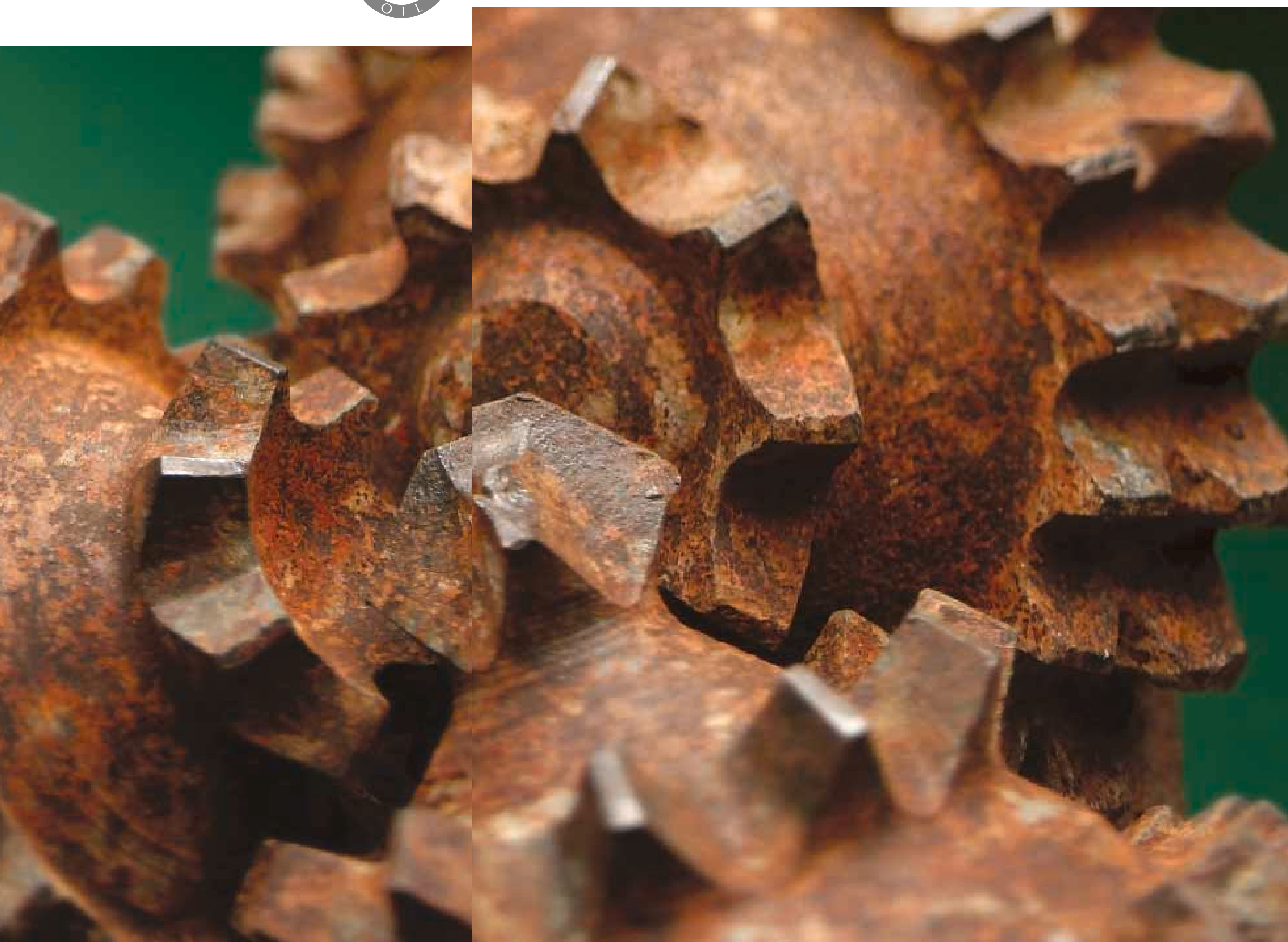
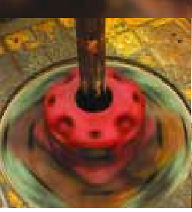
FOREST OIL ANNUAL REPORT

2002





DISCOVER OUR DEPTH

IN REMEMBRANCE

DONALD H. STEVENS

SEPTEMBER 27, 1952 – DECEMBER 27, 2002

VICE PRESIDENT CAPITAL MARKETS

We remember with affection and gratitude the man whose vision inspired the theme of Forest Oil's 2002 Annual Report. Don embraced the undertaking of this annual report with enthusiasm, despite his advancing illness, and viewed it as an opportunity to express the essence of Forest Oil.

Don joined Forest Oil in 1997 as Vice President Capital Markets and Strategic Initiatives. He was assigned the additional responsibility of Treasurer in 1998. Don was the face of Forest Oil to Wall Street for five years and did a magnificent job of positioning the company with its investor base. He launched the Children's Christmas Party, which Forest now hosts yearly, and initiated the annual Five Star Analyst Conference.

Don began his career in the tax department of Gulf Oil Corporation in 1975 and was promoted to offices in Denver, Houston and Pittsburgh. He served in various capacities and geographic locations with Seco Energy Corporation and Sohio. Don relocated to Denver in 1992 and became Vice President Corporate Relations for Barrett Resources before joining Forest Oil in 1997. He graduated from the University of Wyoming in 1975 with a B.S. in Accounting and Finance and was a Certified Public Accountant.

The conceptual development, design and execution of the Annual Report were among Don's favorite responsibilities. His creativity and thorough understanding of the oil and gas business and its investment community meshed beautifully in the production of several annual reports. Regrettably, Don did not see this year's final product but be assured that he influenced every page.

On Our Cover

The drill bit located at the bottom of the drill pipe is the tool that first makes contact with the surface when drilling for oil or gas. The tri-cone drill bit pictured on the cover was invented by Howard R. Hughes, Sr. in the early 1900's. With the advent of the tri-cone, wells were drilled faster and deeper than ever before, a feat that revolutionized the oil and gas business. Nearly a century after its invention the tri-cone is still the most widely used drilling bit throughout the industry.

For nearly a century,

Forest Oil has flourished as one of a handful of independent oil and gas companies whose vision, purpose and operations are rooted in exploration. Thanks to a lineage of committed entrepreneurs unafraid to act in accordance with their principles, Forest Oil has prospered and grown into the almost $2 billion exploration and production company that it is today. Forest is recognized as a major supplier of North America's energy and the force behind some of the largest, deepest and most sustainable discoveries in the history of oil and gas exploration in North America. Tradition. Value. Talent.

Nothing runs deeper.

CONTENTS

GLOSSARY OF TERMS

Many terms used in this Annual Report are unique to the oil and gas business. Listed below are several terms used in this Annual Report:

Bbls, MBbls, MMBbls, and Bbbls - Barrels, thousands, millions, and billion of barrels of oil, condensate, or natural gas liquids.

Mcf, MMcf, Bcf, and Tcf - Thousand, million, billion, and trillion cubic feet of natural gas.

Mcfe, MMcfe, Bcfe, and Tcfe - Thousand, million, billion, and trillion cubic feet of natural gas equivalent (1 barrel of oil = 6 Mcf of natural gas).

This Annual Report may include 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. Statements that address activities, events and outcomes, and matters that Forest plans, anticipates, expects, intends, believes, budgets or projects will, should or may occur in the future are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements. These risks include, but are not limited to, commodity price volatility, drilling and other operating risks, the uncertainty inherent in estimating proved reserves and projecting future rates of production, general economic conditions and other risk factors that are described in our 2002 Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

CORPORATE PROFILE

Forest Oil and its subsidiaries are engaged in the exploration, acquisition, development, production and marketing of natural gas and crude oil in North America and in selected international locations. Corporate headquarters are located in Denver, Colorado, with principal reserves and producing properties in Alaska, Louisiana, Oklahoma, Texas, Utah, Wyoming and the Gulf of Mexico, and in Canada in Alberta, British Columbia, and the Northwest Territories. Forest Oil was launched in northwestern Pennsylvania in 1916, incorporated in 1924, and has been publicly held since 1969. Since 1996, the Company has operated six distinct geographic Business Units, which include Alaska, Canada, the Western Region, Gulf Coast Onshore, Gulf of Mexico Offshore and International.

During our 87-year history, Forest has prospered and grown into the almost $2 billion company that we are today. Our vision to be the best exploration and development company in the oil and gas industry was formulated in our early years, and continues to influence daily operations and goals. A longstanding tradition of excellence, the priority placed on creating value for shareholders, and the extraordinary talents of our people are responsible for Forest's position as a prominent supplier of North America's energy.

The operational strategy of Forest Oil is to find and produce hydrocarbons by employing cost-effective technology to explore new accumulations and to locate new reserves from known accumulations in mature basin areas. Through strategic acquisitions, success in exploration areas, a reduction in operating expenses and improved efficiency in mature fields, and a highly favorable re-tooling of our debt structure, Forest has achieved a diversified and balanced portfolio. Furthermore, the Forest business model, including performance standards and measurements of success, is designed to facilitate financial stability and continuous growth for our employees and shareholders.

Forest Oil closed 2002 with production of 144 Bcfe and estimated proved reserves of 1,560 Bcfe, replacing 110 percent of production. In 2002, Forest drilled 69 wells. Sixteen of those wells were purely exploratory.

LETTER TO SHAREHOLDERS

ROBERT S. BOSWELL
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

This year marks our 87th year as an independent oil and gas producer. The universe of independents in our business is a small but distinguished group. Our vision at Forest is to be the best exploration and development company in the oil and gas industry, a vision formulated in our early years and still influencing our daily operations and goals. Forest's position as a prominent supplier of North America's energy is due to a longstanding tradition of excellence, to the priority we place on creating value for our shareholders, and to the extraordinary talent of our people. In combination, they made 2002 a year of successes, despite a sluggish economy and volatile commodity pricing.

SIGNIFICANT ACHIEVEMENTS IN 2002

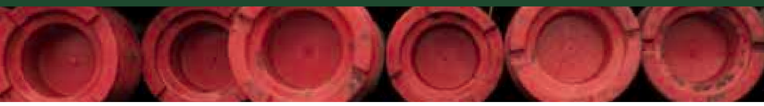
- Achieved first oil production from Redoubt Shoal in Alaska's Cook Inlet.
- Signed a Letter of Intent regarding the Ibhubesi gas project with PetroSA, the national oil and gas company of South Africa, and executed a Participation Agreement in March 2003 for shallow gas development on a portion of Forest's acreage.
- Maintained our commitment to the highest standards of Corporate Governance and implementation of the new requirements.
- Reduced expenses and improved efficiency of operations.
- Executed farm-outs on high potential frontier and emerging market exploration plays in the Northwest Territories of Canada, offshore Gabon in West Africa and in Germany's Bavarian Foothills region.

THE FOREST VISION

The legacy of Forest Oil resides in exploration. The challenge of hitting the mark on discoveries with high value continues to drive this Company. Our vision is to be the best at what we do—the exploration for and development of oil and natural gas.

ACHIEVING OUR GOALS

We strive to achieve our corporate goals through exploration, exploitation of our existing properties and strategic acquisitions. Our business model is designed to foster growth while insuring a balanced portfolio and capital discipline. Our intention is to grow Forest's net asset value per share despite volatile commodity price cycles, and to work continuously to improve our operational fundamentals. Our objectives are to hold fast to our roots of exploration and to produce our product as efficiently as possible.



OUR KEYS TO SUCCESS

Risk is part of the oil and gas business. We employ several practices that contribute to Forest's success despite those risks: 1) maintenance of a diversified and balanced portfolio; 2) possession of superior geo-technical and engineering skills; 3) adherence to a business model that incorporates performance standards and measurements of success; and 4) pursuit of excellence as an organization through the employment of people with discipline, talent and passion.

MR. PHILIP F. ANSCHUTZ'S CONTRIBUTIONS

In January of 2003, Forest conducted a public offering for the sale of approximately one-half of the common stock shares held by The Anschutz Corporation. Upon the completion of this sale, The Anschutz Corporation reduced its holdings and currently holds roughly 15.3 percent of Forest's common shares. Concurrent with the sale, Philip F. Anschutz resigned from our Board of Directors after a term of seven years. During this time, and largely due to his initial investment and continuing support, Forest was able to grow its reserves almost five-fold. The employees and Board are grateful to Mr. Anschutz for his insights and impeccable leadership while he served on the Board.

TRADITION

IN CONCLUSION

The achievements and vitality of Forest Oil are due to the dedication and hard work of more than 450 Forest employees throughout the world. I want to express my gratitude for their superior contributions at every level.

The Forest vision, operational model and leadership exemplify the character of this Company. Our commitment to our shareholders and our employees is to further increase momentum and to grow the value of Forest Oil as we move through this decade.

On a personal note, we were deeply saddened by the loss of Don Stevens, our Vice President of Capital Markets, who passed away in December 2002. This report is dedicated to Don. We invite you to read "In Remembrance" on the inside front cover. All of us at Forest, as well as his friends in the business community, will miss Don's counsel, friendship, remarkable attitude and indomitable spirit.

Robert S. Boswell

ROBERT S. BOSWELL
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER
MARCH 12, 2003

DAVID H. KEYTE
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Among our most important goals at Forest Oil is to create value for our shareholders. For the last 18 months, the credit markets have provided tremendous opportunity by historic standards. The impact of the collapse of equity market valuations in technology and other sectors, combined with broad economic concerns, created a unique opportunity. We seized upon this confluence of events to aggressively re-tool our entire debt structure.

2002 FINANCIAL HIGHLIGHTS

- Completed an 18-month process that involved the issuance of $575 million of new Senior Notes with laddered maturities and the repurchase or redemption of $185 million of subordinated notes.
- Qualified our bank facility as a corporate rather than a borrowing base facility.
- Used financial derivatives to lock in the lowest cost term debt in the Company's history.
- Successfully funded the Redoubt Shoal development project in Alaska's Cook Inlet while maintaining liquidity.
- Responded to all new Corporate Governance requirements.

CREATION OF A SAFETY NET

Forest's financial team has established a debt structure with an average maturity of over seven years with only the revolving credit facility maturing before 2008. This provides a significant safety net for our liquidity in the near to mid-term. These notes may be accelerated only in limited circumstances and in no case will ratings actions impact their maturity. The maturities of Forest's debt structure are now evenly spaced in three-year increments ending in 2014, providing for logical low-cost add-on potential if significant acquisitions would require the issuance of term debt. Three-year maturity increments also provide flexibility in refinancings. Commodity price cycles rarely exceed three years without capital market access. Furthermore, we entered into fixed-to-floating interest rate swaps to take advantage of declining interest rates. By closing out those swaps at year-end, resulting in a gain in 2002 of approximately $36 million, the yield to maturity was about seven percent for the entire debt portfolio at December 31, 2002. This translates into the ability to deliver greater yields to our common shareholders.

CURRENT LEVERAGE POSITION

During 2002, we were challenged with funding our opportunity at Redoubt Shoal in Alaska's Cook Inlet. The funding of this project caused our debt levels to increase to $736 million from $594 million during 2002. While the increase in leverage was planned and was communicated to our investors in advance, the Company's leverage position stands above our 40 percent leverage target at year-end 2002. We intend to reduce that leverage measure over the next two years through a variety of means including additional retained earnings and debt repayments.

OUR CAPITAL STRUCTURE AND FINANCIAL STRATEGY

Currently, Forest's capital structure is stable, liquid, low-cost and consistent with our business plan. We intend to maintain our debt at or below present levels and to fund any significant acquisitions by accessing capital markets.

Commodity price hedging has been a critical part of our financial strategy for over 10 years. We execute our strategy pursuant to a hedging policy monitored by our audit committee. The strategy layers in oil and gas hedges in small increments during the year until reaching an expected 35–45 percent of gas production and 20–30 percent of oil production during a given year. These hedge levels are then monitored and can be increased if commodity prices change quickly in a given period.

GOVERNANCE STRUCTURE

The theme "Discover Our Depth" has significant meaning in the context of current events surrounding corporate governance. We believe our Corporate Governance framework is well-designed and operating effectively. It is designed to assure our shareholders that the governance processes within Forest are well understood and controlled, and that the reported financial results fairly present the Company's operational results and financial condition.

2003 FINANCIAL GOALS

Looking forward, we see substantial opportunities to fund the Company's business in even more constructive ways. Our 2003 goals are to:

- Begin reducing the leverage in the capital structure and return to 40 percent leverage by the end of 2004.
- Provide adequate liquidity to carry out the business plan and to position the Company for growth.
- Actively manage our commodity and interest rate risks.
- Continue to stand ready with capital alternatives for large acquisitions that would require capital market access.

VALUE

IN CLOSING

I want to thank the Forest employees in the financial, accounting, legal, information technology and administrative functions for their fine work this past year. They are unsung "back office" heroes who provide the entire company with valuable, accurate and low-cost data that grease the wheels of our success.

DAVID H. KEYTE
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
MARCH 12, 2003

H. CRAIG CLARK
PRESIDENT AND CHIEF OPERATING OFFICER

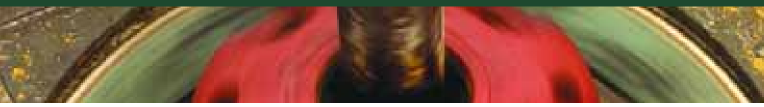
The cover of last year's annual report featured an oilfield worker who personified Forest's commitment to hard work and a "Back-to-Basics" strategy. That strategy, combined with great effort on our employees' part, resulted in a successful 2002. We cannot predict commodity prices so we choose to control the things we are able to, namely, production and costs. It really is a pretty simple business.

OUR STRATEGY IS STRAIGHTFORWARD

We remain focused on our sole business, the exploration and production of hydrocarbons around the world, primarily in North America. Our strategy is straightforward: to find and produce hydrocarbons by employing technology to both discover new accumulations through exploration and to add new reserves from known accumulations by means of exploitation. Our plan in 2003 is to stay the course established a year ago. Each of our Business Units plays a specific position that adds value in a way that is unique to its respective geographic area. In other words, not everyone on the team plays "quarterback". The exploitation "blockers and tacklers" in mature producing basins provide the support essential to the "quarterbacks" in the exploration regions. Due to the collective skill, expertise and hard work of our men and women in every position in all office and field locations, our challenges in 2002 became our highlights for the year.

2002 OPERATIONAL HIGHLIGHTS

- Exercised capital expenditure discipline in exploration and development spending.
- Significantly reduced cash operating costs by 15 percent year-to-year and 26 percent from our peak.
- Improved operational execution in both production performance and the exploitation of existing fields.
- Completed the integration of the properties acquired from the Forcenergy merger.
- Moved our higher risk, high potential exploration projects forward without the burden of significant future capital obligations, while taking full advantage of our large undeveloped acreage position in North America and in select international locations.
- Most importantly, we used the reallocation of capital expenditures and resources to balance our production portfolio. We balanced our historical reliance on the Gulf of Mexico with production from other areas.



2003 OPERATIONAL CHALLENGES

- Remain disciplined and conservative in a higher-priced commodity environment. We must protect our margins at any price. We intend to add value in any price environment.
- Increase 2002 production levels from our Alaska project while jump-starting other areas where capital was curtailed this past year.
- Continue our operating cost-reduction efforts despite the industry trend to the contrary and apply a similar focus to non-operated properties.
- Allocate capital expenditures as well as acquire properties consistent with our strategy to develop a balanced portfolio. Certain areas will be targeted for organized, planned growth to achieve this balance and to strengthen our position in core locations.
- Identify our "niche" expertise in each area by doing an analysis and review of past performance.
- Book reserves in our International portfolio from both past and current exploration efforts.
- Finally, execute our projects successfully throughout the discovery, development and production phases.

TALENT

RISK MANAGEMENT

We strive to be a highly efficient producer in selected core areas while managing exploration risk. We describe ourselves as "risk diverse" rather than "risk averse." As you review the operation of each of our Business Units on the following pages, you will see that we are focused on adding value through continued exploration, higher production and cost-efficient margins.

OUR GREATEST ASSETS

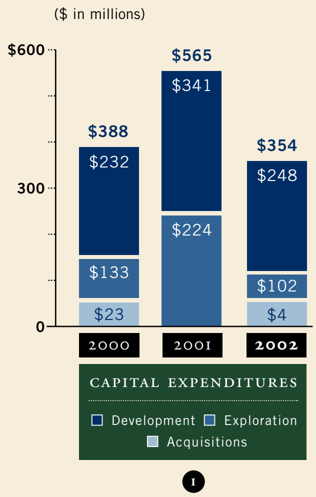
Our two greatest assets at Forest Oil are our people and our producing fields. Both exemplify the theme of this year's report, "Discover Our Depth." Yes, we drill to deeper depths with state-of-the-art equipment supported by advanced technology in our industry. Those achievements, however, are made possible by the depth of talent, motivation and dedication in our people. In the end, Forest will not be judged by assets alone but by how our people exploit them. My thanks go to all of the employees of Forest both in the office and the field locations. We look forward to continued progress in 2003 and the years beyond.

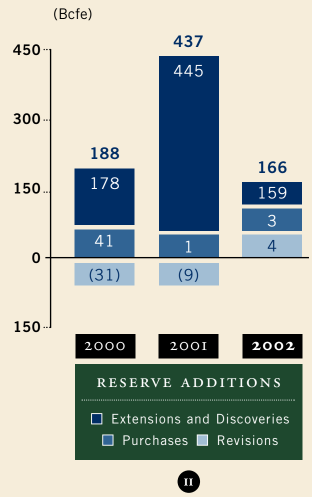
H. CRAIG CLARK
PRESIDENT AND CHIEF OPERATING OFFICER
MARCH 12, 2003

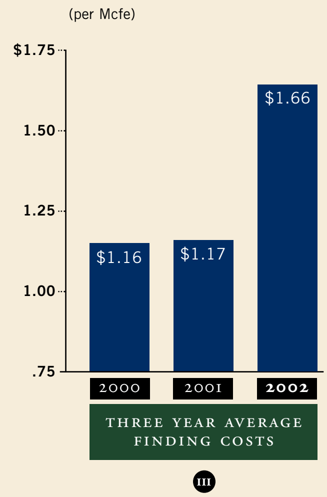
SELECTED FINANCIAL DATA

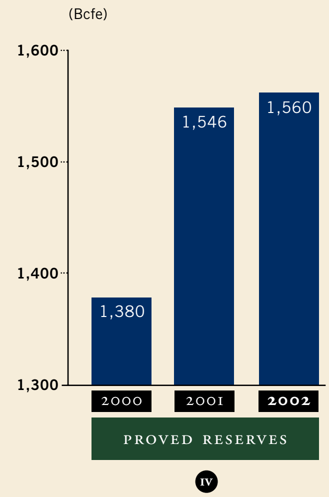
On December 7, 2000, Forest Oil Corporation completed its merger with Forcenergy Inc. The merger was accounted for as a pooling of interests for accounting and financial reporting purposes. Under this method of accounting, the recorded assets and liabilities of Forest and Forcenergy were carried forward to the combined company at their recorded amounts on the date of the merger. Income and expense amounts reported for the combined company for 2000 include amounts attributable to the operations of both Forest and Forcenergy for the entire year. Forcenergy was merged into Forest on the date of the merger and, accordingly, all amounts attributable to periods after the merger represent the operations of the combined entities. The results of operations of Forcenergy prior to December 31, 1999, the effective date of its reorganization and fresh-start reporting, are not included in the financial statements of the combined company. Financial highlights and measurements presented herein have been prepared on this basis.

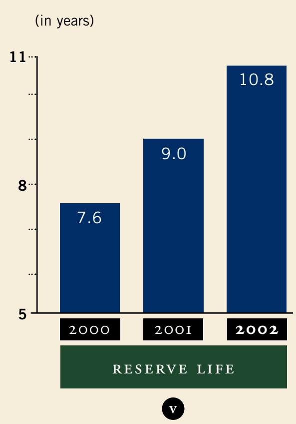
Years Ended December 31	2002	2001	2000	1999	1998
REVENUE AND EARNINGS (in thousands except per share amounts)					
Oil and Gas Sales	$ 471,740	714,852	624,925	193,841	173,701
Net Earnings (Loss)	$ 21,276	103,743	130,608	19,043	(191,590)
Basic Earnings (Loss) Per Share	$ 0.45	2.18	2.73	0.79	(9.37)
Diluted Earnings (Loss) Per Share	$ 0.44	2.11	2.64	0.79	(9.37)
BALANCE SHEET DATA (in thousands)					
Current Assets	$ 160,471	201,965	238,828	231,325	61,376
Total Assets	$1,924,681	1,796,369	1,752,378	1,474,689	759,736
Long-Term Debt	$ 767,219	594,178	622,234	686,153	505,450
Shareholders' Equity	$ 921,211	923,943	858,966	558,984	168,991
ESTIMATED PROVED RESERVES					
Natural Gas (MMcf)	813,394	828,549	844,058	825,623	564,264
Liquids (MBbls)	124,366	119,549	89,241	97,086	35,069
Total (Bcfe)	1,560	1,546	1,380	1,408	775
STANDARDIZED MEASURE (in thousands)					
After-Tax Discounted Future Net Cash Flows Relating to Proved Reserves	$2,053,148	1,346,653	3,694,431	1,419,022	522,831
PRODUCTION					
Natural Gas (MMcf)	92,068	108,394	113,842	61,702	62,310
Liquids (MBbls)	8,657	10,600	11,427	4,397	4,269
Total (Bcfe)	144	172	182	88	88
DRILLING ACTIVITY (net)					
Exploratory Wells - Productive	2.6	48.6	34.1	6.7	5.4
Exploratory Wells - Dry	5.8	7.3	9.7	4.1	9.9
Development Wells - Productive	26.5	6.1	8.9	5.1	12.6
Development Wells - Dry	3.0	1.3	—	—	2.0
TOTAL ACREAGE					
Gross Acres	23,259,867	22,575,018	29,486,206	62,050,698	21,824,009
Net Acres	14,603,671	15,701,110	19,662,094	34,513,178	18,256,268



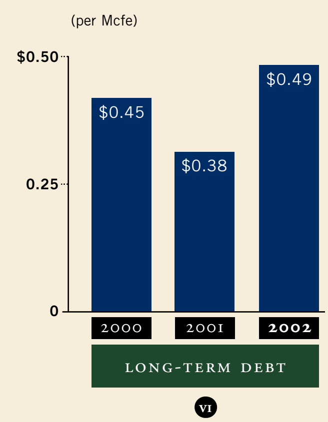


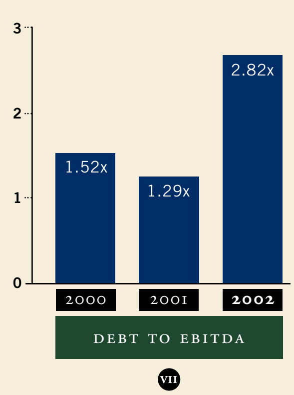


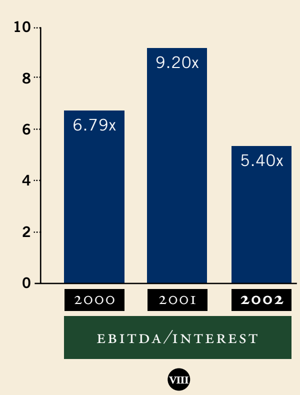


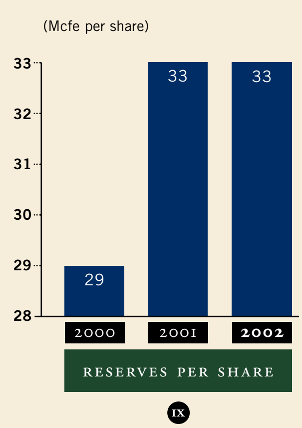


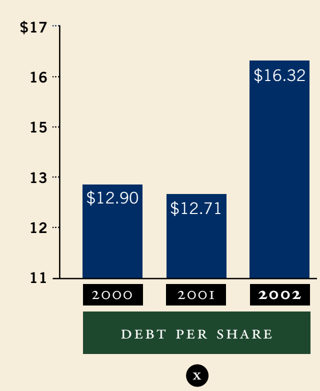
I. Measures total investment in growth assets, including capitalized general and administrative expenses. **II.** The estimated amount of oil and gas added to proved reserves through acquisitions, exploration, and development activities, net of revisions. **III.** Measures a company's historical cost of adding proved reserves through drilling and acquisitions averaged over a three year period. **IV.** Estimated quantities of oil and gas in the ground that have been demonstrated to be recoverable in future years from known reservoirs under existing economic and operating conditions. **V.** At previous year's production rates, indicates how long it would take to drain all of a company's estimated proved reserves if no new reserves were added. **VI.** Ratio of a company's long-term debt to its estimated proved reserves stated in natural gas equivalents. **VII.** Ratio of a company's long-term debt to its internally generated cash flow. **VIII.** Ratio of a company's internally generated cash flow to interest payments. **IX.** Shows the amount of a company's estimated proved reserves attributable to each share of common stock outstanding at the end of each period. **X.** Shows the dollar amount of a company's debt attributable to each share of common stock outstanding at the end of each period.











ALASKA BUSINESS UNIT

GIVEN THE VAST GEOGRAPHY AND PROVEN POTENTIAL OF THE REGION, THE ALASKA BUSINESS UNIT IS ENGAGED IN A DIVERSE RANGE OF EXPLORATION AS WELL AS EXPLOITATION ACTIVITY. FOLLOWING COMPLETION OF THE KUSTATAN ONSHORE PRODUCTION FACILITY, THE COMPANY IS ADDING ACREAGE, DRILLING DEVELOPMENT WELLS, AND EXPLORING FOR OIL AND GAS BOTH OFFSHORE AND ONSHORE IN THE COOK INLET. WITH THE FIRST PRODUCTION FROM REDOUBT SHOAL IN 2002, FOREST BECAME THE LARGEST NET OIL PRODUCER IN THE COOK INLET.

2002 IN REVIEW

An acquisition of over one million onshore acres in 2002 positioned Forest as one of the largest leaseholders in the Cook Inlet area at 1.27 million net acres. Furthermore, an ambitious exploration program and sizeable capital investment this past year established Forest as one of the primary operators in the Inlet.

Alaska was the site of the Company's most significant accomplishment in 2002: the initiation of first oil production from Redoubt Shoal. Inception to completion of Redoubt spanned five years. First sales were achieved within two years of first drilling, which is a remarkable accomplishment. With the commencement of production from Redoubt following capital expenditures of $163 million in 2002, Alaska currently ranks second among Forest's Business Units in terms of production.

2002 HIGHLIGHTS

- Alaska had its most active year to date while expending most of its capital and manpower in the development and construction of Redoubt Shoal.
- The Osprey Platform was the recipient of two engineering awards for innovative design.
- The Redoubt #4 well, drilled to 20,200 feet, was the deepest directional well drilled in the history of the Cook Inlet.
- Drilling on Redoubt #4 and #5A wells was completed to test the northeast and west flanks of the Hemlock structure, and well #6 was drilling at year-end. Wells #1, 2 and 5A were completed as oil wells by year-end and #3 was left as a gas completion.
- Properties at West MacArthur River (operated) and Trading Bay (non-operated) provided a stable production base of 9,000 Bbls/d net.
- Production in the West MacArthur River Field increased from 2,600 to 2,800 Bbls/d upon implementation of production enhancements.
- Two horizontal wells in the MacArthur River and Trading Bay Units were drilled successfully. The TBU A-15 initially tested 3,200 Bbls/d and G-12 tested 850 Bbls/d. The focus of capital expenditures was to improve artificial lift capacity and waterflood performance on these non-operated fields.
- Forest increased its ownership to 40 percent in the company that owns the Cook Inlet Pipeline and the Drift River tanker loading terminal. The pipeline is expected to generate revenue for Forest and provide a stable pipeline outlet for future crude oil production.

FUTURE STRATEGY

Although capital expenditures will be lower in 2003, the development and production of Redoubt will remain Alaska's major focus. Our plan for Redoubt is three-fold: 1) to stabilize and increase production; 2) to drill development wells at a lower cost; and 3) to prepare for waterflood implementation. As Redoubt is developed, future exploration will focus on gas and oil prospects onshore as well as in the Inlet. We will maximize efficiencies and further reduce operating costs by consolidating our onshore operations at the new Kustatan production facility.

We are developing Alaska's potential exploration targets as opposed to deepwater Gulf of Mexico oil opportunities because the region possesses world-class reserve targets. The Alaska Business Unit figures prominently in the Company's portfolio, and we expect that it will remain a growth area in the years to come.

CANADIAN BUSINESS UNIT

IN KEEPING WITH FOREST'S LONGSTANDING FOCUS ON GROWTH THROUGH EXPLORATION, WE RE-ENTERED CANADA IN 1995 IN PURSUIT OF EXPLORATION OPPORTUNITIES. BY STRATEGIC DESIGN, WE WENT IN AHEAD OF GAS MARKET ACCESS AND FAVORABLE WELLHEAD PRICING. EIGHT YEARS LATER, FOREST HAS ESTABLISHED AN EXCELLENT ACREAGE POSITION IN THE TRADITIONAL AREAS OF THE WESTERN SEDIMENTARY BASIN IN ALBERTA, AND HAS CREATED A STRONG FOOTHOLD NORTH OF THE 60TH PARALLEL. WE CONSIDER NORTHERN CANADA, IN ADDITION TO ALASKA'S NORTH SLOPE AND OFFSHORE AREAS, TO BE THE BEST FUTURE SUPPLY SOURCES FOR NORTH AMERICA'S GROWING DEMAND FOR NATURAL GAS.

2002 IN REVIEW

The timing of our re-entry into Canada was excellent. Despite the remoteness and minimal pipeline access when we arrived, the northern frontier areas have become viable exploration plays with pipelines currently laid or moving toward construction. The Canadian National Energy Board estimates gas and oil reserves of 225 Tcf and 23 Bbbls in the vast expanse north of the 60th parallel, providing ample opportunity for growth from our Canadian Business Unit.

Forest has built enviable acreage positions in the Foothills play in Alberta and British Columbia, the Norman Wells, Liard Plateau and Mackenzie River Valley of the Northwest Territories, and in the Mackenzie Delta and Beaufort Sea. We have accumulated approximately 640,000 acres, 83 percent of which is undeveloped. To gain perspective on size, our Canadian acreage is roughly equal to our total combined acreage in the lower 48 states and Gulf of Mexico offshore.

Progress has been made on pipeline proposals from Northern Canada for routes advantageously situated near Forest's current operations. Given North America's increasing consumption of natural gas and the direction of future pipeline development, our exploration and exploitation activity is focused primarily on gas-bearing formations. Our drilling program has been concentrated on deep exploratory plays, illustrated by an average drilling depth of 12,000 feet. Furthermore, Forest's interest in pipelines and plant infrastructure, and our ownership of ProMark, a gas marketing company, will benefit future activity.

2002 HIGHLIGHTS

- Natural gas production increased by over 20 percent, despite the sale of marginal properties in late 2002.
- The Canadian Business Unit funded 100 percent of its own capital program for the first time since inception.
- Gas sales were initiated from the Narraway area in the Canadian Foothills.
- Additional seismic was obtained over our Foothills acreage.
- Narraway 3-24 was the first well drilled on the newly purchased 3-D survey, coming on line in February 2003 at an initial rate of 14 MMcf/d with multiple zones remaining behind pipe.
- Our exploration joint venture with Anadarko in the Ft. Liard area began with the acquisition of 3-D seismic, followed by the spudding of the Liard P-16 in early 2003.
- Two successful moderate-depth wells were drilled and completed south of the Ft. Liard play in the Mattson area.

FUTURE STRATEGY

In 2003, the capital program of the Canadian Business Unit is expected to again be fully funded from cash flow within the Business Unit while the drilling program will become more diversified. Our diversity objective involves three initiatives in 2003: 1) extend our current Foothills exploration play northward and expand our evaluation of all depths to develop multi-zone objectives on the more expensive deep wells; 2) increase activity in the traditional plays in the Alberta and British Columbia Plains; and 3) make strategic acquisitions or trades to achieve diversification and growth. We will utilize advanced drilling technology, seismic evaluation and fracture stimulation when drilling deep to access new gas targets in frontier areas. The accumulation of significant land and seismic over the last three years positions our Canadian operation for favorable results. We will concentrate our activity in areas where reserves can be booked and production established within the shortest period of time.

WESTERN REGION BUSINESS UNIT

CREATED IN 1996, THE WESTERN REGION BUSINESS UNIT COMPRISES SOME OF THE OLDEST FIELDS IN THE COMPANY. THE REGION'S DIVERSE GEOGRAPHY EXTENDS FROM WEST TEXAS NORTH TO THE ROCKY MOUNTAINS. THE COMMODITY MIX OF THE REGION IS BALANCED, WITH NATURAL GAS REPRESENTING 65 PERCENT OF PRODUCTION. ACTIVITY RANGES FROM WATERFLOODED OILFIELDS TO DRILLING WELLS UP TO 20,000 FEET DEEP. IT IS COMMON PRACTICE FOR ACREAGE IN MATURE PRODUCING BASINS TO BE HELD BY PRODUCTION. BY CONTRAST, FOREST'S WESTERN ACREAGE IS 65 PERCENT UNDEVELOPED, INDICATING AMPLE OPPORTUNITY FOR FUTURE GROWTH.

2002 IN REVIEW

Given the size of the Western Region, we concentrate our efforts in three distinct areas: 1) Permian Basin in West Texas and southeastern New Mexico; 2) Anadarko Basin in Oklahoma; and 3) basin-centered gas plays in southern Wyoming. This reliable Business Unit contributes low-cost reserve additions, stable production and free cash flow to the Company's bottom line. Despite a moderate decrease in capital expenditures in 2002, the Western Region became the second largest producer in the Company last year. Even though over $16 million in properties were sold from the Region in 2001, its 2002 production levels remained fairly constant. Net production increased by over 20 percent between January and December 2002. This remarkable accomplishment is providing the Region with a platform for growth in 2003.

2002 HIGHLIGHTS

- The implementation of a “Back-to-Basics” strategy pumped new life into fields previously considered possible sales candidates.
- Production in the Apollo Field increased by 1,500 percent going from 1 MMcf/d to 11 MMcf/d and from virtually no oil to 800 Bbls/d.
- Vermejo Field, a long-held Forest legacy property, had successful exploitation of objectives between 6,000 and 22,000 feet.
- In Oklahoma’s Anadarko Basin, four of five wells have been drilled successfully, targeting the deep Springer at depths of 13,000 to 19,000 feet with production rates ranging from 3 MMcf/d to over 8 MMcf/d.
- Development continued in the Wild Rose Project in southern Wyoming where 11 of 12 wells have been drilled successfully to date. The Wild Rose 9-18 was the best well drilled to date in this area, testing over 5 MMcf/d. Approximately 10 wells are planned in Wild Rose in 2003.
- Drilling costs associated with the Wild Rose Project were reduced by 40 percent.
- Business Unit operating costs were reduced by nine percent even though the majority of expenses were from non-operated fields.
- 50,000 gross acres in the Red Desert area of southern Wyoming were added for the purpose of pursuing anomalously pressured gas targets. The new acreage will be evaluated with seismic in 2003.

FUTURE STRATEGY

The Western Region has been exemplary in its execution of Forest’s “Back-to-Basics” corporate strategy. The Region has shown that some of the oldest fields in the United States benefit the most from advanced technology. Examples include improved fracture stimulation and horizontal drilling. We will continue to exploit our operated and non-operated property bases in the Western Region.

Excess cash from this Region will be directed into enhancement acquisitions to grow this Business Unit while increasing operating efficiencies and maintaining a low-cost structure. Given the high gas basis differentials in the Rockies, Forest believes Western U.S. basins will succeed only if finding costs are low. Because gas basis differentials are high and 90 percent of our cash operating costs in the Western Region come from non-operated fields, we will continue to focus on lowering costs in this Unit as well as in all Business Units throughout the Company.

Our success on the base producing fields of the Western Region has given Forest the confidence to pursue similar activity in the coming years. The Region’s success has also provided a road map for new asset exploitation.

GULF COAST ONSHORE BUSINESS UNIT

SEVERAL OF FOREST'S LEGACY PRODUCING FIELDS ARE LOCATED WITHIN THE BASINS OF THE GULF COAST ONSHORE BUSINESS UNIT. A VETERAN REGION OF FOREST, ONSHORE PROPERTIES OFFER BOTH DIVERSITY AND FAVORABLE COMMODITY PRICING, THE LATTER INFLUENCED BY THEIR LOCATION IN THE HENRY HUB FOR NATURAL GAS. EVEN THOUGH GULF COAST ONSHORE IS THE SMALLEST BUSINESS UNIT IN THE COMPANY, IT PROVIDES FOREST A SOLID FOOTHOLD FROM WHICH TO GROW AND TO DIVERSIFY OUR CORPORATE PORTFOLIO.

2002 IN REVIEW

Despite its relative size, Onshore traditionally provides an excellent return and free cash flow after its capital spending. With a reduced capital budget in 2002, Gulf Coast Onshore focused on three areas: 1) exploiting base properties and reducing operating costs; 2) rebuilding a prospect inventory with a lower capital budget; and 3) leveraging high impact, deep prospects to prevent a single exploratory project from dominating the modest drilling program.

The renewed interest in fields that have been Forest properties for years, as well as those acquired recently, has proven to be a beneficial undertaking. With the application of advanced technology, we have located new reserves in fields previously considered as divestiture candidates including Bonus, Tigre Lagoon, OSR/Halliday and Bayou Postillion.

2002 HIGHLIGHTS

- Operating costs were reduced by 20 percent.
- Exploitation activity in the form of recompletions and workovers added 7 MMcfe/d of incremental natural gas production, which will spawn new drilling and subsequent activity in 2003 in our South Louisiana fields.
- The Katy and McAllen Ranch fields in South Texas have moved to the forefront of Gulf Coast activity by applying a simple sequential formula: field study, operations projects, 3-D seismic and new drilling.
- Five wells in the Katy Field, which has produced more than 6 Tcf of gas to date, successfully tested the Middle Wilcox at 1 to 5 MMcfe/d per well. Ten new projects are planned for the Katy Field in 2003 as well as the acquisition of a large 3-D seismic survey to define deep exploration targets.
- Two more wells were completed successfully in the McAllen Ranch Field, which brings the total to eight successes out of nine attempts after shooting 3-D seismic and integrating sub-surface data. Three wells are planned for McAllen Ranch in 2003.

FUTURE STRATEGY

Our primary strategy with Gulf Coast Onshore in 2003 is to grow modestly through drill bit activity while spending less than the region's cash flow. Growth will come from the exploitation of acquired fields. Our track record in 2002 boosted our confidence in the value of exploitation and provided the opportunity to fine-tune the process.

Forest owns an extensive inventory of seismic data for the established Onshore fields and acreage. The seismic inventory permits us to "look deeper" and to implement technology to the fullest extent possible. New geo-science and drilling technologies can unlock mature basins as field boundaries are extended to greater depths and into new areas. Operational cost control and exploitation activity will intensify in 2003 in those fields where Forest has a meaningful working interest but does not currently operate. Onshore is self-funded, with the Business Unit's 2003 capital budget representing less than 10 percent of the total Company's budget.

In the first quarter of 2003, the Gulf Coast Onshore Business Unit was combined into the management structure of the Gulf of Mexico Offshore Business Unit for increased efficiencies.

GULF OF MEXICO OFFSHORE BUSINESS UNIT

NEARLY A HALF CENTURY AGO, FOREST WAS ONE OF THE FIRST INDEPENDENT EXPLORATION AND PRODUCTION COMPANIES TO ENTER THE GULF OF MEXICO. SINCE THOSE EARLY YEARS, WE HAVE DEVELOPED ONE OF THE LARGEST ACREAGE POSITIONS ON THE OUTER CONTINENTAL SHELF. FOREST OPERATES 97 PLATFORMS AND HAS APPROXIMATELY 400,000 NET ACRES IN THE GULF OF MEXICO WITH OWNERSHIP IN PIPELINES AND PLATFORM INFRASTRUCTURE THAT WILL PROVIDE LEVERAGE AS THE REGION CONTINUES TO MATURE.

2002 IN REVIEW

Offshore production and operating costs drove the entire Company's success in 2002. The Offshore Business Unit remains the largest producing region within Forest, accounting for 46 percent of total Company production in 2002. Offshore also led the way in reducing operating costs in 2002. As they have for years, the Offshore Business Unit once again provided valuable cash flow for the Company.

After taking into account the production lost through the 2001 Gulf of Mexico property sale to Unocal, the Offshore Business Unit increased production by 18 percent throughout 2002 and reduced operating costs by 25 percent. The Offshore Unit's greatest achievement in 2002 was to offset production declines despite a reduced capital budget and two major Gulf storms. We built upon our traditional shelf prospect inventory while obtaining greater diversity through the addition of deep shelf, sub-salt and deepwater gas prospects. The Company remained within annual production guidance, thanks to the production gains made by the Offshore Unit during the year.

We also fully integrated and consolidated the operations acquired from Forcenergy in late 2000. Numerous recompletions and workovers were performed on the former Forcenergy fields. Our production increases and operating cost reductions are great examples of the success of this integration process. In the fourth quarter, we elevated Offshore drilling activity to lead into an active 2003 prior to the recent rise in commodity prices.

2002 HIGHLIGHTS

- Our second deepwater gas discovery at East Breaks 420 came on line in the third quarter and continues to produce at 35 MMcf/d.
- Our joint venture with Unocal allowed for the consolidation of operations on conventional shelf prospects in the South Marsh Island and Vermilion areas.
- Seismic surveys and evaluations were completed on deep shelf opportunities included in the joint venture with Unocal.
- First sales were initiated at South Marsh Island 149 and 105 at 40 MMcfe/d and 28 MMcfe/d, respectively.
- Wells at High Island 116, Eugene Island 53 and Grand Isle 76 were completed successfully. Favorable gas production rates were attained to our advantage in the current high gas price environment.

FUTURE STRATEGY

Forest's key to success in the Gulf of Mexico involves three components: 1) work toward maintaining a flat production profile given the steep production decline offshore; 2) offset the Offshore's relatively high finding costs by limiting capital expenditures and maintaining balanced activity in other regions; and 3) achieve diversity by spreading the capital exposure in the Gulf among several exploration plays.

Fifty years after Forest's entry, the Gulf still offers an excellent business environment for oil and gas exploration and production. Its commodity prices are among the highest in the world. For that reason, we increased Offshore's capital budget in 2003 by over 50 percent from its 2002 budget to fund the development of quality prospects while maintaining our objective of diversity. We will invest in additional leases and seismic to steer future development. Cost reduction efforts will continue. Increased planning, implementation of technology and elimination of out-sourced drilling functions, which we intend to provide internally, will help to lower costs.

Forest intends to remain a highly efficient and active operator in the Gulf. The extensive infrastructure in the region will encourage consolidation of operations as the area continues to mature and cost margins are threatened. Offshore activity will favor diversification with farm-outs and promoted interests on the most expensive projects.

INTERNATIONAL BUSINESS UNIT

FORMED IN 1997, FOREST'S INTERNATIONAL BUSINESS UNIT IS THE NEWEST DIVISION IN THE COMPANY. DESPITE ITS RELATIVELY SHORT HISTORY, INTERNATIONAL HAS THE DISTINCTION OF HOLDING THE LARGEST NET ACREAGE POSITION OF ANY FOREST BUSINESS UNIT. ITS KEY AREAS, IN SOUTH AFRICA, GABON, AND EUROPE, HAVE AS MUCH ACREAGE INDIVIDUALLY AS FOREST'S NORTH AMERICAN OPERATIONS COMBINED. THE INTERNATIONAL UNIT IS MOVING TOWARD THE GOAL OF BOOKING RESERVES ON OUR SOUTH AFRICA GAS PROJECT AND ULTIMATELY BRINGING THAT POTENTIAL MARKET INTO COMMERCIALIZATION.

2002 IN REVIEW

With more than 12 million net acres outside of North America under lease, we continually rank each international opportunity alongside Forest's North American prospects. Through this on-going process, we have developed an extensive international prospect inventory that complements our North American opportunities.

In the process of compiling our prospect inventory, we focused on international acreage blocks that were both prospective and strategic in nature and identified others as undesirable. Forest has yet to book international reserves even though successful wells have been drilled, completed and tested, specifically in

South Africa. Our immediate challenge is to book these discovered reserves and develop them commercially in the near-term.

In early 2002, our International Business Unit staff relocated from Houston to our corporate headquarters in Denver. The group now has access to shared corporate services and technology, with no separate overhead expenses, and can more easily benefit from peer review and feedback.

2002 HIGHLIGHTS

- We developed a multi-year plan for capital obligations and identified preferred projects. We elected to release acreage in Tunisia, Thailand and a portion of Italy as part of our strategy. Our focus going forward will be on our highest ranked prospects.
- Capital spending in 2002 was devoted to the acquisition of 3-D seismic, processing and geo-science evaluation.
- Significant progress was made toward signing agreements to develop acreage in South Africa, Gabon and Germany.
- A Letter of Intent was signed with the Minister of Minerals and Energy that benefited our South African Ibhubesi gas project by advancing plans for further development and ultimate commercialization of regional gas markets.
- Pursuant to a Letter of Intent, Forest signed a Participation Agreement with PetroSA on March 13, 2003, for the development of the Ibhubesi gas field. Subject to obtaining certain government approvals and additional due diligence, PetroSA has agreed to contribute $30 million towards a drilling program to earn a 24 percent cost-bearing interest in the Ibhubesi gas field and a portion of Forest's South African offshore acreage.
- Anadarko Petroleum became a joint venture partner in our Gabon concession, allowing for drilling in mid-2003 with limited financial participation by Forest. Offset drilling success by other operators has strengthened the potential of the Forest acreage and may possibly add infrastructure in the area.
- A joint venture agreement was signed to conduct seismic evaluation and subsequent drilling on our mountain-front thrust play in southern Germany where our acreage position is excellent, thereby accelerating this exploratory opportunity.

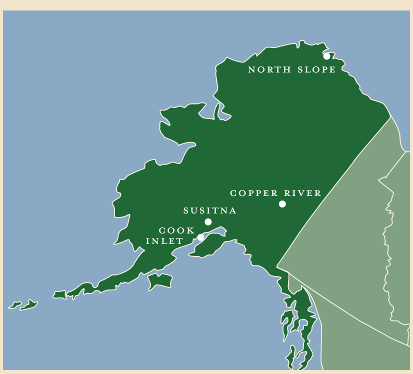
FUTURE STRATEGY

2003 is viewed as a turning point for the International Business Unit to grow from its start-up investment phase to a long-term contributor in terms of reserves and production. Capital allocation is six percent of the total Company budget, a reflection of the low cost requirements in South Africa, Gabon and Germany because of the promoted interests. The non-drilling costs of International in 2002 will lead to drill bit activity in 2003. We anticipate that approximately four to six total wells will be drilled in South Africa and Gabon, along with a potential start-up in Germany late in the year. The paramount objective of the International Business Unit in 2003 is to book proved reserves on our South African gas project and move toward its ultimate commercialization.

OPERATIONAL FACT SHEET

ALASKA

	2002	2001	2000
NET PRODUCTION			
Gas (Bcf)	—	—	—
Liquids (MMBbls)	3.3	3.4	2.9
ESTIMATED PROVED RESERVES			
Gas (Bcf)	26.1	5.6	5.6
Liquids (MMBbls)	75.1	67.8	28.1
DEVELOPED ACREAGE			
Gross	312,606	282,099	295,164
Net	26,708	13,686	22,119
UNDEVELOPED ACREAGE			
Gross	1,457,145	167,912	158,115
Net	1,243,753	161,529	151,090
GROSS WELL COUNT			
Gas	1	1	—
Oil	1,060	1,031	136
CAPITAL EXPENDITURES (In thousands)			
	$163,836	$106,260	$58,085



2002 HIGHLIGHTS

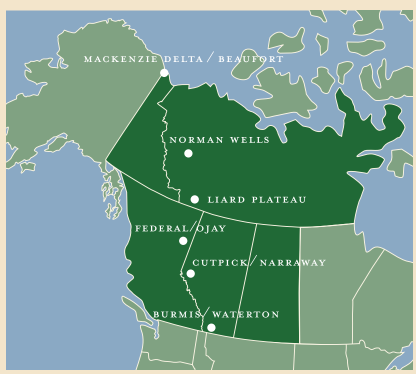
- On December 9th, achieved first production from Redoubt platform in the Cook Inlet and became largest net oil producer in the Inlet; first platform to be set in the Inlet in 20 years
- Became first Inlet operator to adopt zero discharge and zero emissions standard
- Redoubt #4, drilled to 20,200 feet, was the deepest directional well drilled in the history of the Cook Inlet
- Our innovative design was acknowledged with two engineering awards

2003 PLANS

- Complete Kustatan facilities
- Drill and complete development wells at Redoubt
- Prepare for Redoubt waterflood implementation
- Reduce operating cost on mature waterfloods
- Develop onshore and offshore exploration prospects

CANADIAN

	2002	2001	2000
NET PRODUCTION			
Gas (Bcf)	13.5	11.0	11.5
Liquids (MMBbls)	1.2	1.4	1.5
ESTIMATED PROVED RESERVES			
Gas (Bcf)	135.0	159.8	120.8
Liquids (MMBbls)	6.9	8.6	9.1
DEVELOPED ACREAGE			
Gross	210,475	262,387	262,684
Net	106,657	126,240	134,015
UNDEVELOPED ACREAGE			
Gross	1,238,150	1,637,479	1,508,266
Net	534,380	735,448	610,702
GROSS WELL COUNT			
Gas	215	209	201
Oil	332	270	280
CAPITAL EXPENDITURES (In thousands)			
	$21,286	$63,193	$50,802



2002 HIGHLIGHTS

- Gas production increased by over 20% as Narraway/Cutpick drove Foothills volumes
- Reinvigorated Plains exploration and development programs
- Reduced operating costs

2003 PLANS

- Drill four additional wells at Narraway
- P-66 sidetrack at Fort Liard in Northwest Territories
- Test Liard P-16 deep Nahanni formation exploration prospect in Northwest Territories
- Ramp-up Plains exploration and exploitation program

WESTERN REGION

	2002	2001	2000
NET PRODUCTION			
Gas (Bcf)	15.8	14.7	15.6
Liquids (MMBbls)	1.2	1.4	2.2
ESTIMATED PROVED RESERVES			
Gas (Bcf)	217.8	195.2	184.7
Liquids (MMBbls)	16.6	17.1	20.9
DEVELOPED ACREAGE			
Gross	253,222	261,949	354,600
Net	63,837	51,570	106,276
UNDEVELOPED ACREAGE			
Gross	231,515	155,012	763,865
Net	118,687	91,424	179,814
GROSS WELL COUNT			
Gas	222	208	455
Oil	356	418	1,310
CAPITAL EXPENDITURES (In thousands)			
	$37,578	$45,333	$25,504

2002 HIGHLIGHTS

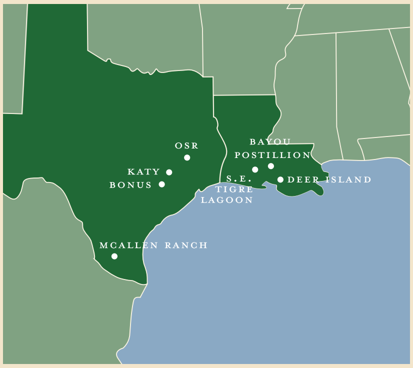
- Phase I and II drilling at Wild Rose Field
- Successful Permian and Anadarko basin programs targeting Wolfcamp and Springer sands
- Achieved significant growth in Apollo Field with volumes rising from 1 MMcfe/d to 16 MMcfe/d

2003 PLANS

- Drill 10 wells at Wild Rose Field targeting Lewis/Almond formations
- Apollo Field recompletion program
- Gomez Field program targeting Wolfcamp formation
- Permian drilling program at Apollo and Vermejo Fields
- Reduce operating cost on non-operated fields

GULF COAST ONSHORE

	2002	2001	2000
NET PRODUCTION			
Gas (Bcf)	8.4	8.5	8.2
Liquids (MMBbls)	0.9	1.1	1.0
ESTIMATED PROVED RESERVES			
Gas (Bcf)	152.7	147.4	137.9
Liquids (MMBbls)	14.1	12.5	13.4
DEVELOPED ACREAGE			
Gross	71,522	67,918	48,455
Net	32,524	30,344	23,219
UNDEVELOPED ACREAGE			
Gross	7,888	6,879	7,899
Net	3,542	3,387	2,616
GROSS WELL COUNT			
Gas	156	222	224
Oil	91	58	199
CAPITAL EXPENDITURES (In thousands)			
	$24,437	$51,208	$10,083



2002 HIGHLIGHTS

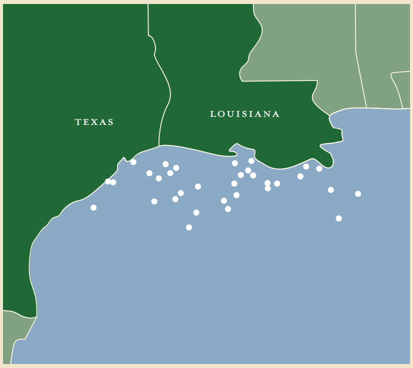
- Middle Wilcox formation exploitation in the Katy Field
- South Louisiana recompletion and workover programs contribute incremental net production of 7 MMcf/d
- McAllen Ranch Vicksburg formation program resulted in two producing wells and incremental net production of 5 MMcf/d

2003 PLANS

- Continue 3-D and drilling in the Katy Field on both shallow and deep objectives
- Increase activity in South Texas and South Louisiana

GULF OF MEXICO OFFSHORE

	2002	2001	2000
NET PRODUCTION			
Gas (Bcf)	54.4	74.1	78.5
Liquids (MMBbls)	2.1	3.3	3.8
ESTIMATED PROVED RESERVES			
Gas (Bcf)	281.8	320.5	395.1
Liquids (MMBbls)	11.7	13.6	17.7
DEVELOPED ACREAGE			
Gross	659,987	644,866	717,079
Net	305,242	336,881	333,591
UNDEVELOPED ACREAGE			
Gross	180,309	251,237	187,200
Net	100,588	171,714	142,570
GROSS WELL COUNT			
Gas	260	209	138
Oil	189	157	380
CAPITAL EXPENDITURES (In thousands)			
	$90,819	$265,328	$218,540



2002 HIGHLIGHTS

- Achieved production growth by spending just 34% of 2001's capital expenditures
- Achieved first deepwater production at Lost Ark (East Break 420/421)
- Implemented Offshore LOOP system for shared Offshore services reducing cash costs by over 20%

2003 PLANS

- Resume exploration program given higher natural gas prices
- Continue with highly successful workover and recompletion programs
- Move ahead under Unocal AMI to test deep shelf prospects
- Acquire additional acreage and 3-D seismic to replenish inventory

INTERNATIONAL

	2002
EUROPE: UNDEVELOPED ACREAGE	
Gross	5,961,546
Net	3,809,268
WEST AFRICA: UNDEVELOPED ACREAGE	
Gross	12,675,502
Net	8,258,485

	2002	2001	2000
CAPITAL EXPENDITURES (In thousands)			
	$16,264	$33,339	$25,024

2002 HIGHLIGHTS

- In September Forest signed a Letter of Intent with PetroSA for potential equity participation in blocks held by Forest
- Executed agreement with OMV, an Austrian oil and gas company, to explore Forest's acreage in the Bavarian Foothills of Germany
- Signed agreement to drill first well on Gabon concession

2003 PLANS

- Following the March 2003 signing of the Participation Agreement with PetroSA, Forest plans to drill exploration and development gas wells in South Africa
- Commence seismic program with OMV in the Bavarian Foothills region of Germany
- Exploration drilling in Gabon (Anadarko Petroleum operated Pembi prospect) in second quarter

EXECUTIVE AND OTHER OFFICERS AND BOARD OF DIRECTORS

OFFICERS

ROBERT S. BOSWELL, 53
Chairman of the Board
and Chief Executive Officer
Years of Service: 17

H. CRAIG CLARK, 46
President and Chief Operating Officer
Years of Service: 2

DAVID H. KEYTE, 46
Executive Vice President
and Chief Financial Officer
Years of Service: 15

GARY E. CARLSON, 56
Senior Vice President – Alaska
Years of Service: 2

FOREST D. DORN, 48
Senior Vice President – Corporate Services
Years of Service: 25

JAMES R. GOOD, 52
President – Canadian Forest Oil Ltd.
Years of Service: 7

JAMES "BUD" W. KNELL, 52
Senior Vice President – Gulf Coast
Years of Service: 15

NEAL A. STANLEY, 55
Senior Vice President – Western
Years of Service: 6

NEWTON "TREY" W. WILSON III, 52
Senior Vice President – Legal Affairs
and Corporate Secretary
Years of Service: 2

CECIL N. COLWELL, 52
Vice President – Drilling
Years of Service: 14

RICK L. HATCHER, 39
Vice President – Chief Technology Officer
Years of Service: 11

JOHN F. McINTYRE III, 47
Senior Vice President –
Forest Oil International Corporation
Years of Service: 5

JOAN C. SONNEN, 49
Vice President – Controller and
Chief Accounting Officer
Years of Service: 13

MATTHEW A. WURTZBACHER, 40
Vice President – Corporate Planning
and Development
Years of Service: 4

BOARD OF DIRECTORS

ROBERT S. BOSWELL
Chairman of the Board and Chief Executive Officer, Forest Oil Corporation. Director of C.E. Franklin Ltd.

WILLIAM L. BRITTON
Partner in the law firm of Bennet Jones LLP. Director of Akita Drilling Ltd., ATCO Ltd., Canadian Utilities Limited, ATCO Gas & Pipelines Ltd., Barking Power Ltd., Thames Power Ltd., Hanzell Vineyards, Ltd. and The Denver Broncos Football Club.

CORTLANDT S. DIETLER
Chairman of the Board, TransMontaigne Inc., Director of Hallador Petroleum Company, Cimarex Energy Co. and Carbon Energy Corporation.

DOD A. FRASER
Consultant
President of Sackett Partners Incorporated. Former Managing Director and Group Executive of the global oil and gas group of Chase Securities, Inc., a subsidiary of The Chase Manhattan Bank. Trustee of Lawrenceville School, Hurricane Island Outward Bound School and Resources for the Future.

CANNON Y. HARVEY
Director, President and Chief Operating Officer of The Anschutz Corporation and Anschutz Company. Director of Qwest Communications International Inc.

FORREST E. HOGLUND
Chairman of the Board and Chief Executive Officer of Arctic Resources Company, Ltd. Former Chairman of the Board of Enron Oil & Gas Company.

JAMES H. LEE
Managing General Partner, Lee, Hite & Wisda Ltd., a private oil and gas consulting firm. Director of Frontier Oil Corporation.

CRAIG D. SLATER
President of Anschutz Investment Company. Executive Vice President of The Anschutz Corporation and Anschutz Company. Director of Qwest Communications International Inc., Pacific Energy Group and Regal Entertainment Group.

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NYSE Symbol - FST

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www.melloninvestor.com

INVESTOR RELATIONS

Additional information, including Investor Package, may be obtained from:

Forest Oil Corporation
Investor Relations
1600 Broadway, Suite 2200
Denver, Colorado 80202
InvestorRelations@ForestOil.com
or visit our website at www.ForestOil.com

ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of shareholders of Forest Oil Corporation will be held at the Colorado State Bank Building
1600 Broadway, 5th Floor, Denver, Colorado
Thursday, May 8, 2003 at 9:00 am MDT