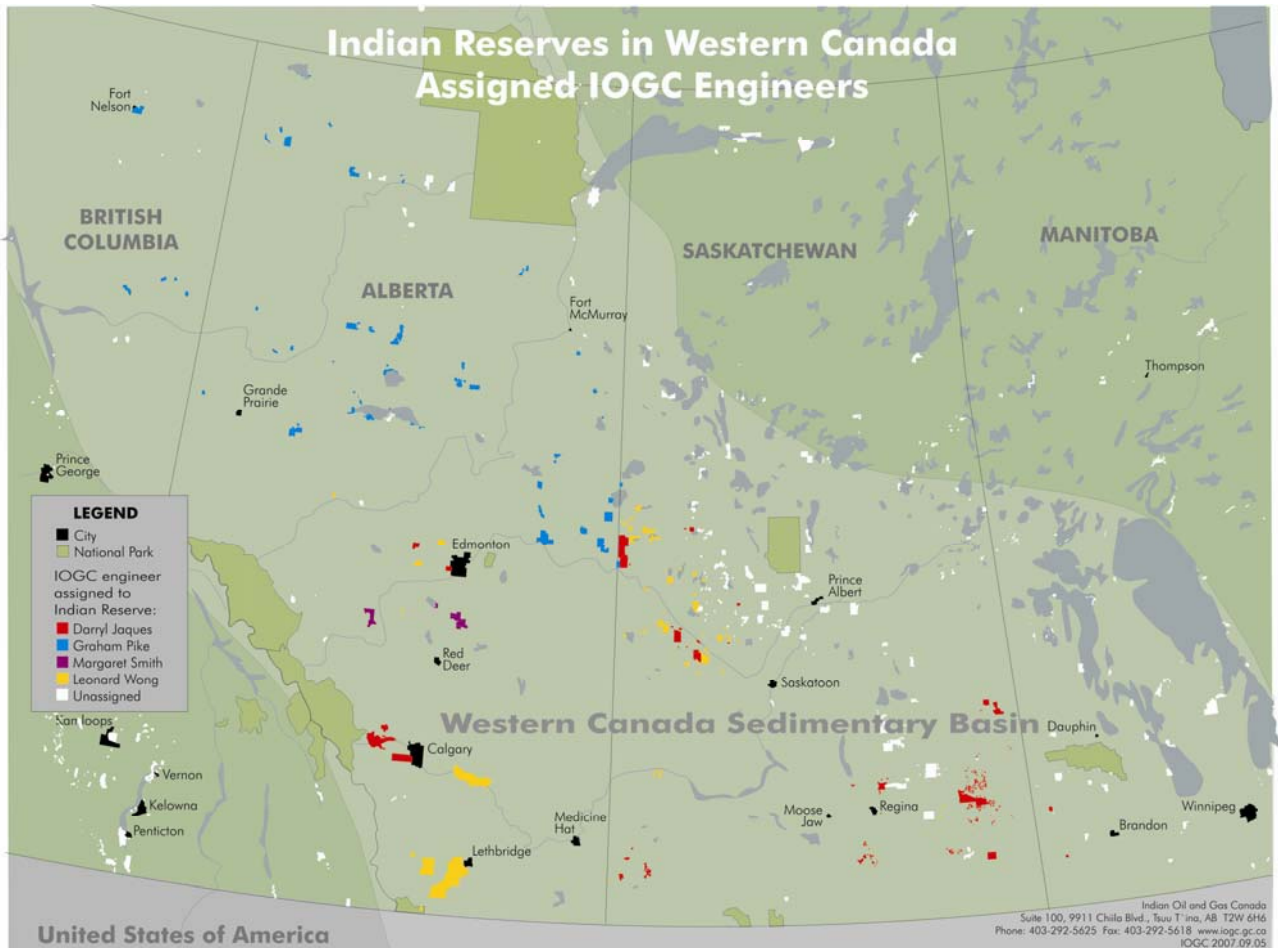
If the actual royalty owing differs from the amount previously submitted, the changes should be reflected on the next payment and remittance advice. Payments resulting from changes to the royalty data can be made at any time, not just on the 25th of the month.

IOGC Contacts

In an effort to clarify IOGC Contact Information, IOGC has posted on its Web site business contact lists that can be used to identify which IOGC professional is responsible for each Reserve and First Nation.

A colour-coded map of the four western provinces has also been created to help identify the responsible IOGC engineer for a Reserve.

The lists can be found on the Web at www.iogc.gc.ca under Doing Business>>Manuals and Guides.



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2006 Gas Cost Allowance

IOGC is currently reviewing the 2006 GCA applications. To date, 559 of the expected 560 Facility Cost Centre applications have been received. As of the end of July, 25% have been reviewed, many of which require additional information from the applicant.

Royalty Payers will be notified of the approved GCA rates as they are approved. For additional information, please see the Gas Cost Allowance User Guide, or contact Don Beebe at 403-292-5179.

IOGC on the Web!

Please visit us at
www.iogc.gc.ca.

*This site provides
information and updates to
royalty payers as well as
being the platform for
electronic royalty data
submissions.*

