



October 3, 2011

NOTICE

Re: Forest Oil Corporation – Lone Pine Resources, Inc. Tax Basis Allocation Information

To Holders of Forest Oil Corporation (“*Forest*”) Common Stock:

If you did not receive the Distribution (as defined below) of shares of Lone Pine Resources Inc. (“Lone Pine”) common stock on September 30, 2011, you may disregard this notice. Additionally, this notice does not apply to shares of Forest common stock sold, exchanged, or otherwise disposed of prior to the time of the Distribution.

On September 30, 2011, Forest completed a spin-off of its Canadian operations by means of a distribution of its 70,000,000 shares of Lone Pine common stock (the “*Distribution*”). As a result of the Distribution, you were entitled to receive 0.61248511 of a share of Lone Pine common stock for each share of Forest common stock that you held as of the close of business on September 16, 2011, which was the record date for the distribution of the Lone Pine shares. In lieu of fractional shares, Forest shareholders will receive a cash distribution.

U.S. tax law requires that you allocate a portion of your cost basis in Forest shares that you held immediately prior to the Distribution (your “*pre-Distribution Forest shares*”) to the Lone Pine shares (including any fractional share for which cash was received) that you received in the Distribution. The allocation of your cost basis is based on the relative fair market values of the Lone Pine shares you received in the Distribution (including any fractional share for which cash was received) and your pre-Distribution Forest shares. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. Thus, one possible approach to determining the fair market value of the Lone Pine shares and the pre-Distribution Forest shares is to utilize the average of the highest and lowest trading prices on the New York Stock Exchange on the first business day after the Distribution for both Forest common stock, which was \$9.64 per share, and Lone Pine common stock, which was \$6.03 per share. Based on such values and the distribution ratio of 0.61248511 of a share of Lone Pine common stock for each share of Forest common stock, 72.30% of the aggregate tax basis in your pre-Distribution Forest shares should be allocated to your Forest shares and 27.70% should be allocated to your Lone Pine shares (including the fractional share of Lone Pine common stock for which cash was received).

Please note that the basis allocation method described in this letter will not apply to Lone Pine shares received with respect to restricted Forest shares for which no election was made under Internal Revenue Code Section 83(b). Your basis in those Lone Pine shares that you received in the Distribution will equal the amount of income included in your compensation as a result of the Distribution.

If you held your Forest shares as a capital asset at the time of the Distribution, your holding period for Lone Pine shares (which determines whether you will realize long-term capital gain or loss on any sale of these shares) will be the same as your holding period for the Forest shares with respect to which you received the Distribution.

If you were entitled to receive a fractional Lone Pine share as a result of the Distribution, that fractional share was sold in the market. You will report gain or loss for tax purposes on the sale of that fractional share based on the sales proceeds you receive and the cost basis allocated to that fractional share as determined above.

Example of Cost Basis Allocation

Assumptions:

1. Shares of Forest common stock owned 100
2. Forest shareholder's aggregate tax basis (at \$10 per share) \$1,000
3. Lone Pine shares received in the Distribution (including the 0.248511 fractional share for which cash was received) (100 shares of Forest common stock x 0.61248511 Distribution ratio) 61.248511

Tax Basis Allocation:

| | # Shares Owned | NYSE Average Price (10/3/2011) | Fair Market Value | Percentage of Total Fair Market Value | Allocated Tax Basis⁽¹⁾ |
|------------------------|--------------------------|---------------------------------------|--------------------------|--|--|
| Forest common stock | 100 | \$9.64 | \$964.00 | 72.30% | \$723.00 |
| Lone Pine common stock | 61.248511 ⁽²⁾ | \$6.03 | \$369.33 | 27.70% | \$277.00 |
| Totals | | | \$1333.33 | 100% | \$1,000 |

- (1) Allocated tax basis = the product of the aggregate tax basis (\$1,000) times the applicable percentage of total fair market value as shown in the table.
- (2) In accordance with the Separation and Distribution Agreement between Forest and Lone Pine dated May 25, 2011, the distribution agent aggregated all fractional shares into whole shares, sold the whole shares in the open market at the prevailing market price and distributed the aggregate cash proceeds of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the Distribution.

Forest shareholders who immediately before the Distribution owned at least 5% (by vote or value) of the total outstanding common stock of Forest or had an aggregate basis of \$1 million or more in their Forest common stock are required by tax law to report certain information specifically related to the Distribution. This information must be included in such shareholders' annual U.S. income tax filings. A suggested format for this reporting is attached to this notice.

The information in this notice does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein. It does not purport to be complete or to describe the consequences that apply to particular categories of Forest shareholders (e.g., it does not address Forest shareholders who did not hold their shares of Forest common stock at all times from the close of business on the Record Date through the Distribution or Forest shareholders who acquired their shares of Forest common stock at different times or prices). Forest shareholders are encouraged to consult with their tax advisors for questions on their own specific tax position.

STATEMENT OF SIGNIFICANT DISTRIBUTEES RECEIVING A DISTRIBUTION OF STOCK OF
LONE PINE RESOURCES INC.
FILED PURSUANT TO TREASURY REGULATION SECTION 1.355-5(b)

On September 30, 2011, Forest Oil Corporation, a New York corporation ("*Forest*"), distributed (the "*Distribution*") its 70,000,000 shares of common stock of Lone Pine Resources Inc., a Delaware corporation ("*Lone Pine*"), to the holders of record of Forest common stock as of the close of business on September 16, 2011 (the "*Record Date*"). As a result of the Distribution, each holder of record of shares of Forest common stock as of the Record Date was entitled to receive 0.61248511 of a share of Lone Pine common stock for each outstanding share of Forest common stock held by such shareholder as of the close of business on the Record Date.

1. The names and employer identification numbers of the corporations involved are:

Distributing Corporation: Forest Oil Corporation
25-0484900

Controlled Corporation: Lone Pine Resources Inc.
27-3779606

2. The date of the Distribution of the stock of the controlled corporation was September 30, 2011.
3. The undersigned was a shareholder owning Forest common stock as of the close of business on the Record Date and received shares of Lone Pine common stock, par value \$0.01 per share, in the Distribution. The undersigned received cash in lieu of a fractional share of Lone Pine common stock, which fractional share was aggregated and sold by the distribution agent. The aggregate fair market value of the Lone Pine common stock and cash received by the shareholder was \$_____.
4. The undersigned did not surrender any stock or securities in Forest in connection with the Distribution.
5. The Distribution is a transaction that is described under Section 355 of the Internal Revenue Code of 1986, as amended.

Shareholder's Name (please print)

Shareholder's Signature

Taxpayer Identification Number
or Social Security Number

**THIS STATEMENT SHOULD BE ATTACHED TO YOUR 2011 U.S. FEDERAL INCOME TAX RETURN.
IT SHOULD NOT BE SENT TO FOREST OIL CORPORATION OR LONE PINE RESOURCES INC.**