

CORE STRENGTH



Corporate Update

November 19 – 20, 2009



Forest Oil – Snapshot



 Core Areas

Market Capitalization: <i>(11/13/09)</i>	\$2.2 Billion
Enterprise Value*	\$4.7 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



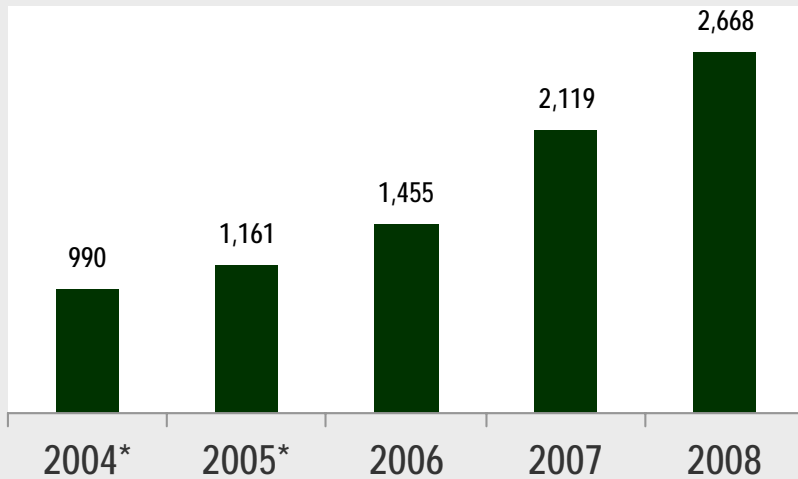
* Debt as of September 30, 2009

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

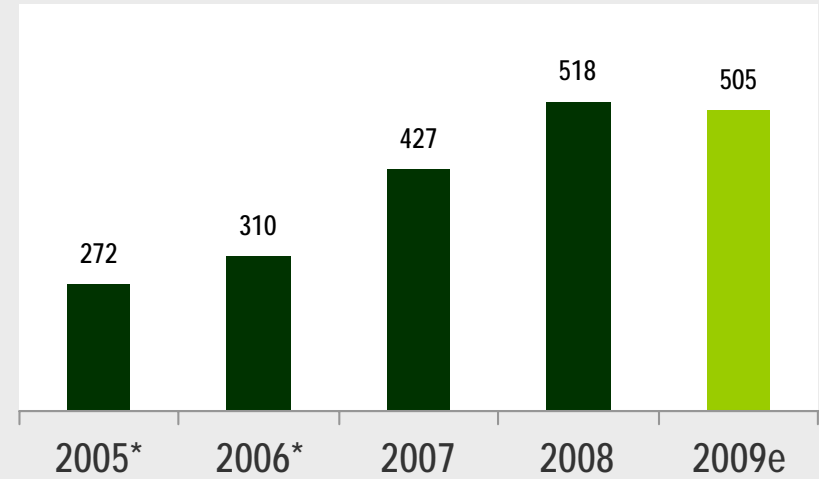


Key Statistics and Guidance

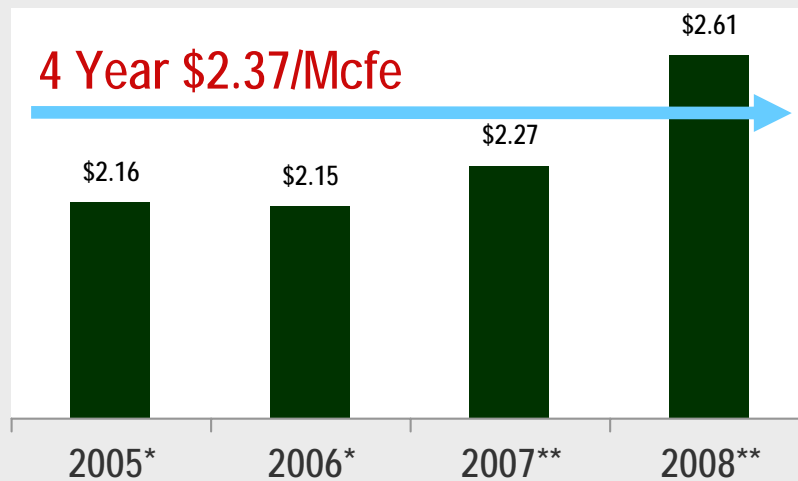
ESTIMATED PROVED RESERVES (Bcfe)



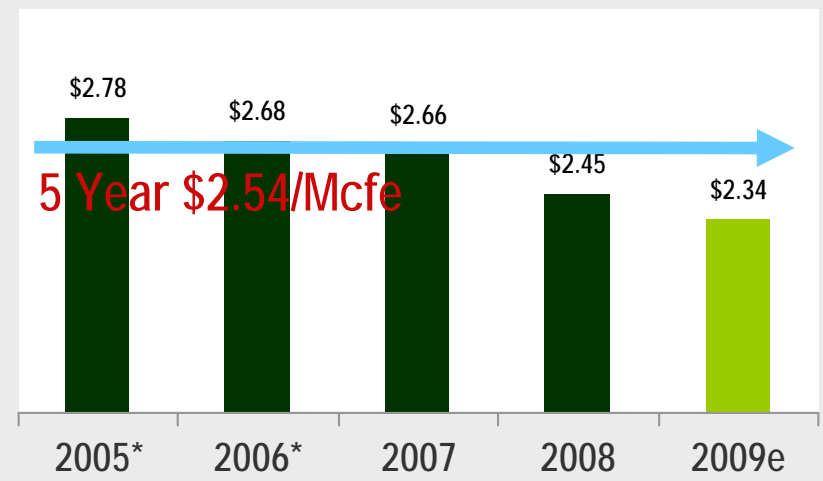
PRODUCTION (MMcfe/d)



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

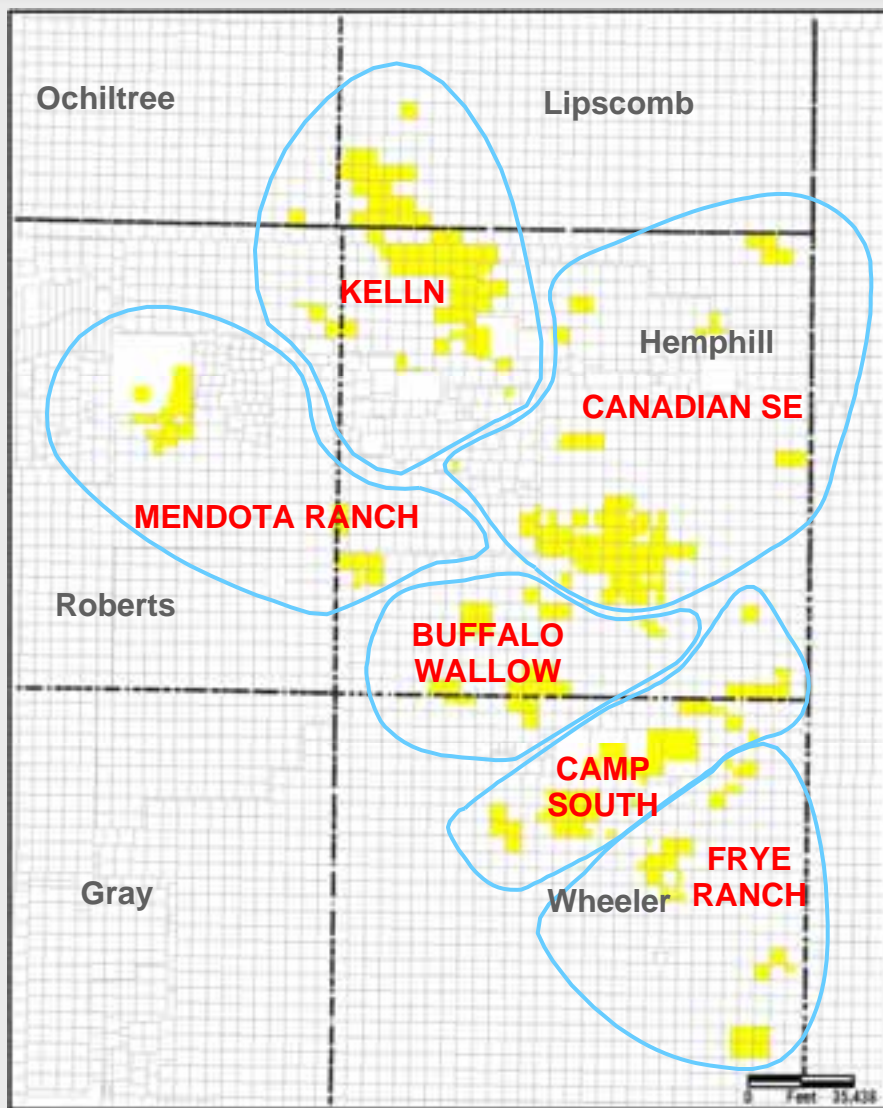


Capital Expenditure Plan

- E&D spending designed to be within discretionary cash flow
- Protect lease expirations and non-consent penalties
- Horizontal drilling economic results have significantly improved
- Primarily focused on Greater Buffalo Wallow and East Texas/North Louisiana Haynesville for remainder of 2009 and in 2010
- Enhanced efficiencies through rig ownership and cost control initiatives



Forest Oil's Granite Wash Position



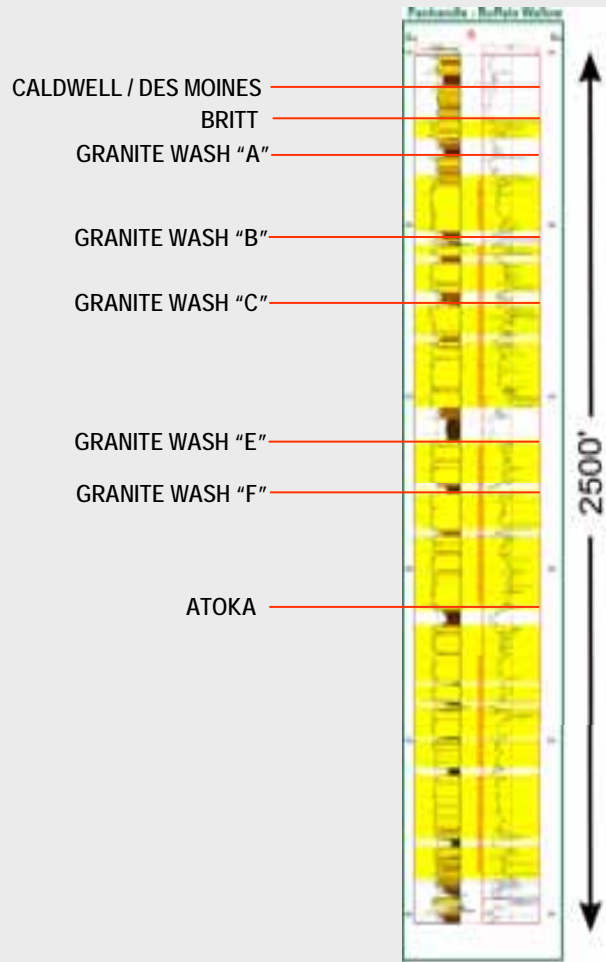
Area Nomenclature

- 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

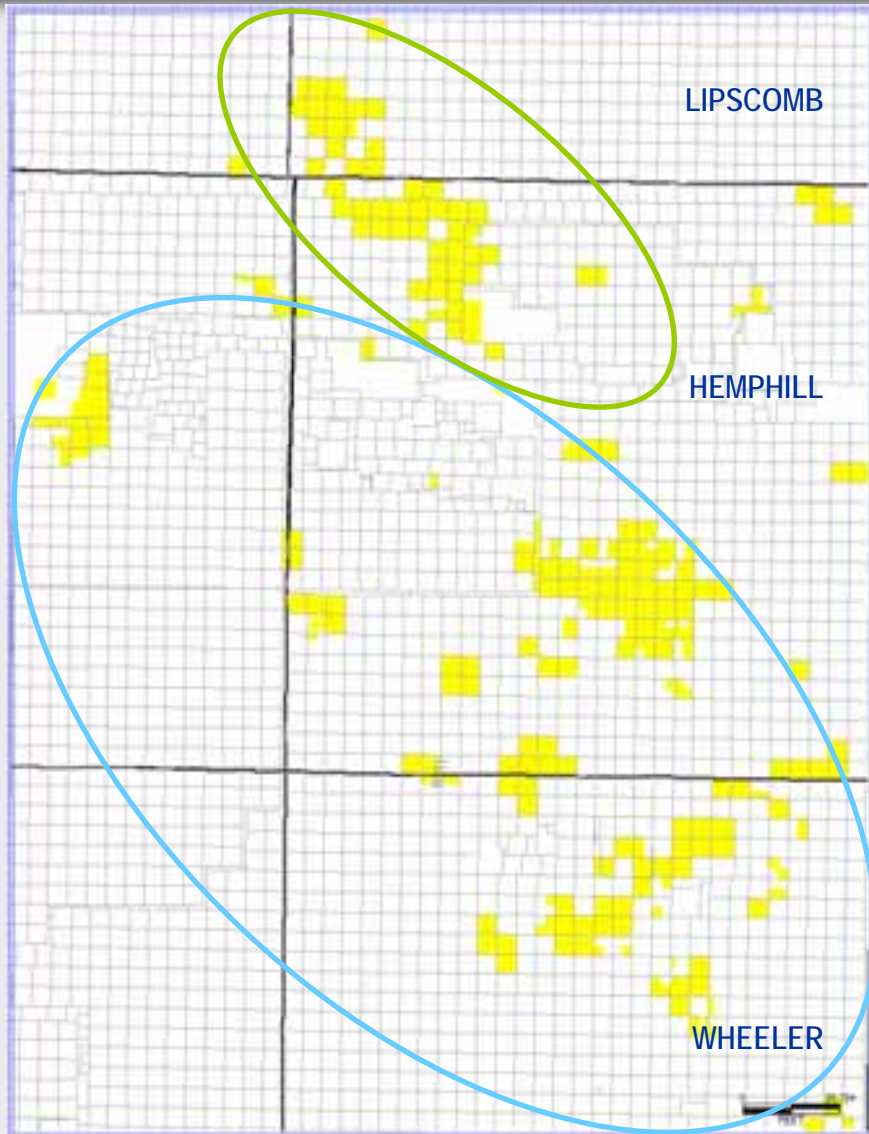


Basic Play Facts

- 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, Granite Wash, Cleveland, Douglas, and Morrow
- Excellent multi-zone horizontal potential
 - Second operated horizontal in the Granite Wash at an IP of 30 MMcfe/d (2/3rds liquids)
 - Shallow Morrow horizontal tested at 7.5 MMcfe/d with cost of \$3.9 million
- Expect to run 3 – 4 horizontal rigs for the remainder of 2009 and beginning in 2010

○ Granite Wash Hz Fairway ● Lower Morrow Hz Fairway

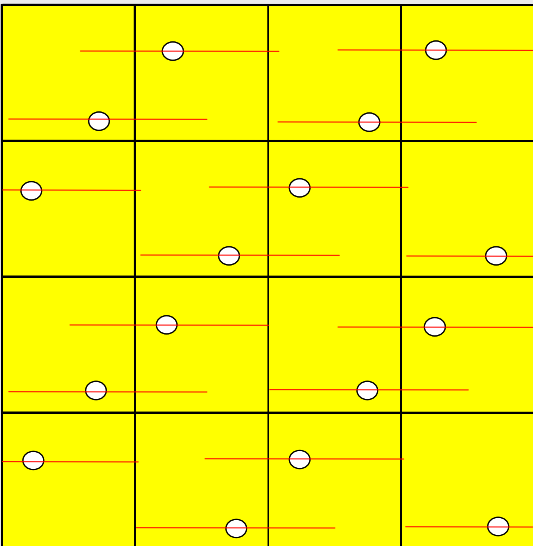


Texas Panhandle: Horizontal vs. Vertical Development

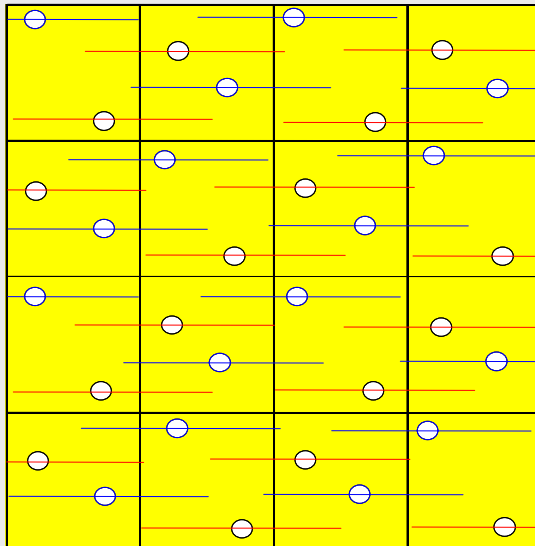
Horizontal Drilling – Most Efficient Development

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)

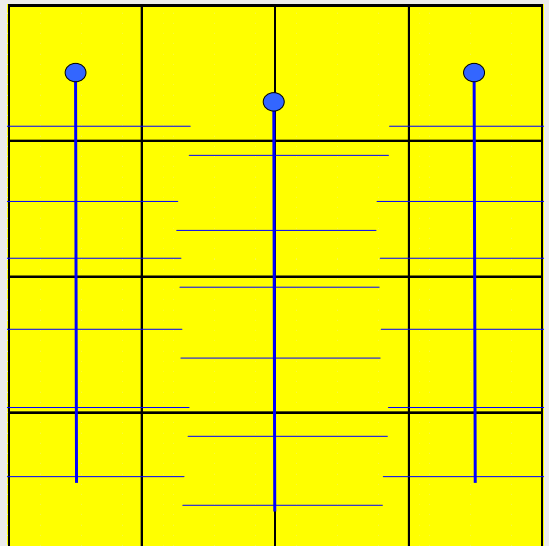
40 Acre Spacing



20 Acre Spacing



Horizontal Development

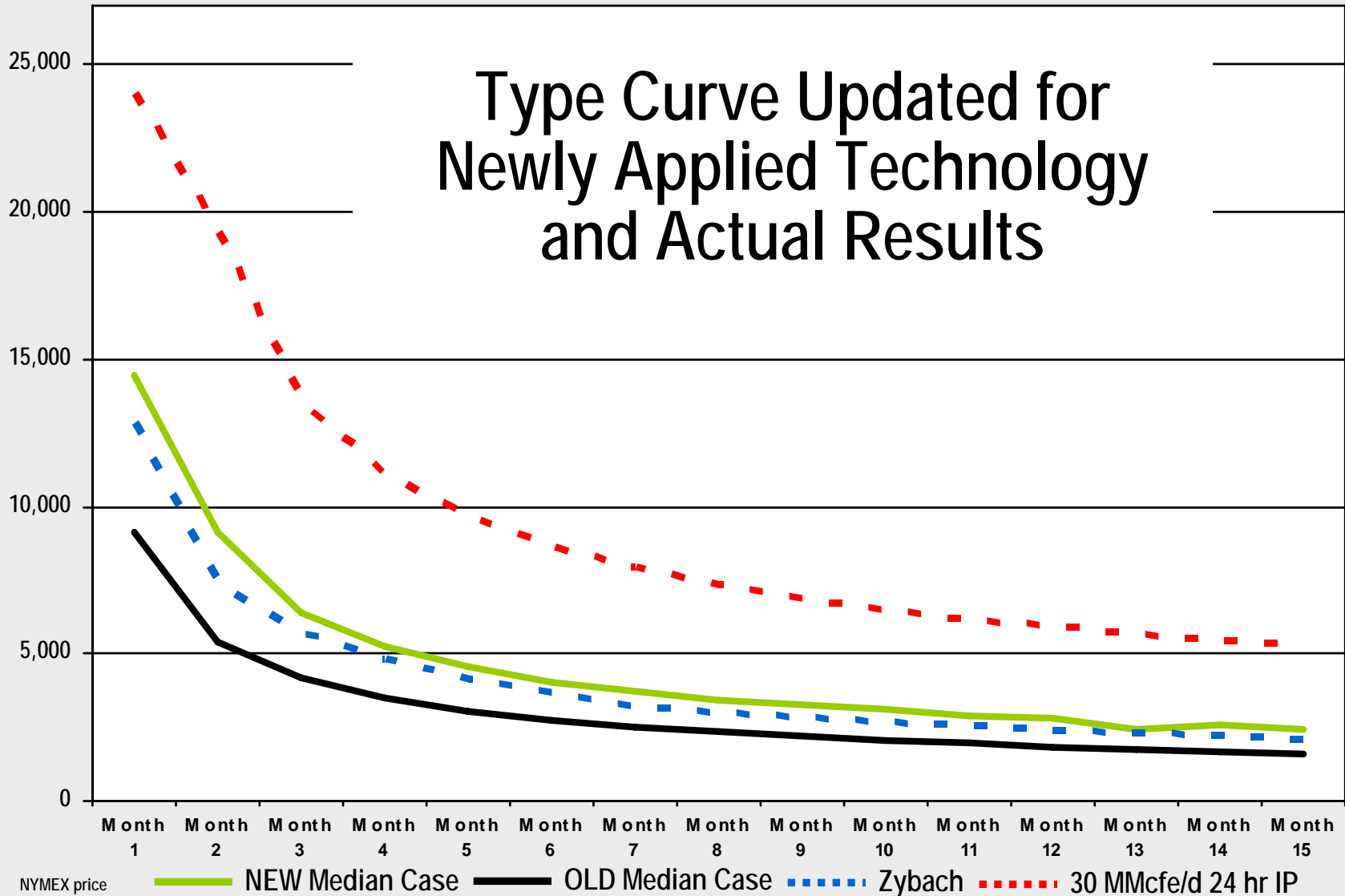




Granite Wash Type Curves

Gross Mcfe/d

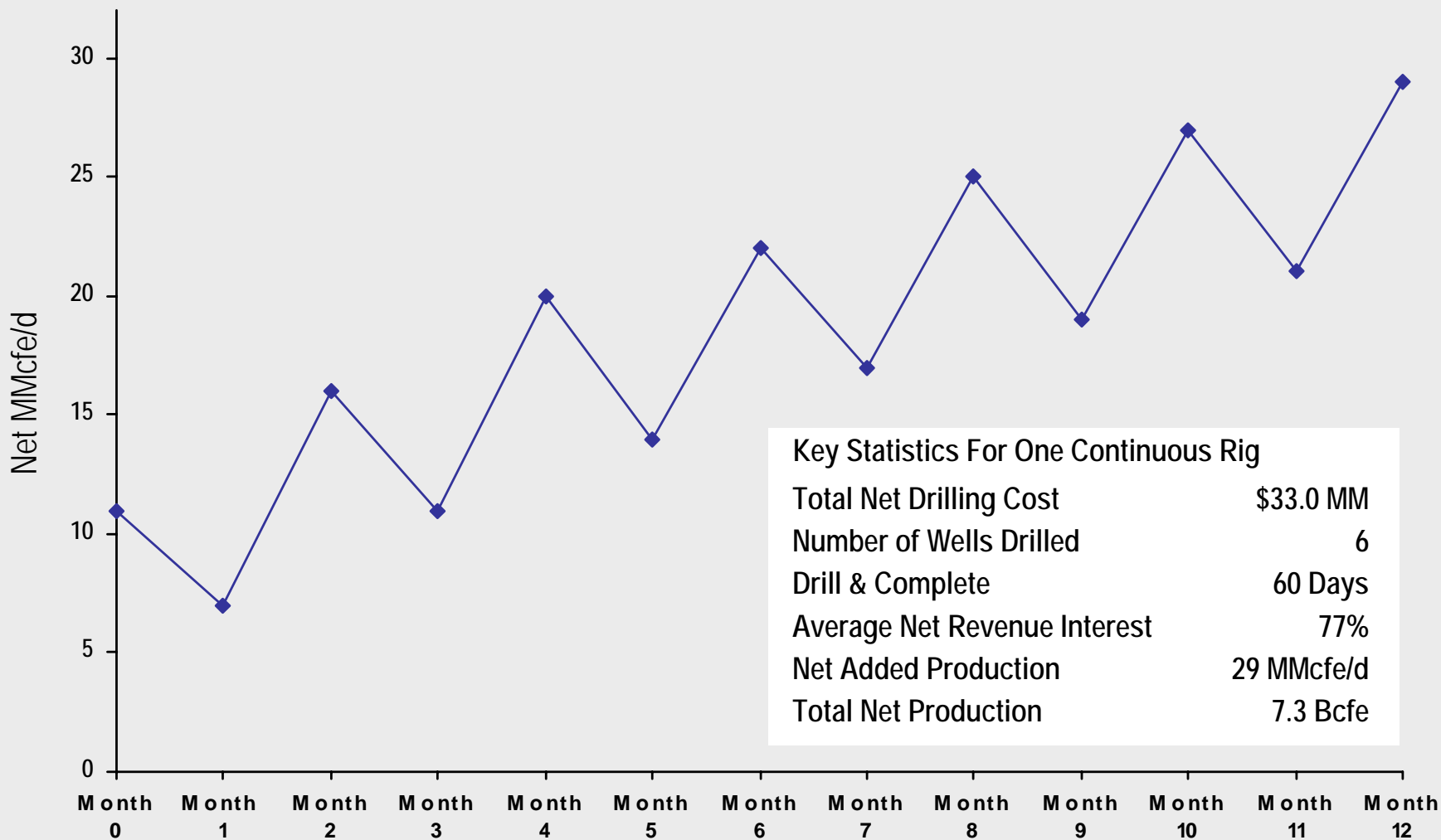
Type Curve Updated for
Newly Applied Technology
and Actual Results



* NYMEX price



Granite Wash – One Rig Effect*



* Assumes 100% working interest well drilled.

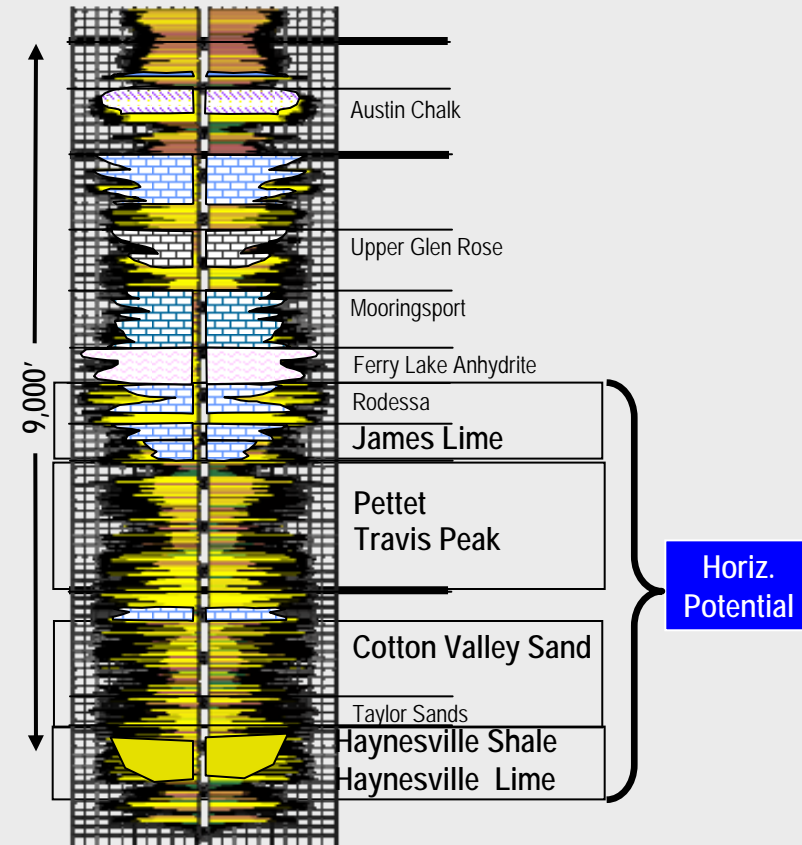


East Texas/North Louisiana Potential

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

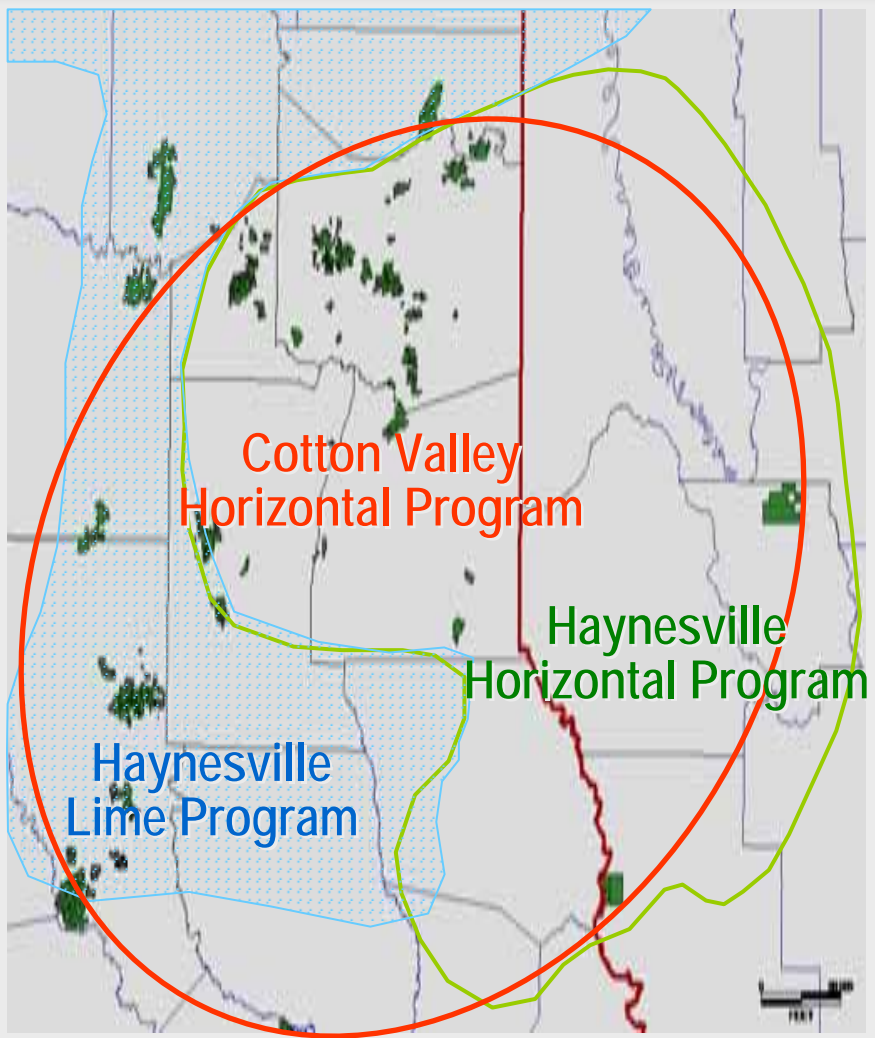
E. Texas/N. Louisiana Geologic Zones



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



Haynesville/Bossier Shale



East Texas/North Louisiana

- 140,000 gross acres (127,000 net) prospective for Haynesville
- Shallow and deep rights on majority of acreage
- 14 vertical Haynesville tests completed to date
- Louisiana: 4 horizontals with IP's from 14 – 21 MMcfe/d
- Texas: Industry IP's improving; will participate in Middle Bossier tests
- 1 – 2 rig Haynesville program for remainder of 2009
- 100% mechanical success while maintaining cost control



Financially Flexible

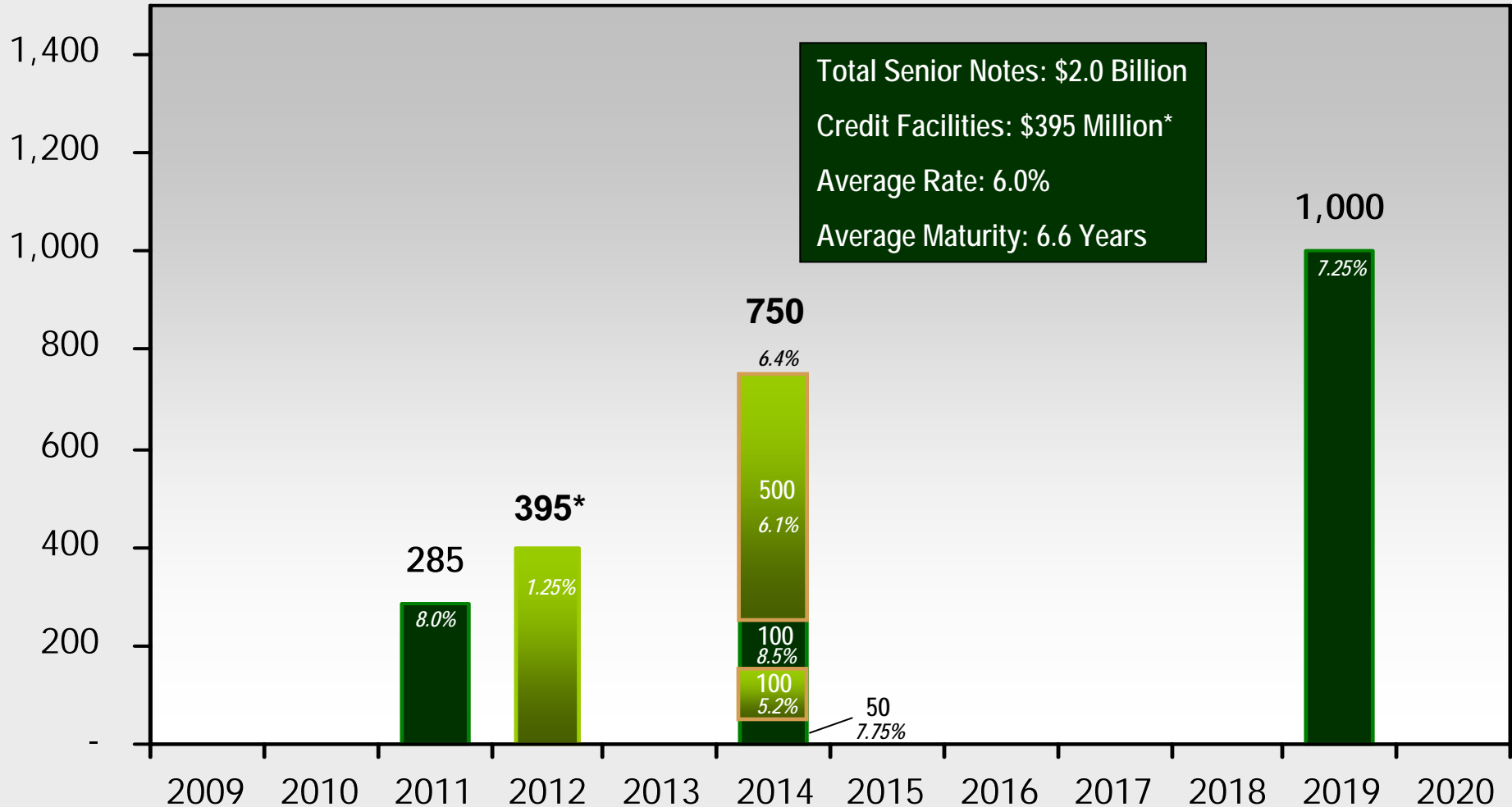
- Staggered long term debt maturity schedule
- Approximately \$1.2 billion in liquidity under \$1.62 billion credit facilities
- E&D spending designed to be within discretionary cash flow
- Recent announced property sales to further reduce debt balance targeted by March 31, 2010
 - 7,000 Bbls/d of Permian 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

* Pro forma for non-operated Ansell/Sundance Field divestiture of \$58 million expected to close before December 1, 2009



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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