

Annual Report 1982





Incorporated in Alberta, Canada

CORPORATE PROFILE

Page Petroleum Ltd. was formed by amalgamation in Alberta on August 13, 1971. The Company has continued and expanded the operations of its predecessor companies, acquiring oil and gas reserves through exploration, development and purchase. Page has traditionally operated in Western Canada, although in 1973 the Company expanded its operations into the United States. The Company's principal reserves and production are located in Western Canada, Utah and Texas. Page has been listed on the Toronto and American Stock Exchanges since 1971 and 1979, respectively.

As of March 25, 1983, Page's 3,631,750 outstanding common shares were held by 1,817 registered shareholders. The shares were held 84% in the U.S. and 16% in Canada. Institutions, primarily in the U.S., owned 21% of the shares.

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METRIC (SI) CONVERSION TABLE

To Convert From	То Ми	ultiply by
Acre (ac)	hectare (ha)	. 0.404 69
Foot (ft)		
Mile (mi)	kilometre (km)	. 1.609 00
Barrel (bbl)	cubic metre (m³)	. 0.158 91
Thousand Cubic Feet (mcf)		. 28.173 99

FINANCIAL AND OPERATING HIGHLIGHTS

(Unless otherwise indicated, all dollar amounts in this report are expressed in thousands of Canadian dollars).

expressed in thousands of oundation domaio).			(Decrease)
	1982	1981	Per Cent
FINANCIAL			
Gross income	\$ 51,480	\$ 31,148	65.3
Sales of oil and gas	\$ 42,530	\$ 29,482	44.3
Pipeline operating revenue	\$ 7,589	\$ —	_
Investment and other income	\$ 1,361	\$ 1,666	(18.3)
Total expenses	\$ 96,792	\$ 37,632	157.2
(Loss) from continuing operations	\$ (45,297)	\$ (5,717)	692.3
(Loss) from discontinued operations	\$ (919)	\$ (1,022)	(10.1)
Net (loss) applicable to common shares	\$ (46,216)	\$ (6,739)	585.8
Per common share	\$ (12.76)	\$ (1.89)	575.1
Funds generated from operations	\$ 7,539	\$ 2,146	251.3
Net additions to property, plant and			GEORGE CANAD
equipment	\$ 33,133	\$ 86,736	(61.8)
Working capital (deficiency)	\$ (22,347)	\$ (19,575)	14.2
Long-term debt	\$143,666	\$126,915	13.2
Shareholders' equity (deficit)	\$ (31,711)	\$ 14,300	_
Common shares outstanding	3,631,750	3,594,250	1.0
Number of shareholders	1,895	2,243	(15.5)
OPERATIONS			
LAND HOLDINGS			
Gross acres	3,909,009	115,199,573	_
Net acres	996,444	2,039,517	(51.1)
DRILLING ACTIVITY			
Gross wells drilled	122.0	156.0	(21.8)
Net wells drilled	82.9	103.7	(20.1)
Net wells productive	79.4	97.5	(18.6)
Net wells dry	3.5	6.2	(43.5)
PRODUCTION – gross (before royalties)			
Crude oil and liquids - barrels	1,262,239	1,342,798	(6.0)
Per day	3,458	3,679	(6.0)
Natural gas – mcf	3,822,495	1,813,010	110.8
Per day	10,473	4,967	110.8
Reserves – gross proven	10.011.000	00 100 000	(45.5)
Crude oil – barrels	12,614,000	23,126,000	(45.5)
Natural gas – mcf	31,997,000	54,351,000	(41.1)

Increase

RANGE OF MARKET PRICES ON COMMON SHARES

		1st Q	uarter	2nd C	uarter	arter 3rd C		4th Q	Annual Share	
	Year	High	Low	High	Low	High	Low	High	Low	Volume
Toronto										
Stock	1981	27.50	19.00	29.00	19.50	26.50	12.50	19.50	14.50	529,687
Exchange	1982	16.00	7.25	14.50	7.00	9.25	5.75	10.00	6.50	446,711
American										
Stock	1981	23.62	16.00	24.62	16.25	21.75	10.87	16.50	12.50	2,865,600
Exchange (U.S. dollars)	1982	13.62	5.62	11.75	5.37	7.37	4.25	9.37	5.37	2,981,500

PRESIDENT'S REPORT

The past year was a trying one for the industry and was particularly so for Page. At year-end, reduced oil and gas price expectations combined with significant decreases in estimated oil and gas reserves precipitated a substantial write-down of asset values. An unexpected costly drilling program and pipeline project in Texas, that has not met production expectations, placed a severe strain on Page's ability to remain current with its obligations. Significant property sales in 1982 and continued bank support have provided Page the opportunity to overcome some of the difficulties experienced. The large undeveloped land and prospect inventory in the United States and the potential from a secondary recovery project in the Dodsland Field of Saskatchewan individually present opportunities that can help Page return to the aggressive, positive stance of the past. In spite of adversity, Page's revenues and cash flow in 1982 were at an all time high.

Net oil and gas revenues for the year ended December 31, 1982, were \$42,530,000, a 44% increase from \$29,482,000 in 1981. Funds generated from operations amounted to \$7,539,000 compared to \$2,146,000 the previous year. The net loss applicable to common shares was \$46,216,000 (\$12.76 per common share) as compared to the 1981 loss of \$6,739,000 (\$1.89 per common share). The year's loss resulted in a deficit in shareholders' equity at December 31, 1982, of \$31,711,000. Interest expense, depreciation, depletion, amortization and a \$34,957,000 write-down of capital costs of oil and gas properties were the significant contributors to the substantial loss. Interest expense increased by \$9,202,000 to \$23,002,000. Depreciation, depletion and amortization increased 115% to \$17,497,000 on increased oil and gas sales and increased depletion rates. The writedown of capital costs was due to decreases in proved reserves and the decreased value of unproved land inventories in the United States and Australia.

Long-term debt at December 31, 1982, was \$143,666,000 compared to \$126,915,000 at year-end 1981. Working capital deficit at year-end stood at \$22,347,000 compared to \$19,575,000 at year-end 1981. Approximately \$14.8 million of this deficit represented the portion of production loans to be repaid during 1983. Negotiations concerning these loans and their repayment schedules are now being conducted and, in the Company's opinion, this current portion will be reduced with the agreement of the bank. Capital expenditures during 1982 were \$55,577,000. These expenditures were financed by

an increase in long-term borrowings of \$33,399,000, proceeds of \$22,006,000 from the sale of various developed and undeveloped oil and gas properties, and funds generated from operations.

At year-end, the Company's proved net oil reserves were estimated to be 10.6 million barrels, representing a 43% decrease from adjusted reserves of 18.5 million barrels at December 31, 1981. Proven net gas reserves decreased 36% to 23.3 billion cubic feet from 36.5 billion cubic feet. Using a 10% discount factor and no future price escalations, the cash flow from the Company's proven oil and gas reserves is determined to have a present worth of \$145 million compared to \$210 million at the end of 1981. Most of this decrease was due to substantial revisions of expected producible reserves from the Panhandle Field in Hutchinson County, Texas and the Dodsland Field in Saskatchewan. Sales of properties during the year accounted for approximately 20% of the decrease in reserves.

By April, 1982, it was apparent that the Company had over-borrowed and, additionally, was beginning to experience problems in meeting its current obligations. This unfortunate situation was due largely to a cost overrun of \$15 million (U.S.) on the Texas Panhandle project at a time of unprecedented borrowing costs. This undertaking had been conceived two years previously at a time when the Company expected to sell oil at \$45.00 per barrel as opposed to the current price in this field of \$30.00 per barrel. While the Panhandle project is expected to return Page's investment by mid-1985, or earlier, its economic return will be much lower than expected. The Company's ability to meet its short-term obligations was much improved by the end of March, 1983. Fortunately, interest rates decreased substantially during 1982, allowing improved cash flow after interest payments. In the U.S., the sale of an undivided 55% of the Company's interest in the Altamont-Bluebell Field in Utah netted approximately \$15.2 million (U.S.) Some minor production and lease sales in the U.S. and Canada returned another \$1.3 million (Cdn.). In early 1983, the Company sold its interest in the Mitsue Field in Alberta for \$8.2 million (Cdn.). Further sales of producing properties are not expected, as the Company needs to retain its present producing base to service debt and to furnish the cash flow needed for ongoing operations.

The Company has two principal avenues for future growth; the full exploitation of its holdings in the

Dodsland Field in Saskatchewan, and its substantial lease and prospect inventory in the U.S. According to a recent preliminary feasibility study, it now appears likely that approximately 325 of Page's 373 wells in the Dodsland Field would benefit materially from secondary recovery operations. Further technical and economic studies are now underway to determine how best to proceed. It is anticipated that a pilot flood or a larger scale project will be started before yearend. In the United States, most of the Company's efforts have been directed towards getting wells drilled on its lands at no cost to Page, and retaining an interest of 25 to 50%. This has taken place on various prospects in Michigan, Montana, Ohio, and the Black Warrior Basin of Alabama and Mississippi. This drilling has met with only minimal success, although some follow-up exploration is scheduled on some of the prospects already drilled. Page's large acreage position and approximately 20 undrilled locations in Michigan will require a great deal of further exploration on prospects ranging in depth from 4,000 to 11,000 feet. Much of Page's future potential in the U.S. may well be dependent upon the success of future deep drilling in the Michigan Basin.

In early April, 1983, Page retained the New York firm of Copeland, Wickersham and Wylie as financial advisors. They will thoroughly analyze Page's assets and liabilities and the various options available to the Company. This study can be expected to lead to recommendations that will help maximize the Company's potential. It must be pointed out that, given the present state of its indebtedness, Page's future is dependent upon continued co-operation from its bank. While Company projections indicate that interest payments can be made from cash flow for several years to come, only minimal amounts can be applied to principal. Page has, for several months, been applying \$500,000 per month plus the proceeds of occasional land and property sales to debt reduction. Page, like most other oil companies in the current environment, has taken steps to reduce costs where possible. Office and non-field personnel have been reduced from 73 at March 31, 1982, to 38 in early 1983. Savings arising from staff cuts, salary reductions and related measures amount to approximately \$200,000 per month.

The Company's long-term future is obviously dependent on finding substantial reserves of additional oil and gas on its undeveloped U.S. properties and the enhancement of the Dodsland Field through successful secondary recovery operations. Your Management's

efforts in 1983 will be concentrated on pursuing the opportunities described above, maintaining the current level of cost consciousness and the pursuit of new opportunities as they arise. We look forward to the task ahead and to reporting improved results to our shareholders a year from now.

Lawton L Clark

April 20, 1983

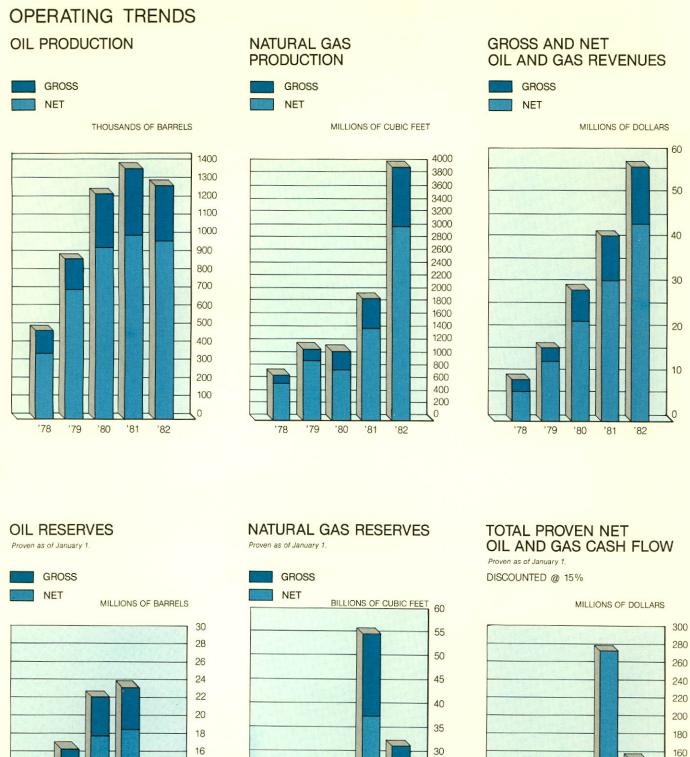
President

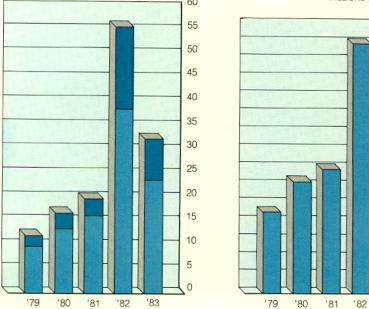


Page Petroleum Ltd. was honored by having its 1981 Annual Report judged First in the Junior Oil Companies Division of the Oilweek Magazine Annual Report Awards Program. The plaque, shown above, was presented to Page in December, 1982.



FIVE YEAR STATISTICAL	SLIMMAE	2V			
	1982	1981	1980	1979	1978
FINANCIAL INCOME					(Restated)
Net oil and gas sales	\$ 42,530	\$ 29.482	\$ 21,926	\$11,606	\$4,930
Investment and other income	174	1,007	579	68	130
Pipeline operating revenue	7,589			_	
Well servicing and rig lease revenue GROSS INCOME	1,187 51,480	659 31,148	22,505	11,674	5,060
Production expense	9,416	8,164	5,797	3,429	1,340
Pipeline feedstock and operating costs General and administrative	6,099 3,857	4.005	2,613	- 1 410	
Federal production taxes	1,865	2,977	1,122	1,413	537
Interest expense	23,002	13,800	5,513	2,355	709
Well servicing and rig lease costs Depreciation, depletion and amortization	99 17,497	533 8,153	6,671	3,869	1,444
Write-down of capital costs in		0,100	0,07	0,000	
excess of net realizable value Loss from discontinued operations	34,957 919	1.022	1,775	406	8
Current income taxes	(1,230)	(451)	(195)	(178)	(145)
Deferred income taxes	1,215	(316)	368	413	368
NET EARNINGS (LOSS) Preferred dividends	(46,216)	(6,739)	(1,159)	(33) 445	799 183
Net earnings (loss) applicable					
to common shares Per common share	(46,216) (12.76)	(6,739) (1.89)	(1,299) (0.37)	(478) (0.18)	616 0.30
FUNDS GENERATED		(1.03)	(0.57)	(0.10)	0.00
FROM OPERATIONS	7,539	2,146	6,905	4,533	2,669
BALANCE SHEET					
Working capital (deficiency) Investments and advances	(22,347) 35	(19,575) 4,895	(1,089) 6,560	(744) 3,620	114
Property and equipment	135,613	154,402	75,444	45,074	18,880
Other assets	2,248	2,993	3,284	1,539	1,581
CAPITAL EMPLOYED Deduct: Long-term debt	115,549 143,666	142,715 126,915	84,199 62,282	49,489 26,645	20,575 10,182
Deferred income taxes	2,689	1,474	1,790	1,422	1,009
Minority interest	905	26			
Shareholders' equity (deficit) Common shares outstanding	(31,711) 3,631,750	14,300 3.594,250	20,127 3,492,750	21,422 2,960,868	9,384 2,065,418
CAPITAL EXPENDITURES	0,001,700				
Exploration and development (net)	27,790	85,332	35,979	27,859	10,059
Rig and related equipment	5,179		_	1,300	666
Other	33,133	1,404 86,736	770 36.749	1,097	11,358
			30,749	30,230	11,556
OPERATIONS LAND HOLDINGS (working interest)					
Gross acreage held (in thousands)	3,909	115,200	5,233	1,537	882
North America — net	802	1,011	829	360	89
International — net	194	1,028	442		24
TOTAL NET ACREAGE	996	2,039		360	113
DRILLING ACTIVITY Gross wells drilled	122.0	156.0	147.0	146.0	113.0
Net wells drilled	82.9	103.7	126.0	117.3	92.6
Productive Dry	79.4 3.5	97.5 6.2	116.4 9.6	111.1	87.5 5.1
PRODUCTION — gross (before royalties)	0.0	0.2			
Crude oil and liquids – barrels	1,262,000	1,343,000	1,219,000	862,000 2,361	468,000 1,282
Average daily, barrels Natural gas - mcf	3,458 3,822,000	3,679 1,813,000	3,341 1,006,000	1,071,000	607,000
Average daily, mcf	10,473	4,967	2,757	2,934	1,664
GROSS RESERVES – proven Crude oil – thousand barrels	12,614	23,126	22,018	16,074	10,146
Natural gas – mmcf	31,997	54,351	18,393	15,393	10,773





'83

'79

'80

'81

'82

'83

PRODUCTION AND RESERVES

Page's 1982 gross oil production (before royalties) averaged 3,458 barrels of oil and liquids per day, or 6% less than the 3,679 barrels of oil per day produced in 1981. Gas production (before royalties) increased 111% to 10,473 Mcf of gas per day compared to 4,967 Mcf per day in 1981.

Independent engineering firms in the United States and Canada have estimated Page's proven net oil reserves at December 31, 1982, to be 10,566,000 barrels. This represents a 42.5% decrease from the 18,386,000 barrels at December 31, 1981. Proven net gas reserves decreased 38.4% to 23.4 billion cubic feet from 38.0 billion cubic feet. Most of the decrease in reserves was due to substantial revisions in the Panhandle Field of Hutchinson County, Texas, and the Dodsland Field of Saskatchewan. Company sales of oil and gas properties during 1982 accounted for approximately 20% of the reserve decline. The future undiscounted cash flow from the Company's proven reserves, as calculated by independent engineering firms in Canada and the United States, is \$482.6 million compared to \$1.1 billion a year ago. Using a 10% discount factor, and no future price escalations, the cash flow is determined to have a present worth of \$145 million compared to \$210 million at the end of 1981.

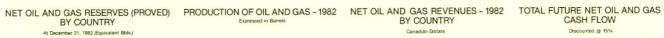
The above reserve values are net after deduction of estimated royalties, operating costs, and future capital expenditures. In Canada, the Petroleum and Gas Revenue Tax "PGRT" and the Incremental Oil Revenue Tax "IORT" have also been deducted.

The United States oil property evaluations take into account the deregulated price of crude oil less the appropriate Windfall Profit Tax. Additional reserve information is contained in pages 33 to 35 of this report under the U.S. Financial Accounting Standards Board Statement 69 (FASB 69). The U.S. consulting engineer's report has been adjusted by the Company to exclude from amounts reported for 1981 and 1982 the estimated reserve quantities and values attributed to its interest in Trans-Pan Pipeline Company and to reflect, at December 31, 1982, the effect of a \$2.47 (Canadian) per barrel decline in the price of crude oil which occurred between January 1, 1983, and February 28, 1983.

Proven reserves are defined by the consultants as the crude oil, natural gas, and natural gas liquids, which, upon analysis of geological and engineering data, appear with reasonable certainty to be recoverable in the future from known oil and gas reserves under presently anticipated economic and operating conditions.

In 1982, Page obtained approximately 78% of its net oil and gas revenues from three fields: the Dodsland Field in Saskatchewan with net sales of \$12,112,000 (28%), the Altamont-Bluebell Field in Utah with net sales of \$10,661,000 (25%), and the Texas Panhandle Field with net sales of \$10,217,000 (24%). Production from the Altamont-Bluebell Field was substantially less than the previous year, since 55% of Page's interest was sold in mid-1982.

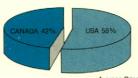
PROVEN RESERVES	JANUAR	Y 1, 1983	JANUAR'	Y 1, 1982	
(Escalated Price Case)	Gross	Net	Gross	Net	
	(thousands	of barrels)	(thousands	of barrels	
OIL .					
Alberta	1,954	1,402	2,069	1,357	
Saskatchewan	8,849	7,842	14,617	13,505	
Nebraska	19	14	25	20	
Oklahoma	2	1	3	2	
Texas	766	487	2,806	976	
Utah	1,024	820	3,606	2,526	
Total Oil	12,614	10,566	23,126	18,386	
	(millions of	cubic feet)	(millions of	cubic fee	
GAS	7.092	5.861	7.355	5.765	
Alberta Saskatchewan	2,502	2,265	2,379	2.020	
New York	44	38	110	96	
	245	200	179	152	
	20.045	13.445	37.307	24,765	
Texas	2,069	1,636	7,021	5,244	
Total Gas	31,997	23,445	54,351	38,042	



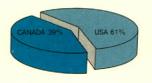
Canadian Dollars



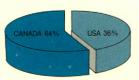
Canada						10,598,000
United States						3,876,000
Total						14.474.000



		Average Price
		per Bbl.
Canada	604,658.	28.54
United States	844,076.	39.49
Total	1,448,734.	34.92



Canada						16,723,000
United States						25,807,000
Total						42,530,000

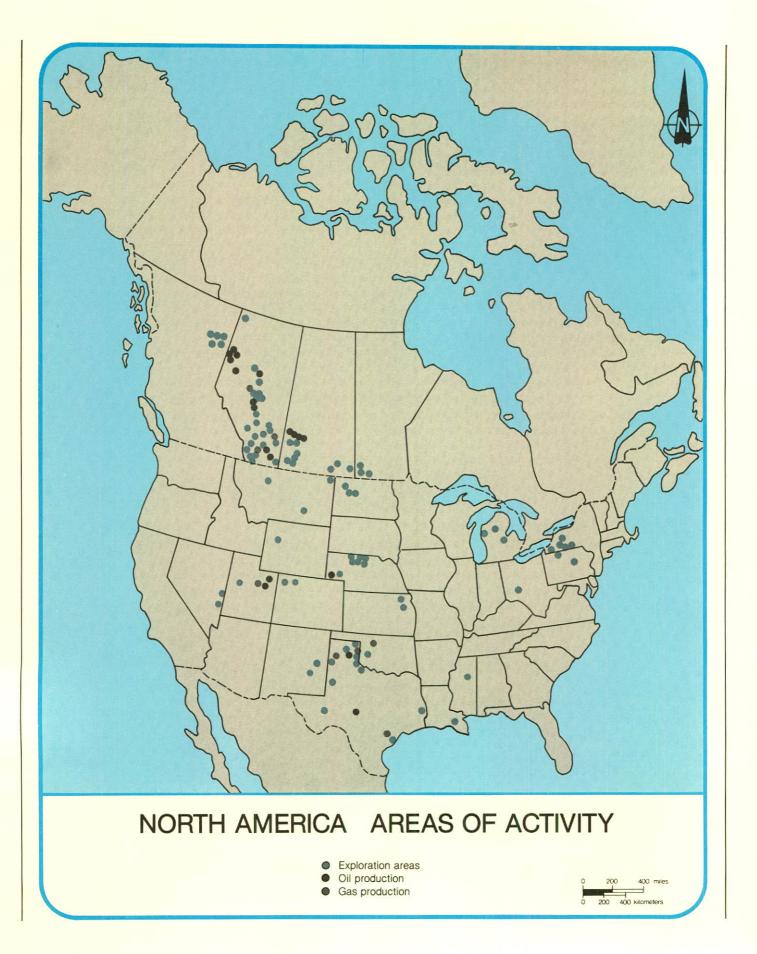


Canada	96,317,000
United States	53,672,000
Total	149,989,000

ADDITIONAL PRODUCTION RELATED INFORMATION

	Year Ended December 31						
	1982	1981	1980	1979	1978		
Crude oil and liquids: Production – net (barrels)							
Canada	559,297	637,106	654,441	534,440	330,752		
United States	399,237	340,317	259,081	131,530	4,884		
Total	958,534	977,423	913,522	665,970	335,636		
Natural gas: Production – net (Mcf)							
Canada	272,164	338,809	156,316	84,478	92,886		
United States	2,669,027	1,019,725	547,051	736,778	410,858		
Total	2,941,191	1,358,534	703,367	821,256	503,744		

Carlaua	212,104	330,003	100,010	04,470	32,000
United States	2,669,027	1,019,725	547,051	736,778	410,858
Total	2,941,191	1,358,534	703,367	821,256	503,744
			<u>Yea</u>	ar Ended Dec	cember 31
			1	982	1981
				(Canadian d	ollars)
Average Sales Price: Crude oil and liquids (per barrel) Canada United States Natural Gas (per Mcf) Canada United States			\$	28.54 99.49 2.05 3.76	\$18.86 39.84 \$ 1.94 3.05
Average Production Cost (per equivalent Canada				5.50 5.50	\$ 4.35 6.83



EXPLORATION AND DEVELOPMENT



Page's expenditures for development and exploration in Canada and the United States during 1982 totalled \$45.8 million. The expenditures were 78% in the U.S. and 22% in Canada. Development drilling accounted for 74% of the funds spent while exploration costs, including land and seismic, were 26% of the total. A total of 122 (82.9 net) wells were drilled, of which 105 were development and 17 exploratory. This drilling resulted in 105 oil wells (78.6 net), 5 gas wells (.8 net) and 12 dry holes (3.5 net). The expenditures included \$1.3 million for geophysical work.

In 1982, Page completed its development program in the old Panhandle Field of Hutchinson County, Texas, by drilling and completing 35 oil and casinghead gas wells. This project also included the completion, in April, 1982, of the field gathering system, serving the 99 wells, and a 17.6 mile casinghead gas line, together with necessary compression facilities.

Due to financial restrictions, Page's capital exploration and development budget has been greatly reduced for 1983. Capital expenditures are currently budgeted for \$7.7 million. The proposed expenditures are allocated almost entirely to development drilling and enhancement of present production.

CANADA

The Company's Canadian activity was concentrated primarily on development drilling at Dodsland. Page also participated in exploratory drilling at Shekilie in Alberta, the Waskada area of Manitoba, and the Shaunavon area of Saskatchewan. This resulted in a gas discovery at Shekilie and a small oil producer at Waskada. A three-well drilling program, by another operator, on Page lands in the Shaunavon area of Saskatchewan, resulted in one oil producer (Page 15% working interest after payout). The operator expects to follow this up with the drilling of up to three additional prospects.

Dodsland

Page now operates 373 producing oil wells (350 net) in the Dodsland Field of west-central Saskatchewan. The Company's land holdings in this field at December 31, 1982, totalled 6,182 net acres of leases and mineral titles. In March, 1983, Page sold 1,920 acres of undeveloped leases to Abaterra Energy Ltd. for \$500 per acre, or a total of \$960,000. At a Saskatchewan land sale of March 8, 1983, Page acquired an undivided 50% interest in two tracts covering 560 acres. The total cost to Page was \$312,000, for an average cost of \$1,115 per net acre. This purchase gives Page a 50% interest in 14 excellent additional development locations. The Company has budgeted the drilling of 24 development wells (17 net) in this field during 1983. This drilling should be sufficient to replace a major portion of reserves produced by Page in Canada during 1983. Page is considering selling most of its remaining undeveloped locations in this field since they are not of the quality of earlier development.

Recent studies by outside consultants indicate that secondary recovery, through waterflooding, could

	0	IL	GA	AS	DF	RY	TO	TAL	SUCCES	S RATIO
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
EXPLORATION										
Canada	2		2	0.26	4	0.32	8	0.58	50.0%	44.8%
United States	2	0.71	1	0.20	7	2.83	10	3.74	30.0%	24.3%
Subtotal	4	0.71	3	0.46	11	3.15	18	4.32	38.9%	27.1%
DEVELOPMENT										
Canada	59	41.82				-	59	41.82	100.0%	100.0%
United States	42	36.07	2	0.33	1	0.37	45	36.77	97.8%	99.0%
Subtotal	101	77.89	2	0.33	1	0.37	104	78.59	99.0%	99.5%
Total	105	78.60	5	0.79	12	3.52	122	82.91	90.2%	95.8%

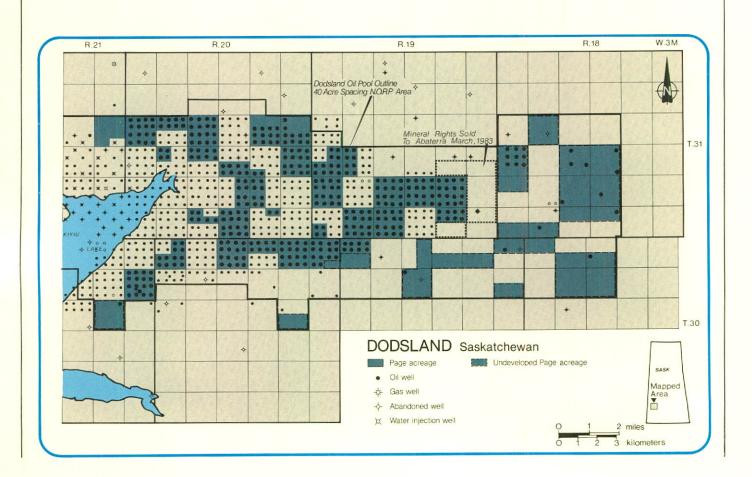
result in a considerable improvement in the value of Page's recoverable oil reserves at Dodsland. Further technical and economic studies are now underway to determine how best to proceed. It is anticipated that a pilot flood or a larger scale project will be started before year-end.

During 1982, the netback per barrel to the Company after provincial royalty, operating costs, and wellhead taxes averaged \$19.88 per barrel. This compares to an average netback of \$9.53 per barrel in 1981. New wells (wells drilled after January 1, 1981) receive the "New Oil Reference Price" ("NORP") which is designed to closely approximate world oil prices. At present, Page has an interest in 62 oil wells (56.5 net) which qualify for NORP. Based on the NORP price schedule, the netback at the wellhead from a barrel of oil from an average Dodsland well during the first half of 1983 is forecast to be \$38.70 per barrel. This netback was achieved during the first guarter of 1983; however, weakening world oil prices will likely reduce this during the last half of 1983. These netbacks reflect a Saskatchewan one year royalty holiday for new wells drilled prior to December 31, 1983. Production from the majority of Page's older wells nets Page approximately \$22.40 per barrel.

The Dodsland Field produces light (34° API) gravity crude from the Viking Sand at a depth of 2,200 feet. During 1982, production averaged 1,299 barrels of oil per day resulting in net revenue to Page of \$12.1 million, or 28% of the Company total. At January 1, 1983, the discounted present worth (at 15%) of the net proven Dodsland oil reserves was \$67.1 million, compared to \$118.8 million on January 1, 1982. On an unescalated price basis, and using a 10% discount factor, the proven reserves at January 31, 1983, were valued at \$64.8 million, or 24% less than the previous year (\$85.1 million).

Buffalo Coulee

Page Petroleum Ltd. operates 21 oil wells, a water injection plant, 7 injection wells and 8 shut-in oil wells in the main Buffalo Coulee field. This field has historically been very difficult to produce economically because of serious sand problems and a low oil gravity. Since initiating a secondary recovery waterflood scheme in February of 1980, a gradual improvement has been recorded. During the past year there has been excellent flood response with a marked reduction in gas-oil ratios, improved



productivity, and reduced sand problems. Page's 1982 profit, after all royalties and operating expenses, was \$812,880 on net oil sales of 85,918 barrels. Production volumes and profits are expected to increase by 15% during 1983.

Page recently completed a seismic review of its land holdings in the Buffalo Coulee area. From this study it appears that 8 to 12 locations may have development potential. Several of these locations may be drilled in 1983.

ALBERTA

Atlee Buffalo

Page Petroleum Ltd. holds a 100% working interest in 19 sections (12,160 acres) at Atlee Buffalo in south-

eastern Alberta. At present, there are four shut-in gas wells on the property. Gas reserves have been established in the Colony, Viking, Second White Specks, and Milk River sands, ranging in depth from 1,300 to 3,000 feet. A gas contract with Pan-Alberta provides for delivery of 7.8 million cubic feet of gas per day. Marketing of this gas has been delayed by the reduction and cancellation of gas sales on the export market. Pan-Alberta has advised Page that a connection might be expected as early as mid-1984. An investment of approximately \$2 million will be required for the installation of production facilities.

LAND HOLDINGS

At January 1, 1983				
	DEVELOPED	ACREAGE	UNDEVELOPE	D ACREAGE
	Gross Acres	Net Acres	Gross Acres	Net Acres
CANADA				
Alberta	19,039	6,501	116,213	69,948
British Columbia	640	81	8,003	1,540
Manitoba			9,896	1,683
Saskatchewan	20,733	18,221	27,834	24,049
Total	40,412	24,803	161,946	97,220
UNITED STATES				
Alabama			760	253
Colorado			16,029	601
Kansas			130,213	59,704
Michigan	80	55	178,109	87,824
Mississippi			98,007	22,753
Montana			59,940	44,909
Nebraska	80	60	264,158	42,981
Nevada			97,389	97,389
New Mexico			24,620	11,695
New York	1,280	256	69,027	13,805
North Dakota			129,434	16,179
Ohio			28,101	28,101
Oklahoma	2,080	419	1,560	314
Pennsylvania			48,874	39,959
Texas	20,892	3,893	42,019	19,958
Utah	8,914	4,513	184,244	184,244
Wyoming			23,155	579
Total	33,326	9,196	1,395,639	671,248
INTERNATIONAL				
Australia			784,966*	23,147*
Egypt			1,310,000	117,900
Italy			157,440	52,475
U.K. North Sea			25,280	455
Total			2,277,686	193,977
Total	73,738	33,999	3,835,271	962,445

The above table excludes varying royalty interests in 13,595 gross acres.

^{*}This represents Page's 73.72% ownership in Springwest-Page Petroleums N.L.



UNITED STATES

Page limited the scope of its U.S. operations during 1982, using most of its available funds to complete a large development project in the old Panhandle Field of Hutchinson County, Texas. Page's wholly owned subsidiary, Page Petroleum Inc., participated in 55 wells (40.5 net) resulting in 47 (37.3 net) oil and/or gas wells and 8 (3.2 net) dry holes. Land acquisitions were much reduced from the previous year and, for the most part, consisted only of leases necessary to complete a prospect. A majority of the Company's previously large leaseholdings in Nebraska and Kansas were eliminated because of unfavorable geological conditions. U.S. land holdings at December 31, 1982, were 1,428,965 gross acres (680,444 net) compared to 2,317,907 gross acres (856,567 net) a year earlier. Much of the Company's efforts were directed towards farming out prospects for drilling by others. These efforts resulted in drilling on Company leases in Montana, Michigan, Texas, Alabama and Ohio. Many more prospects remain to be drilled by farmout arrangements.

NORTH DAKOTA

In early 1981, Page acquired a 25% working interest in 130,000 acres underlying the Garrison Reservoir in Dunn, McLean, Mercer and Mountrail Counties, North Dakota. The purchase price was \$1,250,000 in cash and 55,000 shares of Page common stock. The acreage is part of a 220,000 acre block which is subject to a five year, \$25 million exploration agreement between Columbia Gas Corporation and several companies, including Page. Columbia is committed to conduct a 1,000 mile seismic program at a minimum cost of \$3 million. By the end of 1982, Columbia had shot 800 miles of seismic at a cost in excess of \$7 million. The quality of the data that has been forwarded to Page for interpretation is excellent. Preliminary analysis of the data indicates

that a number of drillable prospects do exist. An additional \$4 million in exploration geophysics and/or exploratory drilling must be spent by Columbia during 1983. The exploratory drilling phase will probably commence late in 1983. If the entire \$25 million program is completed, Columbia will earn a 50% interest in the acreage and Page's interest will then be reduced from 25% to 12½%.

Additional geological studies conducted by Page in an area adjacent to the Garrison Reservoir have revealed porosity zones extending from Mississippian through Ordovician age carbonates. Excellent stratigraphic and structural type traps can be anticipated in this portion of the Williston Basin.

PENNSYLVANIA

Page has an interest in 37,949 acres of leases in Lycoming County, Pennsylvania, along the northern portion of the Appalachian Overthrust Belt. A 60-mile seismic program, conducted in 1981, has resulted in the identification of three prospect areas. Page anticipates farming out a portion of its acreage during 1983 for the drilling of an 8,000 foot Lower Devonian Oriskany test. A local utility company has agreed to purchase any gas that may be discovered. Texaco's 19,500 foot PreCambrian test (28 miles west of Page's lease block) was drilled to total depth, plugged back, and subsequently completed as a gas well in the Ordovician Martinsburg formation. Actual test results are unknown at this time.

OHIO

Page farmed out its 28,000 acre lease block in Clinton and Fayette Counties in south central Ohio, to Stocker & Sitler, Inc. As a result, in early 1983, two wells were drilled to an approximate depth of 3,500 feet to test the Trenton Black River Group. Though both wells were unsuccessful, results were encouraging enough that Stocker & Sitler will continue to explore this area in 1983. They have the option to earn a 50% interest in Page's lease block by drilling two additional exploratory wells and conducting an additional 40 miles of seismic or its equivalent. The additional two wells will probably be drilled in the summer of 1983.

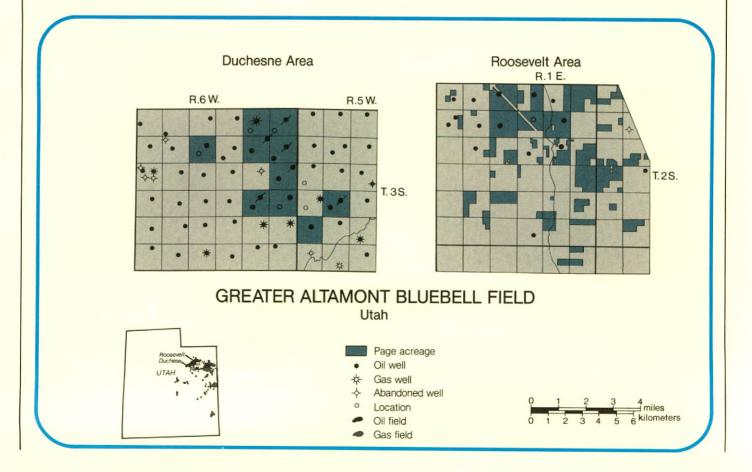
UTAH

Altamont-Bluebell Field

Page sold an undivided 55% interest in its producing oil and gas properties in this field for \$15.2 million (U.S.), effective July 1, 1982. No new wells were drilled during the year; however, 13 wells were reworked to maintain production. The Ute Tribal 2-11C6, which was completed during December, 1981, produced 141,394 barrels of oil and 240 million cubic feet of gas in 1982.

While most of Page's production is from the deeper Wasatch formation (below 10,000 feet) the Company has budgeted for recompletions in the Green River formation in five wells. This formation has a number of potentially productive intervals ranging in depth from 4,700 -7,600 feet. The first such recompletion (Page 45%) has tested at rates of up to 100 BOPD from a lower zone. The well has at least four other prospective zones in the Green River.

Page's net production in 1982 from the Altamont-Bluebell Field was 263,911 net barrels of oil and plant products and 263 million cubic feet of gas. After deduction of all operating costs and royalties, these properties netted Page \$8,851,000, being 43% of total U.S. operating revenues and 27% of the total Company revenues. Page owned 4,513 net acres of producing leases and 6,500 net acres of non-producing leases in this area at year-end.

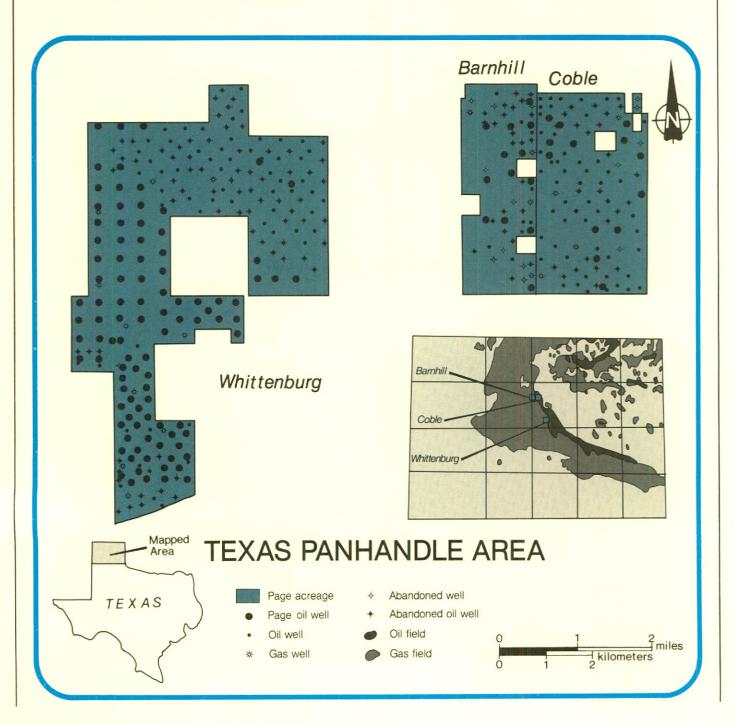


TEXAS

Panhandle Field

A large development drilling program involving three joint interest Panhandle leases was completed in April, 1982. A total of 125 wells (114 net to Page) are currently being produced, 99 on the Whittenburg lease, and 13 each on the Barnhill and Coble leases. Year-end daily production, net to Page's interest, was

850 barrels of oil and natural gas liquids and 5.8 million cubic feet of gas. Approximately 95 percent of the oil and 83 percent of the gas is from the Whittenburg lease. Proposed studies indicate that production from the Coble lease might be increased considerably through a program of re-perforating eight of the existing producers. This could add approximately \$75,000 per month to Page's revenues.



Gas sales from the Whittenburg property began in late April of 1982, with completion of the Trans-Pan Gathering System. The gathering system is a series of trunklines that take casinghead gas to a major compressor station for further transmission and sales. A feasibility study now indicates that satellite compression should be installed at various junctures in the trunkline. This project would include a small amount of new pipeline construction and, overall, would cost approximately \$1.7 million. The studies indicate that the project would pay out in six to nine months from much increased casinghead gas sales.

The Company's 50%-owned Trans-Pan Gathering System is presently negotiating a contract to take up to two million cubic feet of gas per day from another operator. Trans-Pan would construct a six-mile pipeline to connect to its main transmission line. This appears to be a very economic project and would make use of excess line capacity.

Allison Parks Field

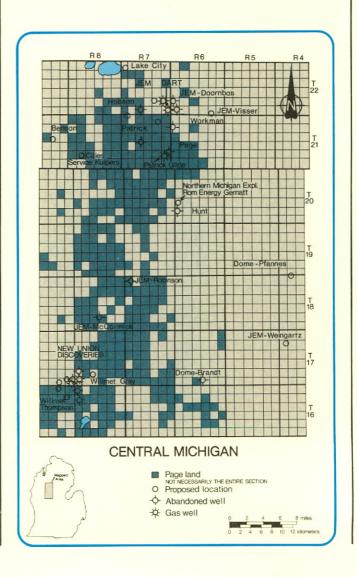
Page participated in the completion of two 15,000 foot Upper Morrow wells in southeast Hemphill County (Allison Parks Field). The Aitkenhead #1-259 (Page 25%), completed in March, 1982, is producing approximately 2.9 million cubic feet of gas per day. The Aitkenhead #2-20 (Page 25%) was completed for 8 million cubic feet of gas per day on open flow potential test. The well is presently waiting on pipeline connection. Page farmed out its 17.5% interest in an additional location which is now in the process of being completed in the Upper Morrow.

BASIN AND RANGE PROVINCE

Page Petroleum Inc. holds approximately 261,000 acres of Federal oil and gas leases in western Utah and eastern Nevada. There has been renewed interest in this portion of the Basin and Range Province as a result of discoveries in 1981 and 1982. Multiple Paleozoic and Tertiary objectives are present at depths of less than 7,000 feet with production coming from limestones, sandstones, and fractured volcanics. In 1982, Page acquired sufficient geophysical control to define potential structural and stratigraphic traps under Company acreage in eastern Nevada. It is anticipated that these prospects will be evaluated through farmouts to others. A possible sale of approximately 60,000 acres of Federal leases in central Juab County, Utah, is now pending.

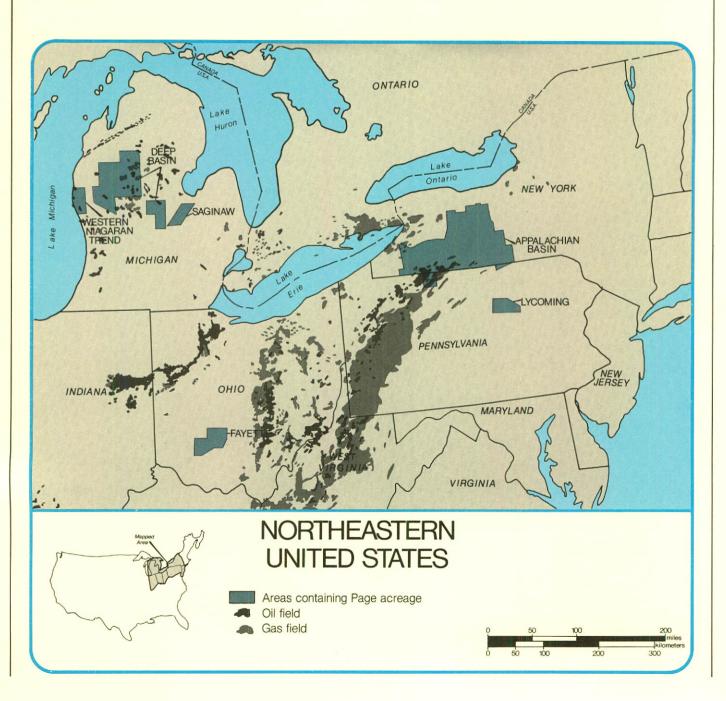
MICHIGAN

Page Petroleum Inc. currently holds 84,427 net acres under 178,109 gross acres in the Michigan Basin. During 1982, the Company's exploration activities were concentrated in three areas; the Central Basin (Missaukee, Osceola, and Mecosta Counties), the western Niagaran Reef trend (Oceana and Muskegon Counties), and Saginaw County. In the Central Basin, Page and partners shot 86 miles of seismic to tie in with the 70 miles shot in 1981. The interpretation of the seismic data has resulted in the delineation of seven Lower Ordovician Prairie du Chien anomalies and one Niagaran-Clinton anomaly. Immediately north of Page's prospect area, the Dart-Edwards Prairie du Chien gas discovery of 1981 was successfully offset by Patrick Petroleum. The Dart well produced on a temporary allowable 10 million cubic feet of gas per day for a period of four months, while the Patrick well



produced at a rate of 8 million cubic feet of gas per day for one month. The high production rates and the evident sizable reserves in these wells has helped to stimulate further interest in the deep portion of the Michigan Basin. Subsurface geological studies in the same area reveal the presence of seven shallower Devonian oil prospects under Page acreage.

In southern Osceola County, Willmet, Inc. has made an important discovery in the Clinton Formation, a new producing formation in this area. The Willmet Gray #1, a dry hole in the Prairie du Chien, was completed in the Niagaran Clinton for 1.4 million cubic feet of gas per day. One-half mile to the southwest, Willmet has drilled a successful offset which drillstem tested 5 million cubic feet of gas per day from the Clinton. Page and Willmet have entered into a farmout agreement, whereby Willmet will earn an interest in adjacent Page acreage through a continuing geophysical and drilling program.



Page Petroleum shot 76 miles of seismic and purchased an additional 84 miles of data in the western Niagaran reef trend portion of the Michigan Basin. The seismic program has resulted in the delineation of 13 reef anomalies, eight of which fall upon Page acreage. It is expected that several of these prospects will be drilled this year through Page farmouts to others.

Page's North Saginaw block was tested in 1982 through a farmout to Union Texas Petroleum. A 4,138 foot well penetrated several excellent porosity zones in the Detroit River Group, but only minor gas and oil shows were encountered. The operator plans to drill a second well on this prospect in 1983. Page has retained a 25% working interest in this prospect.



INTERNATIONAL

Because of budget restrictions Page has severely reduced its involvement outside North America. Exploratory programs initiated during 1981 in Tunisia and Italy were dropped before substantial funds were committed. The exploration office of Springwest-Page Petroleums N.L. in Brisbane, Australia, has been closed and participation in exploration ventures in Australia terminated. The Company's spending commitments in Egyptian exploration concessions have been eliminated.

EGYPT

Page's interest in the first \$5 million of spending on the 1.3 million acres of the Sheiba onshore concession has been reduced from a 9% working interest, for which the Company was paying 4% of the costs, to a 1.5% carried working interest free of cost to Page. Spending on this concession by the other partners is expected to be \$8.2 million in 1983 and will probably include a 13,000 test well.

AUSTRALIA

Industry activity has declined dramatically in Australia during 1982 and is not expected to improve in 1983. The Company operates in Australia through a 74% owned subsdiary, Springwest-Page Petroleums N.L. Springwest-Page owns a 7,500 foot capacity drilling rig which is operated in Australia by the Australian subsidiary of a Canadian drilling contractor. The Brisbane exploration office was closed in late 1982 and operations are being conducted from Page's Calgary office. Springwest-Page's further participation in the exploration program on 33 permits (net 1.3 million acres) was terminated and a lawsuit against the project operator was initiated. Springwest-Page is attempting to recover \$2.3 million (Australian) advanced to the operator of the program on the premise that the operator failed to satisfy all the conditions precedent to the operating agreement.

UNITED KINGDOM

Page Petroleum (U.K.) Limited, as part of the Premier Consolidated Oilfields group, owns a 1.8% working interest in blocks 29/8b and 29/9b in the British sector of the North Sea. The blocks cover 25,194 acres located 145 miles east of Aberdeen, Scotland in about 300 feet of water. Seismic surveys indicate the presence of a faulted structure similar to that of the Clyde field which has estimated recoverable reserves of 130 million barrels of oil. The estimated cost for a 14,000 foot test to evaluate the Permian and Jurassic target zones in this area is \$18 million. Following recent favorable U.K. changes, several companies have expressed an interest in taking a farmout from the Premier group.

FINANCIAL REVIEW

(All dollar amounts in Canadian dollars, unless otherwise indicated)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL POSITION

The discussion and analysis of operations and financial position has been presented with respect to the years ended December 31, 1982 and 1981. The reading of the following should be done with reference to the Consolidated Financial Statements which appear in this Annual Report immediately following the Financial Review.

1982 Compared with 1981

Operations

The Company incurred an overall net loss of \$46,216,000 (\$12.76 per common share) in 1982 compared to a loss of \$6,739,000 (\$1.89 per common share) in 1981. The loss from continuing operations was \$45,297,000 in 1982 compared to a loss of \$5,717,000 in 1981. Cash flow from operations increased to \$7,539,000 (\$2.08 per share) from \$2,146,000 (\$0.60 per share) in 1981.

Oil and gas revenues, net of royalty, were \$42,530,000 in 1982, up 44% from the \$29,482,000 for 1981. Increased oil and gas revenues are attributable to a 99 well drilling program in the Texas Panhandle being placed on-stream during 1982. Total income for 1982 was \$51,480,000, a 65% increase over 1981 income of \$31,148,000.

Expenses in 1982 of \$96,792,000 were \$59,160,000 (157%) higher than in 1981. Disappointing levels of production and the attendant downward revision of reserve volume estimates and valuation in the Texas Panhandle, combined with an unfavorable market for unproved oil and gas properties in the U.S., necessitated a significant write-down of the costs of those assets in the third and fourth quarters of 1982. World oil price reductions to the end of February, 1983 have been recognized in this write-down of \$33,227,000. An additional write-down of \$1,730,000 is applicable to the Australian oil and gas properties of the Company.

Interest expense increased 67% from \$13,800,000 in 1981 to \$23,002,000 in 1982. Depreciation, depletion and amortization expense of \$17,497,000 in 1982 represents an increase of 115% over the 8,153,000 reported for 1981.

Financial Position

Expenditures on property, plant and equipment for the year ended December 31, 1982 were \$55,577,000. The long-term debt at year-end was \$143,666,000, a net increase of \$16,751,000 from December 31, 1981. The working capital deficit at year-end 1981 of \$19,575,000 was increased by \$2,772,000 to a deficit of \$22,347,000 at December 31, 1982. Included in current liabilities is \$3,340,000 of unpaid interest

deferred by the lender on outstanding production loans and \$14,819,000 of production loans scheduled to be repaid in 1983. The Company's financial condition was adversely affected during 1982 by the magnitude of its net loss (\$46,216,000) which has resulted in a deficit in Shareholders' Equity of \$31,711,000 at December 31, 1982 compared to positive Shareholders' Equity of \$14,300,000 at the end of 1981.

The existence at year-end of interest arrearage on production loans and the material adverse impact on the Company's financial condition created a technical default condition on the production loans. Although the deferred interest has now been paid and the loans are no longer considered to be in default by the bank, the potential implications of the material adverse impact on the Company's financial condition remain. The bank has indicated its intention to continue to work with the Company in solving its current financial difficulties. The bank has stated that it is not its intention to demand repayment of principal outstanding on the production loans, subject to an event of default not occurring.

The Company has included, as supplementary information in the financial statements, data based on Statement of Financial Accounting Standards No. 69 – "Disclosure about Oil and Gas Producing Activities" as recommended by the Securities and Exchange Commission.

1981 Compared with 1980

The Company incurred a net loss applicable to common shares of \$6,739,000 in 1981 compared to \$1,159,000 in 1980. Higher interest costs experienced during 1981 coupled with large borrowings made to finance the capital expenditures resulted in a 150% increase in interest expense. Funds generated from operations totalled \$2,146,000, a decrease of 69% from the \$6,905,000 in 1980. Capital expenditures increased 136% to \$86,736,000 in 1981 from \$36,749,000 in 1980.

At December 31, 1981, the Company had 3,594,250 common shares outstanding and a reserve for a further 1,250,000 common shares for conversion of the 10% Convertible Subordinated Debentures.



CONSOLIDATED STATEMENTS OF EARNINGS

Years ended DECEMBER 31, 1982, 1981 and 1980

Todas chaca beceivibert of, 1502, 1501 and 1500			
(Thousands of Canadian dollars, except share data)	1982	1981	1980
INCOME			
Oil and gas sales, net of royalties	\$ 42,530	\$ 29,482	\$ 21,926
Pipeline operating revenue	7,589	Ψ 25,402	Ψ 21,020
Well servicing and rig lease revenue	1,187	659	
Investment and other income	174	1,007	579
Investment and other income			
	51,480	31,148	22,505
EXPENSES			
Production	9,416	8,164	5,797
Pipeline feedstock and operating costs	6,099		
Well servicing and rig lease	932	507	
Federal production taxes	1,865	2,977	1,122
General and administrative	3,857	4,005	2,613
Interest on long-term debt	23,002	13,800	5,513
Depreciation, depletion and amortization	17,124	7,778	6,379
Write-down of capital costs in excess of net			
realizable value (Note 3)	34,957		_
Amortization of deferred financing charges	373	375	292
Minority interest	(833)	26	
	96,792	37,632	21,716
Earnings (loss) from continuing operations		- 0.,002	
before income taxes	(45,312)	(6,484)	789
	(40,012)	(0,404)	
PROVISION FOR (RECOVERY OF) INCOME TAXES	(4.000)	(454)	(105)
Current	(1,230)	(451)	(195)
Deferred	1,215	(316)	368
	(15)	(767)	173
Earnings (loss) from continuing operations	(45,297)	(5,717)	616
(LOSS) FROM DISCONTINUED OPERATIONS (Note 2)			
(Loss) from operations of discontinued			
businesses (net of applicable income			
taxes of \$54)	<u> </u>		(800)
Provision for (loss) on disposal of			
discontinued businesses (net of			
applicable income taxes of \$50 in 1980)	(919)	(1,022)	(975)
	(919)	(1,022)	(1,775)
NET (LOSS)			
Preferred dividends	(46,216)	(6,739)	(1,159)
	- (4C 04C)		140
Net (loss) applicable to common shares	\$ (46,216)	\$ (6,739)	\$ (1,299)
Earnings (loss) from continuing operations per			
common share (basic and fully diluted)	\$ (12.50)	\$ (1.60)	\$ 0.18
Net (loss) per common share (basic			
and fully diluted)	\$ (12.76)	\$ (1.89)	\$ (0.37)
Weighted average number of common shares			
outstanding	3,623,120	3,562,131	3,479,848



CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 1982, 1981 and 1980

(Thousands of Canadian dollars)

ASSETS			
	1982	1981	1980
CURRENT ASSETS			
Cash	\$ 2,649	\$ 1,385	\$ 204
Accounts receivable (Note 5)	9,634	9,928	7,392
Provincial royalty tax credit	1,015	452	255
Inventories	1,664	3,033	1,469
Prepaid expenses	135	89	73
	15,097	14,887	9,393
INVESTMENTS AND ADVANCES (Note 2)	35	4,895	6,560
PROPERTY, PLANT AND EQUIPMENT – at cost			
(including oil and gas properties accounted for by the full cost method of accounting) (Notes 3 and 5)	208,546	175,413	88,564
Less accumulated depreciation, depletion	200,040	173,415	00,004
and amortization	72,933	21,011	13,120
	135,613	154,402	75,444
OTHER ASSETS (Note 4)	2,248	2,993	3,284
CTTETT COLTO (Note 4)			
	\$152,993	\$177,177	\$94,681
			The state of the s

APPROVED ON BEHALF OF THE BOARD

Lawton L Clark DIRECTOR

DIRECTOR

LIABILITIES			
	1982	1981	1980
CURRENT LIABILITIES			
Outstanding cheques	\$ 1,731	\$ 4,479	\$ 2,088
Accounts payable and accrued liabilities	18,764	29,682	8,165
Current maturities of long-term debt (Note 5)	16,949	301	229
	37,444	34,462	10,482
LONG-TERM DEBT (Note 5)	143,666	126,915	62,282
DEFERRED INCOME TAXES	2,689	1,474	1,790
MINORITY INTEREST	905	26	
COMMITMENTS AND CONTINGENCIES (Notes 6 and 9)			
SHAREHOLDERS' EQUITY			
Share capital (Notes 7 and 8)			
Authorized			
10,000,000 Preferred Shares with a par value of \$10			
20,000,000 Common Shares without par value Issued and Outstanding			
Common Shares	21,570	21,365	20,453
Contributed surplus	250	250	250
Capital redemption reserve fund (Note 7)	204	204	204
(Deficit)	(53,735)	(7,519)	(780)
	(31,711)	14,300	20,127
	\$152,993	\$177,177	\$94,681



CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended DECEMBER 31, 1982, 1981 and 1980

(Thousands of Canadian dollars, except share data)

	Preferred Shares	Common	Shares	Contributed	Capital Redemption Reserve	Retained Earnings
	Series B	Shares	Amount	Surplus	Fund	(Deficit)
Balances, December 31, 1979	\$ 9,687	2,960,868	\$10,755	\$250	\$ 47	\$ 683
Conversion of preferred shares Redemption of preferred	(9,530)	504,283	9,530	_	_	
shares Exercise of employee stock	(157)	_			157	(164)
options		27,599	168	_		_
Net (loss)				-		(1,159)
Dividends on preferred shares						(140)
Balances, December 31, 1980		3,492,750	20,453	250	204	(780)
Lease acquisition Exercise of employee stock		55,000	808			
options Common shares granted under Employee Incentive Share		11,500	104			
Purchase Plan (Note 8)		35,000			-	
Net (loss)						(6,739)
Balances, December 31, 1981 Exercise of employee stock		3,594,250	21,365	250	204	(7,519)
options		25,000	205	-		
Common shares granted under Employee Incentive Share						
Purchase Plan (Note 8)		12,500				(40.040)
Net (loss)						(46,216)
Balances, December 31, 1982	<u>\$ —</u>	3,631,750	\$21,570	\$250	\$204	\$(53,735)



CONSOLIDATED STATEMENTS OF CHANGE	S IN FINA	ANCIAL PO	SITION
Years ended DECEMBER 31, 1982, 1981 and 1980 (Thousands of Canadian dollars)	1982	1981	1980
SOURCES OF FUNDS			
Earnings (loss) from continuing operations	\$ (45,297)	\$ (5,717)	\$ 616
(Loss) from discontinued operations Charges to earnings not involving funds:	(919)	(1,022)	(1,775)
Depreciation, depletion and amortization	17,497	8,153	6,671
Write-down of capital costs in excess of net	24.057		
realizable value Deferred income taxes	34,957 1,215	(316)	368
Provision for loss on disposal or discontinuance	919	1,022	1,025
Minority interest	(833)	26	
Funds generated from operations	7,539 205	2,146 912	6,905 168
Proceeds from issuance of common shares Increase in long-term debt	33,107	115,634	50,755
Proceeds on disposition of assets of subsidiaries	1,068	3,042	
	41,919	121,734	57,828
USES OF FUNDS Additions to property, plant and equipment, net of			
proceeds on disposals of \$22,006 in 1982	27,364	86,736	36,749
Additions to property, plant and equipment on			
consolidation of Springwest-Page Petroleums N.L., net of working capital acquired and minority interest	2,426		
Repayment and current maturities of long-term debt	15,230	51,001	15,118
Additions to other assets	(372)	84	2,037
Investment in and advances to unconsolidated and affiliated companies	43	2,399	3,965
Redemption of preferred shares	_	-	164
Dividends on preferred shares			140
Increase (decrease) in working conital	<u>44,691</u> (2,772)	<u>140,220</u> (18,486)	<u>58,173</u> (345)
Increase (decrease) in working capital Working capital (deficiency), beginning of year	(19,575)	(1,089)	(744)
Working capital (deficiency), end of year	\$ (22,347)	\$ (19,575)	\$ (1,089)
WORKING CAPITAL CHANGES			
Increase (decrease) in current assets Cash	\$ 1,264	\$ 1,181	\$ (169)
Accounts receivable	(294)	2,536	2,671
Provincial royalty tax credit	563 (1,369)	197 1,564	54 380
Prepaid expenses	46	1,504	42
	210	5,494	2,978
Increase (decrease) in current liabilities	(0.740)	0.004	0.000
Outstanding cheques Accounts payable and accrued liabilities	(2,748) (10,918)	2,391 21,517	2,088 2,366
Current maturities of long-term debt	16,648	72	(1,131)
	2,982	23,980	3,323
Increase (decrease) in working capital	\$ (2,772)	\$ (18,486)	\$ (345)



CONSOLIDATED STATEMENTS OF INCOME Years ended DECEMBER 31, 1982, 1981 and 1980 (Thousands of Canadian dollars)	TAXES		
Computation of Income Taxes – The total provision for (recovery of) income taxes differs from the amount which would be computed by applying the statutory Federal income tax rates to book earnings (loss) before income taxes. The reasons for this difference are as follows:	<u>1982</u>	1981	1980
Book earnings (loss) from continuing operations before provision for income taxes	\$(45,312)	\$(6,484)	\$ 789
Computed "expected" tax (recovery) expense Tax effect of royalties and other payments to governments which are disallowed as	\$(21,885)	\$(3,127)	\$ 379
deductions for Canadian federal income tax Rebates by provincial governments related to payments disallowed for Canadian federal	2,961	2,596	1,413
income tax Depletion allowance on oil and gas production income	(1,237) (495)	(452)	(255) (62)
Federal resource allowance Tax losses not booked due to a lack of virtual	(1,811)	(1,241)	(995)
certainty of recovery	22,367	1,516	
Provincial income taxes less federal abatements Incremental Oil Revenue – tax exempt income	(70) (141)	5	(17)
Other	296	(64)	(290)
Actual tax (recovery) expense – current & deferred	\$ (15)	\$ (767)	\$ 173
Federal tax rate	48%	48%	48%
Actual tax expense as a percentage of pre-tax (loss) earnings		12%	22%
An analysis of actual tax (recovery) expense follows: Canada	\$ (15)	\$ 33	\$ (281)
United States	φ (13) 	(800)	454
	\$ (15)	\$ (767)	\$ 173
Deferred Income Taxes – Result from timing differences in the recognition of expenses for tax and accounting purposes. The source of these differences and tax effect of each are as follows:			
Difference between income tax depreciation and amount provided for depreciation in the accounts Difference between exploration and development expenditures claimed for income tax purposes and	\$ (82)	\$ (762)	\$ 453
amount provided for depletion in the accounts	1,297	446	(85)
	\$ 1,215	\$ (316)	\$ 368



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts shown in thousands of Canadian dollars, except share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects with the standards of the International Accounting Standards Committee.

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company's wholly owned subsidiaries, Page Petroleum Inc. and subsidiary and Page Petroleum (U.K.) Limited, and its controlling interest in Springwest-Page Petroleums N.L. (commencing in 1982) and R.D.R. Well Servicing Ltd. The investment in Pirate Drilling Ltd. is accounted for by the equity method.

(b) Full Cost Method of Accounting

The Company and its subsidiaries follow the full cost method of accounting for oil and gas operations whereby all costs of exploring for and developing oil and gas reserves are capitalized and charged against earnings as set out in Note 1(c). Such costs include land acquisition costs, geological and geophysical expense, carrying charges of non-producing property, costs of drilling both productive and non-productive wells and overhead expense related to exploration activities. The costs are accumulated in cost centres as follows:

- (i) Canada
- (ii) United States
- (iii) The United Kingdom
- (iv) Australia

Costs associated with a purchase of leases in Michigan, excluded from the U.S. cost centre for depletion purposes in 1981 and most of 1982, have been included in the full cost pool at December 31, 1982. The capitalized acquisition costs associated with the previously excluded leases are \$16,565, including \$1,853 of capitalized interest.

In 1982, the Company reclassified \$15,769 of costs associated with Trans-Pan Pipeline Company ("Trans-Pan") from oil and gas properties to pipeline facilities.

Proceeds on disposal of properties are ordinarily deducted from accumulated costs without recognition of gain or loss. Any gain or loss realized on the disposition of a major property would be recognized in the statement of earnings.

(c) Depletion

The costs accumulated in the Canadian and U.S. cost centres, together with estimated future capital costs associated with developing proved reserves, are depleted using the future revenue method based upon estimated future cash flows net of royalties to be derived from total proved reserves as determined by independent engineers.

Costs associated with the United Kingdom cost centre are amortized in line with the terms of the leases. There was no production associated with the Australian cost centre, accordingly costs have not been depleted.

The imposition of the National Energy Program in Canada in October 1980 and the Federal/Provincial Energy Pricing and Taxation agreements during 1981 led to the decision to adopt the revenue depletion method. Prior to 1981 the unit of production method based upon proved reserves was used. If the revenue depletion method had been applied in 1980, a reduction of \$862 in depletion expense would have occurred.

(d) Depreciation

Depreciation of production equipment in the U.S. and Canada is provided using the future revenue method described in Note 1(c). Depreciation of the pipeline facilities [See Note 1(b)] is computed on the double diminishing balance method at 20%. Well servicing equipment in Canada is depreciated on a straight line basis over an estimated 84 month service life. Rig equipment located in Australia is depreciated on a straight line basis over an estimated 10 year service life. Depreciation of sundry equipment is computed on the diminishing balance method at rates varying from 20% to 30%.

(e) Inventories

Inventories are recorded at the lower of cost or net realizable value.

(f) Joint Venture Accounting

Substantially all of the Company's exploration and production activities are conducted jointly with others and accordingly the accounts reflect only the Company's proportionate interest in such activities.

(g) Limited Partnerships

The Company is involved in certain limited partnerships for the purpose of exploring for and producing oil and gas. The Company's investment in these limited partnerships is reflected on a proportionate consolidation basis.

(h) Deferred Financing Costs

Costs incurred in connection with issuance of capital stock and the debentures are deferred and amortized using the straight line method over seven years from the date of the respective issues.

(i) Foreign Currency Translation

Current assets and current liabilities of foreign subsidiaries are translated to Canadian dollars using the exchange rates in effect at the year-end rates. Other assets and liabilities are translated at the rates in effect at the dates the original transactions took place. Income and expense items are translated using average rates of exchange prevailing throughout the year. The aggregate exchange gains or losses included in net earnings in each of the three years ended December 31, 1982 were not significant.

The method of translating long-term debt differs from the method generally accepted in the U.S. If translated into Canadian dollars at year-end rates of exchange, long-term debt at December 31, 1982 would increase by \$4,217. The long-term debt at December 31, 1981 and 1980 would increase by \$120 and \$610 respectively.

(i) Income Taxes

The Company follows interperiod tax allocation with respect to timing differences in the recognition of income and expenses for tax and accounting purposes. It is not expected that the cash outlay for income taxes will exceed income tax expense in any of the next three years. Reference is made to the Consolidated Statements of Income Taxes for the components of and additional information relating to income taxes.

(k) Interest Costs

Interest is charged against earnings with the exception of \$1,465 capitalized in 1982 and \$388 capitalized in 1981 as being applicable to the cost of acquiring leases formerly excluded from the U.S. full cost pool [See Note 1(b)].

(I) Earnings per Common Share

Earnings per common share have been computed in accordance with Canadian generally accepted accounting principles by dividing the net earnings applicable to common shares (after deducting cumulative dividends on preferred shares in 1980) by the weighted average number of common shares outstanding during the years. In determining the weighted average number of shares, no consideration has been given to the number of common shares issuable on the exercise of employee stock options. In determining such aggregate, the common shares issued on conversion of securities convertible into common shares were considered to be outstanding from the date of the last dividend or interest payment date.

Earnings per common share assuming full dilution was determined on the assumption that all employee stock options were exercised and all securities convertible into common shares were converted at the beginning of each year (or the time of issuance, if later). The earnings were adjusted to give effect to an assumed after-tax amount attributable to the proceeds which would have been received on the exercise of employee stock options and the after-tax effect of interest savings on convertible debt securities.

If earnings per share were calculated on the basis of United States generally accepted accounting principles, the difference from those calculated as described above would not be material.

2. INVESTMENTS AND ADVANCES

(a) Effective February 1, 1982, the Company increased its investment in Springwest-Page Petroleums N.L. by a transfer of certain oil and gas properties. As a result, the Company now owns 73.72% and the accounts of Springwest-Page Petroleums N.L. have been consolidated since that date, as described in Note 1(a).

During 1982, the assets of Habco Sales Ltd. and affiliates have either been disposed of or wound up into the Company. The combined loss and provision for losses relating to these disposals and voluntary liquidations amounted to \$919, which has been charged to earnings.

(b) As of December 31, 1982, the Company has an investment in Pirate Drilling Ltd. of \$35.

3. PROPERTY, PLANT AND EQUIPMENT

The following is a breakdown of property, plant and equipment and accumulated depreciation, depletion and amortization by major classification:

	Assets at Cost	Accumulated Depreciation, Depletion and Amortization	Net Investment
December 31, 1982			
Petroleum and natural gas leases and rights, including exploration, development and			
production equipment costs thereon			
Canada	\$ 62,379	\$10,349	\$ 52,030
United States	117,549	48,313	69,236
United Kingdom	259	248	11
Australia	3,941	1,730	2,211
	184,128	60,640	123,488
Pipeline facilities	15,769	9,983	5,786
Other	8,649	2,310	6,339
	<u>\$208,546</u>	<u>\$72,933</u>	\$135,613
December 31, 1981			
Petroleum and natural gas leases and rights, including exploration, development and			
production equipment costs thereon			
Canada	\$ 54,083	\$ 7,390	\$ 46,693
United States	109,728	12,122	97,606
United Kingdom	244	233	11
	164,055	19,745	144,310
Pipeline facilities	8,052		8,052
Other	3,306	1,266	2,040
	\$175,413 ====================================	\$21,011	\$154,402
December 31, 1980			
Petroleum and natural gas leases and rights,			
including exploration, development and			
production equipment costs thereon			
Canada	\$ 50,504	\$ 5,545	\$ 44,959
United States	36,035 236	6,378	29,657
United Kingdom		226	10
	86,775	12,149	74,626
Other	1,789	971	818
	\$ 88,564	\$13,120	\$ 75,444

In 1982, a \$33,227 write-down of U.S. assets (\$25,369 oil and gas properties, \$7,858 pipeline facilities) and a \$1,730 write-down of Page's interest in the Australian assets were recorded to reflect properties at a realizable value less than their original costs. The write-down is included as accumulated depreciation, depletion and amortization in the above table.

4. OTHER ASSETS

	December 31					
		1982		1981	HALL	1980
Prepayments, drilling deposits and miscellaneous assets	\$	129	\$	564	\$	466
Lease deposits		63		_		-
Real estate held for resale		587		587		601
Unamortized deferred financing costs		1,469		1,842		2,217
	\$	2,248	\$	2,993	\$	3,284

The deferred financing costs were incurred in connection with the issue of the Company's 7% Cumulative Redeemable Convertible Preferred Shares and 10% Convertible Subordinated Debentures.

5. LONG-TERM DEBT

		December 31		
	1982	1981	1980	
Page Petroleum Ltd.				
Canadian Bank Production Loan, evidenced by				
promissory notes, at the bank's prime				
lending rate plus 1 % [See (d)(i)]	\$ 11,837	\$ 7,203	\$ 7,625	
10 % Convertible Subordinated Debentures				
(\$25,000 U.S.) [See (a)]	29,730	29,730	29,730	
Mortgage loan, due 1982		236	240	
Obligation under capital lease		54		
Page Petroleum Inc.				
U.S. Bank Production Loan, evidenced by				
promissory notes				
- at the bank's prime rate plus ½ %	70.000	50.000		
(\$60,989 U.S.) [See (d)(i)(ii)]	73,269	58,900	24,114	
- at LIBOR - 151/4 % until April 29/83	00.040	00.040		
(\$30,000 U.S.) [See (d)(i)]	36,040	29,812		
KEP Resources – 10% (\$4,125 U.S.) [See (b)]	5,106	-	702	
6% Note payable (\$585 U.S.)	684	688	102	
Springwest-Page Petroleums N.L.				
Export Development Corp. and other	3,499			
loans [See (c)] Miscellaneous	450	593	100	
Miscellaticous	HOLD THE PARTY OF			
	160,615	127,216	62,511	
Less current minimum maturities	16,949	301	229	
	\$143,666	\$126,915	\$62,282	

- (a) The 10% Convertible Subordinated Debentures are unsecured subordinated obligations of the Company, maturing April 1, 2000. The debentures are convertible into 1,250,000 common shares at \$20 (U.S.) per share, subject to adjustment under certain conditions and to prior redemption. The debentures are redeemable:
 - (i) At any time at the Company's option at prices declining from 108.95%
 - (ii) Commencing April 1, 1991, at their principal amount through operation of a sinking fund, in an annual amount of not less than 10% nor more than 20% of the debentures outstanding on March 31, 1990.
- (b) The KEP Resources loan is secured by a mortgage on various oil and gas leases in Michigan. The principal amount is repayable in equal monthly installments of \$50 (U.S.) with the final balance due July 10, 1984.

- (c) The Export Development Corporation and other loans are secured by the assets of Springwest-Page Petroleums N.L. and guarantees of the shareholders of that Company. The principal amount is repayable in equal semi-annual installments during the next four years.
- (d) The Bank Production Loans, both U.S. and Canadian, are secured by a general assignment of accounts receivable and certain oil and gas properties.
 - (i) At various times, the Company was in arrears on interest payments due under the terms of the Bank Production Loan agreements. The defaults have subsequently been cured. The Company's bankers waived their rights and remedies in respect of the defaults and indicated a willingness to work with the Company in solving the current financial difficulties and to negotiate a restructuring of all the debt. The Bank has indicated that it is not their intention to demand repayment before January 1, 1984, of principal on the loans outstanding at December 31, 1982, subject to a further event of default not occurring.
 - (ii) Included in the U.S. Production Loan payable at prime plus ½ % is a segment amounting to \$56,210 (\$46,789 U.S.) requiring equal monthly repayments of principal, commencing January 1, 1983, of \$1,000 U.S. for 1983 and reducing amounts thereafter, with the final installment due in 1991. An amount of \$14,819 (\$12,000 U.S.) has been included in current minimum maturities. The Company has made one-half of the required payments to March 25, 1983. As of March 25, 1983, the Bank has waived its rights and remedies in respect of the default relating to the deficient installments. As previously stated, the Bank has indicated its willingness to work with the Company in solving the current financial difficulties and to negotiate a restructuring of all the debt. Although the Company has not received formal documentation from the Bank, it is the Company's understanding that the loan repayment schedule will be amended and only a portion of the current minimum maturities may be payable in 1983.

The Company is dependent on the continued financial support, as defined in the preceding paragraph, of its bankers. If, as a result of a default, or otherwise, the support of the bankers is withdrawn, the Company may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the support of the bankers be withdrawn.

6. COMMITMENTS AND CONTINGENCIES

The Company has guaranteed bank and other indebtedness of subsidiaries to a maximum amount of \$4,548.

The Company has extended a letter of credit of \$400 as a commitment guarantee on an Egyptian exploration concession.

In 1980, the Company entered into an agreement to lease office space commencing in 1983 requiring annual payments of \$1,163 plus a proportion of building operating costs for 5 years, renewable for a further five year period. The agreement to lease was entered into with a corporation now in receivership and a signed head lease does not exist, nor can the lessor supply the space contemplated in the agreement to lease. It is Management's opinion that the Company's contractual agreement is not enforceable and accordingly the lease commitment is excluded from the minimum lease commitments disclosed in Note 9.

7. PREFERRED SHARES

During 1980, 953,276 of the Series B Preferred Shares were converted into 504,283 common shares and the remainder were redeemed at \$10.50 per share. In accordance with the provisions of The Alberta Companies Act, an amount of \$204, equal to the par value of the shares redeemed, was transferred from retained earnings to the capital redemption fund.

8. COMMON SHARES

(a) Shares Reserved for Conversion of 10% Convertible Subordinated Debentures There were 1,250,000 common shares reserved at December 31, 1982, for issuance upon the possible conversion of the \$25,000 (U.S.) 10% Convertible Subordinated Debentures [see Note 5(a)].

(b) Options to Purchase Common Shares

There were 176,000 common shares reserved at December 31, 1982, for issuance upon the exercise, to 1987, of employee stock options at prices ranging from \$5.75 to \$14.30 per share.

The stock options have been granted from time to time to certain employees at a price equal to 90%, 100% and 110% of the fair market value of the common shares on the date of grant. Options granted are for a term of five years from the date of grant and are exercisable, on a cumulative basis, as to one-third of the option shares in each of the second, third and fourth years after the date of the grant. As a result the options have become or will become exercisable without restriction in varying amounts at varying dates and by August 17, 1985 all of the options outstanding on December 31, 1982, will have become exercisable in full.

During 1982, 1981 and 1980 options for 25,000, 11,500 and 27,599 common shares, respectively, were exercised at prices of \$8.21 in 1982 and from \$4.21 to \$9.79 and \$2.59 to \$14.85 per common share in 1981 and 1980, respectively.

(c) Employee Incentive Share Purchase Plan

During 1982, 12,500 common shares were issued to certain employees at the price of \$15.18 per share (1981 – 35,000 common shares at prices ranging from \$15.07 to \$19.80 per share).

The right to purchase the common shares has been granted at 90% of their fair market value on the date of the grant. The shares granted are issued to the designated employee in return for a non-interest bearing, non-recourse note payable to the Company. Employees have the right to repay the loans on a cumulative basis in amounts of one-third of the principal amount in each of the second, third and fourth year after the date of the grant. At the time of payment a proportionate number of the shares issued will be released from trust to the employee. All agreements are issued with a five year term. Failure to pay a note or other termination of an agreement will result in the issued shares being placed in an escrow account for future reassignment by the Company.

The 47,500 common shares issued under this plan are being held in the escrow account and have been included in common shares outstanding.

9. LEASE COMMITMENTS

The Company has certain lease obligations covering rental of computer facilities and office space. The minimum annual rental commitments under all leases, excluding the possible commitment discussed in Note 6, are as follows:

\$!	554
	479
	350
	237
	24
\$1,	644

10. RELATED PARTY TRANSACTIONS

- (a) Pirate Drilling Ltd., a 33% owned affiliate, performed drilling services for the Company during 1982 amounting to \$816 (\$325 in 1981 and \$1,308 in 1980).
- (b) Makaw Oil Ltd. ("Makaw"), partially owned by an officer of the Company, participated in an 11 well drilling program to farmin on property held by the Company. Included in accounts receivable at December 31, 1982 was an amount of \$670 due from Makaw.
- (c) An officer of the Company was advanced funds without interest totalling \$120 under an employee relocation program. This amount is included in accounts receivable at December 31, 1982. In addition a loan guarantee of \$142 was provided for the same purpose.
- (d) Legal services were provided to the Company by a director who is a partner in McCombe & Company, the Company's corporate legal counsel. The Company and its subsidiaries paid \$131, \$141 and \$177 in legal fees to McCombe & Company for the years 1982, 1981 and 1980, respectively.

11. BUSINESS SEGMENTS

The Company's operations consist of oil and gas exploration and production, well servicing, well drilling and pipeline facilities.

The following table sets forth for the years indicated the income, production income, net of lifting costs, operating profit and identifiable assets attributable to the geographic regions in which the Company has reserves and production and conducts its well servicing and pipeline operations. No reserves have been assigned for the Australian and United Kingdom cost centres. These cost centres have been excluded from the following table:

	Year Ended December 31			
	1982	1981	1980	
Income				
Canada	\$ 17,509	\$ 13,363	\$11,140	
United States	33,396	16,778	10,786	
	\$ 50,905	\$ 30,141	\$21,926	
Production Income, Net of Lifting Costs				
Canada	\$ 12,488	\$ 8,789	\$ 7,423	
United States	22,027	12,681	8,706	
	\$ 34,515	\$ 21,470	\$16,129	
Operating Profit				
Canada	\$ 7,217	\$ 5,659	\$ 5,471	
United States	8,672	4,688	3,600	
	\$ 15,889	\$ 10,347	\$ 9,071	
Identifiable Assets				
Canada	\$ 53,079	\$ 48,051	\$44,959	
United States	75,654	106,340	29,657	
	\$128,733	\$154,391	\$74,616	
			V Comments of the Comments of	

12. REMUNERATION OF DIRECTORS AND OFFICERS

The total remuneration paid to directors and officers of the Company amounted to \$504 (1981 - \$514, 1980 - \$367).

REPORT OF MANAGEMENT

The Board of Directors has approved the information contained in this Annual Report. The accompanying financial statements have been prepared by management in conformity with those generally accepted accounting principles most appropriate for the nature of the Company's business.

All financial information contained in the Annual Report is consistent with the financial statements.



AUDITORS' REPORT

To the Shareholders of Page Petroleum Ltd.

We have examined the consolidated balance sheets of Page Petroleum Ltd. (an Alberta company) as of December 31, 1982, 1981 and 1980, and the related consolidated statements of earnings, shareholders' equity, changes in financial position and income taxes for the three years then ended. 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, the accompanying consolidated financial statements present fairly the financial position of Page Petroleum Ltd. as of December 31, 1982, 1981 and 1980, 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 which, except for the change in 1981 (with which we concur) to the revenue depletion method as described in Note 1 to the accompanying consolidated financial statements, were applied on a consistent basis.

Calgary, Canada March 25, 1983 ARTHUR ANDERSEN & CO.
Chartered Accountants

Comment by Auditors on Differences in Canada-United States Reporting Standards

In the United States, reporting standards for auditors require the expression of an opinion qualified as being subject to the outcome of significant uncertainties affecting the financial statements such as the significant uncertainty relating to the continued financial support of the Company's bankers referred to in Note 5 to the accompanying consolidated financial statements.

The opinion in our report to the shareholders, dated March 25, 1983, is expressed in accordance with Canadian standards and is not qualified with respect to, and provides no reference to, this uncertainty since such an opinion would not be in accordance with Canadian reporting standards for auditors when the uncertainties are adequately disclosed in the financial statements. No such reporting standards conflict existed in 1981 and 1980.

Calgary, Canada March 25, 1983 ARTHUR ANDERSEN & CO. Chartered Accountants

SUPPLEMENTARY INFORMATION

(Thousands of Canadian dollars)

OIL AND GAS PRODUCING ACTIVITIES - UNAUDITED

In 1982, the Company adopted the Statement of Financial Accounting Standards (SFAS) No. 69 "Disclosures About Oil and Gas Producing Activities". The disclosures required by SFAS No. 69 are discussed below and are detailed in Tables 1 through 6 immediately following.

The reserve quantity and valuation estimates included in the following tables have been excerpted from or based upon, reports of D & S Petroleum Consultants (1974) Ltd. (as to Canadian reserves) and Sipes, Williamson & Associates, Inc., independent consulting engineers (as to United States reserves). The Sipes, Williamson & Associates, Inc. report has been adjusted by the Company to exclude from amounts reported for 1981 and 1982 the estimated reserve quantities and values attributed in the report to its interest in Trans-Pan Pipeline Company, and to reflect at December 31, 1982 the effect of a \$2.47 per barrel decline in the price of crude oil which occurred between January 1, 1983 and February 28, 1983.

Estimated quantities of proved developed and total proved reserves of crude oil (including condensate and 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 were determined using current prices, increased only for fixed and determinable escalation provisions in contracts and in Canada for prices established by the Federal/Provincial Energy Pricing and Taxation Agreements.

The decline of proved reserves in Canada was attributable to revisions of volumes expected to be recovered after 1992. The revisions had minimal impact on the value of proved reserves discounted at 10%.

No reserves have been assigned for the Australian and United Kingdom cost centres. These cost centres have been excluded from the following tables.

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 1

CHANGES IN QUANTITIES OF PROVED RESERVES

	Total		Canada		U.S.A.	
	Oil (thousands of bbls)	Gas (Mmcf)	Oil (thousands of bbls)	Gas (Mmcf)	Oil (thousands of bbls)	Gas (Mmcf)
Proved Reserves, December 31, 1979	13,375	12,091	11,146	5,508	2,229	6,583
Revisions to previous estimates	(622)	(2,663)	(32)	481	(590)	(3,144)
New field discoveries and extensions	6,068	6,466	4,662	1,457	1,406	5,009
Purchases of reserves	 .		_	_	— —	_
Production	(913)	(703)	(654)	(156)	(259)	(547)
Sales of reserves	(25)	(38)	_		(25)	(38)
Proved Reserves, December 31, 1980	17,883	15,153	15,122	7,290	2,761	7,863
Revisions to previous estimates	263	5,875	(87)	(931)	350	6,806
New field discoveries and extensions	1,348	16,860	628	1,205	720	15,655
Purchases of reserves	_	_	_	_	-	_
Production	(977)	(1,359)	(637)	(339)	(340)	(1,020)
Sales of reserves	_			_	-	_
Proved Reserves, December 31, 1981	18,517	36,529	15,026	7,225	3,491	29.304
Revisions to previous estimates	(6,081)	(9,418)	(5,528)	472	(553)	(9,890)
New field discoveries and extensions	159	1,421	115	237	44	1,184
Purchases of reserves	569	520	569	520	_	_
Production	(958)	(2,941)	(559)	(272)	(399)	(2,669)
Sales of reserves	(1,583)	(2,827)	(316)	_	(1,267)	(2,827)
Proved Reserves, December 31, 1982	10,623	23,284	9,307	8,182	1,316	15,102
Proved Developed Reserves						
December 31, 1979	8,693	3,961	7,942	593	751	3,368
December 31, 1980	13,474	11,765	12,604	6,785	870	4,980
December 31, 1981	15,518	29,302	13,126	6,952	2,392	22,350
December 31, 1982	9,885	22,260	8,950	7,872	935	14,388

PETROLEUM LTD.

DIRECTORS

LAWTON L. CLARK
President, Page Petroleum Ltd.
Denver, Colorado

C.D. GOULD Geological Consultant Calgary, Alberta

WILLIAM R. HARRISON Vice President, Finance and General Manager, Canada, Page Petroleum Ltd. Calgary, Alberta

FRED HEMMING
President, Bankton and Associates,
Management Consultants Ltd.
Calgary, Alberta

BRIAN G. McCOMBE Barrister and Solicitor McCombe and Company Calgary, Alberta

OFFICERS PAGE PETROLEUM LTD.

LAWTON L. CLARK, President
WILLIAM R. HARRISON, Vice President, Finance
and General Manager, Canada
BRIAN G. McCOMBE, Secretary
JOHN S. HECHT, Controller

OFFICERS PAGE PETROLEUM INC.

LAWTON L. CLARK, President HARVEY L. BAKER, Vice President, Land FRED E. DIGERT, Vice President, Exploration NEIL L. STENBUCK, Controller

LEGAL COUNSEL

McCombe & Company Calgary, Alberta

Dunnington, Bartholow & Miller New York, New York

FORM 10-K

The Company's 1982 Annual Report on Form 10-K, filed with the Securities and Exchange Commission of the United States, is available to shareholders who request it by writing to Page Petroleum Ltd. at 1001, 311 - 6th Avenue S.W., Calgary, Alberta T2P 3H2.

OFFICES

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Page Petroleum Ltd. P.O. Box 941 Shaunavon, Saskatchewan S0N 2M0

Page Petroleum Inc. P.O. Box 1656 Roosevelt, Utah 84060

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company 505 - 3rd Street S.W. Calgary, Alberta T2P 3E6

The Bank of New York 21 West Street New York, New York 10015

AUDITORS

Arthur Andersen & Co. Calgary, Alberta

BANKING

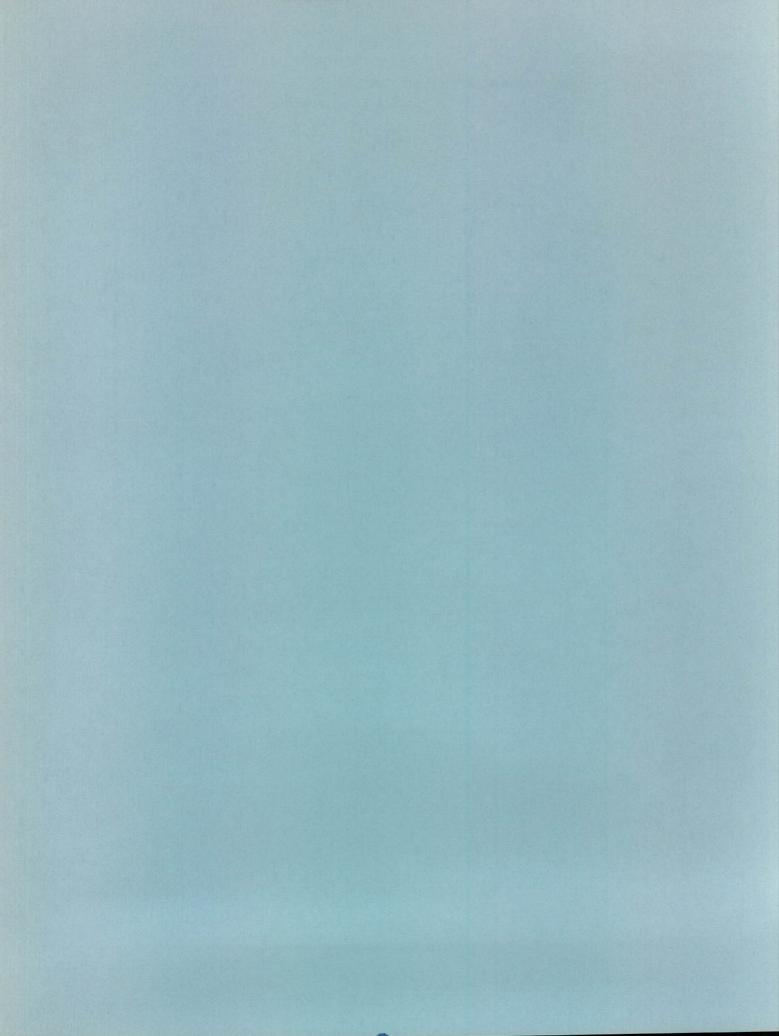
The Royal Bank of Canada Calgary, Alberta

STOCK LISTINGS

The Toronto Stock Exchange American Stock Exchange Symbol "PGE"

ACTIVE SUBSIDIARIES

Page Petroleum Inc.
Page Petroleum (U.K.) Limited
R.D.R. Well Servicing Ltd.
Springwest-Page Petroleums N.L.





1001, 311 - SIXTH AVENUE S.W., CALGARY, ALBERTA T2P 3H2