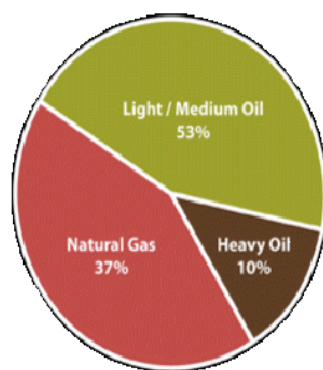


Figure 2.B.a Composition of Penn West production, 2010



Operations		
Daily average production		
Light oil and NGL (bbls/d)	80,706	78,011
Heavy oil (bbls/d)	18,260	25,962
Natural gas (mmcf/d)	394	440
Total production (boe/d)	164,633	177,221
Average sales price		
Light oil and NGL (per bbl)	\$ 69.29	\$ 59.07
Heavy oil (per bbl)	60.55	53.75
Natural gas (per mcf)	\$ 4.20	\$ 4.13
Netback per boe		
Sales price	\$ 50.74	\$ 44.11
Risk management gain (loss)	(0.34)	5.32
Net sales price	50.40	49.43
Royalties	(9.07)	(7.66)
Operating expenses	(15.71)	(14.93)
Transportation	(0.55)	(0.52)
Netback	\$ 25.07	\$ 26.32

Figure 2.B.b Penn West 2011 Capital Expenditure Focus

STRATEGY - 2011 CAPITAL FOCUS

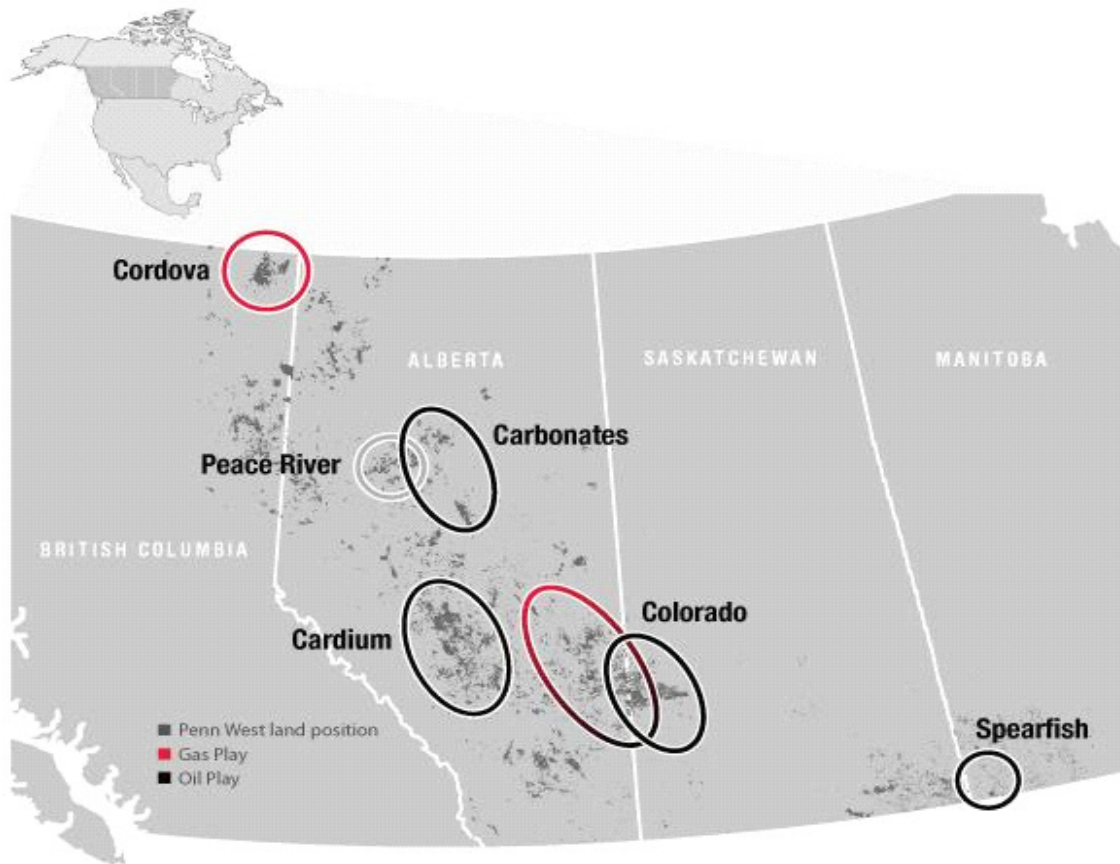


Figure 2.B.c Penn West Working Reserves

Working Interest Reserves using forecast prices and costs

Penn West as at December 31, 2010					
Reserves Estimates Category⁽¹⁾⁽²⁾	Light and Medium Oil (mmbbls)	Heavy Oil (mmbbls)	Natural Gas (bcf)	Natural Gas Liquids (mmbbls)	boe⁽³⁾ (mmboe)
Proved					
Developed producing	203	51	735	21	398
Developed non-producing	5	2	47	1	16
Undeveloped	51	1	83	2	68
Total Proved	259	54	865	24	481
Probable	94	14	370	9	180
Total proved plus probable	353	68	1,235	33	661

Fig. 2.B.d Penn West 2010 Cash Flow Statement

Penn West Energy Trust
Consolidated Statements of Cash Flows

(CAD millions)	Years ended December 31	
	2010	2009
Operating activities		
Net income (loss)	\$ 226	\$ (144)
Depletion, depreciation and accretion (note 5)	1,338	1,556
Future income tax recovery (note 11)	(319)	(378)
Unit-based compensation (note 13)	47	52
Unrealized risk management (gain) loss (note 10)	(25)	593
Unrealized foreign exchange gain	(82)	(186)
Asset retirement expenditures	(53)	(65)
Change in non-cash working capital (note 17)	85	(27)
	1,217	1,401
Investing activities		
Additions to property, plant and equipment	(1,187)	(688)
Acquisitions of property, plant and equipment	(637)	(32)
Dispositions of property, plant and equipment	1,148	401
Change in non-cash working capital (note 17)	155	(79)
	(521)	(398)
Financing activities		
Decrease in bank loan	(1,101)	(687)
Proceeds from issuance of notes (note 7)	460	238
Issue of equity	557	280
Distributions paid	(591)	(799)
Redemption of convertible debentures	–	(4)
Repayment of acquired facilities (note 18)	(21)	(31)
	(696)	(1,003)
Change in cash	–	–
Cash, beginning of year	–	–
Cash, end of year	\$ –	\$ –
Interest paid	\$ 147	\$ 147
Income taxes recovered	\$ (1)	\$ (3)

See accompanying notes to the audited consolidated financial statements.

Figure 2.B.e Penn West Income Statement 2011-Q3

**Penn West Petroleum Ltd.
Consolidated Statements of Income**

(CAD millions, except per share amounts, unaudited)	Note	Three months ended September 30		Nine months ended September 30	
		2011	2010	2011	2010
Oil and natural gas sales		\$ 866	\$ 719	\$ 2,675	\$ 2,249
Royalties		(161)	(130)	(482)	(406)
		705	589	2,193	1,843
Risk management gain (loss)					
Realized		(5)	9	(50)	3
Unrealized	10	249	(45)	261	110
		949	553	2,404	1,956
Expenses					
Operating		260	239	765	701
Transportation		7	8	22	25
General and administrative		38	36	112	104
Share-based compensation expense (recovery)	13	(66)	23	16	77
Depletion and depreciation	6	292	263	850	875
Gain on dispositions		-	(368)	(151)	(1,082)
Exploration and evaluation expense	5	1	-	5	1
Unrealized risk management loss (gain)	10	11	13	(2)	10
Unrealized foreign exchange loss (gain)		136	(46)	91	(27)
Financing	7,8	47	46	142	131
Accretion	9	11	10	33	30
		737	224	1,883	845
Income before taxes		212	329	521	1,111
Deferred tax expense (recovery)	11	74	25	(179)	(36)
Net and comprehensive income		\$ 138	\$ 304	\$ 700	\$ 1,147
Net income per share					
Basic		\$ 0.29	\$ 0.67	\$ 1.50	\$ 2.63
Diluted		\$ 0.29	\$ 0.66	\$ 1.50	\$ 2.59
Weighted average shares outstanding (millions)					
Basic	12	469.2	453.0	465.9	436.7
Diluted	12	469.4	462.3	466.1	446.1

Figure 2.B.f Penn West Impact of Risk Management on Pricing

Average Sales Prices

	Year ended December 31		
	2010	2009	% change
Light oil and liquids (per bbl)	\$ 69.29	\$ 59.07	17
Risk management gain (loss) (per bbl) ⁽¹⁾	(2.72)	8.19	(100)
Light oil and liquids net (per bbl)	66.57	67.26	(1)
Heavy oil (per bbl)	60.55	53.75	13
Natural gas (per mcf)	4.20	4.13	2
Risk management gain (loss) (per mcf) ⁽¹⁾	0.42	0.69	(39)
Natural gas net (per mcf)	4.62	4.82	(4)
Weighted average (per boe)	50.74	44.11	15
Risk management gain (loss) (per boe) ⁽¹⁾	(0.34)	5.32	(100)
Weighted average net (per boe)	\$ 50.40	\$ 49.43	2

⁽¹⁾ Gross revenues include realized gains and losses on commodity contracts

Figure 2.B.g Penn West Impact of Unrealized Risk Management Income

Risk management	Year ended December 31	
	2010	2009
Balance, beginning of year	\$ (151)	\$ 442
Unrealized gain (loss) on financial instruments:		
Commodity collars	23	(554)
Electricity swaps	8	(25)
Interest rate swaps	(3)	32
Foreign exchange forwards	16	(51)
Cross currency swaps	(19)	5
Fair value, end of year	\$ (126)	\$ (151)
Total fair value consists of the following:		
Fair value, end of year – current portion	\$ (62)	\$ (130)
Fair value, end of year – long-term portion	(64)	(21)
Total fair value, end of year	\$ (126)	\$ (151)

Figure 2.B.h Penn West Hedge Positions, 2010 Annual Report

	Notional volume	Remaining term	Pricing	Fair value
Crude oil				
WTI Collars	35,000 bbls/d	Jan/11 – Dec/11	US\$80.06 to \$91.98/bbl	\$ (70)
WTI Collars	15,000 bbls/d	Jan/12 – Dec/12	US\$83.67 to \$96.32/bbl	(17)
Electricity swaps				
Alberta Power Pool	90 MW	Jan/11 – Dec/11	\$63.16/MWh	(10)
Alberta Power Pool	45 MW	Jan/12 – Dec/12	\$53.02/MWh	(2)
Alberta Power Pool	30 MW	Jan/12 – Dec/13	\$54.60/MWh	(1)
Alberta Power Pool	20 MW	Jan/13 – Dec/13	\$56.10/MWh	–
Alberta Power Pool	50 MW	Jan/14 – Dec/14	\$58.50/MWh	(2)
Interest rate swaps				
	\$500	Jan/11 – Dec/11	1.61%	(1)
	\$600	Jan/11 – Jan/14	2.71%	(13)
	\$50	Jan/11 – Jan/14	1.94%	–
Foreign exchange forwards				
19-month term	US\$378	Jan/11 – Dec/11	1.06085 CAD/USD	23
8-year term	US\$80	2015	1.01027 CAD/USD	1
10-year term	US\$80	2017	1.00016 CAD/USD	1
12-year term	US\$70	2019	0.99124 CAD/USD	1
15-year term	US\$20	2022	0.98740 CAD/USD	–
Cross currency swaps				
10-year term	£57	2018	2.0075 CAD/GBP, 6.95%	(28)
10-year term	£20	2019	1.8051 CAD/GBP, 9.15%	(6)
10-year term	€10	2019	1.5870 CAD/EUR, 9.22%	(2)
Total				\$ (126)

Figure 2.B.j Penn West Detailed Hedge Positions, Q3 2011

Liquids Hedging as of October 24, 2011

	2012	2013
Hedged volume (bbls/d)	60,000	5,000
Collars	60,000	5,000
Average price:		
ceiling (US\$/bbl)	\$100.20	\$100.00
floor (US\$/bbl)	\$85.53	\$90.00

Natural Gas Hedging as of August 8, 2011

	2012	2013
Hedged volume (mcf/d)	50,000	0
Swaps	50,000	0
Swap price (CAD\$/mcf)	\$4.30	\$0.00

Power Hedging as of June 1, 2011

	2012	2013
Hedged volumes (MWh)	75	50
Fixed hedge price (CAD\$/MWh)	\$53.65	\$55.20

Interest Rate Swaps as of September 30, 2011

Notional Volume (millions)	Remaining Term	Pricing
\$500	Oct/11 - Dec/11	1.61%
\$600	Oct/11 - Jan/14	2.71%
\$50	Oct/11 - Jan/14	1.94%

Foreign Exchange Forwards on Revenues as of September 30, 2011

Notional Volume (millions)	Remaining Term	Pricing (CAD/USD)
US \$95	19-Month Initial Term: Oct/11 - Dec/11	1.061
US \$1,080	12-Month Initial Term: Jan/12 - Dec/12	1.011

Foreign Exchange Forwards on Senior Notes as of September 30, 2011

Notional Volume (millions)	Remaining Term	Pricing (CAD/USD)
US \$762	3 to 15-Year Initial Term: 2014-2022	1.000

Cross Currency Swaps as of September 30, 2011

Notional Volume (millions)	Remaining Term	Pricing
£57	10-Year Term: 2018	2.0075 (CAD/GBP), 6.95%
£20	10-Year Term: 2019	1.8051 (CAD/GBP), 9.15%
€10	10-Year Term: 2019	1.5870 (CAD/EUR), 9.22%

Figure 2.B.k Penn West Sensitivity Analysis

Estimated sensitivities to selected key assumptions on reported financial results for the 12 months subsequent to this reporting period, including risk management contracts entered to date, are based on forecasted results as discussed in the Outlook above.

Change of:	Change	Impact on funds flow	
		\$ millions	\$/share
Price per barrel of liquids	\$1.00	17	0.04
Liquids production	1,000 bbls/day	18	0.04
Price per mcf of natural gas	\$0.10	9	0.02
Natural gas production	10 mmcf/day	4	0.01
Effective interest rate	1%	9	0.02
Exchange rate (\$US per \$CAD)	\$0.01	12	0.02