

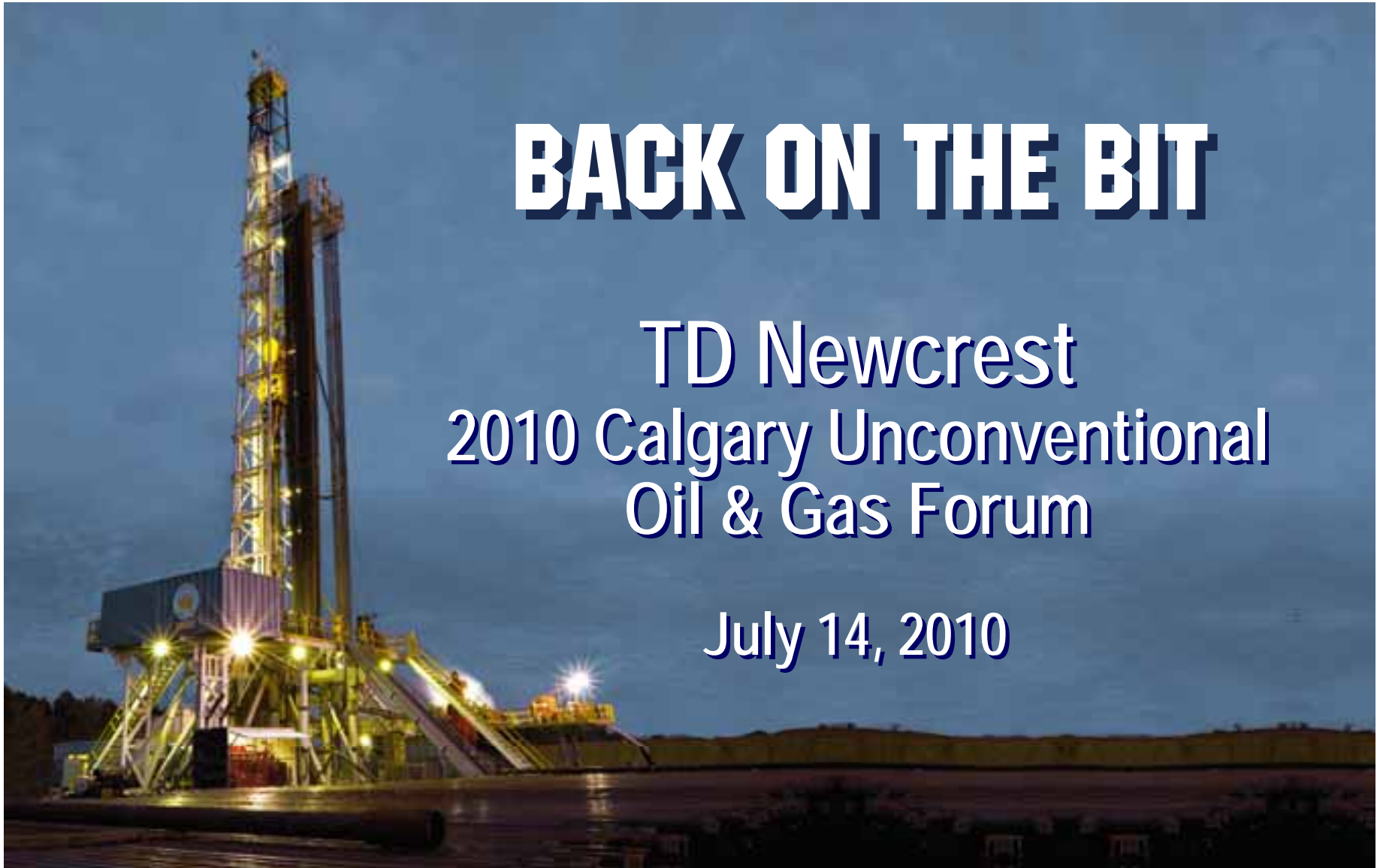


FOREST OIL CORPORATION

BACK ON THE BIT

**TD Newcrest
2010 Calgary Unconventional
Oil & Gas Forum**

July 14, 2010





Forest Oil Snapshot



 Core Areas

Market Capitalization: <i>(7/8/10)</i>	\$3.2 Billion
Enterprise Value:	\$4.9 Billion
12/31/09 Est. Proved Reserves:	2.1 Tcfe
2010 R/P Ratio:	13.1 Years
Potential Locations*: <i>(Fully Developed)</i>	15,894
Net Unrisked Potential*:	17.7 Tcfe
2010 Production Guidance:	439-449 MMcfe/d



* As of December 31, 2009 and does not include estimated proved reserves or locations associated with estimated proved reserves



Same Strategy – Increased Focus

Strategically Repositioned To Focus On Low-risk, Repeatable Growth

Our Strategy

Focus on “Profitable” Organic Growth

Control Costs

Manage the Portfolio

Remain Financially Flexible



How We Execute

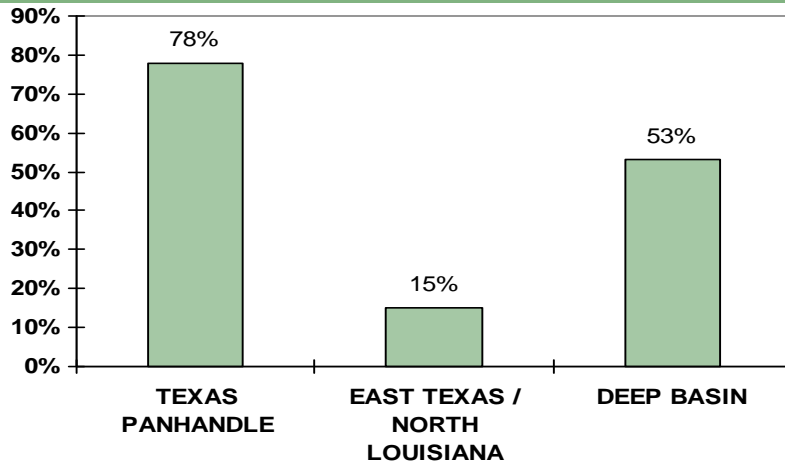
- Double-digit organic production growth
- 75% of capital invested in Core Areas that have rates of return in excess of 15% at \$5.00 gas and \$60.00 oil
- Continue “low cost culture” of organization
- Concentrate activity in Core Areas as efficiencies are key to resource play economics and expansion
- Expand core positions through leasehold and bolt on acquisitions
- Continue to prune low-growth and non-reserve based assets
- Maintain adequate liquidity
- Design capital expenditure budget to be within a reasonable bandwidth of cash flow



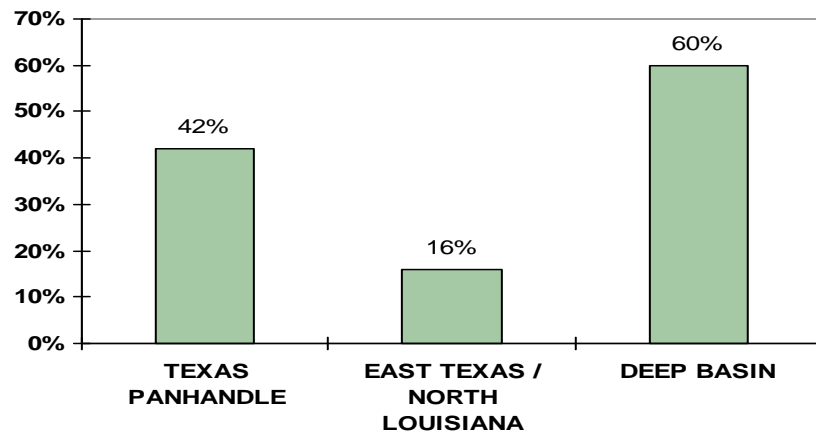
"Profitable" Organic Growth

Core Areas ROR

NYMEX \$5.00 gas and \$60.00 oil



Core Areas 2010 Organic Growth



Core Areas

- Provide highest economic returns and highest growth opportunity in the portfolio
- Significant unbooked drilling inventory of 5,656 locations contains majority of unrisked resource potential
- Increased 2010 capital spending to 75% of the total capital budget

***Organically Grow Production
at 10 – 12% in 2010***



"Profitable" Organic Growth – Highly Visible Inventory

Area	Net Acreage	Fully Developed Project Inventory*	2009 Total Proved Reserves (Bcfe)	Net Unrisked Potential* (Bcfe)	Total Proved and Net Unrisked Potential (Bcfe)	4Q 2009 Net Sales Volumes (MMcfe/d)**	4Q 2010 Net Sales Volumes (MMcfe/d)	2010 Peak Operated Rig Count
Texas Panhandle	97,000	1,062	481	1,892	2,373	81	115	4
Canadian Deep Basin	121,000	676	162	2,039	2,201	40	64	4
East Texas / North Louisiana	160,000	3,918	569	5,514	6,083	73	85	4
Utica Shale	272,000	3,390	-	4,138	4,138	-	-	1
Uinta Basin	217,000	4,671	21	1,238	1,259	6	3	-
South Texas	236,000	432	350	361	711	117	115	5
International	1,708,000	-*	52	-*	52	-	-	-
Other	399,000	1,745	486	2,524	3,010	94	75	5
TOTAL	3,210,000	15,894	2,121	17,706	19,827	411	457	23

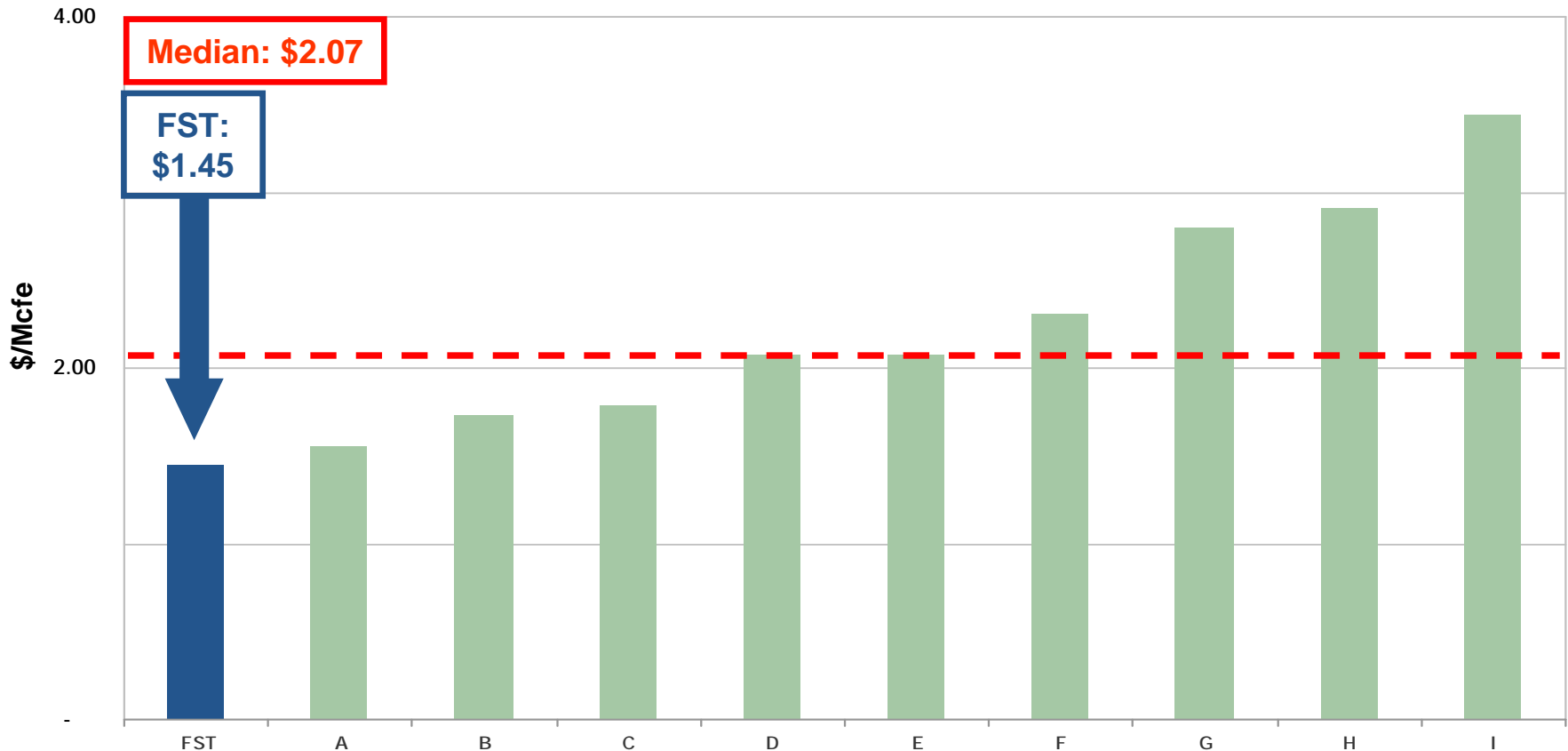
* As of December 31, 2009, excludes international discoveries in South Africa and Italy, and does not include estimated proved reserves or locations associated with estimated proved reserves

** Pro forma for asset divestitures



Control Costs – Leading The Peer Group

2009 Operating Costs



One Of The Lowest Cost Producers In The Industry

Operating costs defined as production expense and G&A expense (excluding stock-based compensation)

Companies Included: COG, FST, HK, NFX, PXD, PXP, RRC, SM, XCO AND XEC

Source : Company Filings

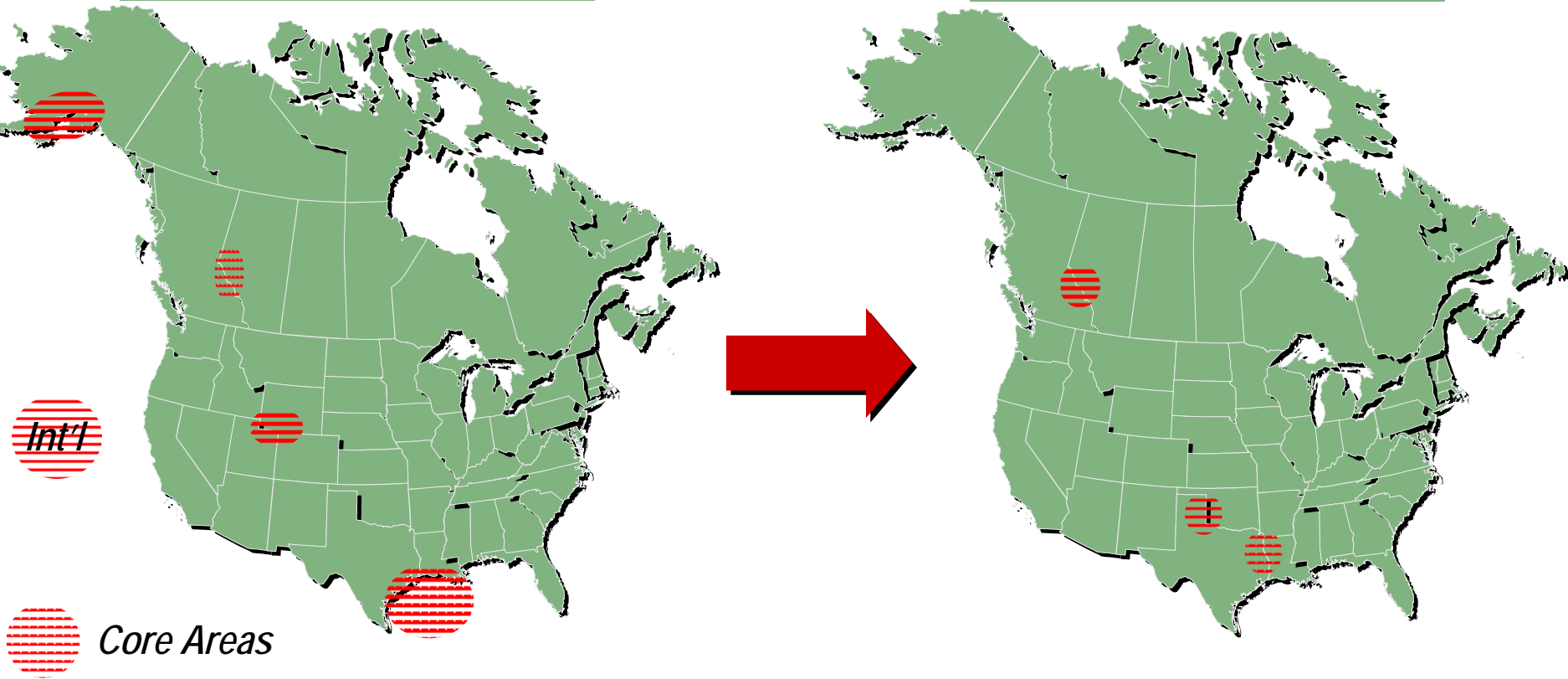


Manage The Portfolio – Significant Upgrade In Asset Quality

Forest's Portfolio Management Has Resulted In A High Quality Onshore Asset Base Focused On Tight-Gas And Shales

2003

2010

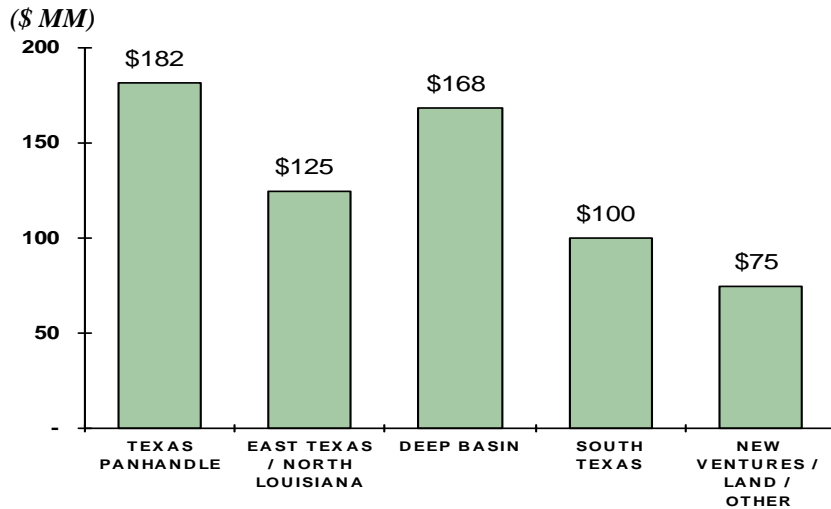


Focused Asset Base in Three Core Areas



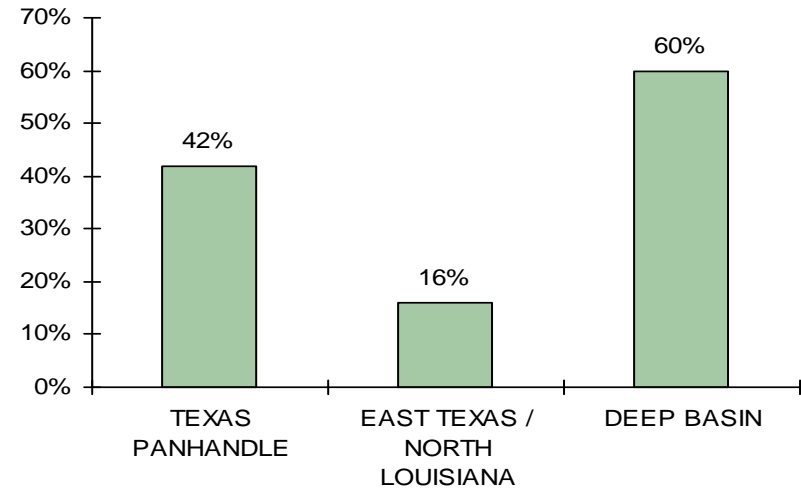
Simple Plan For 2010

Spend Capital In Core Areas



- 75% of total capital expenditures is in the Core Areas
- Running 4 rigs in each Core Area during the year
- Leasehold acquisition expenditures included in budget to expand Core Area's acreage position

Organically Grow Production*

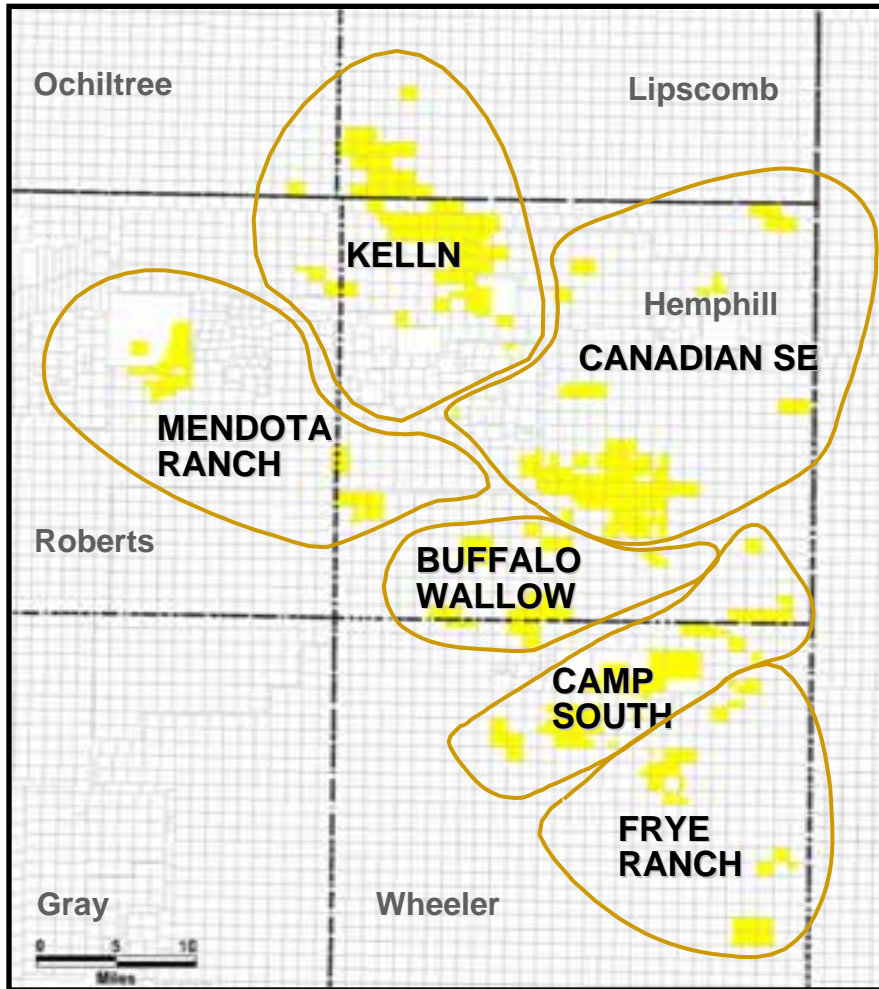


- 70 MMcfe/d of production is expected to be added during the year in the Core Areas
- Organic production growth is solely attributable to the Core Areas
- Forest's 2010 capital program adds production at a cost of approximately \$4,000 per Mcfe/d

* Organic growth percentages are calculated by comparing Q4 2009 production, pro forma for divestitures, to Q4 2010 production guidance



Texas Panhandle



	Gross Acres	Net Acres	Gross Unrisked Locations*	Net Unrisked Potential (Bcfe)*
Panhandle	135,000	97,000	1,062	1,892

Indicates newly released wells

Fully Develop

Operated Well	Gross Gas (MMcf/d)**	Gross Liquids (Bbls/d)**	Equivalent (MMcfe/d)**
Well #1	8.6	1,400	17
Well #2	10.4	3,300	30
Well #3	15.1	3,600	37
Well #4	16.0	3,500	37
Well #5	8.6	1,900	20
Well #6	10.7	2,000	23
Well #7	13.2	2,800	30
Well #8	14.2	5,000	45
Well #9	8.5	2,500	24
Average	11.7	2,900	29

- Most recent 2 wells in Wheeler County had an average IP rate of 34 MMcfe/d
- Most recent well in Lipscomb County had an IP rate of 20 MMcfe/d
- Focus on liquids-rich zones in 2010 as they provide the highest ROR
- Expand Granite Wash horizontal drilling to Hemphill County
- Drill 25 – 30 wells in 2010

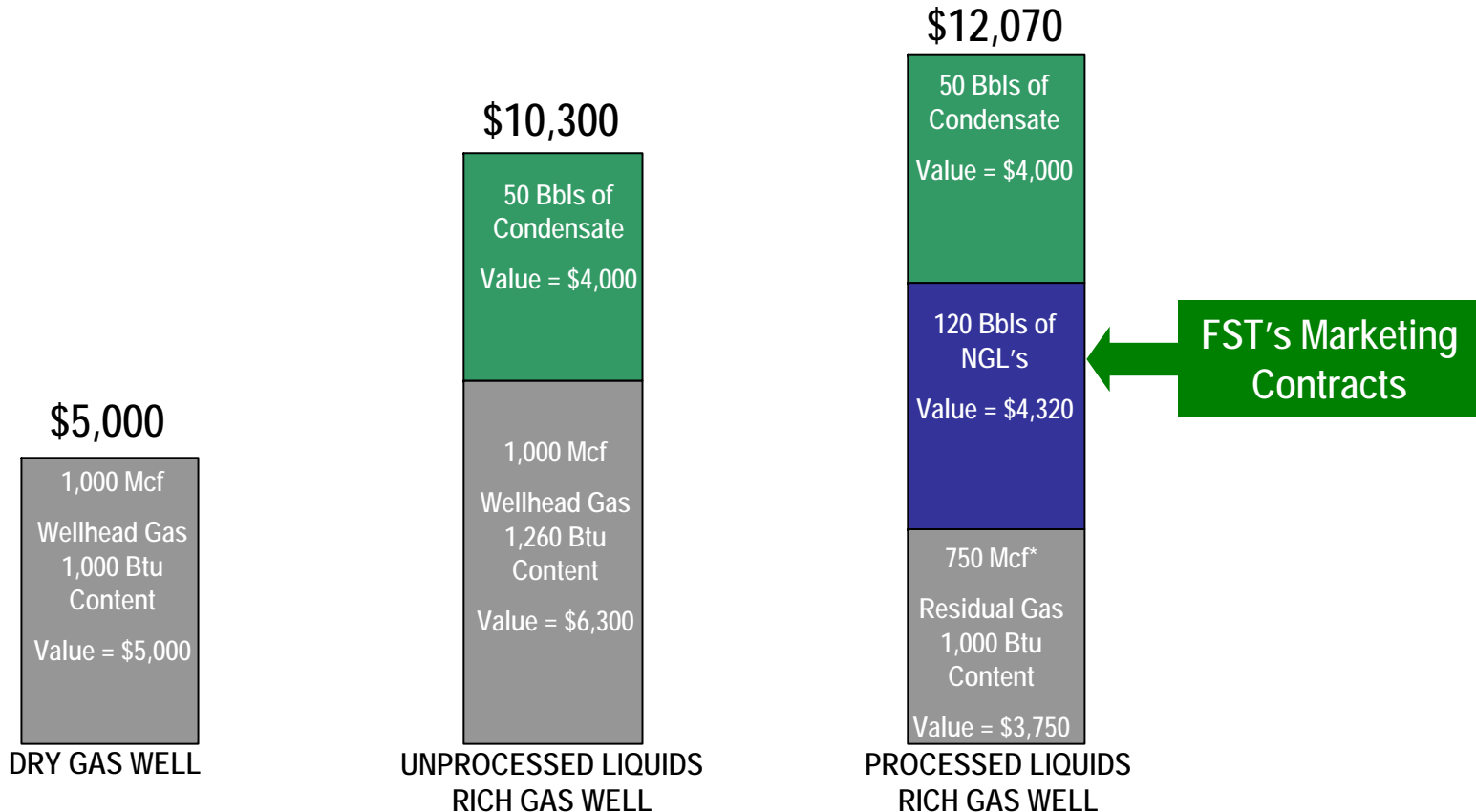
* As of December 31, 2009 and does not include estimated proved reserves or locations associated with estimated proved reserves

** Based on 24 hour IP rate



High Liquids Content "Juices" Revenue

1,000 Mcf Dry Gas Well vs Liquids-Rich Gas Well

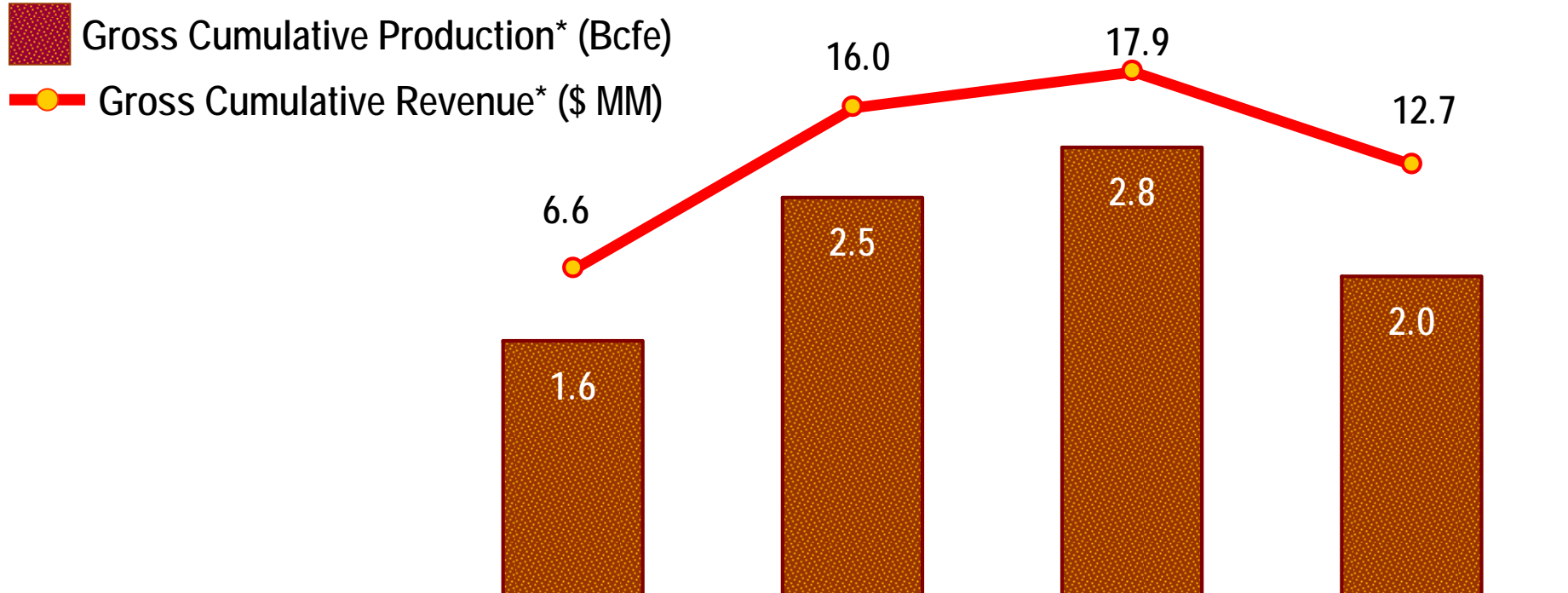


At Current Product Prices, A Granite Wash Well Realizes 2½X More Revenue Than A Dry Gas Well

Note: Evaluated using average NGL and condensate yields, Btu content and gas shrinkage factors from the first four horizontal wells drilled in the Texas Panhandle assuming the following realized prices: \$5 Mcf gas, \$80 Bbl oil & \$36 Bbl NGL * Gas shrinkage factor of 25%



Granite Wash Wells Have Superior Performance



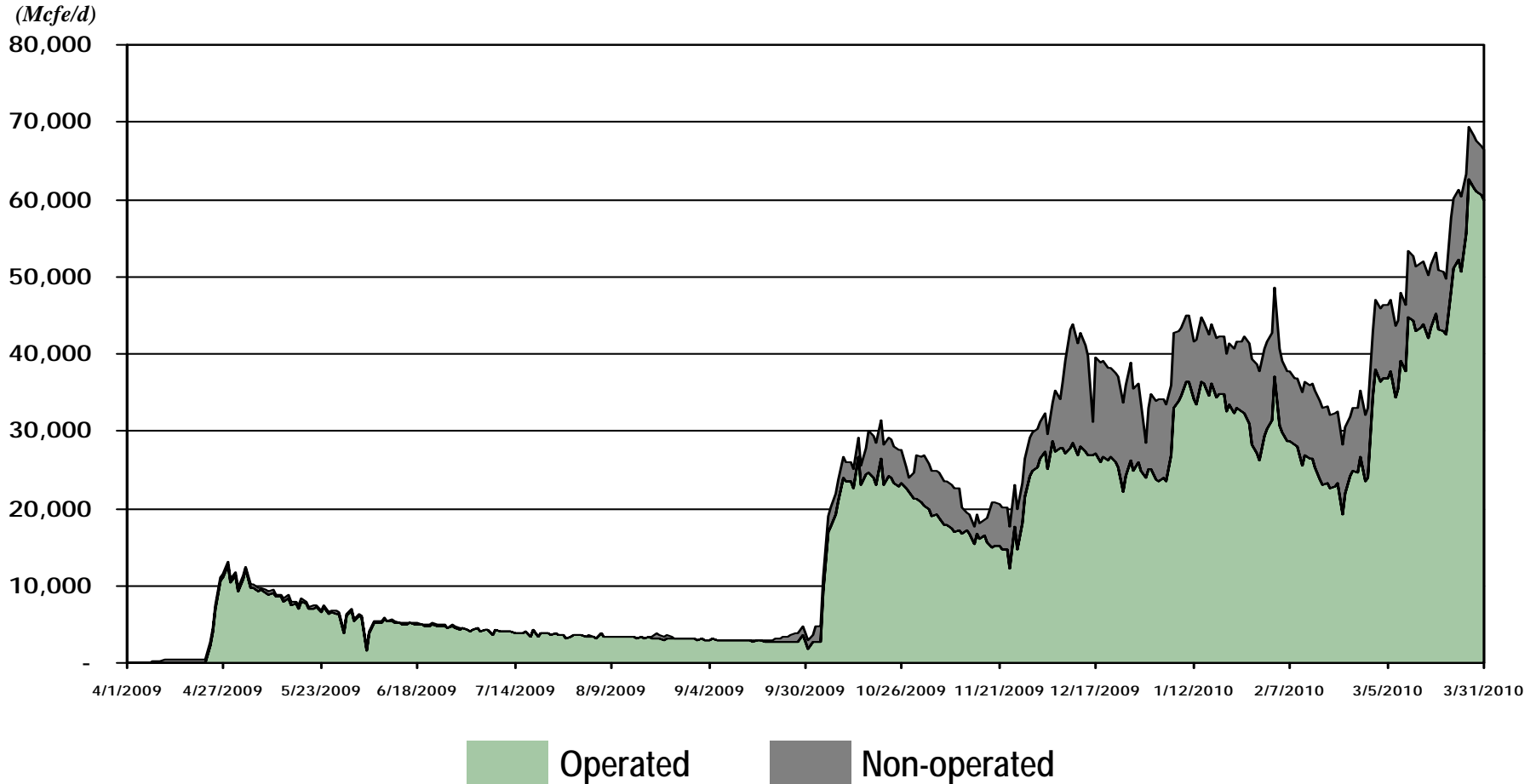
	Well #1	Well #2	Well #3	Well #4
First Sales	April 23, 2009	October 5, 2009	November 27, 2009	January 6, 2010
Number of Days	342	177	124	84
Avg. Production (MMcfe/d)	4	14	23	24
Initial 24-Hr IP Rate (MMcfe/d)	17	30	37	37
NRI (%)	68	73	42	38

* Gross cumulative production and gross cumulative revenue through March 31, 2010



Superior Performance Allows for Significant Organic Production Growth

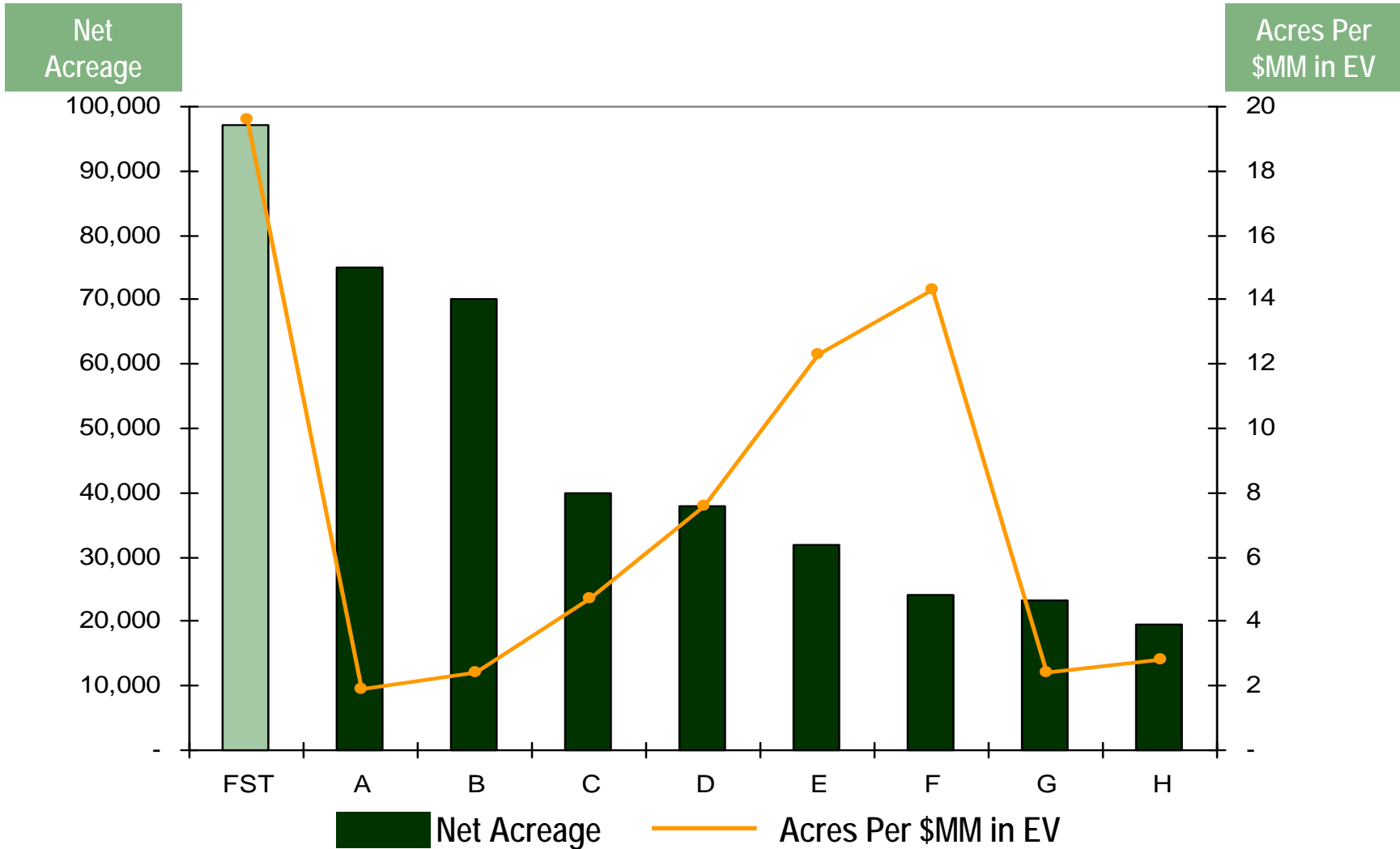
Texas Panhandle Horizontal Program Impact



Increased Net Production By 70 MMcf/d In One Year



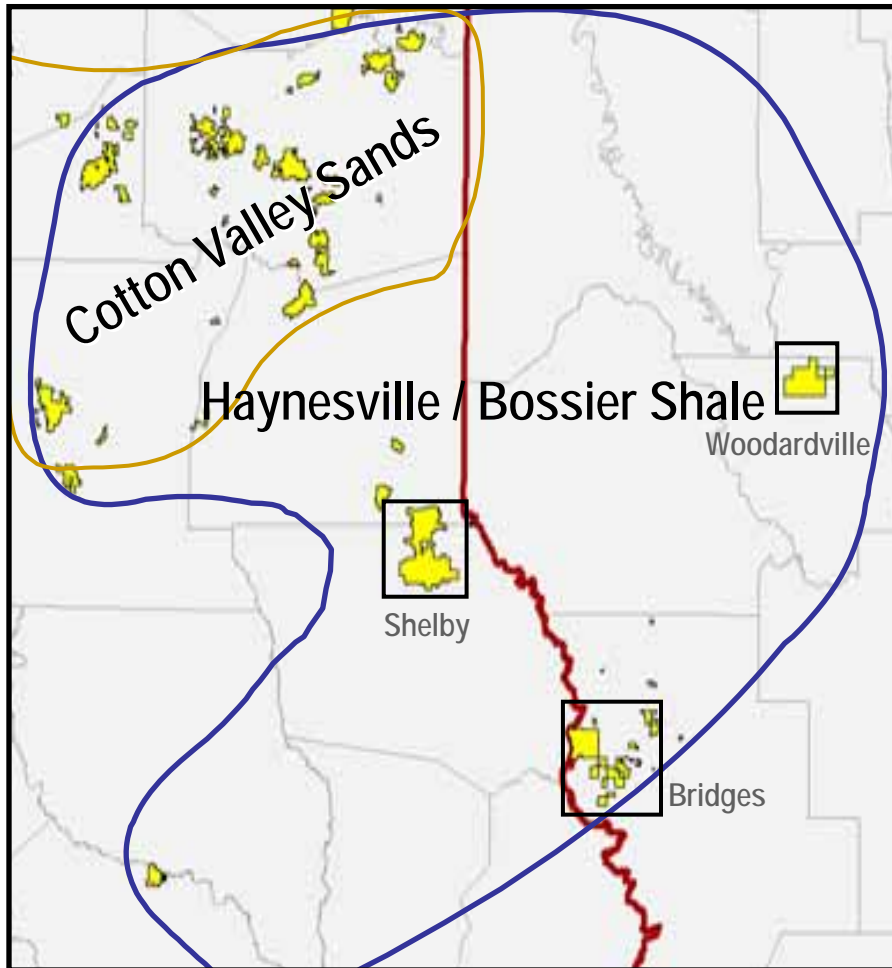
Forest Is Dominant In The Texas Panhandle



If You Want Exposure To The Granite Wash, You Must Own FST



East Texas / North Louisiana



	Gross Acres	Net Acres	Gross Unrisked Locations*	Net Unrisked Potential (Bcfe)*
Total Program	222,000	160,000	3,918	5,514

Fully Develop and Execute

Operated Well	Equivalent (MMcfe/d)**	Lateral Length (Feet)	IP Per 100 Feet Of Lateral (Mcfe/d)**
Well #1	14	2,456	570
Well #2	20	3,472	576
Well #3	15	3,580	419
Well #4	21	3,506	599
Well #5	20	4,061	492
Average	18	3,415	531

- Well #5 had an initial production rate of 20 MMcfe/d
- Two recent leasehold acquisitions added 16,700 net acres increasing core Haynesville / Bossier acreage to 27,900 net acres
- Drill 15 wells in Haynesville / Bossier in 2010

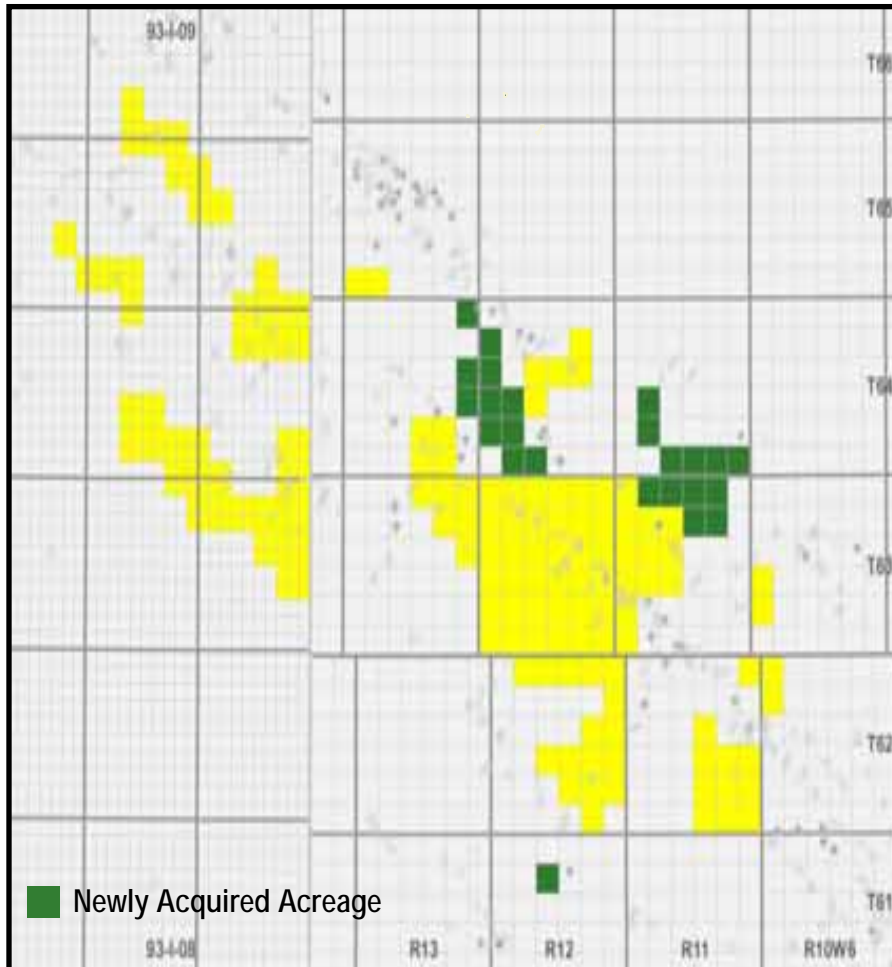
Over 27,000 Net Acres In Core Haynesville/Bossier

* As of December 31, 2009 and does not include estimated proved reserves or locations associated with estimated proved reserves

** Based on 24 hour IP rate



Deep Basin – Nikanassin



	Gross Acres	Net Acres	Gross Unrisked Locations*	Net Unrisked Potential (Bcfe)*
Narraway / Ojay	122,000	80,000	481	1,922

* As of December 31, 2009 and does not include estimated proved reserves or locations associated with estimated proved reserves. Not updated for April 2010 leasing activity.

Fully Develop

Well	Gross Test Rate (MMcfe/d)*
Well #1	32
Well #2	10
Well #3	29
Well #4	12
Well #5	11
Well #6	9
Well #7	12
Well #8	6
Well #9	7
Well #10	15
Well #11	5
Well #12	15
Average	14

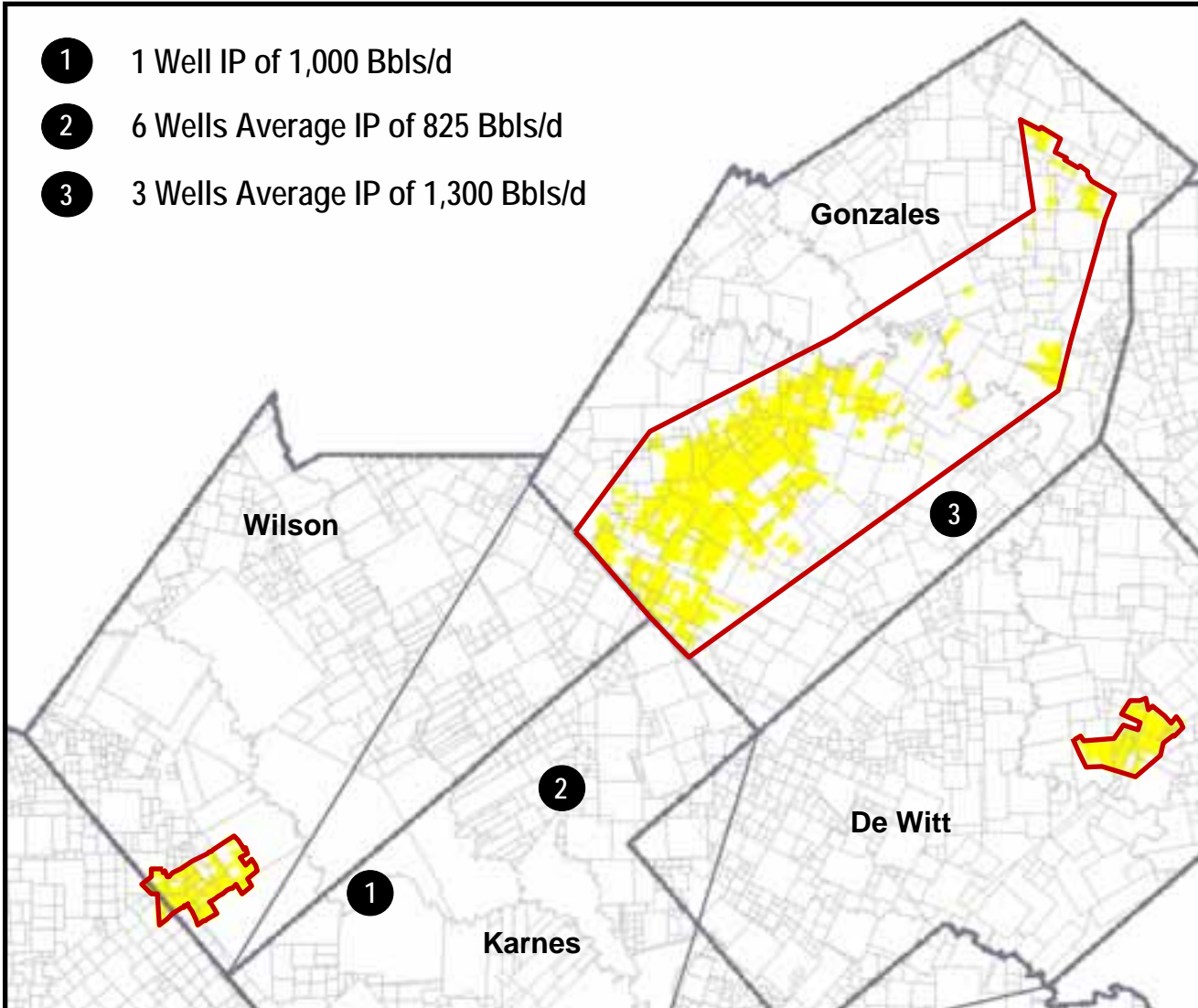
□ Indicates newly released wells * Based on 24 hour IP rate

- First 12 wells in Nikanassin had an average IP rate of 14 MMcfe/d with an average working interest of 50.5%
- Advancement in completion technology yields significant initial production rates
- Tripled acreage position in 2009 and 2010 to 80,000 net acres
- Run 3 rig program drilling 13 wells in 2010



Forest's Eagle Ford Shale Oil Window Position

- 1 Well IP of 1,000 Bbls/d
- 6 Wells Average IP of 825 Bbls/d
- 3 Wells Average IP of 1,300 Bbls/d



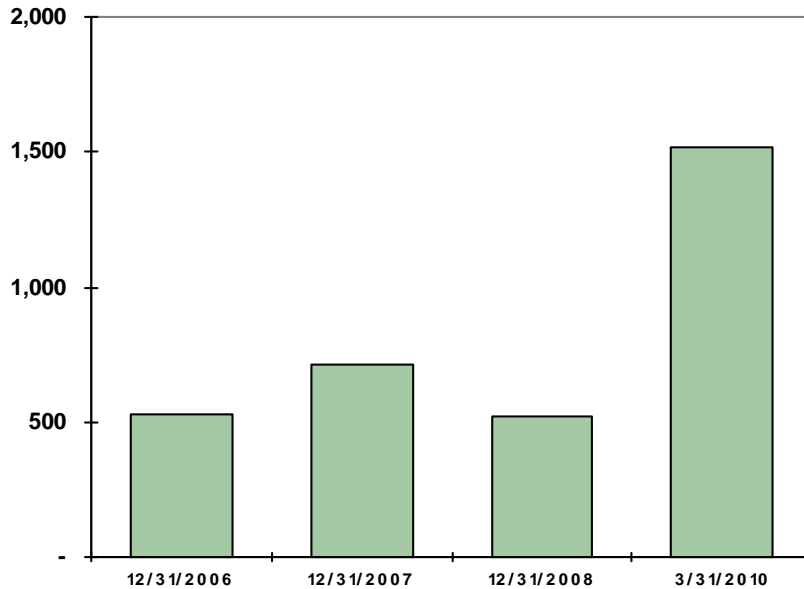
Validate

- 106,000 gross (102,000 net) acres prospective for the Eagle Ford Shale
- 81,000 gross/net acres in the Gonzales and Wilson County oil window
- Shoot seismic during the second and third quarters of 2010
- Commence drilling after seismic interpretation

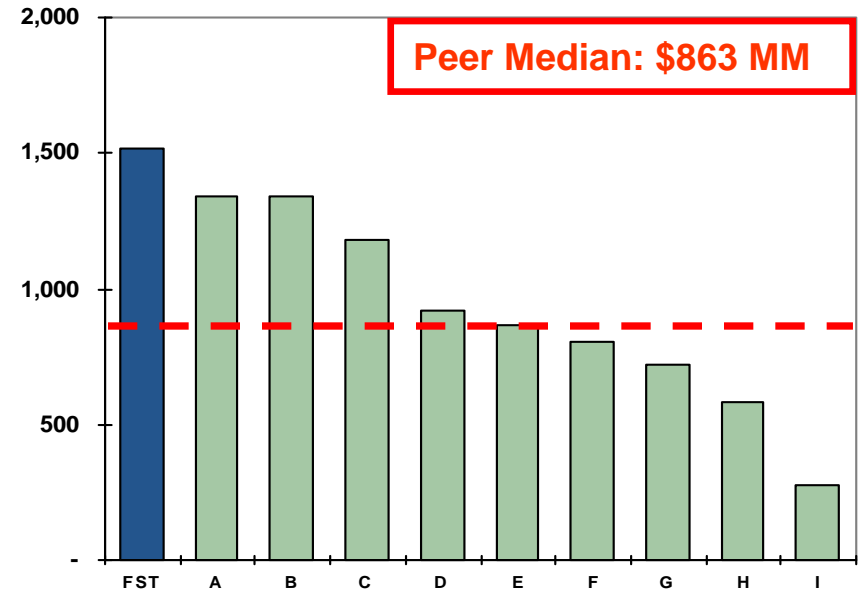


Remain Financially Flexible - Liquidity Review

Forest Liquidity (\$MM)



3/31/10 Peer Group Liquidity (\$MM)



- Total liquidity in excess of \$1.5 billion
- Liquidity consists of undrawn \$1.3 billion borrowing base credit facilities and \$214 million of cash on balance sheet
- Capital program designed to approximate cash flow
- Further non-core asset sales should provide additional liquidity

Source: Company filings
Companies: COG, HK, NFX, PXD, RRC, SD, SM, XCO, and XEC



Remain Financially Flexible - Capitalization And Net Debt Reconciliation

Total Capitalization (\$ MM)	3/31/09	3/31/10
Cash	\$1	214
Principal Amount of Long-Term Debt:		
Credit Facilities	913	-
8% Senior Notes due 2011	285	285
7% Senior Subordinated Notes due 2013	1	-
8 1/2% Senior Notes due 2014	600	600
7 3/4% Senior Notes due 2014	150	-
7 1/4% Senior Notes due 2019	1,000	1,000
Total Net Principal Debt	\$2,948	1,671
Total Shareholders' Equity	\$489	1,208
Net Debt: Est. Proved Reserves* (\$ / Mcfe)	\$1.02	0.74
Net Debt: Est. PD Reserves * (\$ / Mcfe)	\$1.62	1.18
Borrowing Base	\$1,620	1,300
Liquidity Including Cash	\$708	1,514

Decreased Total Net Principal Debt By \$1.3 Billion

* Net debt: estimated proved and proved developed reserves as of December 31, 2008 and 2009, respectively



Investment Proposition

- Portfolio management has created substantial North American tight-gas sand and shale Core Areas
- 15,894 unbooked fully developed locations provide 17.7 Tcfe of net unrisks potential
- Revised business strategy of increased capital allocation to Core Areas will drive organic growth at double digit rates
- Despite having a dominant position in the Texas Panhandle, significant acreage in the Haynesville / Bossier Shale, and an emerging Deep Basin play, Forest is valued at the low end of the peer group

If Forest Is Just Valued At The Median Of Its Peer Group, Forest's Share Price Would Be \$35 - \$45



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 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, 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 SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions of such terms. Forest discloses only proved reserves in its filings with the SEC. Forest's proved reserves as of December 31, 2009 contained in this presentation were estimated by Forest's internal staff of engineers and comply with recently revised rules and definitions promulgated by the SEC. Forest engaged independent reserve engineers to audit a substantial portion of its proved reserves. The reserve audit procedures followed by the independent reserve engineers on behalf of Forest are described in Forest's Annual Report on Form 10-K. For the years ended December 31, 2009, 2008, and 2007, Forest engaged DeGolyer and MacNaughton, an independent petroleum engineering firm, to perform reserve audit services with respect to its proved reserves. Forest's probable and possible reserves are unaudited.

In this presentation, Forest also uses internal estimates of resource "potential" or "upside" or other descriptions of volumes of resources potentially recoverable through additional exploratory drilling or recovery techniques, which volumes the SEC's guidelines strictly prohibit Forest from including in filings with the SEC. These estimates, as well as estimates of probable and possible reserves, 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. Area wide unrisks 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 disclosures in Forest's Annual Report on Form 10-K and Forest's Quarterly Reports on Form 10-Q, 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.