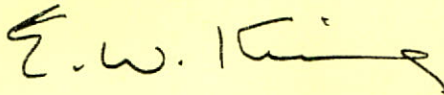




Annual Report 1980
NORTHWESTERN UTILITIES LIMITED

HOWARD ROSS LIBRARY
OF MANAGEMENT
MAR 31 1981
MCGILL UNIVERSITY

The enclosed copy of Northwestern Utilities
Limited 1980 Annual Report is for your
information. No acknowledgement is expected.

A handwritten signature in black ink, appearing to read "E. W. King". The signature is fluid and cursive, with a long horizontal stroke at the end.

E. W. King
President and Chief Executive Officer

Board of Directors

B. M. Dafoe, Edmonton
Vice-President and General Manager
Northwestern Utilities Limited

H. Hole, Edmonton
General Manager, Lockerbie and Hole Western Limited

E. W. King, Edmonton
President and Chief Executive Officer
Canadian Utilities Limited

A. R. McBain, Edmonton
President, McBain Camera Specialty Ltd.

A. H. Mitchell, Edmonton
President and Chief Executive Officer, Mitchell & Associates Ltd.

J. H. Pletcher, Edmonton
Senior Vice-President, Canadian Western Natural Gas Company Limited
and Northwestern Utilities Limited

J. L. Schlosser, Edmonton
President, Tri-Jay Investments Ltd.

Officers

E. W. King
President and Chief Executive Officer

J. H. Pletcher
Senior Vice-President

B. M. Dafoe
Vice-President and General Manager

D. L. Weiss
Vice-President, Gas Supply

D. B. Mitchell
Vice-President, Industrial Relations

A. M. Anderson
Treasurer

H. R. Lewis
Controller

G. Y. Sommerville
Secretary

C. K. Sheard
Assistant Secretary



NORTHWESTERN UTILITIES LIMITED

(Incorporated under the laws of Canada)

and subsidiary: Northland Utilities (B.C.) Limited

10040 - 104 Street, Edmonton, Alberta, Canada T5J 2S3

Report to the Shareholders

The substantial growth of Northwestern Utilities Limited continued in 1980 as the resiliency of the Alberta economy was tested by high interest rates and energy industry uncertainties. The company recorded a growth rate of more than 6%, adding 16,162 new customers to its system and bringing the total of customers served to 276,295.

Northwestern's staff of 1,500 plays a valued role in meeting the needs of the expanding company and its customers. In 1980, Northwestern entered into a two-year agreement with the Employees' Association covering plant and office employees. Pursuant to this agreement, employee remuneration has been negotiated for 1981. The dedication and effort of employees during the year are deeply appreciated.

Earnings from operations attributable to common shares were \$10.4 million in 1980, the same amount as in 1979, while the net fixed assets to serve customers increased 18% to \$246.8 million. The 1980 earnings reflect the Alberta Public Utilities Board decision to hold back \$2.8 million from the interim rate increase allowed effective August 1, 1980. A general hearing into the application commenced late in 1980 and a final decision on the 1980 revenue requirement is expected in the second quarter of 1981.

The company's request for uniform rates for equivalent service will be considered in the second phase of the hearing. The last rate increase (similar to that approved in August 1980, caused by inflationary increases in labor, supplies, financing costs and increases in taxes and depreciation) occurred in August 1977.

Three other rate increases were approved during 1980. The provincial support price for natural gas, established under the Alberta Price Protection Plan, was changed on February 1 and September 1, and the federal government introduced an excise tax of 2.9¢ per therm effective November 1.

Northwestern applied for and received Board orders authorizing higher rates to recover the increased costs to the company effective February 1, October 1 and November 1. The British Columbia Public Utility Commission authorized an increase in rates of 30.5¢ per Mcf effective in November 1980 for customers of Northland Utilities (B.C.) Limited due to the introduction of the federal excise tax. In March 1980 the British Columbia government eliminated the 4% social services tax on natural gas for residential use.

Northwestern and its sister company Canadian Western Natural Gas Company Limited were unsuccessful in their attempt to negotiate a lower price for natural gas purchased from suppliers on existing contracts. This was as a result of a judgment issued by the Court of Appeal of Alberta that outlined conditions under which arbitration would be conducted to determine a contractual price.

Revenues of \$341 million were received by the company during 1980, \$64 million higher than in 1979. Operating

expenses, including the cost of natural gas, operations, maintenance, depreciation, property and franchise taxes, amounted to \$316 million compared to \$256 million in 1979. The company's largest expense continues to be the cost of natural gas, accounting for 81% of operating expenses. In 1980, gas costs rose by \$50 million to \$255 million. Gas costs were net of \$68.7 million in rebates received from the Alberta government under the Natural Gas Price Protection Plan. Rebates totalled \$64 million in 1979. The introduction of the federal excise tax on natural gas on November 1 increased the company's gas costs by \$10.6 million in 1980.

In 1981 the federal government's National Energy Program will have a significantly greater impact on the company and its customers. With the excise tax in effect for the full year, and a further increase scheduled for July 1, the 1981 excise tax cost is projected to reach \$67 million. As well, an 8% tax on net revenue from production of natural gas became effective January 1, 1981. Details of the National Energy Program have not been finalized and there may well be changes that will further impact on the company's future costs.

The company shares the concerns expressed by many Canadians that the National Energy Program will not reach its goals of increasing future energy supplies and attaining energy self-sufficiency.

The volume of sales increased slightly to 231,944 terajoules (219,932 million cubic feet) in 1980. Growth in the number of customers, higher sales to the Dow Chemical plant near Fort Saskatchewan, and the addition of the Dome Petroleum plant at Empress, and the Amoco Canada plant at Judy Creek were largely offset by reduced sales to the Syncrude plant and warmer temperatures. In terms of degree days, a measure of space heating requirements, 1980 was warmer than normal while 1979 was colder than normal.

Consumption per customer continued to decrease in the residential and commercial markets, further offsetting the effect of customer growth on the volume of sales. This trend is expected to continue as the cost of natural gas increases and more attention is paid to conservation efforts and improved building standards.

Northwestern Utilities' capital expenditures in 1980 totalled \$45 million, compared to \$43 million in 1979. The capital program was financed in part by the issue of \$18 million in debentures to the parent company, Canadian Utilities Limited. The company began installation of two 2,700-BHP compressors in the Viking field to increase delivery of natural gas from its own reserves. The project is to be completed by mid-1981. Other major transmission projects included construction of 17 km of 219 mm line from NOVA's Wood River lateral to Northwestern's southern extension near Red Deer, and construction of 13 km of 219 mm line to serve Calgary Power's Keephills station.

The company continued its successful exploration and development program in 1980, acquiring additional

petroleum and natural gas leases, and participating in the drilling of 49 wells. Of the wells drilled, 28 were successful and nine others are still being evaluated. One additional gas well was acquired. The cost of the successful wells was added to assets; the cost of unsuccessful projects will be recovered, with Public Utilities Board approval, from border flowback funds. Under the border flowback program, all Alberta gas producers, including Northwestern, receive a pro rata share of the extra revenues generated by the differential in price between gas exported to the U.S. and that marketed in Canada.

As part of its safety program in 1980, Northwestern Utilities joined with other utilities in Edmonton to open a one-call system to provide location services for underground facilities. With the new system in effect for nine months of the year, requests for line locations increased by almost 30% to 7,500.

The delay in commencement in oil sands and heavy oil extraction projects in the Fort McMurray and Cold Lake/

Grand Centre areas will temper the demand for utility services in those areas. Several major petrochemical and refinery projects in the Edmonton/Fort Saskatchewan area are in the planning or approval stages. As an integrated gas utility currently serving this area, the company has the ability, with its financial and staff resources, to respond to the opportunities provided by these developments.

On behalf of the Board of Directors,



J. H. Pletcher

Senior Vice-President



E. W. King

President and Chief Executive Officer

February 5, 1981

Highlights in Review

	1980	1979	1978	1977	1976	1970
STATISTICAL						
Customers at year-end	276,295	260,133	241,606	227,094	211,460	139,946
Natural gas sales						
— terajoules	231,944	231,258	208,020	166,884	175,890	113,580
— millions of cubic feet*	219,932	219,282	197,247	158,242	166,781	107,698
Kilometres of pipelines	14,474	13,613	12,673	11,771	10,931	7,034
Maximum daily demand						
— terajoules	1,179	1,132	1,210	993	962	584
— millions of cubic feet*	1,118	1,073	1,147	942	912	554
Communities served	161	160	153	153	153	114
Population served	906,000	870,000	824,000	797,000	789,000	599,000
Degree days — per cent normal	96.7	102.2	99.8	91.5	87.3	97.0
Owned gas reserves						
— terajoules	732,968	729,962	753,628	748,144	733,379	730,667
— millions of cubic feet*	695,010	692,160	714,600	709,400	695,400	692,828

* Based on 1,000 BTU'S per cubic foot

FINANCIAL

(Thousands of dollars except per share data)

Revenue	341,105	276,676	241,988	170,442	130,752	32,956
Net Income						
From services and other income	12,669	12,666	10,775	8,672	6,599	4,182
Total including extraordinary items	12,669	12,666	10,775	9,991	6,599	4,195
Earnings per common share before extraordinary items	4.44	4.54	3.84	3.21	3.03	2.21
Gross additions to plant	45,075	42,979	28,185	23,371	22,174	6,059
Gross plant	325,515	280,916	238,895	212,373	189,714	108,148

Note: As of August, 1972 the gas assets and operations of Northland Utilities Limited, previously an affiliated company, were transferred to Northwestern Utilities. Data prior to 1971 excludes the results of Northland's gas operations.

Consolidated Statement of Earnings

Year ended December 31, 1980 with comparative figures for 1979

	<u>1980</u>	<u>1979</u>
	(Thousands)	
Revenues	\$341,105	\$276,676
Operating Expenses		
Natural gas supply (Note 2)	255,304	205,141
Operating and maintenance	38,685	32,218
Taxes — other than income	14,975	12,209
Depreciation	7,235	5,945
	316,199	255,513
	24,906	21,163
Allowance for Funds Used During Construction	1,206	759
Other Income		
Dividends from affiliates	183	183
Other income	(40)	565
	143	748
	26,255	22,670
Interest Expense		
Interest on loans from parent company	8,026	4,568
Other interest	1,569	1,683
	9,595	6,251
	16,660	16,419
Income Taxes (Note 3)	3,991	3,753
Net Earnings	12,669	12,666
Preference Dividend Requirements	2,278	2,303
Balance Attributable to Common Shares	\$ 10,391	\$ 10,363
Earnings — Dollars Per Common Share	\$ 4.44	\$ 4.54

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

Consolidated Balance Sheet

December 31, 1980 with comparative figures for 1979

	<u>1980</u>	<u>1979</u>
	(Thousands)	
ASSETS		
Current Assets		
Accounts receivable (Note 4)	\$ 81,986	\$ 54,623
Owing by parent and affiliated companies	3,589	3,360
Materials and supplies — at average cost	<u>4,626</u>	<u>4,743</u>
	90,201	62,726
Trust Assets Held for Income Tax Rebate for Consumers, Per Contra	775	2,530
Investment in Affiliated Company at Cost	2,158	2,158
Property, Plant and Equipment at Cost Less		
Accumulated Depreciation (Note 5)	246,786	209,625
Deferred Expenses (Note 6)	20,876	10,156
	<u>\$360,796</u>	<u>\$287,195</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Due to bank	\$ 11,136	\$ 2,072
Accounts payable and accrued liabilities	73,100	54,631
Income and other taxes	15,000	120
Dividends payable	562	573
Owing to parent and affiliated companies	19,939	19,257
Long-term debt — current maturities (Note 7)	981	1,003
Deposits	<u>1,143</u>	<u>888</u>
	121,861	78,544
Amounts Held in Trust, Per Contra	775	2,530
Long-Term Debt (Note 7)	92,261	75,899
Contributions for Extensions to Plant	33,276	28,680
Deferred Income Taxes (Note 3)	228	227
Other Liabilities (Note 8)	15,056	8,202
Shareholders' Equity		
Preference shares (Note 9)	31,130	31,676
	<u>1980</u>	<u>1979</u>
Common Shares (Note 10)	\$20,676	\$20,676
Retained earnings (Note 7)	<u>45,533</u>	<u>40,761</u>
	66,209	61,437
	<u>97,339</u>	<u>93,113</u>
	<u>\$360,796</u>	<u>\$287,195</u>

On behalf of the Board:

E. W. KING/Director

K. A. BIGGS/Director

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

Consolidated Statement of Changes in Financial Position

Year ended December 31, 1980 with comparative figures for 1979

	<u>1980</u>	<u>1979</u>
	(Thousands)	
Sources of Working Capital		
Net earnings	\$12,669	\$12,666
Add non-cash items, principally depreciation	7,722	6,003
Provided from operations	20,391	18,669
Issue of long-term debt	18,000	16,000
Issue of common shares		1,933
Contributions for extensions to plant	5,181	5,778
Disposition of property, plant and equipment	93	376
Other	6,561	2,785
	<u>50,226</u>	<u>45,541</u>
Uses of Working Capital		
Purchase of property, plant and equipment	45,075	42,979
Reduction in long-term debt	1,639	1,664
Dividends — preference	2,275	2,303
— common	5,622	6,063
Preference shares purchased for cancellation	547	180
Increase in deferred expenses	10,912	4,836
	<u>66,070</u>	<u>58,025</u>
Decrease in Working Capital	<u>\$15,844</u>	<u>\$12,484</u>

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

Consolidated Statement of Retained Earnings

Year ended December 31, 1980 with comparative figures for 1979

	<u>1980</u>	<u>1979</u>
	(Thousands)	
Balance at Beginning of Year	\$40,761	\$35,945
Add		
Net earnings	12,669	12,666
Adjustment for deferral of preference share issue expense less related income taxes		552
	<u>53,430</u>	<u>49,163</u>
Deduct		
Dividends		
Preference shares	2,275	2,303
Common Shares	5,622	6,063
	<u>7,897</u>	<u>8,366</u>
Share issue expense less related income taxes		36
	<u>7,897</u>	<u>8,402</u>
Balance at End of Year	<u>\$45,533</u>	<u>\$40,761</u>

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

Summary of Significant Accounting Policies

December 31, 1980

The company and its subsidiary are engaged in the production, purchase, distribution and sale of natural gas.

Matters such as rates, construction, operation and accounting are subject to the jurisdiction of certain regulatory bodies. Utility rates are determined primarily by the Public Utilities Board of Alberta for the company based on rate base, rate of return and cost of service.

Basis of consolidation

The consolidated financial statements include the accounts of the company and its subsidiary company. All material inter-company balances and transactions have been eliminated.

Property, plant and equipment

Property, plant and equipment includes cost of land, resource properties, buildings and equipment. The gross cost of additions includes an allowance for funds used during construction based on the debt and equity cost of capital components. Certain additions are made with assistance of cash contributions where the estimated revenue is less than the cost of providing service or where special equipment is needed to supply the customers' specific requirements. These contributions are amortized on the same basis as the assets to which they relate.

Depreciation is provided on classes of assets at various rates on a straight line basis over the estimated useful lives of the assets. In accordance with the orders of regulatory bodies, depreciation is provided after giving effect to contributions for extensions to plant. The major assets are depreciated at rates varying from 2.18% to 6.42%. Certain resource properties are depreciated in part on a unit withdrawal basis.

On retirement of depreciable plant, the accumulated depreciation is charged with the cost of the retirement unit less net salvage. Gains and losses on extraordinary retirements are recognized as extraordinary items in the financial statements.

Deferred expenses

Deferred charges relating to gas exploration include expenditures related to the development of gas reserves. Costs resulting in a successful venture are capitalized and depreciated on a unit withdrawal basis.

Prepaid natural gas supply expense is the portion of gas supply expense that will be recovered in revenues in the following year.

Expenses of issue of long-term debt are amortized over the periods that the debt is outstanding and expenses of issue of preference shares are amortized from the date of issue over the lesser of the expected life of the issue or 30 years.

Income taxes

In fixing rates, except for the matters referred to in the following paragraph, the companies recover only taxes payable currently. Capital cost allowances are claimed on depreciable assets included in the rate base of the companies and, accordingly, to the extent that capital cost allowances claimed are in excess of recorded depreciation, there has been a related reduction in the amount of income taxes otherwise payable which has not been reflected in the consolidated financial statements. The reduction will become a charge to be borne by the consumer in future years when recorded depreciation exceeds capital cost allowances claimed for income tax purposes.

The companies are permitted to claim deferred income taxes with respect to acquisition of natural gas rights, deferred gas costs, rate case expenses and share issue costs.

Natural gas supply

The Province of Alberta enacted The Natural Gas Rebates Act effective January 1, 1974 to shelter the majority of Alberta natural gas consumers from the full impact of significant price increases for natural gas. Under the provisions of the Act, the gas utilities are reimbursed for the excess price paid to their suppliers over the support price. The consolidated statement of earnings is charged with the net cost of natural gas.

Equipment leases

The regulatory process in Alberta requires that application be made for the capitalization of leases in the determination of consumer rates. The company will seek approval of the Public Utilities Board of Alberta to capitalize leases in accordance with generally accepted accounting principles. Prior to such approval, leases that would otherwise be treated as capital leases are accounted for as operating leases.

Notes to Consolidated Financial Statements

December 31, 1980

1. Incorporation

The company was incorporated under the laws of Canada by letters patent dated May 26, 1923. On August 2, 1972, Northwestern Utilities, Limited (predecessor company) and Northland Gas Utilities Limited amalgamated to continue as one company under the name of Northwestern Utilities Limited and was continued under the Canada Business Corporation Act on May 1, 1980.

2. Natural gas supply expense

The natural gas supply expense is net of Alberta government rebate amounting to \$68,716,000 in 1980 (\$64,433,000 in 1979). It also includes the newly imposed federal excise tax of \$10,644,000 in 1980.

3. Income taxes

The provision for income taxes in the consolidated statement of earnings includes a provision for deferred taxes of \$2,668,000 in 1980 (\$259,000 in 1979). The cumulative amount of recorded deferred taxes to December 31, 1980 is \$2,904,000, of which \$229,000 is recorded as a deferred credit and \$2,675,000 is included in income and other taxes payable.

As described in the Summary of Significant Accounting Policies, income taxes otherwise payable have been reduced by claiming capital cost allowances in excess of recorded depreciation. Had this practice not been followed, income taxes payable would have increased in the approximate amount of \$3,760,000 in 1980 (\$2,951,000 in 1979), and to an accumulated amount of \$22,551,000 at December 31, 1980. As the company's rates are determined on a taxes payable basis and all such deferred taxes will be included in rates in the future, the company has not recorded any liability relating to these deferred taxes.

4. Accounts receivable

	1980	1979
	(Thousands)	
Consumer accounts	\$57,616	\$33,132
Receivable from the Province of Alberta	18,715	17,433
Other receivables and deposits	5,655	4,058
	<u>\$81,986</u>	<u>\$54,623</u>

5. Property, plant and equipment

	1980		1979	
	Cost	Accumulated Depreciation and Depletion	Cost	Accumulated Depreciation and Depletion
	(Thousands)		(Thousands)	
Natural gas utility plant and equipment	\$324,293	\$78,729	\$280,144	\$71,291
Land	1,222		772	
	<u>\$325,515</u>	<u>\$78,729</u>	<u>\$280,916</u>	<u>\$71,291</u>
	<u>\$246,786</u>		<u>\$209,625</u>	

6. Deferred expenses

	<u>1980</u>	<u>1979</u>
	(Thousands)	
Gas exploration	\$13,504	\$ 8,605
Natural gas supply expense	5,478	
Debt and preference share issue expense	1,351	1,191
Other	543	360
	<u>\$20,876</u>	<u>\$10,156</u>

7. Long-term debt

	<u>1980</u>	<u>1979</u>
	(Thousands)	
First mortgage sinking fund bonds 5¾% to 9¾% due to 1994	\$17,966	\$18,805
Sinking fund debentures 7¼% due 1985	2,494	2,600
Sinking fund debentures payable to parent company at 8.57% to 11.74% due to 2002	72,782	55,497
Total long-term debt	93,242	76,902
Deduct current maturities	981	1,003
Long-term debt less current maturities	<u>\$92,261</u>	<u>\$75,899</u>

The long-term debt outstanding and current maturities thereof have been reduced by bonds and debentures purchased for future sinking fund payments. Such payments exclude requirements which may be satisfied by certification of property additions.

Annual sinking fund requirements for each of the following years are:

	(Thousands)
1981	\$ 981
1982	2,503
1983	5,375
1984	2,739
1985	5,503

The bond and debenture indentures executed by the company place limitations on the company and its subsidiary including restrictions on the payment of dividends. Of the consolidated retained earnings at December 31, 1980, approximately \$12,639,000 were free from such restrictions.

8. Other liabilities

As an Alberta gas producer, the company receives a pro rata share of monies available under The Natural Gas Price Administration Act. These monies, net of royalties and income taxes, have been included in other liabilities and amount to \$13,599,000 (\$7,293,000 in 1979). It is the company's intention, subject to the approval of the Public Utilities Board of Alberta, to charge the costs of unsuccessful exploration against this amount.

9. Preference shares

Authorized:

105,000 4% cumulative redeemable preference shares.

1,965,200 Series Second Preference Shares, issuable in series, of which the following have been designated as Cumulative Redeemable Second Preference Shares.

		Number
Series A	10-1/4%	115,200
Series B	9.24%	485,000
Series C	7.30%	225,000

Issued:	Stated Value	Redemp- tion Premium	Re- ducing To	1980		1979	
				Number	Value (Thousands)	Number	Value (Thousands)
4% Preference Shares	\$100			105,000	\$10,500	105,000	\$10,500
10-1/4% Second Preference Series A	\$ 25	5%	Nil	115,200	2,880	115,200	2,880
9.24% Second Preference Series B	\$ 25	5%	Nil	485,000	12,125	500,000	12,500
7.30% Second Preference Series C	\$ 25	4%	Nil	225,000	5,625	231,860	5,796
					\$31,130		\$31,676

The preference shares may be redeemed at the option of the company subject to premiums listed plus dividends accrued and unpaid. During the year the company purchased 15,000 of the 9.24% series and 6,860 of the 7.30% series, reducing the capital of the company by \$546,500 (1979 — 7,200 of the 7.30% series reducing the capital of the company by \$180,000).

10. Common shares

Authorized: An unlimited number of shares without nominal or par value.

Issued:	1980		1979	
	Number	Value (Thousands)	Number	Value (Thousands)
Balance at beginning of year	2,337,676	\$20,676	2,279,216	\$18,743
Issued during the year for cash			58,460	1,933
Balance at end of year	2,337,676	\$20,676	2,337,676	\$20,676

11. Commitments and contingencies

The cost of the company's planned construction and expansion program for 1981 will amount to approximately \$63,000,000 of which \$4,004,000 was under contract at December 31, 1980.

Minimum yearly equipment lease payments are \$2,296,000, \$2,757,000, \$3,265,000, \$3,822,000, \$4,479,000 for the years 1981-1985 respectively. Leases range in length from three to 10 years.

The company has a pension plan covering substantially all its employees. The aggregate unfunded past service liability amounted to approximately \$3,291,000 at December 31, 1980. Of this amount \$731,000 must be funded by December 31, 1981 and the balance over a period not exceeding 13 years.

12. Related party transactions

Certain costs of administration, systems development and financial management are provided by the parent company, Canadian Utilities Limited. These costs are allocated to the company on the basis of usage and on the basis of assets and employees. Total charges (which are subject to the review of the Public Utilities Board of Alberta) amounted to \$4,097,000 in 1980 (\$3,193,000 in 1979).

Other sales and purchases from related parties considered in the normal course of business and at rates approved by the Public Utilities Board of Alberta include the purchase of natural gas for \$132,000 from an affiliated company, Canadian Western Natural Gas Company Limited; the sale of natural gas for \$13,816,000 to an affiliated company, CU Ethane Limited; and the sale of natural gas for \$2,401,000 to an affiliated company, Alberta Power Limited.

13. Comparative figures

Certain of the 1979 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1980.

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Northwestern Utilities Limited as at December 31, 1980 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Chartered Accountants

Edmonton, Canada
January 30, 1981

TRANSFER AGENTS AND REGISTRARS

Montreal Trust Company

Edmonton, Alberta — Calgary, Alberta
Toronto, Ontario — Montreal, Quebec

Canada Permanent Trust Company

Edmonton, Alberta
Toronto, Ontario
Vancouver, British Columbia

AUDITORS

Peat, Marwick, Mitchell & Co.

2500 Alberta Telephone Tower
10020 - 100 Street
Edmonton, Alberta

ANNUAL MEETING

The annual meeting of shareholders will be held in
Edmonton, Alberta on April 14, 1981.

