

NEW ROYALTY FRAMEWORK EXAMPLE OIL SANDS ROYALTY RATES

*As presented in the Alberta Government's October 25, 2007
publication "The New Royalty Framework".*

Price WTI C\$/bl	Royalty Rate on Gross Revenue	Royalty Rate on Net Revenue	Price WTI C\$/bl	Royalty Rate on Gross Revenue	Royalty Rate on Net Revenue
Below C\$55	1.00%	25.00%	C\$ 88	5.06%	32.62%
C\$ 55	1.00%	25.00%	C\$ 89	5.18%	32.85%
C\$ 56	1.12%	25.23%	C\$ 90	5.31%	33.08%
C\$ 57	1.25%	25.46%	C\$ 91	5.43%	33.31%
C\$ 58	1.37%	25.69%	C\$ 92	5.55%	33.54%
C\$ 59	1.49%	25.92%	C\$ 93	5.68%	33.77%
C\$ 60	1.62%	26.15%	C\$ 94	5.80%	34.00%
C\$ 61	1.74%	26.38%	C\$ 95	5.92%	34.23%
C\$ 62	1.86%	26.62%	C\$ 96	6.05%	34.46%
C\$ 63	1.98%	26.85%	C\$ 97	6.17%	34.69%
C\$ 64	2.11%	27.08%	C\$ 98	6.29%	34.92%
C\$ 65	2.23%	27.31%	C\$ 99	6.42%	35.15%
C\$ 66	2.35%	27.54%	C\$ 100	6.54%	35.38%
C\$ 67	2.48%	27.77%	C\$ 101	6.66%	35.62%
C\$ 68	2.60%	28.00%	C\$ 102	6.78%	35.85%
C\$ 69	2.72%	28.23%	C\$ 103	6.91%	36.08%
C\$ 70	2.85%	28.46%	C\$ 104	7.03%	36.31%
C\$ 71	2.97%	28.69%	C\$ 105	7.15%	36.54%
C\$ 72	3.09%	28.92%	C\$ 106	7.28%	36.77%
C\$ 73	3.22%	29.15%	C\$ 107	7.40%	37.00%
C\$ 74	3.34%	29.38%	C\$ 108	7.52%	37.23%
C\$ 75	3.46%	29.62%	C\$ 109	7.65%	37.46%
C\$ 76	3.58%	29.85%	C\$ 110	7.77%	37.69%
C\$ 77	3.71%	30.08%	C\$ 111	7.89%	37.92%
C\$ 78	3.83%	30.31%	C\$ 112	8.02%	38.15%
C\$ 79	3.95%	30.54%	C\$ 113	8.14%	38.38%
C\$ 80	4.08%	30.77%	C\$ 114	8.26%	38.62%
C\$ 81	4.20%	31.00%	C\$ 115	8.38%	38.85%
C\$ 82	4.32%	31.23%	C\$ 116	8.51%	39.08%
C\$ 83	4.45%	31.46%	C\$ 117	8.63%	39.31%
C\$ 84	4.57%	31.69%	C\$ 118	8.75%	39.54%
C\$ 85	4.69%	31.92%	C\$ 119	8.88%	39.77%
C\$ 86	4.82%	32.15%	C\$ 120	9.00%	40.00%
C\$ 87	4.94%	32.38%	Above C\$120	9.00%	40.00%

Gross Royalty Rate Increment: 0.12308% per dollar increase in oil price

Net Revenue Royalty Rate Increment: 0.23077% per dollar increase in oil price

WTI: West Texas Intermediate oil type; **C\$/bl:** Canadian dollars per barrel

Payout definition: When an oil sands royalty project reaches payout, its cumulative revenue equals or exceeds its cumulative costs. Costs include specified allowed capital and operating costs related to the project, plus a Return Allowance. Gross revenue for a project can be based on either bitumen (no upgrader) or synthetic crude oil (project includes upgrader).

Pre-payout: The gross revenue royalty rate applies.

Post-payout: The royalty payable is the greater of the gross revenue royalty based on the gross revenue royalty rate or the net revenue royalty based on the net revenue royalty rate.