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...Introducing

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Northern
Ontario
Natural Gas
Company
Limited.

TWIN CITY GAS COMPANY LIMITED



CANADIAN INDUSTRIAL GAS LIMITED



Abasand Oils Limited

L.C.
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THORNE.

Prairie Oil
Royalties
Company,
Ltd.

HEAD OFFICE 6007912 P.O.B.

GREATER WINNIPEG GAS COMPANY



TRANS - PRAIRIE PIPELINES, LTD.



Gaz Métropolitain. inc.

COLUMBIA NATURAL GAS LIMITED



Great Plains
Development Company
of Canada Ltd.

COLEMAN
COLLIERIES
LIMITED



NORTHERN AND CENTRAL GAS
CORPORATION LIMITED.

CANADIAN
INDUSTRIAL
GAS & OIL LTD.

75750 HEAD OFFICE

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1212 1010-1010 1010-1010

G.D. DOARK
VICE PRESIDENT IN CHARGE
NORCEN ENERGY RESOURCES LTD.

Norcen
Energy Resources Limited

Norcen Energy Resources Limited is a major, Canadian-owned energy resource company engaged in exploration, production and transmission of oil and gas in Canada, and in the search for hydrocarbons in other areas of the world.

In addition, through subsidiaries, *Norcen* operates gas distribution systems in five Canadian provinces as well as a coal mine in Alberta.

Within the contexts of overall national resources policy and social responsibilities, *Norcen's* basic objective is to serve the interests of its shareholders by providing security and enhancement of capital and a reasonable return on investment.

Norcen's management will pursue a policy of continuing development of existing oil, gas and coal reserves, of exploration for new energy resources and of fostering corporate growth through acquisitions and further diversification in energy-related fields.

In dealing with human issues, *Norcen* intends to follow a path of co-operation rather than confrontation and of initiative rather than reaction to social and ecological demands.

History

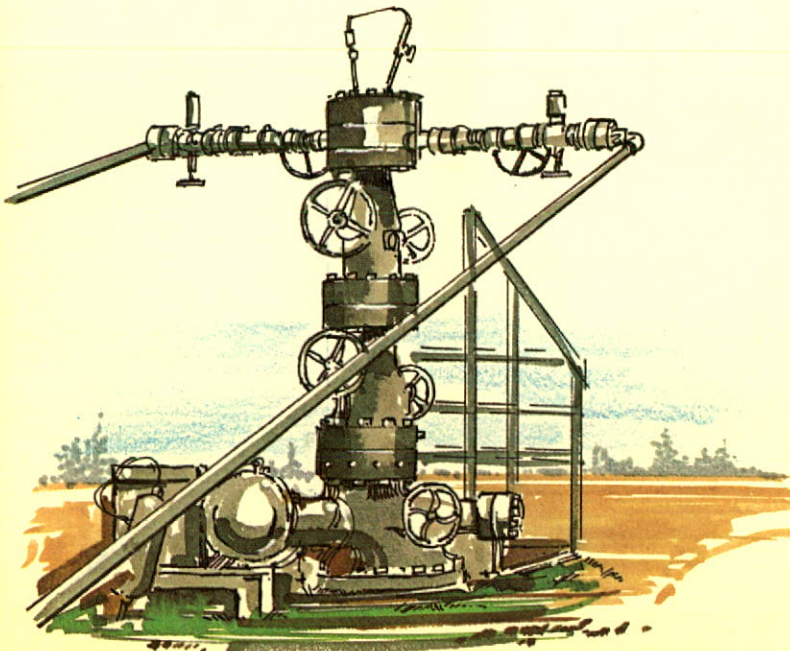
Norcen Energy Resources Limited resulted from the corporate reorganization of Northern and Central Gas Corporation Limited (N & C) and its 61% owned subsidiary Canadian Industrial Gas & Oil Limited (CIGOL).

N & C commenced business in 1954 as Northern Ontario Natural Gas Company Limited by constructing and operating natural gas distribution facilities in northern Ontario. Since that time the scope of its gas distribution operations has been greatly expanded, largely through the acquisition of companies engaged in similar businesses, including Twin City Gas Company Limited in 1956, Lakeland Natural Gas Limited and Greater Winnipeg Gas Company in 1965, and Gaz Métropolitain, inc. in 1967. Diversification of operations into oil and gas exploration and production was achieved in 1966 through a successful share exchange offer to the holders of CIGOL common shares. In 1971, further diversification into natural resource production was realized through the acquisition of Coleman Collieries Limited.

CIGOL resulted from the amalgamation in 1965 of six companies engaged in the exploration for, and production and transmission of, oil and natural gas. Its operations have been augmented considerably over the last ten years as a result of active exploration and development programs, as well as through the purchase of assets and equity securities of other com-

panies engaged in similar activities. In 1966, CIGOL acquired all the outstanding shares of Abasand Oils Limited, which owned a royalty interest in the Athabasca tar sands in Alberta. In the same year a controlling interest was obtained in Prairie Oil Royalties Company, Ltd. In 1969, CIGOL made a successful share exchange offer to the shareholders of Trans-Prairie Pipelines, Ltd., which owns and operates oil transmission pipelines and gas distribution facilities in western Canada. In 1975, CIGOL purchased all the outstanding shares of Great Plains Development Company of Canada, Ltd.

As a result of the recently completed reorganization, *Norcen* has emerged as a large independent natural resource company which, with its subsidiaries, embraces diversified operations in various phases of the energy industry.



Corporate Structure and Ownership

Norcen Energy Resources Limited

*oil and gas exploration
and production*

Great Plains Development Company
of Canada, Ltd. *oil and gas* (100%)

Prairie Oil Royalties Company, Ltd.
oil and gas (74%)

British Columbia Oil Lands Ltd.
oil and gas (35%)

Trans-Prairie Pipelines, Ltd.
oil transmission (99%)

Columbia Natural Gas Limited
gas utility (100%)

Beaver River Utilities Ltd.
gas utility (100%)

Cigas Products Ltd.
*liquefied petroleum
gas distribution* (100%)

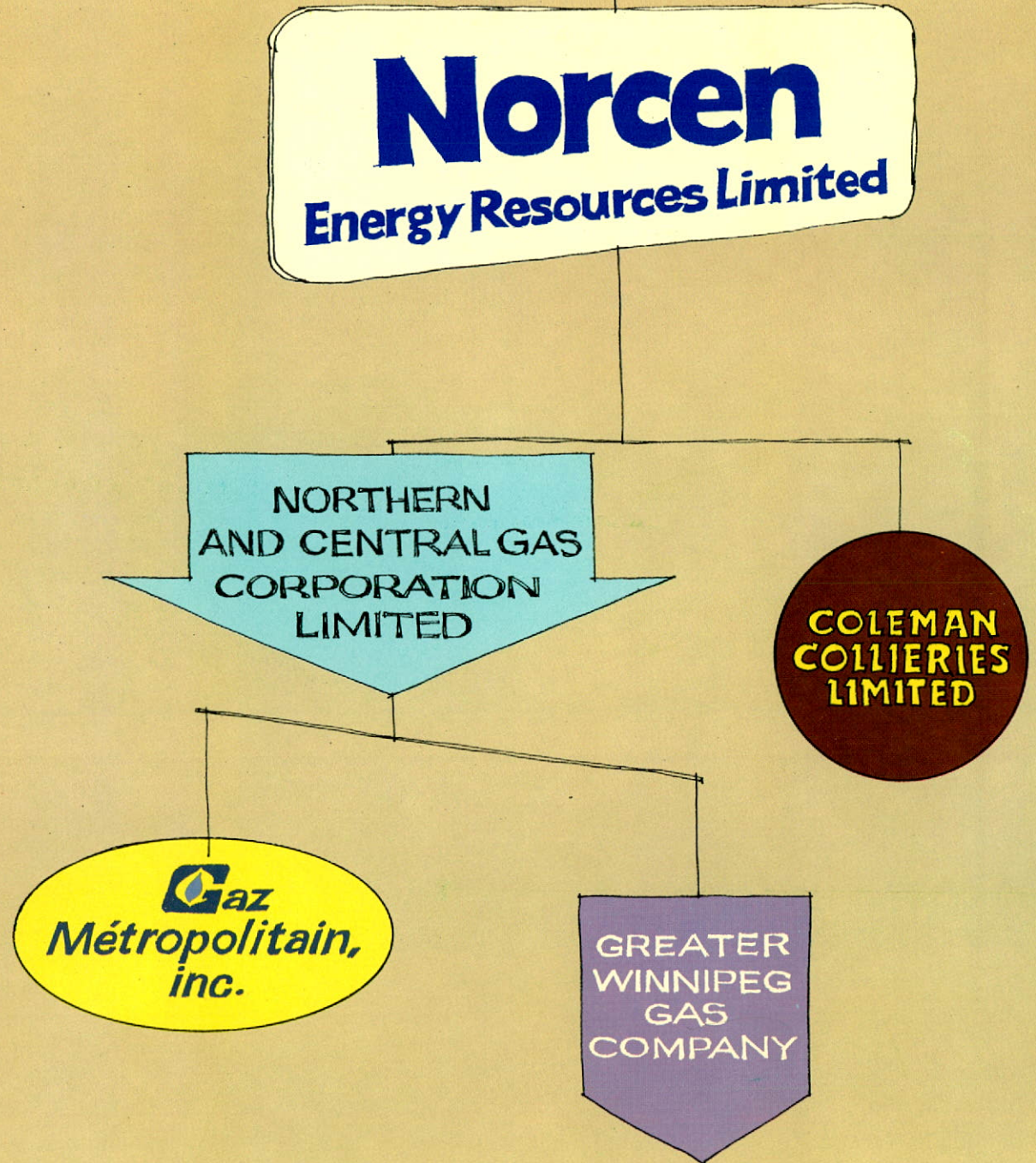
Western Propane Inc.
*liquefied petroleum
gas distribution* (100%)

Coleman Collieries Limited
coal mining (81%)

Northern and Central Gas
Corporation Limited *gas utility* (100%)

Gaz Métropolitain, inc. *gas utility* (82%)

Greater Winnipeg Gas Company
gas utility (99%)



Corporate reorganization

The formation of *Norcen Energy Resources* was a logical step in the corporate evolution of Northern and Central Gas Corporation (N & C), and Canadian Industrial Gas and Oil (CIGOL), which through acquisitions had grown into a large group of companies, all engaged in energy resource operations.

The rationale for this move was the advantage to be gained by organizing the corporate elements of N & C and CIGOL into a simple and coherent structure which would allow for more effective utilization of the resources of the group and the development of its inherent potential.

The reorganization was effected through a merger of N & C and CIGOL shareholder groups and an exchange of equity securities of both companies for those of *Norcen*. Under the terms of the reorganization, holders of equity securities of N & C exchanged their holdings for equivalent classes of *Norcen* equity securities on a one-for-one basis, and holders of common shares of CIGOL received common shares of *Norcen* on a seven-for-ten basis.

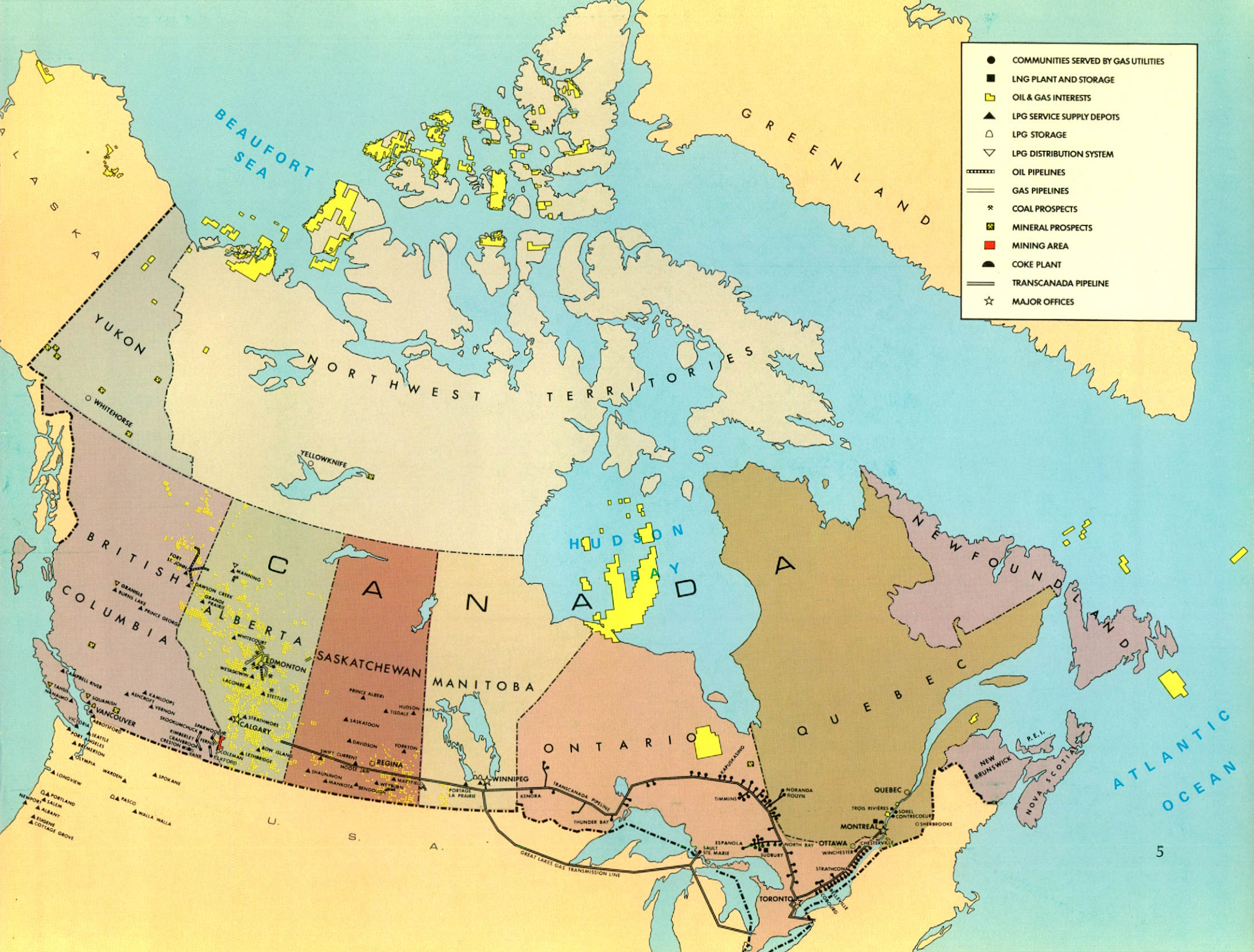
The outstanding non-voting and non-convertible first preference shares and all the issued debt instruments of N & C are not exchangeable into *Norcen* securities. CIGOL's long-term debt has been assumed by *Norcen*.

In its present form, *Norcen* is an operating oil and gas company which, through two subsidiaries, N & C and Coleman Collieries, is also engaged in gas distribution and coal mining respectively.

The reorganization of N & C and CIGOL has resulted in the emergence of *Norcen* as a large and diversified company. The new corporate structure greatly enhances the potential for growth in both assets and earnings.

Among the favourable factors which arise from the reorganization and are expected to contribute to *Norcen's* future development, are:

- The broad equity base of some 40,000 shareholders and an anticipated greater trading activity in shares of the company, which should facilitate future equity and debt financing;
 - the ability to marshal and manage cash flow in a flexible and more productive manner by directing it towards potential opportunities and profitable investments;
 - diversification should make *Norcen* less vulnerable to cyclical fluctuations which may, from time to time, affect any of the business activities in which the company is involved;
 - the combined human resources of N & C and CIGOL have provided *Norcen* with a professional executive team of exceptional depth of management ability and experience in the energy industry;
 - the segregation of non-utility operations will facilitate compliance by N & C with regulatory requirements.
- All classes of *Norcen's* shares are listed for trading on the Toronto and Montreal Stock Exchanges.



- COMMUNITIES SERVED BY GAS UTILITIES
- LNG PLANT AND STORAGE
- OIL & GAS INTERESTS
- ▲ LPG SERVICE SUPPLY DEPOTS
- △ LPG STORAGE
- ▽ LPG DISTRIBUTION SYSTEM
- OIL PIPELINES
- GAS PIPELINES
- * COAL PROSPECTS
- ▨ MINERAL PROSPECTS
- MINING AREA
- ◐ COKE PLANT
- TRANSCANADA PIPELINE
- ☆ MAJOR OFFICES

Natural Resources

Oil and Gas Production

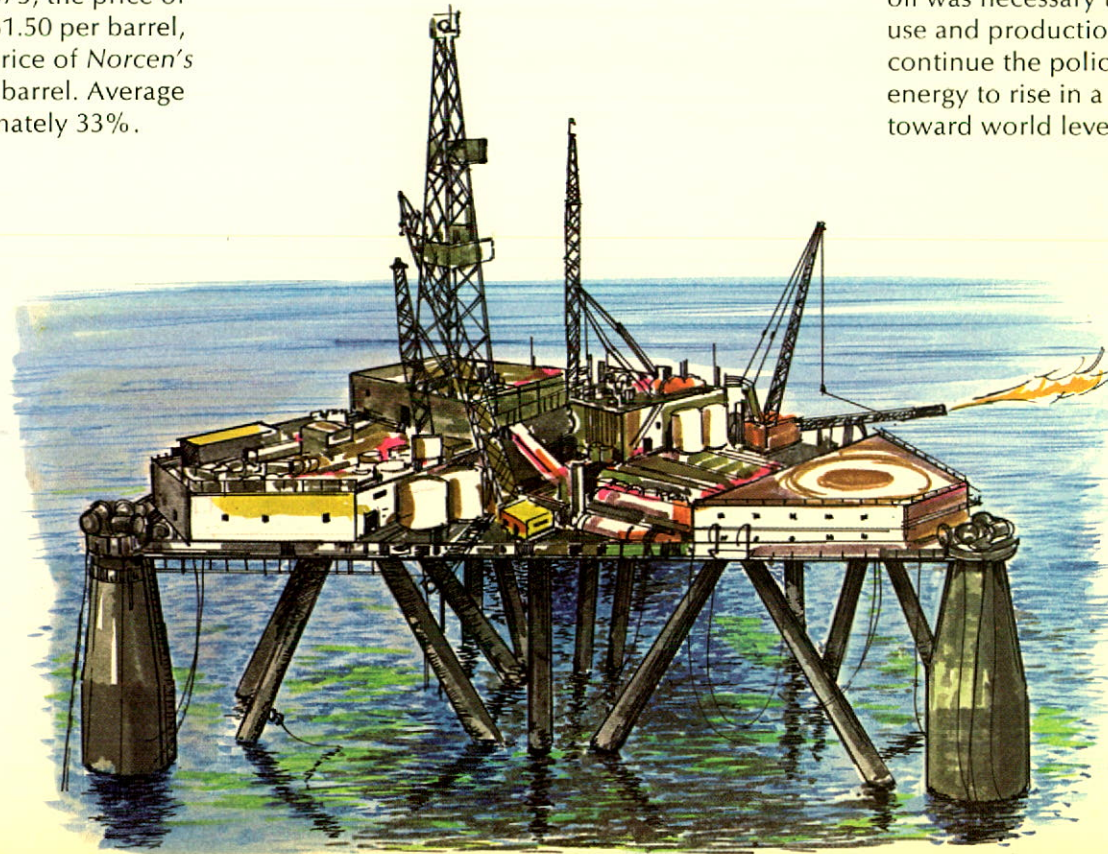
Norcen's current production of crude oil, synthetic crude, natural gas liquids and natural gas (converting natural gas on the basis of eight thousand cubic feet to one barrel) is equivalent to 48,000 barrels per day before deduction of royalties, placing the company among the major producers in Canada.

Daily production of crude oil, synthetic crude and natural gas liquids amounts to 25,000 barrels. Of this production, 88% is from Alberta, 8% from Saskatchewan and 4% from British Columbia. On July 1, 1975, the price of Canadian crude increased by \$1.50 per barrel, raising the weighted average price of Norcen's crude production to \$7.82 per barrel. Average royalty at this price is approximately 33%.

Natural gas production amounts to 185 million cubic feet per day. About 95% is produced in Alberta and 5% in British Columbia. More than 70% of Norcen's production is sold to companies exporting gas from Alberta. Except for the small amount of production sold in British Columbia the

remainder is sold to industrial customers in Alberta. As a result of a number of increases during 1975, the price paid to producers for gas exported from Alberta has increased from 60¢ per thousand cubic feet as of January 1, 1975 to approximately 95¢ per thousand cubic feet effective November 1, 1975. Average royalty rate at this price is approximately 35%.

In its recently announced anti-inflation program, the Government of Canada stated that the incentive of higher prices for gas and oil was necessary to promote more effective use and production of energy and that it would continue the policy of permitting the price of energy to rise in a series of orderly steps toward world levels.



Oil and Gas Reserves

At the beginning of 1975, *Norcen's* reserves of crude oil, synthetic crude and natural gas liquids, before deduction of royalties, were estimated at 140 million barrels. Natural gas reserves, before deducting royalties, were estimated at 1,234 billion cubic feet. These figures do not include substantial reserves of natural gas in the Arctic and North Sea, and heavy oil reserves in Alberta.

Oil and Gas Exploration

Canada

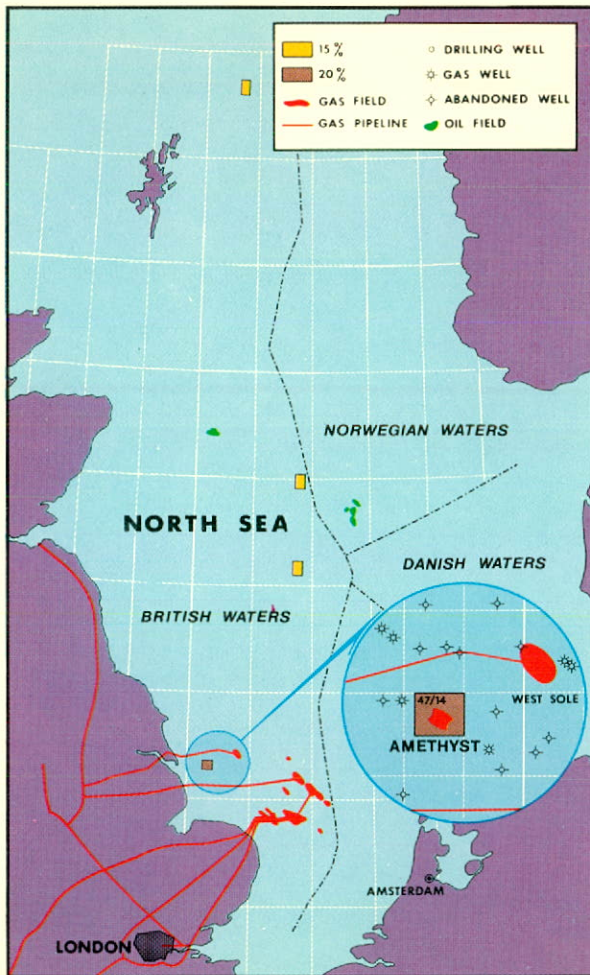
Norcen's oil and gas exploration is centred primarily in Canada where the company is the eighth largest holder of exploratory acreage. These land holdings are shown in the table on page 11. *Norcen* believes that exploration prospects continue to exist in western Canada for the discovery of reserves that will significantly contribute to the overall Canadian energy supply and to the growth of the company.

In the first nine months of 1975 *Norcen* participated in 41 exploratory wells in Alberta, of which 16 were discoveries for a success ratio of better than 1 in 3. Recent and past exploration has resulted in identifying approximately 20 areas where oil or gas has been discovered and where additional drilling and development are necessary to assess the full potential.

In the Arctic Islands, *Norcen* is the fifth largest holder of acreage with a total of 15,266,000 gross acres (8,586,000 net acres). *Norcen* has an interest in Drake Point on the Sabine Peninsula of Melville Island, the largest gas field in Canada, where proven reserves are estimated to be in excess of five trillion cubic feet, and in two other gas fields in the Arctic.

Further large structural anomalies have been identified on a number of *Norcen's* Arctic properties, one of which is expected to be drilled in the winter of 1975/76.

Norcen owns heavy oil sand leases in the Cold Lake, Peace River and Athabasca areas of Alberta. *Norcen* believes that the heavy oil sands have the potential of supplying a large portion of Canada's future energy requirements, and the company will participate in the development of technology to realize this potential. Start-up of an experimental pilot facility to produce heavy oil by steam injection in-situ recovery on a Cold Lake lease is anticipated in May 1976. Present plans contemplate the production of 2,000 barrels per day in 1979.

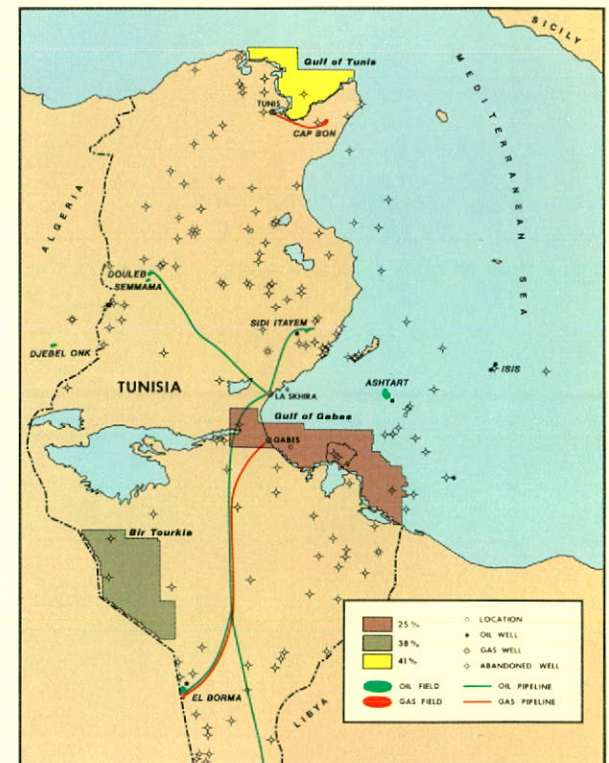


International

Several years ago, *Norcen* expanded its exploration activities into international areas. This expansion allowed diversification of exploration investment and provided exposure to prospects with the potential of yielding large reserves. *Norcen* now holds 13,530,000 gross exploratory acres (3,195,000 net acres) in seven countries.

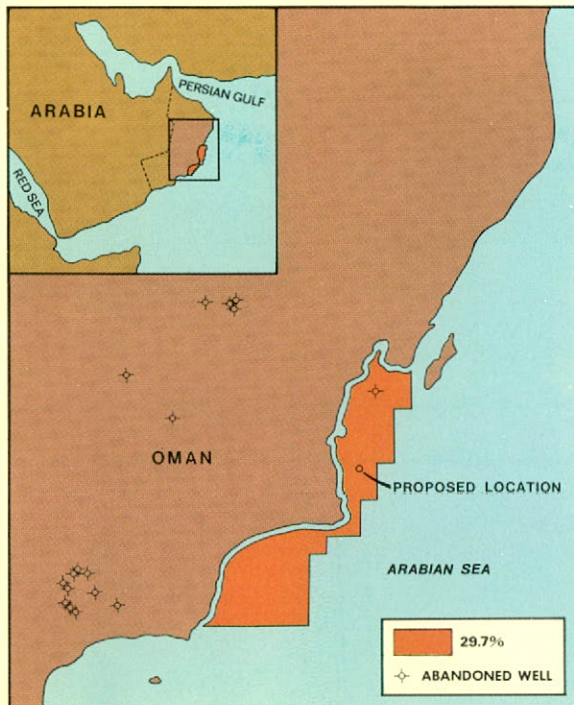
In the North Sea, *Norcen* holds varying interests in 260,000 acres, including a 20% interest in the Amethyst field on which three gas wells have been drilled. Ultimate reserves of this field could exceed 1 trillion cubic feet. Studies are being conducted to determine the economics of developing and connecting these reserves to market.

In Tunisia *Norcen* owns a 25% interest in a 1,700,000 acre block in the Gulf of Gabes on which a well is currently being drilled. *Norcen* also holds a 41% interest in 577,000 acres in the Gulf of Tunis where third parties have agreed to pay two-thirds of the cost of an evaluation well.



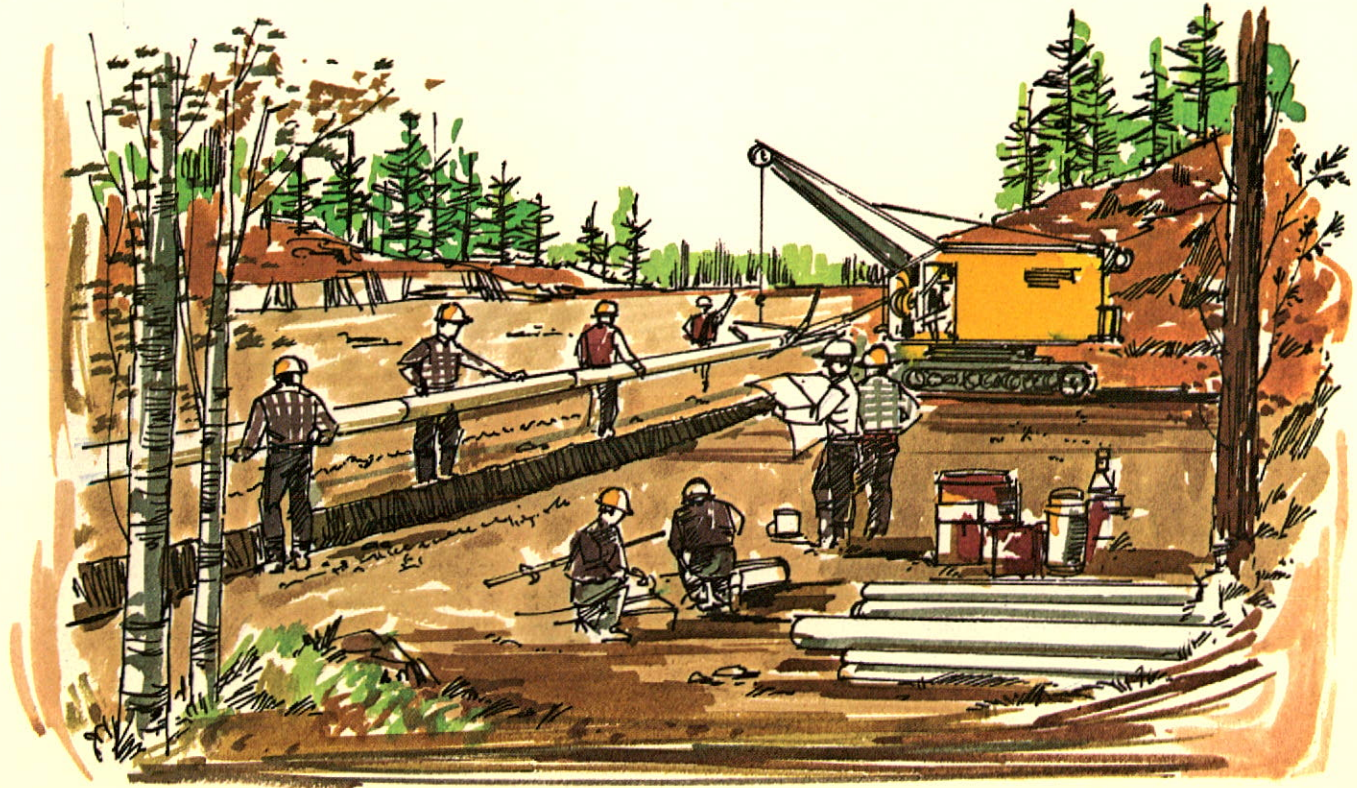
Oil and Gas Transmission and Distribution

In the Sultanate of Oman, *Norcen* has a 29.7% interest in 3.8 million acres. To date, one well drilled on this acreage encountered several hundred feet of oil bearing formation which was too impermeable to yield oil. At least two other prospects remain to be drilled.



Norcen owns and operates a natural gas gathering and transmission system in the Edmonton area of Alberta. This system gathers, processes, transmits and sells approximately 77 million cubic feet of gas per day to several industrial customers. About 41% of this gas is from wells in which *Norcen* owns interests.

Norcen gathers and transports 80,000 barrels per day of crude oil through its 700 miles of oil-gathering and transmission lines in the four western provinces of Canada. Proven and probable reserves connected to these pipelines total approximately 700 million barrels.



Liquefied Petroleum Gas Marketing

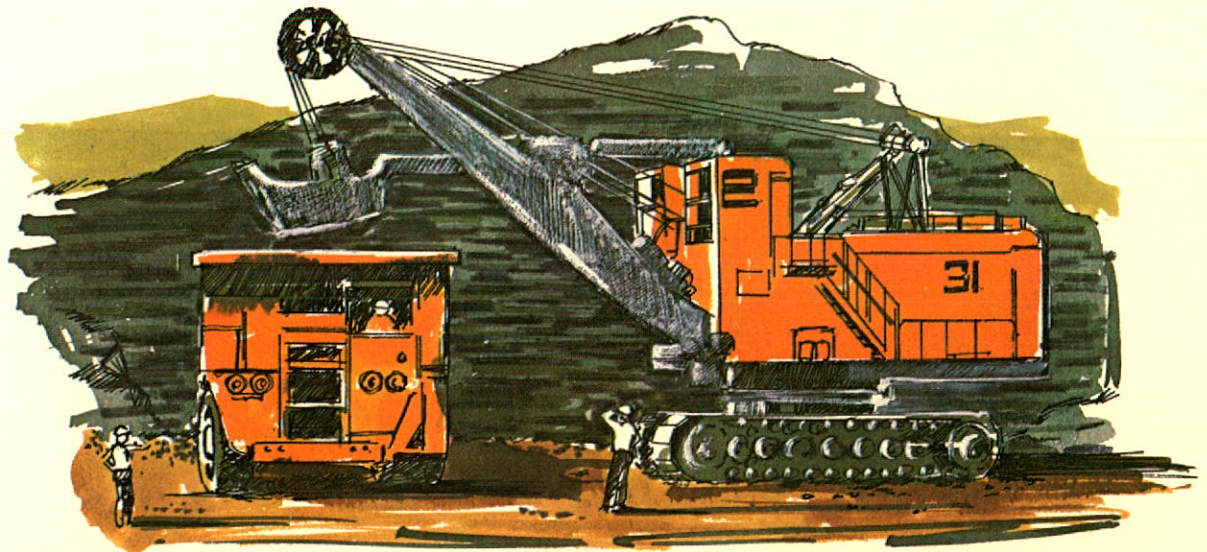
Cigas Products Ltd., *Norcen's* wholly-owned subsidiary, is the third largest liquefied petroleum gas distributor in Canada and, in 1975, is expected to sell in excess of 110 million gallons. Cigas markets LP gas (propane and butane) and related appliances and equipment in the four western provinces of Canada and in the states of Washington and Oregon. Propane and butane have a variety of uses due to their portability and desirable burning characteristics. Primary markets are those where natural gas is not available. LP gas is also used as a supplement for natural gas in peak shaving or industrial stand-by applications.

Coal

Norcen has substantial coal interests in western Canada. Its major holding is through an 81% ownership in Coleman Collieries Limited, an Alberta coal exploration and producing company with operations located in the Crowsnest Pass area of southern Alberta. Coleman holds Crown coal leases and freehold mineral leases totalling 45,509 acres, all within 35 miles of the town of Coleman. Annual production is approximately 800,000 clean

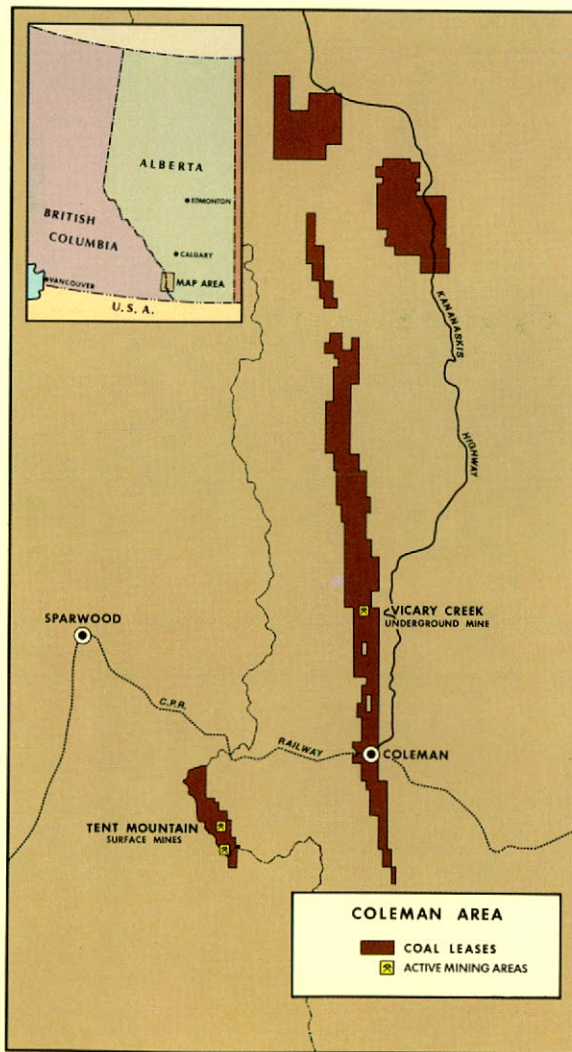
long tons of metallurgical coking coal from underground and strip mines. This production is sold under long term contracts to Japanese steel mills. Coleman presently receives \$50.33 per long ton and, after deducting rail and port charges, nets \$39.63 per long ton at the rail loading point.

Over the last two years, Coleman has carried out an extensive exploration and development program on Tent Mountain to determine the potential for increased production. A full feasibility study covering all aspects of this mining complex is expected by mid-1976.



Oil and gas land holdings

June 30, 1975



	Leases and Production Licences		Reservations, Permits and Concessions	
	Acres Gross	Acres Net	Acres Gross	Acres Net
Canada				
Alberta	4,430,000	1,761,000	720,000	482,000
British Columbia	487,000	121,000	621,000	250,000
Manitoba	77,000	23,000	—	—
Ontario	4,000	4,000	2,000	2,000
Saskatchewan	356,000	120,000	47,000	47,000
Canadian Frontier				
Arctic Islands	146,000	7,000	14,206,000	8,123,000
Beaufort Sea	—	—	914,000	456,000
Northwest Territories	50,000	12,000	508,000	186,000
Yukon	65,000	33,000	1,774,000	711,000
East Coast				
Labrador	—	—	1,031,000	773,000
Flemish Pass	—	—	1,029,000	1,029,000
Scotian Shelf	—	—	6,863,000	865,000
Foreign				
British Sector of North Sea	260,000	62,000	—	—
Tunisia	—	—	3,777,000	1,211,000
Oman	3,854,000	1,204,000	—	—
Kenya	—	—	5,120,000	512,000
United States	68,000	6,000	—	—
Other	—	—	451,000	200,000
TOTAL	<u>9,797,000</u>	<u>3,353,000</u>	<u>37,063,000</u>	<u>14,847,000</u>

Gas Distribution Operations

Organization

The companies forming part of the utility group are:

Province	Company
Ontario	Northern and Central Gas Corporation Limited
Quebec	Gaz Métropolitain, inc. Gaz du Québec, Inc.
Manitoba	Greater Winnipeg Gas Company
British Columbia	Columbia Natural Gas Limited
Alberta	Beaver River Utilities Limited

The population of the areas served is 4.5 million, approximately 20% of the population of Canada. The volume of natural gas sold in 1974 was 258 billion cubic feet or 20% of Canada's total consumption. The entire utility system comprises more than 5,720 miles of gas distribution mains, employs 2,100 people and ranks as one of Canada's largest distribution systems.

Ontario Operation

Served directly by N & C, this is the largest operation in the system in terms of size of area and volume of gas sold. Natural gas is distributed at numerous points along the transmission line of TransCanada PipeLines,

from Kenora near the Ontario/Manitoba border to Orillia, 75 miles north of Toronto, and throughout an area extending 200 miles east of Port Hope along the north shores of Lake Ontario and the St. Lawrence River.



Quebec Operation

N & C supplies gas to a number of large industrial companies engaged in the production and processing of such natural resources as pulp and paper and forest products, nickel, copper, iron, zinc, lead, silver and gold. Other industrial customers include steel, textile, chemical, cement and fertilizer companies.

Among the larger communities served by the Ontario operation are Kenora, Thunder Bay, Timmins, North Bay, Sudbury, Sault Ste. Marie, Rouyn, Noranda, Orillia, Belleville, Trenton and Cornwall. The population of these franchised areas totals approximately 770,000.

A distribution system comprising 2,220 miles of gas mains serves 98,000 customers who, in 1974, used 120 billion cubic feet of natural gas. The operation has a liquefied natural gas plant with storage capacity of six million gallons (600 million cubic feet).

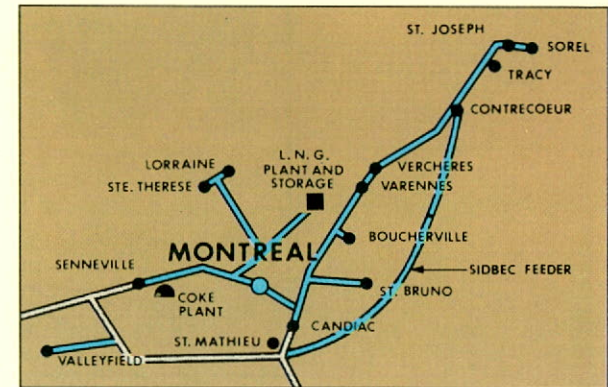
The Ontario market for gas will expand as resource industries move progressively toward production of more semi-finished and finished goods, in addition to raw materials.

Greater Montreal and the counties of Richelieu and Verchères on the south shore of the St. Lawrence River, an area with a total population of more than 3 million, are served by Gaz Métropolitain, inc. The city of Sherbrooke is served by Gaz du Québec's propane-air mix system, and some industrial customers in Trois Rivières are supplied with natural gas from shallow fields in the Point du Lac area.

With market penetration so far not exceeding 14% in the franchise area, there is an excellent growth potential for natural gas sales in the area served and also in the Province of Quebec. The rising price of fuel oil has, since mid-1973, given natural gas a competitive advantage which, if maintained, should enhance the prospects of continued expansion.

At present, the Quebec operation delivers more than 80 billion cubic feet of natural gas per year through 1,650 miles of distribution mains to 184,000 customers. The Montreal utility's liquefied natural gas plant has a storage capacity of 20 million gallons, the equivalent of 2 billion cubic feet.

In addition, the Quebec operation has a coal coking plant which sells 200,000 tons of foundry and blast furnace coke per year to a number of Canadian and U.S. industries.

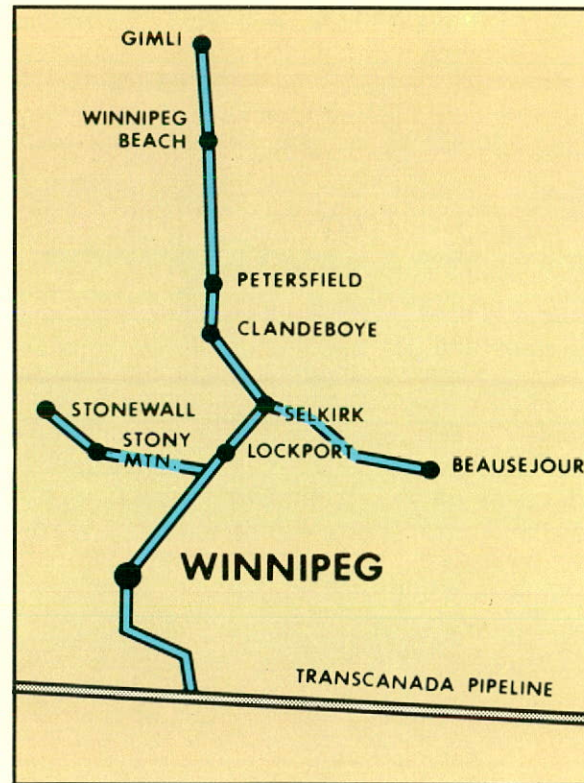


Manitoba Operation

Metropolitan Winnipeg, the commercial, transportation and distribution centre of the Canadian mid-west, and adjacent areas are served by Greater Winnipeg Gas Company. In 1974, through 1,520 miles of gas distribution mains, and using its propane storage, this utility delivered 51 billion cubic feet to its 128,000 customers in Winnipeg, Selkirk, Clandeboye, Gimli, Beausejour and a number of smaller communities.

The weather pattern in Manitoba creates a large demand for heating fuel, and Greater Winnipeg Gas has achieved a high saturation of the residential and commercial markets.

The present population in the area served is 620,000.



British Columbia Operation

Utilizing 310 miles of gas distribution mains, Columbia Natural Gas Limited serves residential communities and industries in the East Kootenay area of the province. The utility sells 7 billion cubic feet of natural gas per year to more than 8,000 residential, commercial and industrial customers in Cranbrook, Kimberley, Fernie, Creston, Sparwood, Elkford and Yahk.

Alberta Operation

Beaver River Utilities Limited delivers more than 300 million cubic feet of natural gas per year to the communities of Cold Lake, Grand Centre and Ardmore which are served by 20 miles of distribution mains.

Regulation

All the utilities are subject to regulation of their rates by the provincial regulatory boards under whose jurisdiction they fall. Proceedings for the setting of natural gas prices have been accelerated in the past two years, thus allowing distributors to pass on higher costs with the least possible delay.

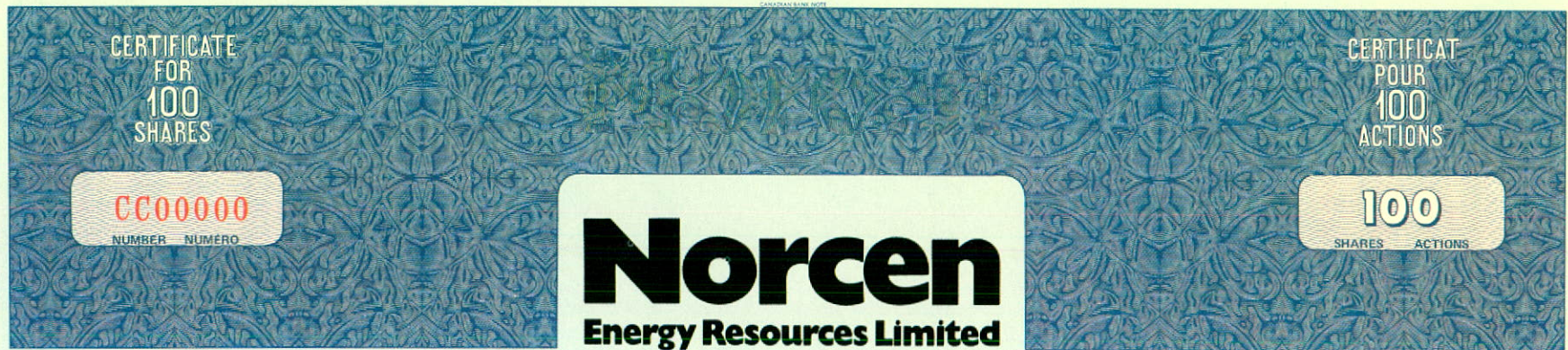
Natural Gas Supply

Most of the natural gas distributed by *Norcen's* utilities is purchased from Trans-Canada Pipe-Lines. Small quantities are obtained from other sources.

At present, about 830 million cubic feet of natural gas per day are under contract to *Norcen's* utilities. Based upon the findings of a recent study made by the National Energy Board, if excess Alberta deliverability is made available east of Alberta, it may be possible to maintain *Norcen's* present level of supply from the conventional producing areas until the early 1980's. By that time, it is expected natural gas from frontier areas will be available to Canada's domestic markets.

The gas distribution industry is looking to the federal and provincial governments for measures aimed at the creation of a fiscal climate conducive to the exploration for, and development of, new natural gas reserves.

Given the availability of additional supplies, *Norcen's* gas distribution utilities plan to expand their share of the Canadian energy market. Through increased utilization of storage facilities, above and below ground, and by greater use of liquefied natural gas to meet seasonal surges of demand, they will aim at attaining a higher than ever degree of efficiency in the marketing and distribution of available gas volumes.



Looking ahead

Norcen Energy Resources Limited is a Canadian corporation, more than 90% owned by Canadians. It is management's intention to maintain *Norcen's* character as a Canadian company.

Norcen's place in the economy is in the field of energy, and future growth of the company is planned through further expansion in energy-related areas of activity.

The company is engaged in exploration, production and transmission of oil and gas in Canada and in exploration for hydrocarbons in other parts of the world. In addition, *Norcen's* subsidiaries operate gas distribution systems in five Canadian provinces, market liquefied petroleum gas in Canada and northwestern U.S.A. and operate a coal mine in Alberta.

Sharing the view of the resource industry, *Norcen's* management believes that a clearly defined energy policy and equitable royalty and tax structures are indispensable conditions for the continued development of this country's mineral and hydrocarbon resources. Given a reasonable fiscal climate, *Norcen* intends to pursue and intensify its search for new oil and gas reserves.

Norcen's present land holdings provide the potential for further successful exploration, but a continuing program of new acreage acquisitions is essential to maintain *Norcen's* momentum of growth.

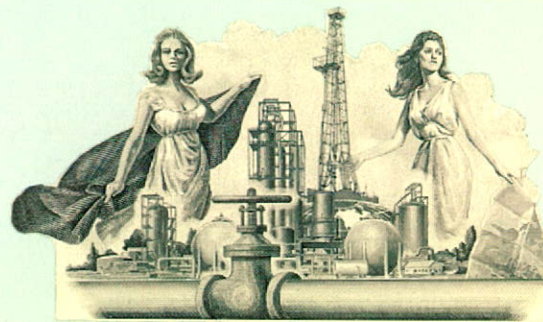
There is scope for significant expansion of *Norcen's* gas distribution operations particularly in Montreal. The extent and timing of such expansion depends on the availability of additional volumes of gas at prices competitive with those of alternative sources of energy.

Higher world prices for coking coal are contributing to the current profitability of *Norcen's* coal mining operations. Increased production and further exploration and development work are envisaged to take advantage of present and future markets for coking and thermal coal.

In addition to promoting growth from within its own resources, *Norcen* aims at planned long-term expansion in energy-related fields, through acquisition of assets and equities as well as through active participation in exploration and development projects at home and abroad.

To best serve the interests of its shareholders, *Norcen* intends to marshal its financial resources in a manner which will assure security and growth of capital as well as a reasonable return on investment.

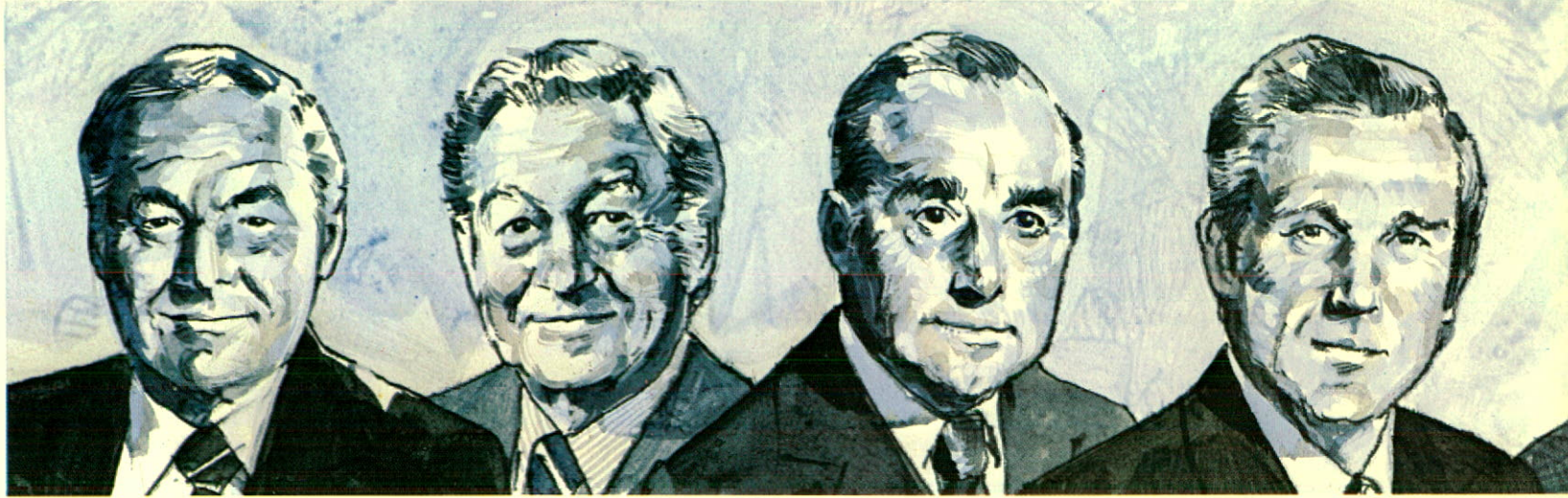
As a Canadian corporation *Norcen* is aware of its obligations to Canadian society. To be able to meet these obligations, *Norcen* will keep attuned to social change and its demands.



Directors

Battle, Edward G.	Toronto, Ontario	Clark, C. Spencer	Seattle, Washington	Richards, Linden J.	Calgary, Alberta
President, Norcen Energy Resources Limited.		Vice-Chairman, Norcen Energy Resources Limited.		Oil and Gas Consultant and Chairman, Quintana Exploration Co.	
Bovey, Edmund C.	Toronto, Ontario	Courtois, E. Jacques, Q.C.	Montreal, Quebec	Romaine, Henry S.	New York, N.Y.
Chairman, Norcen Energy Resources Limited.		Partner with Laing, Weldon, Courtois, Clarkson, Parsons & Tetrault.		Senior Vice-President, Mutual Life Insurance Company of New York.	
		Crookston, J. Ian	Toronto, Ontario	Turner, William I. M., Jr.	Montreal, Quebec
		Chairman, Nesbitt Thomson and Company Limited.		President and Chief Executive Officer, Consolidated-Bathurst Limited.	
		Després, Robert	Quebec City, Quebec	Twaits, William O.	Toronto, Ontario
		President, University of Quebec.		President, Sarcalto Limited.	
		Galvin, Edward.A.	Calgary, Alberta	Zimmerman, Adam H.	Toronto, Ontario
		Vice-Chairman, Norcen Energy Resources Limited.		Director and Executive Vice-President, Noranda Mines Limited.	
		Huycke, Frederick A. M., Q.C.	Toronto, Ontario		
		Partner with Osler, Hoskin & Harcourt.			
		Lavoie, Raymond	Montreal, Quebec		
		Director, Vice-Chairman, President and Chief Executive Officer, Credit Foncier Franco-Canadien.			
		Leach, A. Searle	Winnipeg, Manitoba		
		Chairman, Federal Industries Ltd.			
		Love, Richey B., Q.C.	Calgary, Alberta		
		Partner with Macleod Dixon.			
		Noyes, Blancke	New York, N.Y.		
		Director and Senior Vice-President, Hornblower and Weeks-Hemphill, Noyes, Inc.			

Officers

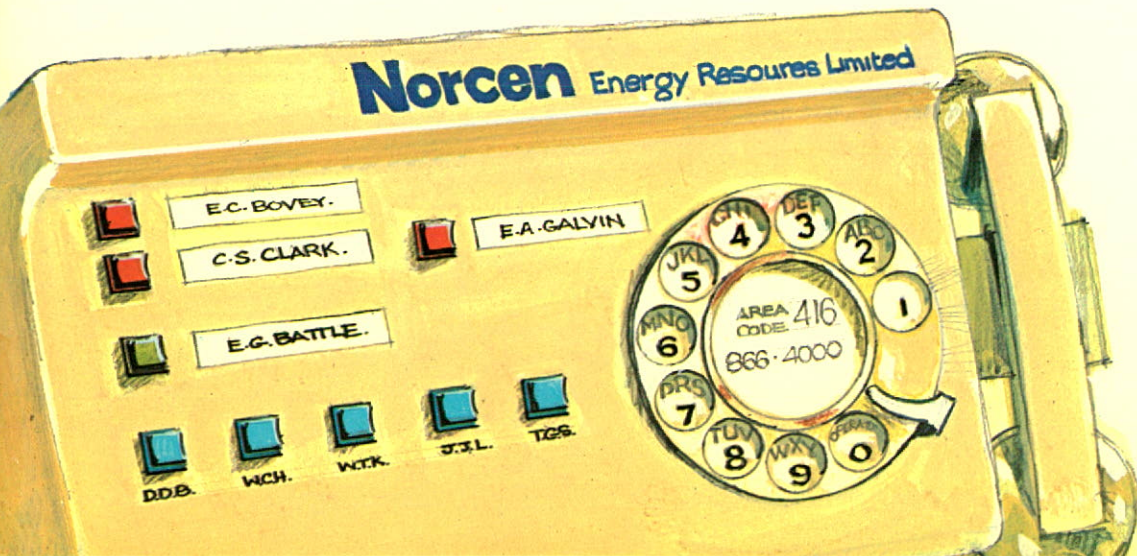


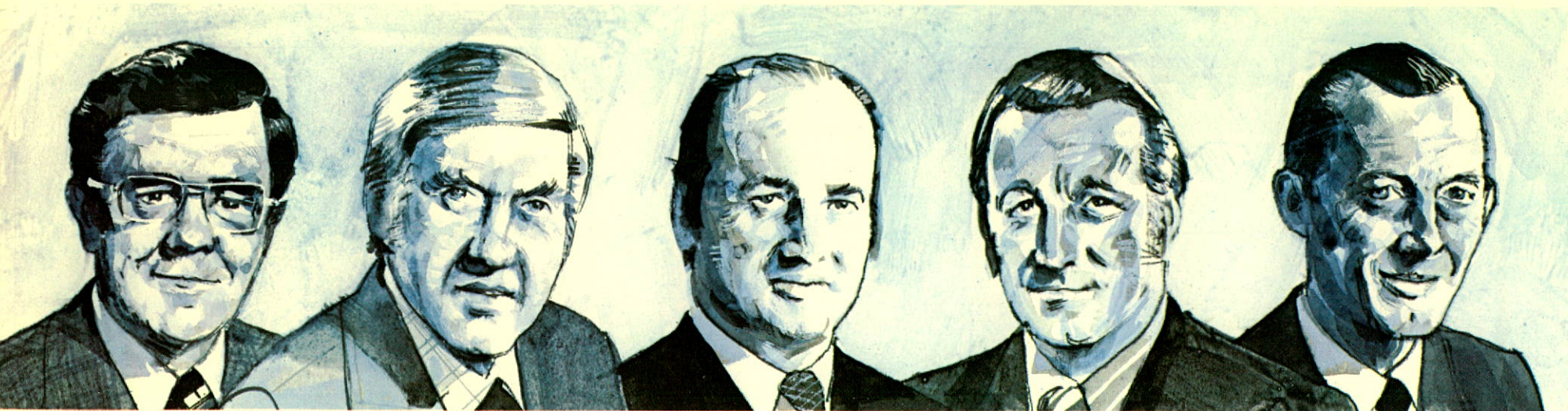
Edmund C. Bovey
Chairman of the Board
 Born: Calgary, Alberta, 1916. Canadian citizen. University School and Victoria College, Victoria, B.C. Joined Northern and Central Gas Corporation Limited in 1958, became President in 1965, Chairman and Chief Executive Officer in 1974. Chairman of the Executive Committee of Canadian Industrial Gas & Oil Ltd. from 1966.

C. Spencer Clark
Vice-Chairman of the Board
 Born: Seattle, Washington, 1912. U.S. citizen. B.Sc. (Eng.), University of Washington. M.B.A. (cum laude), Harvard Graduate School of Business. Ph.D., University of Washington. A founder of Northern and Central Gas Corporation Limited in 1954, Executive Vice-President 1955, Chairman 1965 and Vice-Chairman from 1974.

Edward A. Galvin
Vice-Chairman of the Board
 Born: Richmond, California, 1913. Canadian citizen. B.Sc., Petroleum Engineering, University of Southern California. President, Canadian Industrial Gas & Oil Ltd. from 1965, Chairman 1973, Chairman and President from 1974. Chairman of the Executive Committee of Northern and Central Gas Corporation Limited from 1974.

Edward G. Battle
President
 Born: Mont Belvieu, Texas, 1931. Canadian citizen. B.Sc., Petroleum and Geological Engineering, Texas A & M University. Vice-President, Production, Canadian Industrial Gas & Oil Ltd. 1965. Executive Vice-President 1966, and President 1973. President and Chief Operating Officer Northern and Central Gas Corporation Limited from 1974.





Donald D. Barkwell
*Vice-President,
Natural Resources*

Born: Eston, Saskatchewan, 1930. Canadian citizen. B.Sc. (Mech. Eng.), University of Saskatchewan. Since 1965 has held various senior appointments with Canadian Industrial Gas & Oil Ltd., became Executive Vice-President in 1974.

William C. Hennenfent
Vice-President, Planning

Born: Moose Jaw, Saskatchewan, 1929. Canadian citizen. B.Sc. (Mech. Eng.) University of Saskatchewan. Evaluation Engineer, Canadian Industrial Gas & Oil Ltd. 1966, Vice-President, Corporate Planning, 1974. Joined Northern and Central Gas Corporation Limited as Vice-President, Planning, in 1975.

William T. Kilbourne
*Vice-President, Legal,
and Secretary*

Born: Washington, D.C., 1934. U.S. citizen. B.A. Economics, Yale University, LL.B., University of Michigan Law School. Counsel for The Superior Oil Company 1963. Vice-President, Corporate Affairs, McIntyre Porcupine Mines Limited 1968. Vice-President, Legal, and Secretary of Northern and Central Gas Corporation Limited from 1972.

Jean-J. Leroux
Vice-President, Utilities

Born: Lachine, Quebec, 1923. Canadian citizen. B. Applied Sc., Mechanical Engineering, Polytechnic School, Montreal University. Chief Engineer, Gaz Métropolitain, inc. 1957, Executive Vice-President 1966. Joined Northern and Central Gas Corporation Limited in 1967 as Executive Vice-President, Ontario, Executive Vice-President, Operations 1972, and President in 1975.

Timothy G. Sheeres
Vice-President, Finance

Born: Kent, England, 1928. Canadian citizen. Member of Canadian, Alberta, and Ontario Institutes of Chartered Accountants. Treasurer, Canadian Industrial Gas & Oil Ltd. 1965. Since 1967 has held senior financial positions with Northern and Central Gas Corporation Limited, became Executive Vice-President, Finance and Corporate Affairs in 1972.

Financial Statements

Consolidated Statement of Income

(Thousands of Dollars)

(Unaudited)

Basis of accounting for reorganization

In accordance with generally accepted Canadian accounting principles the reorganization has been treated as if it were a "pooling of interests". Consequently, these financial statements are presented on a pro forma basis as though the reorganization had taken place at the beginning of the respective periods.

Fiscal year end

Norcen has adopted December 31 as its fiscal year end.

Due to the seasonal nature of certain operations within the group, results for only nine months of a fiscal year may be subject to misinterpretation; accordingly the financial statements are presented both for the elapsed portion of the fiscal year and on a 12 months-ended basis.

Revenues

Sales and other revenues

Cost and expenses

Gas purchases

Production, operations and maintenance

Depreciation and depletion

Interest

Income taxes—current

—deferred

Income before minority interests

Minority interests in subsidiaries

Income before extraordinary items

Extraordinary items:

Reduction in a subsidiary's income taxes resulting from application of prior years' tax losses, after minority interests

Write down of investment (net of deferred income taxes)

Consolidated net income

Dividends on preference shares

Net income applicable to common shares

Average common shares outstanding (thousands)

Earnings per share

Before extraordinary items

Including extraordinary items

Fully diluted earnings per share

Before extraordinary items

Including extraordinary items

9 Months ended September 30					12 Months ended September 30				
1975				1974	1975				1974
Oil and Gas	Coal	Utilities	Total	Total	Oil and Gas	Coal	Utilities	Total	Total
<u>\$89,556</u>	<u>\$26,712</u>	<u>\$214,999</u>	<u>\$331,267</u>	<u>\$239,014</u>	<u>\$113,194</u>	<u>\$33,112</u>	<u>\$289,986</u>	<u>\$436,292</u>	<u>\$318,689</u>
21,237	—	135,584	156,821	105,438	29,860	—	179,605	209,465	142,344
19,222	20,302	43,930	83,454	59,498	23,910	24,963	60,023	108,896	79,235
13,370	2,338	9,514	25,222	18,838	15,898	3,472	12,725	32,095	24,588
8,214	1,370	19,392	28,976	21,583	9,528	1,771	25,319	36,618	28,287
9,773	—	997	10,770	1,559	12,556	—	1,041	13,597	1,564
2,529	1,117	—	3,646	8,410	3,694	1,011	81	4,786	10,155
<u>74,345</u>	<u>25,127</u>	<u>209,417</u>	<u>308,889</u>	<u>215,326</u>	<u>95,446</u>	<u>31,217</u>	<u>278,794</u>	<u>405,457</u>	<u>286,173</u>
15,211	1,585	5,582	22,378	23,688	17,748	1,895	11,192	30,835	32,516
111	302	1,299	1,712	2,528	155	358	2,200	2,713	3,510
<u>15,100</u>	<u>1,283</u>	<u>4,283</u>	<u>20,666</u>	<u>21,160</u>	<u>17,593</u>	<u>1,537</u>	<u>8,992</u>	<u>28,122</u>	<u>29,006</u>
	622		622	1,138		535		535	1,138
<u>(6,667)</u>			<u>(6,667)</u>	<u>(2,334)</u>	<u>(6,667)</u>			<u>(6,667)</u>	<u>(2,334)</u>
8,433	1,905	4,283	14,621	19,964	10,926	2,072	8,992	21,990	27,810
—	—	3,086	3,086	3,125	—	—	4,120	4,120	4,169
<u>\$ 8,433</u>	<u>\$ 1,905</u>	<u>\$ 1,197</u>	<u>\$ 11,535</u>	<u>\$ 16,839</u>	<u>\$ 10,926</u>	<u>\$ 2,072</u>	<u>\$ 4,872</u>	<u>\$ 17,870</u>	<u>\$ 23,641</u>
			19,407	19,391				19,399	19,390
			\$0.91	\$0.93				\$1.24	\$1.28
			\$0.59	\$0.87				\$0.92	\$1.22
			\$0.85	\$0.88				\$1.16	\$1.20
			\$0.59	\$0.83				\$0.91	\$1.15

Consolidated Statement of Financial Position

(Thousands of Dollars)

(Unaudited)

	September 30 1975	December 31 1974
Assets employed		
Working capital	\$ 12,682	\$ 8,054
Investments , at cost less amounts written off	21,953	32,398
Properties, plant and equipment , less accumulated depreciation and depletion		
Natural resources—oil and gas	245,813	135,952
— coal	37,067	39,057
Gas utilities	<u>411,017</u>	<u>402,566</u>
	693,897	577,575
Deferred charges , at amortized cost	17,468	16,057
Intangible assets arising from acquisitions of gas utilities , at amortized cost	<u>35,820</u>	<u>35,820</u>
Total assets employed	<u>\$781,820</u>	<u>\$669,904</u>

	September 30 1975	December 31 1974
Sources of capital		
Commercial paper and bankers' acceptances	\$ 83,000	\$ 25,339
Bank loans	87,035	45,527
Long-term debt (other than bank loans and excluding current maturities)	<u>317,480</u>	<u>307,021</u>
Total debt	487,515	377,887
Minority interest in subsidiaries	34,867	34,782
Deferred income taxes	42,271	42,462
Shareholders' equity		
Capital stock		
Authorized		
1,300,000 First preference shares \$25 each par value, issuable in series		
4,000,000 Junior preference shares \$25 each par value, issuable in series		
50,000,000 Common shares without par value		
Issued		
First preference shares		
4,618 \$1.06 cumulative, series A	115	180
1,230,457 \$1.50 cumulative convertible, series B	30,761	31,128
Junior preference shares		
1,500,000 \$1.50 cumulative convertible, first series	37,500	37,500
19,401,650 Common shares	90,616	90,502
Retained earnings	<u>58,175</u>	<u>55,463</u>
Total shareholders' equity	<u>217,167</u>	<u>214,773</u>
Total capital employed	<u>\$781,820</u>	<u>\$669,904</u>

Executive Office

4600 Toronto-Dominion Centre
Toronto, Ontario M5K 1E5

Registered Office

Norcen Tower
715-5th Avenue S.W.
Calgary, Alberta T2P 2X7

London Office

1st Floor, Wellington House
6/9 Upper St. Martin's Lane
London, England WC2H9DL

Northern and Central Gas Corporation Limited

245 Yorkland Boulevard
Willowdale, Ontario M2J 1R1

Gaz Métropolitain, inc.

1155 Dorchester Boulevard
Montreal, Quebec H3B 3S5

Greater Winnipeg Gas Company

265 Notre Dame Avenue
Winnipeg, Manitoba R3B 1N9

Cigas Products Ltd.

Norcen Tower
715-5th Avenue S.W.
Calgary, Alberta T2P 2X8

**Great Plains Development Company of
Canada, Ltd.**

**Prairie Oil Royalties Company, Ltd.
Trans-Prairie Pipelines, Ltd.**

Norcen Tower
715-5th Avenue S.W.
Calgary, Alberta T2P 2X7

Coleman Collieries Limited

Coleman, Alberta T0K 0M0

Listings

Common Shares, First Preference Shares and
Junior Preference Shares
Toronto and Montreal Stock Exchanges

Transfer Agents and Registrars

Common Shares, First Preference Shares and
Junior Preference Shares
National Trust Company, Limited
Calgary, Toronto, Montreal, Winnipeg and
Vancouver
and (as agent for National Trust)
Canada Permanent Trust Company, Regina
Common Shares
Morgan Guaranty Trust Company of New York,
New York.

Auditors

Thorne Riddell & Co., Chartered Accountants

This brochure is issued to shareholders and other interested parties for information purposes only, and is not to be construed as an offering of securities for sale.

Norcen
Energy Resources Limited

November 1975