

1995

Ranger Oil Limited

Annual Report





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Corporate Profile

Ranger Oil Limited is a publicly traded Canadian energy company with over 40 years experience in international exploration, development and production of crude oil and natural gas.

Ranger's initial growth was based on exploration and production activity in North America's Western Sedimentary Basin, an area that remains a key component of the Company's operations. In 1957, the Company started pursuing international opportunities, in particular, offshore prospects in the United Kingdom sector of the North Sea.

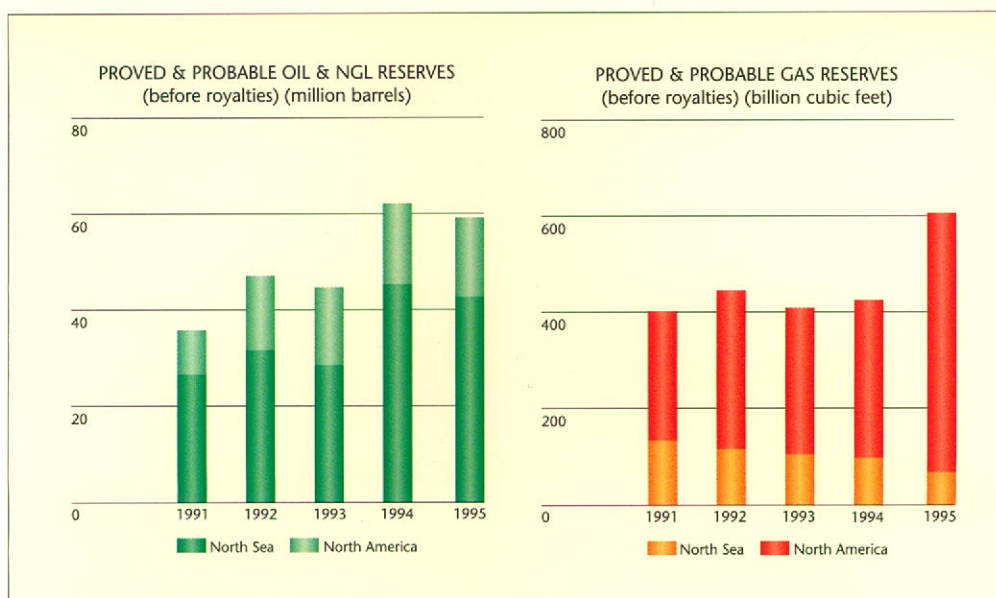
Today, Ranger Oil has operations in Canada, the U.S. Gulf of Mexico, the North Sea, Angola, Algeria, Ecuador and Namibia.



Highlights

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(millions of U.S. dollars, except per share amounts)		1995	1994
FINANCIAL			
Revenues		\$ 209.9	\$ 158.6
Earnings		\$ 19.9	\$ 6.1
Per common share		\$ 0.20	\$ 0.06
Funds generated from operations		\$ 121.0	\$ 91.2
Per common share		\$ 1.23	\$ 0.93
Capital expenditures, net		\$ 166.6	\$ 128.1
Working capital deficiency		\$ (78.0)	\$ (26.9)
Long-term debt		\$ 50.0	\$ 50.0
Total assets		\$ 840.4	\$ 752.3
Common shareholders' equity		\$ 471.0	\$ 458.9
Common shares outstanding (millions)		98.6	98.6
OPERATIONS			
Daily production, before royalties			
Crude oil and natural gas liquids (thousand barrels)			
North Sea		14.9	10.6
North America		4.9	4.4
		19.8	15.0
Natural gas (million cubic feet)			
North Sea		28.0	25.9
North America		115.8	80.3
		143.8	106.2
EXPLORATION ACREAGE (thousand net acres)			
North Sea		303	356
North America		1,005	568
Other International		1,461	1,278
		2,769	2,202



	1995	1994
RESERVES, BEFORE ROYALTIES		
Crude Oil and Natural Gas Liquids (million barrels)*		
Proved		
North Sea	42.6	45.3
North America	12.4	11.7
	55.0	57.0
Probable		
North America	4.2	5.0
	59.2	62.2
Natural Gas (billion cubic feet)		
Proved		
North Sea	68.8	98.7
North America	368.2	253.4
	437.0	352.1
Probable		
North America	167.2	73.0
	604.2	425.1

*These amounts include Ranger's four North Sea producing fields and the Harding and Columba 'B' fields which are under development. They do not include proved and probable reserves of 52 million barrels of oil attributable to the potential field developments in the North Sea (Banff, Pierce and Selkirk) and Angola (Kiame).

Strategic Plan

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Ranger has a strategic plan to maximize shareholder value.

This plan is to:



INCREASE NORTH AMERICAN PRODUCTION
THROUGH EXPLORATION
AND
SELECTIVE ACQUISITIONS;



ACCELERATE THE DEVELOPMENT
OF
NORTH SEA DISCOVERIES;



EXPAND ACTIVITY
IN
INTERNATIONAL AREAS;



MAINTAIN A PRUDENT FINANCIAL POSITION.

RANGER OIL LIMITED

President's
Message
to Shareholders

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During 1995, Ranger continued to make substantial progress in a number of areas that will enable us to meet our overall strategic plan objectives.

Our total oil production increased by 32 percent to 19,800 barrels per day and gas production was up 35 percent to 143.8 million cubic feet per day. At year-end, oil production was 26,000 barrels per day and gas production 180 million cubic feet per day.

The acquisition of Czar Resources Ltd. provided operatorship control of the Company's largest single asset in Canada and an area with further growth potential.

In the United Kingdom, we were successful in moving forward a number of potential North Sea developments.

As part of the business strategy, Ranger will continue to maximize the profitability of existing production through cost reduction and enhanced reservoir recoveries applying the latest technology. Secondly, we will enhance our ability to operate globally by taking the expertise and skills developed in the North American and United Kingdom operations and applying them to attractive international areas.

In 1995, the Company achieved strong growth in oil and gas revenue (+26 percent), funds generated (+33 percent) and earnings (+228 percent). These gains were made despite a significant decline in natural gas prices in North America.

Total net capital expenditures of \$167 million included \$97 million for the Czar acquisition. The expanded asset base acquired in Canada and progress on North Sea developments will enable the Company to achieve further growth in 1996. The overall reserve base of the Company, including potential developments in the North Sea and Angola, increased 15 percent to approximately 180 million barrels of oil equivalent.

OUTLOOK

The primary focus in 1996 will be on the development and exploitation of existing properties.

In North America, we have just completed a successful winter drilling program in the Helmet area of northeastern British Columbia. A similar program is planned for the 1996/97 drilling season.

In the United Kingdom, production from the Harding field will start in April. Further Columba development will take place on the 'D' Terrace and an initial production well will be drilled on the 'B' Terrace. In the central North Sea, Phase I of the Banff field development will commence and an extended production test will be carried out on the Pierce field.

An additional appraisal well will be drilled on the Kiame oil discovery offshore Angola which, if successful, should lead to early development.

These activities should lead to continued growth in oil and gas production for the next three to four years.

Our exploration emphasis this year will be on building up our land and prospect inventory, particularly through seismic acquisition, processing and interpretation on existing acreage. This will set up a major program in 1997 including drilling on our West of Shetlands acreage, and an appraisal of the Selkirk oil discovery in the North Sea. Exploration wells are planned in Angola, Algeria and Ecuador. In Canada, we will commence drilling operations in the Northwest Territories.

In addition, with our strong financial position, Ranger will continue to look for strategic acquisitions and new exploration and exploitation opportunities, primarily in areas where we are currently involved. This overall program will provide the opportunities required to achieve our goal of sustained growth in shareholder value.

ORGANIZATION

In order to enhance our exploration efforts, Ranger added two senior executives: Kellam Colquitt, Vice President, International Exploration, based in Calgary, and Malcolm Pattinson, Director, Exploration, in our United Kingdom office.

During the past 12 months, we were deeply saddened at the untimely deaths of Sir Peter H. Morrison, a Director for four years, and Mrs. Janet L. Stone, Assistant Secretary, and a devoted employee for 15 years. Both will be sorely missed by their many friends at Ranger.

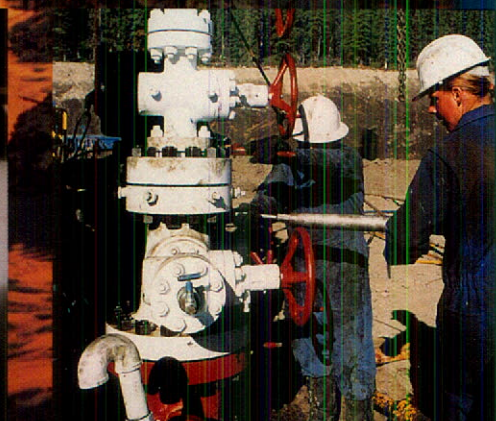
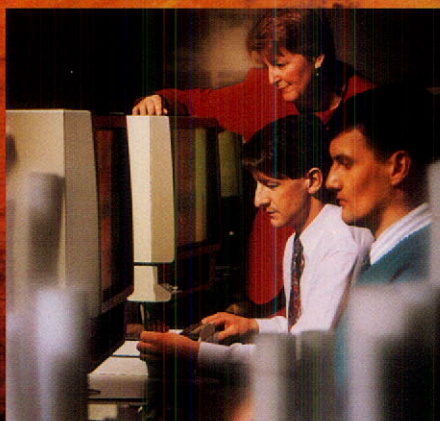
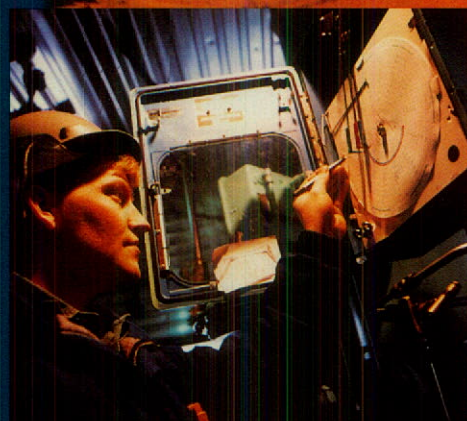
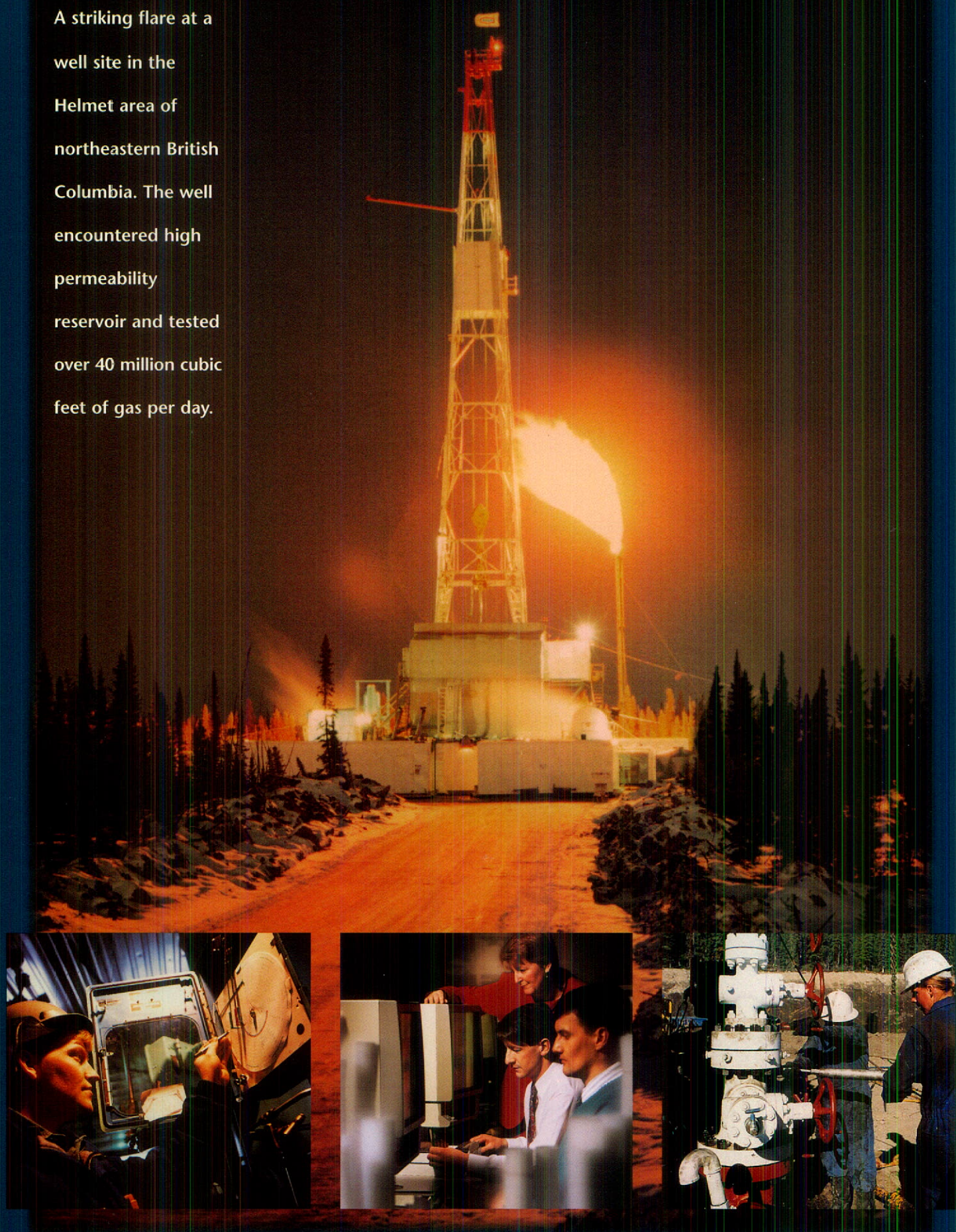
To fill the vacancy on the Board of Directors, we are pleased to have join the Company The Honourable Colin B. Moynihan, previously United Kingdom Parliamentary Under Secretary of State for Energy in the Governments of both Mrs. Margaret Thatcher and Mr. John Major, and a Member of Parliament for 10 years.

Finally, I would like to thank our employees for their substantial efforts and continued commitment over the past year.



F.J. DYMENT
President and Chief Executive Officer
March 7, 1996

A striking flare at a well site in the Helmet area of northeastern British Columbia. The well encountered high permeability reservoir and tested over 40 million cubic feet of gas per day.



RANGER OIL LIMITED

STUART CAMERON • ALBERTO CARLOS • DAVID CARLSON • CHRIS CARR • TERESA CASPER • NEIL CATHMOIR • STEVE CHARBONNEAU

North America



1995 was notable for the successful acquisition of Czar Resources Ltd.

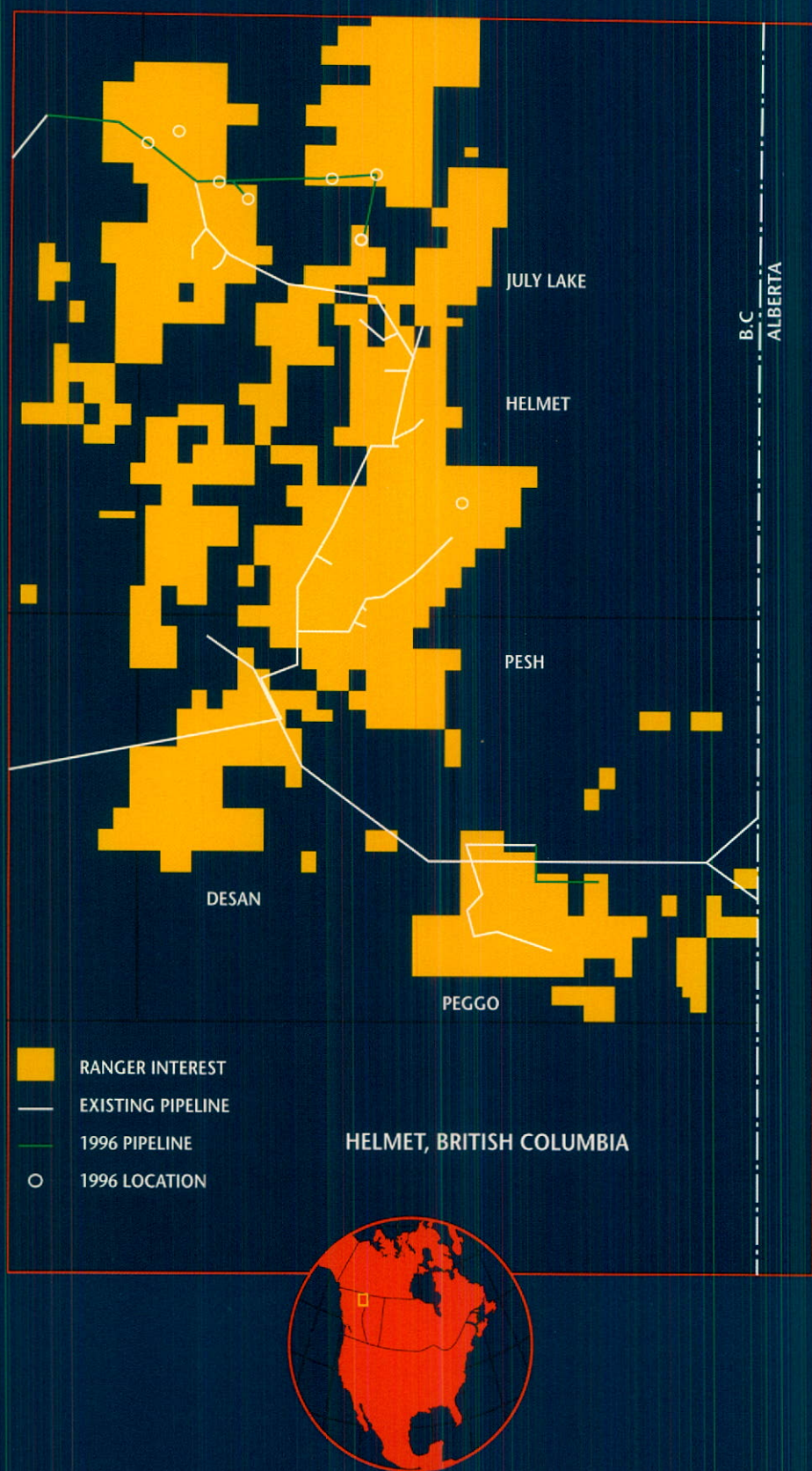
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In the Company's strategic plan, Western Canada and the U.S. Gulf of Mexico are areas with the potential to add value through a combination of exploration and acquisitions, with an emphasis on natural gas.

The acquisition of Czar Resources Ltd. (Czar) in November 1995 was an excellent strategic fit, adding considerable impetus to the internally-generated growth in Western Canada. Czar added proven and probable reserves of 203 billion cubic feet of gas and 1.7 million barrels of oil together with 244,000 net undeveloped acres of land. Approximately 45 percent of the gas reserves are located in the Helmet area of northeastern British Columbia.

At the end of 1995, Ranger's proven and probable reserve base in Canada exceeded 510 billion cubic feet of gas and 15 million barrels of oil and natural gas liquids. Daily production rates in December were approximately 150 million cubic feet of gas and 5,000 barrels of oil and natural gas liquids.

Exploration and development activity in northeastern British Columbia over the 1995/6 winter drilling season will result in further production increases in 1996. An expanding inventory of undeveloped land and prospects provides the foundation for sustained growth during the remainder of the decade.



Depressed natural gas prices continued for most of 1995 with some strength in U.S. prices at year-end as a result of exceptionally cold winter weather. The long-term outlook for western Canadian gas prices depends on the relative growth of demand and supply and on the potential expansion of pipeline export capacity. New pipeline projects are now coming forward which, if implemented, will considerably increase export capacity to the United States by the year 2000. Once additional pipeline capacity is available, gas prices should strengthen for western Canadian producers. In the interim, Ranger's strategy is to build its inventory of land and drillable prospects.

PRODUCTION

North American Daily Production

	1995	1994	1993
Crude Oil and Natural Gas Liquids (barrels)	4,948	4,374	4,810
Natural Gas (million cubic feet)	115.8	80.3	83.0

In 1995, gas production increased 44 percent over the previous year. This significant growth was due to a combination of successful exploration and development activity, and the Czar acquisition in November.

In northeastern British Columbia, gas production from Sikanni, Pink Mountain, Helmet and other areas averaged 30 million cubic feet per day. Successful drilling in 1996 to date in this region will significantly increase production beginning in the second quarter. Horizontal underbalanced wells have been drilled at Pink Mountain, Sikanni and Helmet. Use of this technology offers higher well productivity through reduced well bore damage compared to conventional drilling. At Pink Mountain the 1994 discovery well (100 percent Ranger) produced at an average of 8 million cubic feet per day in 1995. A second successful well on this acreage, d-5-l, was tied-in and placed on production in March 1996 at an initial rate of 7 million cubic feet per day.

Combining the Sikanni and Pink Mountain projects with production from the Helmet field and other smaller producing areas has resulted in northeastern British Columbia becoming Ranger's single largest gas producing region.

East central Alberta became the Company's second largest gas producing region in Canada following successful drilling in 1994 and 1995. Production for 1995 was approximately 28 million cubic feet per day, up 25 percent over 1994 and more than double 1993 production.

In southern Alberta, higher gas production of 14 million cubic feet per day from the Claresholm field reflected the tie-in of new wells and the acquisition of an additional interest in 1994.

In the U.S. Gulf of Mexico, gas production in 1995 doubled to over 10 million cubic feet per day as new fields were brought onstream.

Crude oil and natural gas liquids production in 1995 rose 13 percent over 1994 due to higher production from the Weyburn unit in Saskatchewan, the acquisition of Czar and new production in the U.S. Gulf of Mexico.

EXPLORATION

CANADA

Exploration and Appraisal Wells

	1995	1994	1993
Oil Wells	1	9	12
Gas Wells	29	19	15
Dry Holes	10	23	13
Total Wells Drilled	40	51	40
Success Ratio	75%	55%	68%

In northeastern British Columbia, an exploration well in the Pink Mountain area (Ranger 53 percent) was suspended pending further technical evaluation. This well may be re-entered and sidetracked at a later date depending on the results of ongoing re-interpretation of this complex area.

In east central Alberta, Ranger successfully completed 16 gas wells.

In May 1995, Ranger was awarded rights to explore a 222,000 acre parcel of land (interest 50 percent) in the central Mackenzie Valley area of the Northwest Territories near Norman Wells, Canada's most northerly producing oil field. The exploration licence is valid for four years, during which the licencees have committed to spend approximately \$2.3 million. Seismic work was initiated in late 1995 in conjunction with a work program on the two parcels in the Fort Liard area in the southern Northwest Territories which were awarded to Ranger in late 1994.

Compared to the drilling boom of 1994, reduced industry activity in 1995 resulted in land purchase prices in Alberta being 25 percent lower compared to 1994. Outside of the Northwest Territories, Ranger acquired 125,000 net undeveloped acres of land at an average cost of U.S. \$30 per acre.

Ranger and two other companies formed a joint venture in March 1993 to explore in the Gulf of Mexico. Numerous opportunities for low to medium risk natural gas prospects allowed the joint venture to achieve a drilling to onstream target of one year or less. At the end of 1995, the joint venture was dissolved by mutual agreement. As a result, Ranger opened an office in Houston, Texas in early 1996 to initially develop new exploration prospects.

Exploration and Appraisal Wells

	1995	1994	1993
Oil Wells	0	2	2
Gas Wells	2	5	5
Dry Holes	4	5	1
Total Wells Drilled	6	12	8
Success Ratio	33%	58%	88%

Despite high success ratios, the results of the exploration and development program over the last three years have been marginal due to the small size of discoveries and completion cost overruns. Future exploration will target larger structures, identified mainly from 3-D seismic, in order to improve overall returns.

The Company increased its offshore lease portfolio in 1995 by acquiring an interest in 52,000 acres (12,000 net to Ranger), primarily through federal lease sales, but also through purchases and farm-ins. Ranger and its partners now hold a total of 171,000 acres (44,000 net to Ranger).

In 1996, Ranger and its former partners will continue to drill the inventory of existing joint venture prospects, while Ranger will begin evaluating its own prospects with the intention of drilling newly acquired acreage in 1997.

DEVELOPMENT

CANADA

With the Czar acquisition, Ranger became operator of Helmet, now Ranger's largest gas producing area. Since the acquisition, an extensive winter drilling program has resulted in several additional gas wells. Once these new wells have been tied-in during the second quarter, daily production should increase to over 50 million cubic feet compared to the current rate of 30 million cubic feet.

In 1994, Ranger became operator of the Sikanni field in northeastern British Columbia, adjacent to the Pink Mountain field. In 1995, Ranger acquired its partner's working interest in Sikanni and now owns 100 percent of the field. Additional work is being conducted to identify new development drilling locations and optimize existing production.

Increased development activity in shallow gas-prone east central Alberta has been underway since 1992. Projects scheduled for 1996 will connect an additional 5 million cubic feet per day of production.

Southern Alberta continues to be an active development area. The Ranger-operated Long Coulee Glauconite and Sunburst oil pools were unitized and waterflood projects implemented in 1994. Production for 1996 is expected to increase to 800 barrels of oil per day. At Claresholm, a successful 1995 drilling program and utilization of excess capacity in the Czar facility in the nearby Parkland area should see 1996 gas production increase by 5 million cubic feet per day. Total daily gas production in southern Alberta should reach approximately 35 million cubic feet in 1996.

In 1995, Ranger increased its working interest in the southern Saskatchewan Weyburn oil unit. Production from this unit, net to Ranger, averaged approximately 1,000 barrels of oil per day.

A number of non-core properties have been identified for potential disposal in 1996 as part of an ongoing rationalization program.

Costs of Replacing Canadian Production

	1995	1994	1993	1992
Proven and Probable Oil and Gas Reserves				
Added ⁽¹⁾ (million barrels of oil equivalent) ⁽²⁾	27.3	8.2	5.6	19.1
Finding, Development and				
Acquisition Costs (millions of U.S. dollars)	\$ 138.4	\$ 59.6	\$ 33.0	\$ 64.3
Replacement Cost (U.S. dollars per barrel of oil equivalent)	\$ 5.07	\$ 7.32	\$ 5.87	\$ 3.37
Replacement Cost – 3 year				
rolling average (U.S. dollars per barrel of oil equivalent)	\$ 5.63	\$ 4.77	\$ 4.25	\$ 3.71

(1) Includes extensions, discoveries, and purchases of reserves.

(2) Gas converted to oil equivalent at 10 to 1.

Ranger's target is to replace production at an average cost of below \$5 per barrel of oil equivalent through a combination of exploration, exploitation and acquisition activity. This was achieved in 1995 as a result of the Czar purchase although finding and development costs did not meet the targets set.

Since the inception of the joint venture in 1993, Ranger and its partners have discovered and brought into production nine oil and gas fields. Production for 1996 will increase to approximately 12 million cubic feet per day and will include the 1995 discovery at South Timbalier 178, which should be onstream by the end of 1996.

Crude oil and natural gas liquids production is expected to rise in 1996 to approximately 500 barrels per day from 270 barrels per day in 1995. Production from the 1993 discovery at Vermilion 332/333 off the coast of Louisiana came onstream in the fourth quarter of 1995. Initial daily production from this field was 2,070 barrels of oil (340 barrels net to Ranger).

MARKETING

With the substantial increase in sales volumes in Western Canada over the last three years, and the rapidly changing nature of commodity markets, gas marketing has become a major part of the Company's business activity.

Ranger has secured a number of long-term markets and corresponding transportation capacity which will increase its supply flexibility and access to new markets in the United States. In particular, Ranger has a gas exchange program whereby British Columbia gas is exchanged for Alberta production at very favourable rates. This is key to Ranger's development program as British Columbia gas can be sold into new markets.

Gas prices have continued to show considerable volatility. The winter of 1995/96 was extremely cold throughout most of North America with NYMEX gas futures setting record prices. To manage this potential volatility and provide stable revenues, Ranger has developed a gas portfolio of markets and pricing terms. At the end of 1995, this portfolio was heavily weighted to U.S. markets with more than 50 percent of gas receiving U.S. related pricing, mainly through direct NYMEX and, to a lesser extent, via U.S. Index prices. The remainder of the portfolio reflects Canadian markets, partly through fixed prices and partly related to spot, short-term and monthly index prices.

TPG-500 jack-up
platform installed
on location in the
Harding field in
the North Sea.

The field is
preparing to
go onstream.



Harding topside and concrete gravity base under tow.

RANGER OIL LIMITED

KEVIN DUNHAM • GORDON DUNLOP • JOHAN DURANT • FRED DYMENT • ROBIN EARLY • LYLE EASTON • TONY ELL

Review of Operations

North Sea



Production increased by over 30 percent in 1995.

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Ranger's emphasis in the North Sea is on development of its existing discoveries. Since 1991, four new oil and gas fields have been brought into production and a further four oil fields are moving towards development. Selective exploration continues in three core areas.

OPERATIONAL FOCUS

OIL

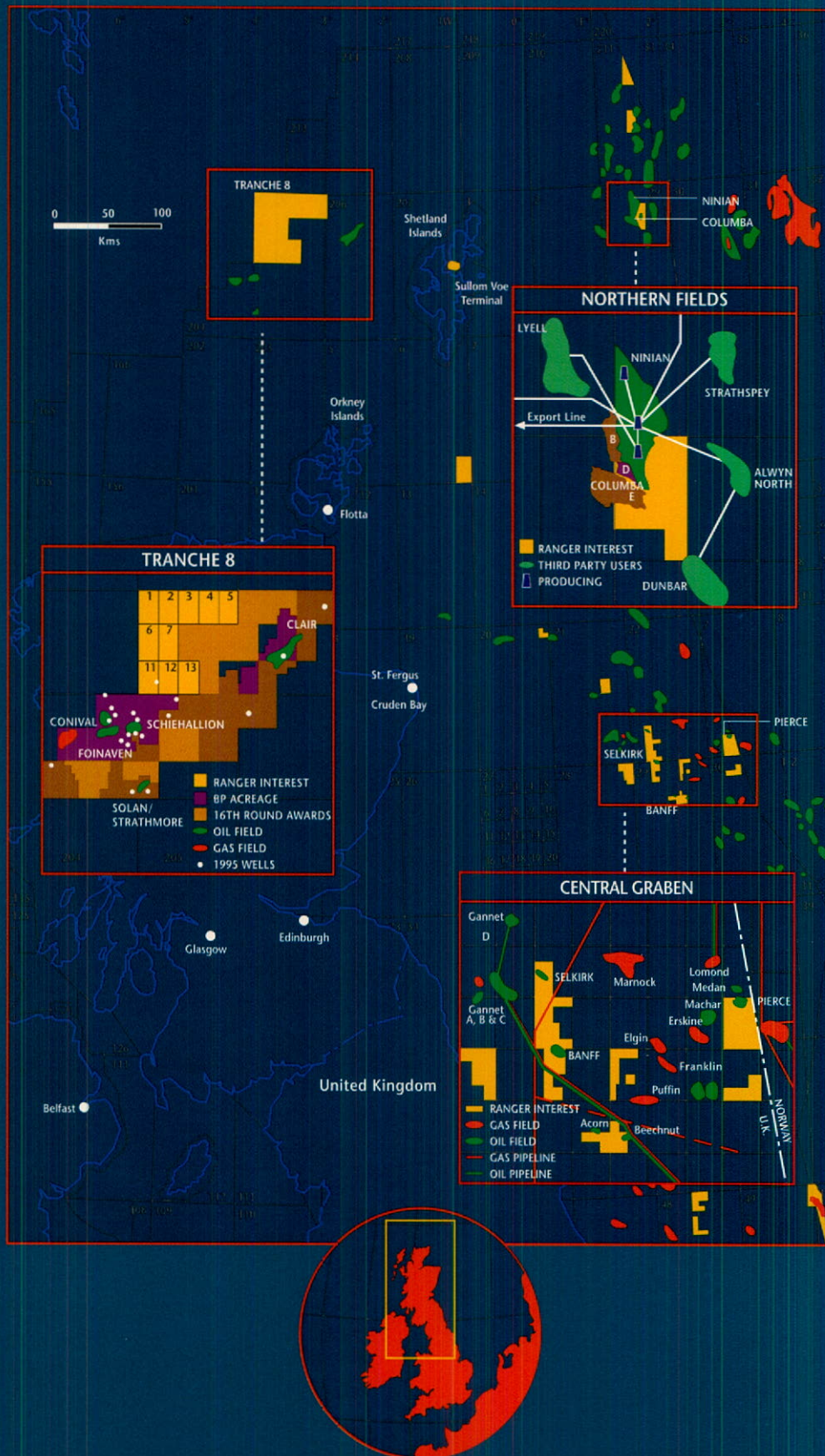
Ranger's two main producing oil fields, Ninian and Columba 'D', are located in the northern North Sea. Ninian has been on production since 1979 and the emphasis today is on improving reserves recovery through applied technology and cost reduction programs. The Ranger-operated Columba 'D' field came onstream in late 1994 and two new producing wells were added in 1995.

Production growth in 1996 will come primarily from the Harding field and, in future years, from the Banff, Pierce and Columba 'B' fields.

NATURAL GAS

Ranger is operator of its sole producing gas field, Anglia, located in the Southern Gas Basin.

In 1995, the Company sold its 3.2 percent Dutch interest in the Anglo-Dutch Markham gas field for approximately U.S. \$16 million. Given the Company's decision to withdraw from further exploration in the Dutch sector of the North Sea, this small non-operated interest was no longer a core asset.



North Sea Daily Production

	1995	1994	1993
CRUDE OIL AND NATURAL GAS LIQUIDS (barrels)			
Ninian	8,897	8,074	7,591
Columba 'D'	4,086	1,174	—
Claymore	1,816	470	—
Other	77	947	1,378
	14,876	10,665	8,969
NATURAL GAS (million cubic feet)			
Anglia	22.5	19.4	20.5
Markham	5.5	6.2	8.3
Other	—	0.3	1.1
	28.0	25.9	29.9

Oil and gas production increased in 1995 by 39 and 8 percent respectively over 1994. The substantial rise in oil production reflects a full year's contribution from Columba 'D' and Claymore, as well as from a higher interest in Ninian acquired in 1994.

NINIAN

In 1994, Ranger increased its interest in the Ninian oil field from 11.5 to 15.8 percent. In 1995, a 3-D seismic survey was shot over the entire field which will better identify areas of unswept oil that can be accessed by infill drilling. At the end of 1995, remaining oil reserves were estimated to be 123 million barrels (19.4 million barrels net to Ranger). Cumulative production at year-end totaled 1,053 million barrels, with estimated ultimate reserves of 1,176 million barrels representing about 44 percent of the estimated original oil-in-place. The field owners have initiated an effort to increase the proportion of oil-in-place recovered which, if successful, could add up to 100 million barrels to remaining reserves.

In 1995, Ranger's share of tariff revenues from the transportation and processing of third party oil and gas increased to \$20 million from \$12 million the previous year. This increase reflected a full year's production volumes from the Columba 'D', Lyell, Strathspey and Dunbar fields. Total tariff revenues were about 20 percent below previous estimates due to lower than expected throughput from the contributing fields. Tariff revenues are anticipated to continue at similar levels in 1996.

COLUMBA 'D'

In 1994, Ranger increased its interest from 40 to 55 percent and became operator of Columba 'D'. The first extended reach production well, drilled from the Ninian Southern platform, came onstream in September 1994 and was followed by two additional wells in 1995. The Ninian processing and pipeline transportation facilities are being utilized for exporting the oil. A fourth well is currently drilling which is intended to be an oil producer. Once this well is successfully completed, one of the existing producers will be converted to a water injector to maintain reservoir pressure and maximize ultimate recovery. Average daily oil production rates for 1996 are expected to exceed 9,000 barrels (5,000 barrels net to Ranger) although production levels in the first quarter will be considerably higher. Ultimate gross recoverable reserves are estimated to be approximately 15 million barrels.

The Columba fields are treated as part of the Ninian field for computing liability for U.K. Government Royalties and Petroleum Revenue Tax.

CLAYMORE

Ranger acquired a 4.2 percent interest in Claymore in 1994 through the acquisition of Union Jack Oil plc. Remaining oil reserves at the end of 1995 were estimated to be 116 million barrels (4.9 million barrels net to Ranger). Daily oil production in 1996 is expected to continue at 1,800 barrels net to Ranger.

ANGLIA

The Ranger-operated Anglia gas field (interest 37.9 percent) came onstream in 1991. Development is centered on an unmanned platform located in the eastern sector of the field and connected to the Lincolnshire Offshore Gas Gathering System. A subsea template was installed in the western sector of the field from which two horizontal production wells have been drilled. Ranger's share of production is being sold to National Power plc for the remaining life of the field. Increased Ranger gas sales in 1995, at an average price of \$3.18 per thousand cubic feet, were due to higher buyer nominations. Proven remaining gas reserves at the end of 1995 were estimated to be 154 billion cubic feet (58 billion cubic feet net to Ranger).

Plans for 1996 include an exploration well to test a possible northwest extension of the reservoir. If successful, this extension could be exploited by a further horizontal well to be drilled in 1997.

HARDING

Production from the Harding oil field (interest 5 percent) is expected to commence in April 1996, three months later than originally scheduled due to winter weather conditions in the central North Sea. Production should quickly build to a plateau of more than 60,000 barrels of oil per day as horizontal development wells are completed. The production system, located between the field's central and southern reservoir pools, is a TPG-500 three-legged jack-up platform set on a concrete gravity base with 500,000 barrels of oil storage capacity.

Total development costs of this large field, estimated to contain 185 million barrels of oil and 200 billion cubic feet of gas, are approximately \$3.25 per barrel. The potential exists for adding value through the exploitation of satellite pools and third party transportation and processing revenues.

BANFF

Ranger's unit interest in the Banff oil field which straddles Blocks 29/2a and 22/27a in the central North Sea, has been fixed at 26.2 percent. In November 1995, the field owners approved Phase I of the Banff field development using an Early Production System (EPS). This will consist of a floating production facility with offshore storage and loading of oil via a dynamically positioned tanker, exporting to shuttle tankers. Ranger currently estimates the field to contain oil reserves of approximately 95 million barrels of which more than 5 million barrels are expected to be produced through the EPS. The first of two development wells to be used during an initial six month production phase is currently drilling, with the EPS scheduled to come onstream in the third quarter of 1996. The information gained will be used to confirm the reserve estimates and to optimize the design of full-scale production facilities. Following the shutdown of the EPS in early 1997, full-scale production should commence in 1998.

PIERCE

Ranger holds a 20 percent interest and is operator of the Pierce oil field located in Block 23/27 in the central North Sea. A successful appraisal well was recently drilled in the field confirming estimates of oil-in-place in a major untested fault block in the southern sector of the field. This well has been sidetracked and completed as a horizontal production well into one of the major proven sectors. The well will be put on extended production test for up to 90 days utilizing a floating production system. The test should provide sufficient information to demonstrate commercial viability and optimize the design of full-scale field development. This will involve joint development and unitization with the Medan oil field in Block 23/22a, adjacent to and northwest of Pierce.

COLUMBA 'B'

Ranger has a 15 percent interest in Columba 'B' which is one of several downthrown fault terraces adjacent to and southwest of the main Ninian field. The first terrace to be developed was Columba 'D' in 1994. Columba 'B' is scheduled to follow in 1996 with a similar development concept utilizing a combination of extended reach oil producing and water injection wells drilled from the main Ninian platforms. Up to three producer/injector pairs could eventually be drilled with the first well anticipated to commence production in the second half of 1996.

EXPLORATION

Although the Company's prime focus is on the development of existing discoveries, selective exploration continues in three core areas where significant reserves and value may be added. The first is the Faeroe-Shetland basin west of the Shetland Islands, an area of high geological potential. The second area is in the central North Sea where Ranger has an excellent spread of licences including several oil discoveries. The third is in the Southern Gas Basin where the Company has built a promising acreage position in proximity to its Anglia gas field.

Ranger has a 15 percent interest in Tranche 8, an area of high exploration potential adjacent to BP's Foinaven and Schiehallion oil fields which are under development and believed to each contain between 250 and 500 million barrels of oil. Tranche 8 is divided into 10 blocks comprising 500,000 acres in total. In 1995, Ranger farmed-out part of its original interest to BP and Shell in return for a carry which should enable the Company to participate, at no cost, in all future exploration activity on this substantial tract of acreage. An unsuccessful well on Block 205/12 was drilled in the second quarter of 1995 using the initial 2-D seismic interpretation to select a location. This well was drilled at no cost to Ranger. Comprehensive 3-D seismic surveys of the northern and southern portions of the acreage are being shot and 1996 will be devoted to interpretation of this large volume of data. Exploration drilling is planned for 1997.

CENTRAL NORTH SEA

Ranger has an excellent spread of acreage in the Central Graben, which includes the Banff, Pierce and Selkirk oil fields. Selkirk (interest 26 percent) on Block 22/22b was discovered in 1992 and further appraised in 1993. Activity in 1995 concentrated on interpretation of a 3-D seismic survey shot the previous year. This work has increased the Company's understanding of the probable distribution of the reservoir sands which had been difficult to identify from earlier 2-D seismic data. Further appraisal is anticipated in 1997.

SOUTHERN GAS BASIN

Ranger has built up its exploration interests in the area around the Anglia gas field through a combination of acreage exchanges, farm-ins and acquisitions.

In 1995 an unsuccessful exploration well was drilled on Block 48/23b. A 3-D seismic survey was shot on the Ranger-operated Block 48/22 (interest 75 percent) which contains an earlier gas discovery. Once interpretation is complete, an exploration well will be drilled, probably later this year. Additional 3-D seismic is being obtained over Block 48/23b (interest 45 percent) and an interest in the adjacent Block 48/23a has been acquired.

Omega
semi-submersible
drilling rig under
tow to its
offshore Angola
location.



RANGER OIL LIMITED

ANDY HOLDING • KELLY HOLMES • MAGGIE HOLT • JAN HOREJSI • PAUL HRYCYSZYN • LAURIE HUDSON • PHIL IRWIN

Review of Operations

International



International operations offer the potential to add significant value and reserves in the longer term.

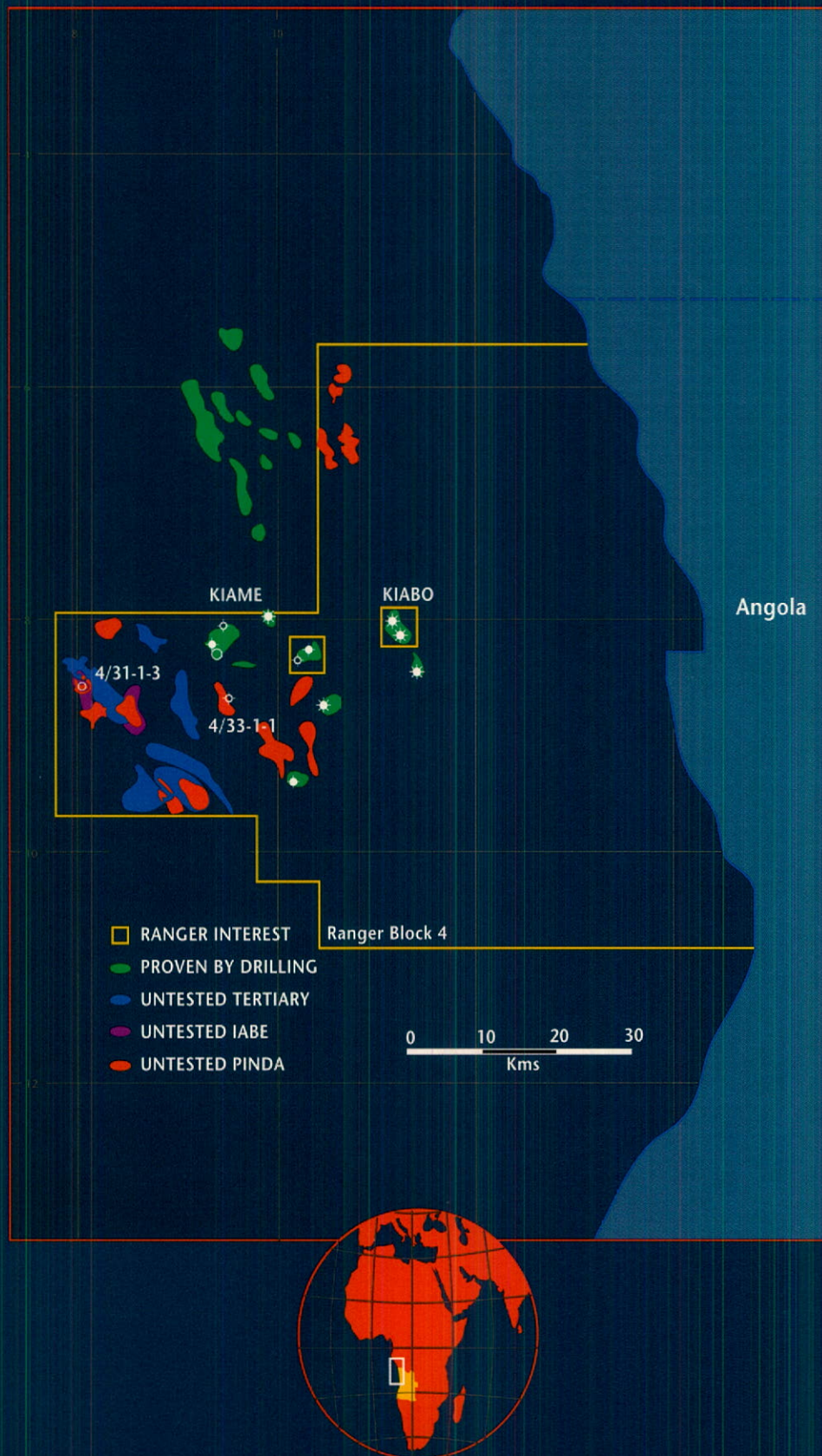
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A key part of Ranger's overall strategy is to complement its established production centers in Western Canada and the North Sea with the longer term potential of international exploration.

Since 1991, exploration licences have been acquired in three African and two South American countries. The first exploration well was drilled in 1993 and resulted in the Kiame oil discovery, offshore Angola. This field requires one further appraisal well which, if successful, should lead to first production in 1997.

In 1995, unsuccessful exploration wells were drilled in Angola, Namibia and Peru, and the Company's investment in the last two countries was written off. Additional exploration and exploitation opportunities are being sought in both offshore and onshore areas with proven geological potential, good fiscal terms and short lead times to production.

Ranger's approach is to be active in four or five areas at any one time, with half of the licences being operated by the Company. In these focus areas, Ranger's objective is to position itself in the top quartile of operations including understanding the geology, and its operating competence. In this way, the Company expects to achieve its overall goal of maximum reward to shareholders with minimum financial exposure.



Ranger has a 49 percent working interest and operates Block 4, comprising 1.2 million acres offshore Angola. In 1993, Ranger's first exploration well discovered the Kiame oil field. Following a successful appraisal well in January 1995 the field was declared commercial. A third well drilled in the first quarter of 1995 encountered the Iabe reservoir sands below the field's oil/water contact and was suspended as a potential water injection well. This unexpected result delayed development plans until data from the three wells and a 3-D seismic survey of the field was re-evaluated. A fourth appraisal well is now planned in the second quarter of 1996 which, if successful, should lead to early development with first production anticipated in 1997. While the field is relatively small containing an estimated 10-20 million barrels of oil, it should be capable of profitable development via a floating production facility.

The second exploration well on the block was drilled in the first quarter of 1995 and abandoned after encountering minor oil shows in the main Pinda target structure. This structure had been identified from a 3-D seismic survey shot over the Kiame discovery and adjacent Pinda fairway. Following this result, exploration shifted to the western portion of the block where prospects have been identified in the Tertiary as well as the Pinda geological horizons. An exploration well, 4/31-1-3, is currently drilling to test multiple horizons. This well is the first in a planned three-well program, which also includes the Kiame appraisal well and a further exploration well.

The bulk of Ranger's share of expenditures in 1995 was carried by one of its partners as part of an agreement whereby the Company is assigning the partner a 31 percent interest in Block 4. Ranger has assumed the interest of one of its other partners and now holds a 49 percent interest in Block 4. The remaining 20 percent share is held by Sonangol, the Angolan state oil company. Sonangol's share of exploration costs is carried by Ranger and its other partner.

The partners in the block have options to extend the exploration licence until mid-1998, at which time all acreage not declared commercial by the licencees will revert to Sonangol. Meanwhile, additional exploration and exploitation opportunities are being sought in Angola and neighboring countries where Ranger can build on the substantial experience gained in this highly prospective region.

PERU

The first exploratory well on Block 4 (interest 25 percent) in the onshore Marañon basin was plugged and abandoned in the third quarter of 1995 after failing to encounter hydrocarbons. The well was designed to test a concept with significant upside potential on the block. No further activity is planned on the licence.

ECUADOR

Ranger has farmed-in to onshore Block 19 (interest 15 percent) operated by Triton Energy. Block 19 is located 120 kilometers southeast of the capital city, Quito, and covers 494,000 acres on the western flank of the prolific oil producing Oriente basin. The work obligation on the block requires the acquisition of 400 kilometers of new seismic data and the drilling of two exploratory wells during an initial four year exploration period. Seismic work is underway and drilling of the first exploration well is planned for early 1997.

The Oriente basin in Ecuador and the Marañon basin in Peru represent the type of attractive proven geological plays characteristic of the sub-Andean outcrops typically found in this part of South America. The Company has acquired extensive knowledge in these plays and plans to pursue other opportunities as they arise.

ALGERIA

Ranger has a 15 percent interest in the onshore Hassi Dzabat permit, covering 1.1 million acres adjacent to Hassi Messaoud, the largest oil field in Algeria. Following an unsuccessful exploration well in 1994, additional 2-D seismic was acquired in 1995. Processing and interpretation of this new data is underway with the next exploration well scheduled for 1997.

NAMIBIA

The first exploratory well on the Ranger-operated Block 2213 was plugged and abandoned in the second quarter of 1995 after failing to encounter hydrocarbons. Although drilled in an unproven area, the well tested a large mapped structure in one of the largest, comparatively undrilled, sedimentary basins in the world. The Company expects to allocate only a limited portion of its international exploration budget to such high risk/high reward plays.

Corporate Responsibility



SAFETY HEALTH AND ENVIRONMENT

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The Company's Safety, Health and Environmental Policy states that:

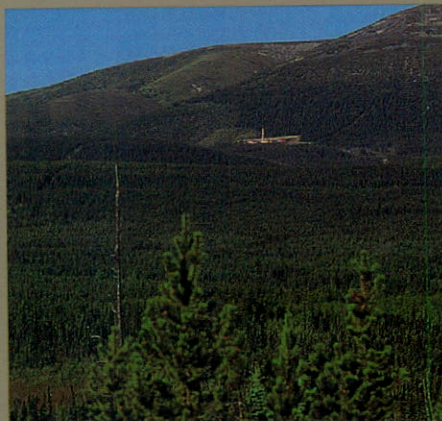
"It is the aim of Ranger Oil to:

PROVIDE AND MAINTAIN FOR ALL ITS EMPLOYEES,
SAFE AND HEALTHY
CONDITIONS IN WHICH TO WORK;

ENSURE THAT THE HEALTH AND SAFETY OF
THIRD PARTIES AND THE GENERAL PUBLIC
ARE NOT JEOPARDIZED AS A RESULT
OF ITS OPERATIONS; AND

SAFEGUARD THE ENVIRONMENT.

Attainment of these aims, insofar as it is reasonably practicable,
is a top priority of Ranger and in case of conflict,
must take precedence over all other corporate goals."



RANGER OIL LIMITED

PETER MACDONALD

• DIANA MACKAY

• DONNIE MACLEOD

• JEAN MACNAB

• DARLENE MAETCHE

• TERRY MAH

In day to day operations this means focusing on a number of key areas:

PROTECTING THE AIR, WATER AND SOIL

ASSURING SAFETY AND HEALTH OF EMPLOYEES

MAINTAINING EMERGENCY PREPAREDNESS

MINIMIZING WASTE

RESTORING AND RECLAIMING SITES

ENSURING ENERGY CONSERVATION

PROTECTING WILDLIFE AND HABITAT

Goals and targets for improvement in these key areas are established and continually reviewed. Progress was made in all key areas in 1995.

Accountability for safety, health and the protection of the environment is assigned to line managers. Safety and environmental specialists in the U.K. and Canada review operation of our interests in Canada, the U.K. and abroad, and report conditions quarterly to a Committee of the Board of Directors. In addition, the members of this Committee encourage open dialogue with all Ranger employees to review safety concerns brought to the committee's attention.

COMMUNITY AFFAIRS

Continued financial pressure on governments at all levels to restrain spending impacts programs that could be considered discretionary spending items. As a result, there is increased demand on private sector individuals and corporations to contribute to their communities.

Ranger believes in supporting worthwhile community organizations in all its operating areas. Major beneficiaries include the University of Calgary, the Grace (Foothills) Hospital Women's program and the Banff Center in Canada. In the U.K., beneficiaries include: The Restoration of Appearance and Function Trust for burn victims, Challengers (a playcenter for children with learning disabilities), Surrey Crimestoppers (a partnership with Surrey Police to fight crime) and Surrey Young Enterprise, which helps students gain hands-on experience running a business. Contributions to organizations in International areas include support of CARE for the Lubango Water and Sanitation Education Project in Angola.

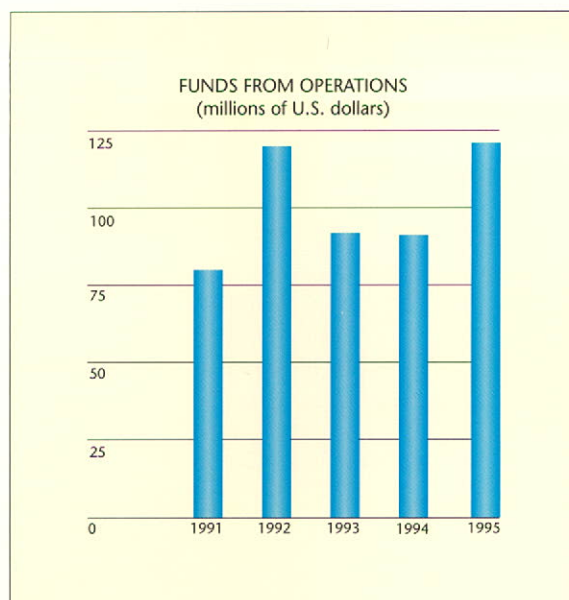
CORPORATE GOVERNANCE

The Toronto Stock Exchange Committee on corporate governance in Canada has issued a series of proposed guidelines for effective corporate governance (the TSE Report). As a listing requirement, the Toronto Stock Exchange has adopted disclosure by each listed corporation, on an annual basis, of its approach to corporate governance. In accordance with guidelines contained in the TSE Report, particulars of the Company's approach are located in the Proxy Statement and Information Circular.

Management's Discussion and Analysis

of Results of Operations and Financial Condition

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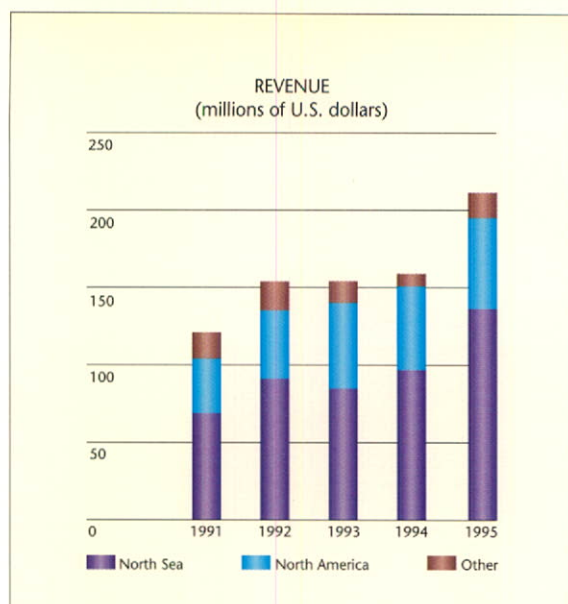


The following discussion of the results of operations for the three years ended December 31, 1995 and the financial position as at December 31, 1995 should be read in conjunction with the consolidated financial statements and related notes. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. All amounts are expressed in United States dollars.

OVERVIEW

Funds generated from operations increased 33 percent in 1995 to \$121.0 million (\$1.23 per share) from \$91.2 million (\$0.93 per share) in 1994. Higher North Sea oil production and higher oil prices were mainly responsible for the increase. Higher North American gas production, which increased 44 percent, substantially offset the impact of lower North American gas prices.

Earnings were \$19.9 million (\$0.20 per share) in 1995 compared to \$6.1 million (\$0.06 per share) in 1994. The increase was mainly due to a gain of \$17.1 million on the sale of the Company's 50 percent interest in the Sedco 714 drilling rig. This was partially offset by write-downs of unsuccessful exploration costs of \$14.8 million incurred in Peru and Namibia.



Effective November 2, 1995, the Company acquired Czar Resources Ltd. (Czar) which was amalgamated with Ranger Oil Limited effective January 1, 1996. The 1995 earnings and cash flows include operating results of Czar since the effective date of acquisition.

Effective December 31, 1995, the Company sold its 50 percent interest in the Sedco 714 semi-submersible drilling rig for proceeds of \$25.2 million which resulted in a gain of \$17.1 million.

OIL AND GAS OPERATIONS

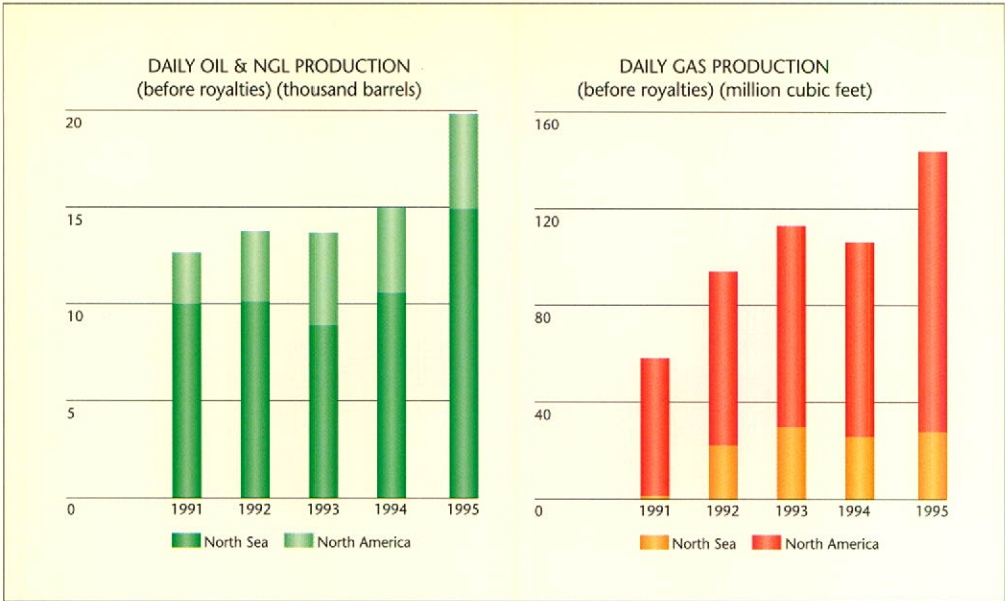
Oil and gas revenues increased 26 percent to \$192.1 million in 1995 from \$152.7 million in 1994. The increase was due primarily to a 39 percent increase in oil production in the North Sea which added \$26.0 million to revenues. Higher average North Sea oil and gas prices contributed an additional \$5.8 million. North American gas production increased 44 percent and substantially offset the impact of lower North American gas prices. In 1994, oil and gas revenues increased to \$152.7 million from \$147.9 million in 1993 as a result of increased North Sea oil production and higher North Sea and North American gas prices. Oil and gas revenues for the past three years together with the effect of changes in volumes and prices were as follows:

(millions of U.S. dollars)		Changes Due To			Changes Due To		
	1995	Volumes	Prices	1994	Volumes	Prices	1993
NORTH SEA							
Oil	\$ 92.1	\$ 26.0	\$ 3.5	\$ 62.6	\$ 9.9	\$ (3.5)	\$ 56.2
Gas	31.4	2.3	2.3	26.8	(4.1)	2.7	28.2
	123.5	28.3	5.8	89.4	5.8	(0.8)	84.4
NORTH AMERICA							
Oil	26.8	3.1	2.3	21.4	(2.1)	(1.0)	24.5
Gas	41.8	12.8	(12.9)	41.9	(0.4)	3.3	39.0
	68.6	15.9	(10.6)	63.3	(2.5)	2.3	63.5
TOTAL							
Oil	118.9	29.1	5.8	84.0	7.8	(4.5)	80.7
Gas	73.2	15.1	(10.6)	68.7	(4.5)	6.0	67.2
	\$192.1	\$ 44.2	\$ (4.8)	\$152.7	\$ 3.3	\$ 1.5	\$ 147.9

DAILY PRODUCTION

Daily average production (before royalties) for the past three years was as follows:

	1995	1994	1993
OIL AND NATURAL GAS LIQUIDS (barrels)			
North Sea	14,876	10,665	8,969
North America	4,948	4,374	4,810
	19,824	15,039	13,779
NATURAL GAS (million cubic feet)			
North Sea	28.0	25.9	29.9
North America	115.8	80.3	83.0
	143.8	106.2	112.9



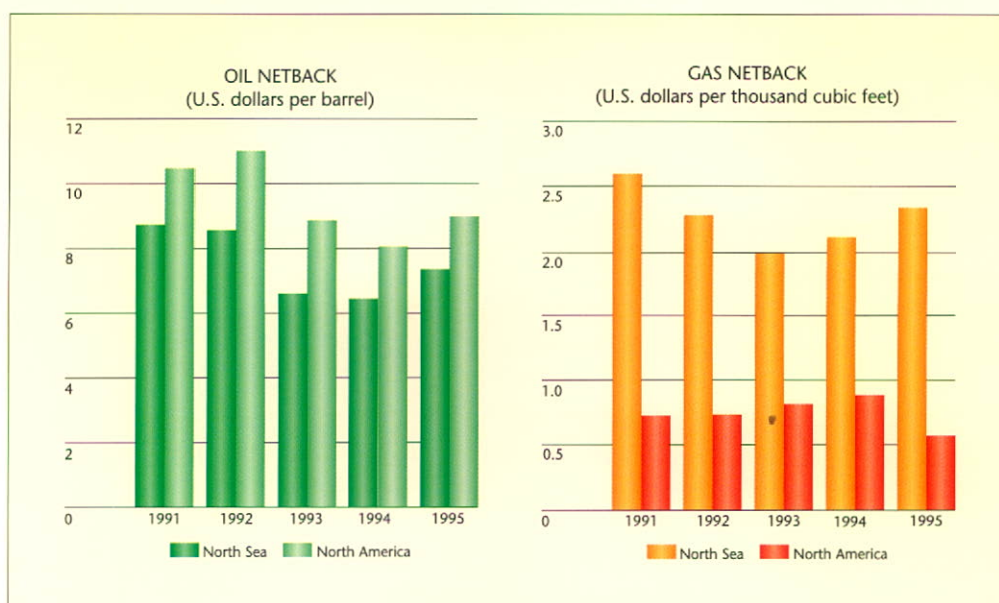
NORTH SEA

North Sea oil production increased 39 percent in 1995 as a result of a full year's production from the Columba 'D' field and from the acquisition of additional interests in the Ninian and Claymore fields in September of 1994. Two new wells were drilled in Columba during 1995 which came onstream in July and December. In 1994, oil production was higher compared to 1993 with the addition of the above noted production. These production increases were partially offset by lower production from the Staffa field which ceased production in November 1994.

NORTH AMERICA

Gas production increased 44 percent in 1995 due to a combination of internally-generated growth and acquisitions. Daily gas production had increased by year-end to approximately 150 million cubic feet. In 1994, North American gas production declined slightly due to the sale of non-core properties and lower reservoir performance.

Higher oil production in 1995 resulted from the acquisition of an additional interest in the Weyburn field and an active horizontal drilling program. In 1994, reduced oil production was caused by lower reservoir performance on two properties (Woking and Mitsue) and the sales of non-core properties.



NETBACKS

The netbacks for oil and gas on a per unit of production basis for the past three years were as follows:

	Oil and natural gas liquids		Gas	
	North Sea	North America	North Sea	North America
	(per barrel)		(per thousand cubic feet)	
1995				
Revenue	\$ 16.96	\$ 14.83	\$ 3.08	\$ 0.99
Royalties	1.80	3.07	—	0.15
Operating expenses	7.83	2.80	0.75	0.27
Netback	\$ 7.33	\$ 8.96	\$ 2.33	\$ 0.57
1994				
Revenue	\$ 16.05	\$ 13.43	\$ 2.84	\$ 1.43
Royalties	1.64	2.53	—	0.25
Operating expenses	8.10	2.85	0.72	0.29
Netback	\$ 6.31	\$ 8.05	\$ 2.12	\$ 0.89
1993				
Revenue	\$ 17.16	\$ 13.93	\$ 2.59	\$ 1.29
Royalties	1.81	2.54	—	0.21
Operating expenses	8.91	2.53	0.59	0.26
Netback	\$ 6.44	\$ 8.86	\$ 2.00	\$ 0.82

OPERATING COSTS

Oil and gas operating costs were \$66.7 million in 1995 compared to \$51.4 million in 1994 and \$47.7 million in 1993. The increases in both 1995 and 1994 were directly related to increased oil production in the North Sea and gas production in North America. On a barrel of oil equivalent basis, operating costs have remained substantially the same.

DEPLETION AND DEPRECIATION

Depletion and depreciation expense was \$90.4 million in 1995 compared to \$75.1 million in 1994 and \$69.8 million in 1993. The increases in 1995 and 1994 were due to higher production and increased depletable costs. Depletion expense on oil and gas properties, calculated on the basis of relative energy content (six to one), was \$5.00 per barrel of oil equivalent in 1995 compared to \$5.46 per barrel of oil equivalent in 1994 and \$5.39 per barrel of oil equivalent in 1993. The reduction in the 1995 rate was primarily due to an increase in North Sea oil reserves. Excluded from the depletion expense per barrel of oil equivalent were depletion on tariff assets and depreciation on non-oil and gas assets.

FUTURE SITE RESTORATION

Future site restoration expense was \$5.4 million in 1995 compared to \$2.8 million in 1994 and \$3.9 million in 1993. On a unit of production basis, future site restoration expense was \$0.34 per barrel of oil equivalent in 1995 compared to \$0.23 per barrel of oil equivalent and \$0.33 per barrel of oil equivalent in 1994 and 1993, respectively. With the September 1994 acquisition of additional interests in North Sea fields (Ninian, Columba and Claymore), there was an increase in the estimated abandonment costs remaining to be provided. As a result, the abandonment provision on a per barrel of oil equivalent basis for North Sea production also increased. The accumulated provision for future site restoration at December 31, 1995 was \$51.9 million and is partially secured by a letter of credit for \$7.3 million.

DRILLING OPERATIONS

Operating results for Ranger's 50 percent interest in the Sedco 714 offshore semi-submersible drilling rig for the past three years were as follows:

(millions of U.S. dollars)	1995	1994	1993
Revenues	\$ 12.4	\$ 7.1	\$ 8.0
Operating expenses	4.2	4.1	4.1
Funds generated	8.2	3.0	3.9
Depreciation	0.5	1.9	1.8
Earnings before the sale	7.7	1.1	2.1
Gain on sale	17.1	—	—
Earnings	\$ 24.8	\$ 1.1	\$ 2.1

Effective December 31, 1995, the Company's 50 percent interest in the drilling rig was sold for \$25.2 million which resulted in a gain of \$17.1 million.

The rig had been on contract to a third party over the past three years. The average day rate in 1995 increased to \$68,132 from \$39,124 in 1994 as a result of increased drilling activity in the North Sea.

TRANSPORTATION AND PROCESSING

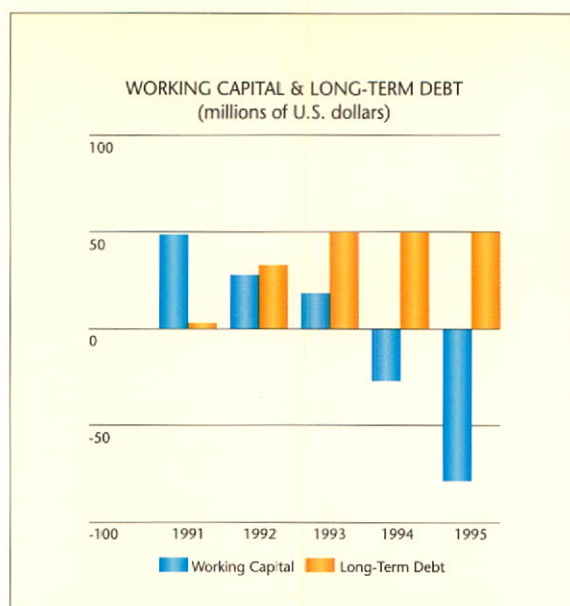
Facilities on the Ninian platforms accommodate crude oil transportation and processing from other fields. Third party usage of the facilities began in 1992 and has been increasing with the tie-in of additional fields. During 1994, three fields were tied-in which increased revenues to \$14.1 million from \$6.8 million in 1993. Tariff revenues increased to \$22.2 million in 1995 as the new fields were onstream for a full year.

OTHER REVENUES

Other revenues for the past three years were as follows:

(millions of U.S. dollars)	1995	1994	1993
Interest and investment income	\$ 2.1	\$ 1.9	\$ 6.4
Translation gains	1.2	0.9	1.3
Gain (loss) on sale of property and equipment	1.6	(0.2)	(0.2)
Contract cancellation settlement	—	—	1.2
	\$ 4.9	\$ 2.6	\$ 8.7

In 1995, the Company sold its investment in a gas marketing company for a gain of \$1.8 million. In 1994, the reduction in interest and investment income was due to reduced cash balances. The Company has operations in the U.K. and Canada and, as a result, has changes in non-U.S. dollar denominated working capital positions. Exchange gains or losses result from changes in these working capital positions and fluctuations in exchange rates.



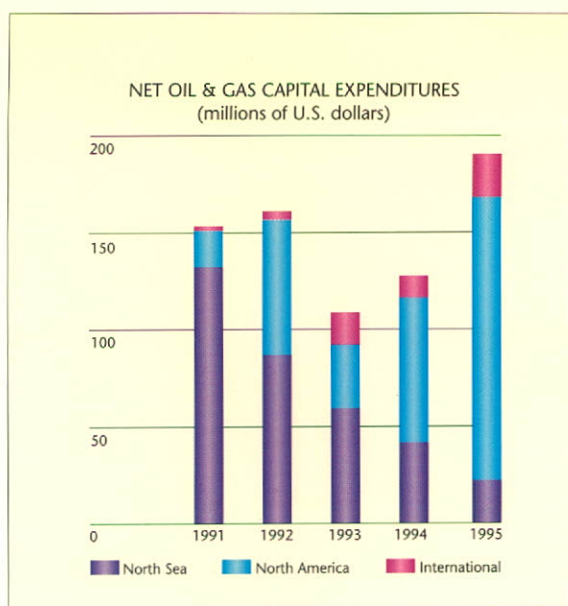
INTEREST EXPENSE

Interest expense has increased over the past three years as a result of the use of debt to partially finance capital expenditures. In the fourth quarter of 1995, the Company used short-term bank debt to finance its acquisition of Czar. At December 31, 1995, long-term debt and bank loans, net of cash on hand, were \$115.2 million. The interest rate on the long-term debt of \$50.0 million is fixed at 6.95 percent.

TAXES

The Company accounts for Petroleum Revenue Tax (PRT) by the life of field method. PRT expense was \$1.7 million in 1995 compared to \$0.8 million in 1994 and recoveries of \$4.1 million in 1993. In 1995, the estimated future PRT liability increased as a result of higher oil prices and the acquisition of additional interests in North Sea fields (Ninian and Columba). As a result of 1993 changes in U.K. PRT legislation, PRT refunds are no longer available.

Income tax expense was \$8.2 million in 1995 compared to \$5.8 million in 1994 and \$4.0 million in 1993. Taxes have been increasing as a result of increased profitability in the North Sea operations.



CAPITAL EXPENDITURES

Net capital expenditures over the past three years were as follows:

(millions of U.S. dollars)	1995	1994	1993
NORTH SEA			
Exploration	\$ 10.1	\$ 10.3	\$ 10.8
Development	28.6	33.9	43.1
Acquisitions	–	40.8	5.9
Disposals	(16.5)	(42.5)	–
	22.2	42.5	59.8
NORTH AMERICA			
Exploration	37.2	36.4	27.3
Development	13.6	27.8	13.3
Acquisitions	101.1	12.1	0.9
Disposals	(6.2)	(4.0)	(8.6)
	145.7	72.3	32.9
INTERNATIONAL			
Exploration	22.3	11.2	16.8
DRILLING OPERATIONS			
Rig expenditures	0.5	0.6	0.4
Disposals	(25.2)	–	–
	(24.7)	0.6	0.4
OTHER, NET	1.1	1.5	0.8
	\$166.6	\$128.1	\$110.7

In 1995, two unsuccessful exploration wells were drilled. In 1994, one exploration well and two appraisal wells were drilled while in 1993, one exploration well and one appraisal well were drilled.

In 1995, development expenditures were primarily directed towards the Columba 'D' and Harding fields. The Harding platform is now in place and initial production is due to commence in April 1996. Other development expenditures related to the Ninian, Anglia and Claymore fields. Significant progress was also made in advancing the development of the Banff and Pierce oil fields.

In 1994 and 1993, development expenditures included \$2.6 million and \$18.8 million, respectively, for the construction of facilities on the Ninian Central and Southern platforms to accommodate crude oil processing and transportation from other fields. Other development expenditures in 1994 were incurred on the Ninian, Anglia, Columba, Markham and Harding fields. In 1993, the other expenditures were on the Staffa, Anglia, Harding and Markham fields.

In October 1995, the Company sold its Dutch interest in the Anglo-Dutch Markham gas field for proceeds of \$16.5 million. No further activity is planned in the Netherlands.

In September 1994, the Company completed two acquisitions: a \$26.7 million acquisition of additional interests in the Ninian and Columba fields, and a \$10.1 million acquisition of Union Jack Oil plc. As a result, Ranger now has a 4.2 percent interest in the Claymore oil field and has increased its interest in the Banff oil field to 26.2 percent.

In December 1994, the Company sold its 10 percent interest in Block 29/5b containing the undeveloped Franklin/Elgin gas and condensate fields for \$42.5 million.

NORTH AMERICA

Included in 1995 acquisition costs is the purchase of Czar for a total of \$96.7 million which includes \$3.4 million in net working capital. The acquisition added proven and probable reserves of 203 billion cubic feet of gas and 1.7 million barrels of oil together with 244,000 net undeveloped acres of land. In late 1994, the Company acquired an additional 50 percent interest in the Claresholm gas field for \$9.0 million.

Exploration expenditures were \$37.2 million in 1995 with the drilling of 40 wells in Western Canada and 6 wells in the U.S. Gulf of Mexico. The wells drilled in 1995 were of a higher average working interest than in 1994, and included two major wells at Pink Mountain. Exploration was also focused in southern Alberta, primarily Claresholm, and northeastern Alberta. In 1994, exploration included the drilling of 63 exploration wells of which 51 were in Western Canada and 12 were in the U.S. Gulf of Mexico. In 1993, 48 exploration wells were drilled.

Development expenditures in 1995 were focused on northeastern British Columbia and Soars and Iron River in northeastern Alberta. In 1994 expenditures were \$27.8 million due to a number of gas developments, connections and upgrades being completed in Western Canada as well as a major waterflood project. Production facilities were installed in the U.S. Gulf of Mexico on several discoveries made in 1993 and 1994.

INTERNATIONAL

International exploration costs incurred in 1995 were focused on Angola, Peru and Namibia. Expenditures in 1994 and 1993 were primarily in Angola, Algeria and Namibia. In 1993, the first offshore exploration well was drilled in Angola which resulted in the discovery of the Kiame oil field in Block 4. In 1995, a successful Kiame appraisal well was drilled and completed.

The Company financed its 1995 capital expenditures from funds generated from operations and an increase in short-term bank loans. In September 1993, the Company issued \$50.0 million in 6.95 percent senior unsecured notes. A portion of the funds received were used to repay short-term bank debt.

At December 31, 1995, the Company had a working capital deficiency of \$78.0 million. Included in current liabilities are bank loans totaling \$95.9 million which were utilized to fund the Czar acquisition and the capital expenditure program. The Company intends to refinance a portion of its short-term bank debt in 1996 by accessing the U.S. private placement market for fixed rate long-term senior unsecured notes.

On March 2, 1995, a cash dividend of U.S. \$0.08 per common share (an aggregate of \$7.9 million) was declared by the Board of Directors. A cash dividend of U.S. \$0.08 per common share was also paid in each of the previous two years.

The Company expects to fund its 1996 capital expenditure program with anticipated cash flows and available unused lines of credit.

RISKS

The oil and gas business is subject to risks in exploration, development and production activities. These activities can expose Ranger to the risks of the destruction of assets, well blowouts, pollution and other operating incidents. The Company maintains liability and physical damage insurance which it considers adequate to cover these risks. In addition, the Company has established safety, emergency and environmental policies and procedures.

Ranger has purchased foreign investment insurance to protect some of its International assets and activities. This insurance coverage minimizes certain risks of loss to the Company's investment in Angola due to specified events.

The Company's operations depend upon production rates and costs and remaining oil and gas reserves, all of which cannot be estimated accurately. Although the Company expects its exploration and development programs will be successful, there is no assurance that additional commercial oil and gas reserves will be discovered and developed. Under the full cost accounting policy followed by the Company, exploration costs incurred are capitalized on a country-by-country basis. In the event that it is subsequently determined that commercial reserves do not exist within a country, those capitalized costs will be written off.

The Company has little or no control over such external factors as oil and gas prices, foreign exchange rates and government regulations. The Company has a hedging policy and has implemented oil and gas hedging activities to help reduce the risk of fluctuating prices. Under this policy, up to 25 percent of oil and gas production over the next twelve months may be hedged at any one time.

OUTLOOK

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During 1994 and 1995, natural gas prices in Canada declined largely due to a warm winter and industry oversupply. However, the long-term prospects for gas in North America remain favorable. Gas demand has been growing at up to three percent annually, while average annual reserve additions in the United States have fallen short of production in recent years. Gas prices in Canada have been constrained by the lack of sufficient export pipeline capacity to the United States. This situation is expected to be resolved by the year 2000 as a result of planned increases in export pipeline capacity to the mid-west and Chicago. Ranger expects the current period of depressed natural gas prices will continue to impact industry activity levels with less competition and, therefore, lower land and drilling costs. In this environment, Ranger's strategy will be to increase its land and drillable prospects inventory.

The acquisition of Czar is an excellent strategic fit for Ranger as approximately 45 percent of the assets are in the Helmet area of northeastern British Columbia, a core gas producing and exploration area for Ranger. Ranger has the financial and operating capability to fully develop and maximize the value of these assets. The acquisition also enhances Ranger's ability to market gas production from this area. Estimated 1996 average daily production rates from the Czar properties are over 50 million cubic feet of gas and 500 barrels of oil and natural gas liquids. Total North American gas production is expected to exceed 160 million cubic feet per day in 1996.

Oil production in 1996 will benefit from the new North Sea Harding and Banff fields coming onstream, higher production from the Columba field, and a full year's contribution from the Czar properties. Average daily production for 1996 is estimated to be approximately 25,000 barrels.

Pre-tax cash flow in 1996 is expected to increase by approximately 10 percent over 1995. Projected after-tax cash flow is expected to remain the same as in 1995 as U.K. PRT becomes payable later in 1996.

Ranger has good diversification of its production, both geographically and between oil and gas. The Company will continue to hedge portions of its oil and gas production whenever prices and circumstances are considered appropriate. The Company's current North Sea natural gas production is contracted on a long-term basis at fixed prices including automatic annual escalation.

In 1996, total operating and administrative costs are expected to increase as a result of higher production and development activities and the acquisition of Czar. However, these costs are expected to remain flat on a barrel of oil equivalent basis.

Interest expense will increase in 1996 because of higher average debt levels.

With increased production expected in 1996, depletion and future site restoration expenses will increase.

Current PRT expense is expected to increase in 1996 as a result of U.K. PRT liabilities becoming payable later in 1996. The effective consolidated income tax rate is expected to remain the same as in 1995.

Ranger projects capital expenditures to be approximately \$135 million in 1996 including \$60 million for exploration and \$75 million for development expenditures of which \$40 million is targeted for the North Sea. The major North Sea projects include completion of the Columba 'D' and Harding developments and commencement of the Banff, Pierce and Columba 'B' oil developments. In addition, expenditures will continue on the Anglia, Ninian and Claymore fields. Approximately half of the exploration program will be devoted to North America, with the balance split between Angola and the North Sea. In Canada, rationalization of non-core properties will continue as well as selective acquisitions.

1995

Financial

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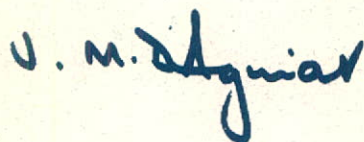
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The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada which, in the case of the Company, conform in all material respects with International Accounting Standards relating to the presentation of historical cost financial information. The financial statements include amounts that are based on management's best estimates and judgments. The financial information presented elsewhere in the Annual Report is consistent with that shown in the consolidated financial statements.

KPMG Peat Marwick Thorne, independent chartered accountants elected by the shareholders, have conducted an audit on the consolidated financial statements. Their auditors' report, based on an independent examination made in accordance with generally accepted auditing standards, is presented with the consolidated financial statements.


Management is responsible for the integrity of the consolidated financial statements. Systems of internal control have been established and maintained by management to provide reasonable assurance for the protection of assets from unauthorized use or disposition and to produce reliable accounting records for financial reporting purposes.

The Board of Directors has appointed an Audit Committee which consists of four independent directors. The Audit Committee monitors the Company's financial reporting process on behalf of the Board of Directors. In fulfilling its responsibility, the Committee recommended to the Board of Directors, subject to shareholder approval, the appointment of the independent auditors. The Audit Committee discussed with the auditors the overall scope and specific plans for their audit. The Committee met with management and the auditors to review and discuss the annual and quarterly consolidated financial statements.



Vice President, Finance

February 16, 1996



President and
Chief Executive Officer

REPORT OF INDEPENDENT CHARTERED ACCOUNTANTS

TO THE SHAREHOLDERS OF RANGER OIL LIMITED

We have audited the consolidated balance sheet of Ranger Oil Limited as at December 31, 1995 and 1994 and the consolidated statements of earnings and retained earnings and changes in cash for each of the years in the three year period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1995 and 1994 and the results of its operations and the changes in its financial position for each of the years in the three year period ended December 31, 1995 in accordance with generally accepted accounting principles.

KPMG Peat Marwick Thorne

Chartered Accountants
Calgary, Canada
February 16, 1996

CONSOLIDATED BALANCE SHEET

As At December 31

(thousands of U.S. dollars)	1995	1994
ASSETS		
Current Assets		
Cash	\$ 30,713	\$ 46,451
Accounts receivable	62,590	30,727
	93,303	77,178
Property, Plant and Equipment, full cost method (note 2)	747,130	675,124
	\$ 840,433	\$ 752,302
LIABILITIES		
Current Liabilities		
Bank loans (note 5)	\$ 95,913	\$ 62,050
Accounts payable and accrued liabilities	69,302	36,159
Royalties payable	5,775	5,372
Taxes payable	295	507
	171,285	104,088
Long-Term Debt (note 5)	50,000	50,000
Future Site Restoration	51,897	49,256
Deferred Taxes	96,236	90,066
SHAREHOLDERS' EQUITY		
Capital Stock (note 6)		
Authorized		
Preferred and common shares without par value in unlimited number		
Issued		
Common shares	291,368	291,288
Retained Earnings	179,647	167,604
	471,015	458,892
	\$ 840,433	\$ 752,302

Approved on Behalf of the Board

S.S. Reisman

Director

R. Mattheu

Director

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

Years Ended December 31

(thousands of U.S. dollars, except per share amounts)	1995	1994	1993
Revenues			
Oil and gas revenue	\$ 192,100	\$ 152,667	\$ 147,883
Royalties	(21,637)	(17,817)	(16,681)
	170,463	134,850	131,202
Drilling (note 4)	12,366	7,101	7,995
Transportation and processing	22,219	14,101	6,817
Other (note 7)	4,866	2,577	8,668
	209,914	158,629	154,682
Expenses			
Operating	70,952	55,489	51,831
General and administrative	8,696	6,223	7,181
Interest (note 5)	6,884	5,124	1,986
Depletion and depreciation	90,445	75,090	68,877
International asset write-downs	14,776	1,287	879
Future site restoration	5,409	2,752	3,897
	197,162	145,965	134,651
Earnings Before the Following	12,752	12,664	20,031
Gain on sale of drilling rig (note 4)	17,072	—	—
Taxes (note 9)	(9,893)	(6,590)	166
Earnings	19,931	6,074	20,197
Retained Earnings, Beginning of Year	167,604	169,409	157,091
Common Share Dividends (\$0.08 per share)	(7,888)	(7,879)	(7,879)
Retained Earnings, End of Year	\$ 179,647	\$ 167,604	\$ 169,409
Average Number of			
Shares Outstanding (thousands)	98,600	98,557	98,489
Earnings Per Common Share	\$ 0.20	\$ 0.06	\$ 0.21

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CONSOLIDATED STATEMENT OF CHANGES IN CASH

Years Ended December 31

(thousands of U.S. dollars)	1995	1994	1993
Operating Activities			
Earnings	\$ 19,931	\$ 6,074	\$ 20,197
Non-cash items:			
Depletion and depreciation	90,445	75,090	68,877
International asset write-downs	14,776	1,287	879
Future site restoration	5,409	2,752	3,897
Deferred taxes	9,127	5,815	(2,207)
Gain on sale of drilling rig (note 4)	(17,072)	-	-
Other	(1,569)	178	209
Funds generated from operations	121,047	91,196	91,852
Changes in non-cash working capital	3,583	1,861	11,750
	124,630	93,057	103,602
Financing Activities			
Long-term debt	-	-	15,887
Common shares issued	80	505	44
Common share dividends	(7,888)	(7,879)	(7,879)
	(7,808)	(7,374)	8,052
Investing Activities			
Property, plant and equipment	(113,849)	(124,479)	(113,620)
Corporate acquisition (note 3)	(96,668)	-	-
Property acquisitions (note 2)	(4,526)	(52,914)	(6,846)
Proceeds on sales of property and equipment	23,253	49,324	9,785
Proceeds on sale of drilling rig (note 4)	25,150	-	-
Proceeds on sale of investments	1,820	1,504	252
	(164,820)	(126,565)	(110,429)
Changes in non-cash working capital	(1,603)	3,958	7,371
	(166,423)	(122,607)	(103,058)
Increase (Decrease) In Net Cash	(49,601)	(36,924)	8,596
Net Cash, Beginning of Year	(15,599)	21,325	12,729
Net Cash, End of Year	\$ (65,200)	\$ (15,599)	\$ 21,325

The net cash position is the net of cash and current bank loans at year end.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in thousands of U.S. dollars unless otherwise indicated)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada which, in the case of the Company, conform in all material respects with International Accounting Standards relating to the presentation of historical cost financial information. Significant accounting policies are summarized as follows:

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Ranger Oil Limited (the Company) and all of its subsidiaries.

U.S. DOLLAR REPORTING

The majority of the Company's business is transacted in U.S. dollars and, accordingly, the consolidated financial statements are expressed in that currency.

CURRENCY TRANSLATION

The Company uses the temporal method for translation of its accounts into U.S. dollars under which monetary items are translated at the rate of exchange in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets are acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Provisions for depletion and depreciation and future site restoration costs are translated at the same rates as the related items. Foreign exchange gains and losses are included in earnings for the period except for unrealized gains or losses related to monetary items with a fixed or ascertainable life extending beyond the end of the following fiscal period. These are deferred and amortized over the remaining life of the related monetary items.

CASH EQUIVALENTS

The Company considers all investments (term deposits, commercial paper, certificates of deposit) purchased with a maturity date of three months or less to be cash equivalents.

INVESTMENTS

Portfolio investments are recorded at the lower of cost or market, and dividends from these investments are included in earnings when received.

The Company accounts for its long-term investments by the equity method of accounting under which its investment is recorded at cost and adjusted to include its share of the earnings or losses of the entity.

OIL AND GAS OPERATIONS

The Company follows the full cost method of accounting for oil and gas operations, as prescribed by the Canadian Institute of Chartered Accountants, whereby all costs of exploring for and developing oil and gas reserves are capitalized and accumulated in country-by-country cost centres. Such costs include land acquisition costs, geological and geophysical costs, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells, interest costs on major development projects and overhead charges directly related to acquisition, exploration and development activities.

The costs related to each cost centre from which there is production, together with the costs of production equipment net of salvage values, are depleted and depreciated on the unit-of-production method based on the estimated proved reserves of each country. Oil and natural gas reserves and production are converted into equivalent units based upon estimated relative energy content. Costs of acquiring and evaluating significant unproved properties are excluded from depletion calculations. These unevaluated properties are assessed periodically to ascertain whether impairment in value has occurred. When proved reserves are assigned or the value of the property is considered to be impaired, the cost of the property or the amount of the impairment is added to costs subject to depletion.

The capitalized costs less accumulated depletion, depreciation and future site restoration, in each cost center from which there is production, are limited to an amount equal to the estimated future net revenue from proved reserves (based on prices and costs at the balance sheet dates) plus the cost (net of impairments) of unproved properties less estimated future site restoration costs. The total capitalized costs of all cost centers, less accumulated depletion, depreciation, future site restoration and deferred taxes, are further limited to an amount equal to the estimated future net revenue from proved reserves of all cost centres, plus the cost (net of impairments) of unproved properties, less estimated future site restoration costs, general and administrative expenses, financing costs and taxes.

The costs (including exploratory dry holes) related to cost centres from which there has been no commercial production are not subject to depletion until commercial production commences. The capitalized costs are periodically assessed to determine whether it is likely such costs will be recovered in the future. To the extent there are costs which are unlikely to be recovered in the future, they are written off.

Proceeds from the sale of oil and gas properties are applied against capitalized costs, with no gain or loss recognized, unless such a sale would significantly alter the rate of depletion and depreciation.

Substantially all of the Company's exploration and development activities related to oil and gas operations are conducted jointly with others. The accounts reflect only the Company's proportionate interest in such activities.

DEPRECIATION

Depreciation of other equipment is provided in the accounts primarily utilizing straight-line methods at annual rates (ranging from 5 percent to 30 percent) which are estimated to amortize the cost of the assets, less salvage values, over their useful lives.

FUTURE SITE RESTORATION

Estimated future removal and site restoration costs are provided for using the unit-of-production method based on the estimated proved reserves of each country. Costs are estimated based on current regulations, costs, technology and industry standards. Removal and site restoration expenditures incurred are charged to the accumulated future site restoration provision account.

PETROLEUM REVENUE TAX

The Company accounts for future U.K. Petroleum Revenue Tax (PRT) by the life of the field method. The total future liability or recovery of PRT is estimated using current prices and costs. The estimated future PRT is apportioned to accounting periods on the basis of future estimated revenues used to calculate the estimated future PRT. Changes in the estimated total future PRT are accounted for prospectively.

INCOME TAXES

The Company follows the deferral method of tax allocation accounting under which the provision for income taxes is based on the earnings reported in the accounts.

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CAPITALIZATION OF INTEREST

Interest incurred on borrowings used to finance major development projects and the construction of other major capital assets is capitalized. Capitalization continues until the project or asset is complete and ready for its intended use.

FINANCIAL INSTRUMENTS (OIL AND NATURAL GAS HEDGING)

Hedging gains and losses are deferred and recognized as part of the accounting for the hedged item or transaction.

2 PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depletion and Depreciation	Net
DECEMBER 31, 1995			
Oil and gas			
North Sea	\$ 909,657	\$ 545,178	\$ 364,479
North America	534,880	196,414	338,466
Other International	60,601	21,888	38,713
Corporate	14,978	9,506	5,472
	\$ 1,520,116	\$ 772,986	\$ 747,130
DECEMBER 31, 1994			
Oil and gas			
North Sea	\$ 893,681	\$ 502,050	\$ 391,631
North America	392,911	155,735	237,176
Other International	38,699	7,519	31,180
Drilling equipment (note 4)	53,636	45,600	8,036
Corporate	13,886	6,785	7,101
	\$ 1,392,813	\$ 717,689	\$ 675,124

As at December 31, 1995, oil and gas property costs included \$91.4 million relating to properties which were excluded from depletion calculations. These costs were incurred as follows: 1995 – \$22.1 million; 1994 – \$16.4 million; 1993 – \$32.6 million; prior – \$20.3 million. The Company estimates that a portion of these costs will be included in the costs subject to depletion commencing in 1996 and that all of these costs are expected to be included in the depletion calculation by 1999.

Depletion expense on oil and gas properties, calculated on a boe basis (six thousand cubic feet of gas to one barrel of oil), for the past three years was as follows:

	1995	1994	1993
North Sea	\$ 5.49	\$ 6.61	\$ 7.49
North America	4.60	4.50	3.83
Weighted Average	\$ 5.00	\$ 5.46	\$ 5.39

Excluded from the depletion expense per boe were International asset write-downs of \$14.8 million, \$1.3 million and \$0.9 million in 1995, 1994 and 1993, respectively, and depletion on tariff assets of \$7.3 million, \$5.9 million and \$1.6 million in 1995, 1994 and 1993, respectively.

During the year ended December 31, 1995, the Company capitalized overhead charges directly related to acquisition, exploration and development activities of \$8.2 million (1994 – \$6.6 million; 1993 – \$7.3 million).

Effective September 30, 1994, the Company acquired the remaining 79 percent interest in the issued common shares of Union Jack Oil plc for \$10.1 million and an additional 15 percent interest in Block 3/8a containing part of the Ninian and Columba fields for \$26.7 million. These acquisitions were accounted for by the purchase method.

3 ACQUISITION OF CZAR RESOURCES LTD.

Effective November 2, 1995, the Company purchased all of the issued and outstanding common shares of Czar Resources Ltd. (Czar) for consideration of \$79.5 million in cash and accounted for the purchase using the purchase method. Czar was amalgamated with Ranger Oil Limited effective January 1, 1996. Ranger's December 31, 1995 Consolidated Statements of Earnings and Changes in Cash include operating results of Czar since the purchase date. The purchase price has been allocated to net assets acquired based on their estimated fair values.

Property, plant and equipment	\$ 93,221
Non-cash working capital	3,447
Net Assets Acquired	96,668
Cash paid	\$ 79,543
Short-term debt acquired	12,444
Acquisition costs	4,681
Purchase Price	\$ 96,668

Management has made a preliminary estimate of the fair value of net assets acquired. Allocation of the purchase price may be adjusted in 1996 for material corrections. Acquisition costs include professional fees, employee termination costs and integration costs directly related to the acquisition.

4 DRILLING RIG

The Company sold its 50 percent interest in the Sedco 714 semi-submersible drilling rig effective December 31, 1995. The Company's interest in the rig was disposed of for proceeds of \$25.2 million resulting in a gain of \$17.1 million.

Results of drilling operations for the past three years were as follows:

	1995	1994	1993
Revenues	\$ 12,366	\$ 7,101	\$ 7,995
Operating expenses	(4,217)	(4,112)	(4,105)
Funds generated from operations	8,149	2,989	3,890
Depreciation	(475)	(1,890)	(1,774)
Earnings	\$ 7,674	\$ 1,099	\$ 2,116

The net carrying value of the drilling rig was \$8.0 million in 1994 and \$9.4 million in 1993.

The Company had accounted for its 50 percent interest in the Sedco 714 semi-submersible drilling rig on the proportionate consolidation method with depreciation provided in the accounts on a straight-line basis which was estimated to amortize the cost of the rig, less salvage value, over its useful life.

5 BANK LOANS AND LONG-TERM DEBT

Bank loans were drawn under credit facilities totaling \$136.1 million bearing interest ranging from 1/2 percent to 5/8 percent over the London Interbank Offered Rate. The credit facilities are reviewed annually by the bank. The loans are subject to, among other things, certain financial covenants restricting the granting of security for new borrowings and the maintenance of specified net worth tests.

In September 1993, the Company issued \$50.0 million in senior unsecured notes, due September 30, 2003, with an interest rate of 6.95 percent. Annual principal repayments of \$10.0 million are due commencing September 30, 1999. The note agreement contains, among other things, certain financial covenants restricting the granting of security for new borrowings and the maintenance of specified net worth tests.

Interest expense incurred on long-term debt in 1995 was \$3.5 million (1994 - \$3.4 million; 1993 - \$1.3 million). The weighted average interest rate on long-term debt for 1995 and 1994 was 6.95 percent (1993 - 5.15 percent).

The Company has provided as security a standby irrevocable letter of credit, payable on demand, to the operator of the Ninian field in the amount of \$7.3 million to partially secure the payment of the Company's share of abandonment of the field.

Changes in outstanding common share capital during the three years ended December 31, 1995 were as follows:

	Number of Shares	Amount
Balance, December 31, 1992	98,485,689	\$ 290,739
Shares issued under employees' stock options:		
- 1993	8,615	44
- 1994	96,000	505
- 1995	16,900	80
Balance, December 31, 1995	98,607,204	\$ 291,368

Changes in the number of shares issuable under outstanding options were as follows:

	1995	1994
Shares under option, beginning of year	2,396,750	1,814,800
Options granted	724,300	839,800
Options canceled	(171,500)	(87,500)
Options exercised	(31,450)	(170,350)
Shares under option, end of year	2,918,100	2,396,750

As at December 31, 1995, 6,748,800 common shares of the Company were reserved for employee stock option plans of which options to purchase 2,918,100 shares were outstanding, exercisable at prices ranging from \$3.00 to \$6.95 per share.

On May 10, 1994, the shareholders of the Company approved a Shareholder Bid Approval Plan (the Plan). Under the Plan, one right was issued for each common share outstanding at the close of business on January 27, 1994, and rights attach to any common shares issued thereafter. The Plan is subject to reconfirmation by shareholders in 1999 and may be terminated by the Board of Directors at any time prior to the rights becoming exercisable.

The rights remain attached to the shares and are not exercisable or separable unless one or more certain specified events occur. If a person or group acting in concert acquires 20 percent or more of the common shares of the Company, the rights will entitle the holders thereof (other than the acquiring person or group) to purchase shares of Ranger at a 50 percent discount from the then market price. The rights are not triggered by a "Permitted Bid", as defined in the Plan.

7 OTHER REVENUES

Other revenues for the past three years were as follows:

	1995	1994	1993
Interest, investment and other income	\$ 2,131	\$ 1,890	\$ 6,437
Translation gains	1,166	865	1,254
Gain (loss) on sale of property and investments	1,569	(178)	(209)
Gas contract cancellation settlement	-	-	1,186
	\$ 4,866	\$ 2,577	\$ 8,668

The Company maintains a non-contributory pension plan for certain of its employees and contributes to money purchase plans for other employees. Pension fund assets for the non-contributory plan at December 31, 1995 were \$4.6 million. The present value of the accrued pension benefits attributed to services rendered to December 31, 1995 was \$4.0 million. The actuarial liability established in an actuarial report dated February 10, 1995 (effective January 1, 1995) used an assumed rate of salary escalation of 5.5 percent and a 7 percent rate of return on plan assets. In 1995, the pension expense was approximately \$0.9 million (1994 – \$0.8 million; 1993 – \$0.7 million). The Company does not have any post retirement benefit plans.

9 TAXES

Tax expense (recoveries) for each of the three years ended December 31 were as follows:

	1995	1994	1993
Income tax (recoveries)			
Current			
North Sea	\$ (101)	\$ 80	\$ 1,524
North America	867	649	517
	766	729	2,041
Deferred			
North Sea	8,420	4,089	1,941
North America	(1,019)	1,021	–
	7,401	5,110	1,941
	8,167	5,839	3,982
Petroleum Revenue Tax (recoveries)	1,726	751	(4,148)
Taxes	\$ 9,893	\$ 6,590	\$ (166)

The deferred income tax provisions primarily result from timing differences between costs claimed for tax purposes and the related depletion, depreciation and future site restoration expenses.

Earnings before income taxes (after PRT provisions) for each of the three years ended December 31 were as follows:

	1995	1994	1993
North Sea	\$ 55,309	\$ 11,886	\$ 9,719
North America	(12,385)	1,314	15,339
Other International	(14,826)	(1,287)	(879)
	\$ 28,098	\$ 11,913	\$ 24,179

The actual income tax expense recorded for income taxes differs from the amount that would have been expected if the reported earnings had been subject only to the statutory Canadian income tax rate of 44 percent. Factors which caused the differences between the expected income tax expense and the actual income tax expense were as follows:

	1995	1994	1993
Expected income tax expense	\$ 12,459	\$ 5,282	\$ 10,692
Add (deduct) effect of:			
Foreign tax rate differentials	(3,306)	(1,907)	(2,473)
Non-taxable earnings	(10,973)	(487)	(892)
Non-deductible royalties less related allowances and rebates	(454)	(132)	130
Non-deductible depletion and depreciation	3,676	4,361	2,266
Other non-deductible costs	158	184	34
Unutilized losses	8,843	—	—
Utilization of prior years' losses	(3,103)	(2,111)	(6,296)
Capital taxes	867	649	521
Actual income tax expense	\$ 8,167	\$ 5,839	\$ 3,982

The Company has tax deductions and loss carry forwards available for deduction against future taxable income in the United Kingdom (\$116 million), Canada (\$278 million) and the United States (\$42 million). At December 31, 1995, the Company had carryforward book tax losses of \$7 million.

10 SEGMENTED INFORMATION

The Company's activities are conducted in three geographical areas: the North Sea, North America and Other International areas. Segmented information was as follows:

	1995	1994	1993
Revenues			
North Sea	\$ 146,307	\$ 102,197	\$ 91,161
North America	58,741	53,855	56,039
Corporate	4,866	2,577	7,482
	\$ 209,914	\$ 158,629	\$ 154,682
Earnings (loss) before taxes			
North Sea	\$ 57,257	\$ 13,965	\$ 7,588
North America	(4,246)	8,444	13,118
Other International	(14,826)	(1,287)	(879)
	38,185	21,122	19,827
Corporate	(1,477)	(3,334)	2,190
Interest expense	(6,884)	(5,124)	(1,986)
	\$ 29,824	\$ 12,664	\$ 20,031
Identifiable assets, net			
North Sea	\$ 366,997	\$ 403,001	\$ 400,697
North America	341,420	240,943	196,477
Other International	38,713	31,180	21,214
Property, plant and equipment	747,130	675,124	618,388
Corporate	93,303	77,178	61,198
	\$ 840,433	\$ 752,302	\$ 679,586

DISCLOSURES ABOUT OIL AND GAS PRODUCING ACTIVITIES

The following information about the Company's oil and gas producing activities is presented in accordance with United States Statement of Financial Accounting Standards No. 69: Disclosures About Oil and Gas Producing Activities.

OIL AND GAS RESERVES

The North Sea proved reserves of the Ninian, Columba, Claymore, Anglia and Harding fields are based on the Company's interests in the total field reserves as estimated by the Company at December 31, 1995. The North American proved reserves are comprised of Canadian and United States reserves. The Canadian proved reserves are based on estimates by the Company, and the United States proved reserves are based on estimates by Ryder Scott Company, independent petroleum engineers. All proved reserves information provided in this section are net of royalties.

Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, including constant petroleum prices, fiscal policies and production and development costs.

Proved developed oil and gas reserves are reserves that can be expected to be recovered from existing wells with existing equipment and operating methods. Estimates of oil and gas reserves are subject to uncertainty and will change as additional information regarding producing fields and technology becomes available and as future economic and operating conditions change.

The Company's net proved and net proved developed oil and natural gas reserves as at December 31, 1995, 1994 and 1993 were as follows:

Net Proved Reserves of Oil and Natural Gas Liquids

(mbbls)	North Sea	North America	Total
Net Proved Reserves, December 31, 1992	30,034	9,630	39,664
Revisions of previous estimates	(82)	1,112	1,030
Extensions, discoveries	—	1,367	1,367
Production	(3,022)	(1,478)	(4,500)
Purchase of reserves	—	16	16
Sale of reserves	—	(646)	(646)
Net Proved Reserves, December 31, 1993	26,930	10,001	36,931
Revisions of previous estimates	1,386	(494)	892
Extensions, discoveries	4,793	442	5,235
Production	(3,560)	(1,277)	(4,837)
Purchase of reserves	12,665	710	13,375
Sale of reserves	—	(80)	(80)
Net Proved Reserves, December 31, 1994	42,214	9,302	51,516
Revisions of previous estimates	2,765	(353)	2,412
Extensions, discoveries	—	220	220
Production	(4,967)	(1,448)	(6,415)
Purchase of reserves	—	2,089	2,089
Sale of reserves	(98)	(6)	(104)
Net Proved Reserves, December 31, 1995	39,914	9,804	49,718
Net Proved Developed Reserves:			
December 31, 1993	17,680	9,992	27,672
December 31, 1994	32,965	8,588	41,553
December 31, 1995	27,899	9,655	37,554

Net Proved Reserves of Natural Gas

(mmcf)	North Sea	North America	Total
Net Proved Reserves, December 31, 1992	105,800	203,378	309,178
Revisions of previous estimates	10,600	(6,360)	4,240
Extensions, discoveries	—	24,951	24,951
Production	(10,900)	(24,422)	(35,322)
Purchase of reserves	—	3,636	3,636
Sale of reserves	—	(13,452)	(13,452)
Net Proved Reserves, December 31, 1993	105,500	187,731	293,231
Revisions of previous estimates	2,100	936	3,036
Extensions, discoveries	—	25,457	25,457
Production	(9,500)	(23,353)	(32,853)
Purchase of reserves	—	17,746	17,746
Sale of reserves	—	(5,608)	(5,608)
Net Proved Reserves, December 31, 1994	98,100	202,909	301,009
Revisions of previous estimates	—	1,892	1,892
Extensions, discoveries	—	10,165	10,165
Production	(10,200)	(35,942)	(46,142)
Purchase of reserves	—	121,080	121,080
Sale of reserves	(19,100)	(519)	(19,619)
Net Proved Reserves, December 31, 1995	68,800	299,585	368,385
Net Proved Developed Reserves:			
December 31, 1993	95,200	184,415	279,615
December 31, 1994	87,800	200,362	288,162
December 31, 1995	58,500	290,209	348,709

FS17

Standardized Measure of Discounted Future Net Cash Flows and Changes Therein Relating to Proved Oil and Gas Reserves

The following standardized measure of discounted future net cash flows from proved oil and gas reserves has been computed using year-end prices and costs and year-end statutory tax rates. A mid-year discount factor of 10 percent has been applied in determining the standardized measure of discounted future net cash flows.

The Company does not believe that the standardized measure of discounted future net cash flows will be representative of actual future net cash flows and should not be considered to represent the fair market value of the oil and gas properties. Actual future net cash flows will differ from the presented estimated future net cash flows in that:

- *future production will include production not only from proved properties, but may also include production from probable and potential reserves;*
- *future production of oil and gas from proved properties will differ from reserves estimated;*
- *future production rates will vary from those estimated;*
- *future rather than year-end costs and prices will apply;*
- *economic factors including exchange rates, regulatory and fiscal environments and operating conditions will change;*
- *future estimated income taxes do not take into account the effects of future exploration expenditures; and*
- *future estimated Petroleum Revenue Tax, which takes into account the effects of certain future development expenditures, will differ from that estimated.*

Future net revenues, development, restoration and production costs have been based upon the estimates referred to above.

The standardized measure of discounted future net cash flows was as follows:

(thousands of U.S. dollars)	North Sea	North America	Total
1995			
Future cash inflows	\$ 1,026,041	\$ 498,087	\$ 1,524,128
Future production, development and restoration costs	725,013	208,244	933,257
Future taxes	107,899	7,325	115,224
Future net cash flows	193,129	282,518	475,647
10% annual discount for timing of cash flows	24,822	94,891	119,713
Standardized measure of discounted future net cash flows	\$ 168,307	\$ 187,627	\$ 355,934
1994			
Future cash inflows	\$ 1,072,516	\$ 382,185	\$ 1,454,701
Future production, development and restoration costs	739,989	141,381	881,370
Future taxes	90,439	15,041	105,480
Future net cash flows	242,088	225,763	467,851
10% annual discount for timing of cash flows	48,973	73,086	122,059
Standardized measure of discounted future net cash flows	\$ 193,115	\$ 152,677	\$ 345,792
1993			
Future cash inflows	\$ 755,648	\$ 431,472	\$ 1,187,120
Future production, development and restoration costs	488,540	142,464	631,004
Future taxes	45,817	47,521	93,338
Future net cash flows	221,291	241,487	462,778
10% annual discount for timing of cash flows	51,501	82,110	133,611
Standardized measure of discounted future net cash flows	\$ 169,790	\$ 159,377	\$ 329,167

FS19

The principal sources of change in the standardized measure of discounted future net cash flows for each of the three years ended December 31 were as follows:

(thousands of U.S. dollars)	1995	1994	1993
Sales of oil and gas net of production costs	\$ (103,652)	\$ (85,069)	\$ (94,691)
Net changes in prices and production costs	41,362	(38,421)	(102,629)
Changes in estimated future development costs	(14,667)	15,692	43,942
Extensions, discoveries and improved recovery	9,736	39,789	29,398
Purchase of reserves	45,185	75,308	2,825
Sales of reserves in place	(17,527)	(3,579)	(14,606)
Revisions of previous estimates	13,487	7,727	2,237
Other	2,411	1,221	3,634
Accretion of discount	38,075	37,691	46,066
Net change in taxes	(4,268)	(33,734)	70,632
Increase (Decrease)	10,142	16,625	(13,192)
Balance, beginning of year	345,792	329,167	342,359
Balance, end of year	\$ 355,934	\$ 345,792	\$ 329,167

Costs Incurred in Oil and Gas Property Acquisition, Exploration and Development Activities

(thousands of U.S. dollars)	North Sea	North America	International	Total
1995				
Property acquisition				
Proved	\$ -	\$ 88,116	\$ -	\$ 88,116
Unproved	-	12,707	-	12,707
Exploration	10,071	37,151	22,309	69,531
Development	28,669	13,647	-	42,316
	\$ 38,740	\$ 151,621	\$ 22,309	\$ 212,670
1994				
Property acquisition				
Proved	\$ 36,019	\$ 12,068	\$ -	\$ 48,087
Unproved	4,827	5,753	-	10,580
Exploration	10,319	30,596	12,079	52,994
Development	33,905	27,819	-	61,724
	\$ 85,070	\$ 76,236	\$ 12,079	\$ 173,385
1993				
Property acquisition				
Proved	\$ -	\$ 926	\$ -	\$ 926
Unproved	5,920	9,776	-	15,696
Exploration	10,773	17,491	17,911	46,175
Development	43,132	13,327	-	56,459
	\$ 59,825	\$ 41,520	\$ 17,911	\$ 119,256

Results of Operations for Oil and Gas Producing Activities

(thousands of U.S. dollars)	North Sea	North America	Total
1995			
Oil and gas revenue, net	\$ 113,674	\$ 56,789	\$ 170,463
Tariff and processing income	20,267	1,952	22,219
Production costs	(50,221)	(16,514)	(66,735)
Depletion and depreciation	(61,212)	(40,728)	(101,940)
Future site restoration costs	(4,031)	(1,378)	(5,409)
Earnings before taxes	18,477	121	18,598
Income and other tax recoveries (expenses)	(10,363)	(3,587)	(13,950)
Results of operations from producing activities	\$ 8,114	\$ (3,466)	\$ 4,648
1994			
Oil and gas revenue, net	\$ 82,829	\$ 52,021	\$ 134,850
Tariff and processing income	12,267	1,834	14,101
Production costs	(38,329)	(13,048)	(51,377)
Depletion and depreciation	(43,282)	(29,156)	(72,438)
Future site restoration costs	(1,547)	(1,205)	(2,752)
Earnings before taxes	11,938	10,446	22,384
Income and other tax recoveries (expenses)	(5,114)	(6,076)	(11,190)
Results of operations from producing activities	\$ 6,824	\$ 4,370	\$ 11,194
1993			
Oil and gas revenue, net	\$ 78,398	\$ 53,990	\$ 132,388
Tariff and processing income	4,768	2,049	6,817
Production costs	(35,556)	(12,170)	(47,726)
Depletion and depreciation	(39,706)	(26,993)	(66,699)
Future site restoration costs	(2,453)	(1,444)	(3,897)
Earnings before taxes	5,451	15,432	20,883
Income and other tax recoveries (expenses)	780	(864)	(84)
Results of operations from producing activities	\$ 6,231	\$ 14,568	\$ 20,799

FS21

COMMON SHAREHOLDERS' AND MARKET DATA

MARKET

The common shares of the Company are listed on the Toronto, Montreal, New York and Pacific Stock Exchanges and on The International Stock Exchange of the United Kingdom and the Republic of Ireland.

PRICE RANGE

The following table summarizes the high and low sales prices on the stock exchanges indicated for each quarter of the two fiscal years 1995 and 1994:

	Toronto Stock Exchange (Canadian dollars)		New York Stock Exchange (U.S. dollars)		United Kingdom and the Republic of Ireland (Pounds Sterling)	
	High	Low	High	Low	High	Low
1995						
1st Quarter	\$ 9.50	\$ 7.75	\$ 6.75	\$ 5.63	£ 4.20	£ 3.70
2nd Quarter	10.13	8.25	7.50	6.00	4.10	3.75
3rd Quarter	8.50	7.13	6.38	5.38	4.05	3.45
4th Quarter	8.88	6.88	6.38	5.00	4.20	3.50
1994						
1st Quarter	\$ 8.75	\$ 6.38	\$ 6.38	\$ 4.88	£ 4.15	£ 3.35
2nd Quarter	9.88	7.88	7.13	5.63	4.70	3.80
3rd Quarter	9.50	8.38	6.88	6.13	4.30	3.95
4th Quarter	9.00	7.75	6.63	5.75	4.05	3.65

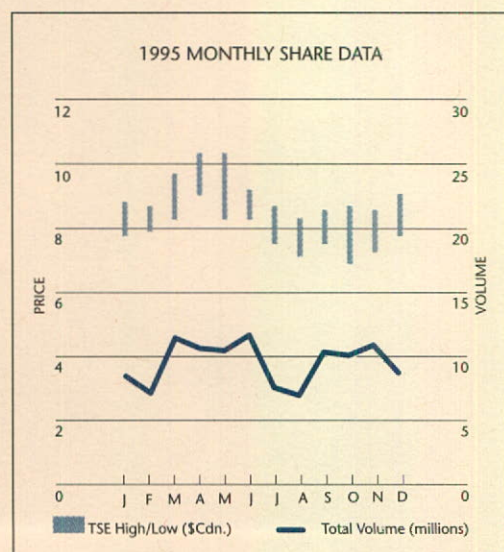
On March 1, 1996, the closing price for common shares reported on the Toronto Stock Exchange was Cdn. \$8.75, on the New York Stock Exchange U.S. \$6.38 and on the International Stock Exchange of the United Kingdom and the Republic of Ireland £4.05.

APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS

The approximate number of record holders of the Company's common shares at December 31, 1995 was 7,266.

DIVIDENDS

An annual dividend of U.S. \$0.08 per common share for a total sum of U.S. \$7.9 million was declared on March 7, 1996. A cash dividend of U.S. \$0.08 per common share was also paid in 1995, 1994 and 1993. The Company is a Canadian corporation, and non-residents of Canada are subject to a Canadian dividend withholding tax (currently 15 percent for residents of most other countries).



SELECTED QUARTERLY FINANCIAL DATA

The following summarizes selected quarterly financial data for 1995 and 1994:

(thousands of U.S. dollars, except per share amounts)	Three months ended			
	March 31	June 30	September 30	December 31
1995				
Revenue	\$ 53,196	\$ 50,484	\$ 46,813	* \$ 59,421
Earnings (loss)	\$ 4,284	\$ 368	\$ (7,703)	\$ 22,982
Earnings (loss) per common share	\$ 0.04	\$ 0.01	\$ (0.08)	\$ 0.23
1994				
Revenue	\$ 37,076	\$ 32,720	\$ 37,022	\$ 51,811
Earnings (loss)	\$ 3,890	\$ 390	\$ 1,814	\$ (20)
Earnings per common share	\$ 0.04	\$ —	\$ 0.02	\$ —

FS23

WORLD-WIDE ACREAGE HOLDINGS

The following table sets out the Company's oil and gas acreage holdings as at January 1, 1996:

OIL AND GAS DEVELOPED ACREAGE

	Working Interest	Block Numbers	Gross Acres	Net Acres
North Sea Fields				
Ninian	15.81%	3/8a	21,992	3,477
Columba D	55.00	3/8a	903	497
Anglia	37.91	48/18b, 48/19b	13,089	4,962
Staffa	40.00	3/8b	7,989	3,196
Claymore	4.19	14/19	3,500	147
Markham West	2.50	49/5a	3,583	90
			51,056	12,369
North America				
Alberta			585,148	230,239
British Columbia			185,082	67,500
Saskatchewan			8,097	5,552
United States			67,832	15,493
			846,159	318,784
			897,215	331,153

OIL AND GAS UNDEVELOPED ACREAGE

North Sea	5.13%	48/21a	36,695	1,882
	44.85	22/27a	43,392	19,461
	20.00	23/27	47,592	9,518
	37.91	48/18b, 48/19b	24,006	9,101
	55.00	3/8a	15,489	8,519
	41.83	211/8a	6,598	2,760
	7.71	28/5a	41,909	3,231
	25.20	29/2a	27,478	6,924
	17.91	29/8b	12,182	2,182
	12.25	29/9b	13,097	1,604
	26.00	22/22b	13,863	3,604
	20.00	21/14a	13,689	2,738
	40.00	3/8b	5,952	2,381
	75.00	48/22	61,182	45,887

	Working Interest	Block Numbers	Gross Acres	Net Acres
North Sea (continued)	45.00%	48/23b	30,564	13,754
	5.00	22/8a	40,994	2,050
	12.13	29/4b, 29/4c	20,942	2,540
	2.50	49/5a	14,060	352
	15.00	48/3a	30,105	4,516
	5.00	9/23b	17,890	895
	32.50	30/2c	13,999	4,550
	35.00	44/17	59,528	20,835
	47.50	15/10	53,120	25,232
	55.00	110/4	60,244	33,134
	15.00	205/1 to 205/7, 205/11 to 205/13 (Tranche 8)	500,010	75,002
			1,204,580	302,652
North America				
Alberta			676,658	387,901
British Columbia			706,098	365,374
Saskatchewan			36,399	34,916
Northwest Territories			311,463	187,974
United States			102,885	28,709
			1,833,503	1,004,874
Africa				
Algeria	15.00	Hassi Dzabat	1,090,969	163,645
Angola	49.00	4	1,235,439	605,365
Namibia	40.00	2213	1,410,106	564,042
South America				
Peru	25.00	4	217,759	54,440
Ecuador	15.00	19	494,226	74,134
			4,448,499	1,461,626
			7,486,582	2,769,152

TEN-YEAR STATISTICAL REVIEW

(thousands of U.S. dollars, except per share amounts)		1995	1994	1993
FINANCIAL				
Revenue		\$ 209,914	\$ 158,629	\$ 154,682
Funds generated from operations		\$ 121,047	\$ 91,196	\$ 91,852
Funds generated from operations per common share		\$ 1.23	\$ 0.93	\$ 0.93
Earnings before extraordinary items		\$ 19,931	\$ 6,074	\$ 20,197
Earnings before extraordinary item per common share		\$ 0.20	\$ 0.06	\$ 0.21
Earnings (loss)		\$ 19,931	\$ 6,074	\$ 20,197
Earnings (loss) per common share		\$ 0.20	\$ 0.06	\$ 0.21
Working capital (deficiency)		\$ (77,982)	\$ (26,910)	\$ 18,426
Property, plant and equipment – net		\$ 747,130	\$ 675,124	\$ 618,388
Total assets		\$ 840,433	\$ 752,302	\$ 679,586
Long-term debt		\$ 50,000	\$ 50,000	\$ 50,000
Common shareholders' equity		\$ 471,015	\$ 458,892	\$ 460,192
Number of common shares outstanding (thousands)		98,607	98,590	98,494
Cash dividends per common share		\$ 0.08	\$ 0.08	\$ 0.08
Market price for shares				
Toronto (\$Cdn.)	– High	\$ 10.13	\$ 9.88	\$ 7.88
	– Low	\$ 6.88	\$ 6.38	\$ 5.38
New York	– High	\$ 7.50	\$ 7.13	\$ 6.13
	– Low	\$ 5.00	\$ 4.88	\$ 4.25
TOTAL OIL AND GAS CAPITAL EXPENDITURES				
North Sea		\$ 38,740	\$ 85,070	\$ 59,825
North America		\$ 151,621	\$ 76,236	\$ 41,520
Other International		\$ 22,309	\$ 12,079	\$ 17,911
UNDEVELOPED ACREAGE (thousands of acres)				
North Sea	– gross	1,205	1,354	1,638
	– net	303	356	378
North America	– gross	1,834	999	880
	– net	1,005	568	444
Other International	– gross	4,448	4,196	4,196
	– net	1,462	1,278	1,940
CRUDE OIL & NGL PRODUCTION				
Daily average (mbbls) – before royalties				
North Sea		14.9	10.7	9.0
North America		4.9	4.4	4.8
Total		19.8	15.1	13.8
NATURAL GAS PRODUCTION				
Daily average (mmcf) – before royalties				
North Sea		28.0	25.9	29.9
North America		115.8	80.3	83.0
Total		143.8	106.2	112.9

1992	1991	1990	1989	1988	1987	1986
\$ 154,473	\$ 120,666	\$ 160,289	\$ 132,946	\$ 94,717	\$ 96,411	\$ 88,846
\$ 120,018	\$ 80,047	\$ 94,452	\$ 66,925	\$ 50,356	\$ 45,210	\$ 36,527
\$ 1.22	\$ 0.82	\$ 1.07	\$ 0.84	\$ 0.67	\$ 0.61	\$ 0.51
\$ 23,486	\$ 5,794	\$ 42,445	\$ 23,233	\$ 10,204	\$ 16,450	\$ 5,475
\$ 0.24	\$ 0.06	\$ 0.46	\$ 0.27	\$ 0.12	\$ 0.20	\$ 0.06
\$ 23,486	\$ 5,794	\$ 42,445	\$ 51,870	\$ 15,426	\$ 23,757	\$ (62,922)
\$ 0.24	\$ 0.06	\$ 0.46	\$ 0.63	\$ 0.19	\$ 0.30	\$ (0.89)
\$ 27,838	\$ 48,646	\$ 150,512	\$ 135,734	\$ 108,870	\$ 162,579	\$ 96,950
\$ 577,578	\$ 490,105	\$ 383,547	\$ 371,752	\$ 308,667	\$ 254,832	\$ 262,923
\$ 641,327	\$ 589,903	\$ 588,797	\$ 564,818	\$ 458,624	\$ 470,851	\$ 420,315
\$ 33,000	\$ 3,108	\$ 6,324	\$ 82,123	\$ 81,561	\$ 87,386	\$ 36,503
\$ 447,830	\$ 432,063	\$ 423,218	\$ 312,427	\$ 202,448	\$ 188,305	\$ 166,165
98,486	98,461	97,118	84,636	74,635	74,611	74,722
\$ 0.08	\$ 0.08	\$ 0.06	\$ -	\$ -	\$ -	\$ -
\$ 9.38	\$ 10.00	\$ 9.63	\$ 7.75	\$ 7.88	\$ 9.00	\$ 7.00
\$ 6.38	\$ 7.00	\$ 6.63	\$ 5.88	\$ 5.38	\$ 4.55	\$ 3.60
\$ 7.75	\$ 8.88	\$ 8.38	\$ 6.50	\$ 6.38	\$ 6.75	\$ 5.12
\$ 5.00	\$ 6.00	\$ 5.63	\$ 5.00	\$ 4.00	\$ 3.38	\$ 2.63
\$ 101,015	\$ 133,301	\$ 54,827	\$ 34,141	\$ 84,000	\$ 20,331	\$ 43,741
\$ 73,654	\$ 19,039	\$ 28,994	\$ 62,073	\$ 9,058	\$ 5,303	\$ 19,281
\$ 4,316	\$ 2,207	\$ 1,556	\$ 10,429	\$ 1,182	\$ 288	\$ 1,912
2,209	2,707	2,656	2,932	2,958	3,131	3,388
463	605	520	464	498	504	577
1,059	788	761	640	476	273	265
517	364	354	303	257	119	75
4,602	1,713	554	554	1,484	1,484	-
2,279	929	64	101	-	-	-
10.2	10.1	14.1	16.0	13.5	11.2	11.8
3.7	2.7	2.7	1.8	1.1	0.9	1.1
13.9	12.8	16.8	17.8	14.6	12.1	12.9
22.4	1.7	-	-	-	-	-
71.7	56.6	46.1	33.1	26.1	20.1	21.5
94.1	58.3	46.1	33.1	26.1	20.1	21.5

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M.A. † •
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Limited
President of Trade & Investment Advisory
Group Inc., a private consulting company

- † Member of Audit Committee
‡ Member of Compensation Committee
• Member of Nominating and
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* Member of Safety, Health &
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Vice President, Investor Relations

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Vice President, Canadian Operations

Phillip D. Irwin
Executive Vice President and
Chief Operating Officer

Thomas C. Sandeman, B.Comm.,
C.A.
Treasurer

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Chairman

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General Manager, Angola

Philip Dimmock, M.A.
Vice President, Angola

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Development

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Director, Human Resources

Malcolm H. Pattinson
Director, Exploration

Kenneth P. Seymour, B.Sc., Ph.D.,
M.B.A., C.Eng.
Director, Technical Services (Operations)

William W. Stiles, B.Sc., A.C.A.
Director, Finance

Bankers

Bank of Montreal
Calgary, Alberta

Auditors

KPMG Peat Marwick Thorne
Calgary, Alberta

Legal Counsel

MacKimmie Matthews
Calgary, Alberta

Norton Rose
London, England

Transfer Agents & Registrars

The R-M Trust Company
Calgary, Vancouver, Toronto, Montreal,
Canada; London, England

Mellon Securities Trust Company
New York, U.S.A.

Stock Exchange Listings

Toronto Stock Exchange ("RGO")
Montreal Stock Exchange ("RGO")
New York Stock Exchange ("RGO")
Pacific Stock Exchange ("RGO")
The International Stock Exchange,
London ("RGR")

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Fax: 713-654-2117

ANNUAL MEETING

The Annual Meeting of Shareholders
will be held at

10:00 a.m. on Thursday May 9, 1996 at
the Metropolitan Centre,
333 - 4th Avenue S.W.,
Calgary, Alberta, Canada.

Copies of the Company's Form 40-F and
Annual Information Form

are available upon written request free
of charge to all shareholders
of record and beneficial owners
of shares. Requests should be
directed to the
Corporate Secretary at
the Head Office.

Shareholder inquiries may be

directed to the
R-M Trust Company,
Calgary, Alberta, Canada
Telephone: 1-800-387-0825
(Toll free in Canada
and the United States)
or 403-232-2400

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