

TAKING THE NEXT STEP

**Bank of America
U.S. Energy Forum in Europe
Zurich/London
February 26-27, 2008**

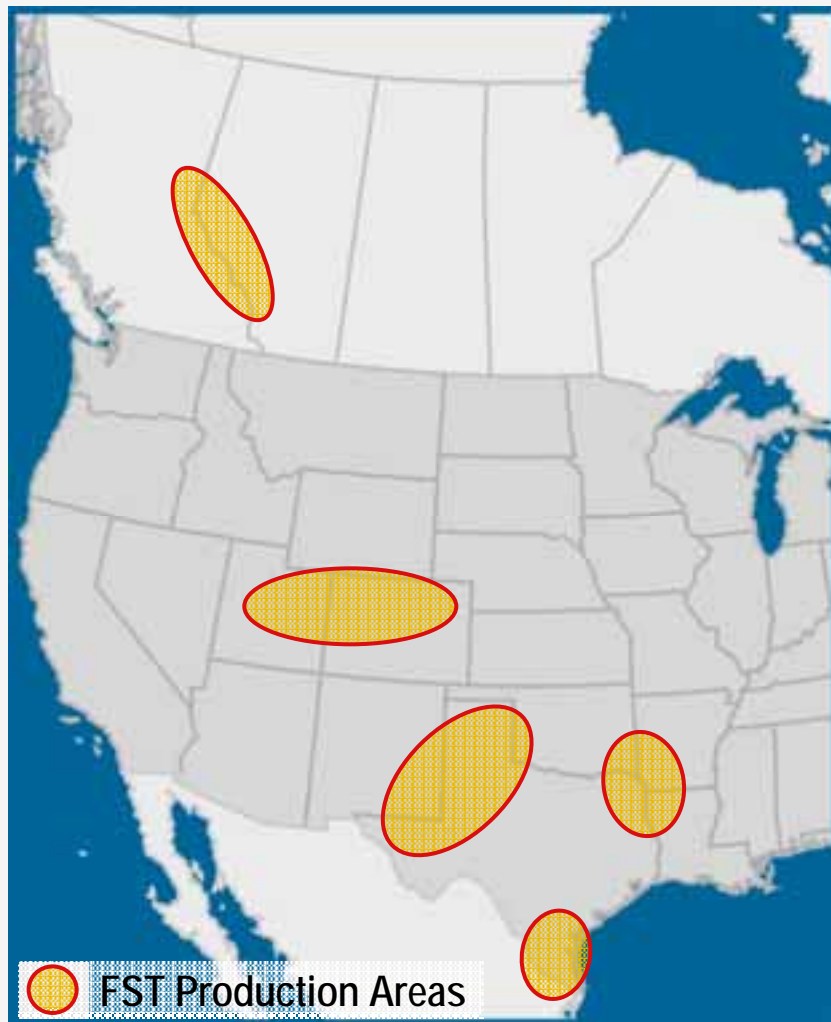


Forest Oil Corporation Snapshot

Fully Diluted Shares Outstanding (<i>MM</i>)	88
Equity Market Capitalization (<i>2/20/08 \$MM</i>)	4,550
Net Debt (<i>12/31/07 \$MM</i>)	1,740
Enterprise Value (<i>\$MM</i>)	6,290
Proved Reserves (<i>12/31/07 Bcfe</i>)	2,119
Proved Developed Percentage (%)	70
2007 FD&A Costs (<i>\$/Mcfe</i>)	2.27
2007 Four Year Average FD&A Costs (<i>\$/Mcfe</i>)	2.19
Fourth Quarter 2007 Production Annualized (<i>Bcfe</i>)	180.3
R / P Ratio * (<i>Years</i>)	11.8
Guided 2008 Production (<i>Bcfe</i>)	183-190

* Q4 2007 annualized

Focused Areas Provide Efficient Growth



Southern

12/31/07 Reserves (<i>Bcfe</i>)	443
4Q 2007 Prod. (<i>MMcfe/d</i>)	146
12/31/07 Net Acreage (<i>M</i>)	171

Eastern

12/31/07 Reserves (<i>Bcfe</i>)	600
4Q 2007 Prod. (<i>MMcfe/d</i>)	114
12/31/07 Net Acreage (<i>M</i>)	253

Western

12/31/07 Reserves (<i>Bcfe</i>)	768
4Q 2007 Prod. (<i>MMcfe/d</i>)	151
12/31/07 Net Acreage (<i>M</i>)	1,007

Canada

12/31/07 Reserves (<i>Bcfe</i>)	252
4Q 2007 Prod. (<i>MMcfe/d</i>)	83
12/31/07 Net Acreage (<i>M</i>)	533

International

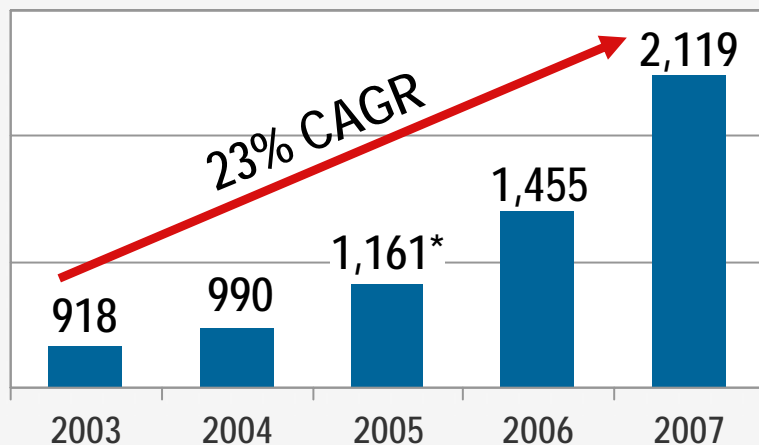
12/31/07 Reserves (<i>Bcfe</i>)	56
4Q 2007 Prod. (<i>MMcfe/d</i>)	–
12/31/07 Net Acreage (<i>M</i>)	2,969

Consolidated

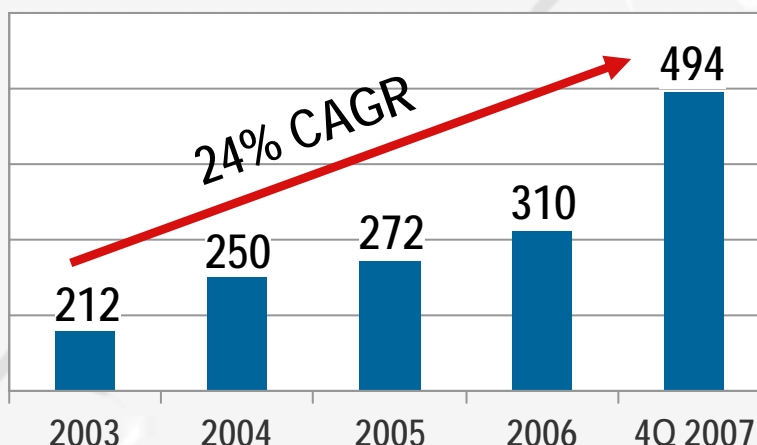
12/31/07 Reserves (<i>Bcfe</i>)	2,119
4Q 2007 Prod. (<i>MMcfe/d</i>)	494
12/31/07 Net Acreage (<i>M</i>)	4,933

Results from "4-Point" Transformation

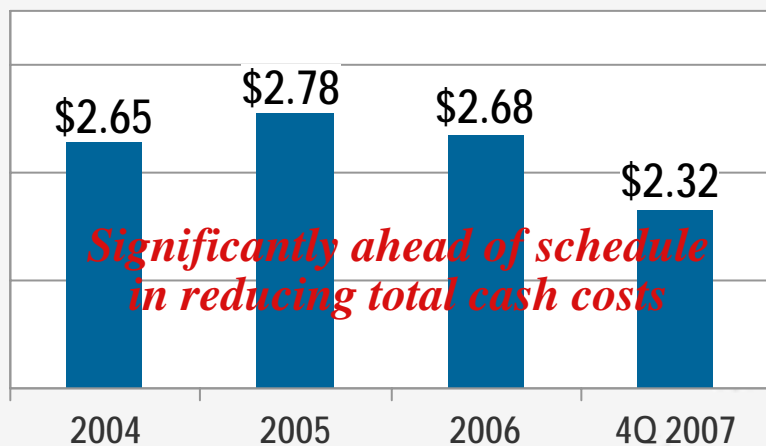
RESERVE GROWTH (*Bcfe*)



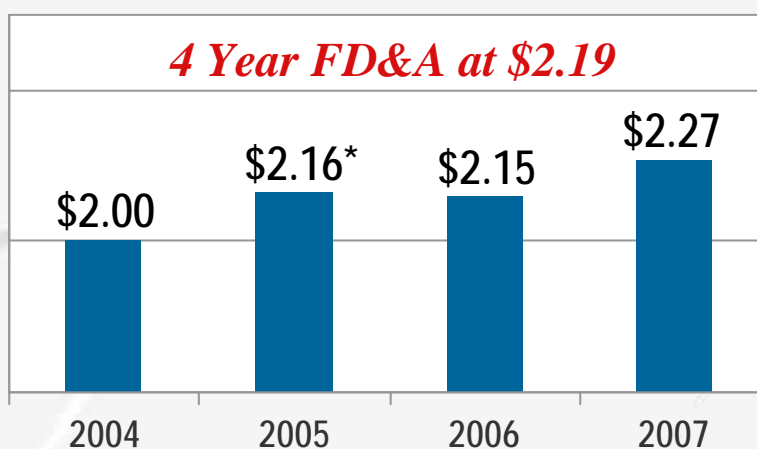
PRODUCTION (*MMcfe/d*)



TOTAL CASH COST (*\$/Mcfe*)



FD&A COSTS (*\$/Mcfe*)



* Pro forma estimated proved reserves at December 31, 2005 for the spin-off and merger with Mariner Energy, Inc.

Successful Acquire & Exploit Results

Does not include recent Houston Exploration acquisition

June 30, 2007

	INVESTMENT	RESERVES	COST
	(\$MM)	(Bcfe)	(\$/Mcfe)
Original Acquisition	1,249	741	1.69
Cash Flow / Production*	(755)	(191)	4.07
Special Dividend** <i>(Unocal and Wiser Offshore)</i>	(399)	(95)	4.18
Subtotal	75	455	0.16
Capital Projects	794	376	2.11
Total Investment	868	831	1.05

- 94% of original investment paid out - 61% of reserves remaining
- 30% of total investment paid out - 112% of reserves remaining

* Does not include value or income from drilling rigs

** Dividend occurred on 3/2/06 and included properties from both the Unocal and Wiser acquisitions



Prospect Inventory Has Expanded

June 30, 2007

GROSS PROJECT
INVENTORY

NET UNRISKED
POTENTIAL*
(Bcfe)

KEY GROWTH AREAS

Greater Buffalo Wallow Area	704	692
Canada Deep Basin and Foothills	192	122
Ark-La-Tex	842	377
South Texas	416	438
Barnett Shale	113	122
Permian	1,188	544
Rockies** / Niobrara	1,875	531
Total	5,330	2,826

Total identified project inventory of over 5,300 projects and total net unrisked potential of 2.8 Tcfe

* Does not include current estimated proved reserves

** Does not include Uinta or San Juan Basin gross project inventory or net unrisked potential (Bcfe)



Major Assets – Focused Operations



Greater Buffalo Wallow Area

12/31/07 Gross Acreage	50,300
6/30/07 Net Unrisked Potential (Bcfe)*	692

Canada Deep Basin

12/31/07 Gross Acreage	73,000
6/30/07 Net Unrisked Potential (Bcfe)*	122

Cotton Valley

12/31/07 Gross Acreage	74,400
6/30/07 Net Unrisked Potential (Bcfe)*	286

South Texas

12/31/07 Gross Acreage	117,000
6/30/07 Net Unrisked Potential (Bcfe)*	438

Arkoma

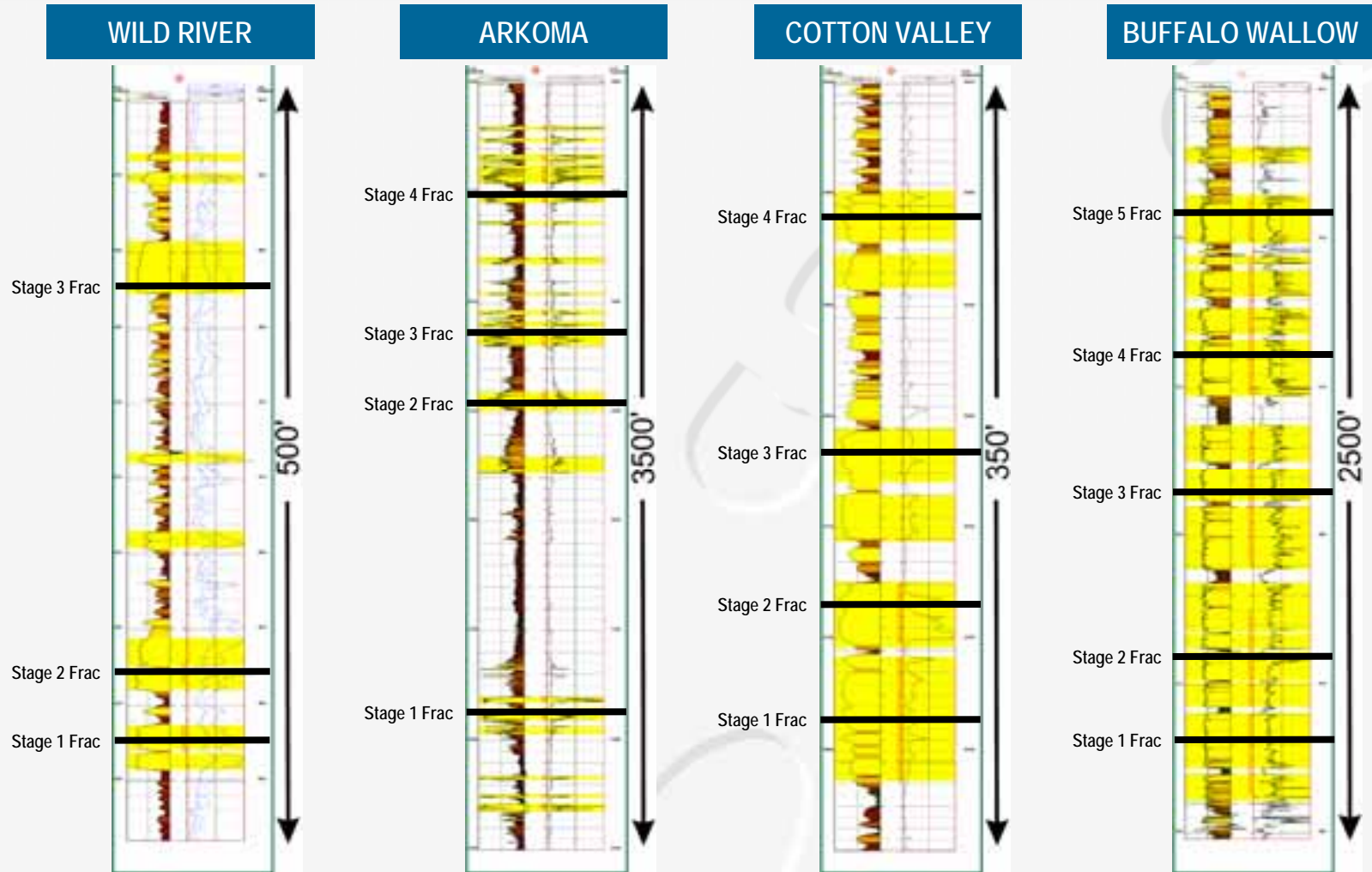
12/31/07 Gross Acreage	66,800
6/30/07 Net Unrisked Potential (Bcfe)*	91

"Big 5" Total

		% of Total
4Q 2007 Production (MMcfe/d)	303	61%
12/31/07 Gross Acreage	381,500	19%
6/30/07 Net Unrisked Potential (Bcfe)*	1,629	58%

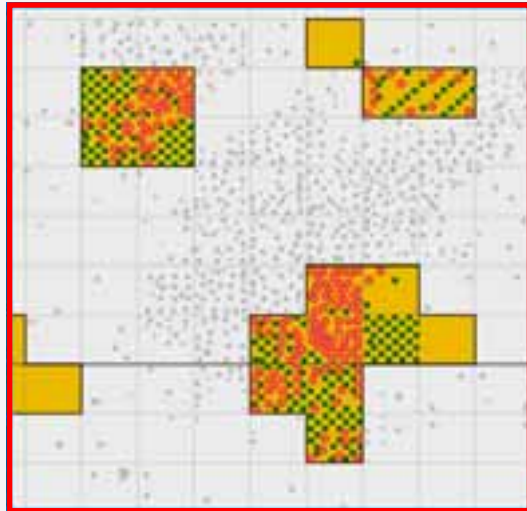
* Does not include current estimated proved reserves

Similar Geology – Different Geography



“Multi-rig, multi-frac, multi-year drilling inventories with similar geologic and completion technology characteristics”

Greater Buffalo Wallow - Texas Panhandle

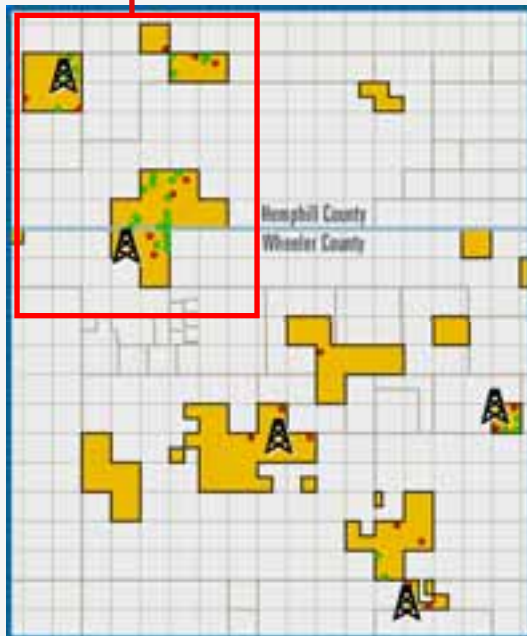


Buffalo Wallow Proper

- Field approved for 20 acre downspacing
- 2 rigs currently drilling

Offset Buffalo Wallow Acreage

- Completed offset deeper Granite Wash wells at 2.7 MMcfe/d to 8.0 MMcfe/d
- Additional acreage acquired
- Deeper Atoka zones tested higher rates
- 3 rigs currently drilling
- Frye Ranch area approved for 40 acre downspacing



The Greater Buffalo Wallow Area

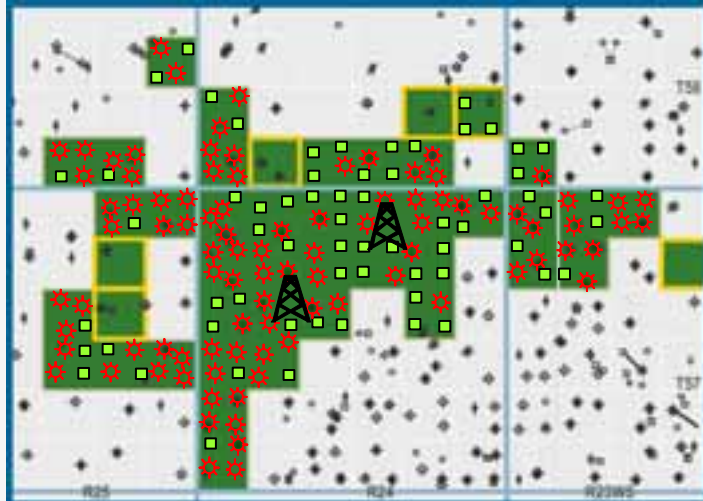
- 704 estimated non-proved locations identified
- Increased acreage to 50,300 gross acres
- Adding 6th rig to the field 2Q 2008; expect to drill 70 wells in 2008

Initial Application

Expanded Footprint

Increased Scale

Canadian Deep Basin - Cretaceous Play



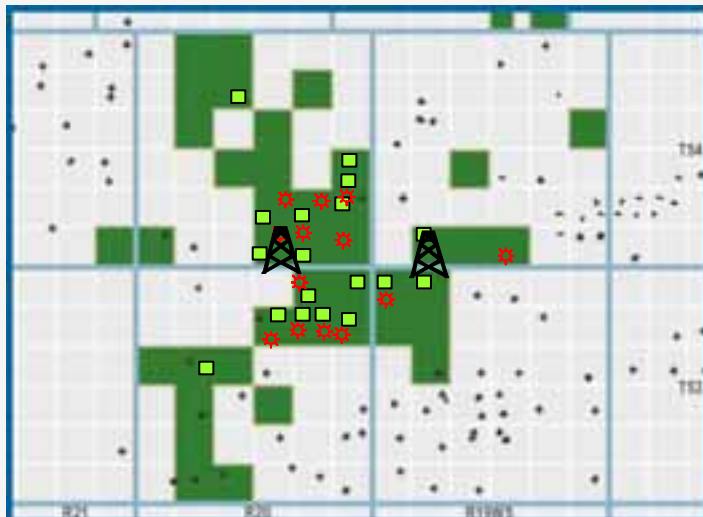
■ Potential Locations * Producing Well ▲ Currently Drilling

Wild River

- 160 acre down-spacing approved
- Uphole behind pipe zone tested at 1.1 MMcfe/d; could indicate significant potential in existing wellbores
- Deep potential

Ansell

- New area similar to Wild River
- Average WI: 50%
- Extensive 3D seismic coverage
- Employ Wild River completion techniques



■ Potential Locations * Recent Completions ▲ Currently Drilling

Hinton

- The next growth area?

Deep Basin

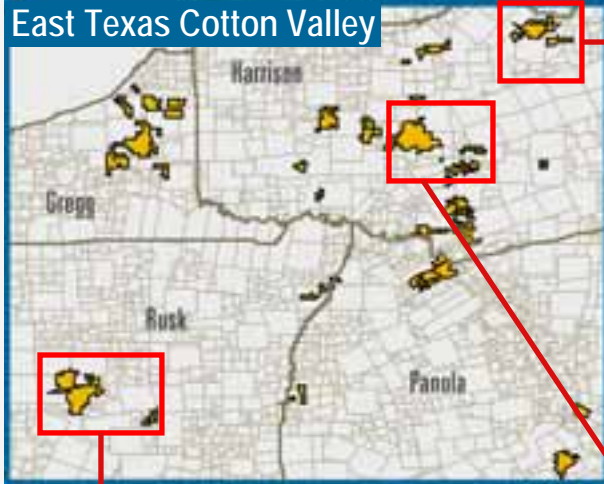
- Increased acreage to 73,000 gross acres
- A 5 rig program is expected to drill 35 wells in 2008

*Technique
Enhancement*

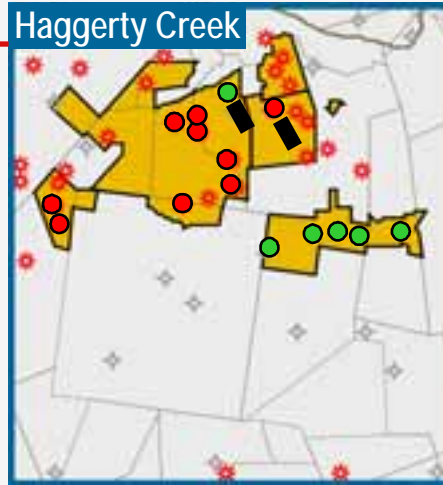
*Next
Application*

East Texas Cotton Valley

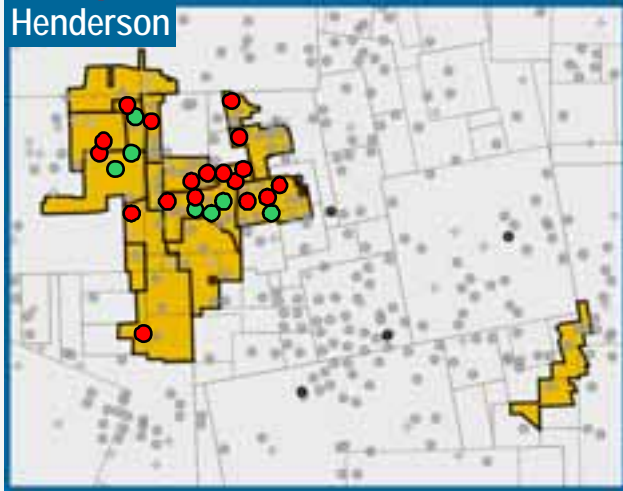
East Texas Cotton Valley



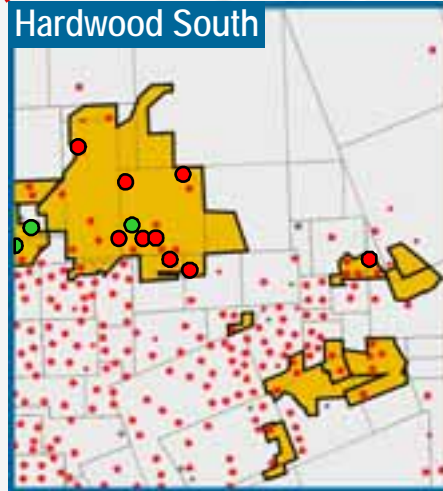
Haggerty Creek



Henderson



Hardwood South



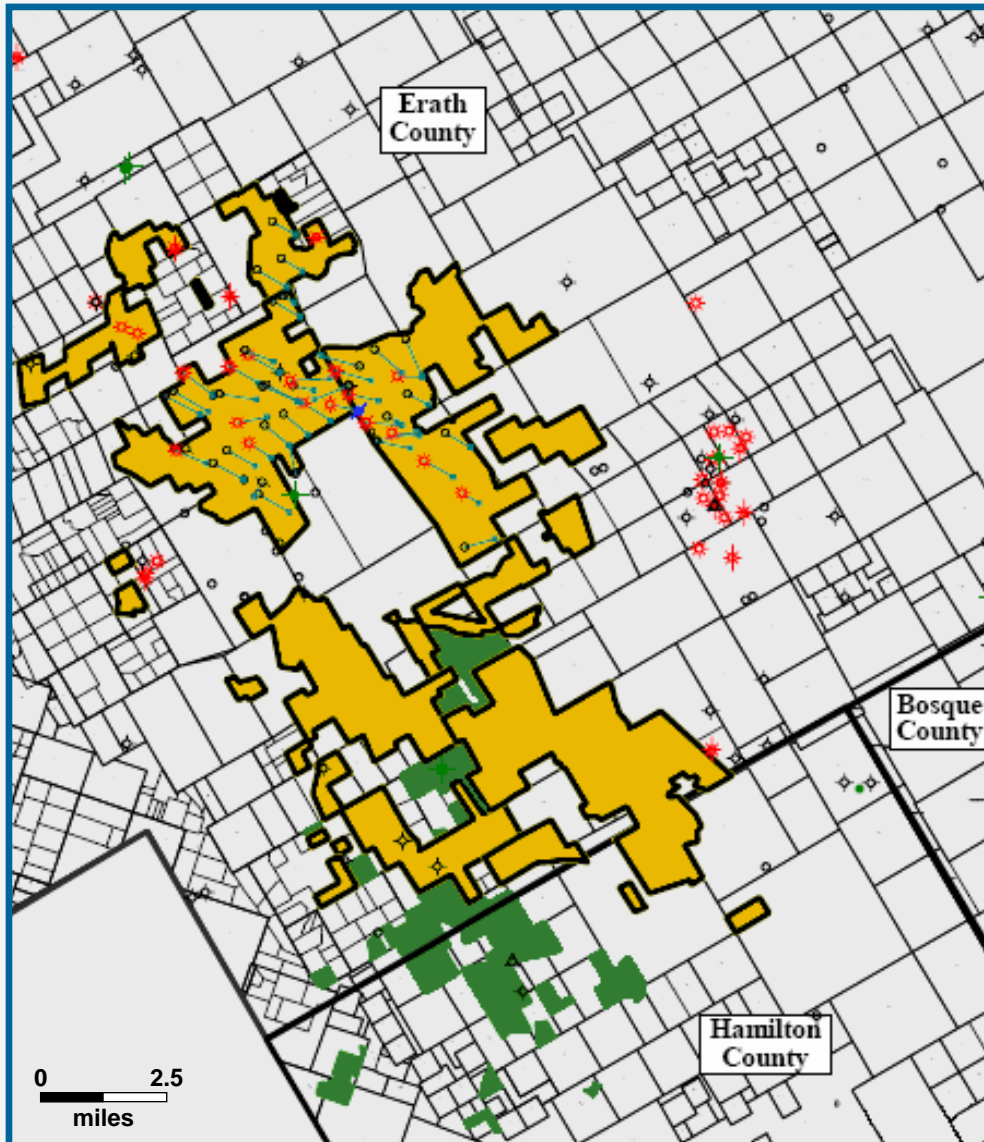
East Texas Cotton Valley

- Multiple rig, multiple year drilling inventory
 - 450 + unproved locations
 - 74,400 gross acres
- First horizontal Cotton Valley tested 4.1 MMcfe/d; second horizontal well tested at 7.8 MMcfe/d

2008 Plan

- A 2 rig program is expected to drill 12 horizontal wells in 2008
- A 3 rig program is expected to drill 40 vertical wells in 2008

Barnett Shale Activity - Erath County, Texas Area



Barnett Shale

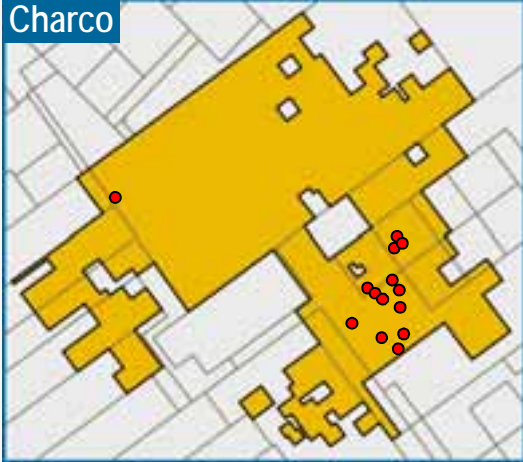
- Recently negotiated farm-in for additional acreage and seismic
- Total Barnett acreage position 70,000 gross acres (34,000 net)
- Plan to increase activity from 1 to 3 rigs to drill an expected 18 wells in 2008 in Hill and Erath Counties

- Infinity/FST Joint Venture
- FST

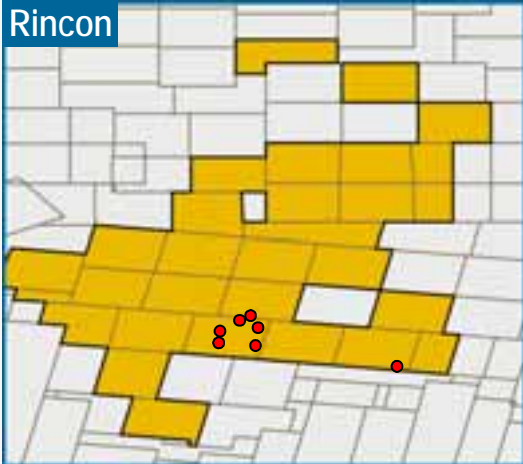


South Texas

Charco



Rincon



South Texas Program

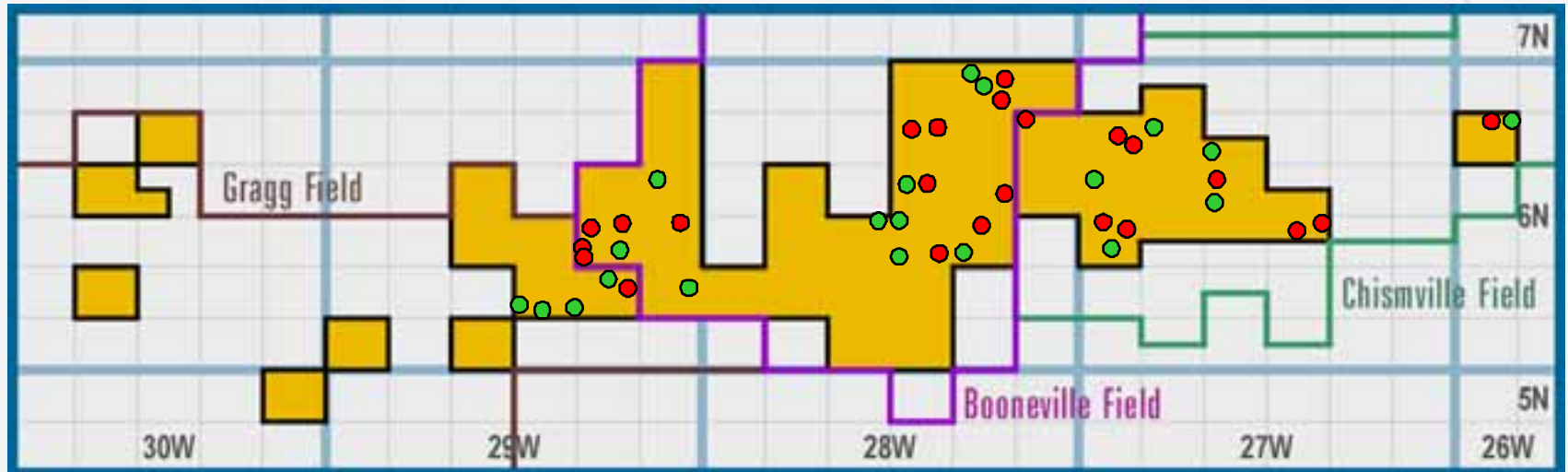
- Multiple rig, multiple year drilling inventory
 - 400 + unproved locations
 - 117,000 gross acres
- Rig activity reduced as newly acquired 3-D seismic is interpreted targeting the Perdido and Lobo sands
- A 5 rig program commencing in the 1st half of 2008 is expected to drill 52 wells in 2008
- High production – short cycle time
- Exposure to shallow and deep objectives
- Horizontal drilling and exploration potential

Acquisition / Enhancement

Acreeage

Application

Arkoma Basin



- Multiple rig, multiple year drilling inventory
 - 400 + drilling locations
 - 66,800 gross acres
 - A 3 rig program is expected to drill 100 wells in 2008
- Two horizontal wells currently being completed and will be evaluated in 1Q 2008
- Low risk, low cost repeatable play with downspacing potential
- Completed area-wide gathering and compression capacity upgrade

Financial Approach

- 1. Free cash flow model to generate acquisition equity**
 - Approximately \$550 million in free cash flow in four years
 - Free cash flow supported acquisitions
 - Monetization of non-reserve based assets
- 2. Balance fixed/floating risk exposures**
 - Interest rates
 - Commodity hedging
 - Drilling rig control
 - Mid-stream ownership
- 3. Firm control over cash costs**
 - Project FOCUS in field
 - Quick hit projects
 - Protect our tax position
- 4. Financial toolbox to value creation**
 - Reverse Morris Trust
 - Forest Alaska Operating LLC
 - Sale Leaseback of Lantern Drilling Rigs
 - Tax deferrals using approximately \$700 MM NOLs



2008 Plowback Ratio

Note: CS 2008 estimate is \$70.00 and \$7.50.

WTI Crude Oil (\$/Bbl)	\$70.00	\$75.00	\$80.00	\$85.00	\$87.71	\$95.00
NYMEX Natural Gas (\$/Mmbtu)	\$7.50	\$7.75	\$8.00	\$8.25	\$7.49	\$8.75

Capex as a % of Cash Flow

Mid-Cap

WTI	79%	73%	69%	64%	67%	57%
PXP	99%	88%	80%	73%	74%	62%
FST	99%	92%	86%	81%	89%	72%
EAC	100%	95%	90%	85%	84%	77%
EPL	101%	90%	81%	73%	78%	62%
CRK	110%	104%	98%	93%	101%	85%
SFY	114%	105%	97%	90%	88%	78%
UPL	118%	112%	106%	100%	111%	91%
RRC	122%	116%	110%	105%	112%	95%
CXG	131%	125%	119%	114%	131%	105%
XEC	132%	124%	117%	111%	116%	100%
ME	133%	125%	117%	110%	117%	98%
SWN	135%	130%	124%	120%	134%	111%
SM	141%	133%	126%	120%	120%	109%
DNR	149%	135%	124%	115%	113%	100%
HK	150%	142%	134%	127%	137%	115%
COG	152%	146%	140%	135%	148%	125%
WLL	176%	156%	140%	127%	127%	107%
PVA	184%	178%	172%	166%	180%	156%
BBG	192%	179%	167%	156%	182%	139%
KWK	290%	270%	253%	238%	259%	212%
PLLL	351%	306%	271%	243%	256%	202%
Median:	133%	125%	118%	113%	117%	100%

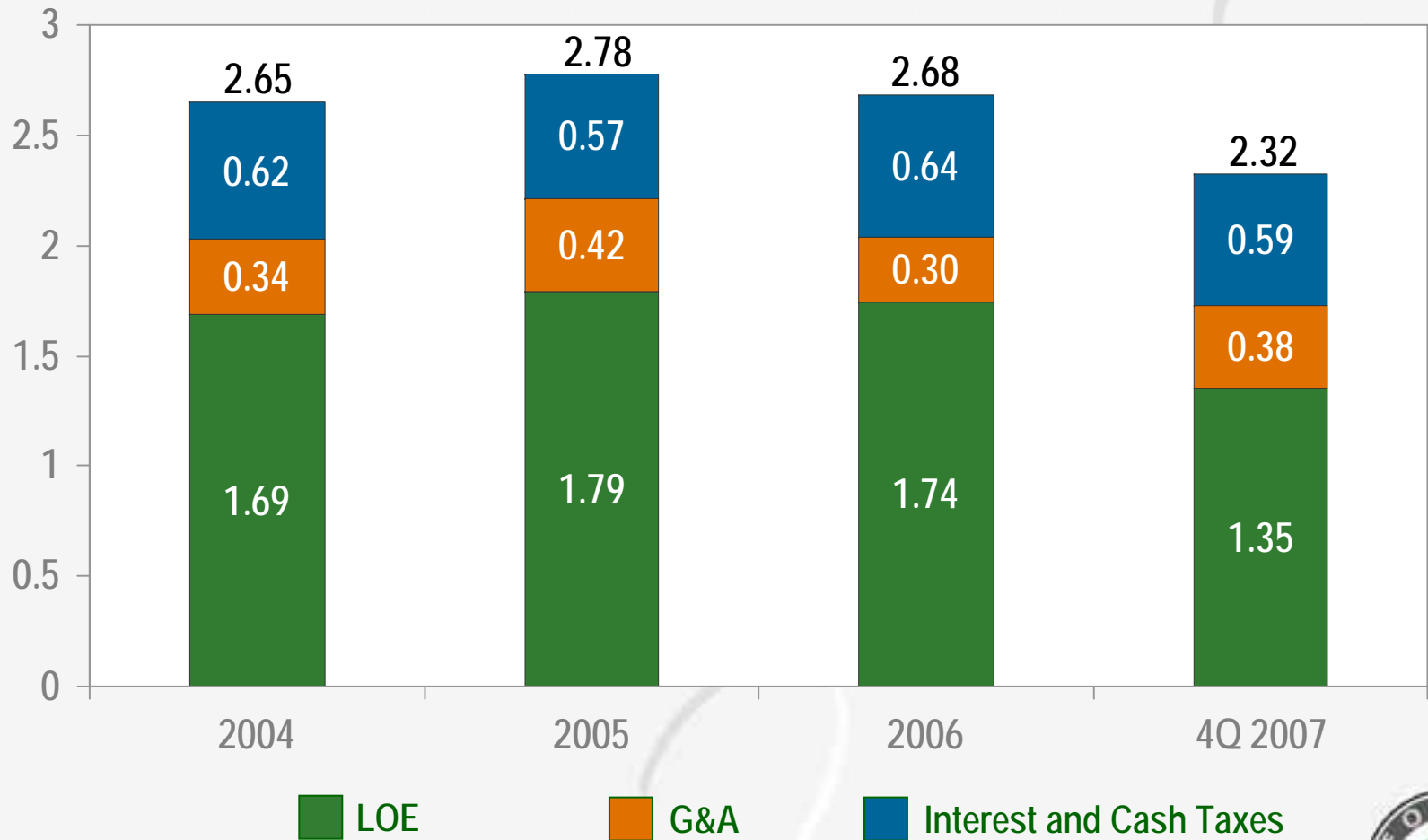
Source: Credit Suisse Research



Cash Costs Per Unit Profile

(\$ / Mcfe)

“Decreasing Cash Costs in a Rising Price Environment”



Capitalization and Net Debt Reconciliation

Total Capitalization (\$ M)	12/31/07	6/30/07
Cash	9,685	15,730
Credit Facility (\$1.4 B borrowing base)	294,126	431,658
Long Term Debt		
Term Loans	-	263,750
Senior Notes	1,450,000	1,450,000
Senior Subordinate Notes	5,822	5,647
Total Net Debt	1,740,263	2,135,325
Total Shareholders' Equity	2,411,811	2,284,438
Net Debt / Total Capitalization	42%	48%

“Significant debt reduction through asset sales yielding pro forma liquidity of \$1.1 billion”



Summary

- Successful acquisition and exploitation track record fueling steady replenishment of drilling opportunities
 - Total FD&A expenditures over the last 4 years ending December 31, 2007 of \$4.4 billion, at an all-in FD&A cost of \$2.19
- Capital program to drill approximately 550 wells which is forecasted to yield 3-11% production growth in 2008
- Production expense per unit has decreased and is forecasted to remain flat in 2008 despite industry cost pressure
- Generate free cash flow from Business Units by maintaining capital discipline
- Opportunistically continue successful acquire and exploit program in known areas and trends



Cautionary Statements

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use the terms “probable” and “possible” reserves, reserve “potential” or “upside” or other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC’s guidelines strictly prohibit Forest from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by us. Investors are urged to consider closely the disclosure in Forest’s Form 10-K for fiscal year ended December 31, 2006, available from Forest at 707 17th Street, Suite 3600, Denver, CO 80202, Attention: Investor Relations. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities that Forest assumes, plans, expects, believes, projects, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements provided in this presentation are based on management’s current belief, based on currently available information, as to the outcome and timing of future events. Forest cautions that its future natural gas and liquids production, revenues and expenses and other forward-looking statements are subject to all of the risks and uncertainties normally incident to the exploration for and development and production and sale of oil and gas. These risks include, but are not limited to, price volatility, inflation or lack of availability of goods and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating future oil and gas production or reserves, and other risks as described in reports that Forest files with the Securities and Exchange Commission (SEC), including its 2006 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Also, the financial results of Forest’s foreign operations are subject to currency exchange rate risks. Any of these factors could cause Forest’s actual results and plans to differ materially from those in the forward-looking statements.

This presentation includes net debt, EBITDA, cash flow and free cash flow which are non-GAAP financial measures. Please go to our website, www.forestoil.com, for a reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures.