Prices Above Which Full Royalties Are Due
Notwithstanding Any Remaining Royalty Suspension Volumes

Deep Water Oil - Gulf of Mexico

Calendar Year	Locked-in Annual Inflation Rate	Latest BEA Annual Inflation Rate [2]	Oil Price Threshold ($/BBL): For Leases Issued Prior to 1996 or After 2000, Except for Sales Listed to the Right	Oil Price Threshold ($/BBL): For Leases Issued in Sales Held in: 2001	Oil Price Threshold ($/BBL): For Leases Issued in Sales Held in: August 2004-2006	Actual Prices ($/BBL) Average NYMEX Nearby Delivery
1994			$28.00			
1995	2.6%	2.1%	$28.72			
1996	2.0%	1.9%	$29.28			$21.99
1997	2.0%	1.8%	$29.86			$20.63
1998	1.0%	1.1%	$30.17			$14.43
1999	1.5%	1.5%	$30.60			$19.26
2000	2.1%	2.2%	$31.23	$28.00		$30.25
2001	2.2%	2.3%	$31.91	$28.61		$25.99
2002	1.1%	1.6%	$32.27	$28.93		$26.10
2003	1.7%	2.1%	$32.81	$29.41		$31.08
2004	2.1%	2.8%	$33.50	$30.03	$39.00	$41.38
2005	2.8%	3.3%	$34.43	$30.86	$40.08	$56.57
2006	2.9%	3.2%	$35.44	$31.77	$41.25	$66.22
2007	2.7%	2.9%	$36.38	$32.61	$42.35	$72.39
2008	2.2%	2.2%	$37.17	$33.32	$43.27	$99.74
2009	1.2%	1.1%	$37.61	$33.72	$43.78	$61.82
2010	1.0%	1.2%	$37.97	$34.04	$44.20	$79.49
2011e[1]		2.2%	$38.82	$34.80	$45.19	$94.98

Deep Water Natural Gas - Gulf of Mexico

Calendar Year	Locked-in Annual Inflation Rate	Latest BEA Annual Inflation Rate [2]	Gas Price Threshold ($/MMBTU): For Leases Issued Prior to 1996 or After 2000, Except for Sales Listed to the Right	Gas Price Threshold ($/MMBTU): For Leases Issued in Sales Held in: 2001	Gas Price Threshold ($/MMBTU): For Leases Issued in Sales Held in: August 2004-2006	Actual Prices ($/MMBTU) Average NYMEX Nearby Delivery
1994			$3.50			
1995	2.6%	2.1%	$3.59			
1996	2.0%	1.9%	$3.66			$2.50
1997	2.0%	1.8%	$3.73			$2.42
1998	1.0%	1.1%	$3.77			$2.16
1999	1.5%	1.5%	$3.83			$2.31
2000	2.1%	2.2%	$3.90	$3.50		$4.33
2001	2.2%	2.3%	$3.99	$3.58		$4.06
2002	1.1%	1.6%	$4.03	$3.62		$3.36
2003	1.7%	2.1%	$4.10	$3.68		$5.49
2004	2.1%	2.8%	$4.19	$3.75	$6.50	$6.18
2005	2.8%	3.3%	$4.30	$3.86	$6.68	$8.96
2006	2.9%	3.2%	$4.43	$3.97	$6.88	$6.99
2007	2.7%	2.9%	$4.55	$4.08	$7.06	$7.12
2008	2.2%	2.2%	$4.65	$4.17	$7.21	$8.89
2009	1.2%	1.1%	$4.70	$4.21	$7.30	$4.16
2010	1.0%	1.2%	$4.75	$4.25	$7.37	$4.40
2011e[1]		2.2%	$4.85	$4.35	$7.53	$4.03

Indicates NYMEX Prices exceed at least one of the price thresholds for that year.
Indicates NYMEX Prices exceed all of the price thresholds for that year.

Prices Above Which Full Royalties Are Due
Notwithstanding Any Remaining Royalty Suspension Volumes

Shallow Water, Deep Natural Gas (well depths ≥15,000 ft) - Gulf of Mexico

Calendar Year	Locked-in Annual Inflation Rate	Latest BEA Annual Inflation Rate [2]	Gas Price Threshold ($/MMBTU)				Actual Prices ($/MMBTU) Average NYMEX Nearby Delivery
				In water 0-200 meters deep			
			Relief Under 30 CFR 203.36 and 203.48 (circa 2008) [a]	Relief Under 30 CFR 203.47 (circa 2004) Except for Sales Listed to the Right: [b]	Relief Under Lease Terms for Leases Issued in Sales Held in:		
					Sale 178 March 2001	Sales held in 2001-2003 [c]	
2000					$3.50	$5.00	$4.33
2001	2.2%	2.3%			$3.58	$5.11	$4.06
2002	1.1%	1.6%			$3.62	$5.17	$3.36
2003	1.7%	2.1%			$3.68	$5.25	$5.49
2004	2.1%	2.8%		$9.34	$3.75	$5.36	$6.18
2005	2.8%	3.3%		$9.60	$3.86	$5.51	$8.96
2006	2.9%	3.2%		$9.88	$3.97	$5.67	$6.99
2007	2.7%	2.9%	$4.55	$10.14	$4.08	$5.82	$7.12
2008	2.2%	2.2%	$4.65	$10.36	$4.17	$5.95	$8.89
2009	1.2%	1.1%	$4.70	$10.49	$4.21	$6.02	$4.16
2010	1.0%	1.2%	$4.75	$10.58	$4.25	$6.08	$4.40
2011e[1]		2.2%	$4.86	$10.82	$4.35	$6.21	$4.03

[1] The 2011 estimates (2011e) are calculated by applying a weighted average of the latest BEA quarterly implicit price deflator estimates to the 2010 price thresholds. The official inflation figure and 2011 price threshold will be provided at the end of the first calendar quarter of 2012.

[2] On July 29, 2011, the BEA revised current-dollar GDP and some GDP components back to 2003. These revisions are reflected in the Latest BEA Annual Inflation Rates.

[a] For well depths ≥ 20,000 ft in water 0-400 meters deep, and for well depths ≥ 15,000 ft in water 200-400 meters deep

[b] Including 2001-2003 Leases that Converted to RSV Terms in Regulations

[c] Except Sale 178, March 2001

Indicates NYMEX Prices exceed at least one of the price thresholds for that year.

Indicates NYMEX Prices exceed all of the price thresholds for that year.

Updated: 1/11/2012

Notes: Latest BEA Annual Inflation Rates (Base 2005) Derived From:
http://bea.gov/national/nipaweb/TableView.asp?SelectedTable=13&Freq=Qtr&FirstYear=1994&LastYear=2011

See technical documentation attachment for further details.

Applicable Price Thresholds and Market Prices for Calendar Year 2010

Product	Lease Vintage * (Sale held in)	Annual Average NYMEX Price ($/bbl or $/mmbtu)	Adjusted Price Threshold Level ($/bbl or $/mmbtu)	Royalty Relief Suspended
Deepwater Oil	Before 1996[1]; 2002-3/2004; 2007-2010	$79.49	$37.97	Yes
Deepwater Oil	2001	$79.49	$34.04	Yes
Deepwater Oil	8/2004 - 2006	$79.49	$44.20	Yes
Deepwater Gas	Before 1996[1]; 2002-3/2004; 2007-2010	$4.40	$4.75	No
Deepwater Gas	2001	$4.40	$4.25	Yes
Deepwater Gas	8/2004 - 2006	$4.40	$7.37	No
Deep gas	3/2001[2]	$4.40	$4.25	Yes
Deep gas	8/2001- 2003[2]	$4.40	$6.08	No
Deep gas[3]	Before 2001; 2001-2003[2]; 2004-2009	$4.40	$10.58	No
Deep gas[4]	Before 2001; 2001-2003[2]; 2004-2010	$4.40	$10.58 and $4.75	No
Deep gas[5]	All Years	$4.40	$4.75	No

bbl = barrel, MMBtu = million British Thermal Units, bcf = billion cubic feet.

*Price thresholds do not apply to leases issued under the Deep Water Royalty Relief Act (DWRRA) between 1996 and 2000.

[1]Pertains only to deepwater leases that have applied and been approved for royalty relief under section 302 of the DWRRA.

[2]Leases issued in water 0-200 meters deep during 2001-2003 had the option to convert from lower price thresholds under lease terms to higher price thresholds set forth in the regulations.

[3]Applies to qualified deep wells on leases in water 0-200 meters deep that spudded on or after 3/26/2003 and produced before 5/3/2009, and to qualified ultra-deep wells on leases in water 0-200 meters deep that spudded between 3/26/2003 and 5/17/2007 and produced before 5/3/2009.

[4]Applies to qualified ultra-deep wells on leases in water 0-200 meters deep that spudded on or after 5/18/2007 and produced before 5/3/2009. The higher price threshold applies to the first 25 bcf of royalty relief; the lower price threshold applies to the next 10 bcf of royalty relief. For qualified ultra-deep wells on leases in water 0-200 meters deep that spudded on or after 5/3/2009, the lower price threshold applies to the entire 35 bcf of royalty relief.

[5]Applies to qualified deep wells on leases in water 200-400 meters deep that spudded on or after 5/18/2007 and produced before 5/3/2013, and to qualified ultra-deep wells on leases in water 200-400 meters deep that spudded on or after 5/18/2007.