

INFORMATION LETTER 2012 – 002

Date: January 24, 2013

Subject: Gas Reference Price and Gas Par Price
Production Month, December 2012

From: Division Head, Oil and Gas Resources
Suite 300, 211 Main Street
Whitehorse, Yukon, Canada, Y1A 2B2

Pursuant to sections 14(2), 14(3), and 33 of Yukon's *Oil and Gas Royalty Regulations*, the Division Head shall prescribe a Gas Reference Price and Gas Par Price for every month there is production of gas from a lease. Until otherwise stated by the Division Head, the Gas Reference Price and the Gas Par Price will have the same value.

The **Gas Reference Price and Gas Par Price for the December 2012 Production month are prescribed as \$2.65 per gigajoule**, calculated at Fort Nelson, British Columbia for the Yukon Kotaneelee field.

The Gas Reference Price and Gas Par Price are used by the Yukon government for gas royalty calculation. The reference and par price reflects current market conditions and is based on publicly reported prices. This information letter is updated every month, and includes a description of how Yukon's Gas Reference and Gas Par Prices are derived.

For more information, visit the Oil and Gas Resources website at: www.yukonoilandgas.com or phone (867) 667-3427.

Inquiries can also be made via e-mail: oilandgasroyalties@gov.yk.ca.



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Currently, gas is not marketed directly within Yukon. The Yukon Gas Reference Price applies to gas that connects to market via Spectra’s Westcoast Energy pipeline at Fort Nelson B.C. Yukon’s Gas Reference Price is a netback value from Station 2 to Fort Nelson. It is the weighted average price that is reported in the Canadian Gas Price Reporter that is provided by Natural Gas Exchange Inc. for transactions at Spectra’s Station 2 after pipeline tolls, fuel costs, and fuel taxes, for transportation from Fort Nelson to Station 2 are deducted. The reference price is reported in Canadian dollars per gigajoule.

Production Month-2012	Gas Reference Price \$CAN/GJ
JAN	\$2.11
FEB	\$1.87
MAR	\$1.58
APR	\$1.36
MAY	\$1.82
JUN	\$1.63
JUL	\$2.06
AUG	\$1.80
SEP	\$1.95
OCT	\$2.63
NOV	\$2.74
DEC	\$2.65