

August 5, 2005

OIL SANDS INFORMATION BULLETIN 2005-01

SUBJECT: The Alberta Oil Sands Royalty Guidelines

The Alberta Oil Sands Royalty Guidelines (Guidelines) were developed through considerable efforts of the Oil Sands Royalty Task Force team, which is represented by both industry and Government. The Guidelines interpret the legislations, in particular the Oil Sands Royalty Regulations, 1997, AR 185/1997, and describe the principles and procedures involved in approval and royalty management of an oil sands project.

The July 29, 2005 Guidelines replace the Guidelines dated February 2, 2001 and include the Cost of Service Non-Arm's Length Pipelines, Electricity Cost of Service Fair Market Value and Amalgamation and Expansions business rules.

The new Guidelines may be retrieved at our website: <http://www.energy.gov.ab.ca>. (Navigate to Oil Sands, then Royalty Guidelines.)

Oil Sands Royalty clients are encouraged to continually check the Department's website as these Guidelines reflect the ongoing policies and procedures of the Oil Sands royalty program and are subject to ongoing changes as required.

In cases of conflict the Mines and Minerals Act and the Oil Sands Royalty Regulations, 1997 will take precedence over these Guidelines.

Please refer to the contact list at the back of the Guidelines if you have any questions regarding the content.



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