SYNCRUDE ROYALTY AMENDING AGREEMENT

THIS AGREEMENT DATED the 18th day of November, 2008

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA, as represented by the Minister of Energy

(the "**Crown**")

AND:

CANADIAN OIL SANDS LIMITED, a body corporate incorporated under the laws of Alberta,

CONOCOPHILLIPS OIL SANDS PARTNERSHIP II, a partnership, by its managing partner, ConocoPhillips Canada Pipelines Limited,

IMPERIAL OIL RESOURCES, a limited partnership, by its managing partner, Imperial Oil Resources Limited,

MOCAL ENERGY LIMITED, a body corporate incorporated under the laws of Alberta,

MURPHY OIL COMPANY LTD., a body corporate incorporated under the laws of Canada,

NEXEN OIL SANDS PARTNERSHIP, a partnership, by its managing partner, Nexen Inc., and

PETRO-CANADA OIL AND GAS, a partnership, by its principal partner, Petro-Canada

(collectively, "the **Lessees**")

By this Agreement, the Lessees agree, in lieu of transitioning to the royalty rates under the "New Royalty Framework" prior to 2016, and contingent upon achieving certain expected production levels, to pay to the Crown in respect of the Syncrude oil sands project additional royalties beyond the royalties payable under the Lessees' existing Crown Agreement, totalling $975 million in respect of the years 2010 through 2015. In return, the Crown agrees to provide to the Lessees in respect of the Syncrude oil sands project a measure of certainty in relation to various matters, including bitumen valuation methodology, allowed costs, royalty in kind and certain taxes.

THE CROWN AND THE LESSEES THEREFORE agree as follows:

1. Definitions Under the Generic Royalty Regulation

(a) Unless otherwise defined below or in the body of this Agreement, the following terms, where capitalized in this Agreement, have the meaning ascribed to them in the Generic Royalty Regulation as of the date of this Agreement:

"allowed cost";

"gross revenue";

"net revenue";

"oil sands products";

"other net proceeds";

"Period";

"person";

"Project";

"Project owner";

"Qualifying Joint Venture Project"; and

"royalty calculation point".

(b) In addition to capitalized terms defined in the body of this Agreement, the following terms used in this Agreement have the following meanings:

"**Act**" means the *Mines and Minerals Act* (Alberta), as amended from time to time, and includes any successor legislation;

"**Agreement**" means this agreement, including any amendments;

"**Bitumen**" means "crude bitumen", as that term is defined in the Generic Royalty Regulation;

"**Bitumen Royalty Option**" means the option, described in Clauses 1201 through 1204 of the Crown Agreement, granted by the Crown to the Lessees;

"**BVM**" means the methodology for valuing Bitumen recovered from Projects to be determined by the Crown for the purposes of the Generic Royalty Rules;

"**BVM Per Barrel Price**" means the price of a barrel of Bitumen for royalty calculation purposes, as determined in accordance with the BVM;

"**Crown Agreement**" means the agreement, originally titled the "Alberta Crown Agreement" and originally dated February 4, 1975, entered into pursuant to section 9(a) of the Act, as amended up to and including Amendment No. 7 dated January 1, 2001, which agreement is further amended and supplemented by this Agreement and by the Syncrude BRO Agreement;

"**ERCB**" means the Energy Resources Conservation Board, and includes any successor thereto;

"**Generic Royalty Regime**" means the Generic Royalty Regulation and the provisions of the Act that relate to the royalty on Oil Sands Products reserved and payable to the Crown under the Act;

"**Generic Royalty Regulation**" means the *Oil Sands Royalty Regulation, 1997*, A.R. 185/97, as amended from time to time, and includes any successor regulation or regulations;

"**Generic Royalty Rules**" means the Generic Royalty Regime, together with any business rules, guidelines and interpretations from time to time published by the Alberta Department of Energy or its successor;

"**Integrated Producer**" means a Project Owner or any other Person that has an interest (directly or indirectly through a joint venture interest or any other economic interest, including a profit sharing or other form of participation interest) in a Project that is producing Oil Sands Products and that also has an interest (directly or indirectly through a joint venture interest or any other economic interest, including a profit sharing or other form of participation interest) in an upgrader or other facilities for the further processing or refining of Bitumen or other Oil Sands Products;

"**Minister**" means the Minister of Energy or such other Minister of the Crown as from time to time has responsibility for the subject-matter of this Agreement;

"**Parties**" means the Crown and the Lessees, and "**Party**" means any one of the Parties;

"**Project Description**" means the description of the Lessees' oil sands mining and extraction project, consistent with the provisions of the Crown Agreement, separately agreed upon between the Parties and issued pursuant to the Generic Royalty Regulation by Ministerial Order concurrently with execution of this Agreement, and includes any amendments made in accordance with section 6 of this Agreement;

"**Shared Facilities**" means the facilities of the Syncrude Royalty Project listed as such in the Project Description as issued on the date of this Agreement, without regard to any amendments;

"**Suncor**" means Suncor Energy Inc. or any other owner or owners from time to time of the Suncor Project;

"**Suncor Project**" means the oil sands Project to which the Suncor Royalty Amending Agreement applies, being the Project referred to in Project Approval Order OSR047;

"**Suncor Royalty Amending Agreement**" means the agreement of that title dated January 29, 2008 authorized by Order in Council No. 63/2008 and entered into between the Crown and Suncor Energy Inc. under section 9(a) of the Act;

"**Syncrude BRO Agreement**" means the agreement titled "Syncrude Bitumen Royalty Option Agreement", entered into between the Crown and the Lessees under section 9(a) of the Act on the same date as this Agreement, including any amendments;

"**Syncrude BVM Per Barrel Price**" means the price of a barrel of Bitumen recovered from the Syncrude Royalty Project, for royalty calculation purposes, determined in accordance with subsections 3(b) through 3(e);

"**Syncrude Joint Venture**" means the contractual relationship in respect of the Syncrude oil sands project, among the Lessees in their capacity as "Participants" under the "Syncrude Project Ownership and Management Agreement" dated February 1, 1975, as amended;

"**Syncrude Royalty Project**" means, at any time, the Project referred to in the Project Description; and

"**Taxes**" means all income, profits, gross receipts, windfall or windfall profits, severance, real or personal property, intangible property, environmental, excise, customs, utility, sales, use, value added, transfer, fuel, carbon, production, franchise, capital gains, employment, withholding, registration, stamp, payroll, goods and services, business, occupation, alternative, add-on or minimum taxes, and any other taxes, charges, fees, imposts, duties, levies or other like assessments, charges or burdens of any kind whatsoever, together with any interest, fines, penalties or additions thereon.

2. Interpretation

(a) In this Agreement:

(i) numerical references to section numbers are to the numbered provisions of this Agreement;

(ii) references to subsections are to the alphabetically sequenced subsections within the numbered section referred to;

(iii) references to clauses are to the lower case roman numeral sequenced clauses within the section and subsection referred to;

(iv) references to a subsection without reference to a section are to the section within which the subsection appears;

(v) references to a clause without reference to a subsection are to the subsection within which the clause appears;

(vi) references to a subclause without reference to a clause are to the clause within which the subclause appears;

and a reference to "this section", "this subsection", "this clause" or "this subclause" has a corresponding meaning.

(b) All references in this Agreement to monetary amounts are to the lawful currency of Canada.

(c) This Agreement, the Crown Agreement, the Syncrude BRO Agreement and the documents to be delivered or that have been delivered pursuant to this Agreement and the Crown Agreement constitute the entire agreement between the Parties and set out all of the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and the Crown Agreement and any document required to be delivered pursuant to this Agreement and the Crown Agreement.

(d) In the event of a conflict among the provisions of this Agreement, the Crown Agreement and the Syncrude BRO Agreement, the following order of supremacy shall prevail:

(i) this Agreement, then

(ii) the Syncrude BRO Agreement, and then

(iii) the Crown Agreement.

3. Bitumen Valuation Methodology

(a) The Crown intends to establish and implement a BVM on or before January 1, 2009 that is based on a reference price (or a weighted average reference price) from one or more liquid, transparent, arm's-length Canadian heavy oil markets (the "**BVM Reference Price**"), with adjustments to recognize differences in quality between the product represented by the selected market and the Bitumen from each particular source of Bitumen subject to the Crown royalty, and adjustments to recognize transportation and handling costs of Bitumen and diluent. The Crown presently intends that the BVM may include a provision pursuant to which the Crown is entitled to increase the BVM Reference Price for royalty calculation purposes (the "**BVM Adjusted Reference Price**") if, in the Minister's opinion, Canadian heavy oil market prices, in any Period, are suppressed relative to North American heavy oil market prices as a result of a temporary disconnect between Canadian heavy oil and North American heavy oil market prices. For the purposes hereof, the North American heavy oil market price means a reference price (or a weighted average reference price), determined by the Minister, from one or more liquid, transparent, arm's-length North American heavy oil markets (the "**North American Reference Price**").

(b) The Crown shall, prior to January 1, 2009, establish, and provide written notice to the Lessees of, a bitumen valuation methodology (which, subject to the other requirements of this section 3, may be the BVM) applicable to the calculation of the royalty payable by the Lessees on Bitumen recovered from the Syncrude Royalty Project from January 1, 2009 until January 1, 2016 that is fully consistent with the principles set out and described in section 3(a), as modified by the provisions of subsections 3(c) to 3(e) (the "**Syncrude BVM**").

(c) The Syncrude BVM:

(i) must not be based on a formula that calculates the value of Bitumen based on the price of crude oil (other than heavy oil) or the price of refined or upgraded products;

(ii) subject to subsection 3(d), must not be based, in whole or in part, on any markets other than one or more liquid, transparent, arm's length Canadian heavy oil markets;

(iii) must make reasonable adjustments for quality differences between the quality of the Bitumen used to determine the BVM Reference Price used in the Syncrude BVM and the Bitumen recovered by the Lessees from the Syncrude Royalty Project;

(iv) must make reasonable adjustments for transportation and handling costs from the location of the reference heavy oil markets used to determine the BVM Reference Price used in the Syncrude BVM and the Royalty Calculation Point (having regard to subsections 9(a) and 9(f)) for the Syncrude Royalty Project, including the transportation and handling costs of diluent from the location of the reference diluent markets used to determine the diluent price to the location of the blending point for Bitumen for the Syncrude Royalty Project;

(v) must not be subject to any adjustments other than those specifically permitted by this section 3; and

(vi) shall include provisions that ensure that if, for any Period, the BVM Per Barrel Price that would be applicable to the Syncrude Royalty Project but for the provisions of this section 3 is less than the Syncrude BVM Per Barrel Price, then the Syncrude BVM Per Barrel Price for that Period shall be deemed to be the BVM Per Barrel Price.

(d) If, under the Generic Royalty Rules, the Crown has the right to apply a BVM Adjusted Reference Price, the Crown shall be entitled, at the same time and for the same Period it applies such BVM Adjusted Reference Price, to apply in respect of the Syncrude BVM an adjusted reference price that is the lesser of:

(i) the BVM Adjusted Reference Price determined in accordance with the Generic Royalty Rules; and

(ii) an adjusted reference price that is equal to:

(A) the BVM Reference Price determined in accordance with the Generic Royalty Rules for the immediately preceding Period; plus

(B) the BVM Reference Price determined in accordance with the Generic Royalty Rules for the immediately preceding Period multiplied by the percentage change in the North American Reference Price between the immediately preceding Period and the current Period.

(iii) For greater certainty, the adjusted reference price in clause 3(d)(ii), expressed in dollars, is calculated as follows:

$$BVM_{T-1} + \left(BVM_{T-1} \times \frac{NA_T - NA_{T-1}}{NA_{T-1}}\right)$$

where:

BVM_{T-1} is the BVM Reference Price determined in accordance with the Generic Royalty Regime for the immediately preceding Period;

NA_T is the North American Reference Price for the current Period; and

NA_{T-1} is the North American Reference Price for the immediately preceding Period.

(e) The Parties acknowledge (as a statement of principle only, and not with the intent of creating rights or obligations additional to those expressly set out in this Agreement) that the Syncrude BVM is not intended to competitively disadvantage the Lessees as a result of the application of a methodology that results in a higher value being attributed to Bitumen recovered from the Syncrude Royalty Project relative to the Projects of non-Integrated Producers. Accordingly, the Crown shall, for the Period ending December 31, 2009 and for each subsequent Period ending prior to January 1, 2015, calculate, based on data then available to the Crown, the weighted average price per barrel of all third party arm's length sales of Alberta Bitumen in that Period (without regard to further adjustments for quality or for transportation and handling costs) (the "**Alberta Bitumen Weighted Average Sales Price**") and advise the Lessees of the same within a reasonable time following the expiry of such Period. If the Syncrude BVM Per Barrel Price for any Period (the "**Triggering Period**") exceeds the Alberta Bitumen Weighted Average Sales Price for that Period, the Crown shall, within six (6) months of the expiry of that Period, review and make modifications to the Syncrude BVM (or any element thereof, as the Crown may consider necessary), applicable to the then current Period and thereafter, but not to the Triggering Period, that are designed by the Crown, acting reasonably and in good faith, for the purpose of realigning the Syncrude BVM so that for the then current Period and any subsequent Period, the Syncrude BVM Per Barrel Price will not exceed the Alberta Bitumen Weighted Average Sales Price for such Period.

(f) Subject to compliance with all of the requirements of this section 3, the Crown may, from time to time after January 1, 2009, modify the Syncrude BVM by written notice to the Lessees. The Crown may not, at any time after January 1, 2016, retroactively or retrospectively amend the Syncrude BVM in any manner inconsistent with any of the requirements of this section 3 with respect to any Period prior to January 1, 2016.

4. Royalty In Kind

Prior to January 1, 2012, any and all provisions of the Generic Royalty Regime that entitle the Crown to take the Crown royalty share in kind shall not apply to Bitumen recovered from the Syncrude Royalty Project. After January 1, 2012 and until January 1, 2016, the Crown's right to take Bitumen recovered from the Syncrude Royalty Project in kind will be modified in the manner described in this section 4:

(a) The Crown may exercise its right to take Bitumen recovered from the Syncrude Royalty Project in kind only if the Crown has, at the same time, for the same period of time, and on the same proportionate basis, exercised its right to take in kind, all or any portion of the Oil Sands Products recovered from the Projects of all other Integrated Producers (excluding any Integrated Producers for whom the Crown's royalty share of Oil Sands Products is less than three thousand barrels per day).

If, in connection with such taking in kind, the Crown does not require the Lessees' assistance, as provided in subsection (d), then, to the extent the Crown has, by legislative act or by the consent of the Lessees, a right to enter upon the Lessees' property to take delivery at the Royalty Calculation Point (as the Royalty Calculation Point is determined under subsections 9(a) and 9(f)), the Crown will ensure that any actions it may take do not adversely affect the Lessees or the economics (other than solely by virtue of the loss of the Crown's royalty share of Bitumen), efficiency or performance of the Lessees' operations, business or facilities or increase the Lessees' operational risks, and will also ensure that any activities of the Crown comply with the requirements of all applicable laws and the health, safety, environmental or operational policies, standards, procedures or requirements of the Lessees then in effect.

(b) Prior to the Crown exercising the right to take Bitumen in kind under subsection (a), the Crown shall in a timely manner initiate discussions with the Lessees and the Parties shall in good faith pursue discussions on contractual arrangements that will satisfy the conditions set forth in the second paragraph of subsection (a), including any commercial terms that may be necessary under subsection (d), all with a view to concluding such contractual arrangements on or before December 31, 2011.

(c) For the purposes of this section 4 and subject to the first paragraph of subsection (a):

(i) in the event the Lessees (as a group and not individually) and the Crown have not concluded an agreement under subsection (b) by January 1, 2012, then in lieu of the Crown taking Bitumen in kind from the Syncrude Royalty Project, the Lessees shall have the obligation to deliver to the Crown, the Crown's Bitumen royalty share (or portion thereof that the Crown has elected to take in kind, as applicable) by delivering an equivalent value of Bitumen that has been recovered from either the Syncrude Royalty Project or from another source, at such recognized industry hub within Alberta as may be specified by the Crown, the volume of which will be adjusted for the quality difference between delivered Bitumen and Bitumen from the Syncrude Royalty Project, subject to an allowance for transportation and handling costs (including, without limitation, diluent costs) that would have been applicable had the Bitumen been delivered from the Syncrude Royalty Project; and

(ii) the Crown shall be deemed to have exercised its right to take Oil Sands Products in kind from the Project of any other Integrated Producer even if that other Integrated Producer delivers to the Crown, the Crown's royalty share (or portion thereof that the Crown has elected to take in kind, as applicable) by delivering Bitumen of equivalent value that has been recovered from sources other than the Project of that Integrated Producer.

(d) If the Crown exercises its right to take in kind at any time prior to January 1, 2016, the Crown shall only be entitled to the Lessees' assistance relating to the storage, shipping, processing, transportation, handling, tankage, blending, upgrading, processing, marketing and/or any other activity associated therewith downstream of the Royalty Calculation Point (as the Royalty Calculation Point is determined under subsections 9(a) and 9(f)), upon commercial terms agreed to by the Lessees, acting reasonably, including such provisions regarding consideration for general and administrative services provided or incurred by the Lessees for the assistance provided to the Crown and such provisions regarding indemnification as the Lessees may require, acting reasonably. The provisions of this subsection (d) shall not apply after January 1, 2016; provided that any agreements

entered into by the Crown and the Lessees pursuant to this section 4 shall continue in full force and effect, in accordance with their terms.

(e) Any taking in kind by the Crown, as contemplated herein, shall be at the Crown's sole cost, risk and expense.

5. Bitumen Election

The Crown and the Lessees unconditionally and irrevocably acknowledge and agree that the Lessees have validly exercised their Bitumen Royalty Option with an effective date of January 1, 2009.

6. Project Description

(a) The Project Description effective as of the date hereof shall not be amended by the Minister prior to January 1, 2016 except (i) pursuant to subsection (c) or (ii) as requested by the Lessees and approved by the Minister after the date hereof. In considering all such amendments requested by the Lessees, the Minister shall apply the criteria set out in the Generic Royalty Regulation in effect as of January 1, 2008, in a manner generally consistent with their application to the Syncrude Royalty Project as at September 22, 2005.

(b) The Crown agrees that, effective the date of this Agreement, the "Leases" under the Crown Agreement as amended by this Agreement include the following Government of Alberta oil sands leases (in each case including any amendments from time to time and including any oil sands lease or other document of title issued as a consolidation or otherwise in substitution therefor):

Oil Sands Lease No. 7597050T10

Oil Sands Lease No. 7597030T12

Oil Sands Lease No. 7279120T17

Oil Sands Lease No. 7280040T22

Oil Sands Lease No. 7280090T29

Oil Sands Lease No. 7280090T30

Oil Sands Lease No. 7280100T31

Oil Sands Lease No. 7280110T34

(c) The Crown agrees and undertakes, notwithstanding the Generic Royalty Regime, that until December 31, 2033, except as otherwise requested or agreed to by the Lessees:

(i) the Crown will not amend the Project Description so as to remove from the Syncrude Royalty Project any of the Leases or any associated facilities (other than as provided in subsection (d)) that:

(A) are in the Project Description at that time;

(B) continue to be used for the Syncrude Royalty Project; and

(C) have not been disposed of by the Lessees; and

(ii) the oil sands mining and extraction operations carried on by the Lessees on the Leases will constitute a single royalty Project, without regard to any limitation on volume or production from the oil sands mining operations, and the Lessees are entitled, subject to making application under the Generic Royalty Regulation and subject to obtaining required ERCB approvals from time to time, to include within the single royalty Project mining and extraction facilities added from time to time on the Leases in the course of developing the Leases.

(d) The Lessees undertake to apply, and shall be deemed to have made application on January 1, 2010, under the Generic Royalty Regulation, to amend the Project Description so as to remove from the Project Description, effective December 31, 2010, any of the Shared Facilities that do not meet the percentage use threshold then specified in the Generic Royalty Regulation for inclusion of facilities in a Project; provided that particular Shared Facilities shall be deemed not to meet the percentage use threshold unless the Lessees have by December 31, 2010 established to the reasonable satisfaction of the Minister that the percentage use threshold is met in respect of such Shared Facilities; and provided that, notwithstanding the Generic Royalty Regime, no Other Net Proceeds shall follow from such removal from the Project Description.

7. <u>Additional Royalty</u>

(a) This Agreement is in every respect conditional on enactment with effect January 1, 2009 of new royalty rates for oil sands royalty Projects substantively as announced on October 25, 2007 in the Crown's "New Royalty Framework"; and if such new royalty rates have not by December 31, 2009 been enacted with effect January 1, 2009, then this Agreement shall be void *ab initio*.

(b) This Agreement supplements the Crown Agreement, and does not amend or affect the operation of the Crown Agreement except as required to give effect to the express provisions of this Agreement. For greater certainty, the Lessees will continue paying royalties pursuant to Clause 407 of the Crown Agreement in respect of Bitumen produced from the Syncrude Royalty Project to and including December 31, 2015.

(c) Subject to the condition in subsection (e) and subject to section 8, the Lessees agree to pay in respect of Bitumen produced from the Syncrude Royalty Project, in addition to royalties otherwise payable pursuant to Clause 407 of the Crown Agreement, additional royalties totalling $975 million for the years 2010 through 2015 inclusive (the "**Incremental Royalty Period**"), in accordance with the following:

Year	2010	2011	2012	2013	2014	2015
Payment ($Millions)	75	75	100	150	225	350

(d) Subject to subsection (e), the royalty payments required by subsection (c) shall be due and payable on January 31st next following the end of each year during the Incremental Royalty Period, and after such date shall bear interest at the same rate as other royalties under the Generic Royalty Regime that are not paid when due.

(e) The additional royalties payable under subsection (c) shall be contingent on production levels from the Syncrude Royalty Project, in accordance with the following provisions:

(i) In this subsection (e):

(A) "**Production Threshold**" shall mean 345,000 barrels per day of Bitumen production from the Syncrude Royalty Project, which the Parties mutually understand will approximately equate to 300,000 barrels per day of Syncrude synthetic crude oil;

(B) "**Actual Production**" shall mean the average daily production, in barrels per day of Bitumen, from the Syncrude Royalty Project;

(C) "**Cumulative**", as at any date, refers to the total Production Threshold or the Actual Production, as the case may be, accumulated from January 1, 2010 to that date; and

(D) "**Payment**" means a payment of additional royalty specified in subsections (c) and (d).

(ii) If, at the end of the Incremental Royalty Period, Cumulative Actual Production is less than the Cumulative Production Threshold, then the total additional royalties payable under subsection (c) shall be reduced from $975 million to an amount calculated by multiplying $975 million by the Cumulative Actual Production divided by the Cumulative Production Threshold.

(iii) Without altering the total additional royalties specified by clause (ii), but rather in furtherance of that result, if as at the end of any year during the Incremental Royalty Period the Cumulative Actual Production is less than the Cumulative Production Threshold, then the Payment for that year shall be adjusted so as to equal:

(A) the aggregate Payments specified in subsection (c) for the years to and including the year in question, multiplied by the Cumulative Actual Production to the end of that year divided by the Cumulative Production Threshold to the end of that year, less

(B) the actual Cumulative Payments that have been previously made to the Crown.

(iv) Provided Payments in accordance with this subsection (e) are made for each year during the Incremental Royalty Period by the time specified in subsection (d), no interest will be payable by either party to the other in connection with achieving the net result required by clause (ii) at the end of the Incremental Royalty Period.

(f) The Lessees acknowledge that they have represented to the Crown as of September 26, 2008 the Lessees' good faith best estimate, established for their own purposes, of production levels for the Syncrude Royalty Project during the Incremental Royalty Period; but the Crown acknowledges that the Lessees do not by such acknowledgement provide any warranty or make any promise or assume any duty of care in regard to the accuracy of their current estimate of production levels or actual production for the Syncrude Royalty Project during the Incremental Royalty Period.

(g) The Crown and the Lessees agree that all amounts payable by the Lessees under this Agreement are royalties for all intents and purposes.

8. <u>Adjustments to the Royalty</u>

(a) If the Crown fails to fully comply with its obligations under subsections 3(b) to 3(f) inclusive, the Crown shall promptly rectify the non-compliance upon receiving notice from the Lessees of the non-compliance.

(b) If the Crown fails to:

(i) rectify any non-compliance referred to in section 8(a) (including, without limitation, re-calculating any royalty inappropriately calculated by the Crown), within six (6) months of receiving from the Lessees notice of the non-compliance or, in the event that the Crown disputes in good faith the allegation of non-compliance, within six (6) months of final resolution of that dispute, whether by agreement of the Parties or pursuant to any court proceedings , including by the payment, if applicable, to the Lessees of an amount equal to the difference between the royalties actually paid by the Lessees to the Crown for the relevant Period in respect of the Syncrude Royalty Project and the royalties that the Lessees would have paid to the Crown in respect of that Period if the Crown had complied with the provisions referred to in subsection 8(a), plus interest thereon at the rate of interest specified below, calculated from the date of the non-compliance to the date of payment; or

(ii) make the adjustments to the Syncrude BVM required by subsection 3(e) within the six month period specified therein or, in the event that the Crown disputes in good faith an assertion by the Lessees that adjustments to the Syncrude BVM are required by the terms of subsection 3(e), within six months of final resolution of that dispute, whether by agreement of the Parties or pursuant to any court proceedings or any binding arbitration entered into by agreement of the Parties;

then, in addition to any other remedies available to the Lessees in respect of such failure, this Agreement shall immediately be and be deemed to be amended by deleting section 7 of this Agreement in its entirety for any Period during which the non-compliance occurs or continues to occur.

The rate of interest for the purposes of subsection (b) shall be the BA Rate plus 100 basis points, where "BA Rate" means the per annum rate of interest that is the rate, determined as being the arithmetic average of the rates per annum (calculated on the basis of a year of 365 days) applicable to Canadian dollar bankers' acceptances with a term of 60 days, displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefore) of Reuters Monitor Money Rates Service as at approximately 8:00 a.m. (Calgary time) on such day.

9. Certain Provisions of the Generic Royalty Rules

(a) Except where expressly otherwise agreed to by the Lessees by notice to the Crown, and subject to subsections (b), (c), (d), (f) and (h) and section 10, no changes made after January 1, 2008 to the Allowed Cost Rules (as defined below) shall apply to the Lessees in respect of the Syncrude Royalty Project for any Period prior to January 1, 2016, and the Crown agrees to apply the Allowed Cost Rules to the Syncrude Royalty Project for any Period prior to January 1, 2016, in a manner generally consistent with their application to the Syncrude Royalty Project as at January 1, 2005. In this section 9, "**Allowed Cost Rules**" means the provisions of the Generic Royalty Regulation relating to the meaning of any of Allowed Cost (including, without limitation, Schedule 2 of the Generic Royalty Regulation), Qualifying Joint Venture Project, Net Revenue, Gross Revenue, Royalty Calculation Point, Other Net Proceeds or any related provisions relevant to the interpretation thereof, together with any business rules, interpretations or guidelines if, and only if, such business rules, interpretations or guidelines were published by the Crown prior to January 1, 2005, all of the foregoing subject to any adjustment or limitation that may be contained in the Syncrude BRO Agreement.

(b) Notwithstanding subsection (a), the Crown agrees that the following costs shall be included in the Allowed Cost Rules unless they are expressly disallowed for all Projects by Alberta government policy:

(i) payments or offsets in respect of project emissions under the *Climate Change and Emission Management Act* (Alberta), or any successor legislation;

(ii) reclamation activities under the Crown's proposed "Mine Liabilities Management Program", or any successor program; and

(iii) any other costs paid under any other legislation or program of the Crown in respect of reclamation, technology, credits or offsets.

(c) The Crown shall promptly provide the Lessees with written notice of any of the following changes to any of the provisions of the Generic Royalty Rules relating to the meaning of any of Allowed Cost, Net Revenue, Gross Revenue, Royalty Calculation Point, Other Net Proceeds or any related provisions relevant to the interpretation thereof:

(i) changes made for improved administration or efficiency that will not result in an increase in the royalties that would otherwise be paid by the Lessees under this Agreement; and

(ii) changes that are applicable generally to Projects that will result in a decrease in the royalties that would otherwise be paid by the Lessees under this Agreement.

The Lessees may, at any time after such changes are made, but not later than 60 days of receiving such notice, elect, by written notice to the Crown, to have any one or more of such changes apply to the Syncrude Royalty Project. If the Lessees so elect, such changes will apply as of the date such changes became effective or were applied under the Generic Royalty Rules.

(d) Notwithstanding subsection (a), any change made to the meaning of Allowed Cost specifically in relation to costs that are unique in nature and that have never been incurred in respect of a Project prior to the date hereof, will, if applicable generally to Projects, apply to the Syncrude Royalty Project without the consent or agreement of the Lessees.

(e) The Crown agrees, notwithstanding the provisions of the Generic Royalty Regulation governing eligibility for status as a Qualifying Joint Venture Project and notwithstanding any amendment or repeal of those provisions, and notwithstanding the Lessees' exercise of the Bitumen Royalty Option, that to and including December 31, 2015 the Syncrude Royalty Project will continue to be treated as a Qualifying Joint Venture Project under the Allowed Cost Rules as defined in subsection (a).

(f) Notwithstanding the Generic Royalty Regime and notwithstanding subsection (a), the Crown agrees that to and including December 31, 2015 the Royalty Calculation Point in respect of the Syncrude Royalty Project will be located at the diluent recovery units (Plants 7-1, 7-2 and 7-3 and, if constructed and in operation on or before December 31, 2015, one additional diluent recovery unit).

(g) Notwithstanding the Generic Royalty Regime, the Crown agrees that for the calendar years 2009 and 2010 the Crown will rely on measurements of the quantity of Bitumen produced by the Syncrude Royalty Project that accord with protocols of the ERCB and are reported on ERCB Form S-23 or its equivalent; and following 2010 measurements of the quantity of Bitumen produced by the Syncrude Royalty Project shall be governed by the Generic Royalty Regime.

(h) The Parties agree that, for the life of the Syncrude Royalty Project, for purposes of the Generic Royalty Regime but subject to the provisions thereof then applicable to the Syncrude Royalty Project regarding allowed costs, reclamation and remediation and other costs (excluding dismantling and decommissioning costs) incurred as a result of contamination or disturbance of land, that are attributable to upgrading operations (including Shared Facilities and including sulphur stockpile) rather than attributable to Bitumen production operations, shall:

(i) be attributed to the Syncrude Royalty Project to the extent that the contamination or disturbance was caused on or before December 31, 2008 by upgrading operations (including Shared Facilities and including sulphur stockpile) that were then part of the Syncrude Royalty Project; and

(ii) not be attributed to the Syncrude Royalty Project to the extent that the contamination or disturbance was caused after January 1, 2009 by upgrading operations not part of the Syncrude Royalty Project;

and the Parties undertake to in a timely manner mutually cause to be carried out, by a mutually acceptable third party, a confidential baseline study identifying, with as much detail and precision as is feasible, the extent and nature of contamination or disturbance caused to and including December 31, 2008 by upgrading operations then part of the Syncrude Royalty Project, which study may include an inventory of the upgrader assets as at December 31, 2008. The Parties agree that, notwithstanding the Allowed Cost Rules, the cost of procuring the baseline study shall be paid by the Lessees and shall be an Allowed Cost of the Syncrude Royalty Project.

10. Allocation of Costs

(a) The Crown and the Lessees mutually recognize that following January 1, 2009 certain costs incurred in the carrying out of the integrated oil sands mining, extraction and upgrading operations (in this section, the "Integrated Operation") will need to be allocated between the Syncrude Royalty Project and the non-Syncrude Royalty Project operations. Accordingly, the Parties agree by this section on certain cost allocations, which will apply notwithstanding the provisions of the Generic Royalty Regime.

(b) For each of 2009 and 2010, 64.5% of the aggregate operating expenditures of the Integrated Operation during that year that would qualify as Allowed Costs under the Allowed Cost Rules (as defined in section 9) if the Integrated Operation were the royalty Project, shall be allocated to the Syncrude Royalty Project as Allowed Costs.

(c) In addition to the 64.5% allocation provided for by subsection (b), the Lessees shall be entitled to claim as Allowed Costs in the years 2009 and 2010 the following amounts in respect of certain fuels produced in the Integrated Operations and consumed in Bitumen production for the Syncrude Royalty Project:

(i) for each calendar month, the value of the quantity of diesel so consumed during such month, valued at the least of:

(A) average daily Edmonton wholesale price, as posted by Shell, Petro-Canada and Imperial Oil (or equivalent alternatives if such postings are not available), after being adjusted for quality and for transportation at the Syncrude Royalty Project;

(B) actual weighted average third party sales by the Integrated Operation, pursuant to clause (iv), after being adjusted for quality and for transportation at the Syncrude Royalty Project; and

(C) actual weighted average third party purchases by the Integrated Operation, pursuant to clause (iv), after being adjusted for quality and for transportation at the Syncrude Royalty Project;

during the applicable calendar month, in each case excluding Alberta fuel tax and any goods and services tax under Part IX of the *Excise Tax Act* (Canada), and as measured in accordance with ERCB protocols and noted on ERCB Form S-23 or any successor form;

(ii) for each calendar month, the value of naphtha so consumed, valued at the least of:

(A) average actuals posted on NetThruPut (or any organization succeeding to the current function of NetThruPut in relation to such function), after being adjusted for quality and transportation at the Syncrude Royalty Project;

(B) actual weighted average third party sales by the Integrated Operation pursuant to clause (iv), after being adjusted for quality and transportation at the Syncrude Royalty Project; and

(C) actual weighted average third party purchases by the Integrated Operation pursuant to clause (iv), after being adjusted for quality and transportation at the Syncrude Royalty Project;

during the applicable calendar month, in each case excluding any goods and services tax under Part IX of the *Excise Tax Act* (Canada), and as measured in accordance with ERCB protocols and noted on ERCB Form S-23 or any successor form; and

(iii) for each calendar month, the value of hydro-carbon fuel gas so consumed, valued at the least of:

(A) the monthly Alberta Gas Reference Price, divided by the pipeline fuel/loss factor, as published by the Alberta Department of Energy for the purpose of natural gas royalties, on an equivalent energy content basis, plus transportation charges calculated as the sum of the load factor Average Firm Service Receipt Price and the intra-Alberta delivery commodity rate (such as but not limited to FT-R, FT-A or its successors) as found in the gas transportation tariff (table of rates, tolls and charges) of Nova Gas Transmission Ltd. (or its successor), required to deliver gas to the Syncrude Royalty Project;

(B) actual weighted average third party sales of hydro-carbon fuel gas, on an equivalent energy content basis, by the Integrated Operation pursuant to clause (iv), after being adjusted for transportation at the Syncrude Royalty Project; and

(C) actual weighted average third party purchases of natural gas, on an equivalent energy content basis, by the Integrated Operation pursuant to clause (iv), after being adjusted for transportation at the Syncrude Royalty Project;

in each case excluding any goods and services tax under Part IX of the *Excise Tax Act* (Canada).

(iv) for the purposes of determining prices pursuant to subclauses (B) and (C) of each of clauses (i), (ii) and (iii),

(A) only transactions that are between commercial entities reflecting bulk type sales or purchases (as the case may be) in the normal course of business shall be considered, and

(B) subclauses (B) and (C) of clauses (i), (ii) and (iii) shall have application only in months where the aggregate volumes of sales or purchases (as the case may be) in a month are at least 7.5% of the internally consumed volumes for the Integrated Operation during that month.

(d) For purposes of subsection (c)(iii), in the years 2009 and 2010 the amount of hydro-carbon fuel gas consumed in Bitumen production for the Syncrude Royalty Project shall be conclusively determined as 0.208 gigajoules per barrel of Bitumen production, as measured in accordance with ERCB protocols and noted on ERCB Form S-23 or any successor form.

(e) For the years 2011 through 2015,

(i) for purposes of applying the Allowed Cost Rules, the Crown and the Lessees will seek to agree upon a percentage allocation of the aggregate operating expenditures of the Integrated Operation (based only on expenditures that would qualify as Allowed Costs if the Integrated Operation were the royalty Project), in each case in light of the previous year's actual operating expenditures for the Integrated Operation (which the Lessees agree shall be subject to audit in the same way as if the Integrated Operation were the royalty Project). In the absence of an agreement on such allocation for any of such years, cost allocation between the Syncrude Royalty Project and the non-Syncrude Royalty Project operations for that year shall be determined in accordance with the provisions of the Generic Royalty Regime then governing cost allocations (which, for greater certainty, shall not be limited to provisions in effect as of January 1, 2008, notwithstanding subsection 9(a)); and

(ii) in determining the Allowed Costs of the Syncrude Royalty Project, the Crown will recognize at values reflective of market price the value of diesel, naphtha and hydro-carbon fuel gas produced by the Integrated Operation and consumed in the production of Bitumen within the Syncrude Royalty Project.

(f) For the years 2009 and 2010, the Crown and the Lessees agree that capital expenditures in respect of any facilities within the Integrated Operation that will be used in part for the Syncrude Royalty Project and in part for non-Syncrude Royalty Project operations within the Integrated Operation shall be allocated on a reasonable basis between the Syncrude Royalty Project and the non-Syncrude Royalty Project operations, such reasonable basis to be determined by agreement between the Crown and the Lessees and, failing such agreement in respect of one or more of such facilities, shall be settled by final and binding arbitration by a sole arbitrator pursuant to the *Arbitration Act* (Alberta). The Parties agree that where capital has been allocated by agreement between the Parties, either pursuant to this subsection or by inclusion of assets within Shared Facilities, then no cost of capital shall be included in any cost of service calculation (other than in relation to custom processing in connection with the delivery of royalty in kind) under the Generic Royalty Regulation in respect of the particular capital assets.

(g) The Crown and the Lessees acknowledge that they do not intend by the provisions of this section to allow for the double-counting within Allowed Costs of any particular cost or the double-counting of any revenue, and agree that if any double-counting is found to result from any provision of this section, they will take steps to eliminate the double-counting, if necessary by amendment letter under section 20.

11. Taxes

(a) If, prior to January 1, 2016, the Lessees become subject to any new or increased Taxes enacted or imposed by the Crown after the date hereof (other than income taxes, goods and services tax and other Taxes of general application to the public or corporations at large and that are not referable to, or calculable on, the recovery of Oil Sands Products, and other than the levies or payments as set forth in the *Climate Change and Emissions Management Act* (Alberta) as of the date of this Agreement) that are imposed by the Crown on the oil sands industry or in respect of the exploration, production and sale of Oil Sands Products in the Province of Alberta, the Lessees shall be entitled to a credit

equal to the amount of such new and increased Taxes (the "**Royalty Credit Amount**") in any Period.

(b) The Royalty Credit Amount will be applied:

(i) firstly, to the extent the Crown has authority to do so, as a set-off against such new and increased Taxes otherwise payable by the Lessees to the Crown in respect of the Period, at the same time such Taxes are payable under the applicable provincial tax or other enabling legislation; and

(ii) secondly, and without duplication, as a set-off against royalties otherwise payable by the Lessees to the Crown under this Agreement in respect of the Period.

(c) Because the application of the Royalty Credit Amount under this Agreement may itself be subject to Taxes on income, then, if, and to the extent that, such new and increased Taxes are not deductible for federal or provincial income tax purposes, the aggregate amount of the Royalty Credit Amount so applied shall be adjusted so that the Royalty Credit Amount is equal to:

$$\frac{\text{the Royalty Credit Amount prior to the imposition of such Taxes}}{1\text{-TR}}$$

where "TR" means either the combined federal and provincial income tax rate, or if only one such tax is involved in the calculation, the income tax rate for that tax, then in effect for such Taxes on income.

(d) If, in respect of a Period, the Royalty Credit Amount (adjusted in accordance with subsection (c), if applicable) exceeds the aggregate amount of set-offs against Taxes and royalties under subsection (b), the amount of such excess shall be paid by the Crown to the Lessees, in cash, within 30 days of the date the Lessees file their end of Period report in respect of the Syncrude Royalty Project for the applicable Period.

(e) The Crown and the Lessees mutually intend by the provisions of this section that during the applicable Period the Lessees will be kept whole against Taxes, other than Taxes excepted by subsection (a), but will not as a result of the Royalty Credit Amount become entitled to any combination of set-off or payment under this section that, in aggregate, exceeds or is less than the amount of such Taxes (including Taxes on the Royalty Credit Amount addressed by subsection (c) to which the Lessees becomes subject; and the provisions of this section shall be construed accordingly.

(f) If the new or increased Taxes provided in subsection (a) are considered to be deductible in the calculation of Net Revenue for royalty calculation purposes, the Royalty Credit Amount shall be added to Net Revenue in the Period credited or paid to the Lessees, as the case may be.

12. Syncrude Joint Venture Participants

(a) The Crown acknowledges and agrees that

(i) the obligations of the Lessees to pay royalties pursuant to Clause 407 of the Crown Agreement and the Generic Royalty Regime, and

(ii) the obligations of the Lessees to pay additional royalties under section 7 of this Agreement,

are several and not joint or joint and several, and are in accordance with their respective participation interests in the Syncrude Joint Venture.

(b) The Crown acknowledges and agrees that in section 11 of this Agreement, "Taxes" means any Taxes to which any of the Lessees become subject, and that Royalty Credit Amounts under subsection 11(a) shall be calculated and addressed individually for the respective Lessees.

13. Generic Royalty Rules

(a) Commencing as of January 1, 2016, but without retroactive or retrospective effect to any Period prior to January 1, 2016, the royalty rates set forth in the Generic Royalty Regime shall apply with respect to Bitumen recovered from the Syncrude Royalty Project.

(b) The application and/or interpretation of the Generic Royalty Rules or any changes thereto, whether before or after January 1, 2016, shall not have the effect of subjecting the Lessees in respect of Bitumen or any other Oil Sands Products recovered from the Syncrude Royalty Project, to any additional burdens, amounts or charges in respect of its royalties payable (excluding any increased royalties payable as a result of the operation or application of the Syncrude BRO Agreement) because the Lessees were not always on a Bitumen-based royalty. In particular, but without limiting the generality of the foregoing, and subject to sections 9 and 10, for the purposes of any cost of service, non-arm's length proceeds, or other calculations relating to royalties payable by the Lessees on Oil Sands Products recovered from the Syncrude Royalty Project,

(i) the value of assets not utilized in the Syncrude Royalty Project after December 31, 2008, and

(ii) the value of Shared Facilities allocated to non-Syncrude Royalty Project operations, for purposes of the Generic Royalty Rules,

shall be determined as if the Lessees had always been on a Bitumen-based royalty and had never claimed costs relating to upgrading assets.

14. Intent

The Crown acknowledges, for greater certainty, that the provisions of this Agreement are intended to afford stability and certainty in relation to the subject-matter of the respective provisions for the stated duration of the respective obligations, notwithstanding any subsequent enactments. The Crown further undertakes that it will not single out or target the Syncrude Royalty Project or the Lessees for punitive or discriminatory treatment in regard to any matter addressed by any of the provisions of this Agreement or the Act or in relation to any payments under the Leases; and this undertaking of the Crown shall extend, in the case of any matter expressly addressed by this Agreement, for the stated duration of the Crown's obligations in relation to that particular matter, and in the case of any other matter, until December 31, 2015.

15. Lessees Not to be Treated Less Favourably

If the Crown, at any time and for any Period prior to 2016, enters into any agreement to amend or supplement the Suncor Royalty Amending Agreement or any ancillary documents relating thereto with terms and conditions that, in the Minister's reasonable opinion, are more favourable, taken as a whole, than the terms and conditions applicable to the Syncrude Royalty Project pursuant to this Agreement, then the Lessees shall be entitled to and the Crown will offer to amend this Agreement to provide comparable terms such that the Syncrude Royalty Project is not treated less favourably than Suncor in respect of the Suncor Project in respect of any Period prior to 2016, provided that no agreement negotiated and entered into in good faith by the Crown with Suncor as a result of the Crown entering into this Agreement that is limited in its intent (viewed objectively, having regard to the substantive material effects of the amending or supplementing agreement with Suncor) to the purpose of complying with section 11 of the Suncor Royalty Amending Agreement shall trigger any rights on the part of the Lessees under this section.

16. Notice

(a) Any notice, consent, approval, determination or other communication to be given or sent to a Party pursuant to this Agreement must be in writing to be effective, and shall be effective when delivered by any means (including fax transmission or e-mail) to the following respective addresses:

(i) In the case of the Crown:

Department of Energy
10th Flr, Petroleum Plaza North Tower
9945-108 St.
Edmonton, Alberta, T5K 2G6

Attention: Deputy Minister of Energy
Fax: (780) 644-3103
E-Mail: peter.watson@gov.ab.ca

(ii) in the case of the Lessees, to each of the following:

Canadian Oil Sands Limited
2500 First Canadian Centre
350-7th Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: General Counsel & Corporate Secretary
Fax: (403) 218-6227
E-Mail: trudy_curran@cos-trust.com

ConocoPhillips Canada Pipelines Limited.
1600, 401 – 9th Avenue S.W.
Calgary, AB, T2P 2H7

Attention: Corporate Secretary
Facsimile: (403) 233-5505
E-Mail: alan.p.scott@conocophillips.com

Imperial Oil Resources
P.O. Box 2480, Station M
237 - 4 Avenue
Calgary, Alberta
T2P 0H6

Attention: Vice President, General Counsel & Corporate Secretary
Facsimile: (403) 237-4300
E-Mail: brian.w.livingstn@esso.ca

Mocal Energy Limited
c/o Japan Canada Oil Co., Ltd.
1-3-12 Nishi Shimbashi
Minato-Ku
Tokyo 105-0003, Japan

Attention: General Manager, Project Coordination and Business Development
Facsimile: 81-3-3501-2692
E-Mail: ryunosuke.onogi@noex.eneos.co.jp

Murphy Oil Company Ltd.
#1700, 555 - 4 Avenue S.W.
Calgary, Alberta
T2P 3E7

Attention: Vice President, Joint Ventures and Business Development
Facsimile: (403) 294-8851
Email: cal_buchanan@murphyoilcorp.com

Nexen Oil Sands Partnership
2900, 801 – 7th Avenue S.W.
Calgary, Alberta
T2P 3P7

Attention: VP, General Counsel & Secretary
Facsimile: (403) 699-5743
Email: eric_miller@nexeninc.com

Petro-Canada
P.O. Box 2844, Station M
150 - 6 Avenue S.W.
Calgary, Alberta
T2P 3E3

Attention: Senior Vice-President, Oil Sands
Facsimile: (403) 296-5454
Email: ncamarta@petro-canada.ca

Syncrude Canada Ltd.
Law Department
P.O. Box 2480, Station M
237 Fourth Avenue S.W.
Calgary, Alberta
T2P 3M9

Attention: General Counsel & Corporate Secretary
Facsimile: (403) 237-2037
Email: ray.b.hansen@esso.ca

(b) Any Party may at any time change its address information by giving notice to all of the others in the above manner.

17. No Fettering of Discretion

The Parties acknowledge that nothing in this Agreement is intended to or is to be construed as, fettering the discretion of the Minister to enact regulations under the Act as the Minister, in his or her sole discretion, sees fit; provided that any such enactments shall not apply to the Syncrude Royalty Project or to the Lessees in respect of the Syncrude Royalty Project to the extent such enactments conflict with the provisions of this Agreement and the terms of this Agreement shall continue to apply unaffected.

18. Further Assurances

Each of the Parties shall from time to time and at all times hereafter, do all further acts and execute and deliver all further documents as are reasonably required to fully perform this Agreement.

19. Section 9(a) Agreement

The Crown has entered into this Agreement under section 9(a) of the Act, pursuant to the authority of an Order in Council.

20. Errors

If an error is discovered in this Agreement after its execution that is not material or substantive in nature and that the Parties wish to correct, then such correction may be effected by way of an amendment letter.

21. Governing Law

This Agreement shall be construed and interpreted in accordance with the laws in force in the Province of Alberta. Alberta Courts shall have exclusive jurisdiction over all matters arising in relation to this Agreement, and each Party accepts the jurisdiction of Alberta Courts.

22. Enurement

This Agreement shall enure to the benefit of and be binding upon each Party and its successors and permitted assigns.

23. Invalidity

If any provision of this Agreement is deemed to be or becomes void, illegal, invalid or unenforceable, then, to the extent of such voidability, illegality, invalidity or unenforceability, such provision shall be considered ineffective and separate and severable from the balance of this Agreement and such provision shall not invalidate, affect or impair the remaining provisions of this Agreement and this Agreement shall be construed as if such void, illegal, invalid or unenforceable provision had never been contained herein; so long as the economic and legal substance of the subject matter of this Agreement is not affected thereby in any manner materially adverse to any Party.

24. Counterpart Execution

This Agreement may be executed in separate counterparts, in which case, all the executed counterparts together shall constitute one and the same agreement, and communication of execution by fax transmission or by e-mailed PDF shall constitute good delivery.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

HER MAJESTY THE QUEEN IN RIGHT ALBERTA, as represented by the Minister of Energy

[*Signed*]

CANADIAN OIL SANDS LIMITED

[*Signed*]

CONCOCOPHILLIPS OIL SANDS PARTNERSHIP II, a partnership, by its managing partner, ConocoPhillips Pipelines Limited

[*Signed*]

IMPERIAL OIL RESOURCES, a limited partnership, by its managing partner, Imperial Oil Resources Limited

[*Signed*]

MOCAL ENERGY LIMITED

[*Signed*]

MURPHY OIL COMPANY LTD.

[*Signed*]

NEXEN OIL SANDS PARTNERSHIP, a partnership, by its managing partner, Nexen Inc.

[*Signed*]

PETRO-CANADA OIL AND GAS, a partnership, by its principal partner, Petro-Canada

[*Signed*]