



**PROVINCIAL
ANNIVERSARIES**



Alberta



Saskatchewan


Ocelot Industries Ltd.

1980 Annual Report

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OF MANAGEMENT


JUL 14 1981

MCILL UNIVERSITY



Colonel Sam Steele came west with the first N.W.M.P. force to secure the border and police the new lands west of Winnipeg. He saw it all; eliminating the whiskey traders, calming of the Indians (including Sitting Bull), policing the railway during construction and was Police Commissioner of the Yukon during the Klondike Gold Rush. He later commanded the Lord Strathcona Horse, a cavalry unit composed partly of western cowboys, in the Boer War in South Africa.

Portrait by Calgary artist, Betty Macdonald









PROVINCIAL ANNIVERSARIES



Alberta



Saskatchewan

In commemoration of Alberta and Saskatchewan becoming Provinces of the Dominion of Canada in 1905, this Annual Report features paintings and photos of the land and the people. The spirit of the pioneers Steele and Livingstone, whose portraits appear here, is alive and fervent in the generations who have followed.

Since the commencement of operations in 1971, Ocelot Industries Ltd. has grown to be a major producer of natural gas and a substantial supplier of services and materials to the oil and gas industry in both western Canada and the United States.



Financial and Operating Summary

FINANCIAL In thousands
except per share amounts

	1980	1979	1978
REVENUE			
a) Oil and Gas Sales	\$ 52,650	\$ 37,992	\$30,456
b) Petroleum Industry Services and Supplies	181,666	98,502	40,426
	<u>\$234,316</u>	<u>\$136,494</u>	<u>\$70,882</u>
CASH FLOW FROM OPERATIONS	\$ 53,841	\$ 36,441	\$26,429
Per Share	\$ 4.10	\$ 2.68	\$ 1.93
NET EARNINGS	\$ 25,366	\$ 17,005	\$14,232
Per Share	\$ 1.93	\$ 1.25	\$ 1.04
CAPITAL EXPENDITURES			
a) Development, Plant and Equipment	\$ 63,209	\$ 37,667	\$23,507
b) Exploration and Land	46,683	30,886	15,005
c) Corporate Acquisitions	-	8,793	16,305
	<u>\$109,892</u>	<u>\$ 77,346</u>	<u>\$54,817</u>
CROWN ROYALTIES & MINERAL TAXES .	\$ 9,411	\$ 7,581	\$ 5,551
LONG-TERM DEBT	\$169,419	\$137,376	\$64,321
OPERATING			
NATURAL GAS PRODUCTION			
Millions of cubic feet	34,847	31,840	28,430
Millions of cubic feet per day	95	87	78
OIL AND CONDENSATE PRODUCTION			
Barrels	300,876	202,500	174,485
Barrels per day	824	555	478
PRODUCTIVE WELLS OWNED			
Gross	2,330	1,783	1,390
Net	1,599	1,252	975
PETROLEUM & NATURAL GAS RIGHTS (000 acres)			
Gross	3,684	2,836	2,424
Net	1,562	1,422	1,242
NUMBER OF DRILLING AND SERVICE RIGS	51	32	30
NUMBER OF EMPLOYEES	1,250	766	594

NOTE: All measurement units stated above and throughout this report are given in traditional units. Please see page 35 for the applicable metric conversion factors.

To The Shareholders

It is gratifying to again report a year of substantial growth which is evidenced by record financial results. Net earnings were \$25 million, a gain of 49% from \$17 million in 1979 and on a per share basis amounted to \$1.93 for 1980 compared to \$1.25 in 1979. Funds generated from operations totalled \$54 million, or \$4.10 per share, an increase of 48% over \$36 million or \$2.68 per share, for the previous year.

During the year, Ocelot participated in 390 wells (238 net) which resulted in 207 net gas wells, 8 net oil wells and 23 net abandonments. The reduction in wells drilled this year reflects the uncertainties in the natural gas market which have resulted from the indecisions of various levels of government. Ocelot therefore has reduced its efforts in the search for natural gas in Canada and has placed increased emphasis on Canadian oil exploration. This has resulted in increased cash expenditures for land in areas of high oil potential and we expect to continue this emphasis in the foreseeable future. In addition, Ocelot has opened an exploration office in Denver, Colorado to manage the Company's greatly expanded United States operations. The Company expects to participate in 60 wells in Louisiana, Montana, Oklahoma and North Dakota this year.

The methanol plant proposed for the west coast has reached the final design stage, but the price to be paid for the natural gas feedstock is still under negotiation with the British Columbia government and Ocelot's final "go-ahead" decision has yet to be made. Management feels strongly that a plant of this type is urgently needed in this area of western Canada as it would make an important contribution towards attaining total energy self-sufficiency. An immediate energy use for methanol is as an extender for motor gasoline and diesel fuel.

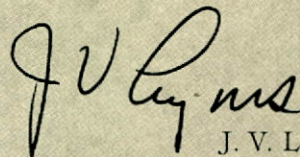
Highlighting the Company's overseas activities was the discovery of wet gas in the United Republic of Cameroon in west Africa. A 900 foot pay section was encountered at a depth of 3,900 feet at an off-shore location in approximately 50 feet of water. Studies have now commenced to investigate the feasibility of marketing these hydrocarbons. Ocelot is also actively exploring in Australia and off the coast of Belize in Central America.

The Company has budgeted a total of \$100 million for capital expenditures in the coming year and oil and gas exploration and development accounts for 84% of this total. This budget will be funded from cash flow and from our existing line of bank credit. Your Company's continued growth is made possible by excellent employee teams that we have developed in our offices, in the field, in our plants, and on the drilling and servicing rigs.

The outlook for the Company is very promising in view of the following corporate strengths:

- a strong and increasing cash flow position
- good land holdings strategically located along high quality producing trends
- a balanced program of excellent short term and long term projects
- a proven technical and administrative staff in all departments.

On Behalf of the Board of Directors



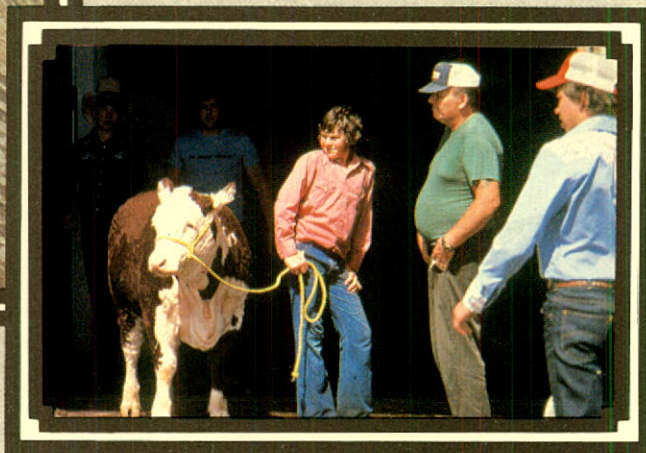
J. V. Lyons
President

Calgary, Alberta
June 16, 1980

Production and Reserves



Combine harvesters in a grain field
- Bill Simpkins



County Fair - Bill Simpkins

During the 1980 fiscal year, Ocelot continued to make substantial investments in oil and gas activities, primarily in Alberta and British Columbia. These investments exceeded those made in the previous year by 39%. Production from new projects combined with rising oil and gas prices resulted in revenue and operating earnings increases of 39% and 38% respectively, over those for last year.

The Company follows a policy of operating in several geographic areas so as to diversify its geological, economic and political risks.

Drilling

Ocelot's drilling activity continued at a high level. The Company participated in drilling 390 wells (238 net) of which 285 were operated by Ocelot. Infill drilling in the southeast Alberta shallow gas area accounted for 247 of these wells with the remaining 143 wells located mainly in north central Alberta, northeast British Columbia and the United States. The results of this program were 207 net gas wells, 8 net oil wells and 23 net abandonments.

Plant Construction

A new 24 million cubic feet per day compressor station was completed at a cost of \$2.7 million in the Brooks-Medicine Hat area. Two-thirds of the capacity is required to meet the increased gas contract rates, and one-third is used as standby capacity to help eliminate losses due to normal compressor downtime at our other seven compressor stations delivering gas in the area. Most of these stations are now interconnected, so downtime due to compressor problems has been virtually eliminated.

Construction has commenced on an \$11 million central gas processing plant in the Peco area. This facility will replace three smaller, Ocelot-operated plants and one plant operated by another company. The new plant is scheduled for completion in October, 1980, and is designed to provide greater operating flexibility and efficiency, recovering an additional 150 net barrels per day of natural gas liquids.



Private Enterprise – Bill Simpkins

Gas & Liquid Production

Natural gas production averaged 95.5 million cubic feet per day, 9.5% higher than last year. This growth, in spite of industry-wide cutbacks due to the Alberta gas surplus, resulted mainly from increased gas contracts in the Brooks-Medicine Hat area. The 15% increase in gas production predicted a year ago was not attained because additional pipeline facilities, owned and constructed by others, were completed three months later than projected. Minor production increases resulted from new gas sales at Hotchkiss, Keg River, Peco and Bullmoose.

Crude oil and natural gas liquids production increased by 48% to 824 barrels per day. New wells at Grand Forks, Alderson, Princess and Peco accounted for this increase.

We expect gas production will increase by 10% during the current year because of increased shallow gas contracts. Increases in crude oil and natural gas liquids production will accrue from new well completions and increased liquids recovery at our new Peco area gas plant.

The industry's annual gas production has increased only minimally over the past few years. Ocelot, however, has been successful in enlarging its share of this market. Until gas sales in eastern Canada and exports to the United States are expanded, large increases in gas production are not expected.

Ocelot has 135 shut-in gas wells, representing a deliverability potential of 55 million cubic feet per day.

Proven Reserves

Two-thirds of the reserves estimates presented in this report have been calculated by the Company's consultants, and the remainder by the Company's own engineers.

Proven oil and gas reserves as presented in this report are those reserves that, to a high degree of certainty, are recoverable at commercial rates under presently anticipated producing methods, operating conditions, prices and costs. No deductions have been made for any royalties.

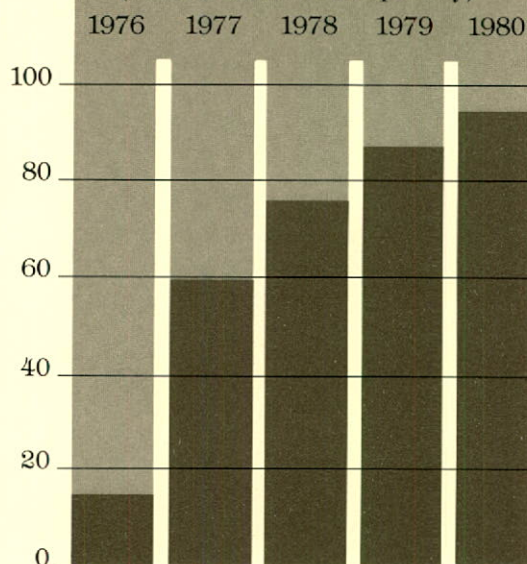
PROVEN RESERVES

As of March 31, 1980

Area	Natural Gas (Billions of Cubic Feet)	Oil & Natural Gas Liquids (Thousands of Barrels)
Alberta	811	8,040
British Columbia	47	262
Saskatchewan	178	35
Manitoba	-	22
United States	3	10
	<u>1,039</u>	<u>8,369</u>

NATURAL GAS PRODUCTION

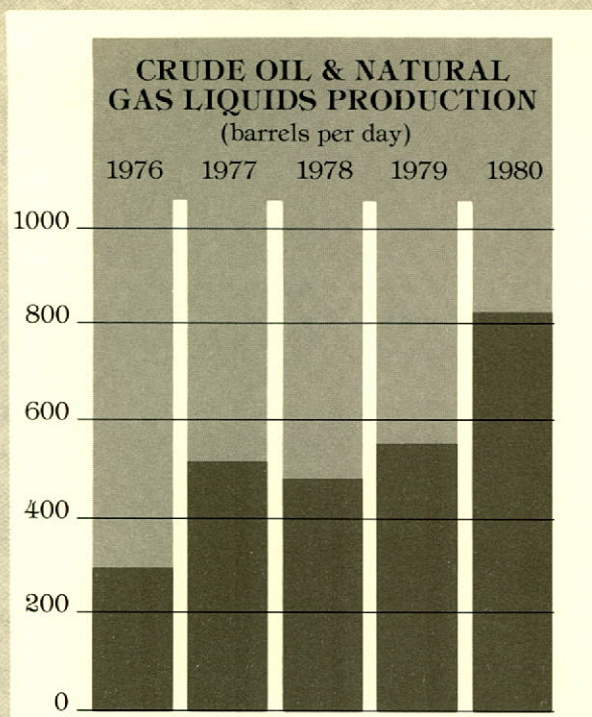
(millions of cubic feet per day)



Natural gas reserves additions during the year essentially equalled the year's production of 35 billion cubic feet, while proven oil and natural gas liquids reserves increased



Participation at a drilling rig - Bill Simpkins



marginally after replacement of production of 300,000 barrels. Development drilling in future years adjacent to recent discoveries is expected to contribute significantly to the Company's oil and gas reserves.

Gas Contracts

Effective November 1, 1979, the maximum daily quantity of gas that Trans-Canada PipeLines is obligated to purchase from Ocelot under the Medicine Hat contract was increased from 90 million cubic feet per day to 106 million cubic feet per day. Delays in expanding the Trunk Line system moved this increase to mid-February, three months later than initially projected. Thus, the impact of the increase in this contract on the 1980 fiscal year's production was significantly reduced.

Arbitration proceedings are expected to begin late this summer to resolve natural gas price renegotiations in the Chinook area. In contention is gas delivered since 1978. Ocelot currently produces approximately 10% of its daily production from the Chinook area.

New gas reserves went on stream at Hotchkiss, Keg River and Bullmoose. In addition, a small solution gas contract was obtained at Peco.



Beauty in Medicine Hat - the Gas City - Bill Simpkins



Exploration and Land



The Foothills - Bill Simpkins

Ocelot spent \$47 million on exploration during the past year; \$23 million for land acquisitions, \$2 million for geophysical surveys and \$22 million for exploratory wells. Of this \$47 million total, 89% was spent in Canada and 11% in the United States.

The Company participated in 104 exploratory wells of which 13 were completed as oil wells and 35 as gas wells.

For fiscal year 1981, Ocelot has budgeted \$59 million for exploration with 84% to be spent in Canada, 14% in the United States, and the remainder in other areas such as Africa, Australia and Central America. Approximately 120 exploratory wells are planned this year, most of them in western Canada.

The Company will continue to emphasize its search for oil in the western Canadian provinces and the United States. Exploration for natural gas will continue in areas where the Company has gas sales contracts and in the United States where markets are readily available.

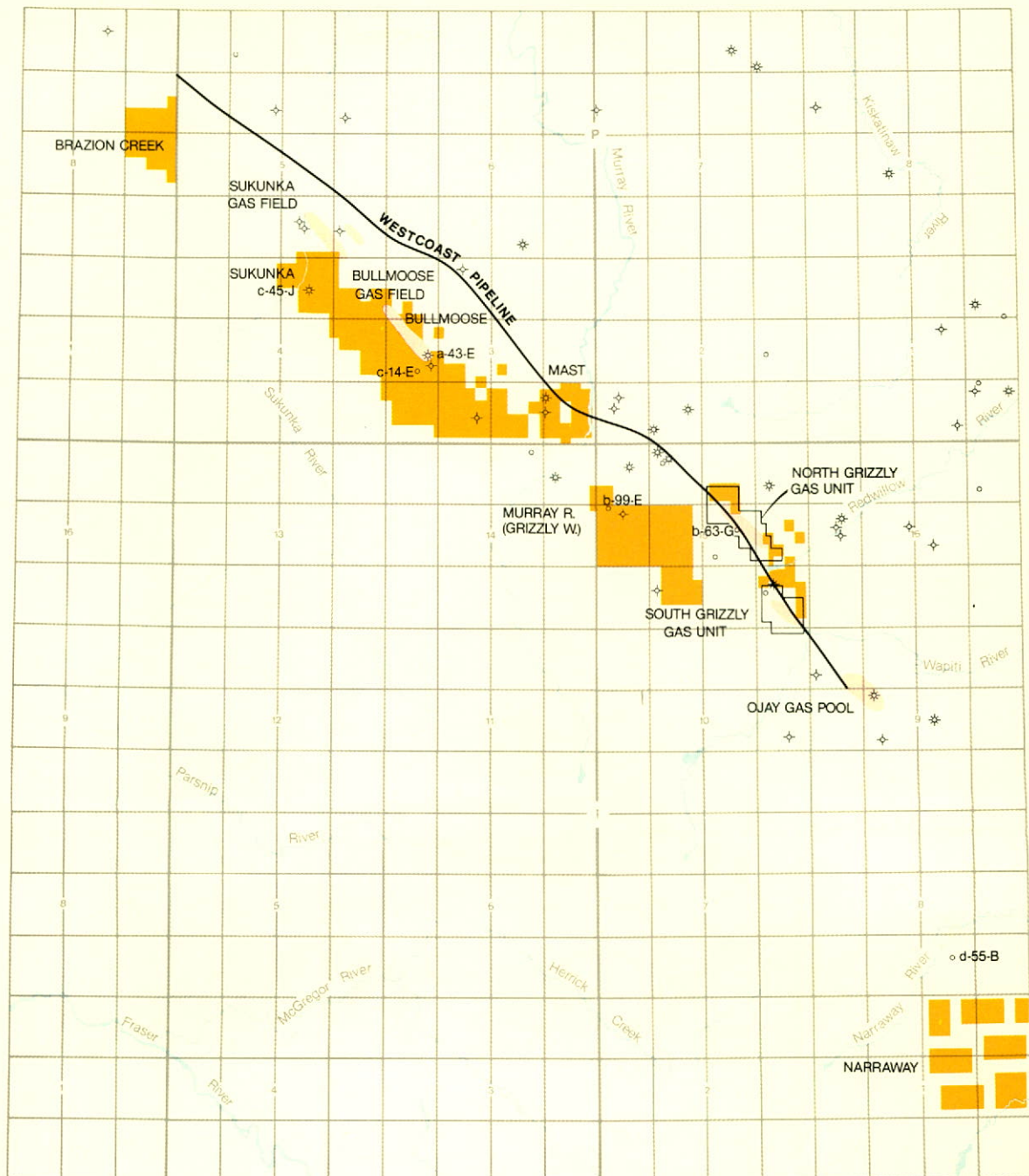
Ocelot continues to use farm-ins and farm-outs to broaden its exploration exposure

and to the same end it participates in many bidding consortiums in land sales.

Land Holdings as of March 31, 1980:

	Gross Acres	Net Acres
Canada		
Alberta	1,452,445	826,139
British Columbia	638,589	215,584
Saskatchewan	343,558	231,426
Manitoba	6,505	6,505
N.W.T.	5,752	1,150
Total Canada	2,446,849	1,280,804
United States		
Wyoming	122,727	29,107
Montana	17,467	12,830
Texas	11,306	2,760
North Dakota	7,318	2,199
Louisiana	6,194	1,161
Colorado	6,144	1,536
Nebraska	3,658	914
Oklahoma	1,768	331
Total United States	176,582	50,838
Australia	688,000	172,000
Cameroon Offshore	372,626	58,155
Total Company Holdings	3,684,057	1,561,797

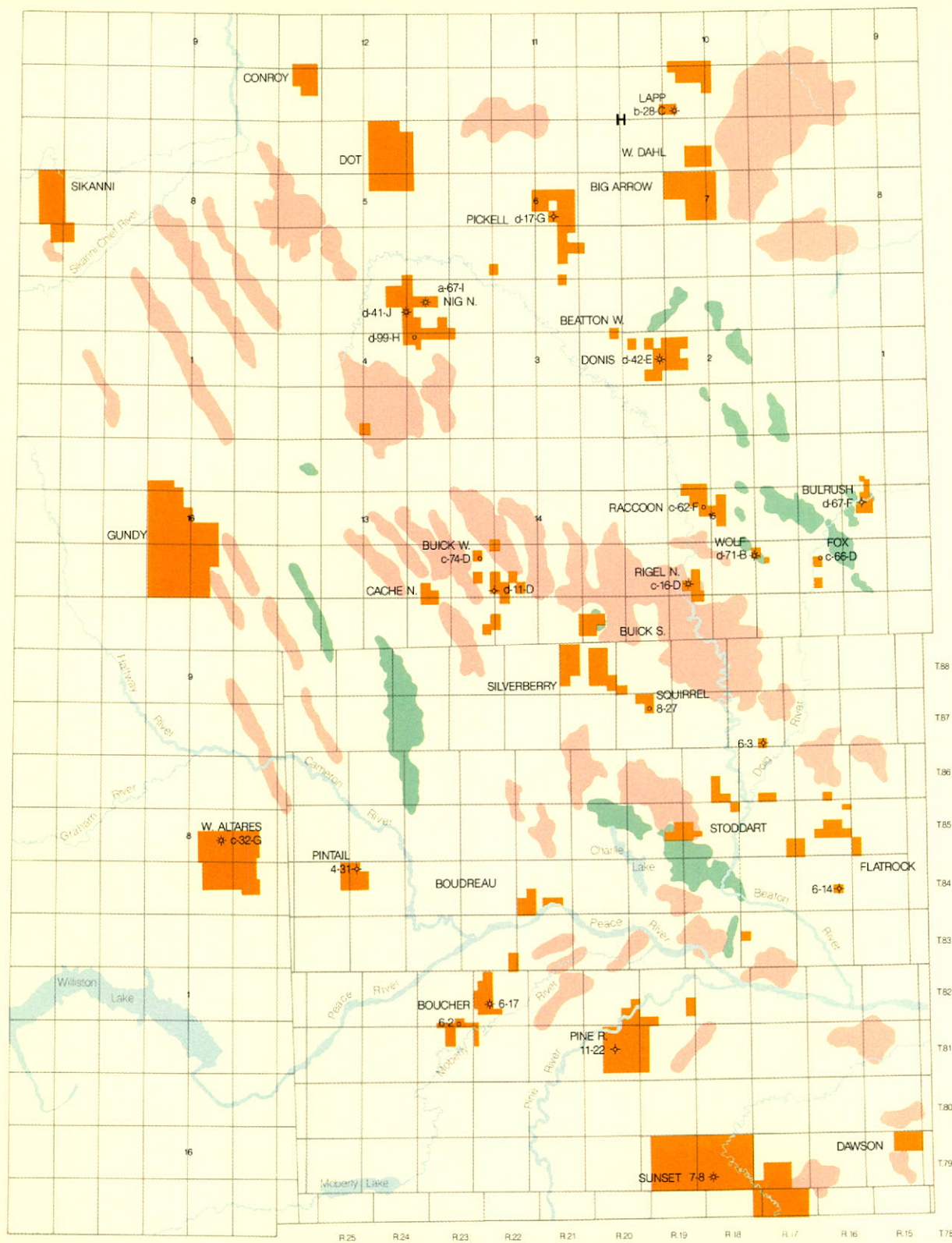
This table does not include varying royalty interests in 146,075 gross acres.



FOOTHILLS AREA, British Columbia

- Company Acreage
- Gas Pools
- Oil Pools
- Location or Drilling
- Gas Wells
- Oil Wells
- Dry Holes

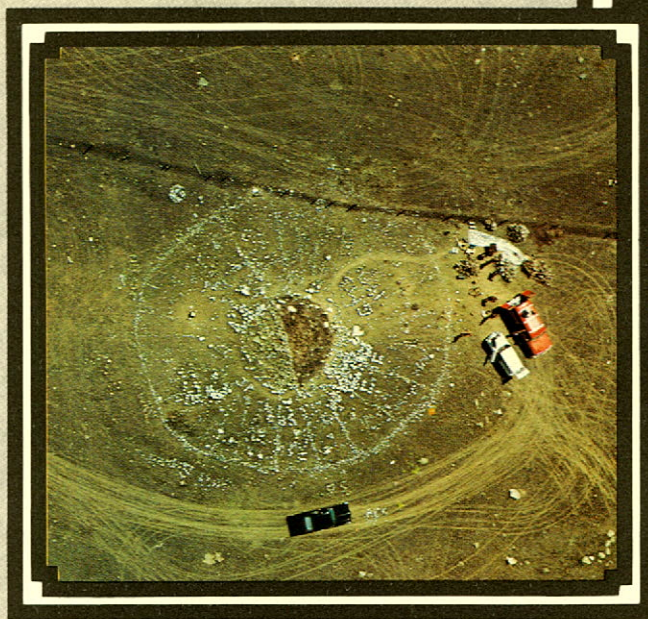




PLAINS AREA, British Columbia

- Company Acreage
- Gas Pools
- Oil Pools
- Location or Drilling
- ★ Gas Wells
- Oil Wells
- ✦ Dry Holes





Kananaskis Country - Canada's proposed site for the 1988 Winter Olympics - *Bill Simpkins*

Ancient Indian Medicine Wheel
- *Lifeways of Canada*

Canada

Ocelot explored actively in British Columbia, Alberta and Saskatchewan during the past year. The Company participated in the drilling of 63 (30 net) exploratory wells in western Canada resulting in 10 (5 net) oil discoveries and 24 (8 net) gas discoveries. At year end, 2 (1 net) wells were drilling.

Northeastern British Columbia

Ocelot has land holdings totalling 638,589 acres (215,584 net) in British Columbia.

The Company continues to be very active along the foothills trend, especially in the Sukunka-Bullmoose-Mast area shown on the Foothills area map. Interests in 4,025 acres were acquired in the past year along this multi-pay trend, bringing the Company's holdings to 112,291 gross acres (34,431 net acres). Production testing has been completed in the West Sukunka c-45-J well (Ocelot 50%) which was drilled last year. These tests show the well to have a calculated absolute open flow of 223 million cubic feet per day and the capability of delivering 52 million cubic feet per day against line pressure of 1,150 psi. At Bullmoose, to the southeast, one successful field-extension well, Bullmoose a-43-E (Ocelot 15%), was drilled

to 11,500 feet and completed as a Triassic gas well. This field is now being unitized. A continuing drilling program is planned in this area. Along this same foothills belt, to the south at Murray River, the b-99-E (Ocelot 7.62%) exploratory well recently commenced drilling.

At Narraway, the Company has a 12½% interest in 37,428 acres. An interesting wildcat is being drilled by another operator near the Narraway block.

As can be seen on the Plains area map, Ocelot is well represented in this active area. In the 'Deep Basin', the 7,250 foot Boucher 6-17 well (Ocelot 17%) was completed as a gas well in the Doig formation. The Company holds interests ranging from 17% to 34% in 9,920 acres. Follow-up wells are planned in the coming months.

Two discoveries drilled in the previous year were followed up with successful wells. At Nig Creek North, the Company now has a 50% interest in two Cretaceous gas wells on a 14,729 acre block. At Rigel, where Ocelot has various percentage interests in 3,155 acres, a second Buick Creek gas well was drilled.

After the drilling of a triple-zone gas discovery at Lapp last year, Ocelot and partners acquired an additional 6,862 acres in a crown sale in October, 1979. Ocelot now owns a 33⅓% interest in 8,326 acres.



KARR, Alberta

- Company Acreage
- Gas Pools
- Oil Pools
- Location or Drilling

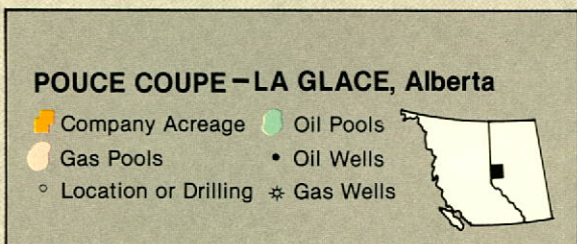
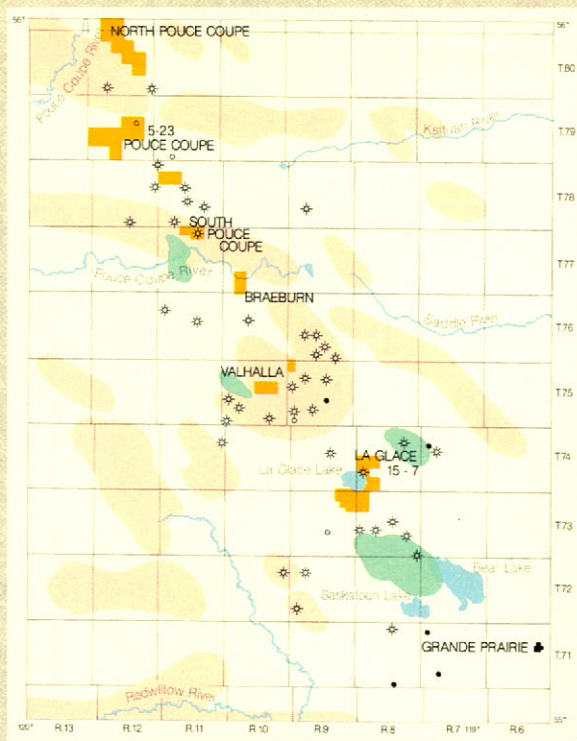
- Gas Wells
- Oil Wells
- Dry Holes



Alberta

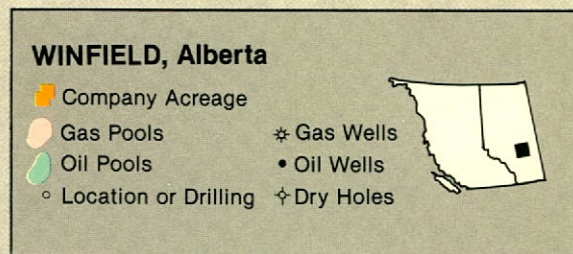
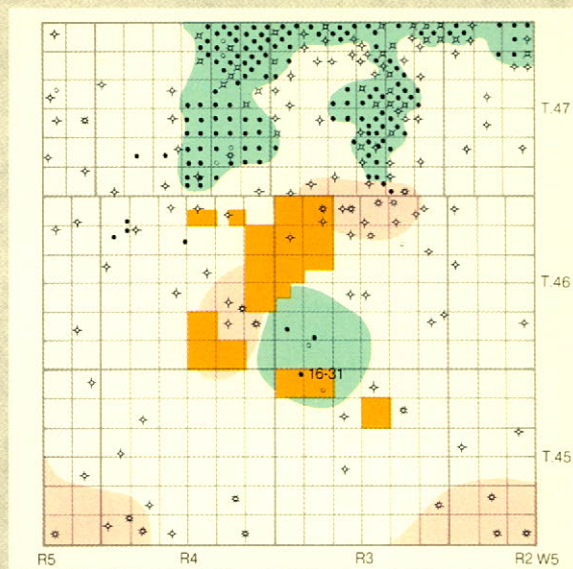
The Company continued to add landholdings in the deeper portions of the Alberta basin to supplement its existing large holdings in the southeast portion of the province. This is illustrated on the large map accompanying this report.

At Karr, in the 'Deep Basin', two discovery wells were drilled on Ocelot lands. The Simonette 6-27 well (Ocelot 33 $\frac{1}{3}$ %) was cased as a gas discovery to a total depth of 8,380 feet and the Karr 10-17 (Ocelot 50%) has been cased as a gas discovery to a total depth of 7,650 feet. These wells will be production tested as soon as testing is completed on two



multi-zone discoveries drilled the previous year by Ocelot and partners. Additional wells will be drilled this year. Acquisition of 8,320 acres increased the Company's holdings to 32,419 acres with interests ranging from 14% to 50%.

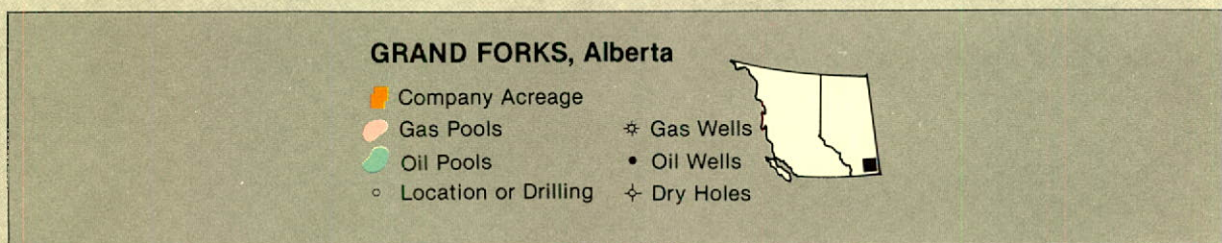
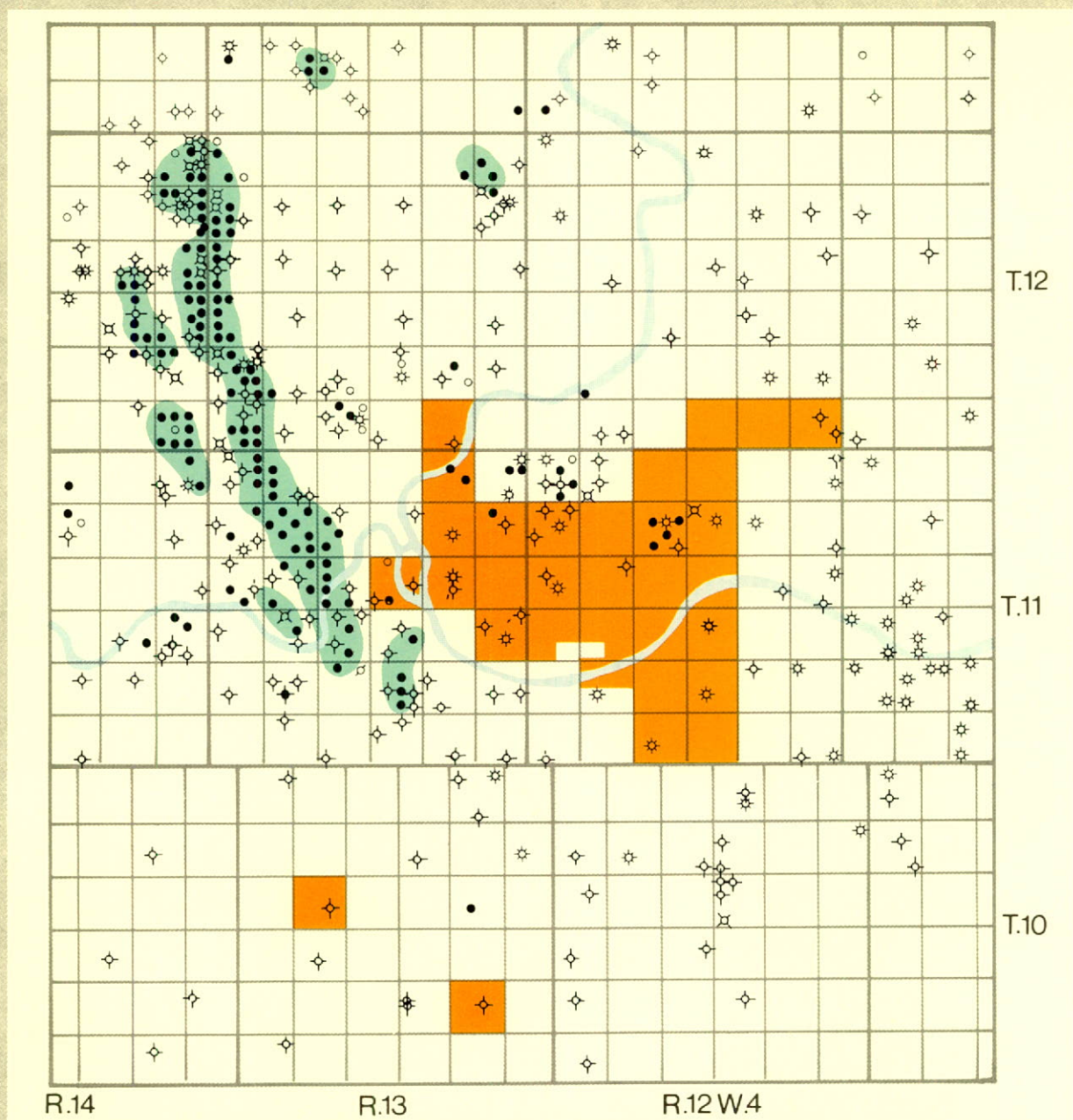
In the Pouce Coupe-La Glace area, Ocelot acquired 16,960 acres (7,455 net) late in the year, bringing its holdings to 23,840 acres (9,717 net). As can be seen on the map, this land is strategically located along trend. The 6,906 foot La Glace 15-7 well (Ocelot 33 $\frac{1}{3}$ %), drilled late last year, has been completed as a dual-zone oil and gas discovery. Industry drilled 100 wells in the immediate Pouce Coupe-La Glace area last year, of which 24 were completed as oil wells and 40 as gas wells. Several of these wells are capable of



production from more than one zone. The area should be equally active again this year with Ocelot participating in several wells.

At Winfield, Ocelot holds interests in 10,815 acres (9,037 net acres). The Company will have a 40% interest, after payout of drilling and completion costs, in the Pembina 16-31 well drilled by others on Company land. This Viking oil discovery had an initial production rate of 288 barrels per day and has been allocated an allowable of 111 barrels per day. Follow-up drilling is planned for this summer.

At Notikewin, the 11-14-96-2 well was cased as a potential Shunda gas well at 4,562 feet. Ocelot has a 33 $\frac{1}{3}$ % interest in the 8,960 acre block on which this well is located.



At Grand Forks, where the Company has interests in 18,465 acres, the Grand Forks 14-25 well (Ocelot 62.5%) was drilled and

completed as a Lower Cretaceous oil discovery. Further drilling is planned on this large block this year.



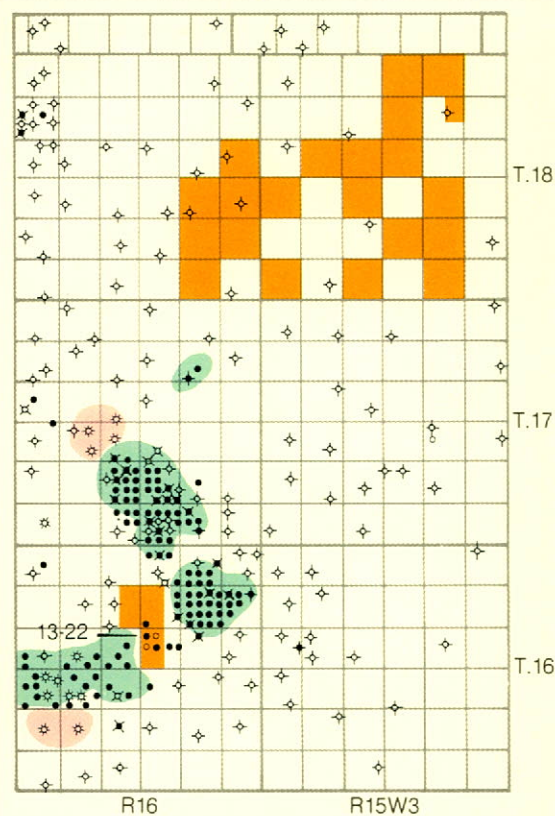
The Red Deer Badlands. One of the world's largest dinosaur digs

— Bill Simpkins

Elsewhere in southeastern Alberta, the Company has continued drilling for deeper oil and gas zones under its extensive shallow gas holdings. The Company is fortunate in that most of these exploratory wells can be completed as shallow gas wells if the deeper zones are not productive. At Princess, the Mississippian oil discovery drilled last year was followed-up by Princess 2-19-19-12 (Ocelot 50%). Production tests indicate an initial production rate of 138 barrels of water-free oil per day with an allowable of 32 barrels per day. Casing was set in three deeper pool gas discoveries at Bantry and Alderson. These wells will be production-tested this coming year.

Further north, at Aerial, where the Company has interests from 10% to 20% in 1,600 acres, an oil discovery was drilled by Ocelot and partners. The well was completed with an initial production rate of 150 barrels of oil per day, and has an allowable of 80 barrels per day. Two successful development oil wells had been completed by year end.

In the Edmonton area, an oil discovery was drilled at Alexander (Ocelot 50%) where the Company has retained varied interests in 4,380 acres. To the southeast, two exploratory wells were completed as gas wells in the Holmberg-Kelsey area (Ocelot 7.875%) where Ocelot has widespread land holdings.



SUCCESS, Saskatchewan

- Company Acreage
- Gas Pools
- Oil Pools
- Location or Drilling
- Gas Wells
- Oil Wells
- Dry Holes



Saskatchewan

Ocelot increased its activities in Saskatchewan during the past year. Land acquisition was concentrated along the oil trend in southwest Saskatchewan where the Company acquired interests in two large exploratory permits and in selected smaller land blocks. Three wells were drilled, resulting in one oil producer, Success 13-22, which is an extension to an existing pool. Also at Success (Ocelot 50%) two 3,300 foot development wells were drilled at no cost to the Company. Development locations already licenced are shown on the map.

Further exploration drilling in Saskatchewan may begin later in the year depending upon the results of geophysical surveys.

Northwest Territories

Ocelot participated (40%) in the drilling and abandonment of the 6,158 foot Precambrian test, Westcoast et al Silt Lake G-62, 60° 10', 119° 00'. This well was drilled as part of the requirements to earn a 20% interest in 94,961 acres at West Cameron Hills. Further activities in this frontier area will depend on the results of geological and geophysical studies now underway.

United States

Ocelot Oil Corp., a wholly-owned subsidiary of the Company, began operations in the United States last year and opened an exploration office in Denver, Colorado in September. Ocelot's U.S. landholdings are mainly in the western and southwestern states.

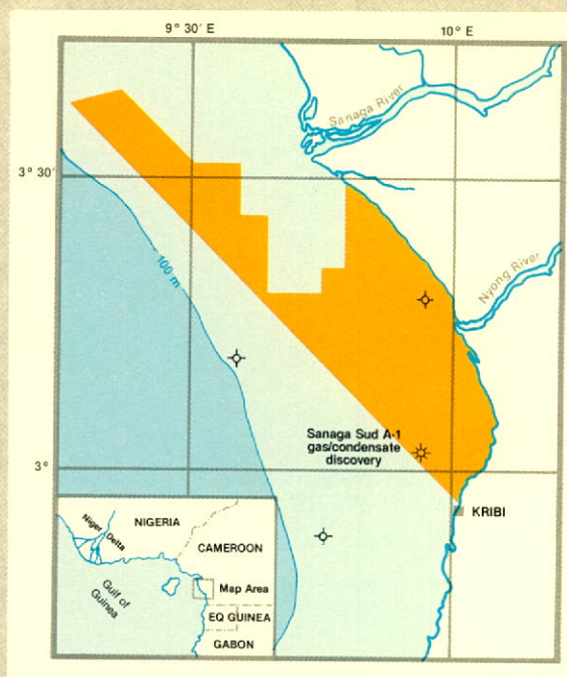
In the past year, Ocelot participated in the drilling of 53 wells resulting in 4 oil wells, 18 gas wells and 29 dry holes. At year end, 1 well was drilling and 1 well was suspended. Participation in several of these wells was for minor interests, but it afforded the Company an opportunity to establish working arrangements with operators in several active areas.

In Sheridan County, Montana, the Company participated in the acquisition of land in seven prospects which have Mississippian, Devonian and Ordovician Red River potential. Drilling on each of these prospects is planned this year.

During the ensuing year, Ocelot Oil Corp. will continue to participate in exploration with others. However, an increasing number of prospects will be generated by the Company.

The United Republic of Cameroon, Africa

In October, 1979, the Sanaga Sud A-1 well was completed as a gas and condensate discovery with 900 feet of gross pay. Gas flow-rates aggregating 43.9 million cubic feet per day from several tests run throughout the pay section were recorded while condensate flow-rates totalled 338 barrels per day. The well was drilled to a total depth of



CAMEROON, Africa

- Company Acreage
- Gas Wells
- Oil Wells
- Dry Holes



8,132 feet by others on a 372,000 acre offshore concession. Further geophysical surveys are expected to lead to additional exploratory drilling locations. Ocelot has a 15.6% interest in the well and the offshore concession. A follow-up well to this discovery will be drilled in fiscal 1981.

Australia

Ocelot and its partners have acquired a 688,000 acre permit in the Canning Basin of western Australia. Geophysical surveys were commenced last year and will continue this year. Ocelot has a 25% interest in the project.

Mining



The Hozameen Fault. Some hundreds of million years' difference in age is represented by the rock color change on either side of the fault. Gases and fluids carried metallic substances, including gold, up this crack.

Ocelot is actively exploring for minerals and coal in Canada and the United States. Most of the exploration in previous years was as a member of a mineral exploration consortium. This year Ocelot has organized its own mineral exploration department.

The Ladner Creek Gold Project

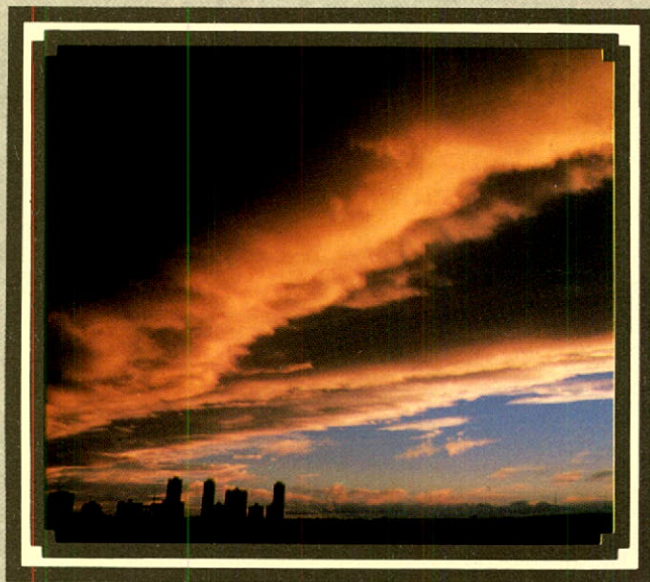
In 1978, a mineral exploration consortium formed a joint venture to develop the Ladner Creek gold property near Hope, in southwestern British Columbia. Development costs are expected to total \$22 million, with Ocelot's share being 45%, or \$10 million. Ocelot spent \$2 million of this amount last year and has budgeted \$7 million for the coming year. Once the mine is on production, Ocelot will receive approximately 39% of cash flow until payout of its development expenditures, then 30% of cash flow until an additional amount equal to the development expense has been received, and then 22½% thereafter.

After considerable exploratory diamond drilling from the surface and extensive underground drilling from a decline, the actual development work was begun last year. To date, 4,000 feet of adits have been driven toward the ore body. Construction of the 1500 tons per day mill and preparation of a tailings area are underway, with initial production scheduled for mid-1981.

Consultants estimate that from diamond drilling completed to date, the property has reserves of 1.5 million tons of ore containing 0.141 oz. of gold per short ton. The mill recovery is expected to exceed 80%. The mine site is close to good rail and road facilities at Hope, and only 100 miles from the labor, supply and service centre of Vancouver.

The Ladner Creek property is situated on the Hozameen Fault where gold has been recovered from small workings since early in the century. Surface geological work and exploratory diamond drilling continue on 24,000 acres of claims held by Ocelot and partners along extensions of this same fault.

Petroleum Industry Services & Supplies



Calgary's skyline under a chinook arch. This heralds the arrival of a warm westerly wind, a welcome change during winter

— Bill Simpkins



Trail riders at lunch time

— Bill Simpkins

Contract Drilling

As a result of the high level of activity in the petroleum industry during the past year in Canada and the United States, demand for contract drilling and service rigs continued to be strong and the drilling division experienced another year of high utilization and excellent financial results.

In Canada, the Cactus Drilling division and the Brooks Field Service division have expanded to meet this high demand. Cactus currently owns and operates twenty-one drillings rigs and with six additional rigs presently under construction, they will be operating twenty-seven drilling rigs in western Canada by the fall of 1980. During the 1980 fiscal year Brooks added six rigs to their service rig fleet. These new rigs are specifi-

cally designed for servicing the low gravity oil wells in the Lloydminster area of Alberta.

With respect to the United States, Ocelot acquired thirteen contract drilling rigs and related equipment on June 1, 1979. These rigs operate under the name Cardinal Drilling Company of Billings, Montana, and are active in North and South Dakota, Montana, Wyoming, Colorado, Nevada and Utah. The Cardinal fleet of drilling rigs is in an excellent position to benefit from the strong United States drilling demand, and rig and equipment changes are currently being made in order to meet this demand.

During the 1980 fiscal year the contract drilling division operated at close to peak utilization resulting in gross operating revenues of \$74.0 million compared to \$37.0 million in 1979. The 1980 figures include the

results of Cardinal Drilling Company from June 1, 1979 which contributed \$23.6 million in gross revenue.

During the past year the contract drilling division undertook a major upgrading and modernization program on its drilling and service equipment. As a result of this program, together with the expansion noted above, the Company looks forward to continued high efficiency and good operating results in the ensuing year.

Oilfield Equipment and Supplies

The high activity level in the petroleum industry in both western Canada and the United States resulted in the oilfield equipment and supplies division experiencing an historical high in gross revenue.

In Canada, the Wilson Oilfield Supply division contributed \$78.2 million in gross revenue, and along with the \$21.0 million in gross revenue of Karst Enterprises Inc. of Casper, Wyoming, total revenue in 1980 from the sale of oilfield equipment and supplies amounted to \$99.2 million, compared to \$60.4 million in 1979.

In April, 1980 the Company increased its coverage of the compressor sales market through the purchase of the Gardner-Denver compressor packaging facilities in Nisku, Alberta and the distributorship of Gardner-Denver gas compressors in Canada.

With the encouraging results shown during the past year and the expansion in the compressor sales market, the Company expects continued growth in revenue and earnings from the oilfield equipment and supplies division in fiscal 1981.

Pipelining

The 1980 fiscal year was a very successful year for the pipelining division considering the current depressed level of activity in the pipeline construction industry. During the year the division attained a significant share of the total work available, executing these projects effectively and economically.

Projects undertaken by the division included field gathering installations in the traditional producing regions of western Canada and the replacement of sections of an existing natural gas transmission system in Ontario.

O.J. Pipelines Ltd. and the South Eastern Pipeline Construction division contributed gross revenues of \$16.2 million in 1980, compared to \$5.7 million in 1979.

As predicted and experienced over the past several years, the large diameter pipeline construction industry in Canada has been depressed. It is in fact at its lowest level of activity in more than twenty-five years. The Company's longer term outlook has identified numerous pipeline construction opportunities related to transportation of oil from tar sands, heavy oil, and enhanced recovery projects. Construction of entirely new natural gas transmission systems as well as additions to the existing national pipeline network will follow from appropriate government decisions. The ensuing year should see important decisions made regarding expansion of pipeline systems to Quebec and the Maritimes, additional gas exports to the United States and initial development of frontier gas reserves. When such transmission system plans are approved, a significant volume of field gathering projects will also develop.



Financial Review

Earnings

During the year ended March 31, 1980 the Company achieved record levels of revenues, earnings, cash flow from operations and capital investment. Consolidated net earnings were \$25.4 million, representing a 49% increase over the 1979 amount of \$17.0 million. Earnings per Class A and Class B common share amounted to \$1.93 compared to \$1.25 in 1979, an increase of 54%.

The rate of return on shareholders' equity (net earnings expressed as a percentage of average shareholders' equity) increased from 25% to 30% in 1980.

Revenues

Consolidated operating revenues in 1980 increased by 72% to \$234.3 million compared to 1979 revenues of \$136.4 million.

Gross production revenues resulting from the sales of natural gas and crude oil for the 1980 fiscal year totalled \$71.3 million, a gain of \$19.7 million or 38% over 1979. This gain was attributed primarily to higher natural gas prices, as the average selling price of natural gas in the 1980 fiscal year was 24% higher than in 1979, and was attributed to a lesser extent to increased production volumes, details of which are provided in the "Production and Reserves" section of this annual report.

Revenues from the petroleum industry services and supplies segment (contract drilling of oil and gas wells, sales of oilfield equipment and pipeline construction) amounted to \$189.3 million in 1980, an increase of \$86.2 million or 84% over 1979. Of this amount, contract drilling revenues contributed \$74.0 million, representing a two-fold increase over the 1979 results. This increase is due to the inclusion of a full year's results from the deep-capacity rigs which commenced operations midway through the 1979 fiscal year, together with the revenues resulting from the acquisition of 13 drilling rigs in the United States effective June 1, 1979. Revenue from the sale of oilfield equipment and supplies for the year ended March 31, 1980 increased by \$99.2

million or 64% over the 1979 fiscal year. This significant increase is due to the high level of industry activity being maintained during the past year, together with expansion undertaken by this division both in Canada and the United States. Gross revenue from the pipeline construction division tripled in 1980 to \$16.2 million. Details of the revenues and contributions to earnings from operations from the two segments are set out in Note 5 to the Consolidated Financial Statements.

Financial Position

The Company showed a working capital deficiency at March 31, 1980 of \$17.5 million. During the 1980 fiscal year, current assets increased by \$21.5 million and current liabilities increased by \$38.7 million, which increase resulted primarily from a greater use of the Company's line of bank credit to assist in the financing of the expanded capital expenditure program in 1980. Funds generated from operations in 1980 increased to \$53.9 million (\$4.10 per share), an increase of 48% over the previous year's \$36.4 million (\$2.68 per share).

Capital Expenditures

Capital expenditures relating to fixed operating assets totalled \$109.9 million in the 1980 fiscal year, an increase of 60% over the capital expenditures incurred in 1979. The major components of these expenditures were: increased investment in undeveloped oil and gas rights together with a continuing active exploration drilling program for \$46.7 million (\$30.9 million in 1979); expenditures on development drilling including the Company's large shallow gas development program amounting to \$21.7 million (\$15.9 million in 1979); the acquisition of certain contract drilling assets in the United States for \$18.1 million; and the upgrading and construction of contract drilling rigs for \$11.2 million (\$7.2 million in 1979).

Approximately 78% of the total capital expenditures in 1980 were invested in

Canada and 22% in the United States. The gross investment in property, plant and equipment at March 31, 1980 of \$364.3 million represents an increase of 42% over the 1979 amount of \$256.2 million.

Shares of the Company

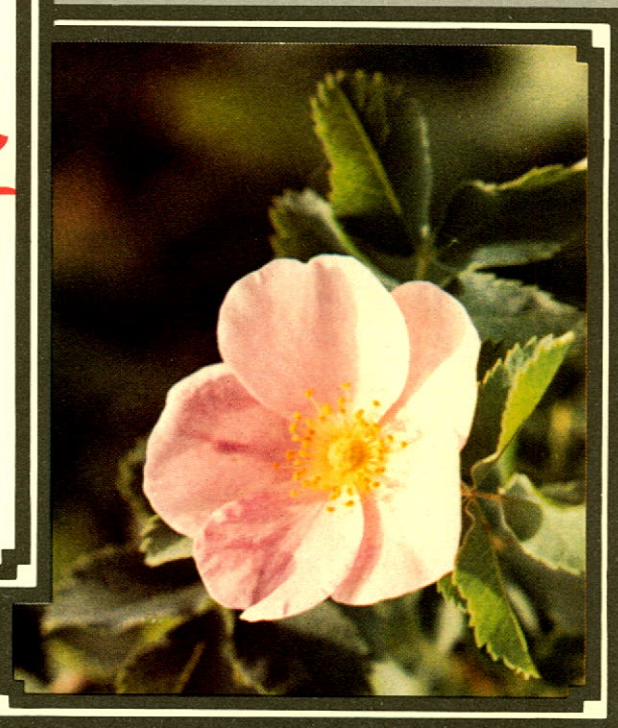
At March 31, 1980 there were 2,311 registered shareholders of which 397 held Class A shares ("A") and 1,914 held Class B shares ("B"). 91% of the total outstanding shares were Canadian owned. The weighted average number of A and B common shares outstanding during the year was 13.1 million, down from 13.6 million in 1979, and there were 13.2 million outstanding at March 31, 1980. The following table shows the high and low sales prices of the A and B shares as reported by The Toronto Stock Exchange for each

quarterly period during the 1979 calendar year and the 1980 calendar year to May 31, 1980.

Calendar Year			High	Low
1979				
First Quarter	A		16	14
	B		15 ⁵ / ₈	13 ¹ / ₂
Second Quarter	A		18 ¹ / ₂	13 ⁷ / ₈
	B		18 ⁵ / ₈	13 ³ / ₈
Third Quarter	A		27 ¹ / ₂	16 ¹ / ₄
	B		27 ³ / ₈	15 ⁷ / ₈
Fourth Quarter	A		33 ¹ / ₂	22 ¹ / ₂
	B		33	22 ¹ / ₂
1980				
First Quarter	A		36	24 ¹ / ₂
	B		37	23 ¹ / ₂
April - May	A		29	23
	B		28 ¹ / ₂	22 ⁷ / ₈



Saskatchewan



Alberta



Ocelot Industries Ltd.

Consolidated Balance Sheet

as at March 31, 1980

(Thousands of dollars)

ASSETS		1980	1979
CURRENT ASSETS			
Cash and short-term deposits	\$	-	\$ 8,524
Accounts receivable		60,898	36,526
Income taxes recoverable		1,191	1,581
Inventories, at lower of cost and net realizable value		13,592	7,605
Prepaid expenses		406	322
		<u>76,087</u>	<u>54,558</u>
PROPERTY, PLANT AND EQUIPMENT,			
at cost (note 1)		364,310	256,237
Accumulated depletion and depreciation		35,992	19,343
		<u>328,318</u>	<u>236,894</u>
OTHER ASSETS		<u>2,893</u>	<u>3,074</u>
		<u>\$407,298</u>	<u>\$294,526</u>

Approved by the Board:

Director

Director



LIABILITIES

	<u>1980</u>	<u>1979</u>
CURRENT LIABILITIES		
Bank indebtedness, secured	\$ 30,935	\$ 10,057
Accounts payable and accrued liabilities.....	44,137	32,330
Current maturities on long-term debt.....	18,534	12,463
	<u>93,606</u>	<u>54,850</u>
DEFERRED PRODUCTION REVENUE	6,728	1,716
LONG-TERM DEBT (note 2)	<u>169,419</u>	<u>137,376</u>
DEFERRED INCOME TAXES	<u>40,655</u>	<u>29,575</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 3)		
Authorized		
7,500,000 Class A common shares of no par value		
25,000,000 Class B common shares of no par value		
Issued		
4,242,543 (1979 - 4,434,943)		
Class A shares	7,924	8,283
8,929,062 (1979 - 8,681,362)		
Class B shares	30,835	29,961
RETAINED EARNINGS	<u>58,131</u>	<u>32,765</u>
	<u>96,890</u>	<u>71,009</u>
	<u>\$407,298</u>	<u>\$294,526</u>



Ocelot Industries Ltd.

Consolidated Statement of Earnings

Year Ended March 31, 1980

(Thousands of dollars)

	<u>1980</u>	<u>1979</u>
REVENUE		
Operating (note 5)	<u>\$234,316</u>	<u>\$136,494</u>
COSTS AND EXPENSES		
Cost of sales and operating expenses	157,822	88,129
Depletion and depreciation	<u>17,627</u>	<u>10,397</u>
	<u>175,449</u>	<u>98,526</u>
EARNINGS FROM OPERATIONS BEFORE		
UNDERNOTED ITEMS (note 5)	<u>58,867</u>	<u>37,968</u>
Interest and other income	(1,080)	(895)
Interest on long-term debt	20,615	10,909
Other interest	<u>3,299</u>	<u>2,320</u>
	<u>22,834</u>	<u>12,334</u>
EARNINGS BEFORE INCOME TAXES	<u>36,033</u>	<u>25,634</u>
INCOME TAXES (note 4)		
Current	378	122
Deferred	11,289	9,588
Alberta royalty tax credit	<u>(1,000)</u>	<u>(1,081)</u>
	<u>10,667</u>	<u>8,629</u>
NET EARNINGS	<u>\$ 25,366</u>	<u>\$ 17,005</u>
EARNINGS PER SHARE		
Weighted average number of Class A and Class B shares outstanding during the year	<u>13,140,904</u>	<u>13,607,530</u>
Earnings per Class A and Class B share	<u>\$1.93</u>	<u>\$1.25</u>



Ocelot Industries Ltd.
Consolidated Statement of Changes
in Financial Position
Year Ended March 31, 1980

(Thousands of dollars)

	<u>1980</u>	<u>1979</u>
WORKING CAPITAL DERIVED FROM		
Operations	\$ 53,841	\$ 36,441
Issue of shares		
- for cash	515	290
- for purchased subsidiary	-	8,540
Long-term debt	45,104	127,465
Sale of property, plant and equipment	1,397	1,883
Deferred production revenue	5,012	1,716
	<u>105,869</u>	<u>176,335</u>
WORKING CAPITAL APPLIED TO		
Property, plant and equipment	109,892	68,553
Long-term debt	13,061	65,365
Acquisition of net assets of purchased subsidiaries	-	8,793
Purchase of Class A and Class B shares	-	7,690
Other assets	143	1,406
	<u>123,096</u>	<u>151,807</u>
INCREASE (DECREASE) IN WORKING CAPITAL POSITION	(17,227)	24,528
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR	<u>292</u>	<u>24,820</u>
WORKING CAPITAL DEFICIENCY AT END OF YEAR	<u>\$ 17,519</u>	<u>\$ 292</u>



Ocelot Industries Ltd. Consolidated Statement of Retained Earnings Year Ended March 31, 1980

(Thousands of dollars)

	<u>1980</u>	<u>1979</u>
BALANCE AT BEGINNING OF YEAR	\$32,765	\$21,674
Net earnings	25,366	17,005
	<u>58,131</u>	<u>38,679</u>
Excess of consideration paid over assigned value of shares purchased and cancelled during the year	<u>-</u>	<u>(5,914)</u>
BALANCE AT END OF YEAR	<u>\$58,131</u>	<u>\$32,765</u>

Auditors' Report

To the Shareholders of
Ocelot Industries Ltd.

We have examined the consolidated balance sheet of Ocelot Industries Ltd. as at March 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 March 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.

Calgary, Canada
June 12, 1980

Thorne Riddell
Chartered Accountants



Ocelot Industries Ltd.

Notes to Consolidated Financial Statements Year Ended March 31, 1980

(Tabular amounts shown in thousands of dollars)

Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All significant subsidiaries are wholly-owned with the exception of O.J. Pipelines Ltd. in which the Company has a 70% interest. The amount by which the cost of the shares of subsidiaries exceeded the underlying net book value at dates of acquisition has been allocated to property, plant and equipment and goodwill, as appropriate, and is subject to the accounting policies outlined below.

(b) Natural Gas and Petroleum Operations

The Company follows the full-cost method of accounting for natural gas and petroleum operations whereby all costs of exploration for and development of gas and oil reserves are capitalized by cost centre. 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 charges related to exploration activities. The costs are accumulated in cost centres as follows:

- (i) Western Canada
- (ii) United States
- (iii) Other areas - a separate cost centre for each foreign area in which the Company is engaged in exploration activities.

Costs accumulated in the Western Canada and the United States cost centres are depleted using the unit of production method based on estimated recoverable reserves of gas and oil, as determined by Company engineers, within each cost centre.

Costs in other areas are amortized on a straight-line basis over varying periods. Under this policy, should exploration in a particular area prove successful, the unamortized balance in that cost centre will be depleted on the unit of production basis. Should the area prove to be unproductive, the unamortized balance in that cost centre will be written off to earnings.

Prior to April 1, 1979, the Company amortized costs accumulated in the United States cost centre in a manner similar to that outlined in (iii) above.

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



(c) Mining Operations

Costs relating to mineral exploration are capitalized, and will be depleted based upon production from related mineral reserves as and when discovered, or charged to income if exploration is determined to be unsuccessful.

(d) Drilling and Well Service Rigs and Related Property and Equipment

Costs of new equipment and upgrading existing equipment are capitalized. Repairs and replacements which do not extend the useful lives of assets are expensed as incurred. The cost and related accumulated depreciation are removed from the accounts when an asset is sold or retired and the resulting gain or loss is included in earnings.

(e) Depreciation

Depreciation of production equipment is provided on a unit of production basis based upon estimated recoverable reserves of gas and oil within a project area.

Depreciation on drilling and construction assets is provided on methods and at rates which will amortize the cost of the assets over their estimated useful lives. The annual rates of depreciation on major classes of assets are:

Drilling rigs - 10 percent (based on operating days)
Construction equipment - 20 percent to 35 percent

(f) Revenue Recognition

The revenues and expenses on drilling and construction contracts are recorded on the percentage of completion basis.

(g) Foreign Currency Translation

Current assets and current liabilities are translated to Canadian dollars using the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the rate in effect at the time the original transactions took place. Revenue and expenses (excluding depletion and depreciation which are translated at the rate of exchange applicable to the related asset) are translated using average rates of exchange throughout the year.

The gain on translation has been credited to earnings.



Note 1 Property, Plant and Equipment

	1980			1979
		Accumulated Depletion and Depreciation	Net	Net
	Cost			
Natural gas, petroleum and mineral leases and rights together with exploration, development and equipment thereon .	\$282,334	\$24,538	\$257,796	\$196,323
Contract drilling equipment	62,080	8,848	53,232	29,389
Drilling rigs under construction	2,025	-	2,025	329
Pipeline construction equipment	6,761	1,204	5,557	3,761
Land, buildings and other equipment . . .	11,110	1,402	9,708	7,092
	<u>\$364,310</u>	<u>\$35,992</u>	<u>\$328,318</u>	<u>\$236,894</u>

Note 2 Long-Term Debt

	1980	1979
Canadian dollar bank loans (a)	\$ 87,172	\$ 57,618
U.S. dollar bank loan (\$12,000,000 U.S.) (b)	14,038	-
9½% Senior Secured Notes due March 31, 1998 (1980 - \$59,212,500 U.S.; 1979 - \$62,500,000 U.S.) (c)	69,092	72,838
10½% Senior Secured Notes due March 31, 1998 (c)	12,790	13,500
Advance for development (d)	3,137	3,834
Other	1,724	2,049
	<u>187,953</u>	<u>149,839</u>
Less current maturities included in current liabilities	18,534	12,463
	<u>\$169,419</u>	<u>\$137,376</u>



(a) The Canadian dollar bank loans are evidenced by demand promissory notes and bear interest at $\frac{3}{4}\%$, 1%, and $1\frac{3}{4}\%$ above bank prime rate. The bank loans are secured by the Company's interest in certain petroleum and natural gas properties, a general assignment of accounts receivable and a floating charge debenture on certain contract drilling and service rigs and related equipment, and are repayable from future production and contract drilling revenues.

(b) The U.S. dollar bank loan is evidenced by a demand promissory note, bears interest at $1\frac{1}{4}\%$ above a certain U.S. bank prime rate, is secured by a floating charge debenture on certain contract drilling rigs and related equipment and is repayable in quarterly instalments of \$600,000 (U.S.) commencing April 1, 1980.

(c) These notes are secured by mortgages on certain producing petroleum and natural gas properties.

(d) During 1975 arrangements were made for the financing of the development of certain of the Company's natural gas and petroleum properties. Under the terms of an agreement dated December 17, 1974, an unrelated corporation has agreed to advance up to \$45,000,000 in varying amounts, subject to the proving of additional reserves, to 1989. The advances bear interest at 1% above bank prime rate and are secured by and repayable from a royalty interest in production from the specified properties. As at March 31, 1980, \$3,900,000 had been received and \$763,000 had been repaid under this arrangement.

The U.S. dollar debt is carried in the financial statements in Canadian dollars based on the exchange rate in effect at the date the funds were borrowed. Had the loans been translated at the rate in effect at the balance sheet date, the carrying value in Canadian dollars would have increased by \$1,713,000 at March 31, 1980.

The estimated amount of long-term debt maturities for the five years subsequent to 1980 are as follows: 1981-\$18,534,000; 1982-\$22,071,000; 1983-\$22,112,000; 1984-\$21,909,000; and 1985-\$21,106,000.



Note 3 Capital Stock

(a) The Class A and Class B shares rank equally one with the other except that each Class A share carries twenty votes and each Class B share carries one vote, and Class A shares are convertible at the option of the holder into Class B shares on a one-for-one basis.

(b) Changes in the capital stock of the Company during the year were as follows:

	Number of Shares		Consideration	
	Class A	Class B	Class A	Class B
Balance, March 31, 1979 . . .	4,434,943	8,681,362	\$8,283	\$29,961
Issued on exercise of employee stock options	-	55,300	-	515
Conversion of shares	(192,400)	192,400	(359)	359
Balance, March 31, 1980 . . .	<u>4,242,543</u>	<u>8,929,062</u>	<u>\$7,924</u>	<u>\$30,835</u>

(c) As of March 31, 1980 there were 380,600 Class B shares of the Company reserved for exercise of employee stock options to 1986 at prices ranging from \$7.65 to \$29.70 per share. All options were granted under an employee stock option plan and changes during the year in the number of optioned shares were as follows:

Outstanding at March 31, 1979	149,900
Granted at \$12.83 to \$29.70 per share	286,000
Exercised at \$7.65 to \$13.28 per share	(55,300)
Outstanding at March 31, 1980	<u>380,600</u>



Note 4 Income Taxes

Income tax expense differs from the amounts which would be obtained by applying the basic Canadian federal income tax rate to the respective years' pretax earnings. These differences result from the following items:

	1980		1979	
	Amount	Percentage of Pretax Income	Amount	Percentage of Pretax Income
Computed "expected" tax expense	\$16,575	46.0%	\$11,792	46.0%
Royalties and other payments to provincial governments	4,451	12.4	3,541	13.8
Other non-deductible costs	887	2.5	1,546	6.0
Depletion allowances on Canadian oil and gas production income	(2,563)	(7.1)	(2,263)	(8.8)
Federal resource allowance	(5,896)	(16.4)	(4,331)	(16.9)
Provincial income taxes less federal abatements	266	.7	225	.9
Federal investment tax credit	(2,053)	(5.7)	(797)	(3.1)
Refund of taxes under provincial incentive plans	(1,000)	(2.8)	(1,084)	(4.2)
Actual tax expense - current and deferred	<u>\$10,667</u>	<u>29.6%</u>	<u>\$ 8,629</u>	<u>33.7%</u>



Note 5 Segment Information

The Company's operations are conducted through two business segments. These segments are natural gas and petroleum operations, and petroleum industry services and supplies (which comprises contract drilling of oil and gas wells, sale of oilfield equipment and supplies, and pipeline construction). Presented below are data relative to each business segment and geographic segment.

Business Segments

	Natural gas and petroleum operations	Petroleum industry services and supplies	Elimina- tions (ii)	Total
Revenue				
1980	\$ 52,650(i)	\$189,315	\$ (7,649)	\$234,316
1979	\$ 37,992(i)	\$103,099	\$ (4,597)	\$136,494
Earnings from operations				
1980	\$ 33,112	\$ 26,628	\$ (873)	\$ 58,867
1979	\$ 24,016	\$ 14,702	\$ (750)	\$ 37,968
Total assets				
1980	\$277,840	\$129,458		\$407,298
1979	\$220,972	\$ 73,554		\$294,526
Capital expenditures				
1980	\$ 71,977	\$ 37,915		\$109,892
1979	\$ 51,863	\$ 16,690		\$ 68,553
Provisions for depletion and depreciation				
1980	\$ 10,090	\$ 7,537		\$ 17,627
1979	\$ 7,132	\$ 3,265		\$ 10,397



Note 5 Segment Information (Continued)

Geographic Segments

	<u>Canada</u>	<u>United States</u>	<u>Elimina- tions (ii)</u>	<u>Total</u>
Revenue				
1980	\$189,970	\$44,608	\$(262)	\$234,316
Earnings from operations				
1980	\$ 52,559	\$ 6,308	\$ -	\$ 58,867
Total assets				
1980	\$366,055	\$41,243		\$407,298

(i) Natural gas and petroleum revenue is net of royalties of \$18,640,000 in 1980 and \$13,581,000 in 1979.

(ii) Eliminations relate to inter-segment transactions which are priced at market prices for similar products and services.

The operations in the United States were not significant in 1979.

Note 6 Contingency and Commitments

(a) Methanol Plant

Management of the Company has announced its intention to construct a methanol plant, the cost of which is estimated to be \$150 million.

(b) Future minimum lease payments under operating leases relating primarily to office space and equipment (but excluding leases relating to oil, gas and mineral rights) are as follows:

1981	\$1,103
1982	950
1983	816
1984	780
1985	681
Thereafter	<u>1,964</u>
	<u>\$6,294</u>

Note 7 Statutory Information

During the year, directors and senior officers (including the five highest paid employees) of the Company received remuneration of \$1,635,000 of which \$4,100 was paid as directors' fees.



Metric Conversions (SI)

In accordance with the world-wide program to adopt SI, the International System of Units, Ocelot is converting its measuring and reporting systems in order to satisfy the schedule for conversion established by the petroleum industry.

Measurement units stated in this report are given in traditional units. In order to facilitate conversion from these traditional units to the SI units and to aid in comparability with other annual reports, listed below are the ratios between SI units and traditional units as specified by the Canadian Petroleum Industry Metric Practice Guide.

Volume Measurements

One thousand cubic feet (Mcf) = 28.174 cubic metres (m³)

One million cubic feet (MMcf) = 28,174 cubic metres (m³)

One thousand cubic metres (10³m³) = 35.494 thousand cubic feet (Mcf)

One million cubic metres (10⁶m³) = 35.494 million cubic feet (MMcf)

One barrel (bbl) = 0.159 cubic metres (m³)

One cubic metre (m³) = 6.293 barrels (bbls)

Mass Measurement

One short ton (2,000 lbs) = 907.185 kilograms (kg) or 0.907 tonnes (t)

One long ton (2,240 lbs) = 1016.047 kilograms (kg) or 1.016 tonnes (t)

One tonne (t) = 1.102 short tons (2,000 lbs)

= 0.984 long tons (2,240 lbs)

Surface Area Measurement

One acre = 0.405 hectares (ha)


One hectare (ha) = 2.471 acres

Linear Measurement

One mile = 1.609 kilometres (km)

One kilometre (km) = 0.621 miles

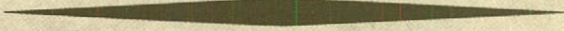
One foot = 0.305 metres (m)



Sam Livingstone - explored the western part of the continent from the California gold fields to Mexico, and followed the buffalo hunts on the U.S. plains before establishing a trading post that eventually became Calgary. Here he turned to agriculture, raising some of the first crops on the prairies and exhibiting them in eastern Canada.

Not only a mountain, but the Livingstone Range commemorates his enterprise.

Portrait by Calgary artist, Betty Macdonald





Ocelot Industries Ltd.

DIRECTORS AND OFFICERS:

J. V. Lyons, Director - President and Chief Executive Officer
R. O. Fisher, Director - Executive Vice President
W. J. Bushnell, Director
O. R. Edmonds, Director
N. M. Hannon, Director
G. C. Solomon, Director
R. A. McCullough - Senior Vice President
K. M. Guise - Vice President, Land and International Operations
I. L. Levorson - Vice President, Production and Operations
J. E. Torrie - Vice President, Exploration
B. W. Wilson - Vice President, Finance and Administration
A. M. Wasylenko - Corporate Secretary

DIVISIONS AND SUBSIDIARIES:

Brooks Field Service
Cactus Drilling
Cardinal Drilling Company
Karst Enterprises Incorporated
Ocelot Oil Corp.
O.J. Pipelines Ltd.
OIL Resources Inc.
Sheamar Supply
South Eastern Pipeline Construction
Wilson Oilfield Supply

HEAD OFFICE:

#900, 333 Fifth Avenue S.W.
Calgary, Alberta T2P 3B6
Telephone (403) 261-2000

BANKERS:

The Royal Bank of Canada
Calgary, Alberta
Canadian Imperial Bank of Commerce
Calgary, Alberta

STOCK EXCHANGES:

Alberta Stock Exchange
Montreal Stock Exchange
Toronto Stock Exchange

AUDITORS:

Thorne Riddell
Chartered Accountants
Calgary, Alberta

REGISTRAR AND TRANSFER AGENTS:

National Trust Company Limited
Toronto, Montreal, Calgary and
Vancouver and through its agent
Canada Permanent Trust Co. at Regina

