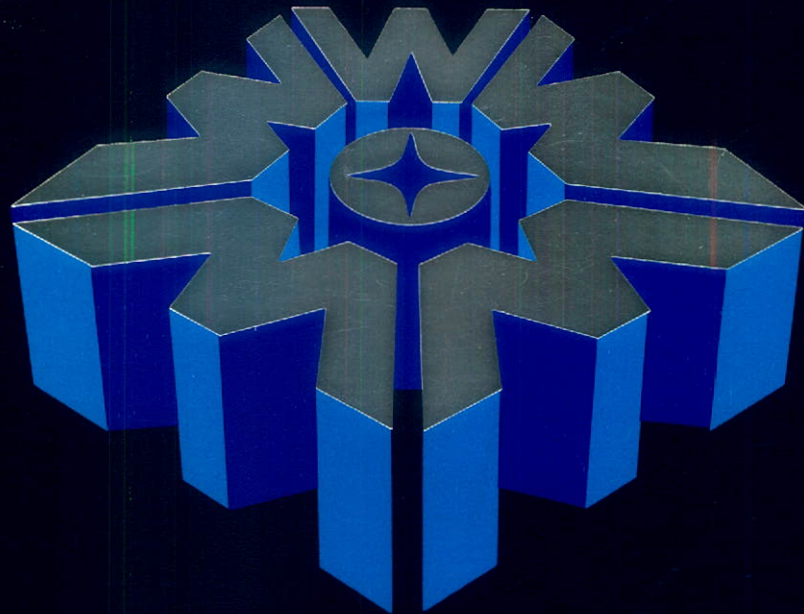


WESTBURNE INTERNATIONAL INDUSTRIES LTD.
Annual Report 1983

1983-84





CONTENTS

Highlights	1
Letter to Shareholders	2
Oil and Gas Exploration and Production	4
Petroleum Industry Services and Supplies	8
Construction Equipment and Supplies	9
Management's Discussion and Analysis	10
Financial Statements	12
Ten Year Summary	34
Directors, Officers and Corporate Information	36



HIGHLIGHTS OF FISCAL 1983

Operating Revenues

Westburne's revenues declined. Petroleum and construction industries slow moving. Sales were \$1.08 billion, down from last year's \$1.29 billion.

Net Earnings Down

Net earnings were \$8.7 million compared with last year's \$11.7 million.

Earnings per Share Lower

Per share earnings were \$0.83 versus \$1.12 last year.

Cash Flow

Cash flow was \$28.9 million compared with \$42.7 million the year before.

Working Capital Increased

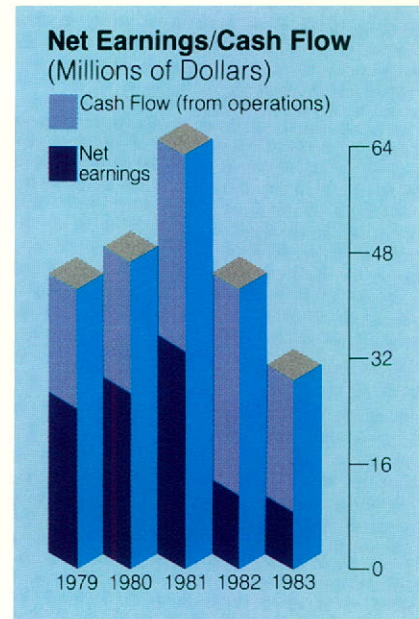
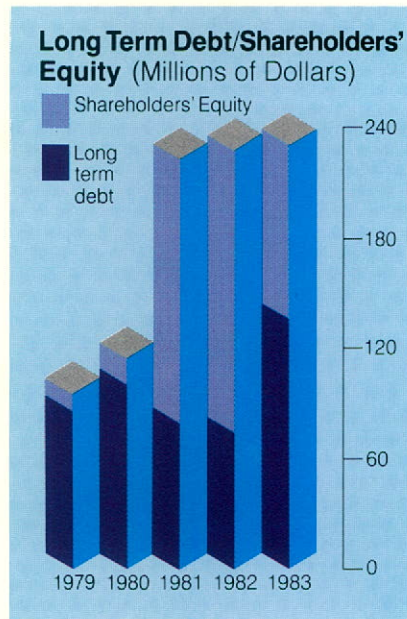
Working capital was \$142.5 million, up from \$79.9 million as a result of converting \$70.0 million short-term bank loans to long-term.

Debt-to-Equity Ratio

Long-term debt increased by \$62.7 million. Long-term debt as a ratio to shareholders' equity was .58 to 1 compared with last year's .32 to 1.

Equity per Share

Equity per share increased to \$22.23 from last year's \$21.80.



	Thousands of Canadian Dollars except per share data	
	1983	1982
Operating Revenues.....	\$1,077,661	\$1,292,881
Net Earnings applicable to Common Shares ...	8,711	11,675
Earnings per Common Share	0.83	1.12
Cash Flow.....	28,929	42,672
Long Term Debt	135,315	72,658
Shareholders' Equity.....	232,487	227,974
Equity per Common Share	22.23	21.80

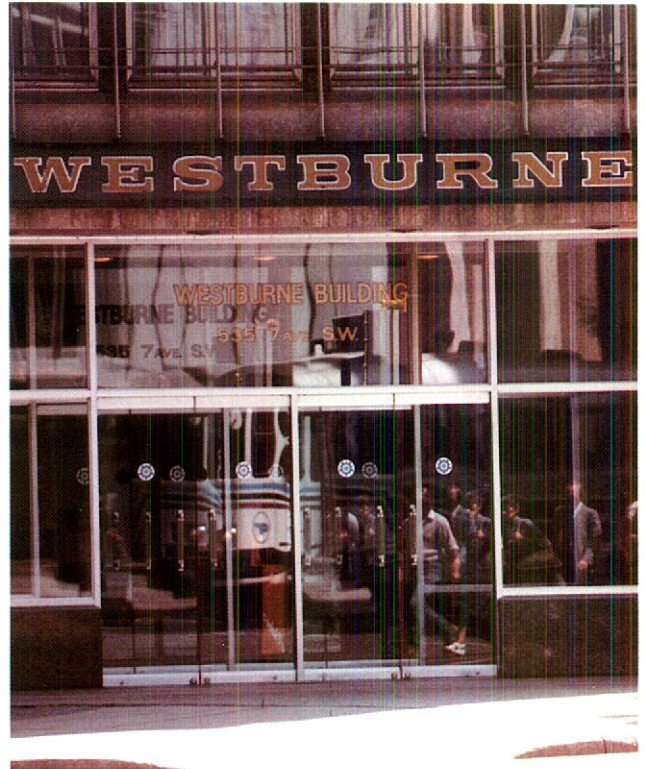


TO OUR SHAREHOLDERS

Westburne's operations in the year ended March 31, 1983 continued to be affected by the recession in North America with revenues and earnings declining from those of the prior year. Although interest and inflation rates were reduced during the year, the impact of these improved economic factors did not translate into meaningful improvement in our petroleum industry services and supplies division nor in our construction equipment and supplies division whose operations in the United States and several areas in Canada were especially hard hit. However, we believe that the outlook for Westburne has begun to improve and will continue to brighten as the economies of the world recover.

Revenues for the year ended March 31, 1983 were \$1.08 billion compared with last year's \$1.29 billion and earnings were \$8.7 million compared with \$11.7 million. These earnings, on a per share basis, are \$0.83 compared with \$1.12 last year. Cash flow was \$28.9 million while in fiscal 1982 it was \$42.7 million. During the year, strict control of our capital expenditures was continued and for fiscal 1983 capital spending of \$23.4 million and dividends on common shares of \$4.2 million were paid out of current cash flow from operations.

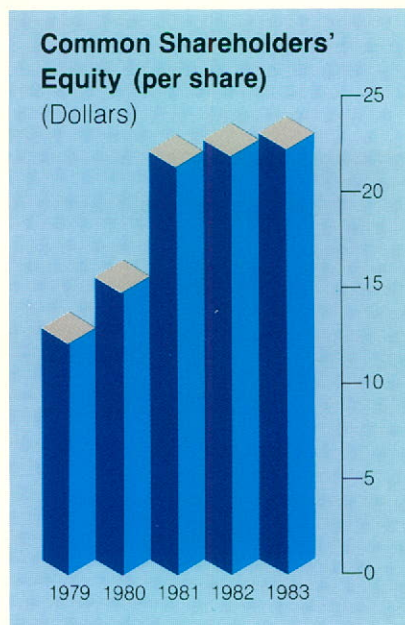
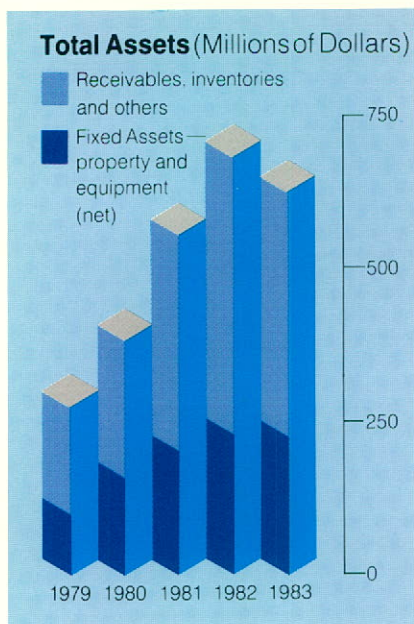
The last two years have not been good for the petroleum industry. The oppressive layers of taxation on crude oil and natural gas reduced the income of many producing companies and cut into exploration budgets. However, we are optimistic about the future. There are several reasons for our optimism. Since the last OPEC price cut, crude oil prices have stabilized, calming the fears that there would be a free-fall tumble. There is a very important change since consumption first began to decline. At first, storage tanks around the world were brimming to capacity; now, they are slightly on the low side of normal levels. There no longer is a need for the inventory dumping that had such troublesome effect on price levels. It is increasingly evident that finding oil and gas will continue to be very profitable.



The Westburne building is situated in the heart of Calgary's downtown business sector.

Actually, the difficult times of the past two years may have positive long-term effects since they have caused a number of governments to review their energy policies. This is especially important in Canada. Even before the dramatic drop in world oil consumption, the National Energy Program in Canada had created serious problems for our industry. The attitude of both federal and provincial governments in Canada has now become more constructive. Moves have been made to improve price realizations and to loosen some of the more stringent policies. More needs to be done but there is reason to hope that there is now a better understanding of how vital a healthy and prosperous energy industry is to the Canadian economy.

Of growing importance to us is our success in exploring for oil and natural gas on a worldwide basis; we presently have significant production in Canada and the United States. Despite a rather conservative policy last year, our exploration program achieved a very high success ratio of 79% for the 84 wells drilled in which we participated. In several fields, we participated in new discoveries. Especially interesting are Canadian prospects in the Fenn-Big Valley, Lochend, Grande Prairie and



Coleville areas. More exploration will be done this year in all of these areas and in the United States, we expect to be active in Kansas, Montana and Texas.

Our petroleum industry services and supplies division has not had an easy time of it. As a result of cut-backs in exploration and development programs, a number of poorly financed drilling operators had difficulty in meeting their financial obligations and offered rigs at very low rental rates which made it difficult for the rest of the industry to maintain sound profit margins. Even though some companies are beginning to reactivate exploration and development programs, the rate of rig utilization remains very poor. However, we believe it will be only a question of time before gradual but sustained improvement commences.

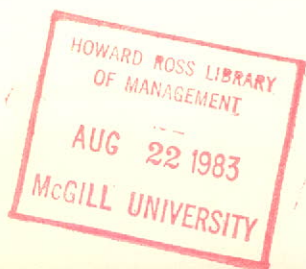
The construction equipment supplies division had a profitable year although earnings were considerably lower than last year. Volume was reduced because of the recession, and the recovery in the construction industry came too late in our fiscal year to make any appreciable change in the results. Judging from the trends of recent months, 1983 should bring an excellent improvement in this division's revenues and earnings. In August, 1982, \$70.0 million of short-term bank loans were converted to long-term by this division.

It is with deep regret that we announce the untimely death of our long-time friend and colleague, Desmond N. Stoker, who passed away in Montreal in May, 1983. Mr. Stoker became associated with Westburne during the 1960's and in 1967 was elected to the Board of Directors of our subsidiary United Westburne Industries Limited, and to the Board of this Company in 1969. He served with distinction on each of these Boards and also latterly, as a member of the Audit Committees of both Boards. He contributed a great deal to the deliberations and decisions of our Boards of Directors and we will miss not only his knowledge but also his genuinely warm personality and friendship.

In spite of the difficulties of the past year Westburne remained profitable, although at a reduced rate. Equally important, your Company's overall finances have remained strong enough to allow it to take full advantage of every economic improvement that lies ahead.

July 25, 1983

J. A. SCRYMGEOUR
Chairman of the Board





The Lochend field was one of three areas in the province of Alberta to produce interesting discoveries for Westburne's oil and gas division during the past year.

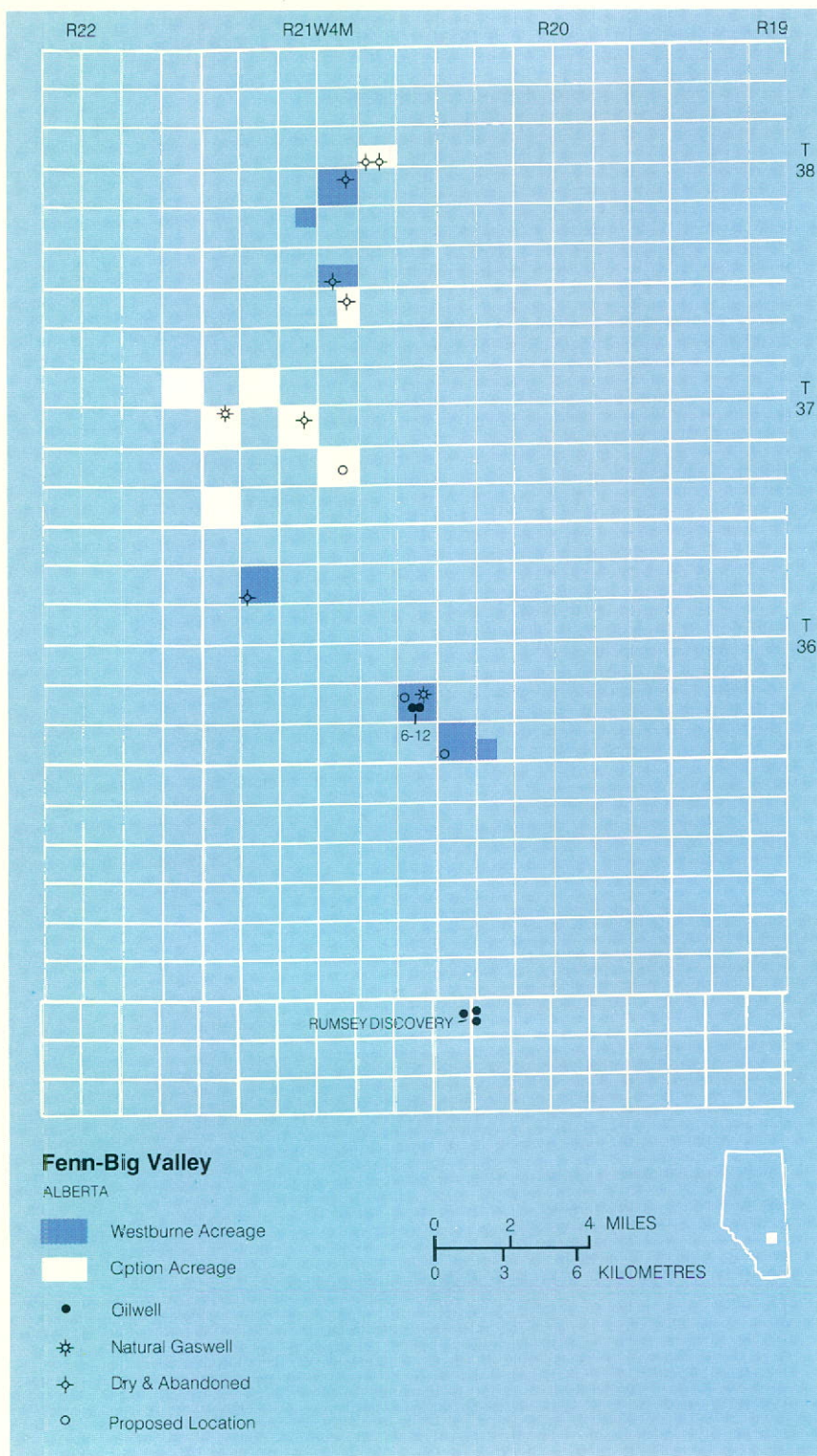
OIL AND GAS EXPLORATION AND PRODUCTION

In fiscal 1983 our oil and gas division had record high revenues of \$25.6 million. Earnings, before income tax and minority interest, of \$2.45 million in 1983 (after depreciation and depletion charges of \$11.3 million) compares with a loss of \$0.6 million in 1982 (after depreciation and depletion of \$11.0 million). A significant number for an oil and gas exploration company is cash flow which was \$11.0 million for the year compared with \$9.9 million last year.

In 1983 gross oil production (before royalties) averaged 2,075 barrels of oil and liquids per day or 4% more than the 2,000 barrels of production in fiscal 1982.

Gas production (before royalties) increased 10.1% to 10,857 mcf per day compared to 9,700 mcf per day in fiscal 1982.

We are pleased with the exploration programs which were developed in recent years. We were able to maintain our proven and probable reserves of oil and gas in fiscal 1983 while spending \$14.3 million compared with \$14.9 million the year before. The results of some of our discoveries came too late in the year to be reflected in our proven reserves as calculated by an independent consulting firm. During the year we participated in a total of 84 gross wells (28 net), resulting in 29 oil and 37 natural gas for a success ratio of about 79%. Exciting discoveries in Canada include Fenn-Big Valley (2 wells now on production), in which our interest is 11.8%, Grande Prairie (4 wells on production), in which our interest is 6-12%, Lochend (4 wells on production), in which our interest is 25%, all in Alberta, and at Coleville, Saskatchewan. Important development drilling is continuing in these areas as well as Jim Wells County, Texas where we have a 25% interest in two gas discoveries and a market for the gas.



Our plan for fiscal 1984 is to concentrate in Canada and United States in areas in which we are confident we can increase our cash flow. We have active seismic programs for prospects in the Fenn-Big Valley area and exploratory drilling plans for this area. We anticipate purchasing additional lands in Saskatchewan and participating in several exploratory wells in that province. In the United States we have an average of 15% in 90,000 acres in Western Kansas where recent seismic work indicates several potential anomalies that we will be exploring during the upcoming year. Our budget drilling plan for 1984 is to participate in an estimated 60 wells in the United States and Canada, spending approximately \$10 million.

Fenn-Big Valley, Alberta

Industry activity in this area of central Alberta reached a peak during the past year following the discovery of a Leduc pinnacle reef in the Rumsey area.

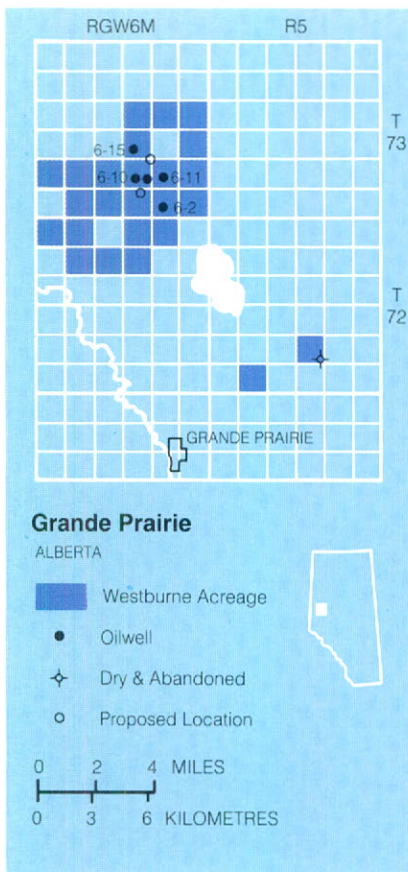
A similar pinnacle was discovered on our acreage and the first well is currently producing oil from the Leduc at allowable rates of 1,500 barrels per day. We hold an 11.88% working interest in this well and in a twin which was drilled to tap oil potential in the uphole Nisku zone.

As well as holding interests varying from 16.67% to 50% in 2,560 acres in this general area, we negotiated seismic options on an additional 4,160 acres. Following evaluation of the extensive seismic and modeling program in this area it is anticipated that a number of exploratory wells will be drilled during the coming year.



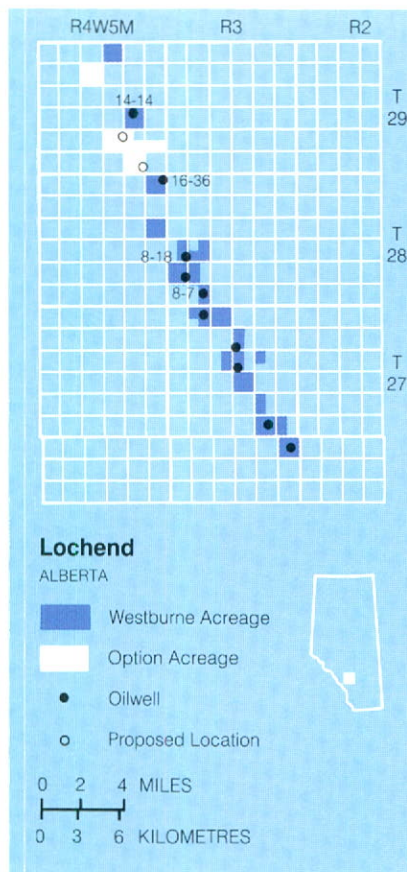
Grande Prairie, Alberta

Our participation in a Halfway zone oil discovery in this area resulted in an interest in a well capable of producing 42° API crude oil at rates of up to 300 barrels per day. Three additional wells were drilled and we plan an aggressive development drilling program. Our interests vary from 4.23% to 12.5% in 14,720 acres in this prospect area.



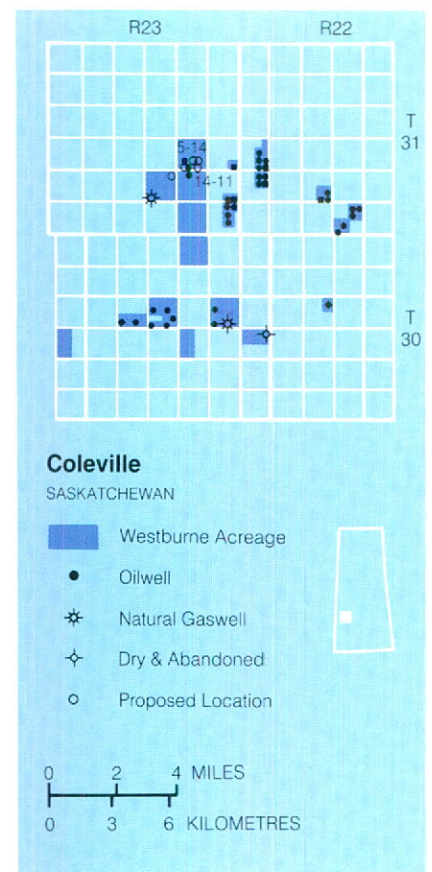
Lochend, Alberta

In this area we were party to the discovery of a significant northwest extension to the Lochend Cardium pool. Four wells were drilled in this area and are currently on production at rates varying from 30 to 50 barrels of oil per day. We earned interests varying from 11.0% to 25.0% in 4,320 acres in this area and plan further development drilling.



Coleville, Saskatchewan

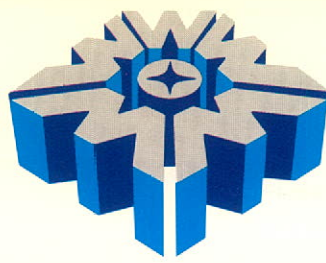
In the 1983 fiscal year we participated in the discovery of a significant heavy oil accumulation in central west Saskatchewan. Two wells were drilled on this prospect, both encountering heavy oil potential (13° API) in the McLaren and Bakken sands. Our interests vary from 12.5% to 25% in 3,200 acres in this prospect and an active development program is planned.



ACREAGE

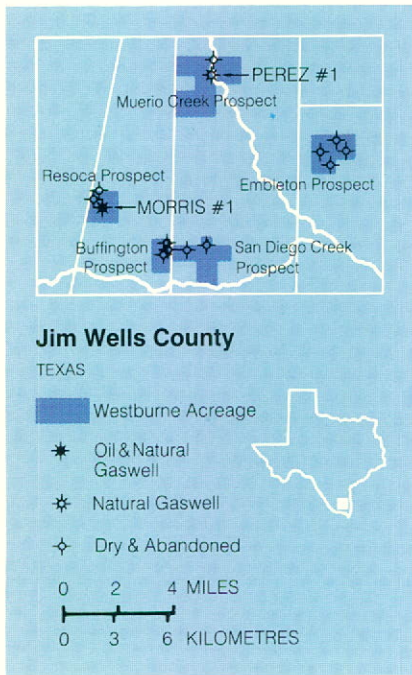
As of March 31, 1983 Westburne owned interests in the following acreage:

	Developed Acreage		Undeveloped Acreage	
	Gross Acres	Net Acres	Gross Acres	Net Acres
Canada	221,387	47,726	748,847	152,458
United States	37,680	10,090	280,835	67,060
Other	—	—	2,816,079	287,885
TOTAL	259,067	57,816	3,845,761	507,403



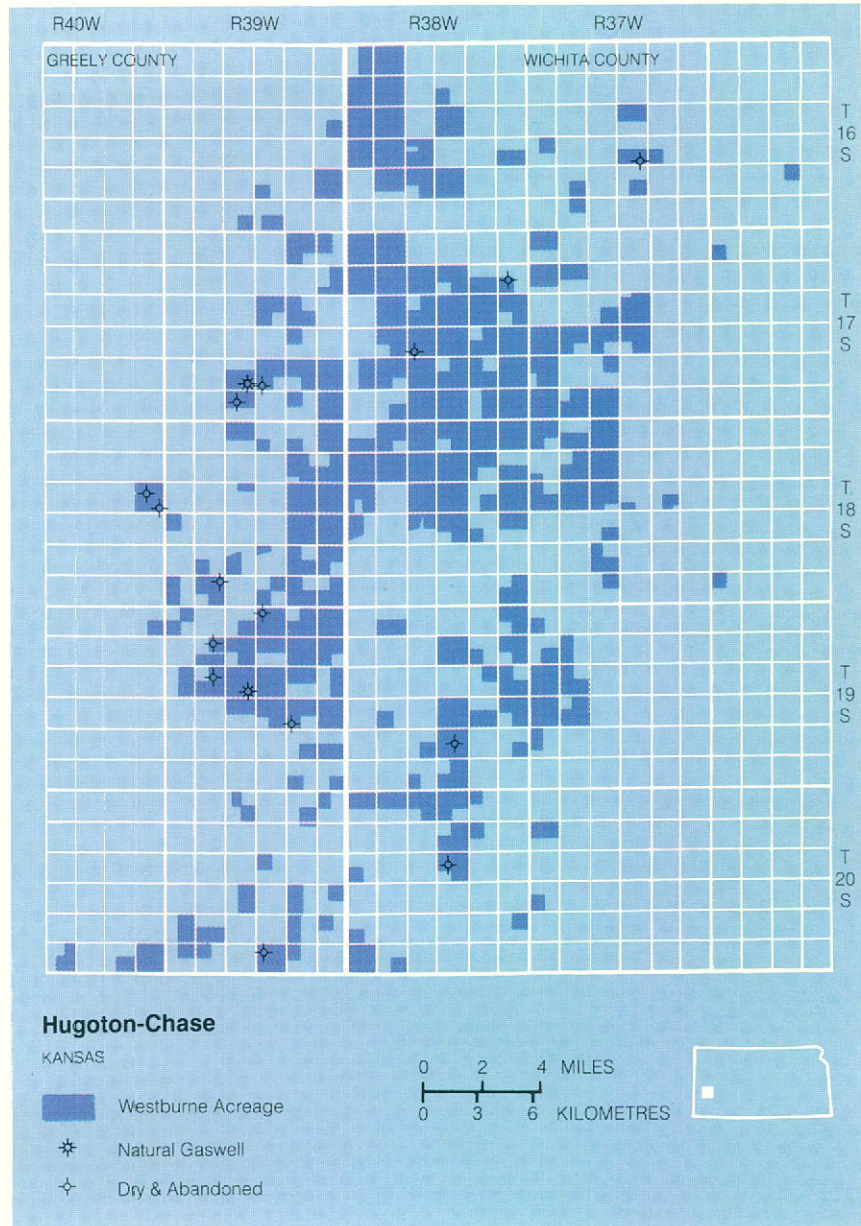
Jim Wells County, Texas

In this area of south central Texas we were involved in the drilling of five exploratory wells which resulted in two successful natural gas wells, one of which is currently on production at a rate of 1.0 mscf per day and one coming on production shortly. We have a 25% working interest in 4,943 acres in this area and further development drilling will be done.



Hugoton-Chase, Kansas

One of our most active exploration projects will be in this west central area of Kansas where we hold interests varying from 14.25% to 28.5% in 88,693 gross acres. An extensive seismic program in the area has delineated several drillable prospects. Drilling of up to four of these prospects to test the entire sedimentary section to well depths of 6,300 feet is scheduled.





PETROLEUM INDUSTRY SERVICES AND SUPPLIES

Contract Drilling

During the last two years the oil and gas contract drilling industry has faced the dual problems of an over-supply of drilling rigs and reduced demand for drilling services. For many years prior to the late 1970's the worldwide rig count was comparatively stable and these rigs were adequate to handle the varying demands for drilling services wherever required. However, the demand for drilling services escalated in 1976 and within a relatively short period the supply of drilling rigs in North America almost doubled. As has happened so often in business, the demand for a service suddenly decreases after industry gears up to provide that service. As a result of the reduced demand for petroleum products as well as governmental regulations of all kinds, the contract drilling industry has gone from the 1980-81 conditions when day, footage and utilization rates were the highest in history to the present opposite experience with the market at its most competitive.

In spite of this our contract drilling division had net earnings before income tax in fiscal 1983 of \$2.6 million on revenues of \$88.0 million which, considering the circumstances, compares quite favourably with earnings of \$5.5 million on revenues of \$162.2 million in 1982.

As of March 31, 1983 we had 24 drilling rigs in Canada, 15 in the United States and 18 in international operations. This rig count is down from the 62 reported in 1982 — a lease of four rigs was not renewed and one rig was taken out of service. The cost and depreciated value of our investment in drilling rigs and string amounted to \$117.0 million and \$71.0 million



A representative with Petromer Trend reviews Westburne Rig 217's drilling schedule in Irian Jaya, Indonesia with toolpusher George Pederson (right). The Company currently operates five rigs in Southeast Asia and also provides supervisory and operating personnel for geothermal development in the Philippine Islands.

respectively. In addition to our rig operations, the international division has labour contracts in Indonesia, the Philippines and in the North Sea — United Kingdom sector.

Although it is impossible to forecast when demand for drilling services will improve to more normal levels, there are some factors which give cause for optimism. In Canada, the energy policies of both the federal and provincial governments have been modified to improve the net-back to producing companies and various incentive programs have been instituted to encourage exploratory drilling programs. On July 1, 1983 further amendments to the Canada — Alberta Agreement have (a) extended the "new oil reference price" (the highest price) for crude oil to oil produced from fields discovered after March 31, 1974

(formerly after 1980) which is expected to put an additional \$250.0 million into oil companies' cash flows, and (b) instituted a "discount" price arrangement for natural gas exported to the United States which makes the importation of Canadian gas into the United States much more attractive. In the United States the yearly consumption of oil and natural gas exceeds the amount of new resources discovered and it is only a matter of time before the demand for secure future supplies of petroleum products will result in renewed exploratory and development drilling. Worldwide, the price of crude oil has stabilized and the temporary oil glut appears to be disappearing as oil companies replenish their inventories and the improving economies of many Western countries increases consumption. In the meantime, this segment of our operations continues to curtail capital expenditures and has put into place stringent controls on all forms of expenditure in order to conserve our financial resources.

Oilfield Equipment and Supplies

Since the economic health of this segment of our division is almost wholly dependent on the activity in the petroleum industry in Canada, it was inevitable that revenues and earnings suffered in fiscal 1983. Revenues declined by about 30% and due to a very competitive market place, profit margins could not be maintained. As in other areas of operations, this segment has instituted all possible controls on expenditures and it should reflect improved earnings in advance of the contract drilling segment.

General

Despite staff reductions we have maintained a strong core of professional, experienced staff. Continuing emphasis is being placed on performance, training and safety in order to provide first rate service to our customers, domestically and on the international scene.

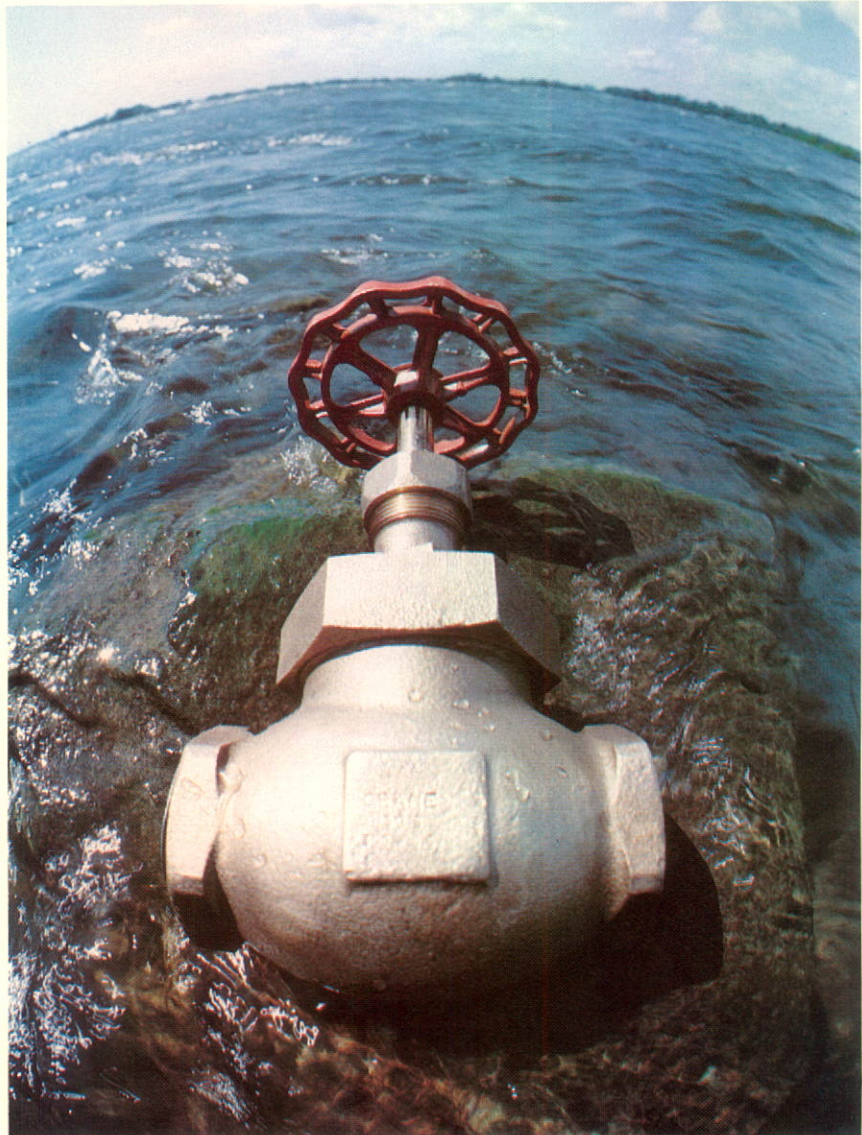


CONSTRUCTION EQUIPMENT AND SUPPLIES

Revenues were \$913.6 million in 1983 compared with \$1,040.8 million in 1982. Net earnings were \$4.7 million compared with \$14.9 million; per share earnings were \$0.49 versus \$1.57.

Fiscal 1983 was a difficult year for this division. It is not unusual for one or more segments of our overall business to experience temporary slow periods but with our broad product line and geographical diversification, other strong segments have usually more than made up for them. However, in fiscal 1983 the majority of our divisions were affected by the recession — the ones especially hard hit were our United States operations, where we lost \$8.6 million before tax credits, and two divisions in Canada. It has taken longer than we anticipated for our new management team to achieve the desired control over our United States operations but we believe this goal has finally been reached. Late in our fiscal year we began to see signs of improvement which have become more pronounced since April. This coincides with what appears to be a distinct economic upturn in the United States — in which Canada also seems to be on the verge of participating. Should the economy continue to improve we expect to show considerable growth in the coming year.

In August, 1982, this division converted \$70 million of current bank loans to long-term loans with the result that at March 31, 1983, its working capital had increased to \$122.5 million, up from \$65.8 million last year. The current ratio as of March 31, 1983 increased to 1.64 to 1 from 1.23 to 1 in 1982 while the ratio of long-term debt



to shareholders' equity was 0.78 to 1 compared with 0.15 to 1 in the prior year. This division is in an excellent position to take advantage of a general resurgence and will benefit significantly from lower interest rates.

*One of more than 50,000 products
marketed by this division.*



MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Net earnings decreased to \$8.7 million in 1983, down 25% from \$11.7 million in 1982, which in turn represented a decrease of 65% from net earnings in 1981. Cash flow from operations decreased to \$28.9 million from \$42.7 million in 1982 and \$62.8 million in 1981.

The decline in earnings for 1983 was attributable to several factors, the most significant of which were:

- (1) In the construction equipment and supplies division there were sharply reduced earnings from Canadian operations and increased losses from United States operations,
- (2) In the petroleum industry services and supplies division earnings attributable to international operations were reduced by losses attributable to operations in Canada and the United States, and
- (3) There was included a provision of \$2.3 million for a loss on an investment in an affiliated company.

Although the construction equipment and supplies and the petroleum industry services and supplies divisions had lower earnings in fiscal 1983 due to adverse economic conditions, the oil and gas exploration and production division had increased revenues and earnings principally attributable to higher unit prices for crude oil and natural gas in Canada.

Revenues in 1983 were \$1.08 billion, a decrease of 17% from those in 1982, compared with an increase in 1982 of 11% over 1981. The decrease in 1983 occurred in all segments with the exception of the oil and gas exploration and production division. Construction equipment and supplies division revenues decreased \$127.2 million in 1983 due to lower demand and more competitive pricing as a result of the recession. Westburne's petroleum industry services and supplies revenues decreased by \$100 million in 1983 (compared with a decrease of \$25 million in 1982) and occurred principally in the United States and international operations of the contract drilling segment and the oilfield supplies segment. Activity in the United States contract drilling operations dropped from 83% of available rig capacity in 1982 to 34% in 1983. In international drilling operations the four rigs formerly under contract in Algeria were exported to Houston and stacked without work. In the oilfield supplies segment the decreased revenues reflected the continued deterioration of oil and gas exploration and development in both Canada and the United States during the year.

Cost of sales decreased \$166.9 million, or 16%, in 1983 compared with an increase in 1982 of 12%. In the construction equipment and supplies division cost of sales decreased \$95.5 million (approximately 11.2%) on a decrease in revenues of approximately 12.2%, resulting in a 1% decrease in gross profit percentage for the year. In the Canadian and United States contract drilling segments cost of sales decreased \$25 million from 1982 (approximately 42.7%) on a decrease in revenues of approximately 49.0%, resulting in a 6.3% decrease in gross profit percentage. In the oilfield supplies segment competitive factors also caused lower gross margins in 1983 compared with those in 1982.

General administrative expenses increased 1.6% in 1983 compared with

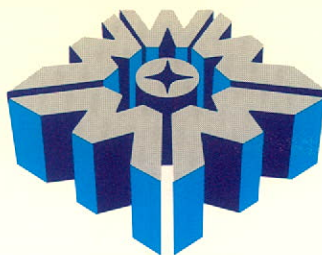
an increase of 14% in 1982, largely by reason of a provision for doubtful accounts in the construction equipment and supplies division, the United States contract drilling operations and the oilfield supplies segment.

Depreciation is partially provided on an activity basis and depletion on a unit of production method based on full cost amortized on estimated proved recoverable oil and gas reserves. Depreciation and depletion decreased by 12% in 1983 compared with an increase of 17% in 1982. The decrease in 1983 was the result of the decreased activity worldwide in contract drilling operations.

Interest expense decreased \$10.4 million in 1983 compared with a \$7.3 million increase last year. The decrease was the result of reduced borrowings in the construction equipment and supplies division and declining interest rates during the last three fiscal quarters.

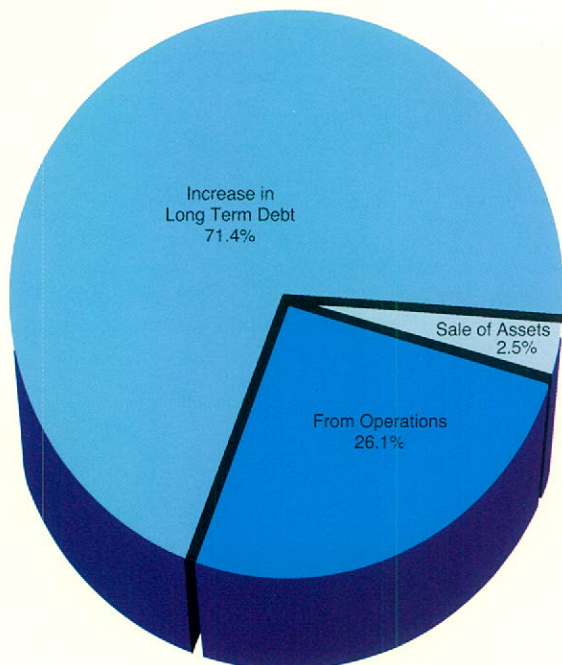
Other income of \$4.6 million represented a decrease of \$7.2 million from 1982. In 1983 this included a \$2.3 million provision for loss in relation to an investment in an affiliated company while in 1982 other income included a net after-tax gain of \$1.5 million on the sale of assets to another affiliated company. In addition, interest earned in 1983 on short-term investments declined due to a combination of reduced funds available for investment and lower interest rates on such investments.

Net earnings for 1983 include a \$5.4 million credit in respect of income tax. This income tax credit increases net earnings and is attributable principally to: (a) different rates of tax from average Canadian rates being applied to income earned from certain international operations; (b) the recording of income tax credits on operating losses of certain subsidiaries; (c) provincial tax credits on Canadian source oil and gas income; and (d) an inventory inflation allowance as provided under the Income Tax Act (Canada).

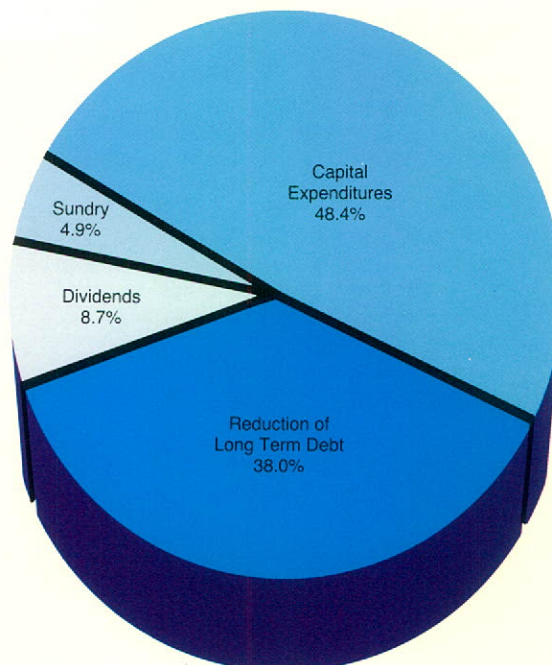


Changes in Financial Position (as a percentage)

Source of Funds



Application of Funds



Reference is made to Note A of the Supplemental Financial Information to the Consolidated Financial Statements for a reconciliation of the financial data herein to United States generally accepted accounting principles and a discussion of the differences between Canadian and United States generally accepted accounting principles.

Financial Condition

Cash flow from operations was \$28.9 million for the year ended March 31, 1983, a decrease of approximately 32% from fiscal 1982. In August 1982 the Company converted \$70.0 million of current bank loans to long-term bank loans. Largely for this reason working capital increased to \$142.5 million on March 31, 1983 from \$79.9 million at March 31, 1982. The current ratio at March 31, 1983 was 1.60 to 1 compared with 1.23 to 1 at March 31, 1982, and the ratio of long-term debt to shareholders' equity was .58 to 1 compared with .32 to 1 at March 31, 1982.

Although cash flow from operations decreased in each of the last two years, management believes that the Company, with its improved working capital position and continued favourable long-term debt to equity position, is still well able to meet its present obligations.

Westburne's outlook depends to a great extent on factors beyond its control, including matters such as interest rates and the general state of the economy. The National Energy Program has had a very negative effect on drilling activity in Canada. Oil and natural gas prices are subject not only to worldwide supply and demand, but also to political decisions by OPEC and taxation in the United States and Canada. Management is unable to predict whether future developments in these and other areas will be favourable or adverse to the Company's operations.

Inflation and Changing Prices

Virtually all of the revenues and costs of the Company are affected by inflation, and the Company is continually seeking ways to cope with its impact. In general, to the extent permitted by competitive factors, the Company passes on increased costs by gradually increasing sales prices. However, the Company has not prepared a detailed analysis of the effect of inflation on operations and is, therefore, not in a position to quantify the impact of the same. The current value of the Company's oil and gas reserves in place increases as a result of inflation, and the real value of the funds borrowed to acquire or develop these reserves declines on a relative basis during inflationary periods.

WESTBURNE
INTERNATIONAL
INDUSTRIES
LTD.

and subsidiary companies

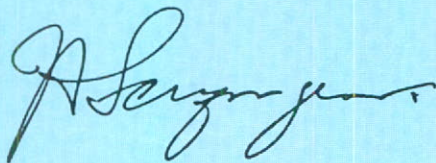
CONSOLIDATED BALANCE SHEET

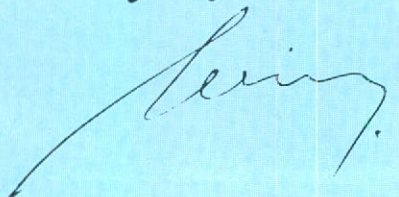
(Thousands of Canadian Dollars)

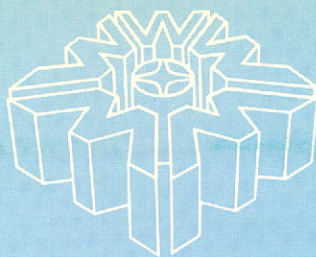
Assets

	March 31	
	<u>1983</u>	<u>1982</u>
Current assets		
Cash and short-term deposits	\$ 13,591	\$ 12,337
Accounts receivable	175,671	215,063
Inventories (Note 1(d))	174,612	187,428
Income taxes recoverable	6,139	4,242
Prepaid expenses and consumable supplies	<u>8,723</u>	<u>13,822</u>
Total current assets	<u>378,736</u>	<u>432,892</u>
Investments (Note 2)	<u>13,609</u>	<u>11,348</u>
Fixed assets, at cost (Note 3)	355,163	336,506
Less accumulated depreciation and depletion	<u>128,669</u>	<u>108,024</u>
	226,494	228,482
Other (Note 4)	<u>4,932</u>	<u>5,064</u>
Total assets	<u><u>\$623,771</u></u>	<u><u>\$677,786</u></u>

Signed on behalf of the Board

 Director

 Director



Liabilities

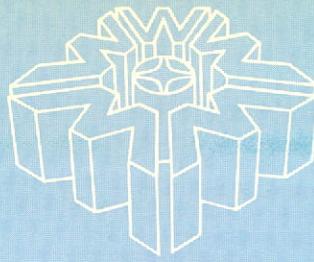
	March 31	
	1983	1982
Current liabilities		
Bank loans, secured (Notes 5 and 6)	\$ 95,155	\$186,642
Accounts payable	134,227	154,986
Dividends payable	1,046	2,047
Long-term debt due within one year	6,049	8,249
Deferred income taxes	(285)	1,084
Total current liabilities	<u>236,192</u>	<u>353,008</u>
Long-term debt, less amount due within one year (Notes 5 and 7)	135,315	72,658
Deferred income taxes	21,979	24,884
Minority interest (Note 8)	9,820	9,591
Unrealized currency translation loss (Note 1(c))	(12,022)	(10,329)
	<u>391,284</u>	<u>449,812</u>
Shareholders' Equity		
Common shares (Note 9)	90,589	90,589
Contributed surplus	5,326	5,326
Retained earnings (Note 10)	136,572	132,059
Total shareholders' equity	<u>232,487</u>	<u>227,974</u>
Total liabilities and shareholders' equity	<u>\$623,771</u>	<u>\$677,786</u>

**WESTBURNE
INTERNATIONAL
INDUSTRIES
LTD.**
and subsidiary companies

CONSOLIDATED STATEMENT OF EARNINGS

(Thousands of Canadian Dollars except per share data)

	Year Ended March 31		
	1983	1982	1981
Operating revenues			
Construction equipment and supplies	\$ 913,594	\$1,040,808	\$ 895,408
Petroleum industry services and supplies	138,476	231,620	254,897
Oil and gas production	25,591	20,453	18,303
	<u>1,077,661</u>	<u>1,292,881</u>	<u>1,168,608</u>
Costs and expenses			
Cost of sales			
Construction equipment and supplies	754,606	850,058	723,588
Petroleum industry services and supplies	111,232	183,340	203,154
Oil and gas exploration and production	7,039	6,352	5,379
Depreciation and depletion	22,649	25,756	21,959
Selling, general and administrative	149,339	147,010	128,978
	<u>1,044,865</u>	<u>1,212,516</u>	<u>1,083,058</u>
Provision for loss on termination of drilling contracts in Algeria (Note 15)	—	14,683	—
	<u>1,044,865</u>	<u>1,227,199</u>	<u>1,083,058</u>
Earnings from operations	32,796	65,682	85,550
Other expenses and revenues (Note 11)	28,816	32,048	22,873
Earnings before income taxes and minority interest	<u>3,980</u>	<u>33,634</u>	<u>62,677</u>
Income taxes (Note 12)			
Current	(1,157)	18,661	23,509
Deferred	(4,260)	1,880	4,196
	<u>(5,417)</u>	<u>20,541</u>	<u>27,705</u>
Earnings before minority interest	9,397	13,093	34,972
Minority interest	686	1,418	1,928
Net earnings for the year	<u>\$ 8,711</u>	<u>\$ 11,675</u>	<u>\$ 33,044</u>
Earnings per common share	<u>\$0.83</u>	<u>\$1.12</u>	<u>\$3.39</u>
Weighted average number of common shares outstanding	<u>10,457,218</u>	<u>10,457,218</u>	<u>9,759,646</u>



CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(Thousands of Canadian Dollars)

	Year Ended March 31		
	1983	1982	1981
Balance at beginning of year	\$132,059	\$127,734	\$104,503
Add (deduct)			
Net earnings for the year	8,711	11,675	33,044
Change of minority interest in subsidiary companies	(15)	(26)	(67)
Dividends — common shares	(4,183)	(7,324)	(7,000)
Financial expenses on issue of common shares (net of deferred income taxes of \$2,435,000)	—	—	(2,746)
Balance at end of year	<u>\$136,572</u>	<u>\$132,059</u>	<u>\$127,734</u>

AUDITORS' REPORT

The Shareholders
Westburne International Industries Ltd.

We have examined the consolidated balance sheet of Westburne International Industries Ltd. as at March 31, 1983 and 1982 and the consolidated statements of earnings, retained earnings and changes in financial position for each of the three years in the period ended March 31, 1983. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at March 31, 1983 and 1982 and the results of its operations and the changes in its financial position for each of the three years in the period ended March 31, 1983 in accordance with generally accepted accounting principles applied on a consistent basis.

Calgary, Alberta
June 6, 1983

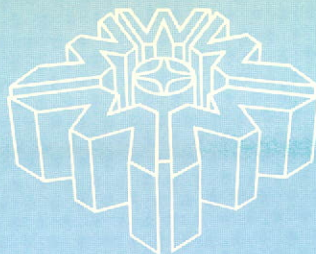
Touche Ross & Co.
Chartered Accountants

WESTBURN
INTERNATIONAL
INDUSTRIES
LTD.
and subsidiary companies

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Thousands of Canadian Dollars)

	Year Ended March 31		
	1983	1982	1981
Source of funds			
Earnings before minority interest	\$ 9,397	\$ 13,093	\$ 34,972
Depreciation and depletion	22,649	25,756	21,959
Deferred income taxes	(4,260)	1,880	4,196
Other	1,143	1,943	1,674
Funds from operations	28,929	42,672	62,801
Long-term debt	79,318	12,566	7,496
Sale of fixed assets	2,757	9,331	5,726
Issue of share capital	—	(46)	85,005
	<u>111,004</u>	<u>64,523</u>	<u>161,028</u>
Application of funds			
Capital expenditures	23,418	49,542	49,813
Reduction in long-term debt (adjusted for foreign currency translation)	18,354	21,739	30,126
Acquisition of Peyto Oils Ltd. (net of working capital)	—	—	34,726
Dividends — common shares	4,183	7,324	7,000
Investments	2,261	5,122	401
Other	128	2,923	6,812
	<u>48,344</u>	<u>86,650</u>	<u>128,878</u>
Increase (decrease) in working capital	62,660	(22,127)	32,150
Working capital at beginning of year	79,884	102,011	69,861
Working capital at end of year	<u>\$142,544</u>	<u>\$ 79,884</u>	<u>\$102,011</u>
Changes in working capital			
Increase (decrease) in:			
Cash and short-term deposits	\$ 1,254	\$ (13,972)	\$ 6,144
Accounts receivable	(39,392)	(801)	23,691
Inventories	(12,816)	12,891	15,488
Income taxes recoverable	1,897	4,242	—
Prepaid expenses and consumable supplies	(5,099)	480	2,680
(Increase) decrease in:			
Bank loans	91,487	(38,501)	(1,918)
Other payables	23,129	15,542	(16,441)
Long-term debt due within one year	2,200	(2,008)	2,506
Increase (decrease) in working capital	<u>\$ 62,660</u>	<u>\$ (22,127)</u>	<u>\$ 32,150</u>



CONSOLIDATED BUSINESS SEGMENTS INFORMATION

(Thousands of Canadian Dollars)

Revenue Contribution

	Year Ended March 31				
	1983	1982	1981	1980	1979
Construction equipment and supplies					
Canada	\$ 786,532	\$ 897,026	\$ 767,400	\$689,334	\$426,118
United States	127,062	143,782	128,008	63,450	—
	<u>913,594</u>	<u>1,040,808</u>	<u>895,408</u>	<u>752,784</u>	<u>426,118</u>
Petroleum industry services and supplies					
Contract drilling					
Canada	25,427	31,659	74,589	73,149	61,780
United States	18,556	54,557	28,003	20,788	20,421
International	43,995	75,981	62,309	32,991	52,466
Oilfield supplies	55,245	80,563	103,071	72,492	58,267
	<u>143,223</u>	<u>242,760</u>	<u>267,972</u>	<u>199,420</u>	<u>192,934</u>
Oil and gas exploration and production					
Canada	20,602	15,148	15,135	8,081	6,592
United States	4,989	5,305	3,168	507	97
	<u>25,591</u>	<u>20,453</u>	<u>18,303</u>	<u>8,588</u>	<u>6,689</u>
Intersegment items	(4,747)	(11,140)	(13,075)	(10,125)	(9,794)
	<u>\$1,077,661</u>	<u>\$1,292,881</u>	<u>\$1,168,608</u>	<u>\$950,667</u>	<u>\$615,947</u>

Earnings Contribution (Before Income Taxes and Minority Interest)(1)

	Year Ended March 31				
	1983	1982	1981	1980	1979
Construction equipment and supplies					
Canada	\$ 9,758	\$ 28,558	\$ 37,965	\$ 33,872	\$ 16,662
United States	(8,602)	(4,402)	(2,510)	1,113	—
	<u>1,156</u>	<u>24,156</u>	<u>35,455</u>	<u>34,985</u>	<u>16,662</u>
Petroleum industry services and supplies					
Contract drilling					
Canada	(1,762)	3,264	15,205	17,693	15,697
United States	(2,284)	14,602	7,042	4,417	6,059
International	7,216	(12,356)	(2,466)	(8,411)	741
Oilfield supplies	(578)	4,401	5,489	5,865	3,832
	<u>2,592</u>	<u>9,911</u>	<u>25,270</u>	<u>19,564</u>	<u>26,329</u>
Oil and gas exploration and production					
Canada	6,581	1,994	1,877	1,693	2,547
United States	(3,070)	(1,834)	445	248	(242)
International (2)	(1,061)	(739)	(610)	(609)	(621)
	<u>2,450</u>	<u>(579)</u>	<u>1,712</u>	<u>1,332</u>	<u>1,684</u>
Intersegment items	(2,218)	146	240	(390)	271
	<u>\$ 3,980</u>	<u>\$ 33,634</u>	<u>\$ 62,677</u>	<u>\$ 55,491</u>	<u>\$ 44,946</u>

(1) Westburne has allocated interest and corporate general and administrative expenses to industry segments because it believes that this allocation best reflects the decentralized and autonomous management of Westburne.

(2) Losses in international operations consist solely of amortization of unproductive properties.

**WESTBURNE
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CONSOLIDATED BUSINESS SEGMENTS INFORMATION

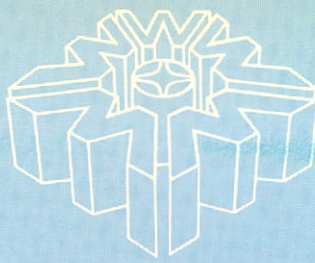
(Thousands of Canadian Dollars)

Assets Employed

	Year Ended March 31				
	1983	1982	1981	1980	1979
Construction equipment and supplies					
Canada	\$293,082	\$328,072	\$298,267	\$286,155	\$232,959
United States	55,877	52,874	51,963	38,940	—
	<u>348,959</u>	<u>380,946</u>	<u>350,230</u>	<u>325,095</u>	<u>232,959</u>
Petroleum industry services and supplies					
Contract drilling					
Canada	34,841	45,358	56,129	36,289	41,441
United States	34,294	35,064	26,122	13,453	10,178
International	49,186	70,813	78,283	77,301	63,241
Oilfield supplies	22,273	20,862	26,912	24,718	16,471
	<u>140,594</u>	<u>172,097</u>	<u>187,446</u>	<u>151,761</u>	<u>131,331</u>
Oil and gas exploration and production					
Canada	88,917	85,143	84,260	59,633	21,951
United States	32,410	28,903	22,528	11,742	505
International	8,261	6,234	6,061	5,504	2,316
	<u>129,588</u>	<u>120,280</u>	<u>112,849</u>	<u>76,879</u>	<u>24,772</u>
Intersegment and corporate items	4,630	4,463	5,268	4,410	4,274
	<u>\$623,771</u>	<u>\$677,786</u>	<u>\$655,793</u>	<u>\$558,145</u>	<u>\$393,336</u>

Capital Expenditures

	Year Ended March 31				
	1983	1982	1981	1980	1979
Construction equipment and supplies					
Canada	\$ 3,490	\$ 6,655	\$ 7,460	\$ 8,098	\$ 4,202
United States	1,386	1,483	910	775	—
	<u>4,876</u>	<u>8,138</u>	<u>8,370</u>	<u>8,873</u>	<u>4,202</u>
Petroleum industry services and supplies					
Contract drilling					
Canada	995	4,359	15,248	11,592	6,292
United States	2,326	17,056	4,973	1,248	996
International	706	4,629	2,618	7,401	2,112
Oilfield supplies	130	436	129	141	390
	<u>4,157</u>	<u>26,480</u>	<u>22,968</u>	<u>20,382</u>	<u>9,790</u>
Oil and gas exploration and production					
Canada	3,981	4,414	6,377	3,599	3,692
United States	6,840	9,535	10,775	2,044	301
International	3,499	909	1,177	1,380	2,818
	<u>14,320</u>	<u>14,858</u>	<u>18,329</u>	<u>7,023</u>	<u>6,811</u>
Intersegment and corporate items	65	66	146	34	393
	<u>\$ 23,418</u>	<u>\$ 49,542</u>	<u>\$ 49,813</u>	<u>\$ 36,312</u>	<u>\$ 21,196</u>



CONSOLIDATED BUSINESS SEGMENTS INFORMATION

(Thousands of Canadian Dollars)

Depreciation and Depletion

	Year Ended March 31				
	1983	1982	1981	1980	1979
Construction equipment and supplies					
Canada	\$ 3,564	\$ 3,590	\$ 3,038	\$ 2,882	\$ 2,293
United States	336	248	133	35	—
	<u>3,900</u>	<u>3,838</u>	<u>3,171</u>	<u>2,917</u>	<u>2,293</u>
Petroleum industry services and supplies					
Contract drilling					
Canada	1,663	1,584	4,412	3,748	2,386
United States	2,093	3,108	1,193	925	849
International	3,449	5,969	4,731	2,382	4,627
Oilfield supplies	155	162	104	91	74
	<u>7,360</u>	<u>10,823</u>	<u>10,440</u>	<u>7,146</u>	<u>7,936</u>
Oil and gas exploration and production					
Canada	6,997	6,594	6,402	1,671	1,107
United States	3,237	3,657	1,214	439	193
International	1,061	739	610	609	621
	<u>11,295</u>	<u>10,990</u>	<u>8,226</u>	<u>2,719</u>	<u>1,921</u>
Intersegment and corporate items	94	105	122	113	115
	<u>\$ 22,649</u>	<u>\$ 25,756</u>	<u>\$ 21,959</u>	<u>\$ 12,895</u>	<u>\$ 12,265</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 1983 and 1982

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The statements include the accounts of Westburne International Industries Ltd. ("Westburne") and all subsidiary companies (collectively called for the purposes of these notes, the "Company"). Eliminated on consolidation are 1,237,960 Common Shares of Westburne owned by subsidiaries and carried at a cost of \$2,274,000. All material intercompany transactions have also been eliminated.
- b) The Board of Directors has determined that the Company's operations can be divided into three business segments as follows:
 - i) Wholesale distribution of construction equipment and supplies (plumbing, heating and electrical products).
 - ii) Petroleum industry services and supplies (contract drilling and oilfield supplies).
 - iii) Oil and gas exploration and production.

For details see consolidated business segments information, which is an integral part of these financial statements.

- c) Assets and liabilities and income and expenses of the Company which are in currencies other than Canadian dollars are converted into Canadian funds on the following basis:
 - i) Current assets, current liabilities and long-term debt are converted at exchange rates in effect at the end of the year.
 - ii) All non-current assets and other liabilities are converted at the rates prevailing when acquired or incurred.
 - iii) Income and expenses, except depreciation and depletion, are converted at the average rate for the year.Unrealized foreign currency translation gains/losses are excluded in determining net earnings for the year in which foreign exchange rates change.
- d) Inventories are valued at the lower of cost (first-in, first-out) or net realizable value.
- e) The Company follows the full cost method of accounting in respect to its oil and gas activities with one world wide pool of assets. All costs relating to the exploration for and development of oil and gas reserves are capitalized. Proceeds from disposal of properties are normally deducted from costs without recognition of gain or loss.
- f) It is the policy of the Company to depreciate the cost of plant and equipment to its estimated residual value over the estimated useful lives of the assets as follows:

Buildings — at rates of 5% to 10% per annum mainly on a diminishing balance basis.

Drilling rigs — at a rate per drilling day designed to prorate original cost less a residual value of 30% over 3,000 drilling days.

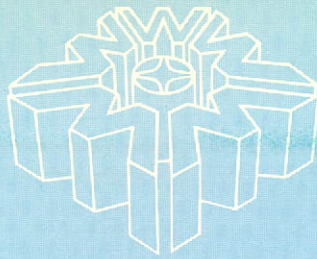
Drill string — straight-line basis related to drilling activity.

Oil production equipment, oil and mineral leases and development expenditures — unit-of-production based on full cost method and estimated recoverable reserves.

Other equipment — mainly 20% to 30% per annum diminishing balance basis.

Repairs and maintenance and minor expenditures for renewals and betterments are charged directly to earnings. Major renewals and betterments are capitalized and the replaced units retired.

Except for intangible oil and mineral leases and development expenditures in respect of which the full cost method is followed, it is the policy of the Company to reduce the property accounts and related accumulated depreciation of the amounts included therein for property sold and any resultant gain or loss is included in earnings.
- g) Mobilization and start-up costs incurred on long-term drilling contracts in foreign countries are deferred and amortized over the terms of the contracts.



2. INVESTMENTS

	March 31 1983	March 31 1982
Shares, notes and mortgages receivable	\$13,212,000	\$10,951,000
Notes receivable — directors and employees	397,000	397,000
	<u>\$13,609,000</u>	<u>\$11,348,000</u>

3. FIXED ASSETS

	March 31, 1983		March 31, 1982	
	Cost	Net Book Value	Cost	Net Book Value
Land	\$ 3,732,000	\$ 3,732,000	\$ 3,777,000	\$ 3,777,000
Buildings	29,502,000	19,551,000	27,051,000	18,499,000
Drilling rigs	94,201,000	61,338,000	92,741,000	62,883,000
Drill string	22,636,000	9,743,000	22,037,000	10,392,000
Oil production equipment	18,404,000	10,992,000	15,732,000	9,370,000
Other equipment	47,333,000	20,857,000	46,472,000	23,781,000
Oil and mineral leases and development expenditures	139,355,000	100,281,000	128,696,000	99,780,000
	<u>\$355,163,000</u>	<u>\$226,494,000</u>	<u>\$336,506,000</u>	<u>\$228,482,000</u>

4. OTHER ASSETS

Included in other assets is the unamortized excess of cost of investments in shares of subsidiaries over net assets at date of acquisition amounting to \$3,795,000, which arises from the accounting for acquisitions of subsidiaries on a purchase basis.

Management is of the opinion that the amount of \$3,258,000 attributed to intangible assets pertaining to subsidiaries acquired prior to April 1, 1974 is of continuing value and accordingly does not contemplate any amortization of this amount. However, in accordance with generally accepted accounting practice, the excess cost of investments in shares of subsidiaries acquired after that date and allocated to intangibles, is being amortized over a period of forty years.

5. ASSETS PLEDGED

The Company has pledged certain of its accounts receivable as security for bank loans.

6. SHORT-TERM BORROWINGS

The Company has formal arrangements with domestic and foreign banks in respect of short-term borrowings. Details of short-term borrowings follow:

	March 31, 1983	March 31, 1982
Maximum amount of borrowings at any month end during the year	\$196,337,000	\$199,999,000
Average amount of short-term borrowings during the year	\$139,353,000	\$187,136,000
Average interest rate at end of year	11.95%	18.50%
Approximate average interest rate during the year	14.45%	19.03%

**WESTBURNE
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and subsidiary companies

7. LONG-TERM DEBT

	March 31, 1983	March 31, 1982
Sinking Fund Debentures		
Series A — 7% maturing March 15, 1987	\$ —	\$ 1,361,000
Series B — 7½% maturing August 1, 1982	—	40,000
Series C — 8½% maturing March 31, 1989	—	350,000
<p>On May 31, 1982 the Series A, B and C sinking fund debentures were redeemed in accordance with the provisions of the trust deeds.</p>		
Senior Notes		
9.90% notes repayable in equal annual installments of \$3,847,000 U.S. on August 1, each year to 1993 (1983 — \$42,306,000 U.S.; 1982 — \$46,153,000 U.S.)	52,201,000	56,782,000
Bank loans		
Maturing from 1983 to 1992 with interest rates ranging from 10.5% to 15%	78,833,000	10,176,000
Mortgages, secured debentures, conditional sales contracts, etc.		
Maturing from 1983 to 2005 with interest rates ranging from 7% to 15.5%	10,330,000	12,198,000
Total long-term debt	141,364,000	80,907,000
Less amount due within one year	6,049,000	8,249,000
	\$135,315,000	\$72,658,000

The aggregate maturities of long-term debt outstanding as of March 31, 1983 for the succeeding five years are as follows:

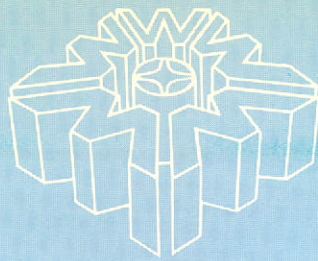
1984	\$ 6,049,000
1985	\$16,076,000
1986	\$15,876,000
1987	\$15,886,000
1988	\$15,859,000

The long-term bank loans include a \$70,000,000 two year revolving term facility due to expire November 2, 1983, with interest at prime plus one-half; repayable in seven equal annual installments of \$10,000,000 commencing November 2, 1984.

8. MINORITY INTEREST

Amounts making up minority interest are as follows:

	March 31, 1983	March 31, 1982
Preferred shares	\$1,460,000	\$1,589,000
Common shares and contributed surplus	602,000	602,000
Retained earnings	7,758,000	7,400,000
	\$9,820,000	\$9,591,000



9. SHARE CAPITAL

Westburne is permitted under the Canada Business Corporations Act to issue an unlimited number of first preferred shares, subordinated preferred shares and common shares.

Common Shares (1)

	March 31, 1983		March 31, 1982	
	Shares	Amount	Shares	Amount
Issued beginning of year	10,457,218	\$90,589,222	10,458,818	\$90,634,722
Adjustment of shares issued in exchange for common shares of Peyto Oils Ltd.	—	—	(1,600)	(45,500)
Issued end of year	<u>10,457,218</u>	<u>\$90,589,222</u>	<u>10,457,218</u>	<u>\$90,589,222</u>

(1) Exclusive of 1,237,960 shares owned by subsidiaries.

10. RETAINED EARNINGS

Long-term debt agreements impose various restrictions upon the payment of dividends by certain subsidiaries.

11. OTHER EXPENSES (REVENUES)

	Year Ended March 31,		
	1983	1982	1981
Other expenses (revenues)			
Interest — long-term debt	\$13,073,000	\$ 9,288,000	\$10,817,000
Other interest	20,370,000	34,564,000	20,969,000
Interest and other investment income (1)	(7,204,000)	(9,281,000)	(6,711,000)
(Gain) loss on assets (2)	2,577,000	(2,523,000)	(2,202,000)
	<u>\$28,816,000</u>	<u>\$32,048,000</u>	<u>\$22,873,000</u>

(1) Interest and other investment income includes equity share of earnings of a 50% owned Australian drilling company, Westbridge Drilling Pty. Limited, 1983 — \$169,000; 1982 — \$485,000.

(2) The loss on assets in 1983 includes a write-down of \$2,276,000 on an investment in an affiliated company.

12. INCOME TAXES

Income tax expenses for the three years ended March 31, 1983 have varied from applying Canadian Federal and Provincial tax rates as follows:

	Year ended March 31,					
	1983		1982		1981	
	Amount	%	Amount	%	Amount	%
Average Canadian income tax and rates	\$ 1,950,000	49.0	\$16,481,000	49.0	\$30,712,000	49.0
Difference in effective rate on (earnings) losses of foreign subsidiaries	(2,125,000)	(53.4)	8,112,000*	24.1	(1,203,000)	(1.9)
Provincial tax credits on oil and gas income, capital gains reduction and other	(4,967,000)	(124.8)	(4,239,000)	(12.6)	(2,166,000)	(3.5)
Inventory inflation allowance	(2,324,000)	(58.4)	(2,111,000)	(6.3)	(1,975,000)	(3.1)
Increase due to amortization of excess cost of subsidiary allocated to oil and gas properties	2,049,000	51.5	2,298,000	6.8	2,337,000	3.7
	<u>\$(5,417,000)</u>	<u>(136.1)</u>	<u>\$20,541,000</u>	<u>61.0</u>	<u>\$27,705,000</u>	<u>44.2</u>

*Arises as a result of losses on international operations (primarily in Algeria) being non-deductible for income tax purposes.

**WESTBURN
INTERNATIONAL
INDUSTRIES
LTD.**
and subsidiary companies

Deferred income taxes are provided for on timing differences in the recognition of revenues and expenses for income tax and financial statement purposes, primarily relating to depreciation and depletion and to losses of subsidiary companies.

13. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Company has entered into lease agreements for premises and equipment and for various other assets. At March 31, 1983, future total minimum lease payments are:

1984	\$10,132,000
1985	8,492,000
1986	7,045,000
1987	6,624,000
1988	3,450,000
Thereafter	6,544,000
	<u>\$42,287,000</u>

Rent expense for the year ended March 31, 1983 was \$9,949,000.

The effect on net income if all non-capitalized financing leases were capitalized would not be significant.

- b) Contingent liabilities exist for guarantees and various suits and claims which have arisen in the normal course of business. In the opinion of management of the Company, the outcome of these contingencies will not have a materially adverse effect upon the Company's financial position.

14. PENSION AND RETIREMENT PLANS

The Company has several separate pension plans covering substantially all of its employees. The total pension expense for the plans was: 1983 — \$614,000, 1982 — \$1,290,000, 1981 — \$1,459,000, 1980 — \$1,482,000 and 1979 — \$1,331,000, and includes an additional payment to accelerate the amortization of past service liabilities in 1979 of \$280,000. Annually, the Company makes the maximum tax-deductible contribution to the plans.

A comparison as at January 1, 1983 of accumulated benefits and net assets for the Company's pension plans is presented below:

Actuarial present value of accumulated plan benefits:

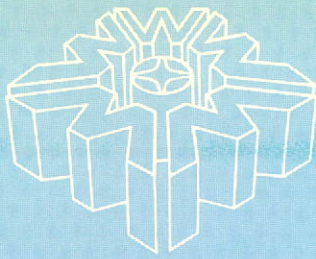
Vested	\$32,975,780
Non-vested	1,172,246
	<u>\$34,148,026</u>
Net assets available for benefits	<u>\$39,593,410</u>

The assumed rate of return used in determining the actuarial present value of vested and non-vested accumulated plan benefits is 7% per annum, compounded annually. Net assets are stated at market value.

15. FOREIGN OPERATIONS

Algeria

The Company began operating in Algeria in 1975, initially on a four year contract with subsequent one and two year extensions. This contract was not renewed and the contract expired on May 29, 1982. The four rigs were released during the period November, 1981 to March, 1982 in order that the rigs could be dismantled, packaged and exported within the contract period as required. In 1982, a provision for loss on termination of \$14,683,000 was made to cover costs of termination pay for Algerian nationals, moving costs to port of export and on-going costs from the time the rigs ceased to operate. This loss on termination was not deductible for income tax purposes. At March 31, 1983, the Company had completed export of the majority of the drilling equipment.



16. ACQUISITIONS

In January, 1980, Westburne acquired 51.3% of the outstanding shares of Peyto Oils Ltd. On May 1, 1980 Westburne made an offer to acquire all the remaining outstanding Peyto common shares either for cash at a price of \$22.75 per share or in exchange for common shares of Westburne at the rate of 0.8 of a Westburne common share for each common share of Peyto sent in for exchange. During the year ended March 31, 1981, Westburne was successful under the exchange offer in acquiring the remaining outstanding common shares of Peyto.

	<u>Shares</u>	<u>Cost of Investment</u>
Shares acquired for cash January, 1980	1,469,890	\$33,954,000
Shares acquired for cash under the exchange offer	117,020	2,662,000
Shares acquired in exchange for 1,184,778 Westburne shares under the exchange offer	<u>1,480,973</u>	<u>33,693,000</u>
	<u>3,067,883</u>	<u>\$70,309,000</u>

The acquisition of Peyto Oils Ltd. has been accounted for on the purchase basis and the excess purchase price of \$55,154,000 has been allocated to oil and gas properties and is amortized on a unit-of-production basis.

SUPPLEMENTAL FINANCIAL INFORMATION

The following data are provided to comply with certain requirements of the United States Securities and Exchange Commission (SEC).

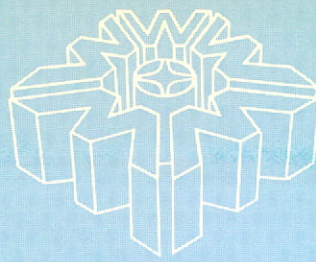
A. SUMMARY OF DIFFERENCES BETWEEN CANADIAN AND UNITED STATES ACCOUNTING PRINCIPLES (AUDITED)

The Company follows accounting principles generally accepted in Canada and differences exist between those generally accepted in Canada and those applicable in the United States in the following respects:

- (a) The Company in using the full cost method of accounting for its oil and gas properties has one worldwide pool of assets. See Note 1(e) of the Notes to the Consolidated Financial Statements. In the United States use of the full cost method would require that cost centers be established on a country-by-country basis. The application of the country-by-country full cost method would result in an additional write-off of \$5,589,000 for March 31, 1982 and \$12,884,000 for March 31, 1983. These amounts represent a write-down of full cost pools because of a required limitation on capitalized costs.
- (b) The arms-length negotiations over the price per share paid to the shareholders of Peyto Oils Ltd. (see Note 16 of the Notes to Consolidated Financial Statements) resulted in a valuation for oil and gas properties that was substantially higher than the valuation permitted under SEC rules. Pursuant to SEC rules the difference between these valuations was attributed to goodwill instead of oil and gas properties and is being amortized on a unit of production basis.
- (c) Under United States generally accepted accounting principles and the provisions of Financial Accounting Standards Board (F.A.S.B.) Statement No. 8, unrealized gains or losses on foreign currency translations were included in earnings. In December 1981 F.A.S.B. Statement No. 52 on foreign currency translation was issued to replace F.A.S.B. Statement No. 8. The Company adopted F.A.S.B. Statement No. 52 in 1982 with the result that assets and liabilities of foreign operations are translated at current rates and the unrealized gain or loss is shown as a separate item in the shareholders' equity section of the balance sheet.
- (d) The Company has recognized future tax reductions resulting from loss carry-forwards incurred by its United States subsidiaries in the construction equipment and supplies business. Under United States generally accepted accounting principles such recognition of future tax reductions is not permitted until the loss carry-forwards are actually realized, unless such realization is assured beyond any reasonable doubt at the time the loss carry-forwards arise.

The effect on the consolidated balance sheet due to differences between accounting principles generally accepted in Canada and those applicable in the United States is summarized as follows:

	As Reported Under Canadian Accounting Principles	Increase (Decrease)	Under United States Accounting Principles
March 31, 1983			
Fixed assets including oil and gas properties	\$355,163,000	\$(24,012,000)	\$331,151,000
Accumulated depreciation and depletion	128,669,000	6,407,000	135,076,000
Other assets	4,932,000	122,000	5,054,000
Goodwill	—	16,973,000	16,973,000
Deferred income taxes	21,979,000	6,687,000	28,666,000
Unrealized foreign currency translation loss	12,022,000	(12,022,000)	—
Unrealized loss on foreign currency translation separate item in shareholders' equity (F.A.S.B. No. 52)	—	1,722,000	1,722,000
Retained earnings	136,572,000	(30,311,000)	106,211,000



	As Reported Under Canadian Accounting Principles	Increase (Decrease)	Under United States Accounting Principles
March 31, 1982			
Fixed assets including oil and gas properties	\$336,506,000	\$(11,529,000)	\$324,977,000
Accumulated depreciation and depletion	108,024,000	6,694,000	114,718,000
Other assets	5,064,000	116,000	5,180,000
Goodwill	—	18,682,000	18,682,000
Deferred income taxes	24,884,000	393,000	25,277,000
Unrealized foreign currency translation loss	10,329,000	(10,329,000)	—
Unrealized loss on foreign currency translation separate item in shareholders' equity (F.A.S.B. No. 52)	—	314,000	314,000
Retained earnings	132,059,000	(9,833,000)	122,226,000

The effect on earnings of the above differences between accounting principles generally accepted in Canada and those applicable in the United States is summarized as follows:

	Year Ended March 31		
	1983	1982	1981
Earnings — Canadian accounting principles	\$ 8,711,000	\$11,675,000	\$33,044,000
Foreign currency translation (F.A.S.B. No. 8)	—	—	(800,000)
Foreign currency translation (F.A.S.B. No. 52)	(907,000)	(1,704,000)	—
Country-by-country full cost method	(12,884,000)	(5,589,000)	—
Deferred income tax	(6,687,000)	—	—
Earnings (loss) — United States accounting principles	<u>\$(11,767,000)</u>	<u>\$ 4,382,000</u>	<u>\$32,244,000</u>
Earnings (loss) per common share —			
United States accounting principles	<u>\$ (1.12)</u>	<u>\$ 0.42</u>	<u>\$ 3.30</u>

B. LONG-TERM DEBT RESTRICTIONS (AUDITED)

Long-term debt instruments of certain subsidiaries contain covenants which restrict the distribution of funds to Westburne by way of dividends, loans or advances. At March 31, 1983 the total net assets subject to restriction were \$66,410,000.

C. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(Thousands of Canadian Dollars except per share data)

	June 30, 1982	Sept. 30, 1982	Dec. 31, 1982	Mar. 31, 1983	Full year
Year ended March 31, 1983:					
Operating revenues	\$279,082	\$268,654	\$276,472	\$253,453	\$1,077,661
Costs and expenses	277,641	268,208	276,918	257,817	1,080,584
Net earnings (loss)	3,336	2,076	2,130	1,169	8,711
Cash flow from operations	9,904	7,447	7,327	4,251	28,929
Net earnings per common share	0.32	0.20	0.20	0.11	0.83

**WESTBURNE
INTERNATIONAL
INDUSTRIES
LTD.**
and subsidiary companies

(Thousands of Canadian Dollars except per share data)

	June 30, 1981	Sept. 30, 1981	Dec. 31, 1981	Mar. 31, 1982(1)	Full year
Year ended March 31, 1982:					
Operating revenues	\$307,930	\$344,483	\$342,342	\$298,126	\$1,292,881
Costs and expenses	297,968	331,237	329,788	312,061	1,271,054
Net earnings (loss)	7,327	8,501	6,962	(11,115)	11,675
Cash flow from operations	14,883	15,918	15,049	(3,178)	42,672
Net earnings per common share	0.70	0.81	0.67	(1.06)	1.12

(1) Costs and expenses in the last quarter ended March 31, 1982 include provision for loss on termination of a drilling contract in Algeria of \$14,683,000. Earnings and cash flows for the quarter are also reduced by the provision.

D. OIL AND GAS PRODUCING ACTIVITIES (UNAUDITED)

In 1983, the Company adopted the Statement of Financial Accounting Standards (SFAS) No. 69 "Disclosures About Oil and Gas Producing Activities." The information required by SFAS No. 69 are discussed below and detailed in Tables (a) through (f).

The reserve quantity valuation estimates included in the following tables have been based upon reports of McDaniels and Associates Ltd. with respect to Canadian reserves and certain United States reserves and Lee Keeling and Associates Inc. with respect to the balance of the United States reserves.

Estimated quantities of proved developed reserves of crude oil (including natural gas liquids) and natural gas are disclosed net after royalty. Proved reserves are estimated quantities of reserves which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are expected to be recovered from existing wells with existing equipment and operating methods. Values are computed by applying current prices and costs adjusted only for fixed and determinable contractual escalation and for prices established by the Federal/Provincial Energy Pricing and Taxation Agreements. Future net revenues are discounted at a rate of 10%.

The estimated impact of major factors affecting annual changes in proved reserves are described below:

- (1) "New Field Discoveries and Extensions" represents proved reserves added from drilling exploratory and development wells;
- (2) "Change in Prices of Oil and Gas, Net of Related Lifting Costs" represents the approximate effect of changes from one period to the next in the prices and lifting costs.
- (3) "Accretion of Discount" is computed by applying 10 percent to the standardized measure of discounted net cash flows before income taxes as of the beginning of the year in recognition of the increase resulting from the impact of the passage of time on the discounted cash flow approach to the valuation of the proved reserves;
- (4) "Provision for Income Taxes" has been calculated using the income tax rates as calculated after making provision for the tax base for oil and gas properties, non-deductible crown royalties and taxes, resource allowance and provincial tax credits.

The Company emphasizes the estimates included in the following tables are by their nature inexact and are subject to changing economic, operating and contractual conditions. Some of the amounts may not agree with amounts reported under similar headings presented elsewhere in this Report due to categorization of costs by SFAS No. 69. United States reserve values have been converted to Canadian dollar equivalents at rates in effect during the respective reporting periods.

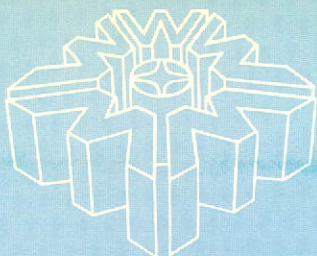


Table (a) Estimated quantities of oil and gas reserves:

	Canada		United States		Total	
	Oil (bbls.)	Gas (mcf)	Oil (bbls.)	Gas (mcf)	Oil (bbls.)	Gas (mcf)
Proved developed and undeveloped reserves:						
Balance March 31, 1980	5,689,000	39,596,000	100,000	2,666,000	5,789,000	42,262,000
Revision of previous estimates	64,000	2,242,000	187,000	(189,000)	251,000	2,053,000
Purchase of reserves	—	—	—	—	—	—
Extensions, discoveries and other additions	106,000	1,114,000	31,000	420,000	137,000	1,534,000
Production	(526,000)	(1,955,000)	(56,000)	(343,000)	(582,000)	(2,298,000)
Balance March 31, 1981	5,333,000	40,997,000	262,000	2,554,000	5,595,000	43,551,000
Revision of previous estimates	(335,000)	(8,657,000)	30,000	1,595,000	(305,000)	(7,062,000)
Purchase of reserves	—	—	—	—	—	—
Extensions, discoveries and other additions	9,000	297,000	80,000	181,000	89,000	478,000
Production	(452,000)	(2,033,000)	(101,000)	(583,000)	(553,000)	(2,616,000)
Balance March 31, 1982	4,555,000	30,604,000	271,000	3,747,000	4,826,000	34,351,000
Revision of previous estimates	257,000	4,701,000	23,000	(467,000)	280,000	4,234,000
Purchase of reserves	—	—	—	—	—	—
Extensions, discoveries and other additions	234,000	272,000	10,000	724,000	244,000	996,000
Production	(475,000)	(2,290,000)	(94,000)	(636,000)	(569,000)	(2,926,000)
Balance March 31, 1983	<u>4,571,000</u>	<u>33,287,000</u>	<u>210,000</u>	<u>3,368,000</u>	<u>4,781,000</u>	<u>36,655,000</u>

Note: Oil production volumes for Canada for 1981 and 1982 have been reduced to be consistent with 1983's reporting. Any changes have been reflected in revisions to previous estimates.

Proved developed reserves:

Balance March 31, 1980	5,689,000	35,405,000	100,000	2,666,000	5,789,000	38,071,000
Balance March 31, 1981	5,333,000	36,824,000	262,000	2,554,000	5,595,000	39,378,000
Balance March 31, 1982	4,555,000	30,604,000	271,000	3,747,000	4,826,000	34,351,000
Balance March 31, 1983	4,571,000	33,287,000	210,000	3,368,000	4,781,000	36,655,000

Table (b) Capitalized costs relating to oil and gas producing activities as at March 31, 1983, 1982 and 1981:

	(Thousands of Canadian Dollars)			
	Canada	United States	Other	Total
1983				
Proved properties	\$ 98,725	\$ 36,470	\$ —	\$135,195
Unproved properties	6,503	3,366	12,479	22,348
Total	<u>\$105,228</u>	<u>\$ 39,836</u>	<u>\$ 12,479</u>	<u>\$157,543</u>
Accumulated depreciation, depletion and amortization	<u>\$ 33,760</u>	<u>\$ 8,638</u>	<u>\$ 4,218</u>	<u>\$ 46,616</u>

**WESTBURNE
INTERNATIONAL
INDUSTRIES
LTD.**
and subsidiary companies

	(Thousands of Canadian Dollars)			
	Canada	United States	Other	Total
1982				
Proved properties	\$ 96,230	\$ 29,678	\$ —	\$125,908
Unproved properties	6,174	3,042	9,392	18,608
Total	<u>\$102,404</u>	<u>\$ 32,720</u>	<u>\$ 9,392</u>	<u>\$144,516</u>
Accumulated depreciation, depletion and amortization	<u>\$ 26,828</u>	<u>\$ 5,403</u>	<u>\$ 3,158</u>	<u>\$ 35,389</u>
1981				
Proved properties	\$ 95,215	\$ 21,446	\$ —	\$116,661
Unproved properties	4,192	2,225	8,482	14,899
Total	<u>\$ 99,407</u>	<u>\$ 23,671</u>	<u>\$ 8,482</u>	<u>\$131,560</u>
Accumulated depreciation, depletion and amortization	<u>\$ 20,557</u>	<u>\$ 2,383</u>	<u>\$ 2,421</u>	<u>\$ 25,361</u>

Table (c) Costs incurred in oil and gas property, exploration and development activities for the years ended March 31, 1983, 1982 and 1981:

	(Thousands of Canadian Dollars)			
	Canada	United States	Other	Total
1983				
Capitalized costs incurred				
Property acquisition costs				
Unproved	\$ 450	\$ 644	\$ —	\$ 1,094
Proved	—	—	—	—
Exploration costs	1,391	974	3,499	5,864
Development costs	2,140	5,222	—	7,362
Total	<u>\$ 3,981</u>	<u>\$ 6,840</u>	<u>\$ 3,499</u>	<u>\$ 14,320</u>
1982				
Capitalized costs incurred				
Property acquisition costs				
Unproved	\$ 1,376	\$ 976	\$ —	\$ 2,352
Proved	—	4	—	4
Exploration costs	1,165	3,716	909	5,790
Development costs	1,873	4,839	—	6,712
Total	<u>\$ 4,414</u>	<u>\$ 9,535</u>	<u>\$ 909</u>	<u>\$ 14,858</u>
1981				
Capitalized costs incurred				
Property acquisition costs				
Unproved	\$ 1,442	\$ 1,280	\$ —	\$ 2,722
Proved	—	9	—	9
Exploration costs	2,964	4,391	1,177	8,532
Development costs	1,971	5,095	—	7,066
Total	<u>\$ 6,377</u>	<u>\$ 10,775</u>	<u>\$ 1,177</u>	<u>\$ 18,329</u>

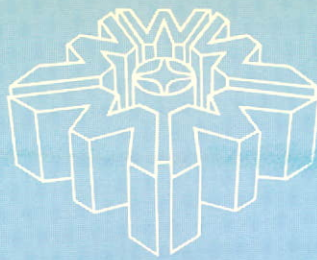


Table (d) Results of operations for producing activities for the years ended March 31, 1983, 1982 and 1981:

(Thousands of Canadian Dollars)

	Canada	United States	Other	Total
1983				
Oil and gas sales	\$ 19,813	\$ 4,989	\$ —	\$ 24,802
Production (lifting) costs	5,294	955	—	6,249
Depreciation, depletion and amortization	6,997	3,237	1,061	11,295
Earnings (loss) before income taxes	7,522	797	(1,061)	7,258
Income tax expense (recovery)	1,512	(1,013)	—	499
Net earnings (loss)	<u>\$ 6,010</u>	<u>\$ 1,810</u>	<u>\$ (1,061)</u>	<u>\$ 6,759</u>
1982				
Oil and gas sales	\$ 14,331	\$ 5,305	\$ —	\$ 19,636
Production (lifting) costs	4,675	796	—	5,471
Depreciation, depletion and amortization	6,595	3,657	739	10,991
Earnings (loss) before income taxes	3,061	852	(739)	3,174
Income tax expense (recovery)	750	(684)	—	66
Net earnings (loss)	<u>\$ 2,311</u>	<u>\$ 1,536</u>	<u>\$ (739)</u>	<u>\$ 3,108</u>
1981				
Oil and gas sales	\$ 14,252	\$ 3,168	\$ —	\$ 17,420
Production (lifting) costs	3,506	990	—	4,496
Depreciation, depletion and amortization	6,402	1,214	610	8,226
Earnings (loss) before income taxes	4,344	964	(610)	4,698
Income tax expense (recovery)	1,847	191	—	2,038
Net earnings (loss)	<u>\$ 2,497</u>	<u>\$ 773</u>	<u>\$ (610)</u>	<u>\$ 2,660</u>

Table (e) Standardized measure of discounted future net cash flows relating to proved oil and gas reserves at March 31, 1983, 1982 and 1981:

(Thousands of Canadian Dollars)

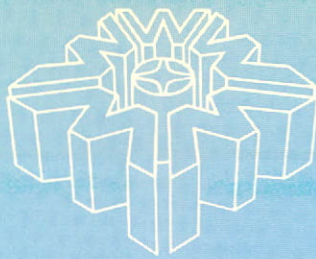
	Canada	United States	Total
1983			
Future cash inflows	\$195,251	\$ 21,254	\$216,505
Future costs			
Production	81,344	5,542	86,886
Development costs	15,335	135	15,470
Future net cash flows before income taxes	98,572	15,577	114,149
Future income taxes	35,976	—	35,976
Future net cash flows	62,596	15,577	78,173
10% discount factor	32,037	4,631	36,668
Standardized measure of discounted future net cash flows	<u>\$ 30,559</u>	<u>\$ 10,946</u>	<u>\$ 41,505</u>

**WESTBURNE
INTERNATIONAL
INDUSTRIES
LTD.**
and subsidiary companies

	(Thousands of Canadian Dollars)		
	Canada	United States	Total
1982			
Future cash inflows	\$202,927	\$ 24,481	\$227,408
Future costs			
Production	79,210	4,902	84,112
Development costs	13,832	163	13,995
Future net cash flows before income taxes	109,885	19,416	129,301
Future income taxes	42,558	—	42,558
Future net cash flows	67,327	19,416	86,743
10% discount factor	34,695	7,228	41,923
Standardized measure of discounted future net cash flows	<u>\$ 32,632</u>	<u>\$ 12,188</u>	<u>\$ 44,820</u>
1981			
Future cash inflows	\$208,350	\$ 19,053	\$227,403
Future costs			
Production	70,212	4,301	74,513
Development costs	7,066	74	7,140
Future net cash flows before income taxes	131,072	14,678	145,750
Future income taxes	50,330	—	50,330
Future net cash flows	80,742	14,678	95,420
10% discount factor	41,371	3,330	44,701
Standardized measure of discounted future net cash flows	<u>\$ 39,371</u>	<u>\$ 11,348</u>	<u>\$ 50,719</u>

Table (f) Changes in standardized measure of discounted future net cash flow related to proved oil and gas reserves for the years ended March 31, 1983, 1982 and 1981:

	(Thousands of Canadian Dollars)		
	Canada	United States	Total
1983			
Standardized measure before income taxes, beginning of year	\$ 53,528	\$ 12,188	\$ 65,716
Revision to reserves proved in prior years			
Revision of quantity estimates	6,577	(510)	6,067
Change in prices of oil and gas, net of lifting costs	567	433	1,000
Accretion of discount	5,353	1,219	6,572
	12,497	1,142	13,639
New field discoveries and extensions, net of future production and development costs	3,748	1,648	5,396
Development costs incurred during period which reduced future development costs	1,415	234	1,649
Purchases of reserves	—	—	—
Sales of reserves	—	—	—
Production, net of lifting costs	(14,519)	(4,034)	(18,553)
Changes in production rates and other	(8,410)	(232)	(8,642)
Standardized measure before income taxes	48,259	10,946	59,205
Provision for income taxes	17,700	—	17,700
Standardized measure, end of year	<u>\$ 30,559</u>	<u>\$ 10,946</u>	<u>\$ 41,505</u>



	(Thousands of Canadian Dollars)		
	Canada	United States	Total
1982			
Standardized measure before income taxes, beginning of year	\$ 63,680	\$ 11,348	\$ 75,028
Revision to reserves proved in prior years			
Revision of quantity estimates	(9,254)	1,407	(7,847)
Change in prices of oil and gas, net of lifting costs	6,147	1,170	7,317
Accretion of discount	6,132	1,135	7,267
	<u>3,025</u>	<u>3,712</u>	<u>6,737</u>
New field discoveries and extensions, net of future production and development costs	608	1,566	2,174
Development costs incurred during period which reduced future development costs	1,199	2,012	3,211
Purchases of reserves	—	—	—
Sales of reserves	—	—	—
Production, net of lifting costs	(9,656)	(4,509)	(14,165)
Changes in production rates and other	(5,328)	(1,941)	(7,269)
Standardized measure before income taxes	53,528	12,188	65,716
Provision for income taxes	20,896	—	20,896
Standardized measure, end of year	<u>\$ 32,632</u>	<u>\$ 12,188</u>	<u>\$ 44,820</u>
1981			
Standardized measure before income taxes, beginning of year	\$ 49,488	\$ 7,234	\$ 56,722
Revision to reserves proved in prior years			
Revision of quantity estimates	4,605	1,870	6,475
Change in prices of oil and gas, net of lifting costs	15,836	3,516	19,352
Accretion of discount	4,949	723	5,672
	<u>25,390</u>	<u>6,109</u>	<u>31,499</u>
New field discoveries and extensions, net of future production and development costs	1,158	519	1,677
Development costs incurred during period which reduced future development costs	1,500	4,898	6,398
Purchases of reserves	—	—	—
Sales of reserves	—	—	—
Production, net of lifting costs	(10,746)	(2,178)	(12,924)
Changes in production rates and other	(3,110)	(5,234)	(8,344)
Standardized measure before income taxes	63,680	11,348	75,028
Provision for income taxes	24,309	—	24,309
Standardized measure, end of year	<u>\$ 39,371</u>	<u>\$ 11,348</u>	<u>\$ 50,719</u>

TEN YEAR SUMMARY

(Thousands of Canadian Dollars except per share data)

Year ended March 31	1983	1982	1981
OPERATING			
Operating revenues			
Construction equipment and supplies	\$ 913,594	\$1,040,808	\$ 895,408
Petroleum industry services and supplies	138,476	231,620	254,897
Oil and gas exploration and production	25,591	20,453	18,303
	1,077,661	1,292,881	1,168,608
Net earnings applicable to common shares	8,711	11,675	33,044
Per common share outstanding (2) (6)			
Basic earnings	0.83	1.12	3.39
Fully diluted earnings	0.83	1.12	3.39
Cash flow from operations	28,929	42,672	62,801
DIVIDENDS			
Per common share (3)	\$0.40	\$0.70	\$0.70
FINANCIAL			
Receivables	\$ 175,671	\$ 215,063	\$ 215,864
Inventories	174,612	187,428	174,537
Working capital	142,544	79,884	102,011
Capital expenditures (4)	23,418	49,542	84,539
Fixed assets, net of depreciation and depletion	226,494	228,482	214,027
Total assets	623,771	677,786	655,793
Long term debt	135,315	72,658	79,898
Redeemable preferred shares	—	—	—
Common shareholders' equity	232,487	227,974	223,695
Equity per common share (5) (6)	22.23	21.80	21.39
Number of common shares outstanding (6)	10,457,218	10,457,218	10,458,818

(1) Results of certain prior years have been restated to reflect adjustments to previously reported operating results.

(2) Based on weighted number of common shares outstanding during the year.

(3) Includes \$0.625 special dividend in 1979.

(4) Includes acquisition of Petyo Oils Ltd. in 1981 and 1980.

(5) Based on common shares outstanding at year end.

(6) After giving retroactive effect to the 2 for 1 split of the common shares effective August 31, 1979.



1980	1979	1978	1977	1976	1975	1974
\$ 752,784	\$ 426,118	\$ 341,222	\$ 311,436	\$ 274,665	\$ 249,273	\$ 189,164
189,295	183,140	135,345	105,698	78,353	57,090	43,657
8,588	6,689	6,099	5,361	4,928	4,125	2,509
950,667	615,947	482,666	422,495	357,946	310,488	235,330
25,801	23,935	15,943	8,870	8,610	9,317	4,937
3.32	3.14	2.18	1.27	1.30	1.45	0.80
3.32	3.08	2.05	1.14	1.10	1.19	0.66
45,718	41,965	29,059	21,067	20,631	16,729	11,397
\$0.70	\$1.00	—	—	—	—	—
\$ 192,173	\$ 132,178	\$ 84,954	\$ 74,437	\$ 64,264	\$ 56,423	\$ 48,838
159,049	111,523	67,302	62,496	57,031	49,461	42,910
69,861	82,461	35,151	31,296	29,667	31,351	24,204
71,098	21,196	14,563	13,953	43,038	41,105	16,242
163,875	104,068	98,070	99,117	111,857	81,437	48,639
558,145	393,336	290,972	273,284	264,357	213,934	155,445
101,728	86,498	50,793	62,271	84,051	62,390	31,068
—	—	1,215	1,725	1,952	6,648	6,902
115,459	95,094	77,945	60,986	51,579	40,310	31,472
14.86	12.23	10.53	8.42	7.46	6.47	5.06
7,772,440	7,772,440	7,402,808	7,242,608	6,912,658	6,233,034	6,218,544



DIRECTORS AND OFFICERS

Directors

*S. ABRAMOVITCH,
President,
Westburne International Industries Ltd.,
Montreal, Quebec

†W. M. BOOTH,
President,
‡Westburne Exploration Inc.
Denver, Colorado

JOHN H. COLEMAN,
President,
J.H.C. Associates Limited
Financial consultants
Toronto, Ontario

*LUCIEN CORNEZ,
Vice Chairman,
Westburne International Industries Ltd.,
Montreal, Quebec

*W. J. CUMMER,
Vice Chairman,
Westburne International Industries Ltd.,
Hamilton, Bermuda

*†F. R. MATTHEWS, Q.C.
Partner of MacKimmie Matthews,
Barristers & Solicitors,
Calgary, Alberta

J. DONALD MITCHELL,
President,
C. A. Fowler, Bauld and Mitchell Ltd.,
Architects,
Halifax, Nova Scotia

*P. J. PORTER,
President,
‡Westburne Petroleum Services Ltd.,
Calgary, Alberta

JOSEPH RIMERMAN,
President,
Rayrow Realty Ltd.,
Montreal, Quebec

L. R. ROBERTS,
Vice-President — Finance and Treasurer,
Westburne International Industries Ltd.,
Calgary, Alberta

JEAN-PAUL SAILLANT,
President,
‡Saillant Inc.,
Plumbing & heating supplies,
Quebec, Quebec

*J. A. SCRYMGEOUR,
Chairman of the Board,
Westburne International Industries Ltd.,
Hamilton, Bermuda

J. L. THOMPSON,
President,
‡Westburne Central Supply Limited,
Hamilton, Ontario

*D. W. WESTCOTT,
President,
‡United Westburne Industries Limited,
Vancouver, British Columbia

*P. D. WILLIAMS,
President
‡Westburne Petroleum & Minerals Ltd.
Calgary, Alberta

**Member of the Executive Committee*
†Member of the Audit Committee
‡Subsidiary company

Officers

J. A. SCRYMGEOUR,
Chairman of the Board

LUCIEN CORNEZ,
Vice Chairman of the Board

W. J. CUMMER,
Vice Chairman of the Board

S. ABRAMOVITCH,
President

D. W. WESTCOTT,
Senior Vice President —
Equipment and Supplies

P. D. WILLIAMS,
Senior Vice President —
Exploration and Production

P. J. PORTER
Senior Vice President —
Petroleum Services

L. R. ROBERTS,
Vice President — Finance and Treasurer

W. J. E. GILLETT,
Vice President — Controller

D. M. GRAVES,
Vice President — Administration

D. B. MUIR
Secretary



CORPORATE INFORMATION

Head Office

535 Seventh Avenue S.W., Calgary, Alberta
Telephone (403) 233-6600

Transfer Agent and Registrar

Montreal Trust Company,
Vancouver, Calgary, Regina, Winnipeg,
Toronto and Montreal

The Royal Bank & Trust Company
New York, N.Y.

Legal Counsel

MacKimmie Matthews, Calgary, Alberta
Dunnington, Bartholow & Miller,
New York, N.Y.

Auditors

Touche Ross & Co.

Stock Exchanges

The Toronto Stock Exchange
The Montreal Stock Exchange
The Alberta Stock Exchange
The American Stock Exchange, Inc.
Ticker Symbol (WBI)

Form 10-K

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1983 as filed with the U.S. Securities and Exchange Commission may be obtained without charge by writing to the Secretary of the Company, 300, 535 - 7th Avenue S.W., Calgary, Alberta, Canada, T2P 0Y4.

Price Range of Common Shares Two fiscal years ended March 31, 1983

	Toronto Stock Exchange		American Stock Exchange	
	High (Canadian Dollars)	Low	High (U.S. Dollars)	Low
1981				
2nd Quarter	34 $\frac{1}{4}$	23 $\frac{3}{4}$	28 $\frac{1}{2}$	19 $\frac{5}{8}$
3rd Quarter	30 $\frac{1}{4}$	21 $\frac{1}{2}$	24 $\frac{7}{8}$	18
4th Quarter	28 $\frac{3}{4}$	21 $\frac{5}{8}$	23 $\frac{7}{8}$	18 $\frac{1}{4}$
1982				
1st Quarter	22 $\frac{7}{8}$	12 $\frac{3}{8}$	19	10
2nd Quarter	17 $\frac{1}{4}$	9 $\frac{5}{8}$	14	7 $\frac{5}{8}$
3rd Quarter	12 $\frac{3}{4}$	8 $\frac{7}{8}$	10 $\frac{1}{4}$	7
4th Quarter	14 $\frac{5}{8}$	10 $\frac{1}{2}$	12	8 $\frac{3}{8}$
1983				
1st Quarter	17	13	13 $\frac{7}{8}$	10 $\frac{1}{4}$

WESTBURNE INTERNATIONAL INDUSTRIES LTD.
Annual Report 1983