

CORE STRENGTH

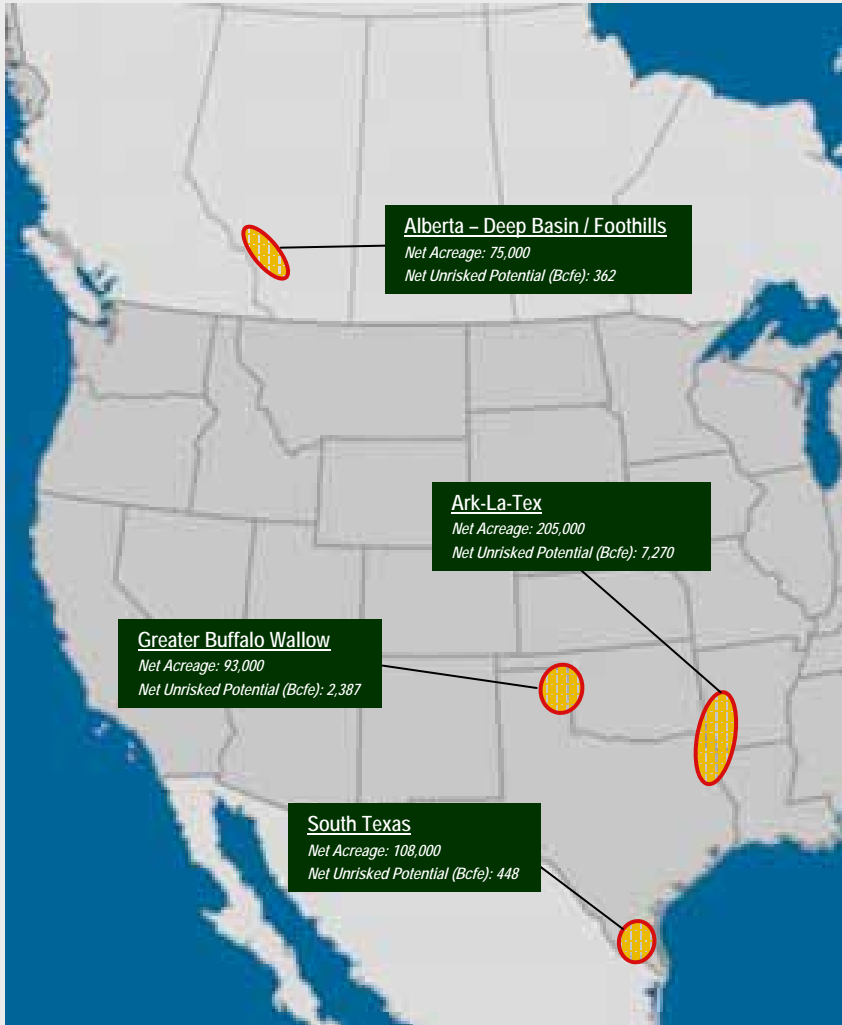



First Annual Boenning & Scattergood SMID Cap Investor Conference

November 9, 2009



Forest Oil – Snapshot



 Core Areas

| | |
|--|---------------|
| Market Capitalization: <i>(11/5/09)</i> | \$2.3 Billion |
| Enterprise Value* | \$4.8 Billion |
| 2008 Est. Proved Reserves: <i>(75% natural gas)</i> | 2.7 Tcfe |
| R/P Ratio: | 14.0 Years |
| Potential Locations**: <i>(Fully Developed)</i> | 18,248 |
| Net Unrisked Potential**: | 17.8 Tcfe |
| 2009 Production Guidance: | 185-195 Bcfe |



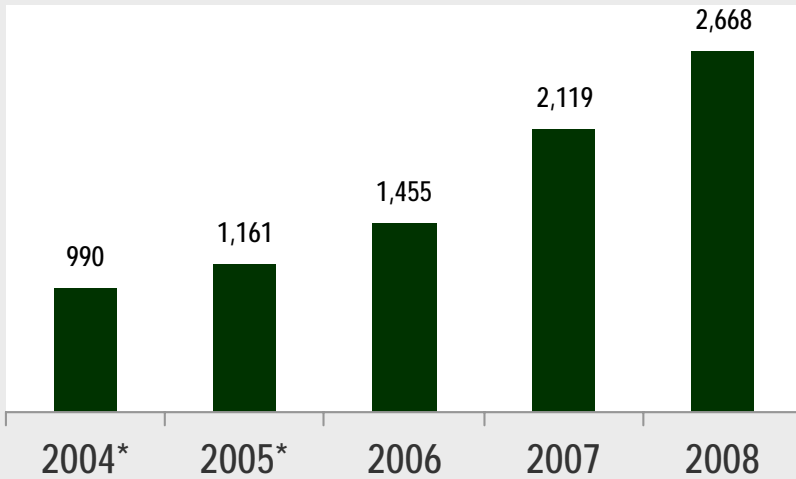
* Debt as of September 30, 2009

** As of 12/31/08; does not include estimated proved reserves or locations associated with estimated proved reserves

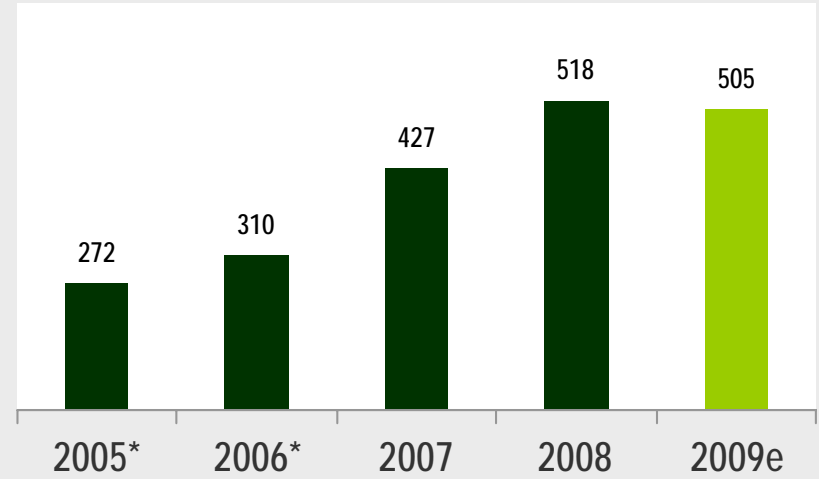


Key Statistics and Guidance

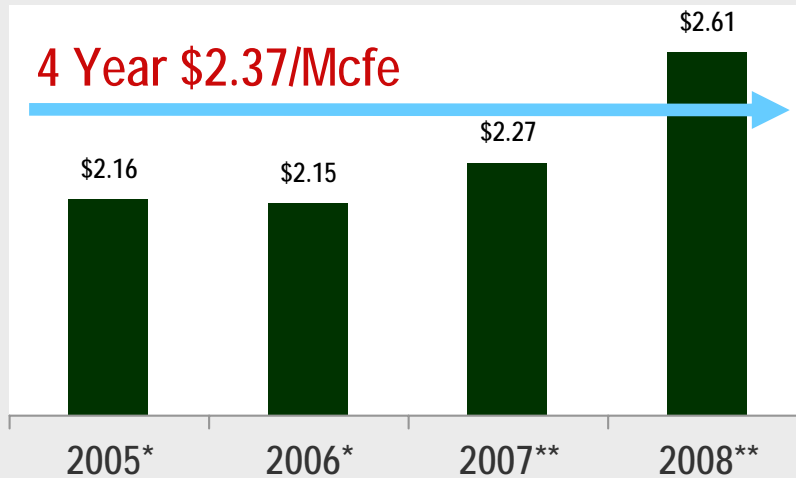
ESTIMATED PROVED RESERVES (Bcfe)



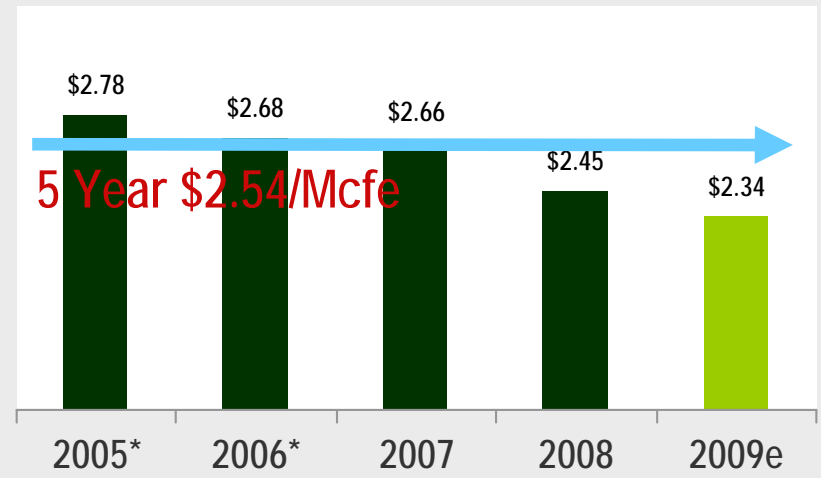
PRODUCTION (MMcfe/d)



FD&A COSTS (\$/Mcf)



TOTAL CASH COSTS (\$/Mcf)



* Pro forma for the spin-off of the Gulf of Mexico operations
 ** Does not include effects of Alaska properties during 2007 or reserve revisions

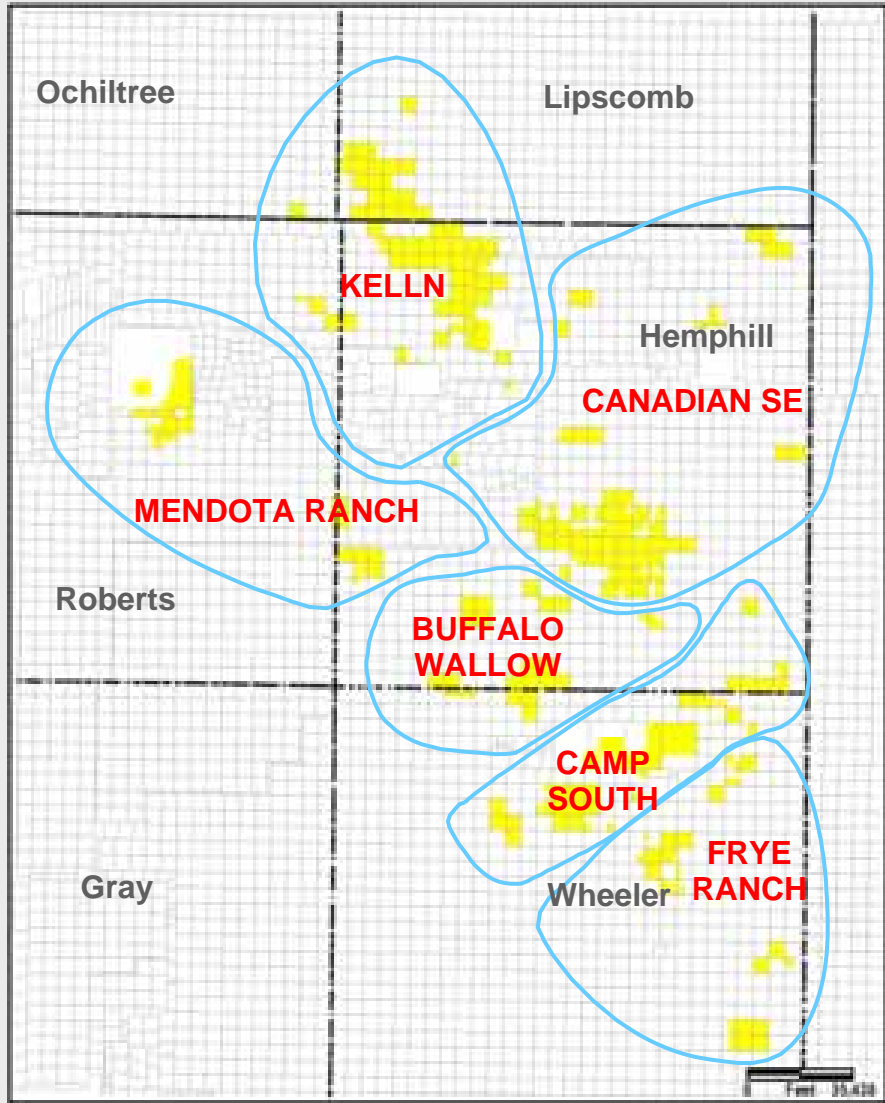


Capital Plan

- E&D spending designed to be within discretionary cash flow
- Protect lease expirations and non-consent penalties
- Horizontal drilling is favored economically versus vertical
- Focus on Greater Buffalo Wallow and East Texas/North Louisiana Haynesville for remainder of 2009 and in 2010
- Utilize Lantern rigs
- Take advantage of declining service costs



Forest Oil's Granite Wash Position



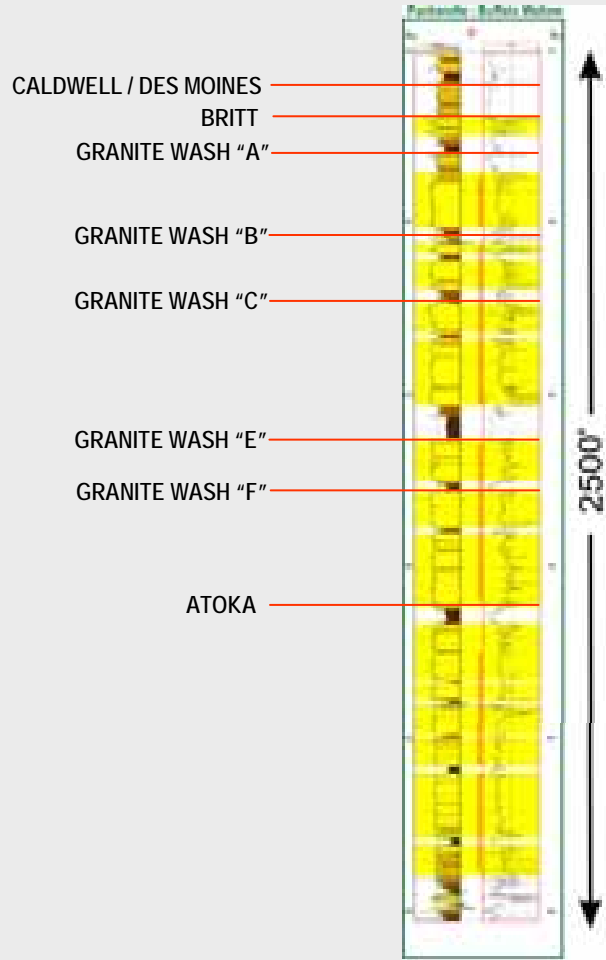
Area Nomenclature

- Different Nomenclature...Same Play
- Transition to horizontal drilling involved minimal vertical drilling to secure sections allowing for optimal horizontal development
- Acreage accumulated through grass roots leasing, farm outs and acquisitions
- Frac mapping was performed to allow for more efficient spacing and less interference between wells
- Large company database from over 400 well bores



Geologic Zones in Greater Buffalo Wallow Area

Type Log – Vertical Nomenclature

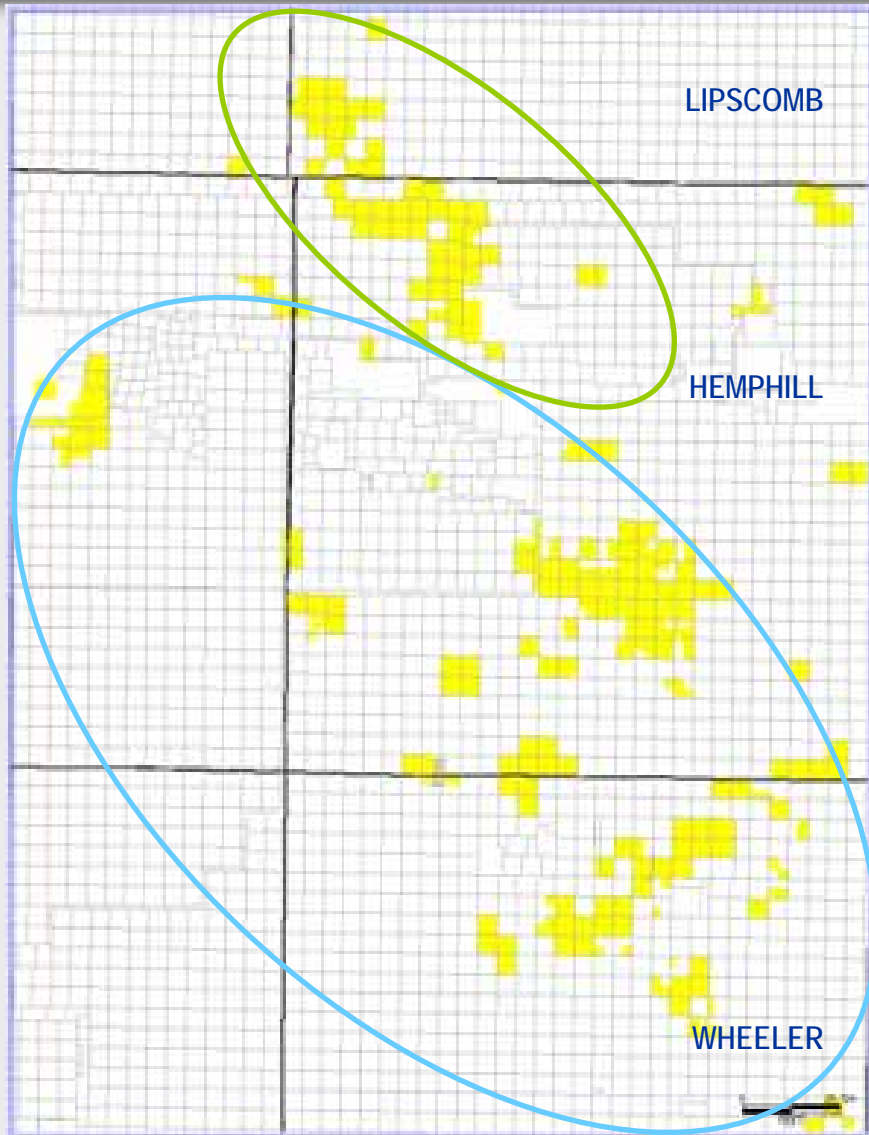


Basic Play Facts

- Extends over large area in Texas Panhandle and Western Oklahoma
- Depths of play range from 13,000' to 17,000' and the total thickness of this deposition ranges from 1,500' to 3,500'
- Amount of pay varies depending on acreage position
- Other potential objectives in the Morrow, Douglas, Cleveland, Novi Lime, St. Louis Lime and Tonkawa



Greater Buffalo Wallow Area



Greater Buffalo Wallow Area Attributes

- 122,000 gross acres (93,000 net) prospective for the Atoka, Cleveland, Douglas and Granite Wash
- Horizontal potential in the Atoka, Morrow and Granite Wash
 - Completed second operated horizontal in the Granite Wash at an IP of 30 MMcfe/d (2/3rds liquids)
 - Expect to run 3 – 4 horizontal rigs for the remainder of 2009 and beginning in 2010

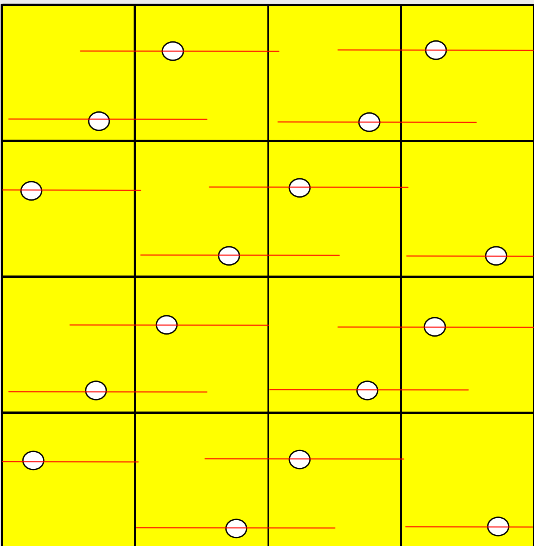


Texas Panhandle: Horizontal vs. Vertical Development

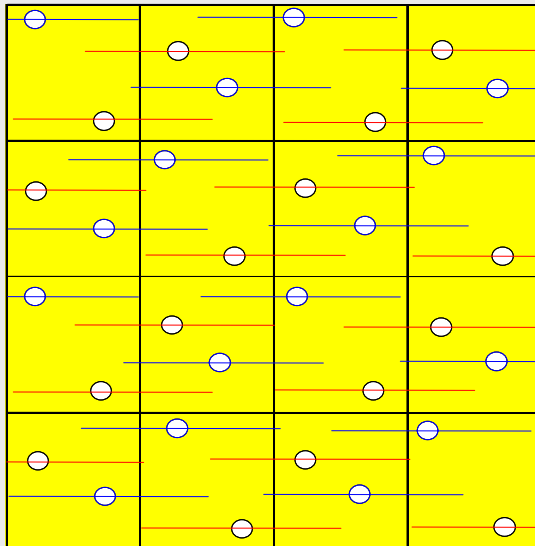
Horizontal Drilling – Most Efficient Development

| Scenario | # of Wells | EUR/Well (Bcfe) | EUR/Sec (Bcfe) | D&C (\$MM) | Dev Cost/Sec (\$MM) | F&D (\$/Mcfe) |
|-------------------------|------------|-----------------|----------------|------------|---------------------|---------------|
| 40-Acre Vertical | 16 | 1.5 | 23.2 | \$2.3 | \$36.9 | \$1.59 |
| 20-Acre Vertical | 32 | 1.5 | 46.5 | \$2.3 | \$73.8 | \$1.59 |
| Granite Wash Horizontal | 3 | 7.2 | 21.6 | \$5.5 | \$16.6 | \$.77 |
| Atoka Horizontal | 3 | 6.8 | 20.3 | \$9.9 | \$29.7 | \$1.46 |
| Twin Horizontal | 6 | | 41.9 | | \$46.3 | \$1.11 |
| 20-Acre vs. Twin | (26) | | (4.6) | | (\$27.5) | (\$5.98) |

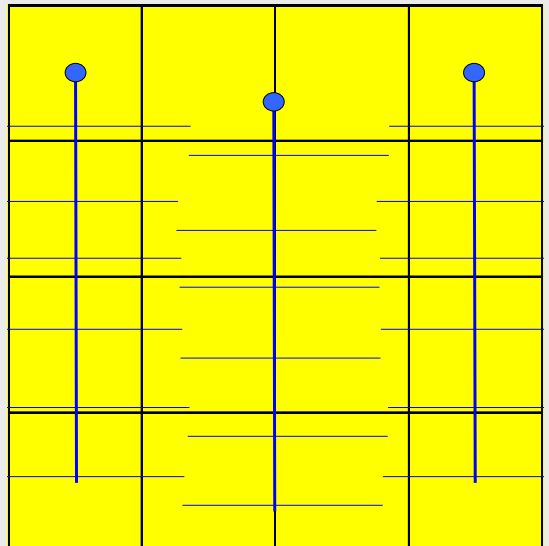
40 Acre Spacing



20 Acre Spacing



Horizontal Development

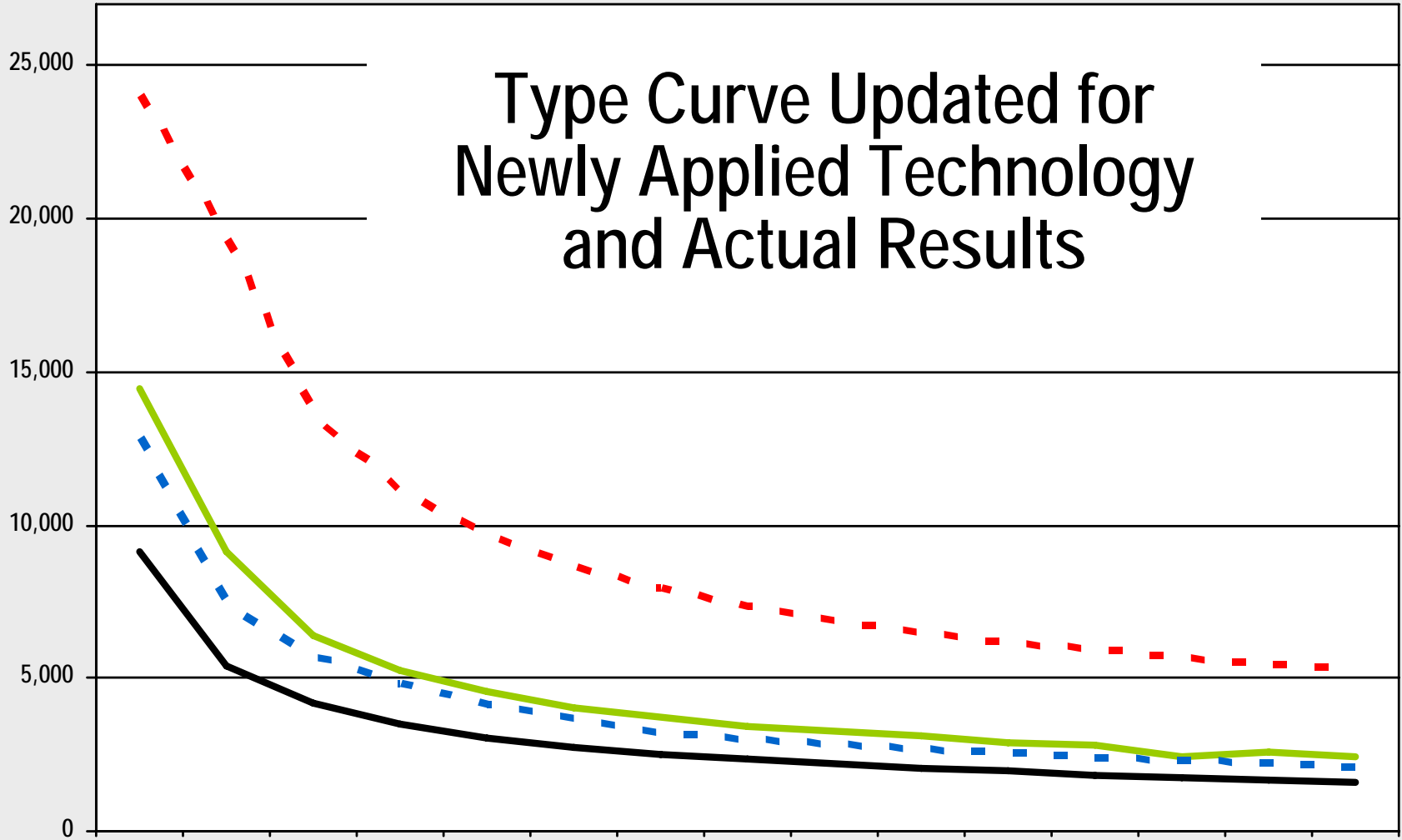




Granite Wash Type Curves

Gross Mcfe/d

Type Curve Updated for Newly Applied Technology and Actual Results

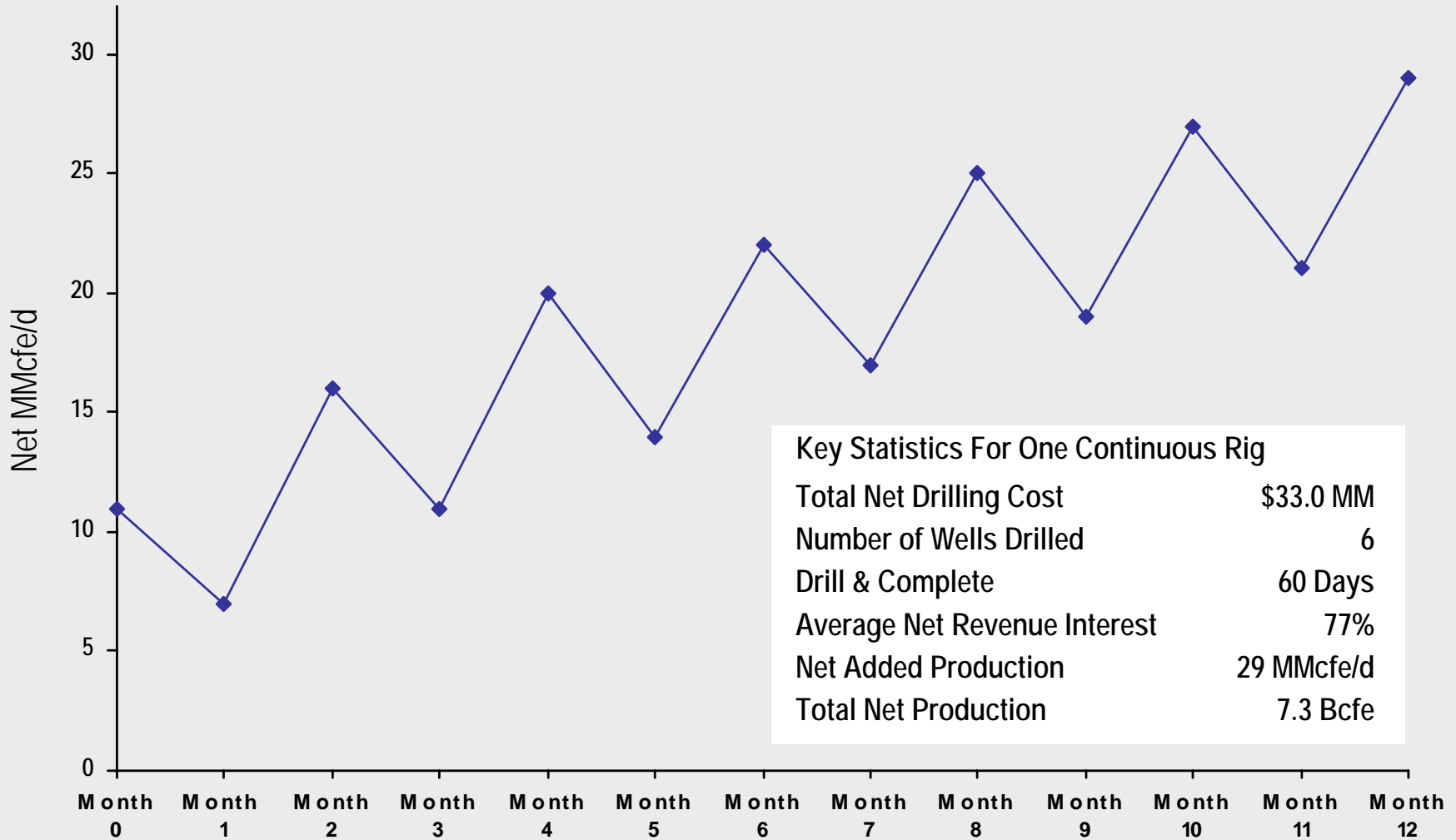


* NYMEX price

NEW Median Case OLD Median Case Zybach 30 MMcfe/d 24 hr IP



Granite Wash – One Rig Effect*



* Assumes 100% working interest well drilled.

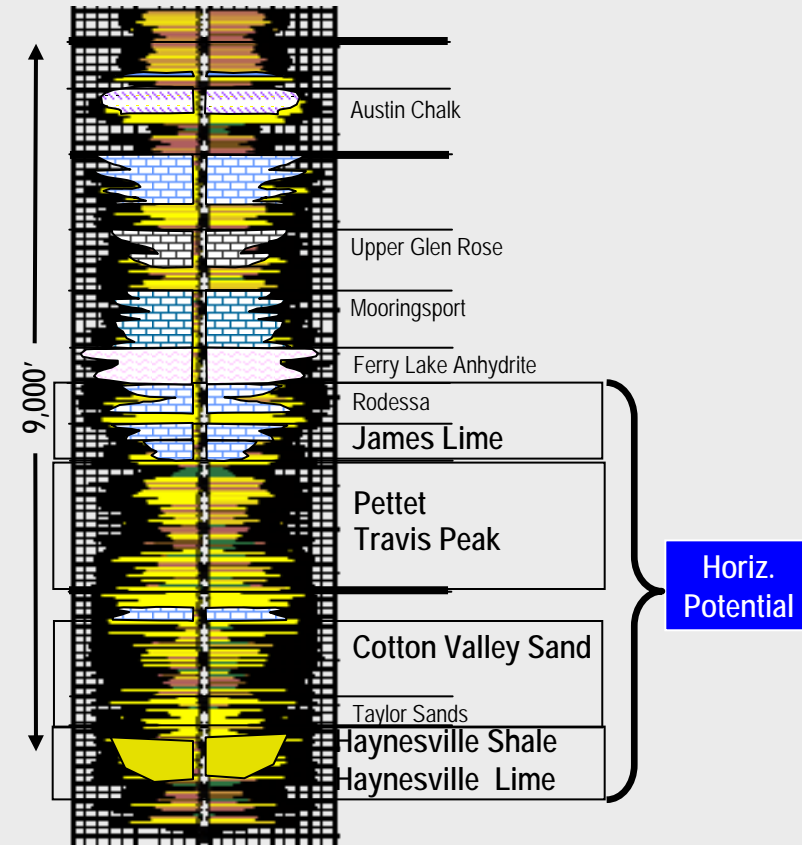


East Texas/North Louisiana Potential

Forest's "Core Strengths" in Resource Plays

- Low cost of entry provides superior economics
- Up front integration of data before horizontal drilling includes cores samples
- Mechanical success on horizontal completions
- Cost and extraction efficiencies as play expands

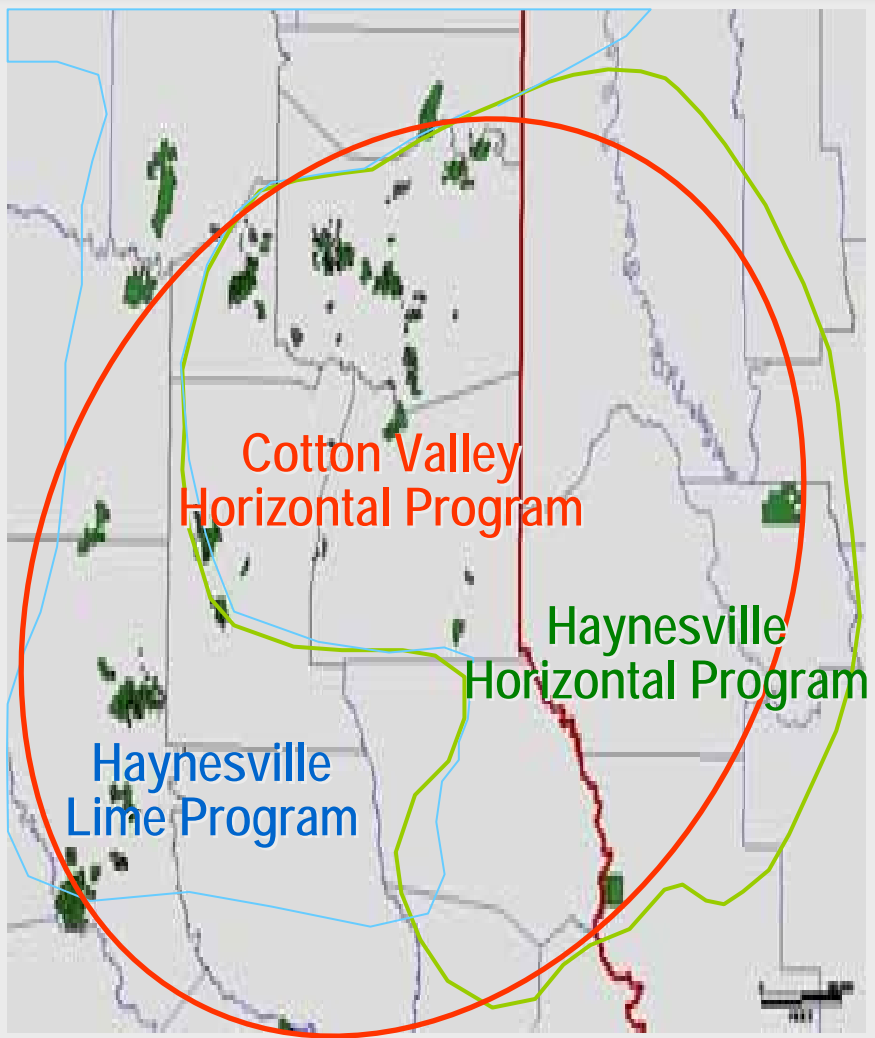
E. Texas/N. Louisiana Geologic Zones



“Acreage In East Texas/North Louisiana Provides Multiple Production Horizons”



Haynesville Shale and Lime



East Texas/North Louisiana

- 140,000 gross acres (127,000 net) prospective for Haynesville Play
- Shallow and deep rights on majority of acreage
- 14 vertical Haynesville tests completed
- Louisiana: 4 Horizontal IP's averaged 18 MMcfe/d
- Texas: Three horizontal IP's of 5 MMcfe/d
- 2009 Haynesville program
 - 1 – 2 rig program drilling 10 – 12 operated wells
 - Participation in 2 – 3 non-operated wells



Financially Flexible

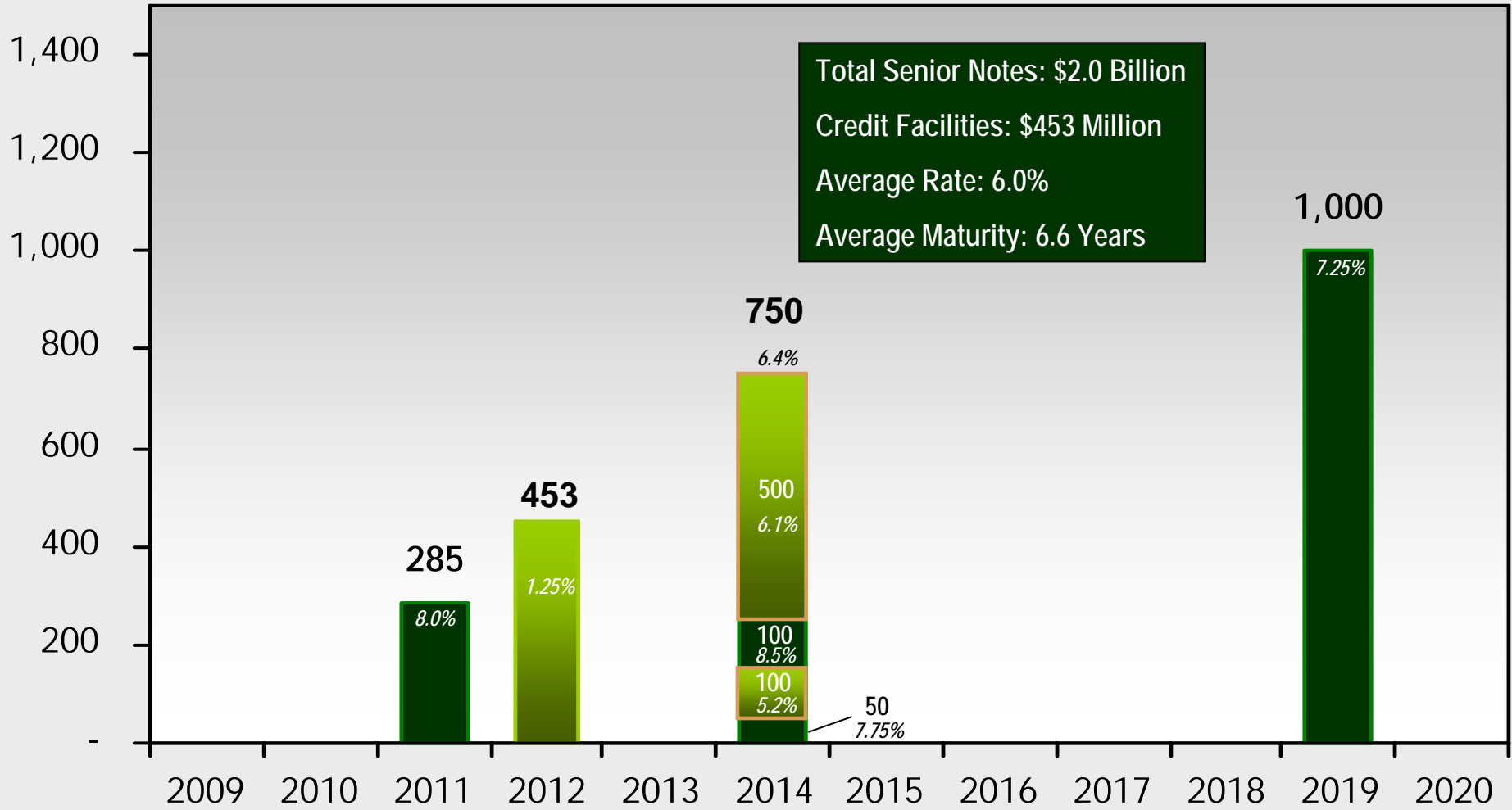
- Staggered long term debt maturity schedule
- Approximately \$1.2 billion in liquidity under \$1.62 billion credit facilities
- E&D spending designed to be within discretionary cash flow
- Recent announced property sales to further reduce debt balance targeted by March 31, 2010
 - 7,000 Bbls/d of Permian Basin production
 - 4,000 Bbls/d of non-operated Alberta production
- 70% of remaining 2009 natural gas production hedged at \$7.46/MMBtu floor
- 160 BBtu/d and 5.0 MBbl/d of 2010 natural gas and oil production hedged at floors of \$6.34/MMBtu and \$69.64/Bbl, respectively



Debt Maturity Profile

(\$MM)

9/30/09



Note: Current LIBOR at 25 bps

■ Floating ■ Fixed



Hedge Portfolio – NYMEX Hedges

Hedging Price Risk

| | Oct-Dec 2009 | Weighted Price Floor/Ceiling | 2010 | Weighted Price Floor/Ceiling |
|---|-----------------|---------------------------------|-------|---------------------------------|
| Natural Gas Swaps | | | | |
| Contract Volumes (BBtu/d) | 210.0* | | 160.0 | |
| Weighted Average Price (\$ per MMBtu) | 7.49 | | 6.34 | |
| Natural Gas Collars | | | | |
| Contract Volumes (BBtu/d) | 40.0 | | - | |
| Weighted Average Ceiling Price (\$ per MMBtu) | 9.76 | | - | |
| Weighted Average Floor Price (\$ per MMBtu) | 7.31 | | - | |
| | | \$7.46 - \$7.85 | | \$6.34 |
| Oil Swaps | | | | |
| Contract Volumes (MBbl/d) | 4.5 | | 3.0 | |
| Weighted Average Price (\$ per Bbl) | 69.01 | | 76.06 | |
| Oil Collars | | | | |
| Contract Volumes (MBbl/d) | - | | 2.0 | |
| Weighted Average Ceiling Price (\$ per Bbl) | - | | 98.50 | |
| Weighted Average Floor Price (\$ per Bbl) | - | | 60.00 | |

* 10.0 Bbtu/d of natural gas swaps are subject to a written put of \$6.00 per MMBtu

\$69.01

\$69.64 – \$85.04

- 200 + Bbtu/d of basis hedged at (\$.70) per MMBtu in 2009 (60 Bbtu/d hedged in Mid-Con at (\$1.04))



Summary

- Portfolio management has created substantial North American gas resource plays
- 18,248 fully developed locations provide over 17.8 Tcfe of additional net unrisks potential with a large HBP component
- Announced asset sales will fund a focused horizontal program on core assets
- Built to withstand adverse environments; liquidity, cash flow and asset base are strong
- High quality assets, substantial liquidity, low cost structure and substantial upside in asset portfolio

“Forest Has A High Quality Focused Asset Base And Is Levered Operationally And Financially To Natural Gas”



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