

TAKING THE NEXT STEP

**2007 Wachovia Securities
Equity Conference**

June 25, 2007



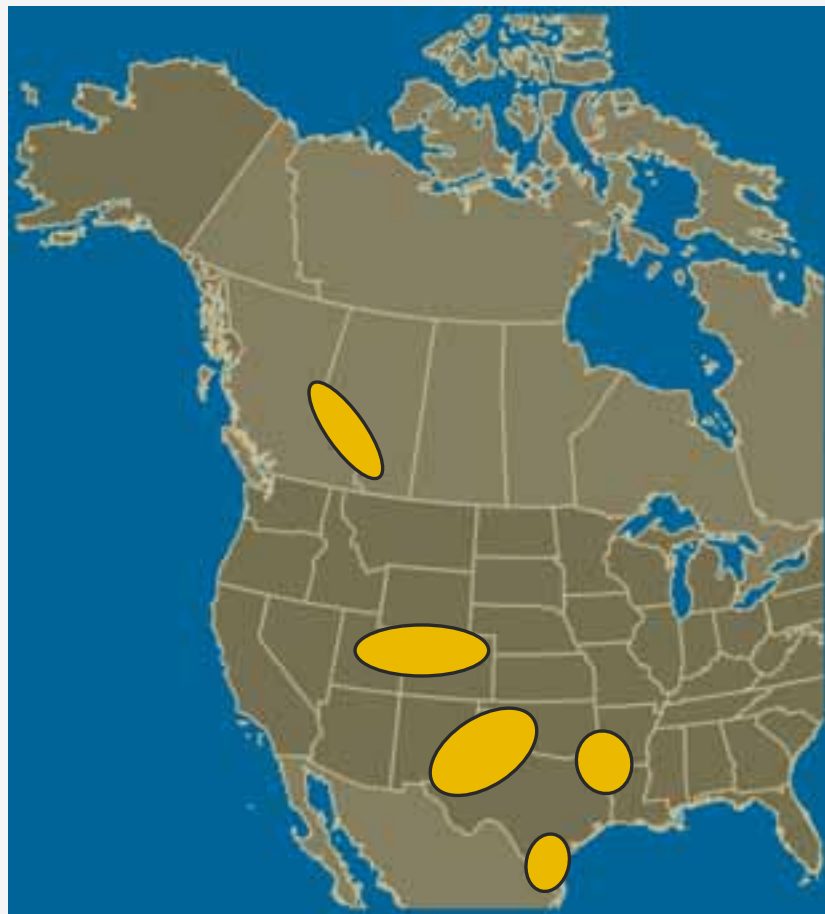
Forest Oil Corporation Snapshot

Fully Diluted Shares Outstanding (<i>MM</i>)	87.3
Equity Market Capitalization (6/20/07 <i>\$MM</i>)	3,753
Pro Forma Net Debt (3/31/07 <i>\$MM</i>)	1,741
Enterprise Value (<i>\$MM</i>)	5,494
Pro Forma Proved Reserves (12/31/06 <i>Bcfe</i>)*	1,929
Pro Forma Proved Developed Percentage (%)*	70
Pro Forma 2006 Production (<i>MMcfe/d</i>)	476
Pro Forma R / P Ratio (<i>Years</i>)*	11.1

* Forest's estimated proved reserves as of December 31, 2006 are pro forma for the divestiture of Alaska assets and for Houston Exploration's estimated proved reserves as of September 30, 2006



Assets Strengthen Our Growth Areas



 FST Production Areas

Southern

Reserves (Bcfe)*	467
2006 Prod. (MMcfe/d)**	150
12/31/06 Net Acreage (M)	163

Eastern

Reserves (Bcfe)*	473
2006 Prod. (MMcfe/d)**	100
12/31/06 Net Acreage (M)	235

Western

Reserves (Bcfe)*	756
2006 Prod. (MMcfe/d)**	141
12/31/06 Net Acreage (M)	997

Canada

Reserves (Bcfe)*	232
2006 Prod. (MMcfe/d)**	85
12/31/06 Net Acreage (M)	733

Consolidated

Reserves (Bcfe)*	1,929
2006 Prod. (MMcfe/d)**	476
12/31/06 Net Acreage (M)	5,461

* Forest's December 31, 2006 estimated proved reserves; THX estimated proved reserves as of September 30, 2006

** FST & THX 2006 production includes onshore production only



The "4-Point" Transformation

September 2003

1. Continued reduction in costs
2. Lower exposure to frontier exploration
3. Implement acquisitions as an integral part of our investment program
4. Maintain strong balance sheet

September 2006

1. Grow organically
2. Continue to identify attractive acquisition opportunities
3. Continue reduction in costs
4. Continue to preserve financial flexibility

Transformation

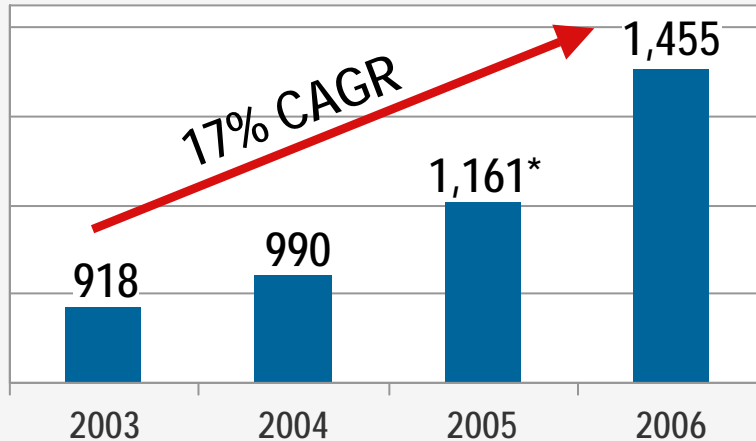
- Everything has been changed - leadership, assets, focus
- GOM asset base to balanced North American onshore portfolio
- Multiple areas with visible, repeatable inventory
- Demonstrated ability for organic growth and strategic transactions
- Maintained cost control due to early focus
- Retained upside in undeveloped acreage, tax attributes and other assets

Results in Upgraded Portfolio

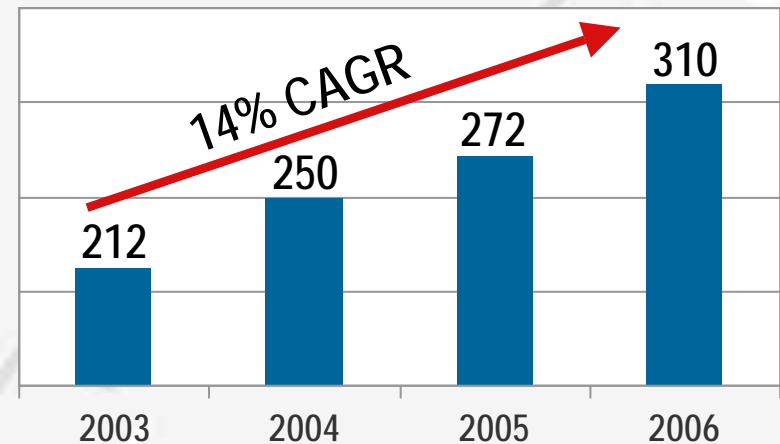


Results from "4-Point" Transformation

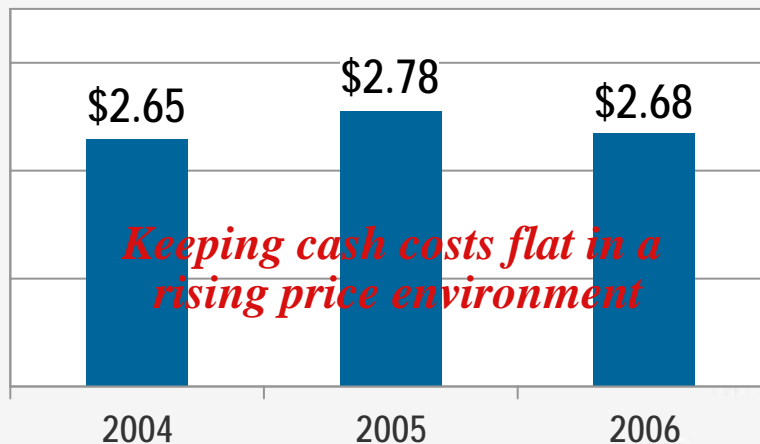
RESERVE GROWTH (*Bcfe*)



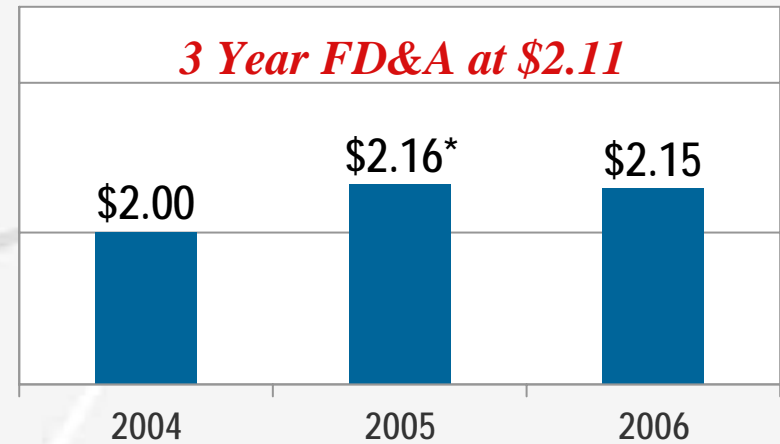
PRODUCTION (*MMcfe/d*)



TOTAL CASH COST (*\$/Mcfe*)



FD&A COSTS (*\$/Mcfe*)



* Pro forma estimated proved reserves at December 31, 2005 for the spin-off and merger with ME

Targeted Acquisition Strategy

Acquisition	Purchase Price* (\$MM)	Initial Production (MMcfe / d)	\$ Per Mcfe / d	Reserves (Bcfe)	\$ Per Mcfe	Net Acreage (000's)	Undeveloped Acreage (000's)
Unocal	224	66	3,394	138	1.62	252	93
New Permian	113	25	4,520	109	1.04	32	5
Wiser Oil	330	64	5,156	191	1.73	388	288
Buffalo Wallow	235	25	9,400	120	1.96	33	11
Cotton Valley	255	13	19,615	110	2.32	26	14
Others	129	27	4,778	123	1.05	100	45
Houston Exploration	1,577	204	7,730	655	2.41	709	569
Total	2,863	424	6,752	1,446	1.98	1,540	1,025

- Total F&D cost of \$1.98 on 1.4 Tcfe of reserves without allocation
- Production per Mcfe/d acquired at \$6,752 with R/P of 9.3 years
- Acquisition of primarily proved developed reserves, Forest retains upside

Note: Forest Corporate Transactions

* Purchase price includes original unadjusted cash and stock consideration and debt assumed in connection with the acquisition, and is not equal to the purchase price recorded in purchase accounting



Successful Acquire & Exploit Results

Including Recent E. Texas Acquisition

December 31, 2006

	INVESTMENT	RESERVES	COST
	(\$MM)	(Bcfe)	(\$/Mcfe)
Original Acquisition	1,249	741	1.69
Cash Flow / Production*	(720)	(182)	3.95
Special Dividend** <i>(Unocal and Wiser Offshore)</i>	(399)	(95)	4.18
Subtotal	130	464	0.28
Capital Projects	649	375	1.73
Total Investment	779	839	0.93

- 90% of original investment paid out - 63% of reserves remaining
- 38% of total investment paid out - 113% of reserves remaining

* Does not include value or income from drilling rigs

** Dividend occurred on 3/2/06 and included properties from both the Unocal and Wiser acquisitions



Forest Oil Assets



Transaction Rationale

INCREASES SHAREHOLDER VALUE

- Accretive transaction on a cash flow, production and reserves per share basis
- 2006 activity and the THX transaction essentially trade GOM and Alaska for THX's onshore resource play assets
- Attractively valued corporate transaction provides opportunity to repeat earlier success with Wisser and other corporate transactions

SHARPENS OPERATIONAL FOCUS AND STRENGTHENS GROWTH

- Additional emphasis on low risk, repeatable drilling programs
- Acquired assets create a larger, highly-focused onshore resource company
- Solidifies S. Texas and E. Texas as growth areas
- Adds significant Rockies position inexpensively

POSITIVE FINANCIAL IMPACT

- Allows FST to apply free-cash model and cost control to THX asset base
- Portfolio rationalization and capex re-allocation allows focus on core operating areas

DELIVERS ON OUR ACQUISITION STRATEGY

- FST has proven "acquire & exploit" talent
- Corporate transactions are harder to execute but are attractively valued



2007 Growth Areas

THE "BIG FIVE"

Buffalo Wallow Area
Wild River
Cotton Valley
Katy
S. Texas Lobo

THE "UP AND COMERS"

Greater Vermejo/Haley
Ansell
Foothills
Barnett Shale
Arkoma
NE Colorado Niobrara

THE "ROCK STEADIES"

Evi / Slave Point Oil
Central Permian Oil
San Juan
Rockies

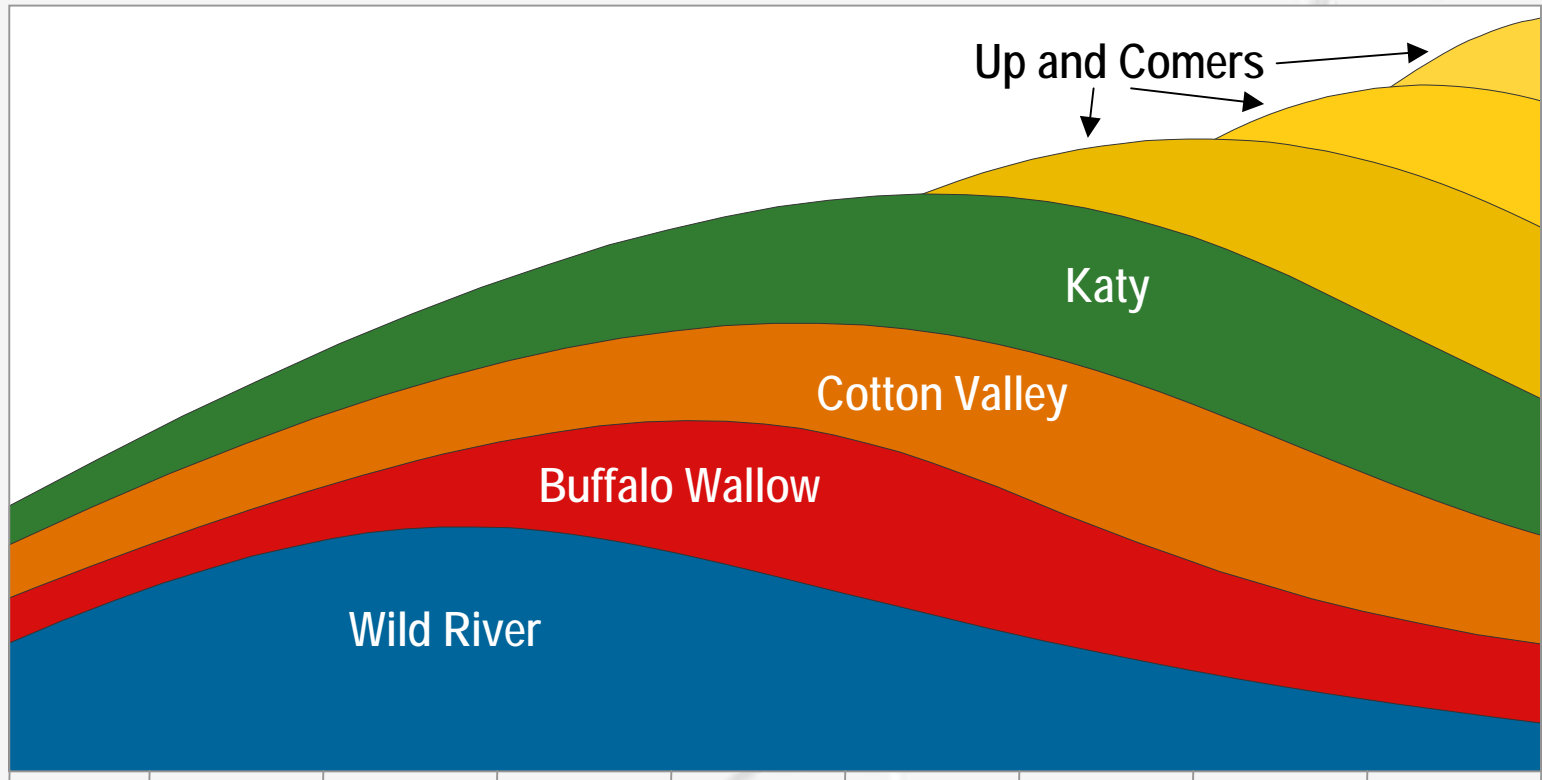
THE "FLYERS"

Uinta
International
New Ventures (CBM & Shale)



Multiple Platforms Provide "Next Step" in Growth

Production



Time



Prospect Inventory Has Expanded

September 30, 2006***

GROSS PROJECT
INVENTORY

NET UNRISKED
POTENTIAL*
(Bcfe)

KEY GROWTH AREAS

Greater Buffalo Wallow Area	656	722
Canada Deep Basin and Foothills	153	102
Ark-La-Tex	851	382
South Texas	416	423
Barnett Shale	119	129
Permian	1,237	622
Rockies** / Niobrara	2,163	547
Total	5,595	2,927

Total identified project inventory of 5,595 projects and total net unrisked potential of 2.9 Tcfe

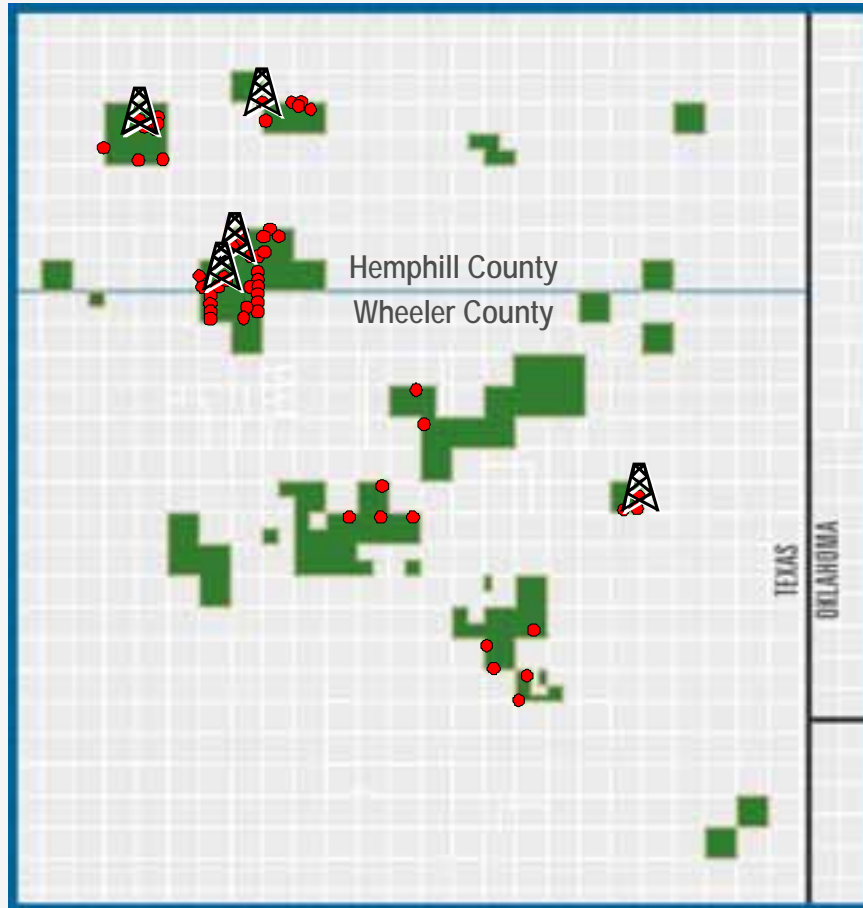
* Does not include current estimated proved reserves

** Does not include Uinta gross project inventory or net unrisked potential (Bcfe)

*** Pro forma for the acquisition of Houston Exploration



Greater Buffalo Wallow - Texas Panhandle



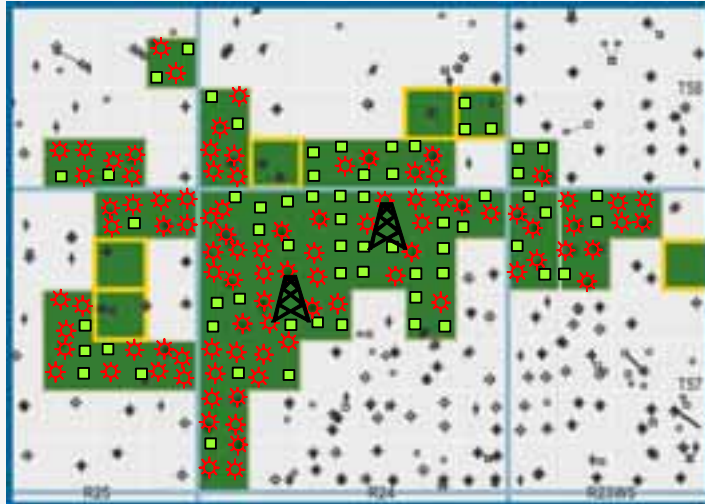
- Field approved for 20 acre downspacing
- 656 estimated non-proved locations identified at 12/31/06
- 5 rigs currently drilling
- Record net production of 41 MMcfe/d in Q1 2007 (produced 20 MMcfe/d when acquired)
- Increased acreage to 45,400 gross acres
- Completed offset deeper Granite Wash well at 7.5 MMcfe/d
- Offset discoveries in Hunton & Springer
- Horizontal drilling being implemented by industry



• 2007 Well Locations ⚙️ Currently Drilling



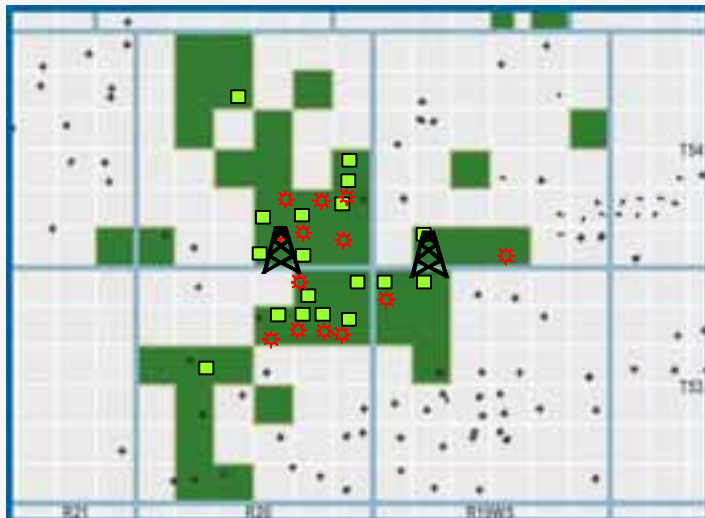
Canadian Deep Basin - Cretaceous Play



■ Potential Locations * Producing Well ▲ Currently Drilling

Wild River

- 160 acre down-spacing and commingling approved
- Approximately 60 locations identified
- Very active area for shallow gas exploration/development
- 28,800 gross acres, average WI 50%
- Record net production of 39 MMcfe/d in Q1 2007 (produced 9 MMcfe/d when acquired)
- New frac techniques resulted in best wells to date



■ Potential Locations * Recent Completions ▲ Currently Drilling

Ansell

- New area similar to Wild River
- Recently increased gross acreage to 26,200
- Average WI: 50%
- Extensive 3D Seismic coverage
- 2 wells completed in Q1 at a combined 5.0 MMcfe/d
- The next growth area?

Hinton

- 10,300 gross acres
- Last well tested 6.5 MMcfe/d - best to date

*Technique
Enhancement*

*Next
Application*

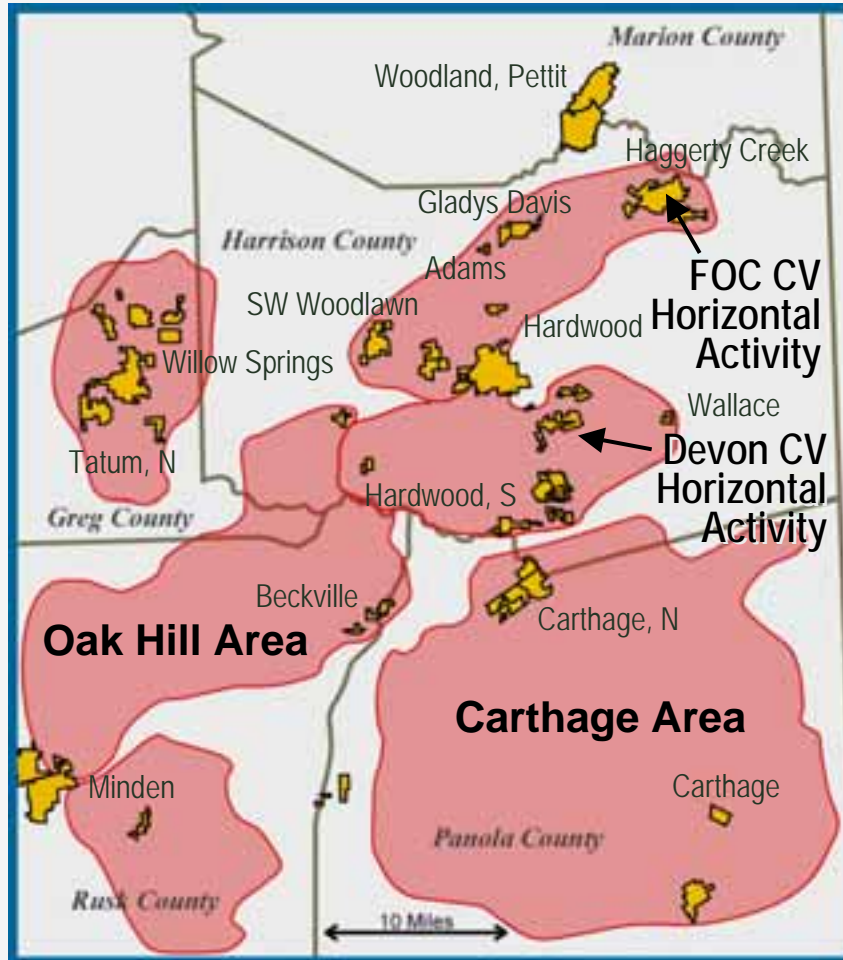
South Texas



- Wilcox/Lobo/Vicksburg Trend
 - 500 + drilling locations
 - 117,000 gross acres (91,500 net)
 - 2,445 sq. mi. licensed 3D seismic
- Drilling and imaging developments will continue to create opportunities
- High production - short cycle time
- Exposure to shallow and deep objectives
- Horizontal drilling and exploration potential



East Texas Cotton Valley

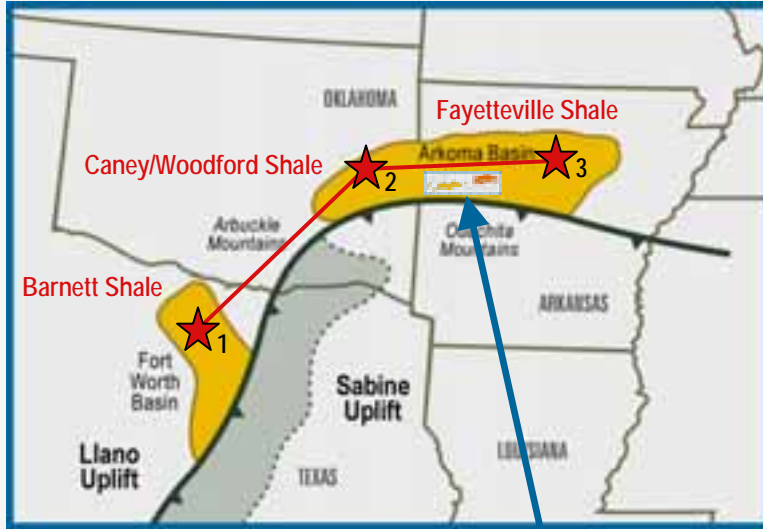


■ Forest Acreage ● Fields

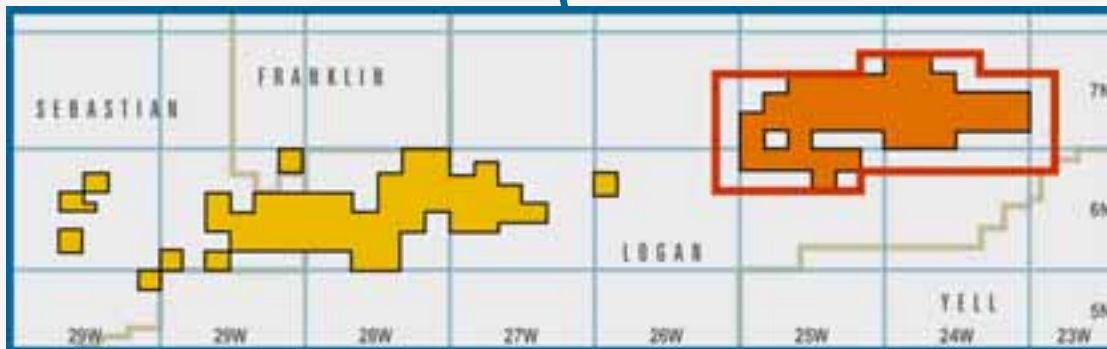
- Multiple rig, multiple year drilling inventory
 - 750 + locations
 - 41,000 net acres
- Horizontal drilling potential
- Strengthens position in basin to achieve critical mass
- Forest LP gas gathering system will lower costs and improve efficiency



Arkoma Overview



- Multiple rig, multiple year drilling inventory
 - 400 + drilling locations
 - 71,000 gross acres (40,200 net)
- Shale potential
 - 11,285 net acres leased in SWN AMI
- Low risk, low cost repeatable play with downspacing potential
- Compression upside

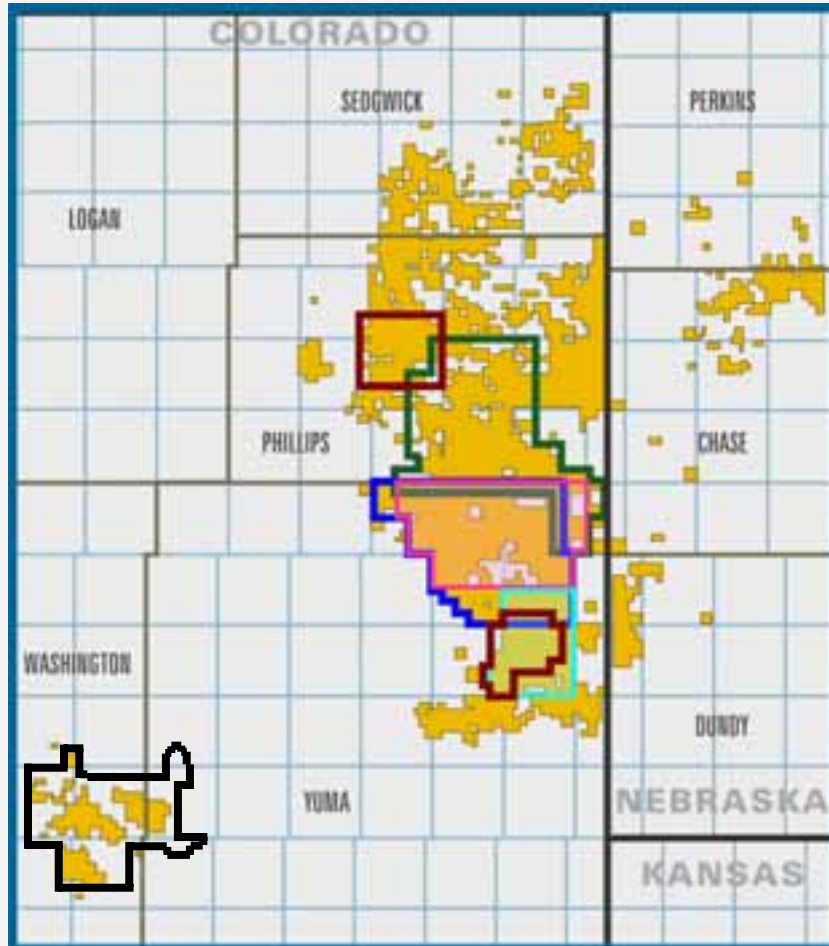


■ Acreage (40,200 Net Acres)

□ FST/SWN AMI (11,285 Net Acres)



Eastern Colorado Overview



■ Acreage

■ ■ ■ ■ 3-D Outline

- Niobrara Play
 - 1,890 + drilling locations
 - 672,600 gross acres (471,700 net)
 - 340 sq. mi. of proprietary 3D seismic
- Recent Santos acquisition adds 170,000 gross acres
- Plan to increase activity in the area
- Attractive development costs approximately \$1.00 per Mcfe



2007 Business Plan



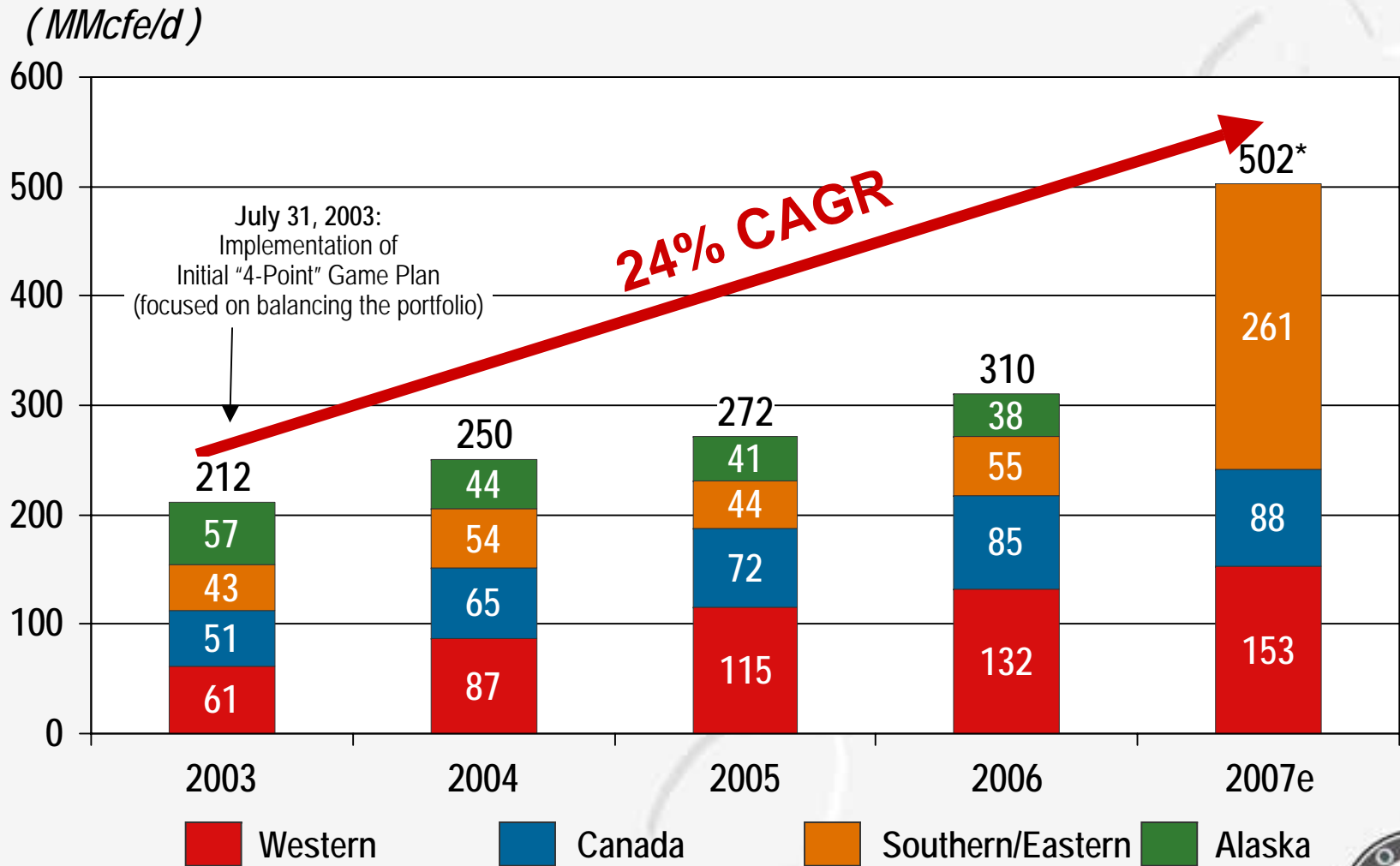
Pro Forma 2007 Business Plan

Combined Company

- Capital spending of an estimated \$900 million
- Production of 502 MMcfe/d
- Decrease THX G&A by 50% or \$15 million annually
- Decrease cash costs per unit 15 – 20%
- Divestiture program of \$500 - \$600 million to restore balance sheet strength
- Begin to generate free cash flow in all new business units



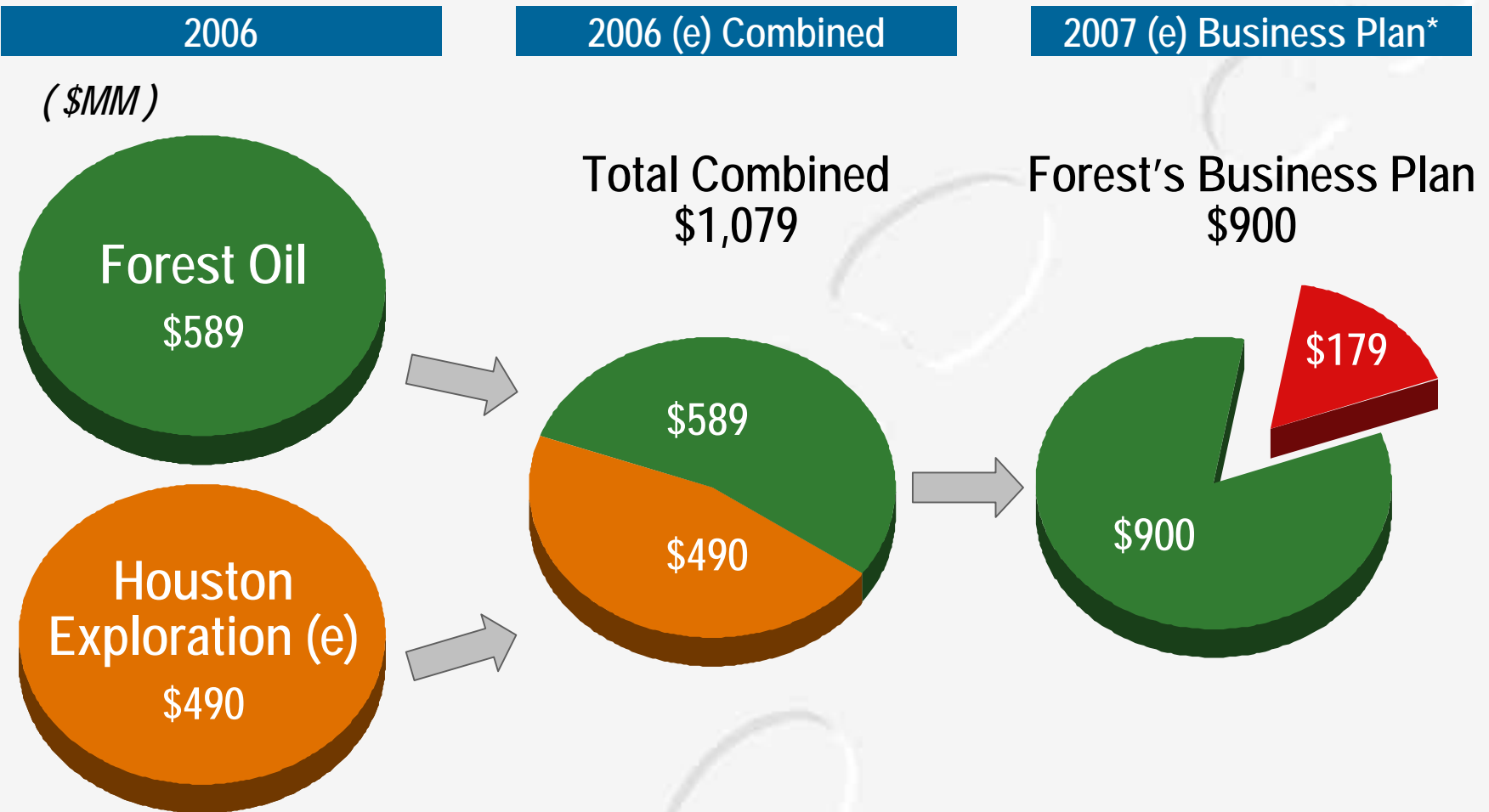
Pro Forma Production Profile



* Forest's 2007 business plan assuming acquisition of THX assets and divestiture of Forest Alaska assets at 1/1/07



Pro Forma Combined 2007 (e) E&D Capex



Rationalization and synergies of pro forma capital expenditures will eliminate almost \$200 million in spending

* Forest's 2007 business plan assuming acquisition of THX assets and divestiture of Forest Alaska assets at 1/1/07



2007 Summary

- Highly visible development drilling inventory with 250 - 300 projects identified in 2007 to generate 6 - 8% production growth
- Production expense per unit will decrease as a result of the Houston Exploration merger and the sale of the Alaskan assets despite industry cost pressure
- G&A expense reduction will be an action item for Forest in 2007 with the integration of Houston Exploration
- Generate free cash flow from Business Units by maintaining capital discipline
- Opportunistically continue successful acquire and exploit program in known areas and trends



Compelling Investor Appeal

- Uniquely positioned mid-cap with critical mass in multiple high quality basins
 - Each business unit has at least one growth area
 - Have critical mass in five attractive basins (E. Texas, Permian, Anadarko, Alberta and Rockies)
- Well-balanced resource play with visible organic growth profile
 - Extensive exploitation inventory
 - Attractive exploration upside; 5.2 million net undeveloped acres at 12/31/06
- Successful acquisition and exploitation track record fueling steady replenishment of drilling opportunities
 - Total FD&A expenditures over the last 3 years of \$2.0 billion, at a FD&A cost of \$2.11/Mcfe
- Significant additional financial and operational assets supplement net asset value
- \$1.1 billion dividend in March, 2006 demonstrates management commitment to its shareholders
- Announced sale of Alaskan assets at \$464 million



Cautionary Statements

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use the terms “probable” and “possible” reserves, reserve “potential” or “upside” or other descriptions of volumes of reserves 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 us. Investors are urged to consider closely the disclosure in Forest’s Form 10-K for fiscal year ended December 31, 2006, available from Forest at 707 17th Street, Suite 3600, Denver, CO 80202, Attention: Investor Relations. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

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 and expenses 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, price volatility, inflation or 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, and other risks as described in reports that Forest files with the Securities and Exchange Commission (SEC), including its 2006 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.

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