

Derivation of Holyrood #6 Fuel Price

As of January 2010

Crude Oil Price	(A)	(B)	(C)	(D)	(A-C) / D	(B-C) / D
PIRA Inputs			Avalon Product Price Derivation Factors		Holyrood #6 Fuel Delivered Cost	
WTI @ Cushing (\$US/bbl)	#6 .7%\$ NYH (\$US/bbl)	#6 2.2%\$ NYH (\$US/bbl)	Supplier Discount for #6 Fuel (\$Us/bbl)	Exchange 1 CAD > USD	#6 0.7%\$ (\$Cdn/bbl)	#6 2.2%\$ (\$Cdn/bbl)
Jan-10					81.30	79.50
Feb-10					81.80	80.60
Mar-10					81.90	81.20
Apr-10					81.20	80.30
May-10					81.50	80.40
Jun-10					79.90	78.10
Jul-10					76.90	75.80
Aug-10					77.60	76.50
Sep-10					81.40	79.80
Oct-10					85.00	82.50
Nov-10					83.40	80.20
Dec-10					84.10	80.00
2010 Avg.					81.30	79.60
2011					83.20	80.50
2012					90.90	88.00
2013					98.80	95.50
2014					102.60	99.00
2015					106.80	103.00
2016					111.10	107.00
2017					116.30	111.50
2018					121.10	115.60
2019					124.90	118.60
2020					129.20	120.30
2021					132.80	123.10
2022					136.00	125.80
2023					139.10	128.50
2024					142.10	131.10
2025					145.00	133.70

- Notes:
1. Exchange rate forecasts by Canadian financial institutions and Conference Board of Canada
 2. Holyrood #6 fuel delivered prices are rounded to the nearest 10 cents.
 3. Fuel price escalated at 2% annually in line with general inflation expectations post 2025
 4. PIRA long term forecast at Nov 11, 2009.

Derivation of Avalon Diesel Fuel Price for CT and CCCT

As of January 2010

	benchmark Crude Oil						
	Price	(A)	(B)	(c)	(D)	(E)	(A/159/B)*C*D+E
	PIRA Inputs		Avalon Product Price Derivation Factors				
	WTI @		Exchange	North American Market Price based Factors for Diesel Fuel	Montreal Rack	Supplier Premium for #2 Fuel	Avalon Diesel (HighS #2)
	Cushing	LowS #2 NYH		NYH > Montreal Rack for LowS #2	LowS #2 > HighS #2		
	(\$US/bbl)	(\$US/bbl)	1 CAD > USD			(\$Cdn/litre)	(\$Cdn/l)
Jan-10							0.700
Feb-10							0.690
Mar-10							0.695
Apr-10							0.665
May-10							0.670
Jun-10							0.660
Jul-10							0.630
Aug-10							0.645
Sep-10							0.675
Oct-10							0.700
Nov-10							0.680
Dec-10							0.675
2010 Avg.							
2011							0.700
2012							0.760
2013							0.815
2014							0.850
2015							0.905
2016							0.945
2017							0.990
2018							1.030
2019							1.065
2020							1.100
2021							1.155
2022							1.195
2023							1.235
2024							1.275
2025							1.315

- Notes:
1. Exchange rate forecasts by Canadian financial institutions and Conference Board of Canada
 2. Avalon diesel delivered prices are rounded to the nearest half cent.
 3. Fuel price escalated at 2% annually in line with general inflation expectations post 2025.
 4. PIRA long term forecast at Nov 11, 2009.