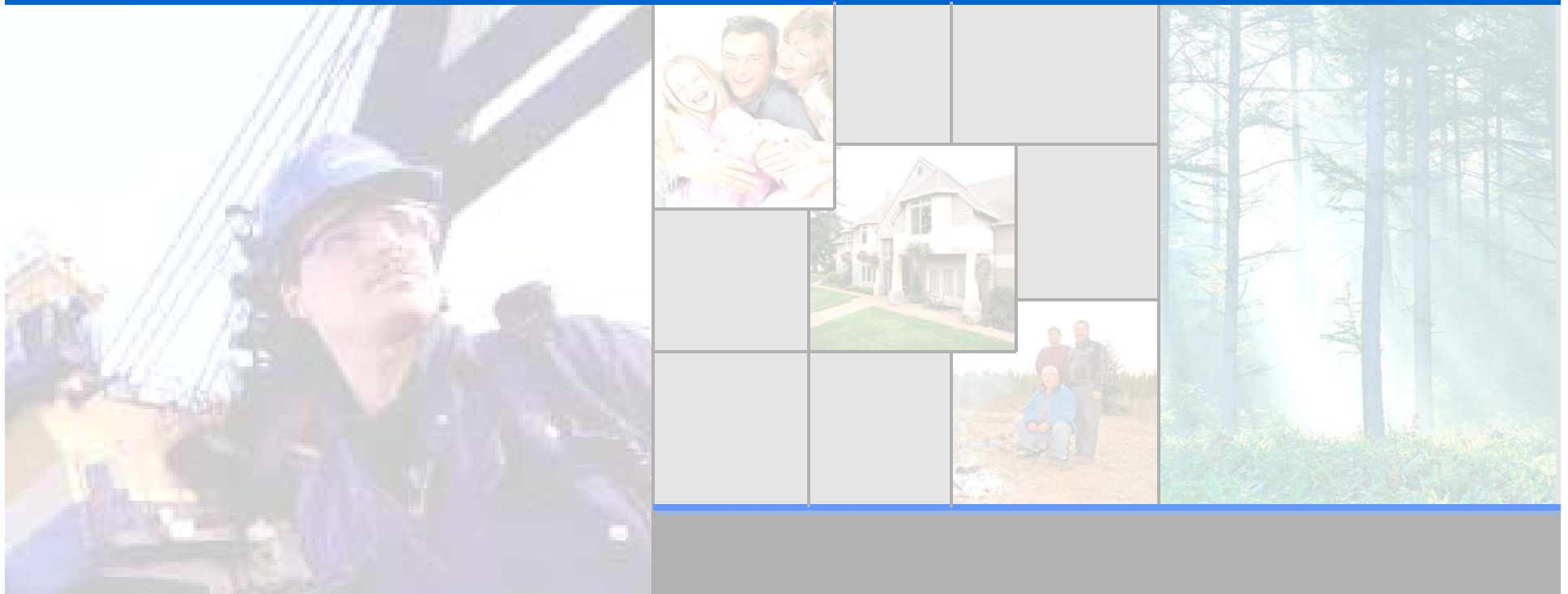


RIWG Royalty Review Panel Presentation

Presented by:
Jacob Irving, Executive Director
Don Thompson, RIWG Board Member
June 5, 2007



RIWG Membership

RIWG Vision: “Energizing Sustainable Communities”

- Albion Sands Energy Inc./Shell
- ATCO Electric Ltd.
- Birch Mountain Resources Ltd.
- Canadian Natural Resources Limited
- ConocoPhillips
- Devon Canada Corporation
- Enbridge Inc.
- EnCana Corporation
- Husky Oil Operations Limited
- Imperial Oil Resources
- Japan Canada Oil Sands Limited
- Kinder Morgan Canada
- MEG Energy Corp.
- Nexen Canada Ltd.
- OPTI Canada Inc.
- Petro-Canada
- Regional Municipality of Wood Buffalo
- Suncor Energy Inc.
- Syncrude Canada Ltd.
- Synenco Energy Inc.
- Total E&P
- TransAlta Energy Corporation
- TransCanada Pipelines Ltd.
- UTS Energy Corporation
- Epcor Canada

24 Members

17 Oil Sands Companies

Oil Sands - Many Different Returns to Albertans

- Oil sands industry benefits to the region:
 - Aboriginal contracts and employment
 - Regional economy through contracts and employment, both direct and indirect
 - Assessment base for municipal taxation
 - Communities through corporate donations
 - Manufacturing and asset building
- Oil sands industry benefits to the province:
 - Royalties and provincial taxes
 - Employment and contracts, both direct and indirect
 - Research and development
 - Manufacturing and asset building

Working Together – Aboriginal Involvement in Oil Sands Development – Wood Buffalo Region

- Aboriginal employees in permanent operations jobs in 2006 – 1,500+
- Value of contracts with Aboriginal companies in 2006 - \$412 million
- Average annual salary of Aboriginal employees in 2006 - \$81,000
- Contributions to Aboriginal communities in 2006 - \$3.7 million



Courtesy of Suncor



Courtesy of Syncrude

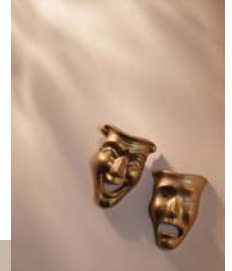


Courtesy of Suncor

Regional Corporate Donations

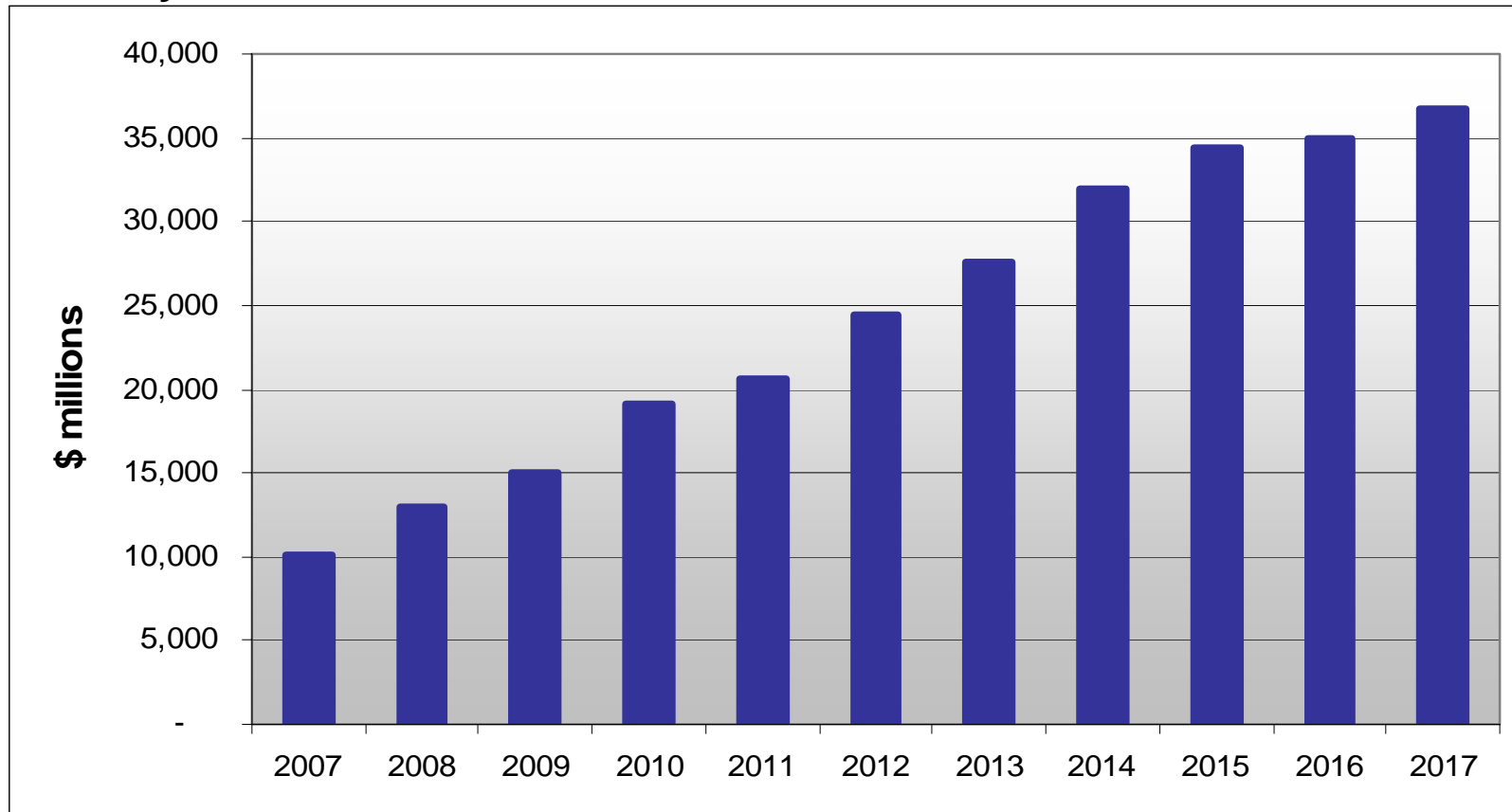
- \$11.5 million in donations within the RMWB in 2006 including:
 - \$2.5 million to MacDonald Island
 - \$2.5 million to Timberlea Athletic Park
 - \$750,000 lead donation to MRI campaign
 - \$200,000 to Leadership Wood Buffalo
- Ongoing support for key community service organizations including
 - United Way
 - Keyano College
 - Northern Lights Regional Health Centre
 - YMCA of Wood Buffalo Day Care

More than \$40 million donated over the past 10 years.



RMWB Municipal Tax Base Growth

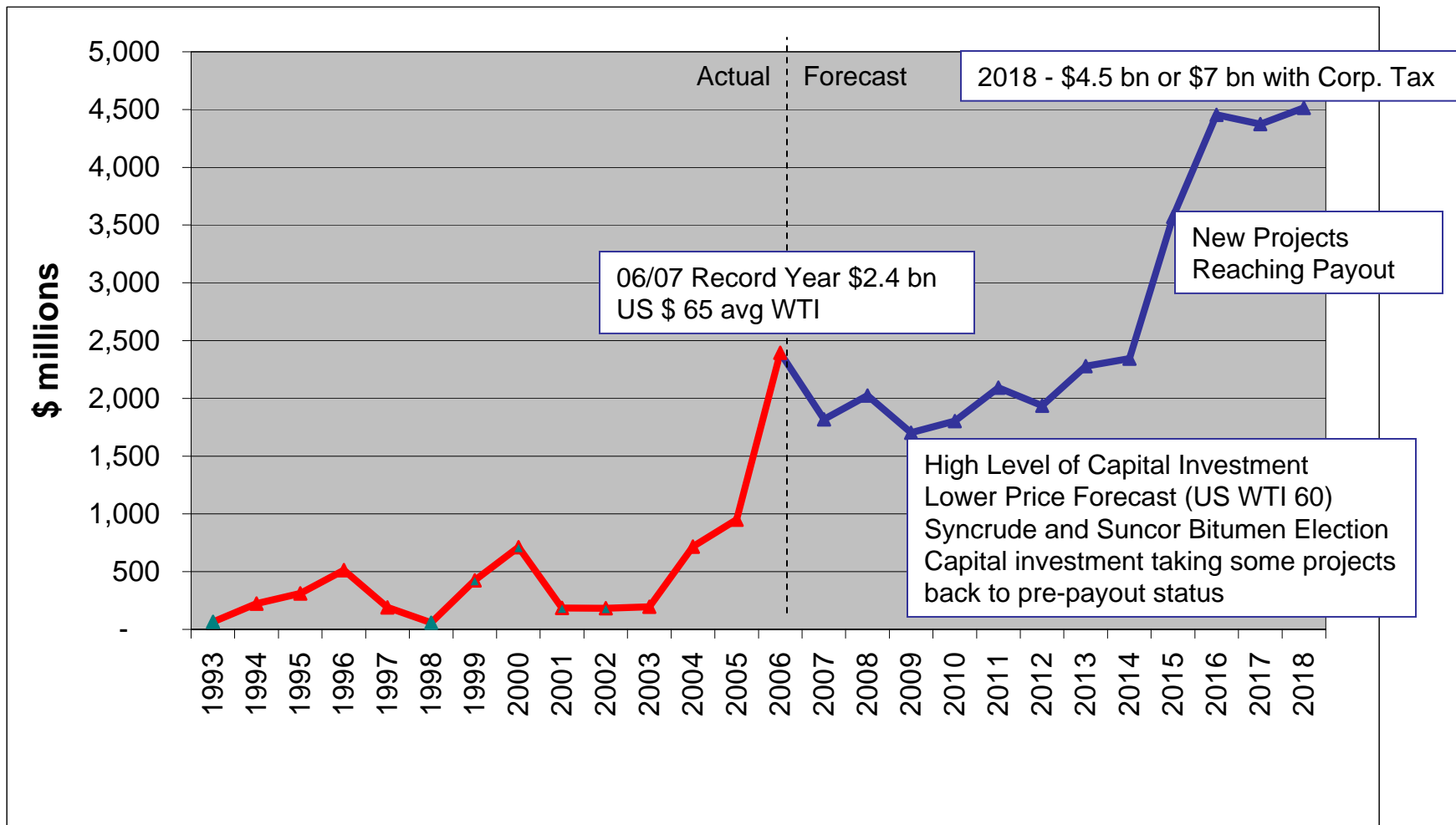
Oil sands industrial assessment to grow 12% per year compounding, for the next 10 years.



Source: Nichols Applied Management

Oil Sands Royalties: Historical & 2007 Forecast (all Alberta)

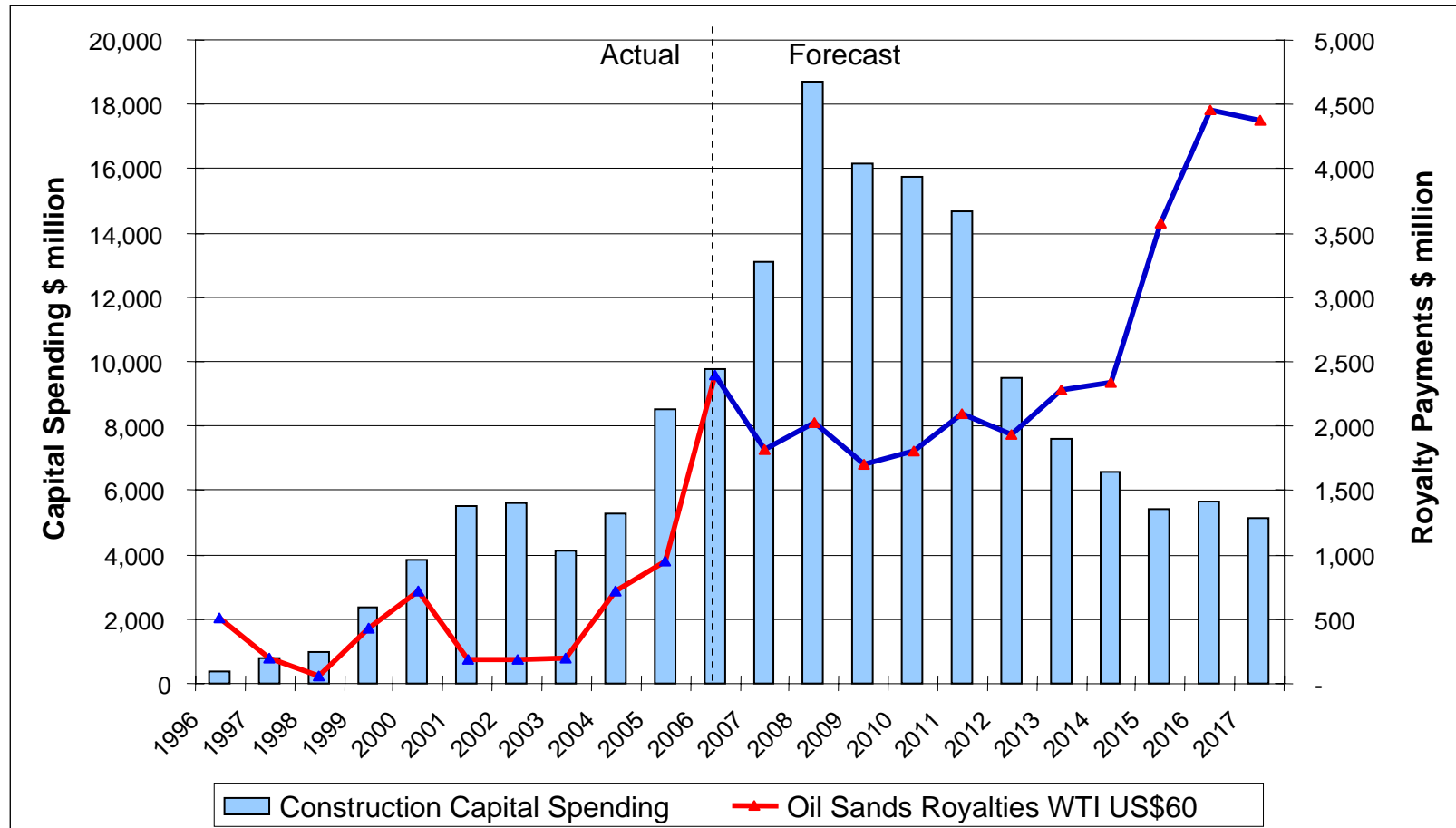
2007 Oil Sands Royalty Forecast based on oil price of WTI US\$60/bbl



Source: Nichols Applied Management

Oil Sands Royalties and Capital Expenditure: Historical and Forecast

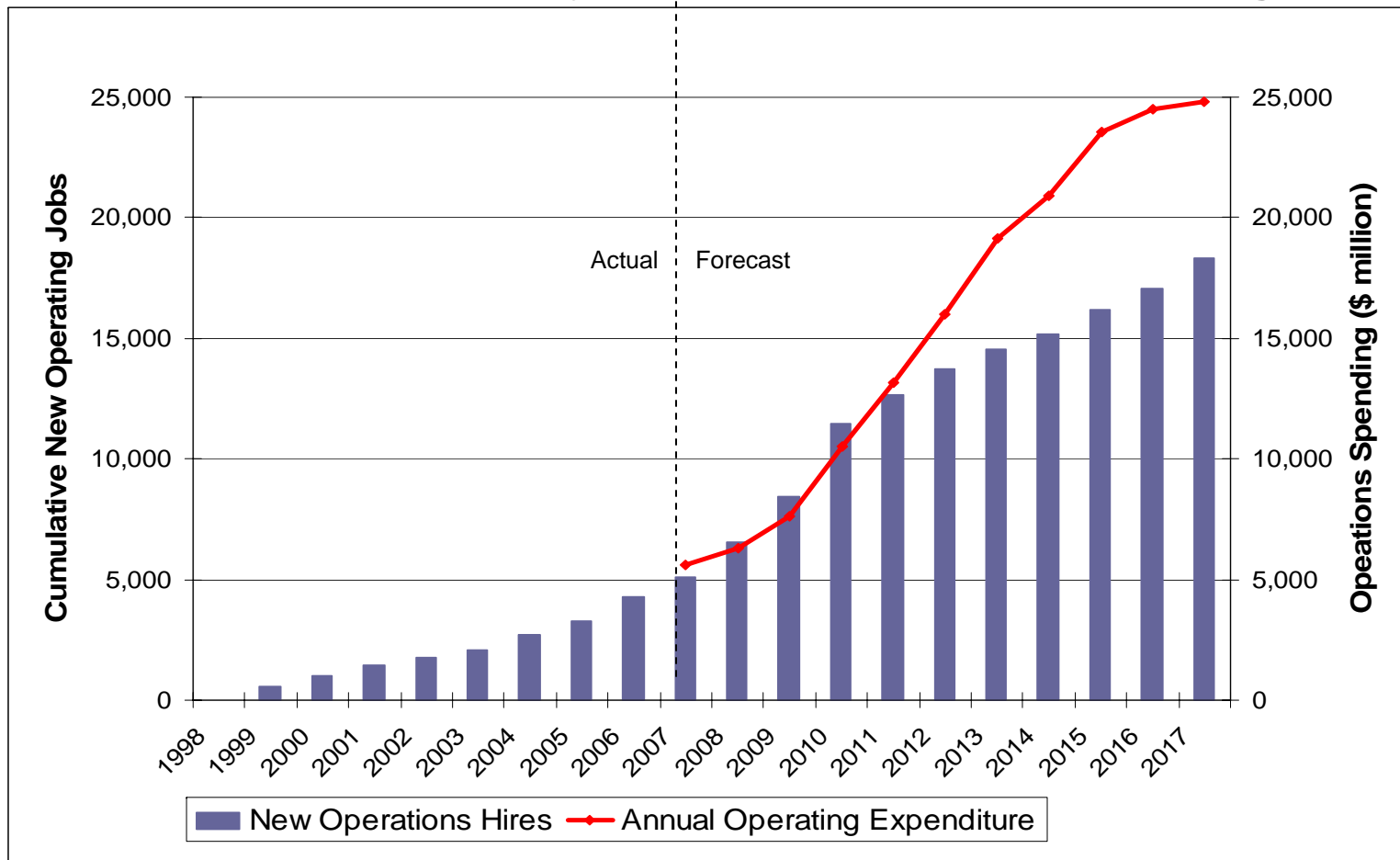
- 2007 Royalty forecast based on oil price of WTI US\$60/bbl
- 2007 Capital Construction Expenditure Forecast – all announced case



Source: Nichols Applied Management

Continuing Benefits: Oil Sands Operations Spending and Jobs – Wood Buffalo Region

2007 Forecast: Cumulative Operations Jobs and Annual Operating Expenditures for oil sands projects located in the Wood Buffalo Region



Source: Nichols Applied Management

Royalty Regime Recommendations

- Continue with the generic oil sands royalty regime established by the NOSTF:
 - NOSTF was developed with extensive modeling and analysis
 - The regime is stable, fair, simple and robust to a variety of economic and oil price indicators
 - Proven successful in attracting capital and generating long term contributions to the GDP
 - Regime recognized that economic benefits to Albertans came in the form of royalties, taxes and economic activity
 - Risks associated with modifications to the royalty regime are likely to cause a dramatic decline in capital investment, resulting in a significant lost economic opportunity for Albertans

Disclaimer

This presentation contains forward-looking information on future production, project start-ups and future capital spending. Actual results could differ materially due to market conditions, changes in law or government policy, changes in operating conditions and costs, changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors.

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