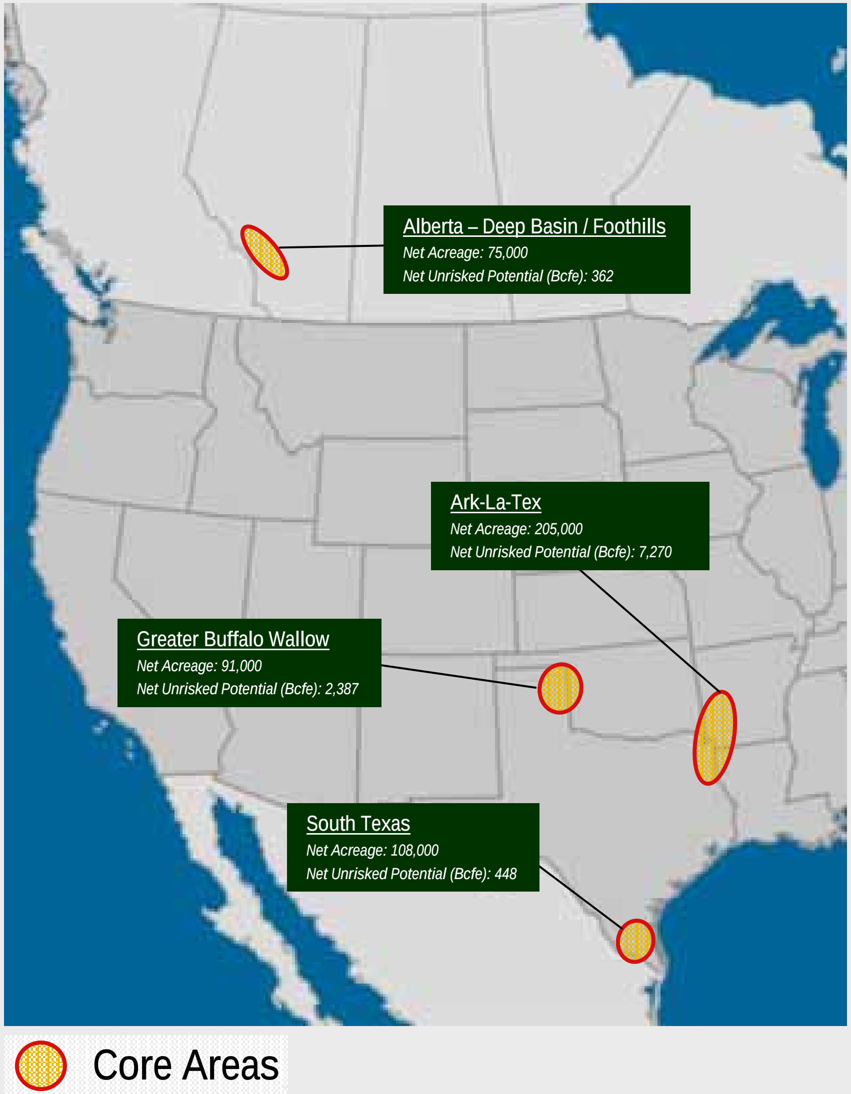
CORE STRENGTH

Howard Weil
37th Annual
Energy Conference

March 23, 2009

Forest Oil – Snapshot



Market Capitalization: *(3/19/09)*	$1.4 Billion
Enterprise Value:	$4.2 Billion
2008 Est. Proved Reserves: *(75% natural gas)*	2.7 Tcfe
R/P Ratio:	14.0 Years
Potential Locations*: *(Fully Developed)*	18,248
Net Unrisked Potential*:	17.8 Tcfe
2009 Production Guidance:	185-195 Bcfe

FST
LISTED
NYSE

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

Excellent 2008 & Well Positioned For 2009

2008 Highlights

- Record estimated proved reserves of 2.7 Tcfe
- 18,248 locations with 17.8 Tcfe net unrisked potential
- 2008 net production rose 22% (17% organic) to 190 Bcfe
- All-sources reserve replacement of 549% with FD&A costs of $2.61 per Mcfe*
- Organic reserve replacement of 281% with F&D costs of $2.54 per Mcfe*
- Significant horizontal success in East Texas, Arkoma and Alberta

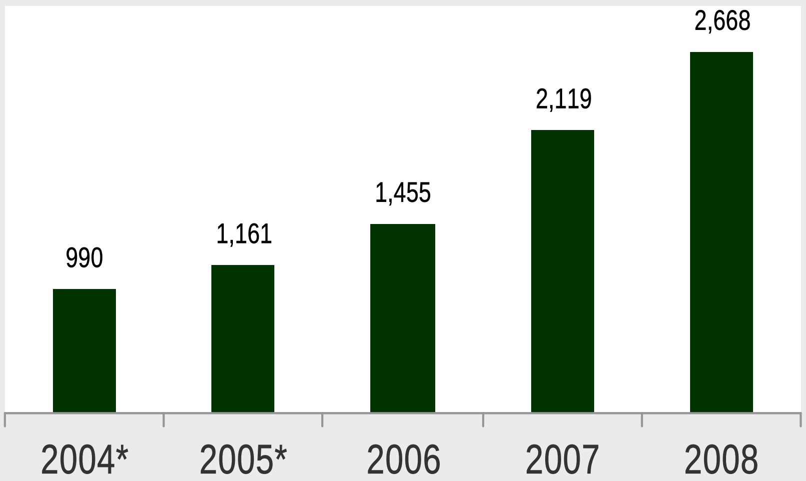
Well Positioned For 2009

- Strong balance sheet with $700 – $800 million of liquidity
- Bank facility borrowing base confirmed and covenants managed
- Attractive hedge positions – 55% – 60% of 2009 natural gas production hedged
- One of the lowest cost structures in the industry
- “Free agent” on drilling cost control
- 2009 capital plan designed to be below discretionary cash flow

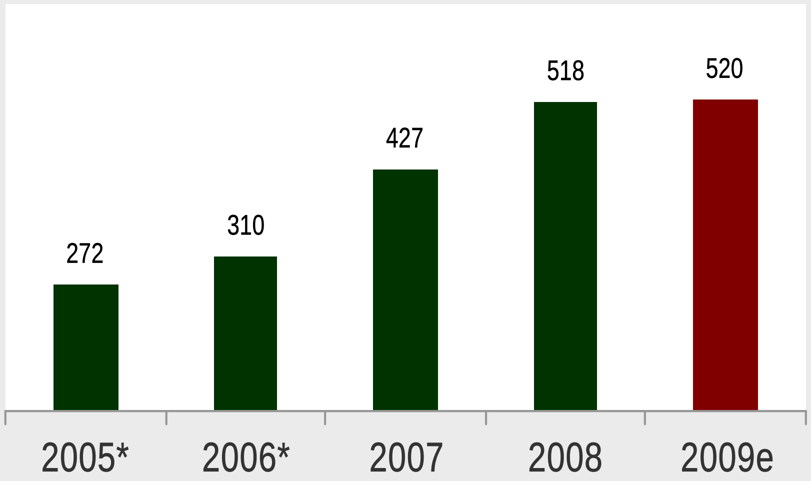
* Does not include effect of reserve revisions

Key Statistics and Guidance

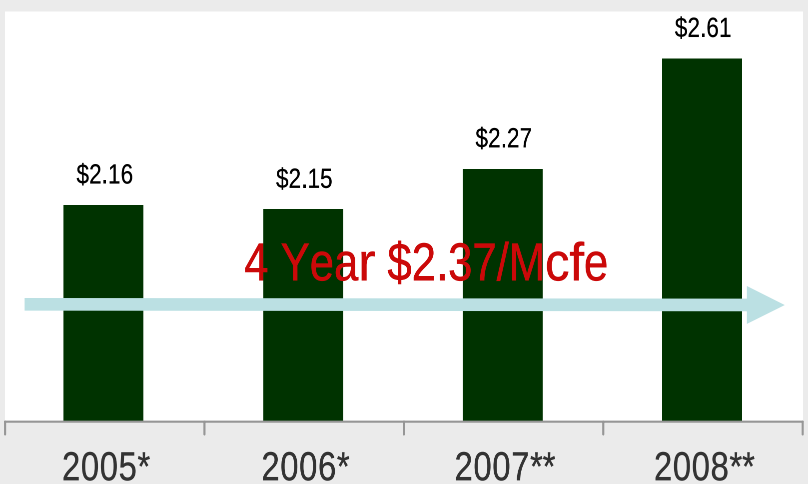
ESTIMATED PROVED RESERVES (Bcfe)



PRODUCTION (MMcfe/d)



FD&A COSTS ($/Mcfe)

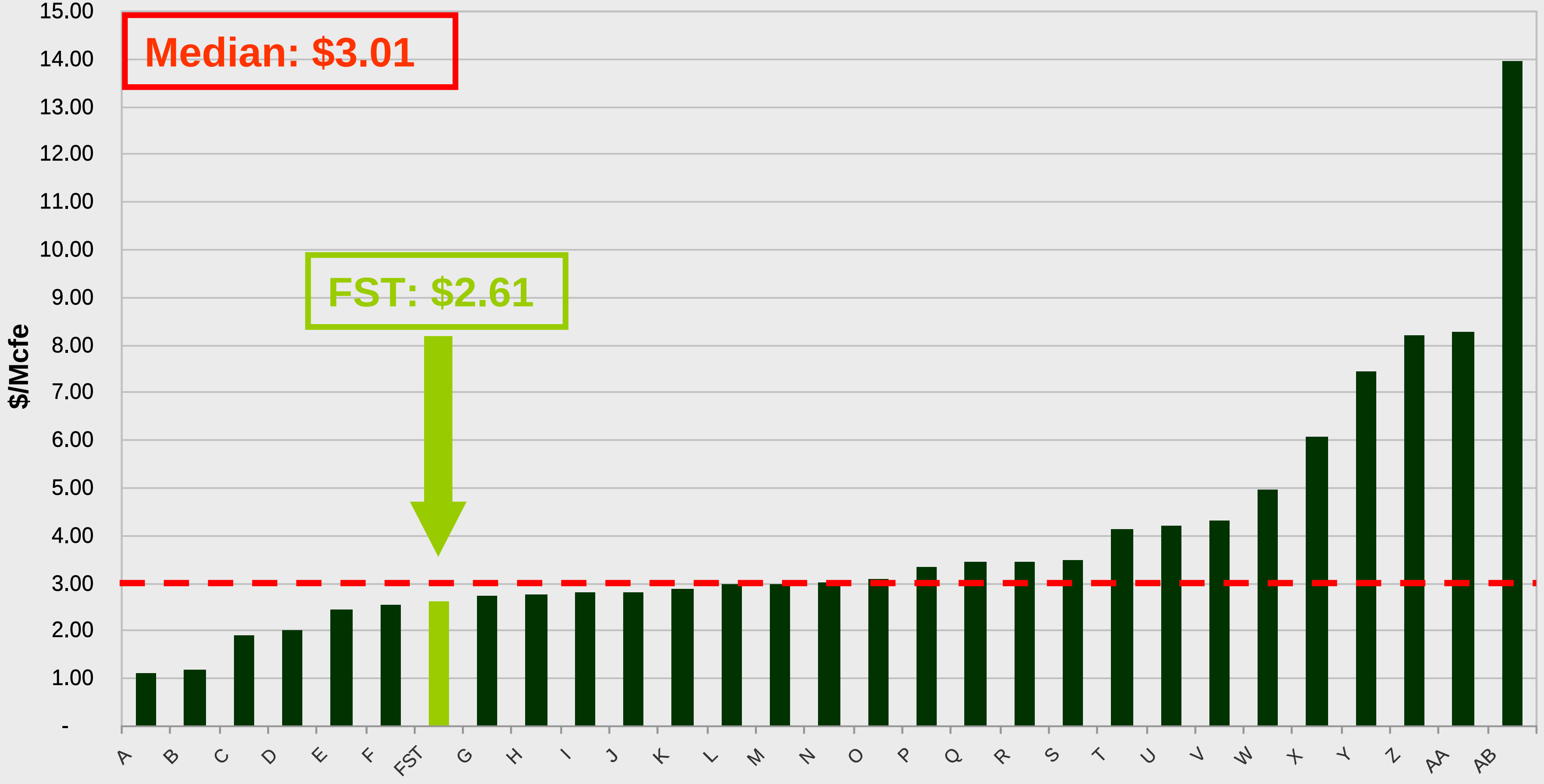


TOTAL CASH COST ($/Mcfe)

* *Pro forma for the spin-off of the Gulf of Mexico operations*

** *Does not include effects of Alaska properties during 2007 or reserve revisions*

2008 FD&A Costs Comparison*

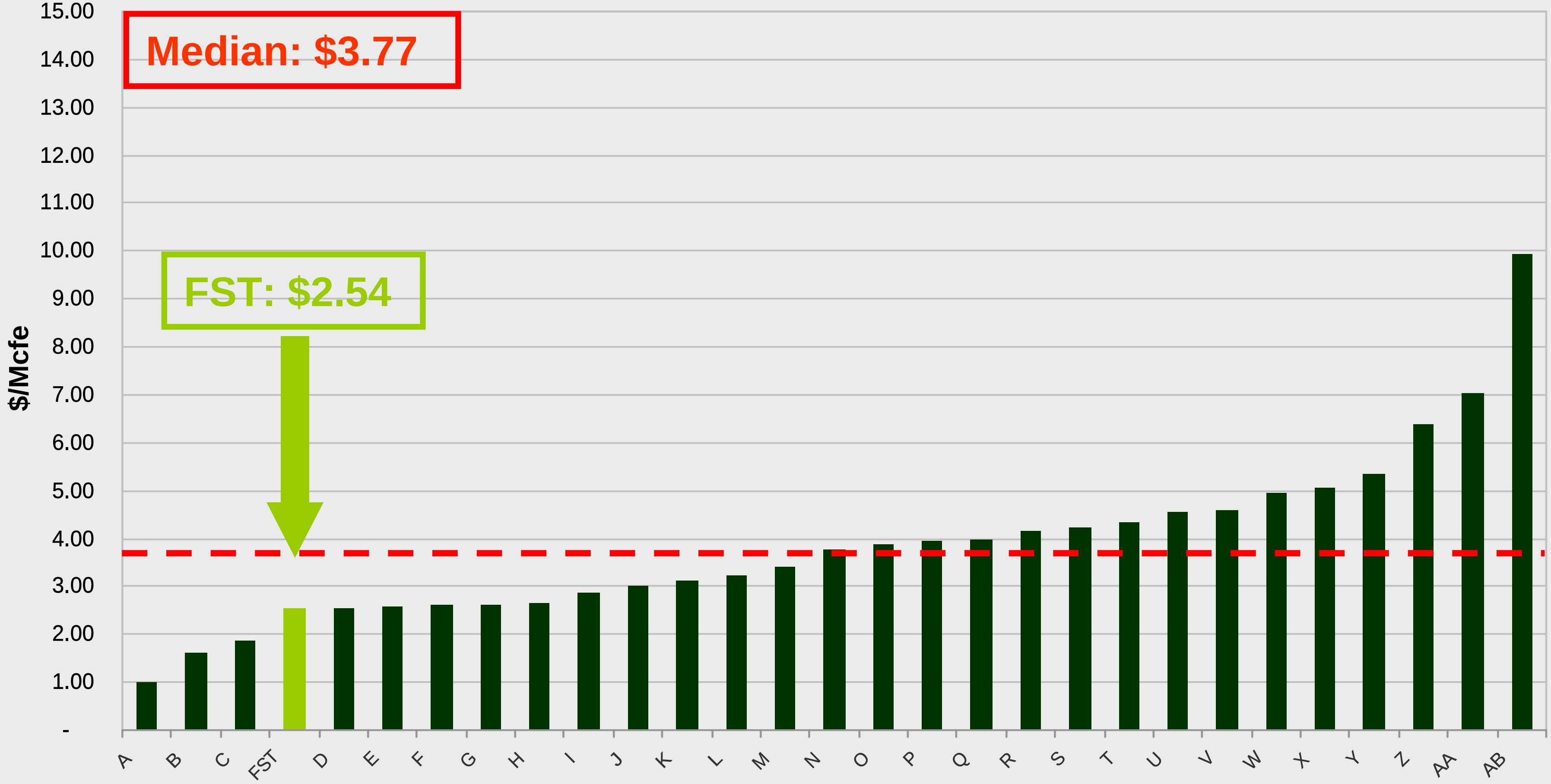


Source: Credit Suisse and company filings

Companies Included: APA, APC, ARD, BBG, CHK, COG, CRK, CXG, CXO, DNR, DVN, EAC, ECA, EOG, EQT, FST, KWK, NBL, NFX, NXY, OXY, PVA, PXD, RRC, SM, UPL, WLL, XEC and XTO

* Excluding all reserve revisions

2008 Cash Costs Comparison



Note: *Total cash costs is defined as all cash operating costs, including production expense; general and administrative expense (excluding stock-based compensation); interest expense; and current income tax expense (benefit)*

Source: Company filings

Companies Included: APA, APC, ARD, BBG,CHK, COG, CRK, CXG, CXO, DNR, DVN, EAC, ECA, EOG, EQT, FST, KWK, NBL, NFX, NXY, OXY, PVA, PXD, RRC, SM, UPL, WLL, XEC and XTO

Focus “Core Strengths” on “Core Assets”

“Core Strengths”

1. Deeply rooted operational culture, focused on extracting efficiencies
2. Experienced in spending near or below cash flow on drilling and leasehold
3. Asset portfolio allows for capital re-allocation
4. Innovative transactions have upgraded asset portfolio
5. Financially flexible with reaffirmed bank facility, substantial liquidity from debt offering and reduced spending

Deployment on “Core Assets”

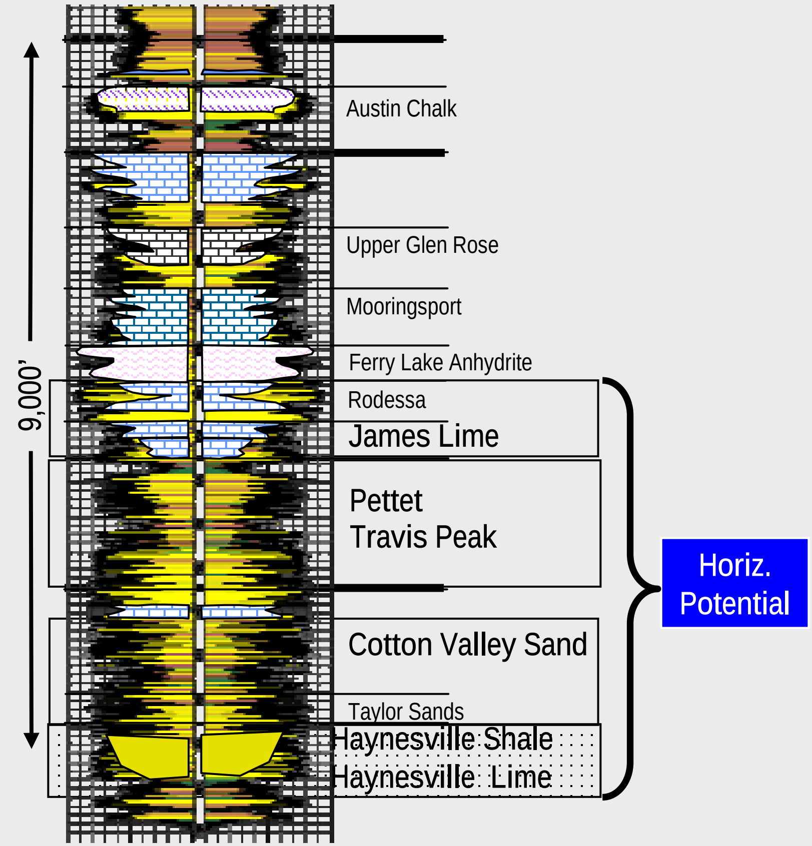
1. Four Business Units – Two rocks
2. 2009 budget to mirror free cash flow business model from prior years
3. 2009 capital allocated to highest rate of return projects
4. Continue to use divestitures when possible to further upgrade portfolio
5. Significant liquidity and hedge position to allow financial flexibility

East Texas/North Louisiana Potential

Forest's "Core Strengths" in Resource Plays

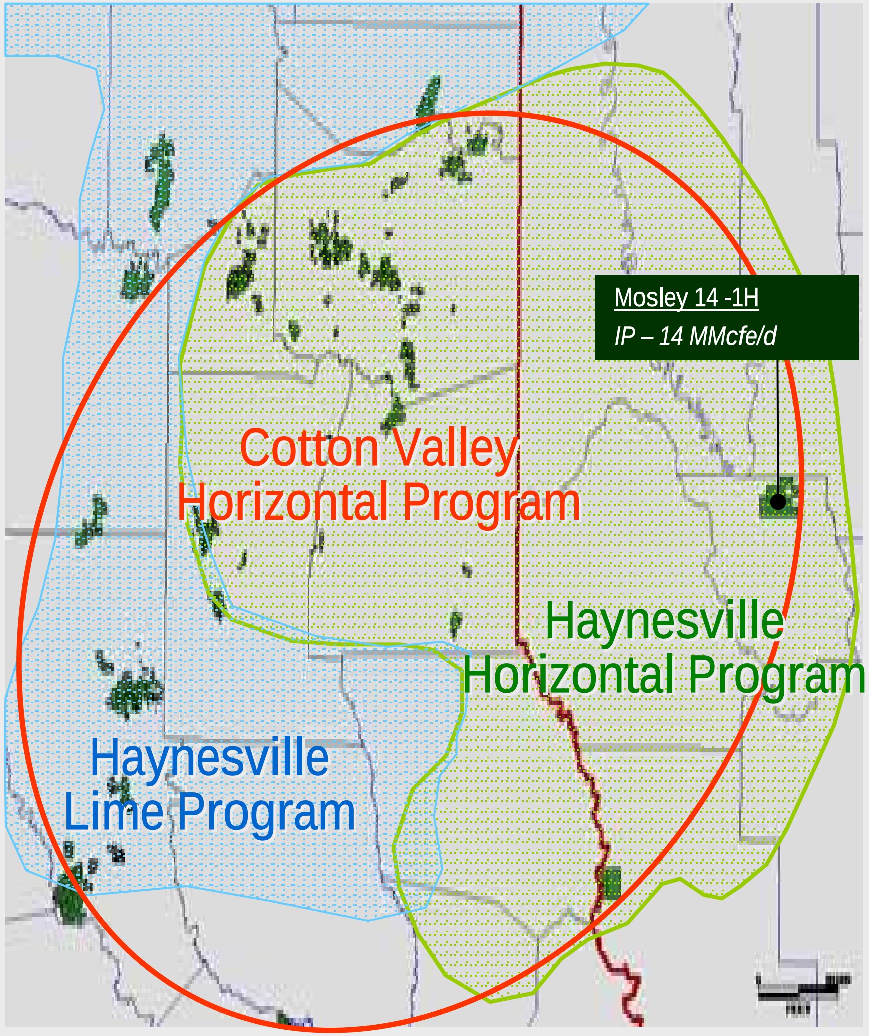
- Low cost of entry provides superior economics
- Up front integration of data before horizontal drilling includes cores samples
- Mechanical success on horizontal completions
- Cost and extraction efficiencies as play expands

E. Texas/N. Louisiana Geologic Zones



"Acreage In East Texas/North Louisiana Provides Multiple Production Horizons"

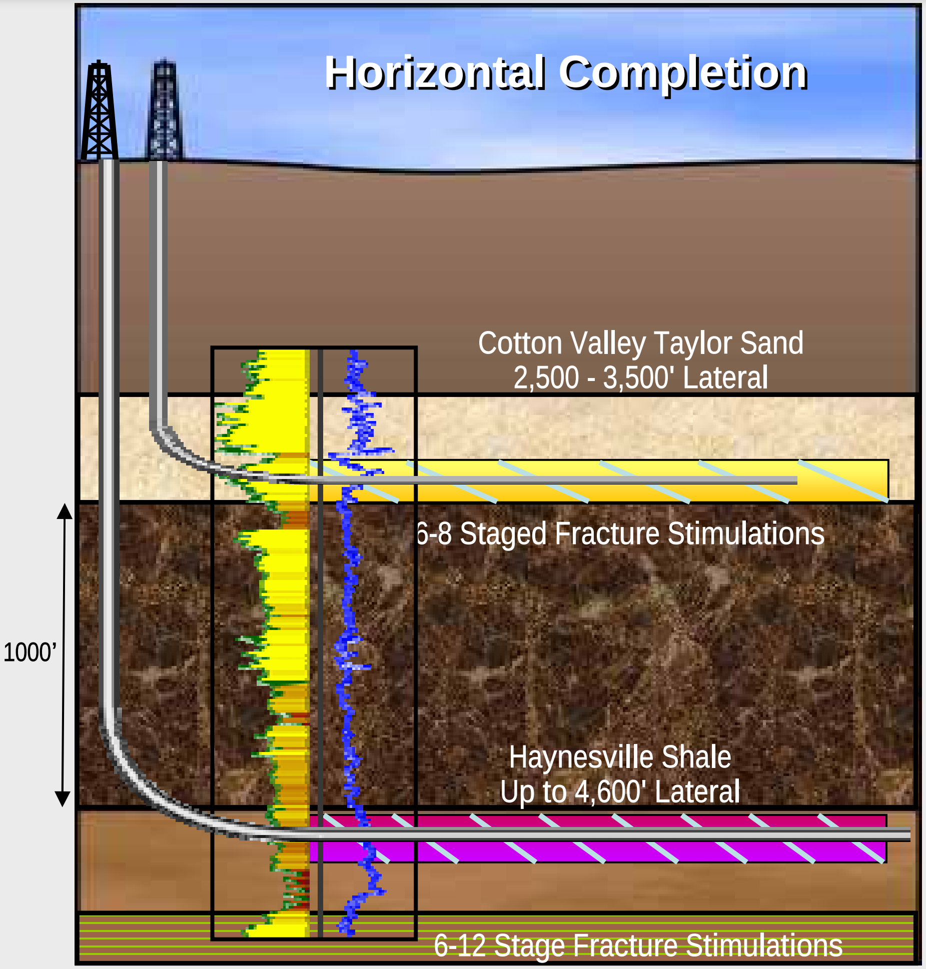
Haynesville Shale and Lime



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
- First horizontal IP rate of 14 MMcfe/d (100% WI)
- One horizontal well completing; two drilling
- 2009 Haynesville program
  - 2 rig program drilling 10 – 12 operated wells
  - Participation in 2 – 3 non-operated wells
- Test deeper Haynesville Lime in 2009

Horizontal Drilling – Another Core Strength

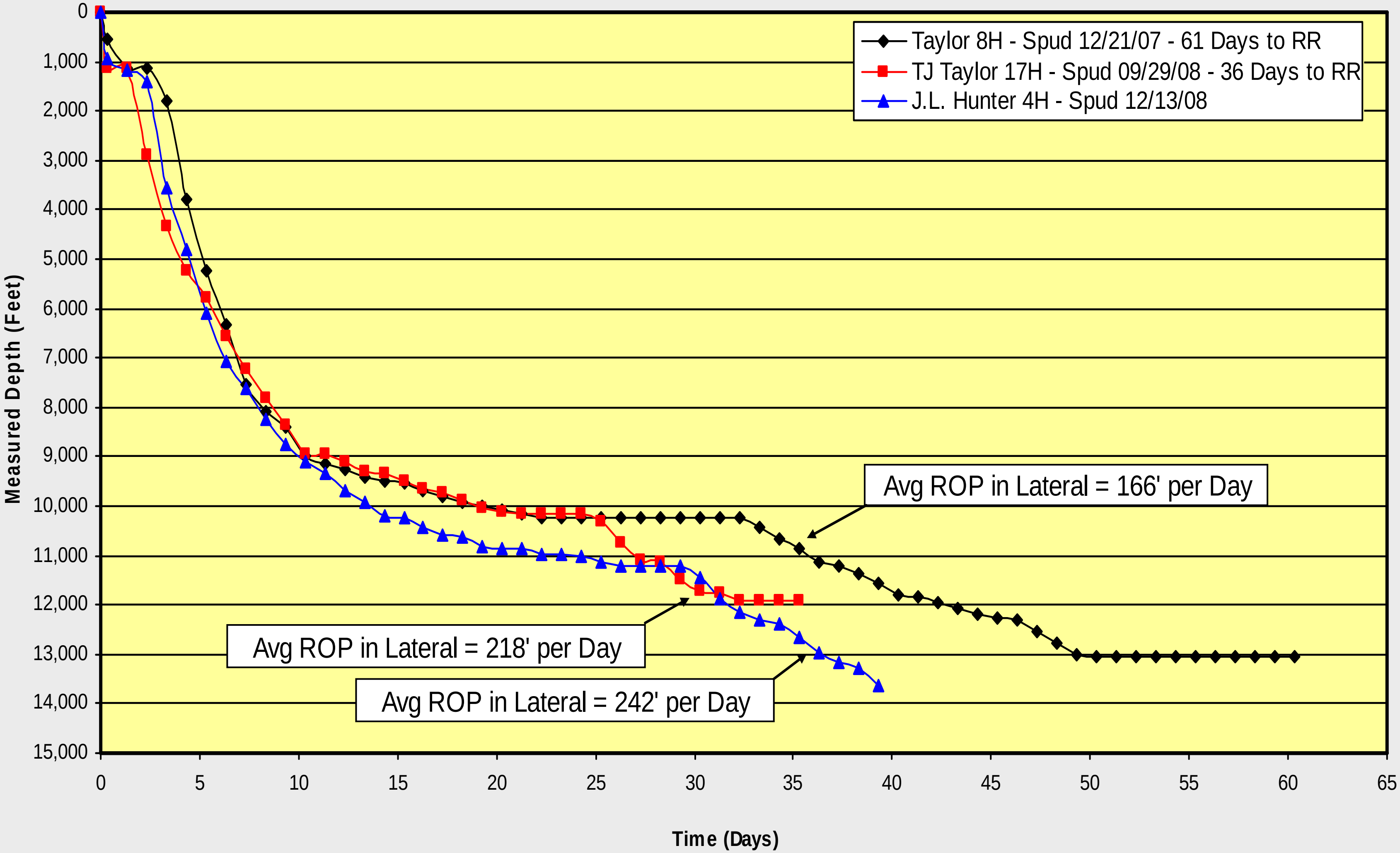


Horizontal Success

- Focused horizontally in both the Cotton Valley Taylor Sands and the Haynesville Shale
- Reduced cost on horizontal Cotton Valley wells from \$6.3 million to \$4.8 million with average IP rates in excess of 5 MMcfe/d
- Haynesville Shale horizontals targeted at a \$7.3 million average

"We Intend To Extract Efficiencies Through Cost Control And Technology"

E. Texas/N. Louisiana Horizontal Drilling Efficiencies



2009 Observations

Capital Plan

- E&D spending designed to be within discretionary cash flow
- Protect lease expirations and non-consent penalties
- Utilize Lantern rigs over third party rigs
- Prioritize “FOCUS” projects to reduce production expense – recompletions/workovers
- Only ROR > 20% projects considered, based on $5.00 NYMEX for non-expiring leases
- Horizontal drilling is favored economically versus vertical
- Take advantage of declining service costs in 2009

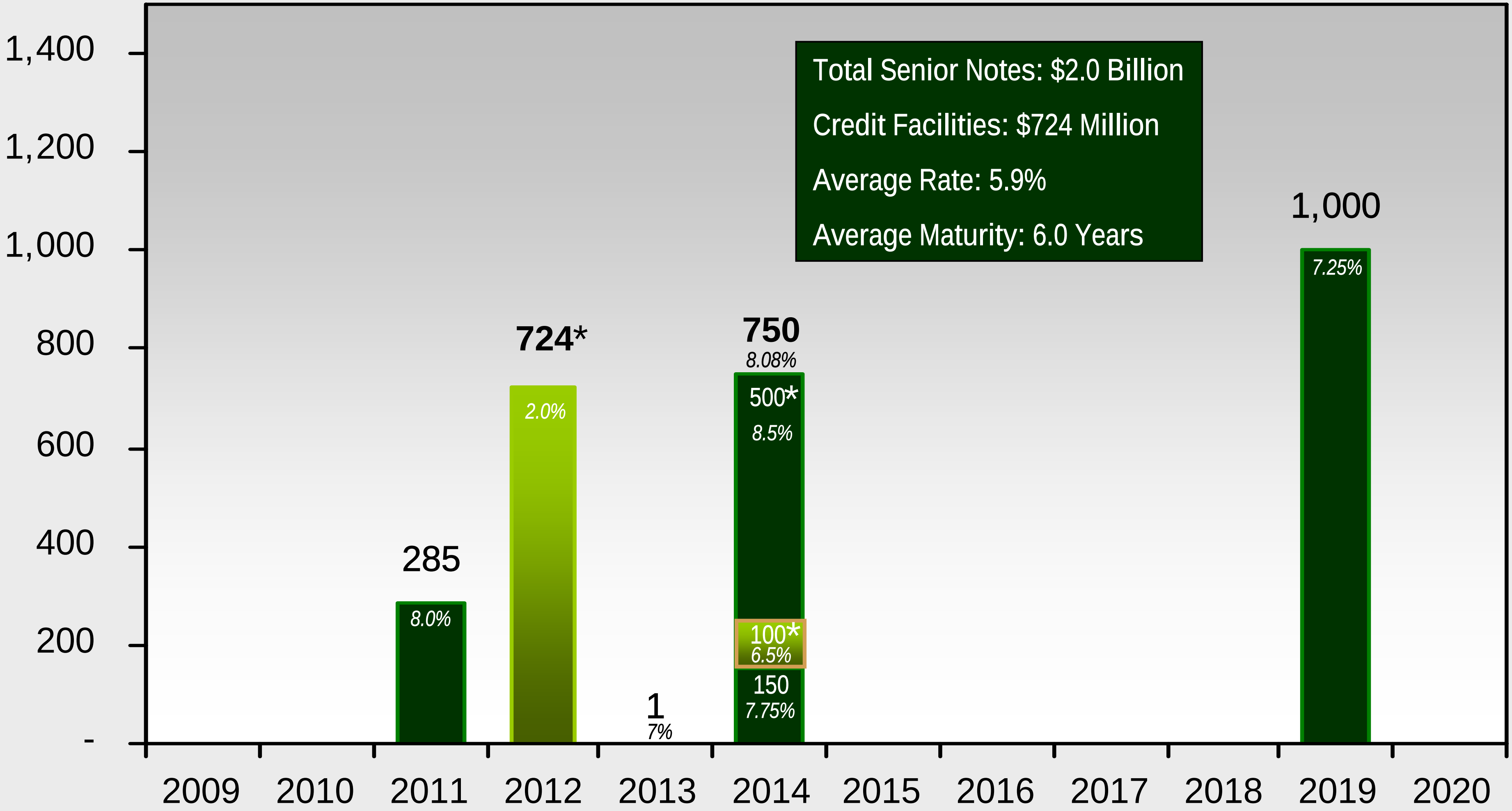
Financially Flexible

- Staggered long term debt maturity schedule
- Estimated $700 – $800 million in liquidity under $1.62 billion credit facilities (reaffirmed March 12, 2009)
- Bank group built entirely of commercial banks
- 55% – 60% of 2009 natural gas production hedged at $7.67/MMBtu floor
- 35% – 40% of 2009 oil production hedged at $69.01/Bbl

Debt Maturity Profile

($MM)

12/31/08



*Pro forma for 2014 Senior Note Issuance

Note: LIBOR assumption at 50 bps

Hedge Portfolio – NYMEX Hedges

Hedging Price Risk

	2009	Weighted Price Floor/Ceiling	2010	Weighted Price Floor/Ceiling
Natural Gas Swaps				
Contract Volumes (BBtu/d)	183.0*		120.0	
Weighted Average Price ($ per MMBtu)	7.75		6.44	
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		-	
		$7.67 - $8.11		$6.44 – $6.44
Oil Swaps				
Contract Volumes (MBbl/d)	4.5		1.5	
Weighted Average Price ($ per Bbl)	69.01		72.95	
Oil Collars				
Contract Volumes (MBbl/d)	-		-	
Weighted Average Ceiling Price ($ per Bbl)	-		-	
Weighted Average Floor Price ($ per Bbl)	-		-	
		$69.01		$72.95

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

- 200 + Bbtu/d of basis hedged at ($.71) per MMBtu in 2009 (60 Bbtu/d hedged in Mid-Con at ($1.04))

Investment Proposition

- Forest's portfolio management has created substantial North American gas resource plays
- 18,248 fully developed locations provide over 17.8 Tcfe of additional net unrisked potential with a large HBP component
- Despite high quality assets, substantial liquidity, low cost structure and substantial upside in asset portfolio, FST presently trades at low end of peer group
- Forest is built to withstand adverse environments; liquidity, cash flow and asset base are strong

"We Believe FST Provides The Best Risk Weighted North American E&P Investment"

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.

These risks include, but are not limited to, oil and natural gas price volatility, Forest's access to cash flows and other sources of liquidity to fund its capital expenditures, its level of indebtedness, its ability to replace production, the impact of the current financial crisis on Forest's business and financial condition, a 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, economic conditions and other risks as described in reports that Forest files with the Securities and Exchange Commission (SEC), including its 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.

Reserves – The Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves, which are estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Forest uses the terms "probable" and "possible" reserves, resource "potential" or "upside" or other descriptions of volumes of reserves or resources 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 Forest. Resource potential refers to Forest's internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. Resource potential does not constitute reserves within the meaning of the Society of Petroleum Engineer's Petroleum Resource Management System and does not include any proved reserves. Area wide unrisked resource potential has not been risked by Forest's management. Actual quantities that may be ultimately recovered from Forest's interests will differ substantially. Factors affecting ultimate recovery include the scope of Forest's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors; and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of resource potential may change significantly as development of our resource plays provides additional data. Investors are urged to consider closely the disclosure in Forest's Annual Report on Form 10-K for fiscal year ended December 31, 2008, copies of which are available for free from Forest by writing Forest at 707 17th Street, Suite 3600, Denver, CO 80202, Attention: Investor Relations, or by calling Investor Relations at 303-812-1400, or visiting Forest's website at www.forestoil.com.