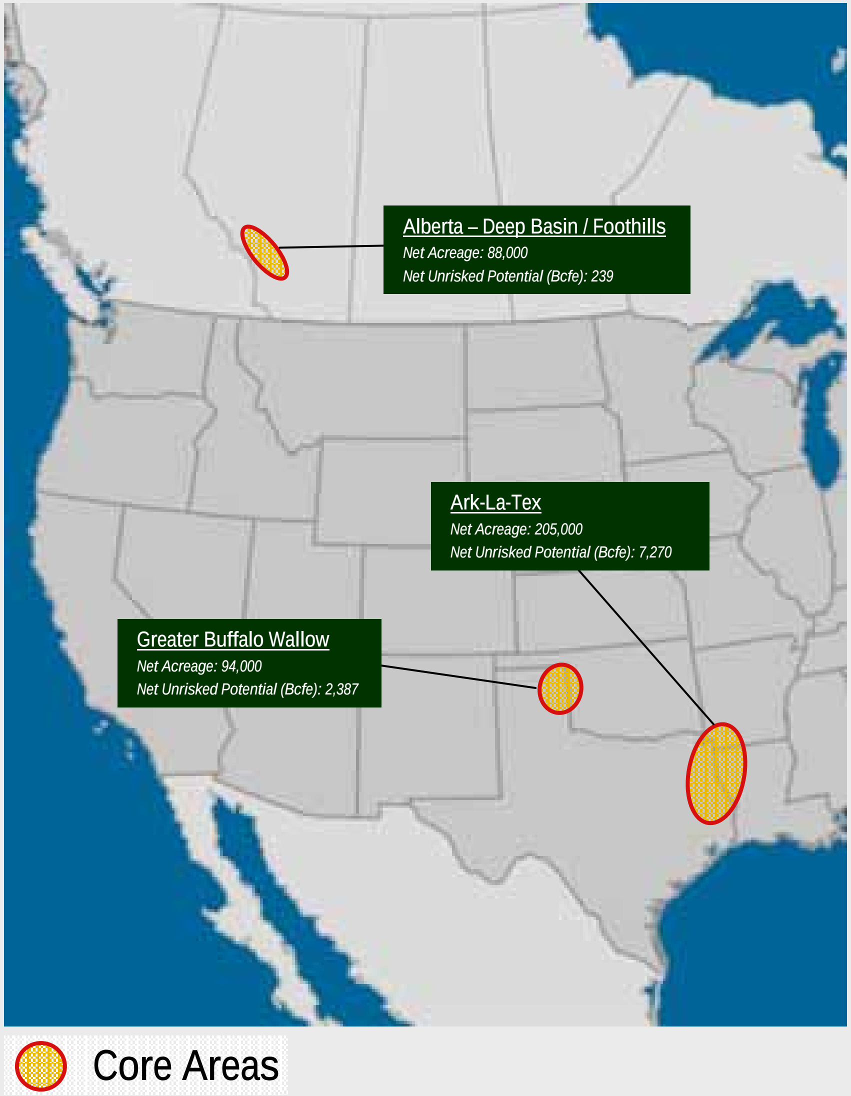
CORE STRENGTH

Raymond James 31st Annual Institutional Investors Conference

March 9 – 10, 2010

Forest Oil – Snapshot



Market Capitalization: *(3/3/10)*	$3.1 Billion
Enterprise Value:	$4.7 Billion
12/31/09 Est. Proved Reserves:	2.1 Tcfe
2010 R/P Ratio:	13.1 Years
Potential Locations*: *(Fully Developed)*	16,284
Net Unrisked Potential*:	17.1 Tcfe
2010 Production Guidance:	439-449 MMcfe/d

FST LISTED NYSE

* As of 12/31/08; does not include estimated proved reserves or locations associated with estimated proved reserves. Pro forma for Forest's Permian basin and non-core Canadian divestitures.

2009 Highlights

- Reserve replacement ratio of 144% with F&D costs of $2.16 per Mcfe
- Reserve replacement ratio, excluding price revisions, of 315% with F&D, excluding price revisions of $0.99
- Divested approximately $1.1 billion of non-core assets
  - Sales proceeds yielded approximately $2.35/Mcfe and approximately $16,000/Mcfe/d of 2008 estimated proved reserves and production, respectively
  - Significant de-levering of balance sheet
- Significant horizontal success in the Texas Panhandle and Haynesville Shale
  - Greater Buffalo Wallow – Four wells IP'd at 30 MMcfe/d average
  - Haynesville Shale – Four wells IP'd at 18 MMcfe/d average

2009 Divestiture Summary

2009 Divestiture Summary

	Permian	*2009 Total*
Total Sales Proceeds *($MM)*	$800	$1,053
2008 Est. Proved *(Bcfe)*	321	456
2008 Est. PD *(%)*	67	68
Current Production *(MMcfe/d)*	46	68
EBITDA* *(Multiple)*	13.7	13.6

* YTD September 2009 EBITDA annualized

Strategic

- Transactions provide a means to focus on high impact growth development in core growth plays:
  - GBW – Granite Wash
  - Haynesville Shale
  - Canada Deep Basin

Balance Sheet

- Transactions provide additional liquidity to Forest's balance sheet
  - Liquidity in excess of $1.7 billion
  - Net debt of approximately $1.6 billion
- Forest recognizes value of U.S. net operating loss carryforward positions

Forest Pro Forma Statistics

Total Principal Net Debt *($MM)*	$1,573
2009 Est. Proved *(Bcfe)*	2,120
2009 PD *(%)*	63
Net Debt: 2009 Est. Proved *($/Mcfe)*	0.74
Net Debt: 2009 PD *($/Mcfe)*	1.18

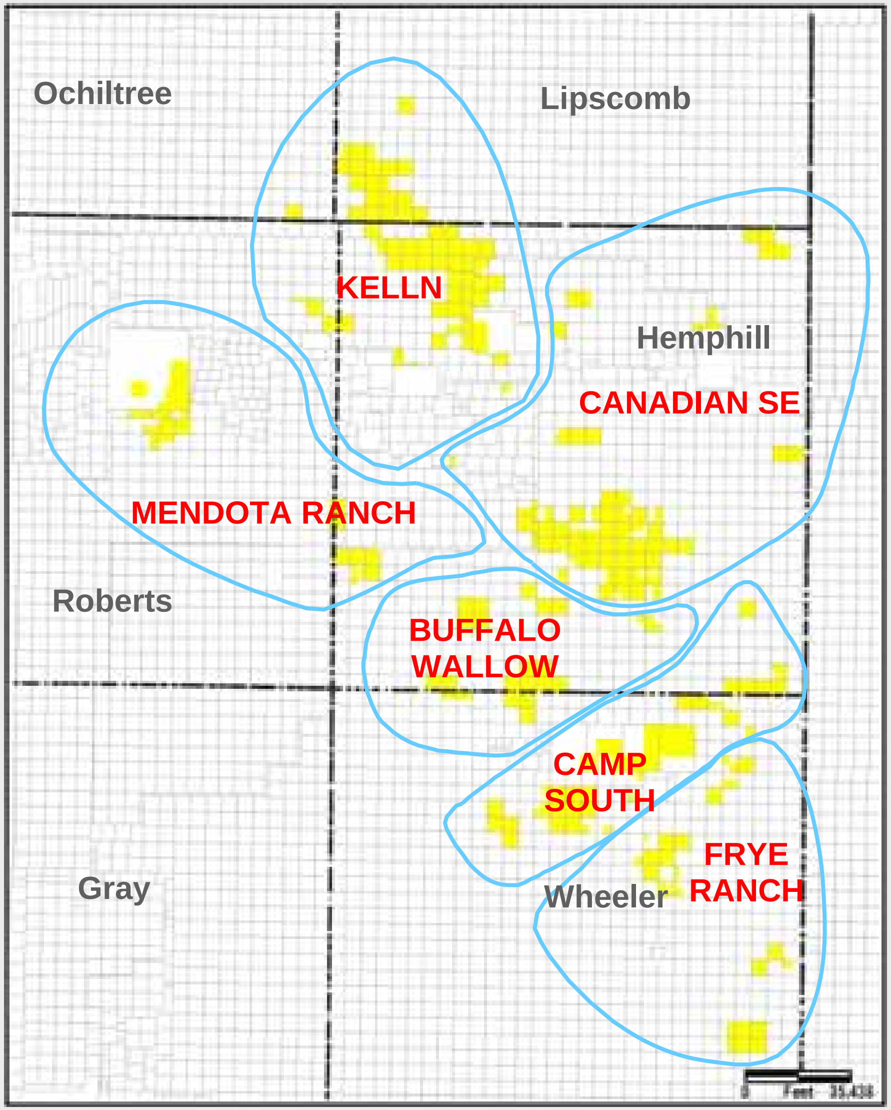
2010 Plan

- E&D spending designed to be within a reasonable bandwidth of cash flow
- Return to organic growth; expect 10% – 12% growth 4Q 2010 over 4Q 2009
- Primarily focused in Texas Panhandle, East Texas / North Louisiana, and Canada Deep Basin
- Primarily horizontal or deviated wells in both tight gas and shales
- Enhance efficiencies from cost control, rig ownership, and completion techniques
- Continue to upgrade the portfolio with sale of non-core properties

Our “Resource Play” Strategy

- Focus on unconventional plays
- Tight gas sands and carbonates are more “conventional” in terms of completions, technology, and cost efficiencies
- Shales are “technology” plays initially
- Move to “commoditize” the resource play as soon as possible
- 3 Step Progression
  1. Validate
  2. Execute
  3. Fully Develop

Forest Oil's Granite Wash Position

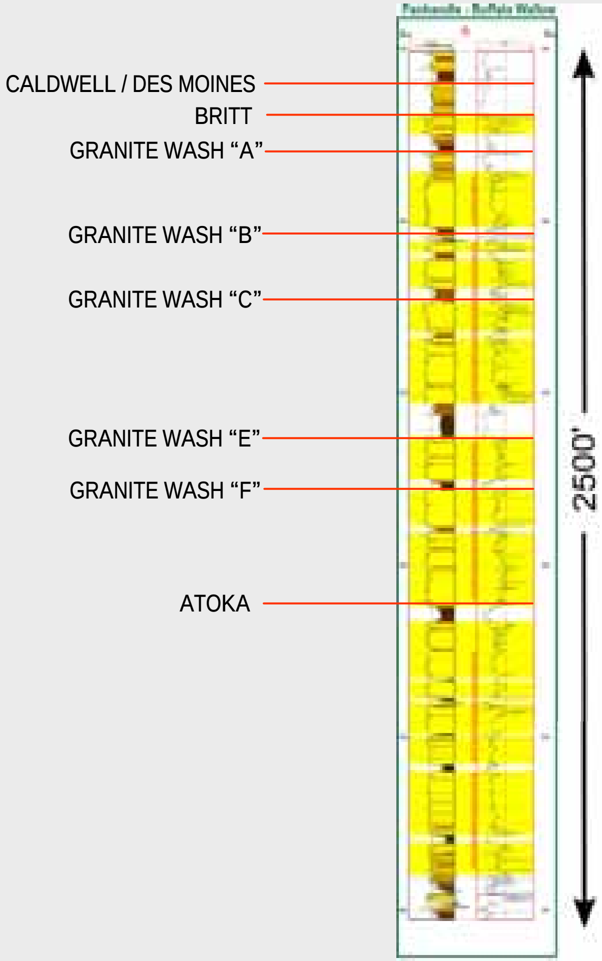


Area Nomenclature

- 135,000 gross acres (94,000 net) prospective for the Atoka, Granite Wash, Cleveland, Douglas, and Morrow
- Different Nomenclature…Same Play
- Transition to horizontal drilling; expect to drill 20 – 25 operated horizontal wells in 2010
- Acreage accumulated through grass roots leasing, farm outs, and acquisitions
- Frac mapping was performed to allow for more efficient spacing and less interference between wells
- Large company database from over 400 well bores

Geologic Zones in Greater Buffalo Wallow Area

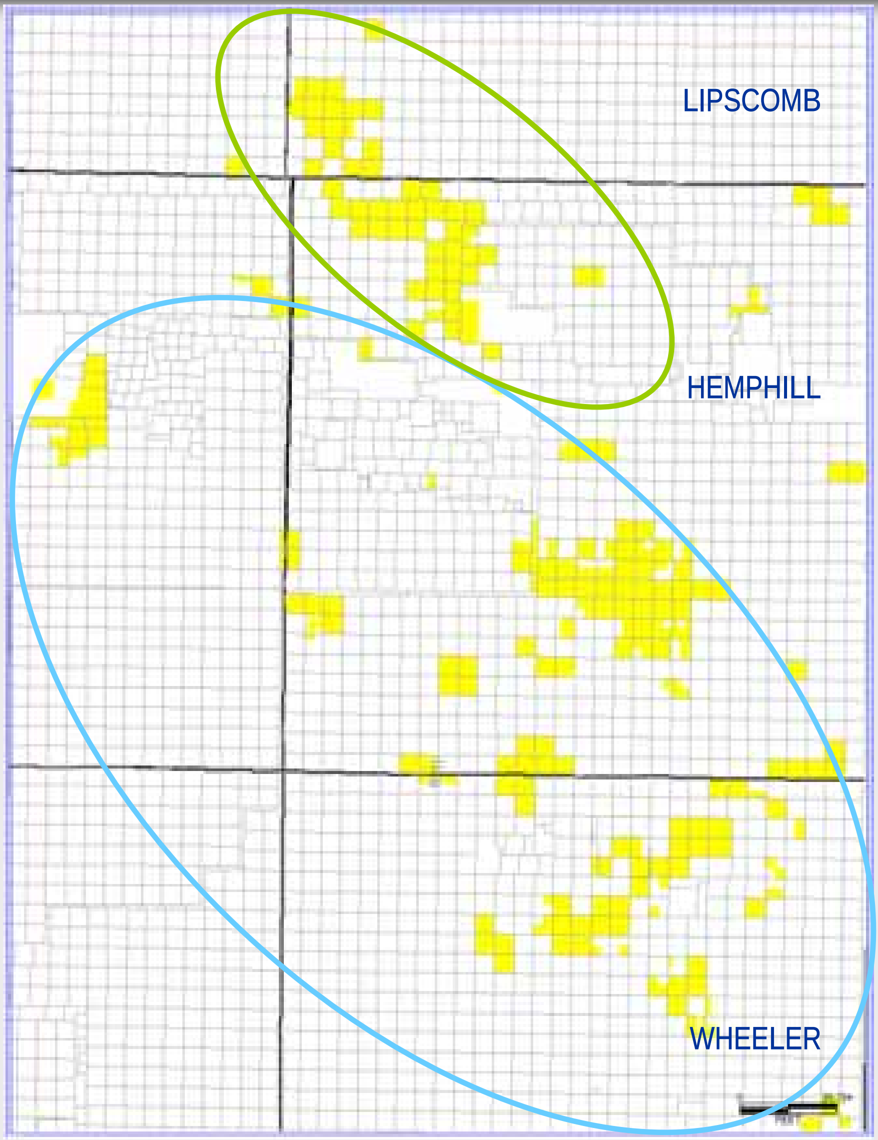
Type Log – Vertical Nomenclature



Basic Play Facts

- Pay extends over large area in Texas Panhandle and Western Oklahoma
- Depths of play range from 13,000' to 17,000' and the total thickness of this deposition ranges from 1,500' to 3,500'
- Other potential objectives in the Morrow, Douglas, Cleveland, Novi Lime, St. Louis Lime, and Tonkawa
- Between 8 to 14 objective zones over entire acreage position
- High liquids content

Greater Buffalo Wallow Area



Granite Wash Hz Fairway Lower Morrow Hz Fairway

Greater Buffalo Wallow Area

- Excellent multi-zone horizontal potential
- Expect to run 4 horizontal rigs
- Granite Wash Results:

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
Average	12.5	2,950	30

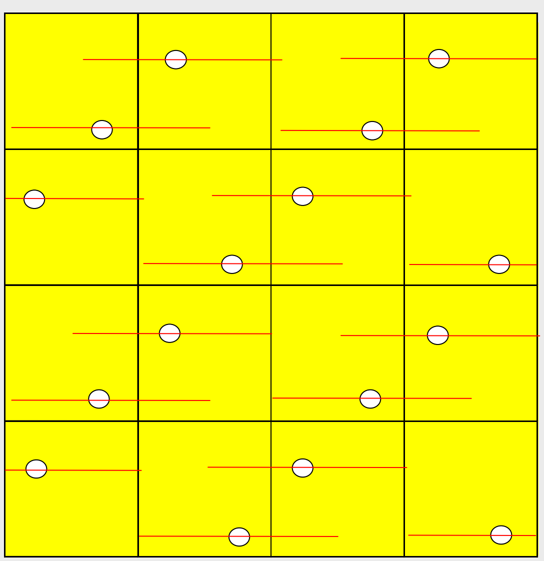
- 3 operated wells completing and drilling and 4 non-operated wells drilling
- Shallow Morrow horizontal tested at 7.5 MMcfe/d with cost of $3.9 million

Texas Panhandle: Horizontal vs. Vertical Development

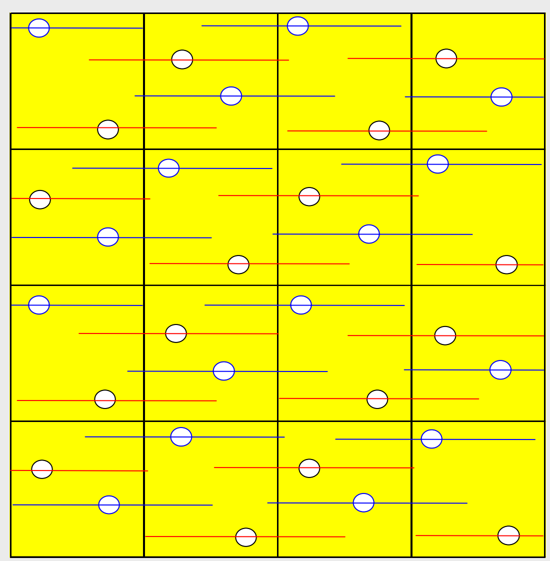
Horizontal Drilling – Most Efficient Development

Scenario	# of Wells	EUR/Well (Bcfe)	EUR/Sec (Bcfe)	D&C ($MM)	Dev Cost/Sec ($MM)	F&D ($/Mcfe)
40-Acre Vertical	16	1.5	23.2	$2.3	$36.9	$1.59
20-Acre Vertical	32	1.5	46.5	$2.3	$73.8	$1.59
Granite Wash Horizontal	3	7.2	21.6	$5.5	$16.6	$.77
Atoka Horizontal	3	6.8	20.3	$9.9	$29.7	$1.46
Twin Horizontal	6		41.9		$46.3	$1.11
20-Acre vs. Twin	(26)		(4.6)		($27.5)	($5.98)

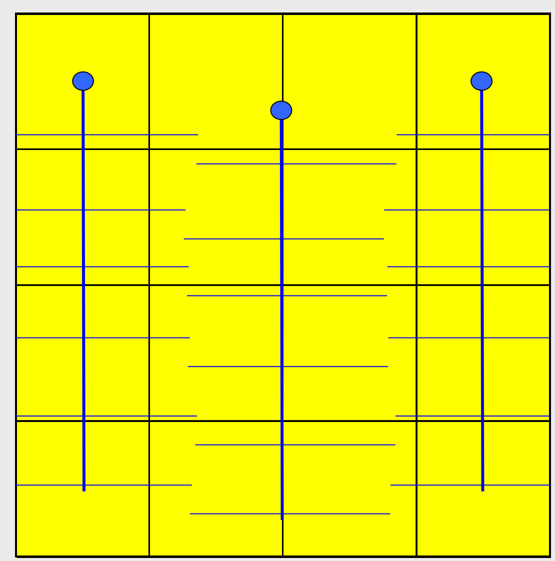
40 Acre Spacing



20 Acre Spacing

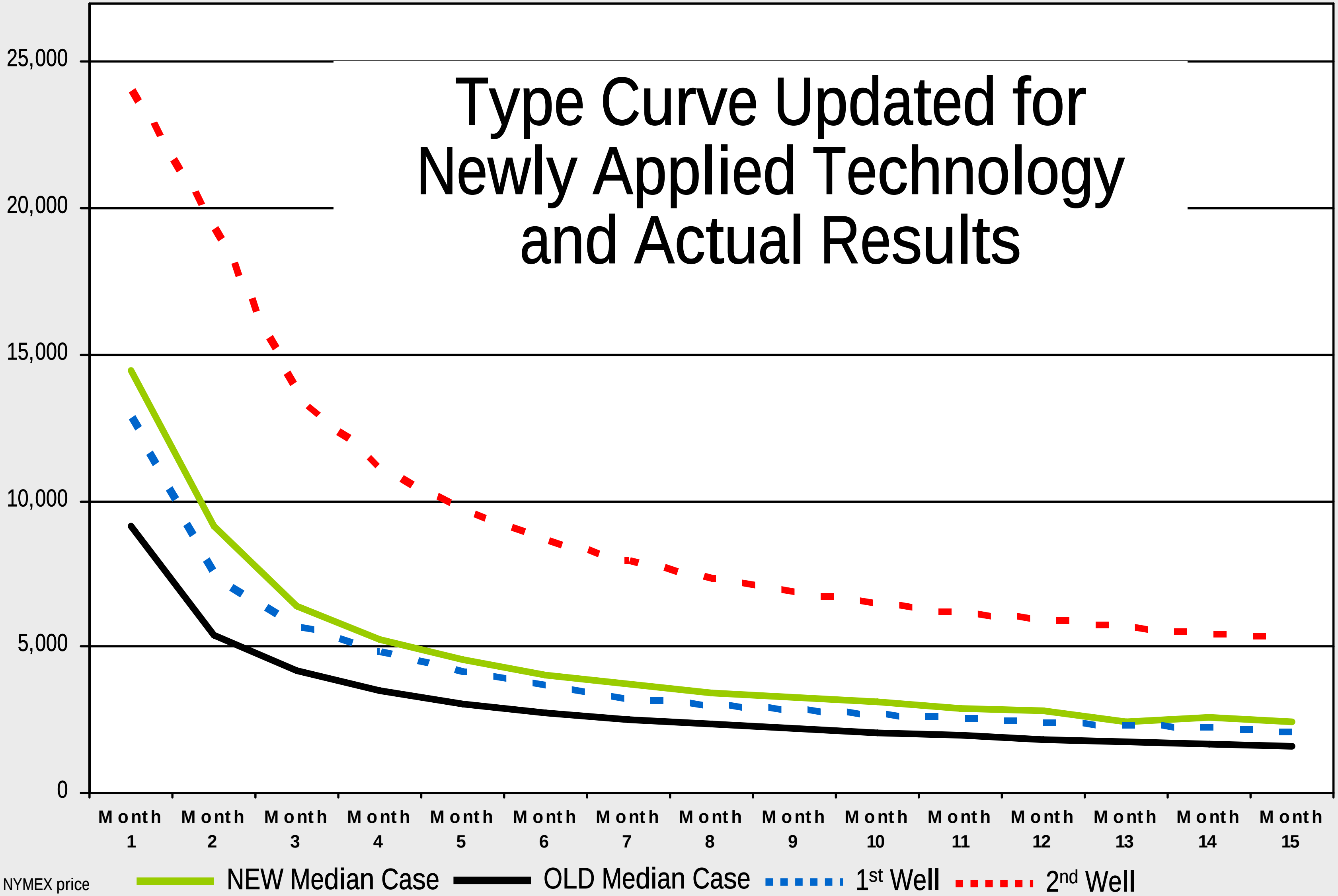


Horizontal Development



Granite Wash Type Curves

Gross Mcfe/d



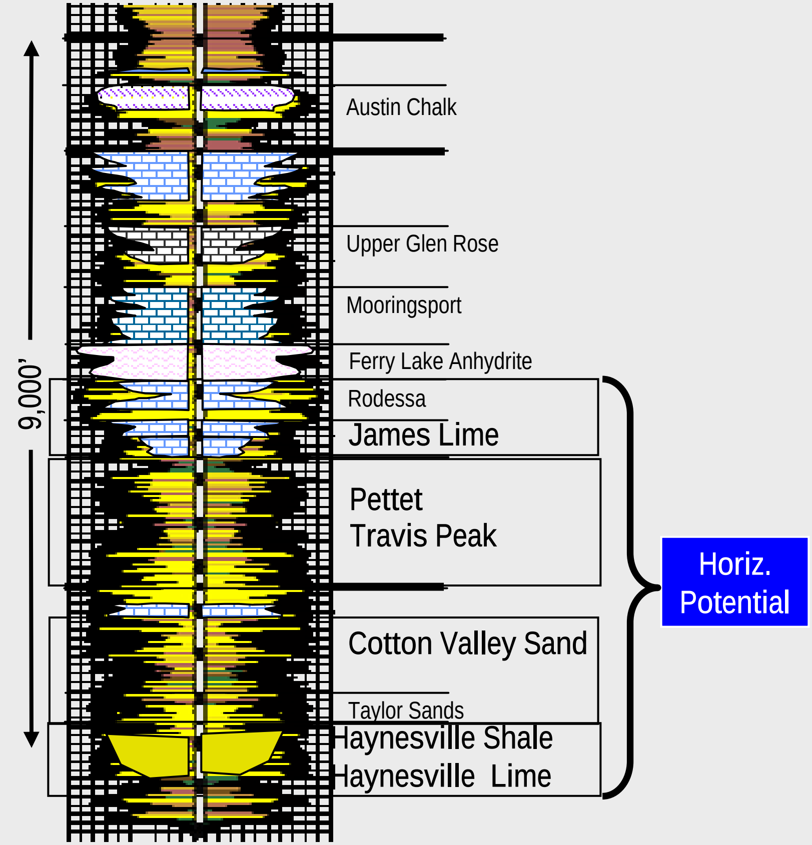
* NYMEX price

East Texas/North Louisiana Potential

Forest's "Core Strengths" in Resource Plays

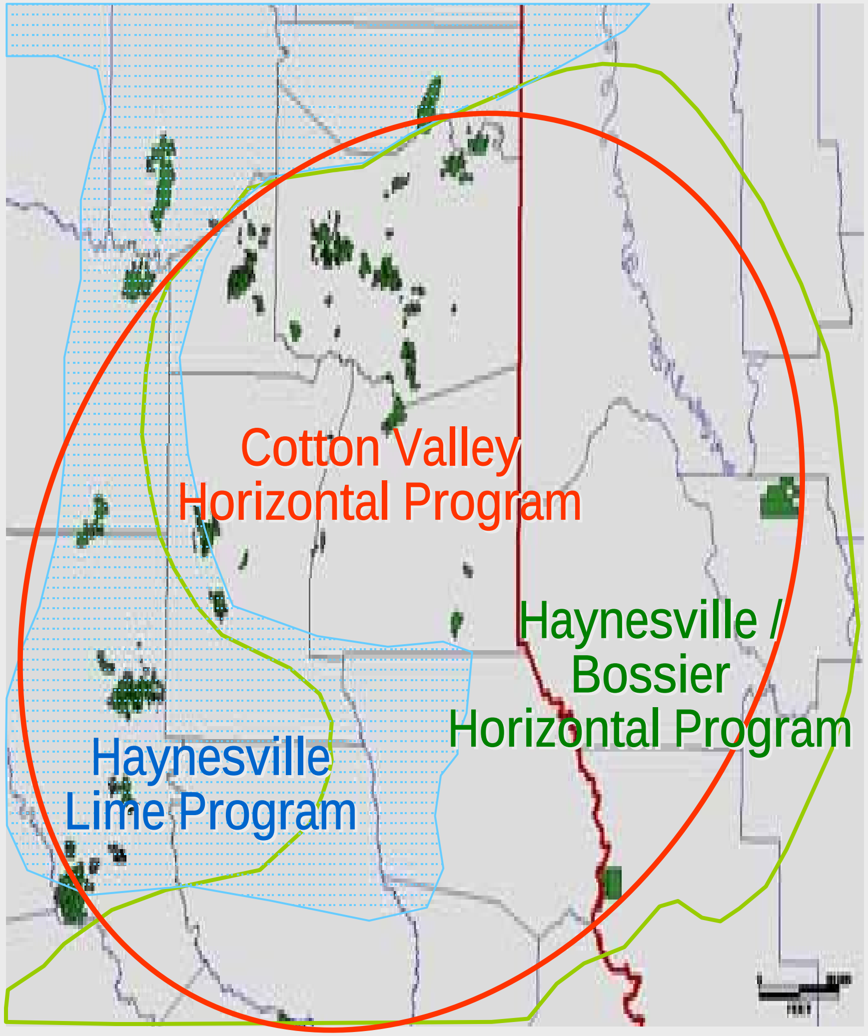
- Low cost of entry provides superior economics
- Up front integration of data before horizontal drilling includes core samples
- Mechanical success on horizontal completions
- Cost and extraction efficiencies as play expands

E. Texas/N. Louisiana Geologic Zones



"Acreage In East Texas/North Louisiana Provides Multiple Production Horizons"

Haynesville / Bossier Shale



East Texas/North Louisiana

- 140,000 gross acres (127,000 net) prospective for Haynesville
- Shallow and deep rights on majority of acreage
- Louisiana: 4 horizontals with IP's from 14 – 21 MMcfe/d
- Texas: Industry IP's improving; will participate in Middle Bossier tests
- 3 rig Haynesville program for 2010; expect to drill 15 – 20 operated horizontal wells
- 100% mechanical success while maintaining cost control
- 1 well completing and 2 wells drilling in Red River Parish
- 1 well drilling in Sabine Parish

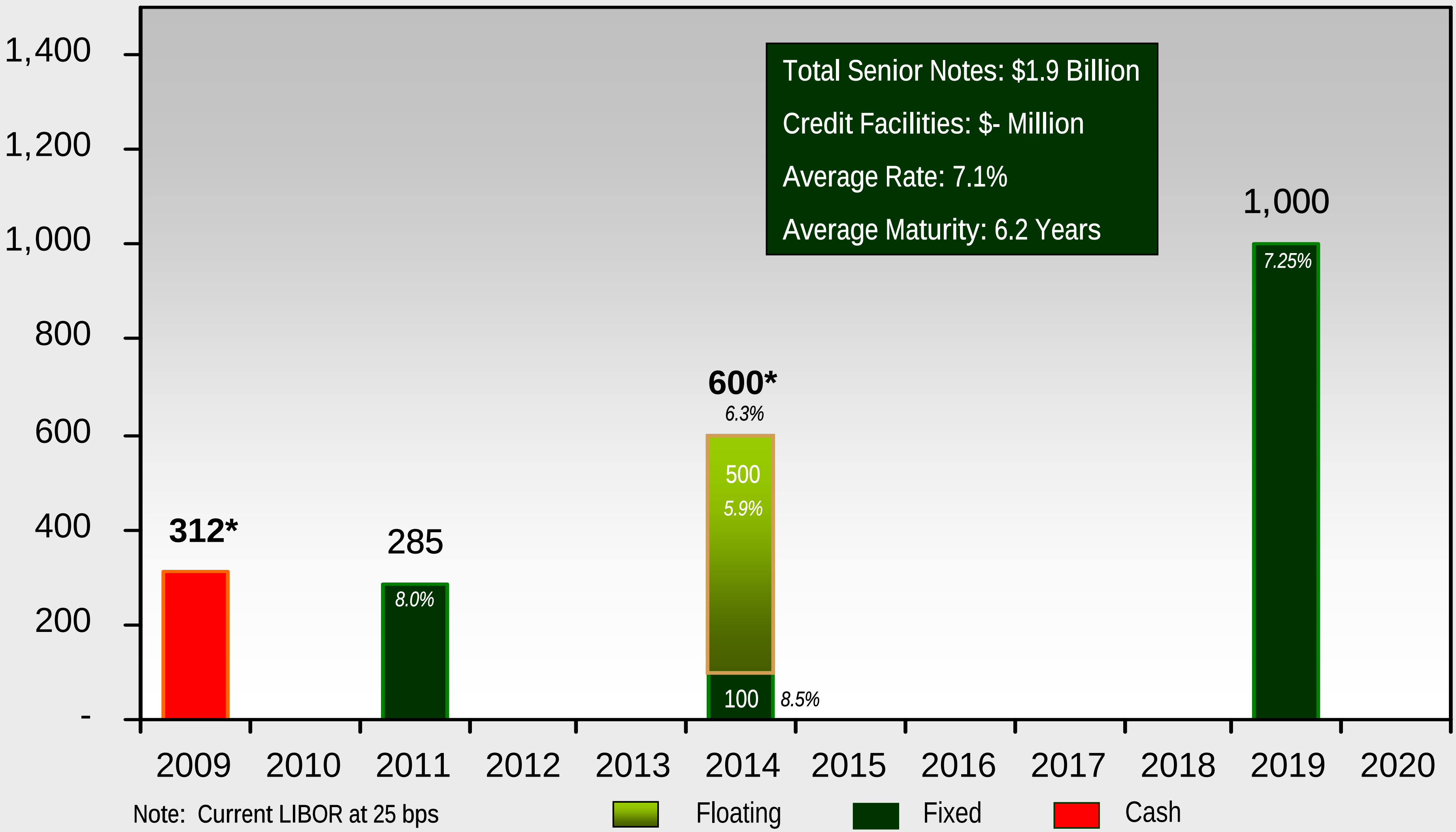
Financially Flexible

- Staggered long term debt maturity schedule
- In excess of $1.7 billion in liquidity
- E&D spending designed to be within a reasonable bandwidth of cash flow
- 56% of 2010 natural gas production hedged at $6.28/MMBtu
- 68% of 2010 oil production hedged at $69.46/Bbl floor

Debt Maturity Profile

($MM)

12/31/09*



Note: Current LIBOR at 25 bps

* Pro forma for Forest's redemption of its 7 ¾% Senior Notes due 2014

Capitalization and Net Debt Reconciliation

Total Capitalization *($ MM)*	3/31/09	12/31/09 PF*
Cash	$1	312
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	1,573
Total Shareholders' Equity	$489	1,079
Net Debt: Est. Proved Reserves *($ / Mcfe)*	$1.11	0.74
Net Debt: Est. PD Reserves *($ / Mcfe)*	$1.76	1.18
Borrowing Base	$1,620	1,300
Liquidity Including Cash	$708	1,612

* Pro forma for Forest's redemption of its 7 ¾% Senior Notes due 2014

Hedge Portfolio – NYMEX Hedges

Hedging Price Risk

	2010	Weighted Price Floor/Ceiling
Natural Gas Swaps		
Contract Volumes (BBtu/d)	200.0	
Weighted Average Price ($ per MMBtu)	6.28	
Natural Gas Collars		
Contract Volumes (BBtu/d)	-	
Weighted Average Ceiling Price ($ per MMBtu)	-	
Weighted Average Floor Price ($ per MMBtu)	-	
Production Hedged	56%	$6.28
Oil Swaps		
Contract Volumes (MBbl/d)	3.0	
Weighted Average Price ($ per Bbl)	76.06	
Oil Collars		
Contract Volumes (MBbl/d)	2.0	
Weighted Average Ceiling Price ($ per Bbl)	98.50	
Weighted Average Floor Price ($ per Bbl)	60.00	
Production Hedged	68%	$69.64 – $85.04

Summary

- Portfolio management has created substantial North American gas resource plays that is expected to grow 10% – 12% in 2010 while spending close to cash flow
- 16,284 fully developed locations provide over 17.1 Tcfe of additional net unrisked growth potential with a large HBP component
- High quality assets, substantial liquidity, low cost structure, and substantial upside in asset portfolio

"Forest Has A High Quality Focused Asset Base And Is Returning To Double-Digit Organic Production Growth In 2010"

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 unrisked 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.