

# CORE STRENGTH

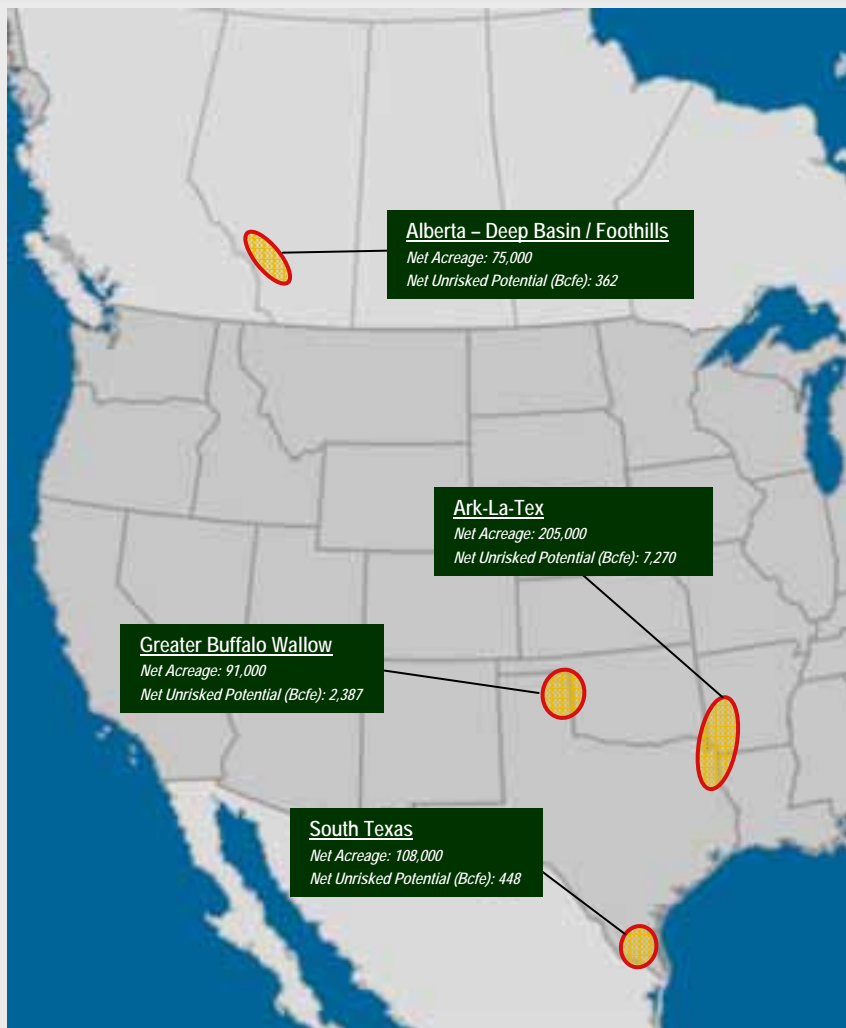


## Granite Wash – Greater Buffalo Wallow Area

July 28, 2009



# Forest Oil – Snapshot



 Core Areas

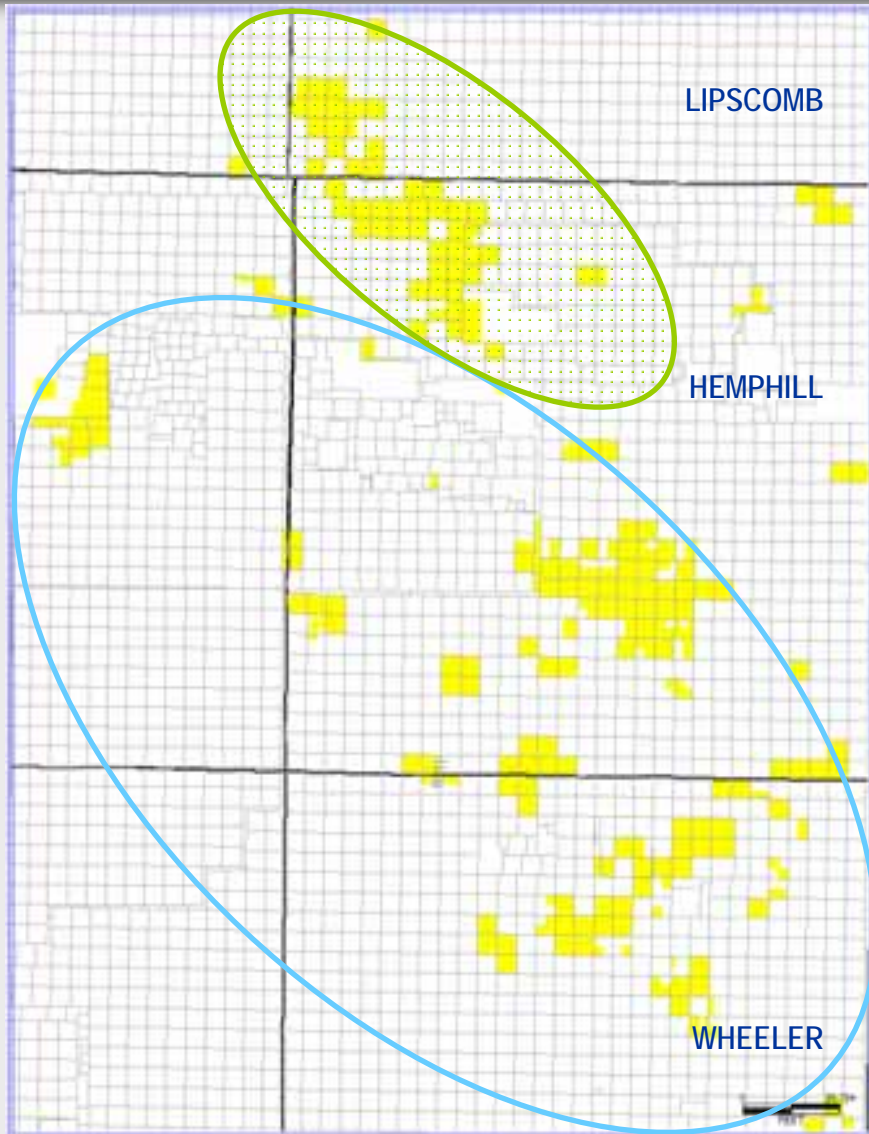
Market Capitalization: <i>(7/27/09)</i>	\$1.9 Billion
Enterprise Value:	\$4.6 Billion
2008 Est. Proved Reserves: <i>(75% natural gas)</i>	2.7 Tcfe
R/P Ratio:	14.0 Years
Potential Locations*: <i>(Fully Developed)</i>	18,248
Net Unrisked Potential*:	17.8 Tcfe
2009 Production Guidance:	185-195 Bcfe



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



# Greater Buffalo Wallow Area



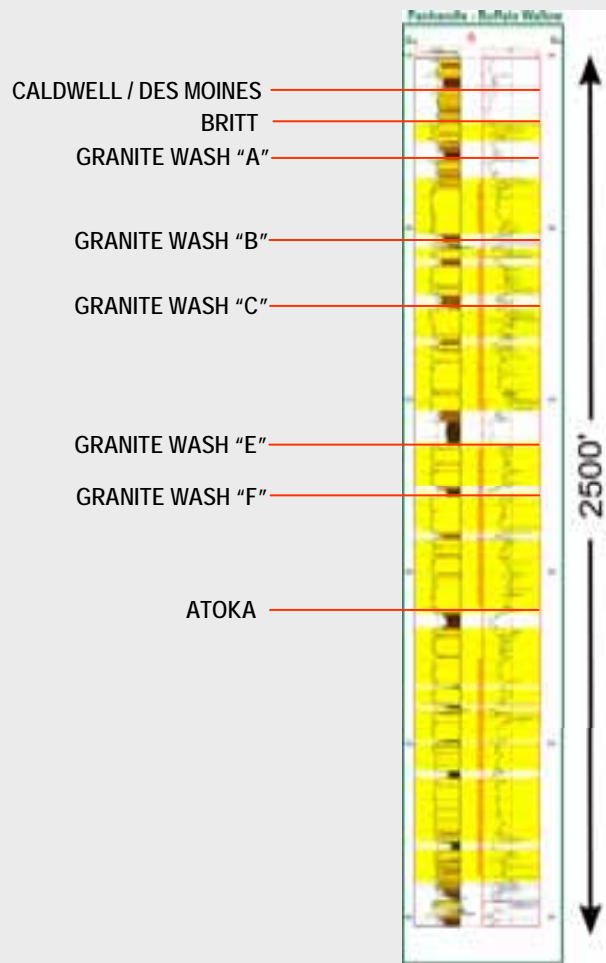
## Greater Buffalo Wallow Area Attributes

- 120,000 gross acres (91,000 net) prospective for the Atoka, Cleveland, Douglas and Granite Wash
- Increased production 78% from 51 MMcfe/d in Q1 2008 to 91 MMcfe/d in Q1 2009 without horizontal drilling
- Horizontal potential in the Atoka, Morrow and Granite Wash
  - Completed first operated horizontal in the Granite Wash at an IP of 17 MMcfe/d
  - Participated in horizontal well with IP of 20 MMcfe/d +
  - Expect to run one rig for the remainder of 2009 and redesign development plan to focus on horizontal wells



# Geologic Zones in Greater Buffalo Wallow Area

## Type Log – Vertical Nomenclature

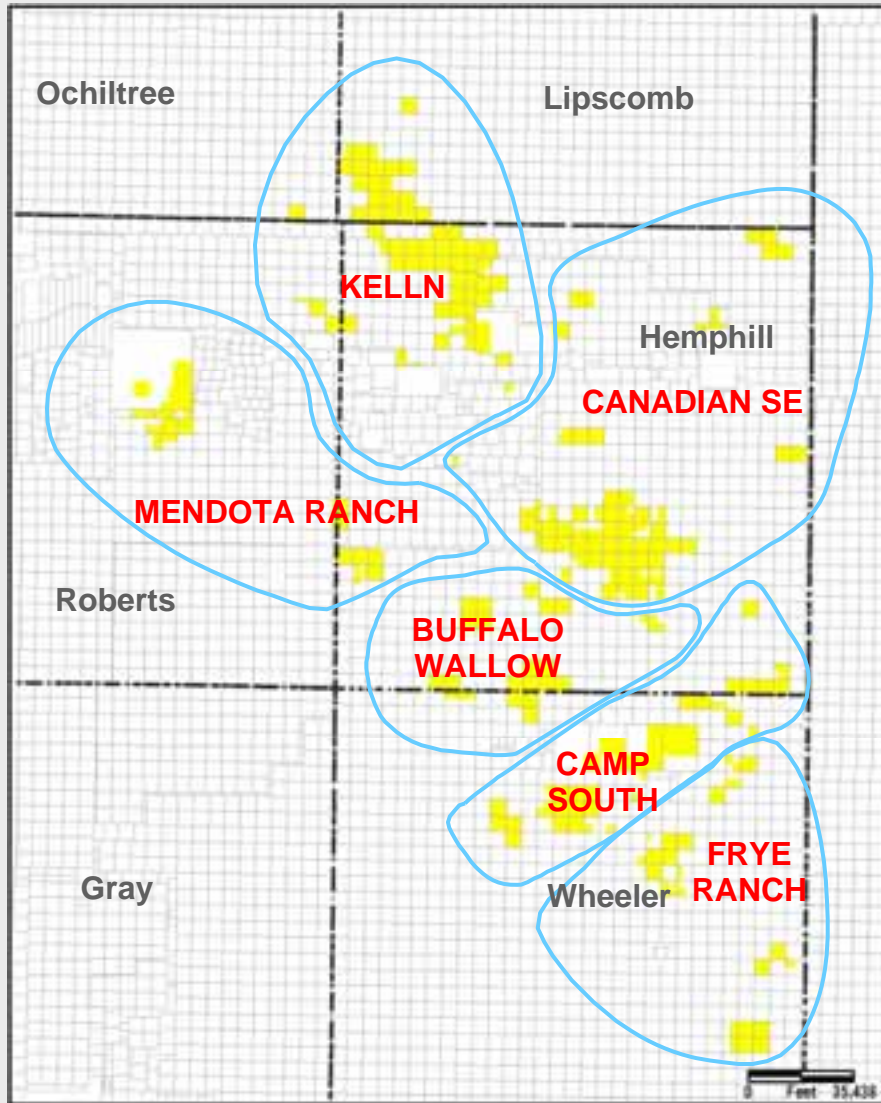


## Basic Play Facts

- Trend was established by mountain front orogeny running northwest to southeast
- Mountain front became the source of deposition as erosion of the mountains with granitic sediments deposited in lobes, or fingers, coming off the mountains
- Moderate porosity, low permeabilities
- 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



# Forest Oil's Nomenclature



## Area Nomenclature

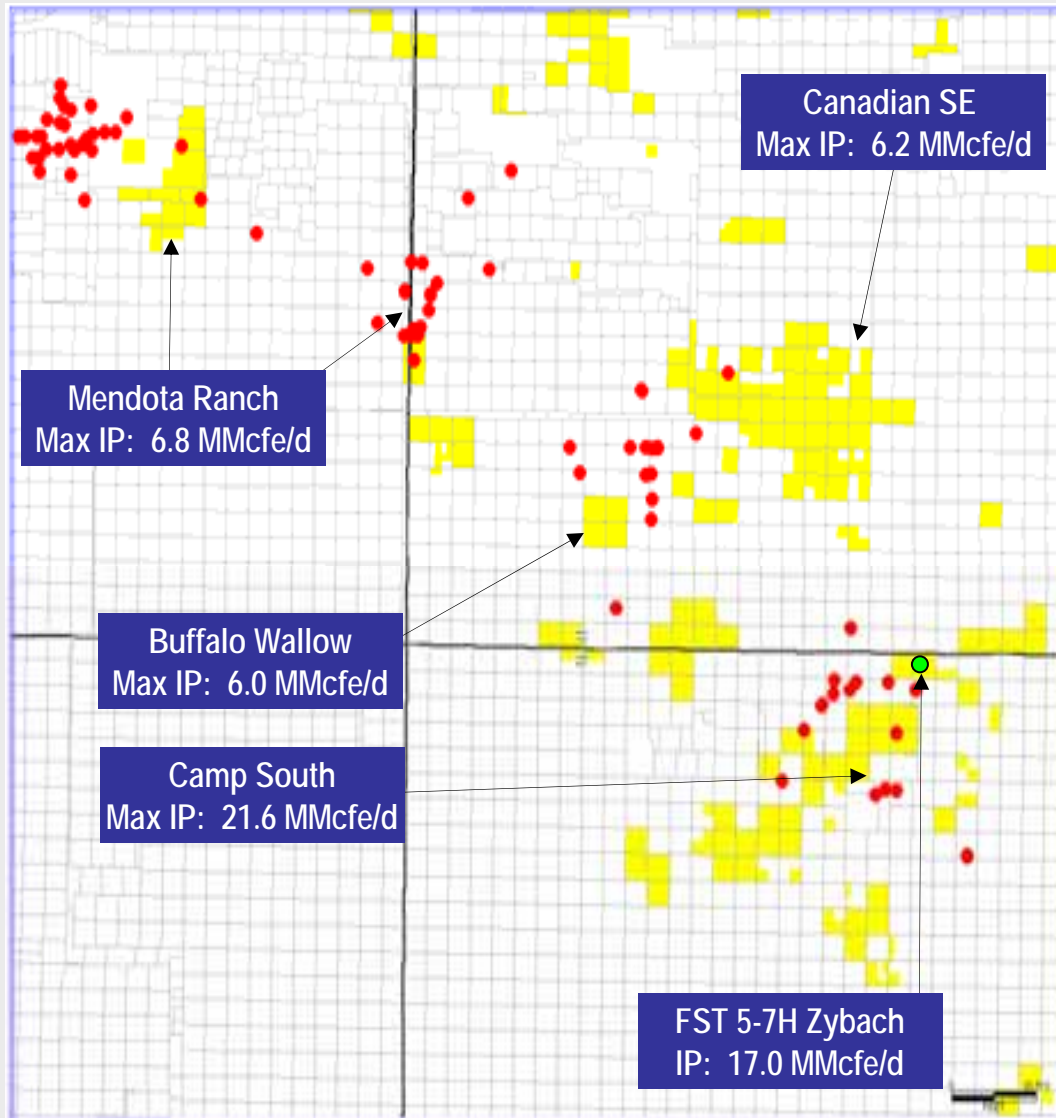
- Different Nomenclature...Same Play
- Transition to horizontal drilling involved minimal vertical drilling to secure sections allowing for optimal horizontal development
- Acreage accumulated through grass roots leasing, farm outs and acquisitions
- Frac mapping was performed to allow for more efficient spacing and less interference between wells
- Frac data, well bore, and other data have been incorporated and mapped over our acreage yielding best development



# Granite Wash Horizontal Fairway

## Overview

- 21 horizontal wells drilled by industry in the field to date with an average IP of 6.6 MMcfe/d
- Forest has participated in 8 wells (40%) with average IP of 8.0 MMcfe/d
- Forest's first operated horizontal IP of 17 MMcfe/d
- Forest has initially estimated 170 potential horizontal locations on large undeveloped acreage position with additional Atoka potential
- Expected drill and complete cost of \$5.5 million



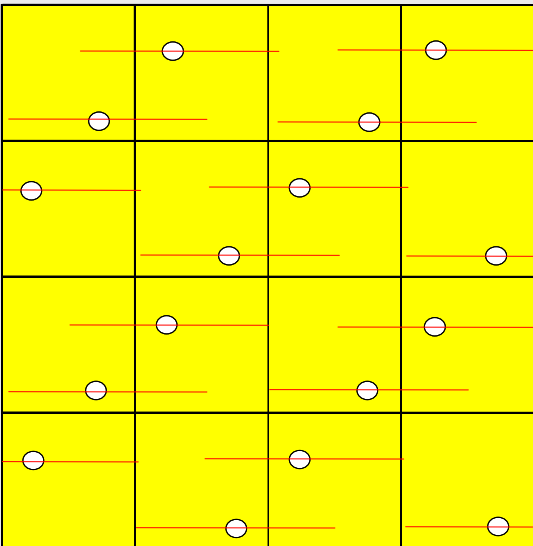


# Texas Panhandle: Horizontal vs. Vertical Development

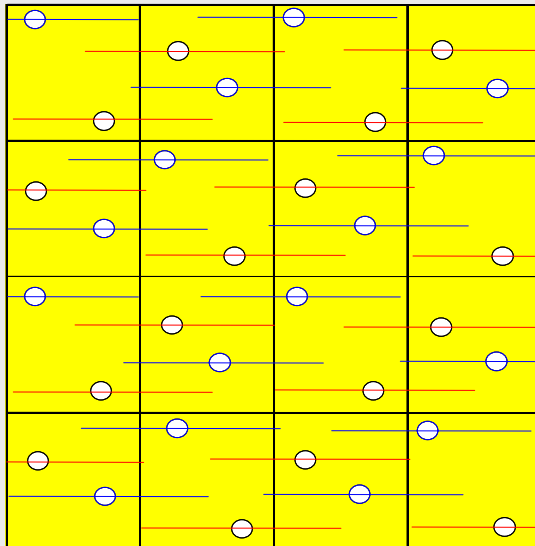
## Horizontal Drilling – Most Efficient Development

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	6.5	19.6	\$5.5	\$16.6	\$.85
Atoka Horizontal	3	6.8	20.3	\$9.9	\$29.7	\$1.46
Twin Horizontal	6		39.9		\$46.3	\$1.16
20-Acre vs. Twin	(26)		(6.6)		(\$27.5)	(\$4.17)

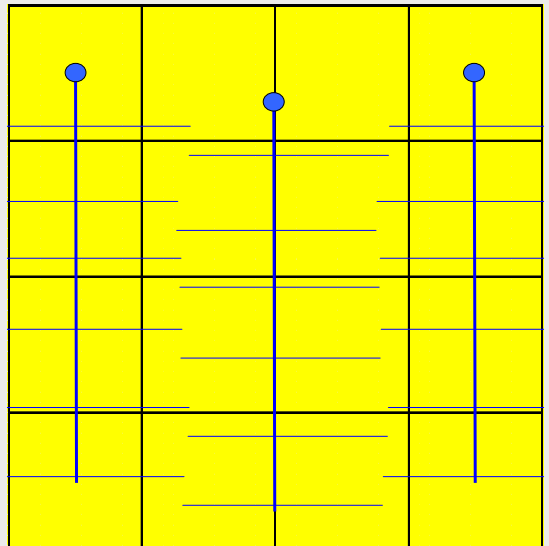
40 Acre Spacing



20 Acre Spacing



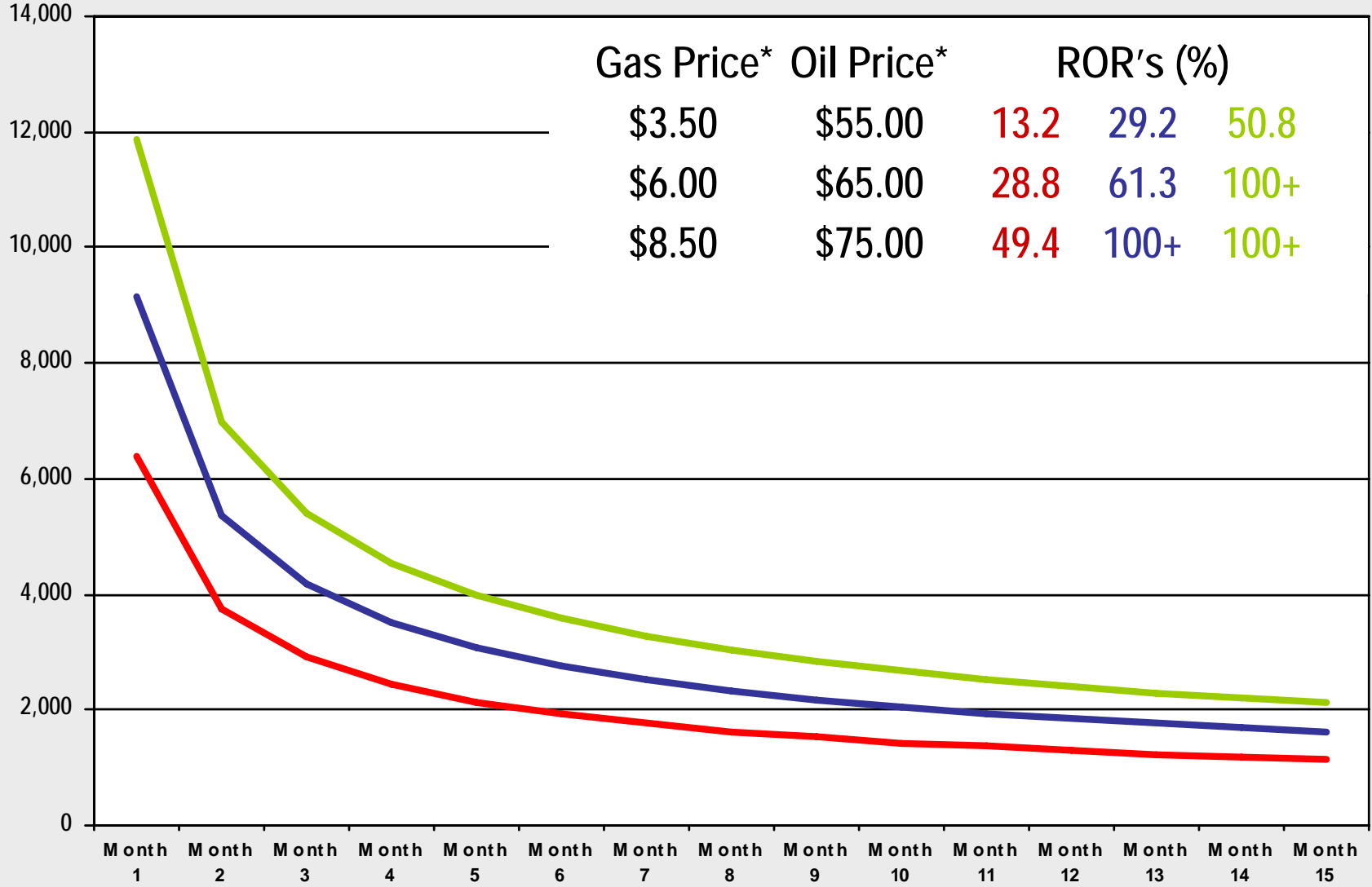
Horizontal Development





# Granite Wash Economics & Type Curve

*Mcf/d*



\* NYMEX price

— Upside Case   
 — Median Case   
 — Downside Case



# Cautionary Statements

**Forward Looking Statements** – 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 press release 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, cash flows, liquidity, plans for future operations, expenses, outlook for oil and natural gas prices, timing of capital expenditures, 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.

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