1992 ANNUAL REPORT

4

ELAN

ENERGY

CORPORATE PROFILE

ELAN Energy Inc. (formerly LASMO Canada Inc.) is a Canadian oil and gas exploration and development company with operations in Alberta and Saskatchewan.

The Company's objective is to create value for its shareholders, measured by sustained growth, increased profitability and increased share price. Over the past few years, ELAN has demonstrated the ability to achieve its objective through an aggressive approach to exploration, development and acquisitions. The Company believes that this strategy remains sound.

ELAN's Common shares are listed for trading on The Toronto Stock Exchange and the Montreal Exchange under the trading symbol ELN. The Company's Common Share Purchase Warrants are listed for trading on The Toronto Stock Exchange under the symbol ELN.WT.A until their expiry on December 15, 1993.

ANNUAL MEETING

The annual meeting of the shareholders of ELAN Energy Inc. will be held on Wednesday, May 5, 1993 at 2:00 p.m. in the Mayfair Room at the Westin Hotel, Calgary, Alberta.

TABLE OF CONTENTS

ELAN ENERGY

HIGHLIGHTS

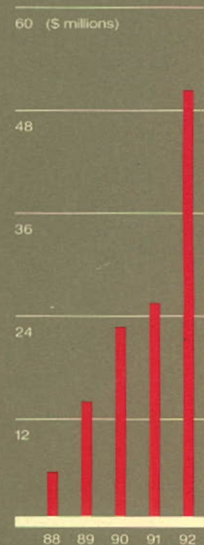
OPERATING

	1992	1991	% Change
Reserves			
Oil and NGLs *(million barrels)*	**42.8**	36.5	17
Natural gas *(billion cubic feet)*	**40.2**	47.2	(15)
Present value of reserves			
– 15% before tax *(millions of dollars)*	**$ 275**	$ 249	10
Production			
Oil and NGLs *(barrels per day)*			
Annual average	**14,000**	9,250	51
December	**15,750**	12,000	31
Natural gas *(million cubic feet per day)*	**6.8**	6.9	(1)
Net Undeveloped Land *(thousands of acres)*	**139**	165	(16)
Drilling			
Oil Wells			
Horizontal	**32**	38	
Vertical	**28**	21	
Gas Wells	**1**	2	
Dry and abandoned	**16**	8	
Total Wells	**77**	69	

FINANCIAL

(millions, except per share amounts)	1992	1991	% Change
Oil Pricing			
West Texas Intermediate *($ U.S.)*	**$ 20.57**	$ 21.46	(4)
ELAN Average *($ Cdn.)*	**$ 18.58**	$ 19.26	(4)
Gross Revenue	**$ 80.7**	$ 54.3	49
Cash Flow			
From operations	**$ 50.2**	$ 25.5	97
Per share *(fully diluted)*	**$ 1.39**	$ 0.82	70
Earnings			
Net income	**$ 16.1**	$ 4.5	257
Per share *(fully diluted)*	**$ 0.44**	$ 0.17	159
Capital Expenditures			
Acquisitions	**$ 22.2**	$ 11.6	
Exploration and development	**$ 41.1**	$ 40.8	
Debt/Equity Ratio	**0.38**	0.43	(12)

CASH FLOW FROM OPERATIONS



THE ACQUISITION OF OMV – A BASIS FOR CONTINUED GROWTH

On February 17, 1993, ELAN announced the acquisition of OMV (Canada) Ltd. effective January 1, 1993 for total consideration of $180 million, or a net $153 million after deducting approximately $27 million of working capital acquired.

The assets of OMV consisted of:

- **$27 million in working capital as at January 1, 1993 with no debt.**
- **29 million barrels of oil and NGLs increasing ELAN's oil and NGL reserves by 68 percent.**
- **77 billion cubic feet of natural gas, almost tripling the Company's natural gas reserves.**
- **126,000 net acres of undeveloped land, increasing ELAN's total undeveloped land to 265,000 net acres.**

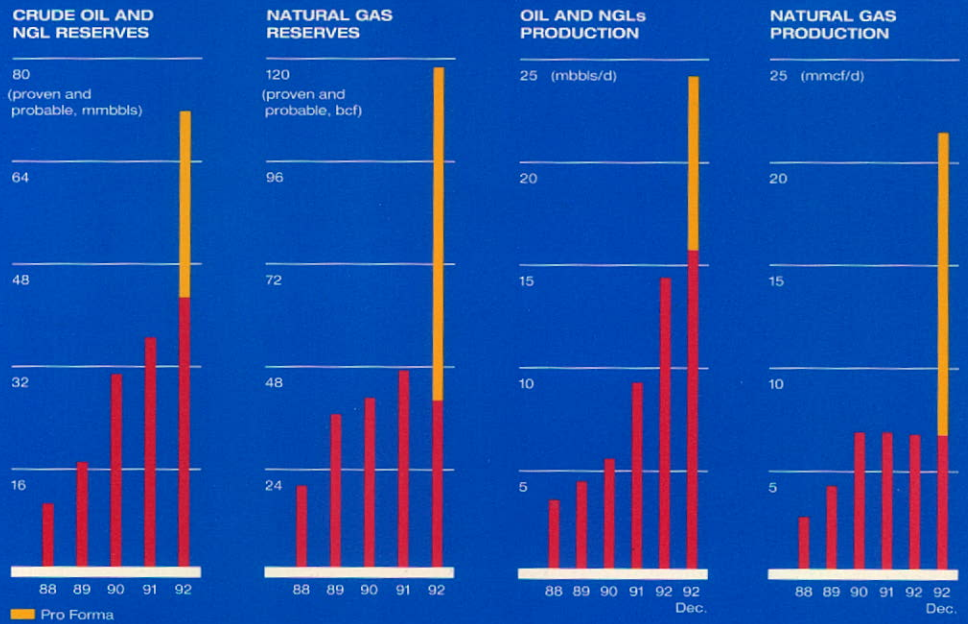
ELAN considers the assets of OMV extremely attractive as the oil and NGL reserves consist primarily of light sweet oil with over 80 percent of the total concentrated in the four largest properties. These assets are an extremely good fit with ELAN's existing base as they complement the Company's current mix of light and heavy oils.

The natural gas reserves are similarly focussed with over 50 percent of the total reserves attributed to the same four properties. The natural gas reserves add significantly to the Company's gas reserves at a time when it would appear that natural gas demand is beginning to rise, providing ELAN with upside potential in volume and pricing should the trend continue.

OMV's production in December 1992 averaged 8,450 barrels of oil and NGLs per day and 14.7 million cubic feet of gas per day. Combined with ELAN's December daily production of 15,750 barrels of oil and NGLs and 6.9 million cubic feet of natural gas, the Company enters 1993 with an impressive production base which will support increased exploration and development activities as well as acquisition opportunities.

Beyond the very attractive attributes of OMV at the time of the acquisition, ELAN foresees considerable opportunity for enhancement and growth in these new assets, particularly in the application of high tech seismic, horizontal drilling and production technology.

In connection with the acquisition, ELAN issued nine million Common shares at a price of $12 per share for gross proceeds of $108 million. The proceeds of this issue, together with additional bank borrowings, were utilized to fund the acquisition.



After giving effect to the OMV acquisition as of December 31, 1992 for reserves and for the month of December for production.

LETTER TO SHAREHOLDERS

In looking back at 1992, we can reflect on record financial and operating results for the Company - results produced by a sound exploration strategy supplemented by the acquisition of light oil reserves in core areas.

Dennis G. Flanagan

At the same time, we look forward to new challenges facing the Company in 1993 and beyond as a result of completing the OMV acquisition. This is a large, impressive transaction for a Company of our size and it will help ensure that the basis exists for continued growth and the ongoing creation of value for our shareholders in the coming years. ELAN enters 1993 with a large, stable production base which will support ongoing exploration, development and acquisition opportunities.

EXPLORATION

ELAN's 1992 drilling program totalled 77 wells, 32 of which were horizontal oil wells. The Company's success in its drilling program enabled ELAN to add almost six million barrels of oil reserves and three billion cubic feet of natural gas to its reserve base. These additions more than offset the reserves produced during the year.

Horizontal success was recorded at Bodo, Alberta where the Company participated in the drilling of 10 horizontal wells which resulted in production of 1,600 barrels per day of heavy oil by December.

At Cactus Lake in western Saskatchewan, ELAN extended its 1991 horizontal drilling program into 1992, averaged production of over 2,700 barrels per day of heavy oil during the year, and implemented a pilot steamflood project which is currently being expanded.

Late in the year, the Company participated in a successful horizontal well in the Otter area of northern Alberta, a mature pool drilled vertically by the Company in the early 1980s. The well is currently flowing 400 barrels of light oil per day. A second horizontal well, drilled early in 1993, is flowing approximately 500 barrels per day.

Vertical drilling success was recorded at David, Alberta where ELAN participated in the drilling of ten oil wells. By December, production from this field exceeded 356 barrels per day or 178 barrels net to the Company.

ACQUISITIONS

In addition to the acquisition of OMV, effective October 1, 1992, ELAN and NAL Resources Limited acquired Chevron Canada Resources Limited's working interest in the Nipisi Gilwood Unit and in the House Mountain Units with ELAN's share of the transaction amounting to $21.3 million. ELAN's interest in the Nipisi Gilwood Unit is now 22.6 percent.

The acquisition increased ELAN's reserves by some eight million barrels of oil and NGLs and 1.8 billion cubic feet of natural gas and increased daily production by approximately 1,200 barrels of oil and NGLs. This acquisition reflects the Company's ongoing commitment to adding high quality oil reserves at value added prices.

EQUITY FINANCINGS

Verne G. Johnson

On February 18, 1993, ELAN announced that it had entered into a financing arrangement as a means of financing a major portion of the OMV acquisition. ELAN sold nine million Common shares at a price of $12.00 per share for gross proceeds of $108 million. The OMV acquisition and subsequent financing are the largest transactions in the Company's history and management believes they will be a cornerstone of the Company's growth in the years to come.

During the first part of 1992, the Company's major shareholder, LASMO plc, sold one-half of its shareholding in ELAN through a secondary offering. The offering consisted of units priced at $8.25. The units entitled the holders to one Common share and one freely tradable Common Share Purchase Warrant which is exercisable into a Common share at a price of $8.75 per share until December 15, 1993. LASMO plc's remaining interest in the Company is pledged to the Warrants and upon exercise of the Warrants, LASMO plc will no longer own an interest in ELAN. As a result of the recently completed equity financing, LASMO plc's present equity interest in the Company has been reduced to 22 percent.

1992 RESULTS

Primarily as a result of the Company's successful drilling program, ELAN recorded significant cash flow and production increases for the year. In 1992, cash flow was $50.2 million, almost double the $25.5 million from a year earlier. Similarly, net earnings reflected substantial growth, totalling $16.1 million in 1992 compared to $4.5 million in 1991.

During 1992, oil and NGL production averaged 14,000 barrels per day, an increase of 50 percent over the 9,250 barrels per day reported for 1991. Natural gas sales remained essentially unchanged at 6.8 million cubic feet per day. The increase in oil and NGL production is attributable to the Company's horizontal drilling program, complemented by value-added acquisitions.

With the recent acquisitions, combined with the continued application of horizontal drilling, ELAN expects 1993 to be another record year.

OUTLOOK

We believe the business outlook for the oil and gas industry remains as it was a year ago. There continues to be an abundance of opportunities available as companies continue to rationalize and downsize their operations. With specific reference to oil, there would appear to be no major business constraints, with only minor problems resulting from pipeline apportionments and potential short term price volatility. We are of the view, however, that oil pricing will remain relatively flat and that corporate growth will accrue through asset growth.

The foreseeable outlook for natural gas prices is better than it appeared a year ago. However, transportation and supply problems persist and, as a result, the Company's asset mix will continue to be primarily oil with a relatively small percentage of natural gas.

In our 1991 Annual Report, we outlined a business strategy that was fundamental to our success. At that time, we indicated that the strategy would remain unchanged in 1992 with the exception of changes in the industry environment which would warrant adjustments to our strategy. The principal elements of our strategy were adhered to in 1992 and enabled ELAN to achieve record operating and financial results.

We believe this strategy remains sound for 1993, and we will continue to apply the strategic elements of it to our business to create value for our shareholders.

CORPORATE

Since the 1988 amalgamation which created LASMO Canada Inc., the Company has grown consistently and significantly. Success in creating shareholder value enabled LASMO plc to exit from its equity position at an attractive profit. At the same time, our status changed to one of a fully independent exploration and development company. To reflect the new ownership structure, the decision was made to change the Company's name.

The Company recently accepted the resignation of W.W.C. Greentree as a Director and, in doing so, extended thanks for his contribution to ELAN since LASMO plc first became a shareholder.

As has been customary in the past, we would also like to recognize the contribution of our staff and directors to the success of the Company. The definition of ELAN - enthusiasm, liveliness and spirit - is a reflection of the individuals who constitute the Company, without whose efforts we would not have been able to achieve the record operating and financial results of 1992.

Dennis G. Flanagan
Chairman of the Board and Chief Executive Officer

Verne G. Johnson
President and Chief Operating Officer

March 25, 1993

CORPORATE STRATEGY

The principal elements which form the basis of ELAN's corporate strategy are as follows:

• Concentrate ELAN's geographical focus of exploration.

ELAN continues to focus its exploration activities primarily in five geographical areas of interest.

• Maintain a large working interest in exploration projects.

ELAN's working interest in its drilling program averaged 60 percent in 1992 (1991 – 57 percent). Many projects are frequently undertaken at 100 percent working interests.

• Pursue a maximum sustainable effort on horizontal drilling.

Since its pioneering involvement in horizontal drilling in western Canada beginning in 1987, ELAN has participated in 83 horizontal wells, 32 of which were drilled in 1992 (1991 – 38). The Company will continue to take advantage of its ability to apply horizontal drilling technology.

• Commit to an oil exploration bias.

ELAN continues to direct the majority of its exploration efforts to oil with exclusive attention to conventional exploration and production in western Canada, particularly Alberta and Saskatchewan.

• Pursue sizable, light oil acquisitions.

During 1992, ELAN acquired 8.5 million barrels of high quality oil reserves (1991 – 2.3 million). The OMV acquisition adds a further 29 million barrels plus 78 billion cubic feet of natural gas. To date, the Company has acquired over 60 million barrels of light oil and over 95 billion cubic feet of natural gas at an average cost of less than $4.00 per barrel of oil equivalent.

IMPACT OF OMV

The acquisition of OMV and subsequent financing are by far the largest transactions ELAN has ever undertaken. The acquisition will have a major impact on the assets and operations of the Company in 1993 and beyond.

By financing the transaction with two thirds equity and one third debt, ELAN has ensured that its debt levels will not be excessive relative to the underlying asset base. In fact, the Company's debt to equity level, subsequent to the acquisition and financing, is expected to be essentially unchanged from that at the end of 1992.

RESERVES

The oil and gas reserves of OMV are located primarily in Alberta and are highly concentrated in the principal properties. Over 80 percent of the total oil reserves and over 50 percent of the natural gas reserves are contained in OMV's four largest properties.

The reserves acquired include 29 million barrels of oil and NGLs, over 80 percent of which are proven, and 78 billion cubic feet of natural gas, of which over 95 percent are proven.

The additional oil and NGL reserves increase ELAN's reserves by some 68 percent to 72 million barrels. In addition, the Company's asset mix improves with light and medium gravity oil accounting for 86 percent of total oil and NGL reserves compared with 80 percent prior to the acquisition.

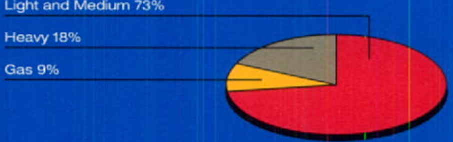
Natural gas reserves almost triple with the addition of OMV's reserves, to 118 billion cubic feet at a time when the outlook for natural gas is improving. Subsequent to the acquisition, however, natural gas will still play a relatively modest role in ELAN's strategy.

PRODUCTION

During 1992, OMV's daily production averaged 7,650 barrels of oil and NGLs and 14.2 million cubic feet of natural gas. As a result of OMV's 1992 development drilling program, their production profile was increasing with production averaging 8,450 barrels of oil and NGLs per day and 14.7 million cubic feet of natural gas per day for the month of December.

On a pro forma basis, the acquisition of OMV would have resulted in ELAN's December production increasing by more than 50 percent for oil and NGLs to approximately 24,000 barrels per day. Natural gas sales would have more than tripled to 21 million cubic feet per day.

ASSET MIX (Pre-Acquisition)
(Boe Reserves at Dec. 31, 1992)



ASSET MIX (Including OMV)
(Boe Reserves at Dec. 31, 1992)

The four major properties acquired in the purchase of OMV hold the majority of the reserves and production as well as a substantial portion of the exploitation potential for production enhancement and overall reserves recovery.

GOOSE RIVER, ALBERTA The Company acquired a 42.25 percent working interest in the Goose River Unit No. 1. The unit produces light, sweet oil and is presently under the influence of both waterflood and hydrocarbon miscible flood recovery schemes. During 1992, five new wells were drilled at Goose River, increasing total unit production from 5,900 barrels per day in January 1992 to over 9,100 barrels per day in December 1992.

- **A number of additional wells will be drilled in 1993 and 1994, as well as an expansion of both the waterflood and miscible flood.**

UTIKUMA, ALBERTA The Utikuma field is contiguous to the Nipisi Unit and similarly produces high gravity, light, sweet oil. Total production in 1992 averaged 2,400 barrels per day net to OMV.

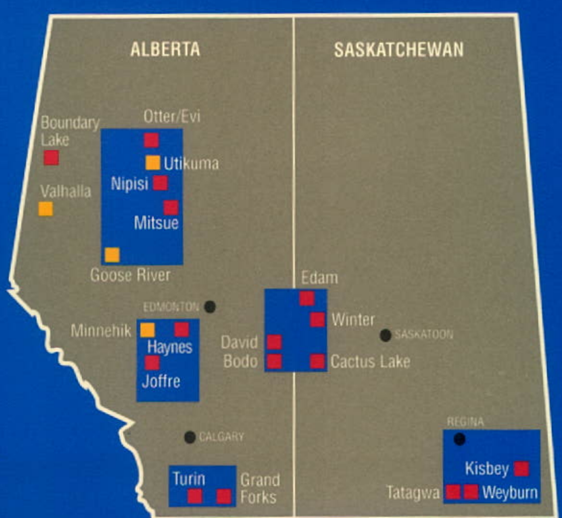
- **In addition to enhancements to field depletion plans, a number of wells will be drilled at Utikuma in 1993.**

MINNEHIK-BUCK LAKE, ALBERTA During 1992, OMV's share of natural gas production was 6.5 million cubic feet per day under a system contract to Alberta & Southern ("A&S"), supplemented by excess volume sales to the direct gas market. Deliverability in 1992 (net to OMV) was 10.5 million cubic feet per day.

- **Expiry of the A&S contract in 1993 allows the recontracting of production to the best available markets.**

VALHALLA, ALBERTA OMV's share of oil and NGL production averaged 167 barrels per day of light oil in 1992.

- **A 12 well drilling program is planned for 1993 and is expected to be completed prior to the expiry of the Alberta Crude Oil Exploration and Development Program on March 31, 1993 in order to take advantage of the available royalty incentives.**



OPERATIONS REVIEW

ELAN continues to focus its attention on oil prospects in core geographical locations. Within these core areas, the Company is searching for opportunities where the application of horizontal drilling can be utilized. This exploration strategy remains unchanged from previous years and continues to prove successful for ELAN.

The OMV acquisition will further enhance the asset base where ELAN will apply its expertise in horizontal drilling and other reserve extraction technologies.

LAND

ELAN recognizes the need to maintain a quality land position in order to support an active and ongoing exploration program. In this regard, it is the Company's strategy to acquire land in identified prospect areas as opposed to purchasing land in wildcat or trend acreage areas.

During 1992, the Company acquired approximately 30,000 net acres of new undeveloped lands through selective Crown and Freehold mineral land acquisitions. The average working interest in the acquired lands was 90 percent.

The acquisition of OMV almost doubles the size of the Company's undeveloped land base, adding approximately 126,000 net acres. These newly acquired lands will be evaluated during the course of 1993 and, consistent with its current strategy, ELAN will expand its land holdings in those areas which the Company perceives to be of strategic importance.

Undeveloped Land Holdings

as at December 31, 1992

(acres)	Pro Forma Total		ELAN		OMV	
	Gross	Net	Gross	Net	Gross	Net
Alberta	331,635	149,521	135,001	62,213	196,634	87,308
Saskatchewan	233,111	114,796	179,539	76,191	53,572	38,605
Other	4,299	830	1,703	526	2,596	304
Total	569,045	265,147	316,243	138,930	252,802	126,217

DRILLING

During 1992, ELAN participated in the drilling of 32 horizontal wells and 45 vertical wells resulting in 32 horizontal oil wells, 28 vertical oil wells, one gas well and 16 dry and abandoned. The Company's drilling program reflects its commitment to the utilization of horizontal drilling on its oil prospects.

Horizontal oil wells were drilled at Bodo and Otter in Alberta and at Cactus Lake, Winter, Kisbey and Weyburn in Saskatchewan. In addition to the success recorded on its horizontal program, ELAN drilled conventional oil wells in the David, Turin and Nipisi areas of Alberta as well as at Kisbey, Saskatchewan.

For 1993, the Company will continue to focus its drilling program on oil prospects where horizontal technology can be applied. As technological advances are made, the opportunities for the application of these techniques expand.

Drilling Activity

(wells)	1992		1991	
	Gross	Net	Gross	Net
Oil				
Horizontal	**32**	**19.9**	38	20.6
Vertical	**28**	**15.5**	21	10.5
Gas	**1**	**0.5**	2	1.3
Abandoned	**16**	**10.1**	8	7.0
Total	**77**	**46.0**	69	39.4
Success ratio	**79%**	**78%**	88%	82%

PRODUCTION

The combination of a successful drilling program and an aggressive acquisition strategy has resulted in the continued dramatic growth of ELAN's production volumes during 1992. Production of oil and NGLs increased more than 50 percent over 1991 to average 14,000 barrels per day. During December, the Company's productive capability of almost 17,000 barrels per day was hampered by pipeline apportionment, resulting in daily production for the month of 15,750 barrels per day. Gas sales in 1992 averaged 6.8 million cubic feet per day, essentially unchanged from average gas sales reported for 1991.

ELAN's extensive application of horizontal drilling and related technology continue to reap major rewards. In the Cactus Lake area, the continuation of a horizontal drilling program has resulted in substantial production increases for the Company. Production during 1992 averaged 2,720 barrels of oil per day from this field, up substantially from the 1991 average of 555 barrels of oil per day. A steamflood pilot project was also initiated in June 1992 to determine the effectiveness of increasing production and recovery rates from this project. Preliminary results have been positive with one horizontal well, adjacent to the steam injector well, producing at rates up to 725 barrels of oil per day, an increase of 380 barrels per day from its primary production average of 345 barrels of oil per day. The steamflood pilot will be expanded during 1993.

The success of the Cactus Lake project was extended westward across the Saskatchewan/Alberta border into the Bodo area of Alberta. During 1992, ELAN drilled 10 horizontal wells resulting in a 1992 average production addition of 389 barrels of oil per day. The production rate during December averaged almost 1,600 barrels of heavy oil per day.

ELAN also drilled two infill horizontal wells during 1992 that will lead to additional drilling during 1993. At Weyburn in Saskatchewan, a horizontal re-entry resulted in a well that is producing 350 barrels of oil per day. The well has more productive capability and larger pumping equipment is being installed to increase production rates. In the Otter area of northern Alberta, a horizontal infill well drilled in 1992 is currently flowing at 400 barrels per day. A second horizontal well was drilled in early 1993 and is currently flowing at approximately 500 barrels per day. Flow rates on these wells will be increased as optimum production parameters are established.

Major Properties – Oil and NGLs

	Average 1991 Production (bbls/d)	Average 1992 Production (bbls/d)	Dec. 1992 Production (bbls/d)	Reserves as of Dec. 31, 1992 (mbbls)
Alberta – Light and Medium				
Boundary Lake	909	887	843	5,513
Grand Forks	276	187	160	200
Haynes	199	285	122	149
House Mountain	–	150	600	5,390
Joffre	279	253	219	1,337
Mitsue	374	258	200	244
Nipisi	3,364	3,649	3,571	14,988
Otter/Evi	430	419	418	864
Provost (David)	–	45	178	494
Simonette	65	165	179	278
Turin	450	772	738	1,147
Other	471	768	1,137	823
	6,817	7,838	8,365	31,427
Saskatchewan – Light and Medium				
Kisbey	300	866	804	1,173
Tatagwa	389	545	368	792
Weyburn	332	348	469	712
Other	18	–	–	176
	1,039	1,759	1,641	2,853
Total Light and Medium	7,856	9,597	10,006	34,280
Alberta – Heavy				
Bodo	–	389	1,592	2,409
Saskatchewan – Heavy				
Cactus Lake	555	2,720	2,637	3,919
Edam West	501	721	961	1,217
Winter South/Winter	226	530	550	960
Other	112	43	4	–
	1,394	4,014	4,152	6,096
Total Heavy	1,394	4,403	5,744	8,505
Total Oil and NGLs	9,250	14,000	15,750	42,785
OMV				
Goose River, Alberta		3,014	3,858	16,385
Utikuma, Alberta		2,400	2,180	4,705
Valhalla, Alberta		167	225	2,101
Other		2,044	2,187	5,778
		7,625	8,450	28,969
Pro Forma Total		21,625	24,200	71,754

ELAN's ongoing acquisition of additional working interests in the Nipisi Gilwood Unit contributed substantially to production volumes, with the Company's share averaging 3,525 barrels per day of oil and NGLs during 1992. The acquisition of working interests in the House Mountain Units in the late fall of 1992 added 600 barrels per day of oil during December.

During 1993, ELAN will continue to emphasize the exploitation of prospects which can be placed on production quickly after drilling in order to generate immediate cash flow. As in the past, exploitation of prospects will also be driven by continued use of new technologies to the extent possible with specific concentration on the newly acquired OMV properties in 1993.

Major Properties - Natural Gas

	Average 1991 Production (mcf/d)	Average 1992 Production (mcf/d)	Dec. 1992 Production (mcf/d)	Reserves as of Dec. 31, 1992 (mmcf)
Boundary Lake	516	**462**	**363**	**3,249**
Enchant	460	**317**	**325**	**352**
Endiang	721	**1,378**	**1,421**	**933**
Little Bow	840	**750**	**718**	**2,787**
Superba/Esther	1,153	**833**	**1,216**	**4,767**
Turin	1,036	**1,564**	**1,688**	**5,637**
Other	2,147	**1,480**	**1,151**	**22,491**
Total Natural Gas	6,873	**6,784**	**6,882**	**40,216**
OMV				
Minnehik-Buck Lake, Alberta		**6,500**	**7,700**	**31,633**
Other		**7,700**	**7,000**	**46,191**
		14,200	**14,700**	**77,824**
Pro Forma Total		**20,984**	**21,582**	**118,040**

RESERVES

ELAN's oil and NGL reserves increased during 1992 through a combination of acquisitions and drilling. The purchase of an additional working interest in the Nipisi Gilwood Unit added over five million barrels of oil reserves while acquisition of working interests in the House Mountain Units added almost three million barrels of oil reserves. These transactions also added nearly two billion cubic feet of gas reserves. The disposition of non-core properties resulted in a reduction of natural gas reserves of approximately five billion cubic feet.

Reserves of Oil, NGLs and Natural Gas

(before royalties)	Oil and NGLs (mbbls)			Natural Gas (mmcf)		
	Proven	Probable	Total	Proven	Probable	Total
January 1, 1992	29,678	6,850	36,528	39,983	7,164	47,147
Acquisitions	5,605	2,853	8,458	2,540	441	2,981
Dispositions	(836)	–	(836)	(5,272)	–	(5,272)
Discoveries, Additions, Extensions	4,185	1,572	5,757	2,280	63	2,343
Revisions	(2,141)	143	(1,998)	(1,033)	(3,509)	(4,542)
Category Change	1,692	(1,692)	–	–	–	–
Production	(5,124)	–	(5,124)	(2,441)	–	(2,441)
December 31, 1992	33,059	9,726	42,785	36,057	4,159	40,216
OMV, at December 31, 1992	23,227	5,742	28,969	74,156	3,668	77,824
	56,286	15,468	71,754	110,213	7,827	118,040

Apart from the reserves added through acquisitions, the Company's 1992 drilling program added almost six million barrels of oil reserves, primarily in the David, Bodo and Otter areas of Alberta and the Weyburn and Cactus Lake areas of Saskatchewan. The addition of oil reserves by drilling was more than sufficient to replace volumes produced during the year.

Reserve Life Index

(years)

	Oil and NGLs	Natural Gas
1988	8.0	19.6
1989	10.4	23.3
1990	10.2	24.8
1991	10.8	18.8
1992	8.4	16.5
1992 *(Pro Forma including OMV)*	9.1	15.5

ELAN's proven and probable oil and NGL reserves at December 31, 1992, as evaluated by Sproule Associates Limited and Coles Gilbert Associates Ltd (for the Nipisi Unit), totalled 42.8 million barrels (71.8 million barrels including OMV), up 17 percent from the reserve levels at the end of 1991. Natural gas reserves were 40.2 billion cubic feet (118 billion cubic feet including OMV), down from 47.1 billion cubic feet as at the end of 1991.

The net present value of the estimated future cash flow, before income taxes, from ELAN's reserves, using a discount rate of 15 percent, is approximately $275 million ($535 million including OMV). The 10 percent increase in value from $249 million at the end of 1991 resulted from substantial increases in oil reserves and productivity obtained through drilling and acquisitions. This increase in value was achieved despite lower product price forecasts used to calculate future cash flows as compared to the forecasts used at the end of 1991. The net after-tax value of the Company's reserves, using a discount rate of 12 percent, is approximately $231 million, after including the impact of ELAN's tax pools which totalled approximately $180 million as at the end of 1992.

The additional reserves acquired as part of the OMV acquisition substantially increase the Company's reserve base and improve the mix between light and heavy crude oil. In addition, the acquisition adds a substantial amount of gas reserves at a time when the outlook for natural gas markets and pricing is improving.

Present Value of Reserves

($ thousands)

	Pro Forma Before Income Tax*	Before Income Tax	Before Income Tax	After Income Tax
Discount Rates	15%	20%	12%	15%
Proven	$ 430,974	$ 219,631	$ 188,503	$ 136,515
Probable	106,247	55,824	43,018	36,503
Other Revenue	–	–	–	58,380
Total	$ 537,221	$ 275,455	$ 231,521	$ 231,398

** Pro Forma after giving effect to the OMV acquisition.*

MARKETING

ELAN sells the majority of its crude oil production to intermediaries. In the coming years, as ELAN's oil volumes increase, the Company anticipates becoming a shipper on pipelines in order to retain the ability to sell directly to end users.

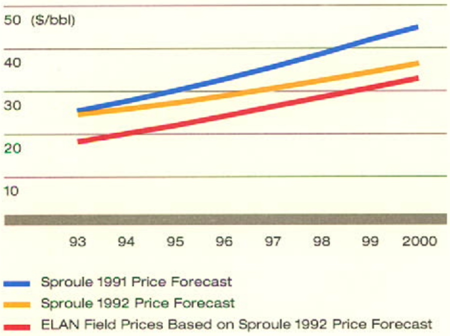
During 1992, ELAN constantly evaluated new marketing arrangements for its oil production. Although crude oil movements were restricted during 1992 due to pipeline prorationing, ELAN managed to avoid the majority of these cutbacks by establishing flexibility with field tankage and alternate delivery options.

The Company maximizes prices by utilizing delivery points which emphasize the particular quality characteristics of the oil delivered. Crude oil purchasers provide ELAN with a detailed analysis of their pricing components allowing the Company to optimize wellhead prices by delivering to the most advantageous sales points.

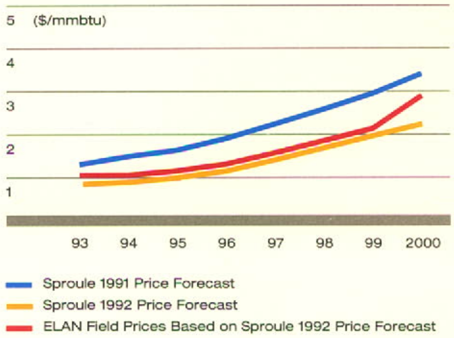
ELAN's modest gas production is sold to a variety of purchasers including long-term aggregator sales, short-term direct sales and spot sales. The Company currently supplies all fuel gas requirements for its heavy oil projects from its own natural gas supply. ELAN continues to supply gas to customers in Quebec under direct sales arrangements.

The OMV acquisition adds substantially to the volumes which the Company will be marketing. This increase will provide ELAN with more flexibility and strength in the implementation and maintenance of its marketing strategy.

CRUDE OIL PRICING ASSUMPTIONS
(At Edmonton)



NATURAL GAS PRICING ASSUMPTIONS
(Alberta Spot)



MAJOR PROPERTIES

CACTUS LAKE, SASKATCHEWAN The Cactus Lake project continues to be a model project for drilling horizontal wells in heavy oil reservoirs. Drilling on this project commenced in May 1991 and by the end of that year, ELAN had drilled nine horizontal oil wells that were producing in excess of 2,000 barrels per day. The drilling program continued into 1992 with six additional wells being placed on production during the first part of the year. ELAN's share of production averaged over 2,700 barrels per day over the course of 1992.

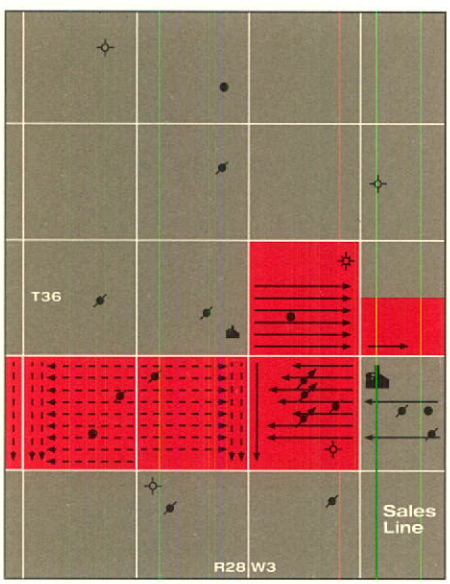
A large part of the attraction of developing projects such as Cactus Lake is the potential upside that can result from the application of available technology. Each section of land contains up to 25 million barrels of oil-in-place. Using conventional horizontal drilling techniques, ELAN expects to recover approximately 10 percent of the reserves in place. With tertiary recovery techniques, recovery of reserves could exceed 50 percent.

With this upside potential in mind, early in 1993 ELAN traded its 12.5 percent working interest lands in the Bodo area of Alberta for additional working interests on lands at Cactus Lake. ELAN now owns a 45 to 100 percent working interest in four key sections of land. The Company has drilled up two of these sections over the past two years. The remaining two sections involve the land trade and ELAN expects to drill up to 20 horizontal wells over these lands in 1993.

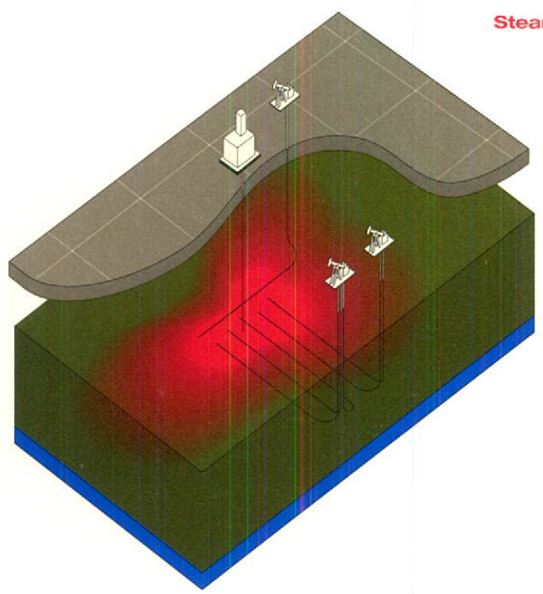
In addition to the Company's drilling program, it is actively pursuing the application of tertiary recovery methods. In June 1992, a steamflood pilot was initiated and has reflected some very positive results with production from one of the adjacent horizontal wells increasing from 345 to 725 barrels per day. The steamflood will be expanded on the project's initial two sections of land at the same time the 1993 drilling program is underway on the balance of Company lands.

Cactus Lake is a prime illustration of ELAN utilizing available technology to maximize the return from an exploitation project. The Company will continue to review all available recovery methods to extract the reserves in place.

Cactus Lake, Saskatchewan



Steam Pilot



BODO, ALBERTA Early in 1992, ELAN purchased some Crown acreage nine miles north-west of its Cactus Lake, Saskatchewan project. An extensive seismic program was completed to delineate the pool and drilling commenced in July. By the end of the year, ELAN had drilled 10 horizontal wells on its 100 percent interest acreage and had participated as to a 12.5 percent working interest in four additional horizontal wells.

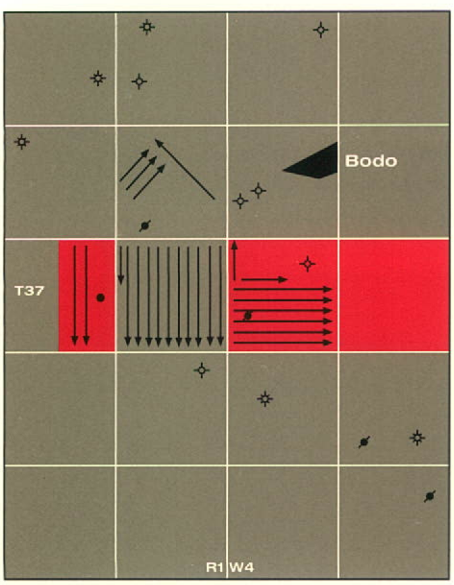
Production from this project reached almost 1,600 barrels of heavy oil per day by December, net to ELAN, and the Company is presently evaluating options for tertiary recovery schemes including steamflood. It is expected that an enhanced recovery program will be initiated during 1993.

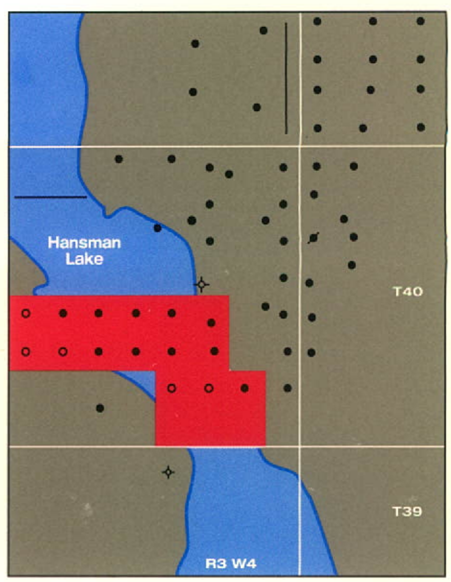
Early in 1993, ELAN traded its working interest in the wells and lands where it had a 12.5 percent working interest for additional working interests on lands at Cactus Lake, in which the Company already operates and has a working interest. The trade allows ELAN to control the development of a substantial project and to maximize the impact on the Company.

DAVID, ALBERTA In the Provost area of Alberta, ELAN participated as to a 50 percent working interest in an oil discovery extending the size of an existing oil field currently under production. The Company proceeded to drill a total of 10 wells on this project and the wells are currently producing at a combined daily rate of 900 barrels of medium gravity oil, 450 barrels net to ELAN.

Plans for this area in 1993 include the completion of a seismic program which the Company expects will define additional development locations.

Bodo, Alberta





David, Alberta

ELAN Land
Horizontal Well
Potential Horizontal Well
Suspended Well
Oil Well
Abandoned Well

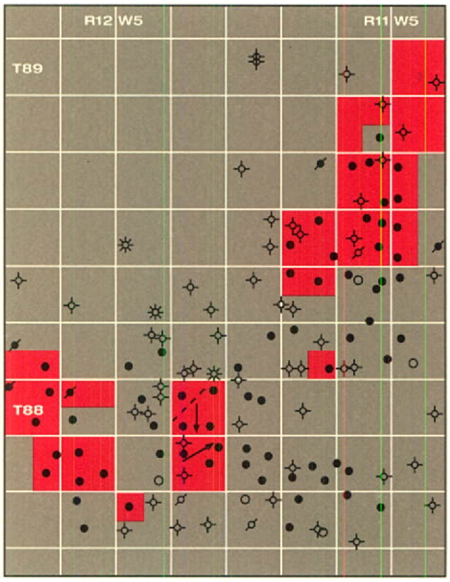
OTTER, ALBERTA During the early 1980s, ELAN participated in the discovery and development of numerous pools in the Otter area of northwestern Alberta. In the fall of 1992, an infill horizontal well was drilled to evaluate the effectiveness of the technology in this type of reservoir. The well was extremely successful and is currently flowing at a controlled rate of 400 barrels per day of light oil, 80 barrels net to ELAN. The production rate will be gradually increased to the economic optimum.

A follow-up horizontal well was drilled in early 1993 with ELAN participating as to a 37.5 percent working interest and the well is currently flowing at a controlled rate of approximately 500 barrels per day. Plans for this area over the balance of 1993 include the drilling of at least one more horizontal well together with some detailed seismic work with a view to defining additional locations.

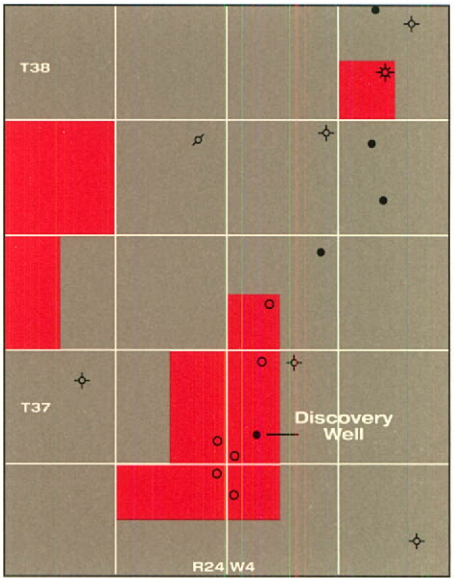
The successful application of horizontal drilling at Otter is a prime example of ELAN's corporate strategy. The Company is continually looking for opportunities to exploit new and existing oil reservoirs with horizontal technology wherever possible.

HAYNES, ALBERTA ELAN has been active in the Haynes area of central Alberta over the past few years. Over that period, detailed geological mapping combined with seismic work has led to a recent Devonian reef light oil discovery. The discovery well was production tested at rates in excess of 300 barrels per day. The Company has a 50 percent working interest in this project and plans for the area include the drilling of up to six additional wells during the first half of 1993.

Otter, Alberta



Haynes, Alberta



ELAN Land
Horizontal Well
Potential Horizontal Well
Suspended Well
Oil Well
Abandoned Well

MANAGEMENT'S DISCUSSION AND ANALYSIS

As in the past, ELAN has continued to pursue growth opportunities in 1992 through exploration activity and property acquisitions.

In 1992, ELAN participated in the drilling of 77 wells, of which 32 were horizontal wells. The extensive use of horizontal drilling was used to develop oil reserves at Kisbey, Cactus Lake, Otter, Weyburn and Bodo, and contributed to the Company achieving record operating and financial results in 1992.

Effective October 1, 1992, ELAN acquired a further 3.8 percent interest in the Nipisi Gilwood Unit No. 1 and a 12.24 percent and seven percent interest in House Mountain Units No. 1 and No. 2, respectively, from Chevron Canada Resources Limited for $21.3 million, including acquisition costs. The acquisition increased ELAN's oil and natural gas liquids ("NGLs") reserves by 8 million barrels and natural gas reserves by 1.8 billion cubic feet and increased daily production by approximately 1,200 barrels of oil and NGLs. The transaction also increased ELAN's interest in the Nipisi Unit to approximately 22.6 percent. For 1992, ELAN's share of production from the Nipisi Unit accounted for 28 percent of the Company's annual oil and NGL production.

On February 17, 1993, ELAN announced that it had acquired OMV (Canada) Ltd. ("OMV"), effective January 1, 1993 for gross consideration of $180 million, including working capital of $27 million. The acquisition closed on March 24,1993 for net consideration of $151 million, after working capital and other purchase price adjustments. The acquisition is of major significance to the Company as it increases oil and NGL reserves by 68 percent, almost triples natural gas reserves, and adds over 126,000 net acres to the Company's undeveloped land base.

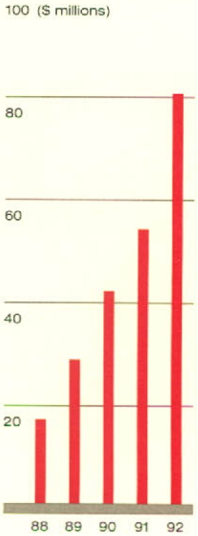
To fund the acquisition, ELAN announced a financing on February 18, 1993, whereby the Company issued nine million Common shares at a price of $12 per share for proceeds of $108 million. Additional bank borrowings were utilized to fund the balance of the acquisition.

REVENUE

During 1992, oil and gas revenue, net of royalties, increased to a record $79.0 million, up 50 percent from $52.6 million in 1991. This achievement was the result of a substantial increase in the production of oil and NGLs and an improvement in heavy oil prices resulting in a narrowing of the differential between light and heavy crude.

Average oil and NGLs production increased 51 percent from 9,250 barrels of oil per day in 1991 to 14,000 barrels of oil per day in 1992, reaching an average of 15,750 barrels of oil per day in December. The year-over-year increase is due to the successful horizontal drilling program initiated by the Company during the year, combined with a successful acquisition strategy.

REVENUE



The West Texas Intermediate ("WTI") price for crude oil averaged U.S. $20.57 per barrel during 1992, down four percent from the U.S. $21.46 reported for 1991. ELAN's average oil price declined four percent to Cdn. $18.58 per barrel from Cdn. $19.26 in 1991, a result of the change in the Company's product mix. During 1992, ELAN's production mix changed such that approximately 29 percent of all production was heavy crude compared to 15 percent in 1991. ELAN received an average price of Cdn. $13.38 per barrel for its heavy oil, a 40 percent increase from the Cdn. $9.59 received in 1991.

Natural gas sales averaged 6.8 million cubic feet per day in 1992, essentially unchanged from 6.9 million cubic feet per day in 1991. ELAN's sales price averaged $1.27 per thousand cubic feet compared to $1.25 per thousand cubic feet in 1991.

Production Revenue Analysis

($ thousands)	1992	1991	1990
Oil	**$ 89,364**	$ 62,065	$ 47,974
NGLs	**3,220**	1,968	958
Natural gas	**3,029**	2,643	2,622
Gross production revenue	**95,613**	66,676	51,554
Crown royalties	**(13,008)**	(11,761)	(8,370)
Other royalties	**(3,643)**	(2,321)	(2,389)
Net production revenue	**$ 78,962**	$ 52,594	$ 40,795

For 1993, it is anticipated that the proportion of heavy oil relative to total production will decrease as a result of the acquisition of OMV, with most of OMV's oil production being light, sweet crude.

The acquisition of OMV will result in substantial increases in ELAN's 1993 average production levels and resulting revenue. In December 1992, OMV had oil and NGLs production of 8,450 barrels per day and natural gas production of 14.7 million cubic feet per day.

ROYALTIES AND ALBERTA ROYALTY TAX CREDIT

ELAN's average royalty rate before the Alberta Royalty Tax Credit ("ARTC") decreased during 1992 to approximately 17 percent of gross revenue compared to 21 percent in 1991. The royalty rate in 1992 reflects reduced royalties on horizontal wells and the impact of the royalty incentives resulting from the Alberta Crude Oil Exploration and Development Program.

During 1992, as an offset to Alberta Crown royalties paid, ELAN received ARTC in the amount of $1.7 million. ARTC is paid on a sliding scale as a function of the price of oil, and the amount received in 1992 represented the maximum ARTC available under the terms of the program. For 1993, ELAN expects that ARTC levels will remain essentially unchanged and the Company will qualify for the maximum credit available.

OMV's average royalty rate, before ARTC, during 1992 was approximately 19 percent and consequently is not expected to materially impact ELAN's 1993 royalty rate.

OPERATING EXPENSES

Operating expenses for 1992 totalled $21.6 million compared to $16.3 million for the previous year. The increase is due primarily to higher production volumes recorded by the Company.

Average operating costs for light and medium crude declined from $4.51 per barrel in 1991 to $4.05 per barrel in 1992. This decrease reflects the full year impact of operating efficiencies on horizontal wells and efforts made to control costs on maturing properties.

Heavy oil operating costs were reduced to $5.45 per barrel in 1992 from $7.07 in 1991, primarily due to the economies of scale associated with increased production from horizontal wells. Operating costs for ELAN's horizontally produced heavy oil averaged $3.87 per barrel in 1992 compared to $3.75 per barrel in 1991.

For 1993, per unit operating costs on the Company's light and medium oil production should remain fairly constant as increased costs on maturing properties are offset by improved operating efficiencies on newer projects and lower per unit operating costs associated with properties acquired from OMV. Heavy oil operating costs, on a per unit basis, are expected to decline as a result of the increase in heavy oil production from horizontal wells.

Cash Netbacks Per Unit of Production

Oil (per barrel)	Light & Medium		Heavy Horizontal		Heavy Vertical		Total	
	1992	1991	**1992**	1991	**1992**	1991	**1992**	1991
Sales Price	**$ 21.25**	$ 21.10	**$ 13.44**	$ 10.57	**$ 13.06**	$ 8.28	**$ 18.58**	$ 19.26
Less:								
Royalties	**(4.62)**	(4.75)	**(0.80)**	(0.62)	**(1.98)**	(1.17)	**(3.39)**	(4.13)
Operating costs	**(4.05)**	(4.51)	**(3.87)**	(3.75)	**(7.29)**	(7.73)	**(4.18)**	(4.66)
Cash Netback	**$ 12.58**	$ 11.84	**$ 8.77**	$ 6.20	**$ 3.79**	$ (0.62)	**$ 11.01**	$ 10.47

	Natural Gas (per million cubic feet)		NGLs (per barrel)	
	1992	1991	**1992**	1991
Sales Price	**$ 1.27**	$ 1.25	**$ 13.07**	$ 12.29
Less:				
Royalties	**(0.20)**	(0.25)	**0.43**	(2.27)
Operating costs	**(0.66)**	(0.67)	–	–
Cash Netback	**$ 0.41**	$ 0.33	**$ 13.50**	$ 10.02

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses totalled $3.7 million in 1992, a 23 percent increase from $3.0 million recorded in 1991. The increase reflects the Company's increased level of operations which include more staff and associated costs. On a per unit of production basis, however, general and administrative expenses decreased to $0.69 per barrel of oil equivalent ("BOE") from $0.84 per BOE. During 1992, ELAN capitalized $1.6 million in general and administrative expenses compared to $1.4 million a year earlier.

General and administrative expenses are expected to increase in 1993, giving effect to ELAN's growth and activity level. On a BOE basis, general and administrative expenses should continue to decline as the additional costs associated with the OMV acquisition are offset by significantly higher production volumes.

INTEREST EXPENSE

During 1992, interest expense decreased to $4.1 million from $8.7 million in 1991, reflecting lower average debt balances and a lower average cost of debt.

At December 31, 1992, ELAN had long-term debt of $62.7 million compared to $76.9 million at the end of 1991. Approximately $20 million of the debt balance at December 31, 1992 was incurred late in December to finance property acquisitions.

The debt at December 31, 1991 included $17 million in Convertible Debentures which were converted to Common shares during 1992. As a result of the conversion, no interest was paid on the Debentures in 1992. In addition, the Company's debt was reduced by $7 million as a result of the exercise of 1.5 million Common Share Purchase Warrants. The Warrants were exercised in June at a price of $4.75 per share.

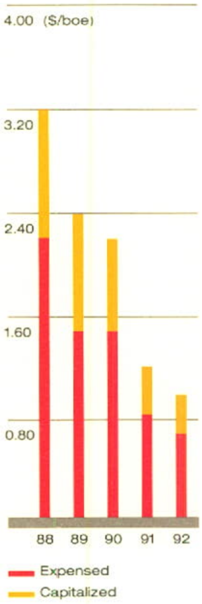
The Company's credit facilities bear interest based on the bank's prime lending rate. During 1992, the prime rate averaged approximately 7.5 percent compared to approximately 10 percent in 1991.

To partially fund the acquisition of OMV, the Company will increase bank borrowings by some $50 million. Although the Company intends to apply cash flow in excess of capital requirements against long-term debt, it is expected that the average debt outstanding and related interest charges will increase in 1993.

DEPLETION, DEPRECIATION AND AMORTIZATION

Depletion, depreciation and amortization expense increased to $33.9 million compared to $21.1 million in 1991 due to an increase in production volumes achieved by the Company. For 1992, the cost of depletion amounted to $6.12 per BOE, up from $5.57 per BOE reported a year ago. The increase is due, in part, to the additional depletion recorded as a result of the provision for future site restoration costs together with the acceleration of production created through the application of horizontal drilling technology.

GENERAL AND ADMINISTRATIVE EXPENSES



The Company reviews its future site restoration costs on a regular basis and provides for this liability through additional depletion charges.

For 1993, depletion, depreciation and amortization on a BOE basis is expected to decrease after giving effect to the production and reserve characteristics inherent in the OMV acquisition.

INCOME TAXES

ELAN's current income tax expense in the amount of $1.1 million consists of the Large Corporations Tax and Saskatchewan Capital Tax. At year end, the Company had approximately $180 million in available tax pools. Deferred income taxes have not been recorded as the balance of prior years' losses have been utilized to offset income before taxes. It is expected that the remaining losses will be fully utilized in 1993 at which time ELAN will begin to record deferred income taxes.

At December 31, 1992, OMV had tax pools aggregating approximately $33 million which will be available in future years to reduce taxable income. However, the properties acquired generate more income than the tax pools acquired can shelter. As a result, ELAN will utilize its available pools to minimize the tax effect of the OMV acquisition. The revenue generated by the OMV properties will result in ELAN recording additional deferred taxes in 1993.

CASH FLOW AND EARNINGS

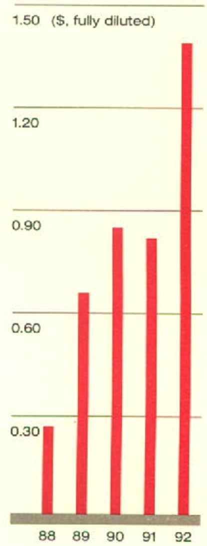
Cash flow from operations amounted to $50.2 million, or $1.39 per fully diluted share, representing a 97 percent increase from the $25.5 million, or $0.82 per fully diluted share reported in 1991. The weighted average number of shares outstanding in 1992 totalled 36.1 million shares compared to 26.1 million shares in 1991.

Net income increased to $16.1 million for 1992, or $0.44 per fully diluted share, compared to $4.5 million, or $0.17 per fully diluted share, recorded a year earlier.

Cash Flow to Long-Term Debt

($ thousands)	**1992**	1991	1990
Cash flow from operations	**$ 50,236**	$ 25,493	$ 22,681
Long-term debt, December 31	**$ 62,700**	$ 59,900	$ 73,300
Current year debt to cash flow	**1.25**	2.35	3.23

CASH FLOW PER SHARE



CAPITAL EXPENDITURES

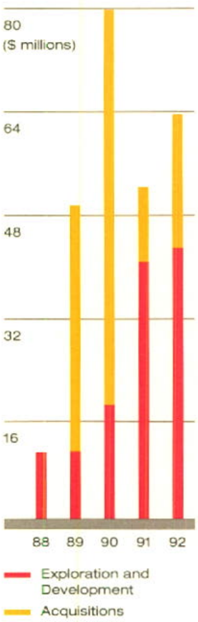
During 1992, ELAN maintained its corporate objective of replacing more of its asset base than was depleted during the year and providing for strategic growth. During 1992, ELAN increased its reserve base by approximately 13 percent to 46.8 million BOE from the 41.3 million BOE as at the end of 1991. This increase was achieved even after recording significant growth in oil and NGL production during the year.

Expenditures for exploration and development activities in 1992 increased to $41.1 million from $40.8 million in 1991. Including acquisitions, ELAN's total capital expenditure program was $63.3 million in 1992 compared to $52.4 million in 1991. In accordance with the Company's policy, 1992 exploration and development expenditures were financed from internally generated cash flow of $50.2 million. The balance of the total capital program was financed with additional bank borrowings, net of share capital transactions. In keeping with its policy, ELAN has budgeted exploration and development expenditures of approximately $55 million to be funded entirely from cash flow for 1993. To compensate for the volatility in hydrocarbon prices, the Company has conservatively budgeted exploration and development capital expenditures below anticipated cash flow levels after planned debt retirement.

Capital Expenditures

($ thousands)	**1992**	1991	1990
Land acquisition and maintenance	**$ 2,870**	$ 2,136	$ 2,088
Geological and geophysical	**2,178**	2,037	2,484
Exploration and development drilling	**19,080**	22,727	8,277
Facilities and equipment	**15,408**	12,669	5,105
Capitalized overhead	**1,642**	1,340	1,574
Government incentives	**(34)**	(453)	(1,003)
Other	**(45)**	365	68
Exploration and development expenditures	**41,099**	40,821	18,593
Acquisitions	**22,230**	11,557	61,189
Total capital expenditures	**$ 63,329**	$ 52,378	$ 79,782

CAPITAL EXPENDITURES



Acquisition of reserves will continue to play an important role in ELAN's ongoing business activities. Potential asset and corporate acquisitions will continue to be evaluated, and the source of funding for a successful transaction will be determined on an as required basis.

The OMV acquisition is expected to result in an increase in ELAN's 1993 capital expenditure program, which will be funded from the incremental cash flow generated by the OMV properties. It is anticipated that some of the incremental cash flow will also be used to reduce the debt incurred to finance the acquisition.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1992, ELAN had a working capital deficiency of $7.0 million and long-term liabilities of $64.1 million, including $62.7 million in bank loans. The working capital deficiency is a result of the Company's activity levels requiring significant capital cost accruals as well as ELAN applying excess cash to reduce its revolving operating credit facility.

The Company's principal operating credit facility consisted of a $50 million line of credit as at December 31, 1992 of which approximately $20 million currently remains available to the Company. As part of funding the OMV acquisition, this facility was increased to $100 million. This credit facility bears interest at the bank's prime rate and has no specific terms of repayment.

ELAN has a second credit facility which was originally put in place to fund the 1990 acquisition of an interest in the Nipisi Unit. This facility bears interest at the bank's prime rate and has no specific terms of repayment. Despite the fact that no repayments are required, ELAN fully intends to reduce the outstanding amount with the net cash flow generated by the acquired property. During 1992, this credit facility was reduced by $12 million to $30 million and, for 1993, ELAN plans further repayments on this facility.

During 1992, LASMO plc took steps to dispose of its equity interest in ELAN by selling one-half of its shareholding and pledging its remaining Common shares against Common Share Purchase Warrants which are exercisable on or before December 15, 1993 at a price of $8.75 per share. Prior to pledging its remaining Common shares, LASMO plc converted all of its Non-Voting shares to Common shares, thereby eliminating all of the issued and outstanding Non-Voting shares of ELAN. On October 28, 1992, at a special meeting, the Company's shareholders voted to eliminate Non-Voting shares from the capital structure of the Company.

If all the Common Share Purchase Warrants are exercised, LASMO plc will not own any shares of ELAN.

During 1992, ELAN issued 5.2 million Common shares on the redemption of Convertible Debentures at a redemption price of $3.25 per share. In addition, the Company issued 1.5 million Common shares on the exercise of Common Share Purchase Warrants at a price of $4.75 per share for total proceeds of approximately $7 million.

At December 31, 1992, the Company's issued share capital was 36.8 million Common shares and 2,163 Restricted Return shares.

Capitalization

as at December 31, 1992 ($ thousands)	Pro Forma 1992*	%	1992	%	1991	%
Bank debt, net of working capital	$ 119,697	30.8	**$ 69,697**	**29.6**	$ 66,698	31.8
Convertible debentures	–	–	**–**	**–**	17,000	8.1
Shareholders' equity	269,533	69.2	**166,033**	**70.4**	125,798	60.1
	$ 389,230	100.0	**$ 235,730**	**100.0**	$ 209,496	100.0

* *After giving effect to the acquisition of OMV including additional debt of $50 million and the issuance of 9 million shares for gross proceeds of $108 million.*

Early in 1993, to partially fund the acquisition of OMV, ELAN issued nine million Common shares at a price of $12.00 per share for total proceeds of $108 million. Additional bank borrowings were utilized to fund the balance of the acquisition.

SENSITIVITIES

Over the past few years, product pricing was considered to be the most volatile variable in the oil and gas industry. In the latter part of 1992, product prices improved somewhat, however, the Company expects that prices will remain volatile in the near future.

For ELAN, oil remains the critical pricing market with the other products having only a minor effect on the Company. ELAN estimates that for each dollar change in WTI prices, the Company's 1993 cash flow will be impacted by approximately $7 million. In addition, for each one cent change in the exchange rate between Canadian and U.S. funds, ELAN estimates the impact on cash flow to be approximately $1.8 million.

The additional production from the OMV properties will increase the Company's sensitivities to oil pricing and exchange rates.

Net Asset Value

as at December 31, 1992 *($ thousands, except per share amounts)*	Pro Forma 1992*	1992	1991
Present value of reserves *(15% B.T.)*	$ 537,221	**$ 275,455**	$ 249,381
Undeveloped acreage	15,000	**12,000**	12,400
Working capital *(deficiency)*	(6,997)	**(6,997)**	(6,798)
Other assets	125	**125**	634
	545,349	**280,583**	255,617
Long-term debt	112,700	**62,700**	59,900
Convertible debentures	–	**–**	17,000
Restricted return shares	217	**217**	217
Dilution effect	(7,462)	**(7,462)**	(29,196)
	105,455	**55,455**	47,921
Net asset value	$ 439,894	**$ 225,128**	$ 207,696
Net asset value per fully-diluted share	$ 9.36	**$ 5.93**	$ 5.51

* *After giving effect to the acquisition of OMV including additional debt of $50 million and the issuance of 9 million shares for gross proceeds of $108 million.*

OTHER RISK FACTORS

The exploration for and production of oil and natural gas involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil and gas will be discovered or that a market will exist. The marketability of oil and gas acquired or discovered is affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment and government regulations. The oil and gas industry is subject to extensive controls and regulatory policies imposed by the various levels of government which may be amended from time to time. Prices received by ELAN for its products are subject to world market conditions and political forces beyond the Company's control.

ELAN's operations are subject to the risks normally associated with the oil and gas industry including hazards such as unusual or unexpected geological formations, high reservoir pressures or other conditions involved in drilling and operating wells. The Company minimizes these risks using prudent risk management, including insurance coverage against potential losses.

The Company recognizes that the industry is faced with an increasing awareness with respect to the environmental impact of oil and gas operations. ELAN has reviewed the environmental risks to which it is exposed and has determined that there is no current material impact on the Company's operations. ELAN will ensure continued compliance with environmental legislation.

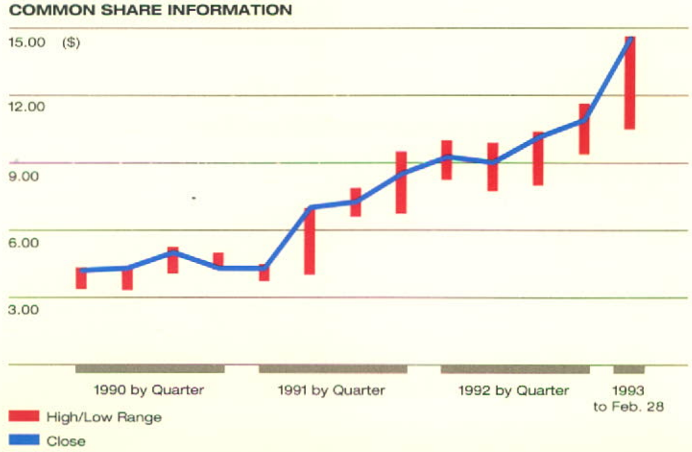
ELAN is of the view that inflation will not be a significant factor in its 1993 business environment.

MARKET FOR SECURITIES

The Common shares of ELAN are listed and traded on The Toronto Stock Exchange and Montreal Exchange under the trading symbol ELN. The Common Share Purchase Warrants entitling the holder to purchase Common shares from LASMO plc are listed for trading on The Toronto Stock Exchange under the symbol ELN.WT.A. until their expiry in December 1993.

Over the course of 1992, the Company's shares traded over 22 million shares. In particular, the trading volume increased over the last half of the year once the secondary distribution of LASMO plc's holding was completed. In addition, from the time of their issuance in June 1992, the volume of trading in the Common Share Purchase Warrants totalled some nine million Warrants.

ELAN's shareholding, subject to the current status of LASMO plc, is widely held and heavily traded, providing a liquid market for shareholders and potential investors.



MANAGEMENT'S REPORT TO THE SHAREHOLDERS

The consolidated financial statements of the Company are the responsibility of management and the Board of Directors of the Company. They have been prepared by management in accordance with accounting principles generally accepted in Canada, applied on a consistent basis.

In fulfilling its responsibilities, management has developed, and maintains, a system of internal controls designed to safeguard assets from loss or unauthorized use and ensure the accuracy of the financial records. The consolidated financial statements necessarily include certain estimates which are made after consideration of the information available and using careful judgements.

The Board of Directors exercises its responsibilities for financial controls through an Audit Committee which is comprised of directors who are not employees of the Company. The Committee meets with management and the external auditors to satisfy itself that the responsibilities of the respective parties are properly discharged and to review the consolidated financial statements before they are presented to the Board for approval.

The Shareholders have appointed Peat Marwick Thorne as the external auditors of the Company and, in that capacity, they have examined the consolidated financial statements for the years ended December 31, 1992 and 1991. The Auditors' Report to the Shareholders is presented herein.

Dennis G. Flanagan
Chairman and Chief Executive Officer

Curtis W. Hicks
Vice President, Finance

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of ELAN Energy Inc. as at December 31, 1992 and 1991 and the consolidated statements of operations, retained earnings and changes in financial position for the years then ended. 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, 1992 and 1991 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Peat Marwick Thorne

Calgary, Canada
February 18, 1993

Chartered Accountants

CONSOLIDATED BALANCE SHEET

ASSETS

As at December 31 (thousands of dollars)	1992	1991
Current Assets		
Cash and term deposits	$ 122	$ 271
Accounts receivable	9,415	7,541
Prepaid expenses and other	822	1,121
	10,359	8,933
Petroleum and Natural Gas Interests *(note 1)*	395,227	334,712
Accumulated depletion and depreciation	161,928	128,954
	233,299	205,758
Investment in Affiliated Company, at equity	3,721	3,927
Other Assets *(note 2)*	125	634
	$ 247,504	$ 219,252

LIABILITIES

Current Liabilities		
Accounts payable and accrued liabilities	$ 17,356	$ 15,731
Long-Term Debt *(note 3)*	62,700	59,900
Convertible Debentures *(note 4)*	–	17,000
Other Liabilities *(note 5)*	1,415	1,023
	81,471	93,654

SHAREHOLDERS' EQUITY

Capital Stock *(note 6)*		
Restricted Return shares	217	217
Common shares	130,732	69,880
Non-Voting shares	–	36,470
	130,949	106,567
Retained Earnings	35,084	19,031
	166,033	125,598
Subsequent Events *(note 9)*	$ 247,504	$ 219,252

Approved By The Board:

Robert J. Engbloom,
Director

Verne G. Johnson,
Director

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended December 31 (thousands of dollars)	1992	1991
Revenue		
Petroleum and natural gas sales, net of royalties	$ 78,962	$ 52,594
Alberta Royalty Tax Credit	1,754	1,658
	80,716	54,252
Expenses		
Operating	21,657	16,281
General and administrative	3,716	3,037
Interest on long-term debt	4,084	8,752
Depletion, depreciation and amortization	33,918	21,117
	63,375	49,187
Income Before Undernoted Items	17,341	5,065
Equity in Losses of Affiliated Company	(202)	(129)
Income Taxes *(note 7)*	(1,086)	(453)
Net Income *(note 8)*	$ 16,053	$ 4,483

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Year Ended December 31 (thousands of dollars)	1992	1991
Retained Earnings, Beginning of Year	$ 19,031	$ 14,546
Excess of stated value over redemption price of Restricted Return shares	–	2
Net Income	16,053	4,483
Retained Earnings, End of Year	$ 35,084	$ 19,031

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31 (thousands of dollars)	1992	1991
Operating Activities		
Net Income	$ 16,053	$ 4,483
Non-cash items		
Equity in losses of affiliated company	202	129
Gas production prepayments	63	(236)
Depletion, depreciation and amortization	33,918	21,117
Cash Flow from Operations *(note 8)*	50,236	25,493
Change in non-cash working capital	50	7,272
	50,286	32,765
Financing Activities		
Increase (Decrease) in long-term debt	2,800	(13,400)
Decrease in convertible debentures	(17,000)	–
Increase in capital stock	24,382	30,874
Decrease in other assets	465	125
	10,647	17,599
Cash Provided by Operating and Financing Activities	60,933	50,364
Investing Activities		
Exploration and development expenditures	41,099	40,821
Petroleum and natural gas property acquisitions	22,230	11,557
Sale of petroleum and natural gas interests	(2,814)	(1,333)
Other	567	(889)
	61,082	50,156
Increase (Decrease) in Cash	(149)	208
Cash at Beginning of Year	271	63
Cash at End of Year	$ 122	$ 271

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(all tabular amounts expressed in thousands of dollars)

GENERAL

ELAN Energy Inc. is an independent petroleum and natural gas exploration and development company with established reserves in Alberta and Saskatchewan. Approximately 27 percent of the outstanding Common shares of the Company are owned directly or indirectly by LASMO plc, an independent exploration and production company in the United Kingdom. LASMO plc has issued Share Purchase Warrants entitling the holders to acquire LASMO's Common Shares of ELAN at a price of $8.75 per share to December 15, 1993. If all of the Share Purchase Warrants are exercised, LASMO plc will not own any shares of ELAN.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements include the accounts of ELAN Energy Inc. (the "Company") and its wholly-owned subsidiary. These statements are prepared on the historical cost basis in accordance with accounting principles generally accepted in Canada and conform in all material respects with the accounting standards recommended by the International Accounting Standards Committee.

PETROLEUM AND NATURAL GAS OPERATIONS

The Company follows the full cost method of accounting for petroleum and natural gas operations whereby all costs of exploring for and developing petroleum and natural gas reserves are capitalized. 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 and overhead charges directly related to acquisition, exploration and development activities.

All costs of exploring for and developing petroleum and natural gas reserves, together with the costs of production equipment, are depleted and depreciated on the unit of production method based on estimated gross proven reserves. Petroleum and natural gas reserves and production are converted into equivalent units based upon estimated relative energy content.

Costs of acquiring unproved properties are initially excluded from depletion calculations. These unevaluated properties are assessed periodically to ascertain whether impairment has occurred. When proven reserves are assigned or 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 calculations.

In applying the full cost method, the total capitalized costs less accumulated depletion, depreciation, deferred income taxes and the provision for future site restoration costs are limited to an amount equal to the estimated future net revenue from proven reserves (based on prices and costs at the balance sheet date) plus the cost (net of impairments) of unproven properties less estimated future site restoration costs, general and administrative expenses, financing costs and income taxes.

Proceeds from the sale of petroleum and natural 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 petroleum and natural gas are conducted jointly with others. The accounts reflect only the Company's proportionate interest in such activities.

FUTURE SITE RESTORATION COSTS

Estimated future site restoration costs are provided for using the unit of production method based on estimated gross proven reserves. Costs are estimated by the Company's engineers based on current regulations, costs, technology and industry standards. The annual charge is included in the provision for depletion, depreciation and amortization. Removal and site restoration expenditures are charged to the accumulated provision as incurred.

1. PETROLEUM AND NATURAL GAS INTERESTS

During the year ended December 31, 1992, the Company capitalized $1.6 million (1991 – $1.4 million) of overhead costs directly related to acquisition, exploration and development activities.

Costs of unproven properties aggregating approximately $12.0 million (1991 – $12 million) are excluded from the capitalized costs subject to depletion.

2. OTHER ASSETS

	1992	1991
Due from officers	$ 125	$ 298
Deferred financing costs	–	336
	$ 125	$ 634

3. LONG-TERM DEBT

	1992	1991
Revolving credit facilities	$ 32,700	$ 17,900
Production loan	30,000	–
Term loan	–	42,000
	$ 62,700	$ 59,900

The revolving credit facilities and the production loan are evidenced by demand promissory notes and are reviewed annually in connection with the Company's borrowing base. The loans are secured by the Company's interests in petroleum and natural gas properties, an assignment of accounts receivable and a first floating charge debenture on the assets of the Company. The loans bear interest at the banks' prime lending rate and currently revolve with no specific repayment terms.

The term loan, repaid during 1992, carried interest at the bank's prime lending rate and was secured by a guarantee provided by LASMO plc.

4. CONVERTIBLE DEBENTURES

The convertible debentures were unsecured, paid interest at an annual rate of between 65 and 85 percent of the prevailing prime rate, were convertible into Common shares at $3.25 per share and had a maturity date of June 30, 1999. The debentures were redeemable on or after June 15, 1992, at the option of the Company under certain circumstances. During 1992, the Company redeemed and converted the debentures into Common shares at $3.25 per share.

5. OTHER LIABILITIES

	1992	1991
Provision for future site restoration costs	$ 1,350	$ 450
Gas production prepayments	65	573
	$ 1,415	$ 1,023

6. CAPITAL STOCK

Authorized Capital

The authorized capital of the Company is comprised of 6,552 Restricted Return shares and an unlimited number of Preferred, Junior Preferred and Common shares.

Restricted Return Shares

Restricted Return shares rank in priority to the Common shares in case of liquidation, dissolution and winding-up. Holders of Restricted Return shares have voting rights and limited dividend entitlements. The shares are redeemable under certain circumstances, at the option of the Company, at a redemption price of $100 per share.

Common Shares

Common shares rank junior to the Restricted Return shares and have voting rights.

Non-Voting Shares

On October 28, 1992, shareholders of the Company approved the elimination of Non-Voting shares from the capital of the Company. Previously, Non-Voting shares ranked equally on a per share basis with the Common shares but were ranked junior to the Restricted Return shares. Holders of Non-Voting shares were entitled to notice of and to attend but not to vote at meetings of shareholders except where required by law. The Non-Voting shares which were convertible into Common shares on a one-for-one basis at any time were converted into Common shares during 1992.

Other

No dividends may be paid on the Common shares until dividends aggregating $100 per Restricted Return share have been paid. Thereafter, dividends may be paid on the Common shares provided that an amount equal to any such dividends is applied to the redemption of Restricted Return shares. To December 31, 1992, no dividends have been paid on Restricted Return shares.

Issued

As at December 31, 1992 and 1991, 2,163 Restricted Return shares were issued and outstanding. During 1991, the Company redeemed 60 Restricted Return shares for $3,300. The excess of stated value over redemption price was credited to retained earnings.

Changes in Common shares are summarized as follows:

A) Common shares	*Number*	*Consideration*
Balance December 31, 1990	14,581,230	$ 44,628
Exercise of employee stock options	109,867	381
Issuance of flow-through shares	333,333	1,050
Conversion from Non-Voting shares	1,100,000	3,277
Issue of shares for cash pursuant to Rights Offering	3,161,360	20,905
Share issue expenses	–	(361)
Balance December 31, 1991	19,285,790	$ 69,880
Exercise of employee stock options	154,000	550
Conversion from Non-Voting shares	10,678,495	36,470
Redemption of convertible debentures	5,230,766	17,000
Issue of shares for cash on exercise of Warrants	1,499,500	7,124
Share issue expenses	–	(292)
Balance December 31, 1992	36,848,551	$130,732

B) Non-Voting shares	*Number*	*Consideration*
Balance December 31, 1990	10,354,000	$ 30,844
Conversion to Common shares	(1,100,000)	(3,277)
Issue of shares for cash pursuant to Rights Offering	1,424,495	8,903
Balance December 31, 1991	10,678,495	36,470
Conversion to Common shares	(10,678,495)	(36,470)
Balance December 31, 1992	–	–

Shares Reserved

As of December 31, 1992, 1,797,347 Common shares were reserved for issuance under the Company's Key Employee Incentive Share Option Plan, of which options to purchase 1,135,000 shares are outstanding, exercisable to December, 1998 at prices ranging from $3.00 to $10.75 per share.

7. INCOME TAXES

Petroleum and natural gas interests include approximately $59 million (1991 – $51 million) of unamortized costs which are not deductible for income tax purposes by the Company.

The Company has recorded depreciation and depletion to December 31, 1992, in excess of related charges for income tax purposes of approximately $8 million (1991 – $35 million). The future benefit of these timing differences has not been reflected in the financial statements.

The income tax provision for the years ended December 31, 1992 and 1991 are less than the income taxes which would result from applying the expected income tax rate to income before income taxes as follows:

	1992	1991
Expected combined Canadian Federal and Provincial income tax rate	**44.3%**	43.8%
Computed expected income taxes	**$ 7,682**	$ 2,218
Increase (decrease) resulting from		
Non-deductible crown charges, net of Alberta Royalty Tax Credits	**5,098**	4,460
Income tax benefit on utilization of prior years' losses	**(11,521)**	(5,824)
Federal resource allowance	**(5,801)**	(3,524)
Capital Taxes	**1,086**	453
Non deductible depletion	**4,542**	2,670
Income tax provision	**$ 1,086**	$ 453

8. PER COMMON SHARE

The earnings per Common share are $0.44 (1991 – $0.17) and the cash flow from operations per Common share are $1.39 (1991 – $0.98) based on 36.1 million weighted average Common and Non-Voting shares outstanding during the year (1991 – 26.1 million).

The fully diluted cash flow from operations per Common share was $0.82 in 1991. Fully diluted earnings per Common share in 1992 and 1991 and fully diluted cash flow from operations per Common share in 1992 are not presented as the effect of the conversion of the debentures and exercising of options and warrants is not dilutive. Fully diluted amounts are calculated by giving effect to the conversion of the debentures and exercising of all options and warrants at the beginning of the year (or the date of issue of the warrants or options, if later) and thereafter dividing the adjusted weighted average number of Common shares of 37.9 million (1991 – 33.6 million) into adjusted net earnings and adjusted cash flow from operations.

9. SUBSEQUENT EVENTS

On February 17, 1993, the Company entered into an agreement, subject to certain conditions and regulatory approvals, to acquire all the issued and outstanding shares of OMV (Canada) Ltd. ("OMV"), a private company involved in exploration and development of petroleum and natural gas in Western Canada, for $180 million, including working capital of $26.9 million. This business combination will be accounted for as a purchase and the results of operations of OMV will be included in the Company's operations from the date of acquisition.

On February 18, 1993, the Company entered into an agreement to issue 9.0 million Subscription Receipts pursuant to which 9.0 million Common shares will be issued on the closing of the acquisition of OMV for a total consideration of $103.5 million, net of share issue costs of $4.5 million, the proceeds of which will be used to partially finance the acquisition of OMV. The remainder of the purchase price will be financed by additional bank borrowings.

FIVE YEAR SUMMARY

FINANCIAL RESULTS *(millions, except per share amounts)*

	1992	1991	1990	1989	1988
WTI Price *($ U.S.)*	**$ 20.57**	$ 21.46	$ 24.50	$ 19.67	$ 15.96
ELAN Oil Price *($ Cdn.)*	**$ 18.58**	$ 19.26	$ 23.91	$ 18.20	$ 13.76
ELAN Gas Price *($ Cdn.)*	**$ 1.27**	$ 1.25	$ 1.56	$ 1.38	$ 1.60
Gross Revenue	**$ 80.7**	$ 54.3	$ 42.3	$ 29.0	$ 17.3
Cash Flow from Operations	**$ 50.2**	$ 25.5	$ 22.7	$ 14.0	$ 5.8
Per share	**$ 1.39**	$ 0.98	$ 0.99	$ 0.66	$ 0.27
Per share *(fully diluted)*	**$ 1.39**	$ 0.82	$ 0.85	$ 0.66	$ 0.27
Net Income *(Loss)*	**$ 16.1**	$ 4.5	$ 10.3	$ 4.2	$ (28.0)
Per share *(basic and fully diluted)*	**$ 0.44**	$ 0.17	$ 0.43	$ 0.18	$ (1.32)
Capital Expenditures					
Exploration and Development	**$ 41.1**	$ 40.8	$ 18.6	$ 11.3	$ 11.2
Acquisitions	**$ 22.2**	$ 11.6	$ 61.2	$ 38.3	$ –
Capitalization					
Working Capital *(Deficiency)*	**$ (7.0)**	$ (6.8)	$ 1.2	$ 0.3	$ 0.0
Total Assets	**$ 247.5**	$ 219.3	$ 187.8	$ 119.5	$ 78.9
Long-term Debt	**$ 62.7**	$ 59.9	$ 73.3	$ 30.0	$ 10.7
Convertible Debentures	**$ –**	$ 17.0	$ 17.0	$ 17.0	$ –
Shareholders' Equity	**$ 166.0**	$ 125.6	$ 90.2	$ 65.1	$ 60.9
Common and Non-Voting shares					
Outstanding December 31	**36.8**	30.0	24.9	21.3	21.3
Weighted average	**36.1**	26.1	22.9	21.3	21.3
Share Price *(Close)*	**$ 10.88**	$ 8.50	$ 4.30	$ 3.45	$ 2.40

OPERATING RESULTS

	1992	1991	1990	1989	1988
Reserves					
Oil and NGLs *(million barrels)*					
Proven	**33.1**	29.7	25.5	15.6	9.5
Probable	**9.7**	6.8	5.3	1.5	1.1
Total	**42.8**	36.5	30.8	17.1	10.6
Natural Gas *(billion cubic feet)*					
Proven	**36.1**	40.0	33.4	30.4	16.0
Probable	**4.2**	7.2	7.4	6.6	4.3
Total	**40.3**	47.2	40.8	37.0	20.3
Production					
Oil and NGLs *(barrels per day)*	**14,000**	9,250	5,660	4,511	3,625
Natural Gas *(million cubic feet per day)*	**6.8**	6.9	4.5	4.3	2.8
Drilling Activity *(Gross)*					
Oil Wells					
Horizontal	**32**	38	–	3	10
Vertical	**28**	21	18	12	19
Gas Wells	**1**	2	5	–	1
Dry and abandoned	**16**	8	18	9	16
Total	**77**	69	41	24	46
Success Ratio *(%)*	**79**	88	56	63	65
Undeveloped Land Holdings					
Gross *(thousands of acres)*	**316.2**	383.9	457.7	513.2	551.2
Net *(thousands of acres)*	**138.9**	165.0	181.3	205.6	204.7

CORPORATE INFORMATION

Directors

Joseph Darby
London, England
Chief Executive of LASMO plc,
an international oil and gas company

Robert J. Engbloom◊
Calgary, Alberta
Partner, MacKimmie Matthews, a law firm

Robert G. Farquharson†◊
Calgary, Alberta
President, R.G. Farquharson Energy Consultants Inc.
a private company;
Chairman, Alconsult International Ltd.,
an energy consulting company

Dennis G. Flanagan
Calgary, Alberta
Chairman of the Board, Chief Executive Officer
and Director of the Company

John M. Hallward
Montreal, Quebec
President, Marshamite Limited,
a private company

Verne G. Johnson
Calgary, Alberta
President, Chief Operating Officer and Director
of the Company

D. William Menzel†
Toronto, Ontario
Retired Business Executive

Victor R.B. Nordheimer†
Calgary, Alberta
Retired Business Executive

R. Carl Smith◊
Calgary, Alberta
Financial Consultant

Officers

Dennis G. Flanagan
Chairman of the Board and Chief Executive Officer

Verne G. Johnson
President and Chief Operating Officer

Gordie D. Crowell
Vice President, Exploration

Curtis W. Hicks
Vice President, Finance

Victor M. Luhowy
Vice President, Production

Robert J. Engbloom
Corporate Secretary

† Member of the Compensation Committee
◊ Member of the Audit Committee

Corporate Registrar and Transfer Agents

Montreal Trust

Bankers

Bank of Montreal
Calgary, Alberta

Canadian Imperial Bank of Commerce
Calgary, Alberta

Auditors

Peat Marwick Thorne
Calgary, Alberta

Solicitors

MacKimmie Matthews
Calgary, Alberta

Share Listings

Common Shares:
The Toronto Stock Exchange
The Montreal Exchange
Trading Symbol: ELN

Common Share Purchase Warrants:
The Toronto Stock Exchange
Trading Symbol: ELN.WT.A

Head Office

4100, 150 - 6th Avenue S.W.
Calgary, Alberta T2P 3Y7
Telephone: (403) 266-8500
Facsmile: (403) 262-7337

Designed and Produced by Parallel

ELAN Energy Inc.
4100, 150 - 6th Avenue S.W.
Calgary, Alberta T2P 3Y7

Printed in Canada by Sundog Printing