1993 ANNUAL REPORT

ANG

This Annual Report provides information to assist in understanding ANG's businesses, its operations and the initiatives that are being taken to improve the Corporation's competitive position.

Further information on the Corporation is contained in the Annual Information Form (AIF), a document prepared pursuant to regulatory guidelines. For copies of the AIF or additional copies of the Annual Report, please write to:

The Corporate Secretary
Alberta Natural Gas Company Ltd
2900, 240 – Fourth Avenue S.W.
Calgary, Alberta T2P 4L7

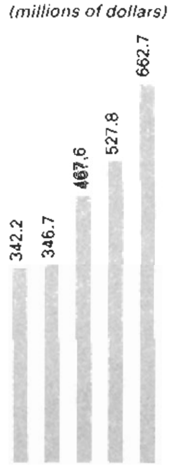
ANNUAL MEETING

The Annual Meeting of Shareholders will be held in the Bonavista Room of the Westin Hotel, Calgary, Alberta, on May 4, 1994, at 9:30 a.m. The notice of the meeting and proxy form are mailed with this report to all shareholders of record.

CONTENTS

Throughout this annual report we have used abbreviations for commonly referenced names and terms. A glossary for abbreviations is provided on the inside back cover.

Revenues
(millions of dollars)



Total Assets
(millions of dollars)

Earnings Per Share From Continuing Operations
(dollars)

FINANCIAL HIGHLIGHTS

(in thousands)		**1993**		1992
Revenues	**$**	**662,693**	$	527,819*
Income from continuing operations	**$**	**33,398**	$	17,799
Net income	**$**	**49,584**	$	17,905
Net property, plant and equipment additions	**$**	**111,073**	$	85,409
Total assets (year end)	**$**	**640,616**	$	509,272
Shareholders' equity (year end)	**$**	**207,756**	$	169,476
Average number of shares outstanding		**25,672**		21,831

*Restated

		1993		1992
Earnings per share				
Continuing operations	**$**	**1.30**	$	0.82
Net income	**$**	**1.93**	$	0.82
Dividends paid per share	**$**	**0.68**	$	0.68
Shareholders' equity per share (year end)	**$**	**8.08**	$	6.61
Toronto Stock Exchange market price per share (year end)	**$**	**16.50**	$	15.75
Dividend yield (per cent on year end market price)		**4.12**		4.32
Number of registered shareholders (year end)		**760**		861

Alberta Natural Gas Company Ltd (ANG) is a Calgary-based corporation which has been active in the natural gas industry for more than 30 years. Originally a transporter of natural gas, ANG expanded its operations to include natural gas liquids (NGL) and ethane extraction, and natural gas and NGL marketing. The Corporation further diversified into the production and marketing of specialty chemicals.

ANG owns and operates a large-diameter pipeline for the transportation of natural gas through southeastern British Columbia. The B.C. Pipeline System links the systems of NOVA Corporation of Alberta and Pacific Gas Transmission Company to move gas from Alberta to the U.S. Pacific Northwest and California. In addition, ANG has a 49 per cent interest in and operates the Foothills Pipe Lines (South B.C.) Ltd. pipeline which parallels and interconnects with ANG's Pipeline.

ANG owns and operates an ethane and NGL extraction facility located near Cochrane, Alberta. The Cochrane extraction plant straddles the western Alberta mainline of NOVA's pipeline system.

ANG is also engaged in the natural gas marketing business in Canada and the U.S. These operations are managed by the CanStates Gas Marketing partnership, of which ANG owns 66.7 per cent. ANG also participates in the marketing of products from the Cochrane extraction plant.

ANG is in the specialty chemicals business through its wholly-owned subsidiary, ANGUS Chemical Company (ANGUS), which is headquartered in Buffalo Grove, Illinois. Chemical products manufactured at ANGUS facilities, located in the United States and Germany, are marketed worldwide to a broad range of industries.

John Beddome

Nineteen ninety-three was a year of major accomplishment for ANG highlighted by strong earnings growth, $111.1 million of investment in property, plant and equipment, and refocusing business and management practises on strategic assets and tasks.

Significantly improved financial performance resulted from the commencement of service of the 1993 Pipeline Expansion, increased profitability and a favourable legal settlement in our chemical business, and strong marketing profits at our Cochrane extraction plant.

Our efforts to refocus on strategic assets and tasks included the restructuring of corporate resources associated with our Canadian operations. Specifically, ANG sold its Peace River pipeline and the CanStates natural gas liquids and crude oil brokerage business. The divestiture of these assets, having limited upside, allows increased allocation of resources to projects with stronger growth potential and of greater strategic importance.

In addition, the refocus resulted in the successful introduction of four new specialty chemical products through ANGUS' research and development efforts. ANGUS will continue these efforts in 1994 and will also aggressively pursue programs directed at expanding its customer base and increasing its market share in both Europe and Asia.

One of ANG's most significant accomplishments in 1993 was the successful completion of the Pipeline Expansion, which more than doubled our investment base in the pipeline business. This expansion increased the average annual contracted capacity of the B.C. Pipeline system by more than 56 per cent to approximately 2,497 MMcf per day.

As a result of our investment program, ANG now owns a solid base of well maintained, productive assets. These assets include the Cochrane extraction plant, the B.C. Pipeline and the ANGUS production facilities. These core assets, together with our strengthened balance sheet, provide ANG with the depth necessary to exploit new opportunities which are continually being sought out and selectively analyzed.

FINANCIAL HIGHLIGHTS

Nineteen ninety-three marks the second year of substantial earnings improvement. ANG recorded net income of $49.6 million ($1.93 per share) compared to $17.9 million ($0.82 per share) in 1992. Income from continuing operations increased by 48.3 per cent to $26.4 million before including after-tax income of $7.0 million ($0.27 per share) from the legal settlement entered into by ANGUS. Earnings per share from continuing operations, excluding the impact of the settlement, were $1.03 in 1993 compared to $0.82 in 1992, an increase of 25.6 per cent.

In 1993, investors showed significant confidence in the Corporation. ANG solidified its financial position through the issue in Canada of $110.0 million, 8.4 per cent unsecured ten-year debentures, and through the ANGUS placement of U.S. $25.0 million, 6.56 per cent unsecured notes. The Corporation also had a successful entry into the commercial paper market after a two-year absence.

In April, ANGUS entered into a settlement agreement with the former operator of our nitroparaffin facility, relating to the fire and explosion at the Sterlington plant in 1991. The settlement provides for U.S. $35.0 million to be paid to ANGUS over a three-year period, of which U.S. $15.0 million has been received.

INVESTMENT ACTIVITY

Our goal of long-term profitable growth by pursuing opportunities related to our existing businesses has brought the following strategic capital projects.

Cochrane Recommissioning Project The recommissioning and upgrading of previously idled facilities at the Cochrane extraction plant commenced in August 1993. When the project is completed in the fall of 1994, ANG will be positioned to process up to 900 MMcf per day of additional gas. The $55 million project arose from the opportunity to process additional volumes of natural gas associated with the recently completed Pipeline Expansion.

Crossfield Gas Storage Project Agreements are being finalized for ANG to invest an estimated $16 million in project development costs to obtain an approximate 20 per cent interest in the Crossfield Gas Storage Project. This project offers solid earnings potential and is of strategic significance to both the B.C. Pipeline and the Cochrane extraction plant.

1995 Expansion In October 1993, ANG applied to the NEB for authority to increase the capacity of the Pipeline by 321.7 MMcf per day. The $52.0 million project is in addition to the 1993 Pipeline Expansion which commenced service on November 1, 1993. The planned expansion is based on long-term contractual commitments by shippers seeking firm transportation to serve important new markets in the U.S. Pacific Northwest, northeastern California and northwestern Nevada. Before this additional capacity is constructed, ANG will determine whether shippers on the existing pipeline system are willing to permanently relinquish any unused capacity. Should sufficient capacity be relinquished, the planned expansion would be reduced or cancelled to correspond with shipper requirements.

Crowsnest Cogeneration Facility ANG and its partner TransAlta Energy are proposing to build a cogeneration facility to be located adjacent to ANG's Compressor Station 1 near Crowsnest in southeastern British Columbia. This project, estimated to cost $150.0 million, will be capable of producing 130 megawatts of power. A Memorandum of Understanding with a potential purchaser of the power was terminated late in 1993. However, ANG and TransAlta Energy have executed a letter of intent with POWEREX, the export marketing division of BC Hydro, for the marketing of electricity generated by the project. We expect that commercial operation will commence prior to 1997.

OUTLOOK

ANG is well positioned to face the many challenges which lie ahead. Our four business segments: pipelines, extraction, marketing and chemicals, are profitable and performing well. The Corporation's balance sheet is strong and its cash flow outlook is positive. In addition, the support of our shareholders, including TransCanada PipeLines Limited which holds a 49.9 per cent interest, provides a solid base for continued growth as we pursue our goal of building extraordinary value for our shareholders through investment in natural gas-related opportunities.

PEOPLE

ANG continues to strengthen its management team as part of an effort to increase organizational effectiveness.

On April 29, 1993, Walentin (Val) Mirosh was appointed Senior Vice President, Law. Mr. Mirosh is a former senior partner with a major Calgary-based law firm and brings extensive corporate and energy industry experience in Canadian and international business. On the same date, Phillip R. Knoll was appointed Vice President, Business Development and Engineering, and Bruce A. Stevenson was appointed Corporate Secretary. Both Messrs. Knoll and Stevenson have many years of energy industry experience.

On April 27, 1993, Gary W. Granzow, in addition to his duties as President and Chief Operating Officer, was appointed Chief Executive Officer of ANGUS.

On April 29, 1993, Harry Booth retired from the ANG Board of Directors. Mr. Booth served ANG both as an officer and later as a director, and was associated with ANG for over 23 years. We would like to express our sincere appreciation to Mr. Booth for his valued contribution.

Three new members were elected to the ANG Board of Directors: Robert A. Helman, Senior Partner with the law firm Mayer, Brown and Platt of Chicago, Illinois; George M. Hugh, Chief Operating Officer of TransCanada PipeLines Limited; and Patrick Reid, recently retired Chairman of the Vancouver Port Corporation.

The realization in 1993 of real progress in ANG's mission to build value for its shareholders was the result of the commitment, dedication and expertise of our employees. We thank the employees of ANG and its subsidiaries for their strong performance. With their continued dedication and focus on strategically important activities, shareholders should expect solid growth in the years ahead.

John M. Beddome
President and Chief Executive Officer

Norman E. Wagner
Chairman of the Board

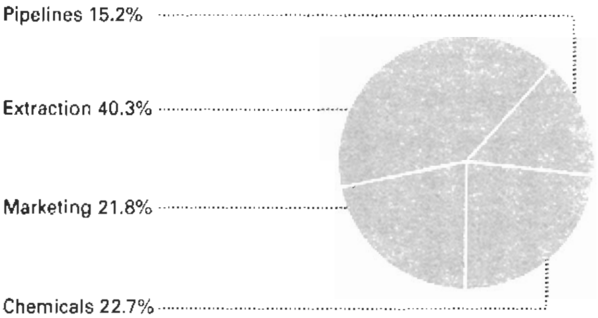
March 2, 1994

FINANCIAL OVERVIEW

Nineteen ninety-three marks the second consecutive year of significant improvement in ANG's financial performance. With the expansion of the B.C. Pipeline System, efficient operation of the four core businesses and a favourable legal settlement, ANG achieved a substantial improvement in both revenue and income.

The following chart identifies the 1993 contribution to operating income (before corporate expenses and the IMC Fertilizer settlement) from each business segment:

1993 Contribution to Operating Income



Net income in 1993 was $49.6 million, up from $17.9 million in 1992. Earnings per share were $1.93 compared to $0.82 in 1992. The Corporation's improved operating performance and several non-recurring events have produced these positive results.

Income from continuing operations increased to $26.4 million from $17.8 million in 1992 before including after-tax income of $7.0 million from the 1993 ANGUS legal settlement. Earnings per share from continuing operations for 1993 were $1.03, excluding $0.27 from the legal settlement, compared to $0.82 in 1992.

Operating income from the pipeline and chemical businesses showed significant improvement over the previous year. Pipeline operating income grew 39 per cent to $9.2 million primarily as a result of increased investment relating to the Pipeline expansion. The chemical business, before including $12.6 million from the legal settlement, also recorded growth in operating income in 1993.

Operating income from the extraction business decreased $2.3 million in 1993 mainly due to a reduction in revenue entitlement associated with a depreciating investment base and lower income taxes. In the marketing business, stronger selling prices and higher sales volumes of NGL at the Cochrane extraction plant resulted in an increase in operating income. This increase, however, was more than offset by a loss provision relating to the sale of the CanStates NGL and crude oil brokerage business.

Other income in 1993 increased to $13.7 million from $4.7 million in 1992. This increase includes a gain from the sale of ANG's Peace River pipeline. It also reflects a higher allowance for funds used during construction of the Pipeline expansion and higher equity income from ANG's investment in Foothills South B.C.

Income Summary *(in thousands)*	**1993**	1992	1991
Pipelines	**$ 9,196**	$ 6,633	$ 5,098
Extraction	**24,447**	26,787	23,513
Marketing	**13,204**	14,424	13,293
Chemicals	**26,363**	9,265	11,873
Corporate expenses	**(8,543)**	(9,191)	(9,114)
Operating Income	**64,667**	47,918	44,663
Other income	**13,705**	4,684	3,718
Interest expense	**(16,397)**	(19,422)	(20,347)
Income taxes	**(28,577)**	(15,381)	(12,375)
Income from Continuing Operations	**33,398**	17,799	15,659
Discontinued operations	**790**	(20,075)	(57,789)
Extraordinary items	**15,396**	20,181	(2,490)
Net Income (Loss)	**$ 49,584**	$ 17,905	$ (44,620)

Discontinued operations in 1993 reflect a gain of $0.8 million relating to the contingent portion of sale proceeds from the disposition of ANGUS Fine Chemicals Ltd. in Ireland. The business was sold in 1992 and a loss on disposition of $20.1 million was recorded.

The extraordinary gain of $15.4 million in 1993 relates to the legal settlement with IMC Fertilizer. In 1992, ANG recorded an extraordinary book gain of $20.2 million associated with rebuilding the Sterlington nitroparaffins plant.

ANG maintained a strong liquidity position and improved its access to capital markets in 1993 during a period of significant asset growth. Although the expansion of the B.C. Pipeline System and other capital projects increased 1993 debt levels, declining interest rates reduced total interest expense by $3.0 million.

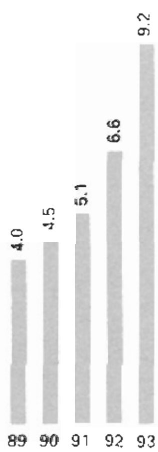
Funds from continuing operations increased to $58.8 million from $40.8 million in 1992 as a result of ANG's improved operating performance.

PIPELINES

ANG's pipeline interests are located in southeastern British Columbia and are a vital link in the 2,800 kilometre Alberta to California pipeline system. Pipeline investments more than doubled in 1993 as a result of the Pipeline Expansion.

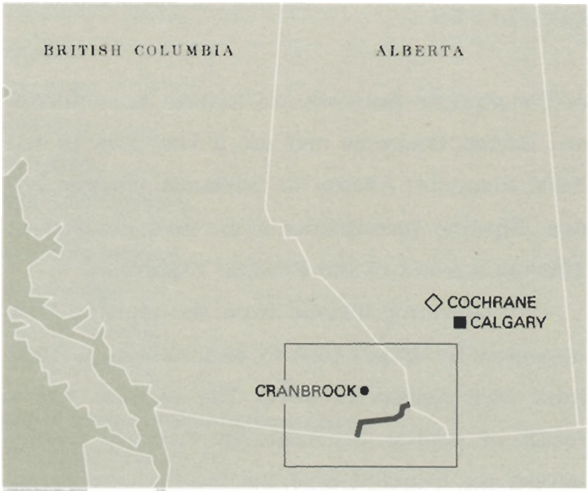
Operating income from the pipeline business grew by 39 per cent to $9.2 million in 1993 from $6.6 million in 1992. The increase was a result of capital expenditures directed mainly toward the completion of the Pipeline expansion, which commenced operation on November 1, 1993.

Pipelines Operating Income
(millions of dollars)

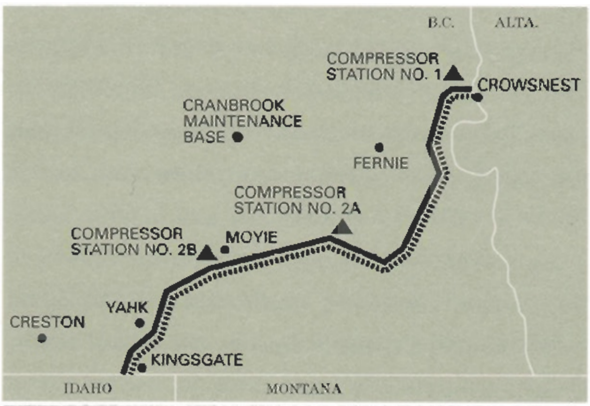


The Pipeline operates within the jurisdiction of the NEB and its income and cash flow are based on tolls charged to Pipeline shippers. These tolls are designed to recover all reasonable operating and maintenance expenses, depreciation and amortization, income and other taxes, and a return on ANG's rate base.

Generally, the rate base (the net assets of the Pipeline) increases by the amount of capital additions and decreases by the amount of depreciation charged. The rate base is funded by a deemed capital structure consisting of debt and equity. The return on the rate base includes the recovery of debt costs and an after-tax return on the deemed equity component. The debt and equity components and the return on equity are determined in consultation with the Pipeline shippers and other interested parties. Net income



■ Headquarters
◇ Extraction Facility
▬ Pipeline



▬ ANG pipeline
'''' Foothills South B.C. pipeline
▲ Compressor Station

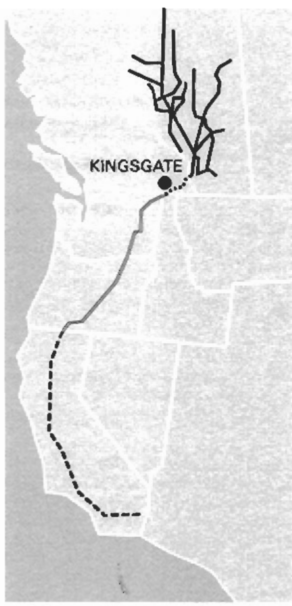
is affected by changes in the amount of the rate base and the rate of return on equity and should not, under normal circumstances, be affected by variations in the volume of gas delivered.

The average Pipeline rate base was $76.7 million in 1993 and $47.9 million in 1992.

The number of shippers who have contracted for firm transportation on the Pipeline increased in 1993 from three to 34. This increase is a result of the 1993 Pipeline Expansion and the restructuring of the A&S gas supply pool.

ANG successfully completed an expansion of the B.C. Pipeline System, which commenced commercial service on November 1, 1993. The project was co-sponsored by ANG and its 49 per cent owned affiliate, Foothills South B.C. ANG provided design and construction management services to the project and owns the new compression facilities while Foothills South B.C. owns the new pipeline segments. The expansion increased the average annual contracted capacity on the B.C. Pipeline System by more than 56 per cent or 897 MMcf per day. Total average annual contracted capacity is now approximately 2,497 MMcf per day.

During the year, expansion of the B.C. Pipeline System was completed. The expansion, which commenced commercial service on November 1, 1993, increased average annual contracted capacity on the system by more than 56 per cent.



Alberta to California
Pipeline System

·········· ANG and Foothills South B.C.
—— PGT
----- PG&E
—— NOVA

Kingsgate
Export
Volumes
(average MMcf per day)

The projected capital cost of the Pipeline Expansion is $209.1 million. Of this amount, ANG's new compression facilities are $98.3 million, while Foothills South B.C.'s new pipeline segments are $110.8 million. ANG's net equity investment in Foothills South B.C., as a 49 per cent owner, increased by $17.6 million.

As part of its ongoing commitment to provide safe, efficient and reliable transportation service, ANG continues to upgrade its pipeline facilities. Sustaining capital expenditures for 1993 were $5.6 million and ANG has budgeted $10.8 million for 1994. The $10.8 million includes $4.7 million, for which an application for approval to proceed was filed with the NEB on December 6, 1993. A decision is expected early in 1994.

Coincident with the commencement of service on the Pipeline Expansion, ANG filed for new tolls, effective November 1, 1993. The tolls were accepted on an interim basis by the NEB and are based on a deemed capital structure of 65 per cent debt and 35 per cent equity. The debt has a cost of 8.4 per cent and the equity has a 12.5 per cent return. Previously, tolls were based on a deemed capital structure of 70 per cent debt, 30 per cent equity and a 12 per cent return on equity. The debt had a 9.5 per cent rate until August 1, 1993, at which time the 8.4 per cent debt rate associated with ANG's new debenture issue became effective.

To date, ANG has been unable to reach agreement with some shippers and other interested parties with respect to the appropriateness of the interim tolls. At the Corporation's request, the NEB has called a hearing to review ANG's tolls. It is expected that a decision will be made on the tolls later in 1994. Based on ANG's December 31, 1993 rate base, a four per cent change in the equity component (e.g., from 35 per cent to 31 per cent) would affect earnings per share by approximately $0.01, whereas a 0.5 per cent change in the rate of return on equity (e.g., from 12.5 per cent to 12 per cent) would also have an effect of $0.01.

U.S. federal regulators continued the process of deregulation and capacity restructuring in 1993. After many months of negotiations, a commercial restructuring of the long-standing contractual arrangements underlying the sale and delivery of Canadian gas to northern California was achieved. As a result, PG&E terminated gas purchase agreements between A&S and its gas supply pool. A portion of the A&S contract for firm capacity on the Pipeline was reassigned to PG&E and producers who were formerly in the A&S supply pool.

Prior to November 1, 1993, A&S held approximately 1,200 MMcf per day of transportation capacity on the Pipeline. As a result of the A&S decontracting, A&S assigned approximately 600 MMcf per day of its transportation capacity to PG&E for service to its core market. The PG&E transportation agreement expires on October 31, 2005. Of the remaining A&S capacity, approximately 150 MMcf per day was assigned to other third parties, leaving approximately 450 MMcf per day with A&S, yet to be assigned.

In conjunction with the A&S decontracting, the Alberta government and the NEB lifted orders that had been imposed in 1992 restricting short-term natural gas exports on the B.C. Pipeline System.

1995 PIPELINE EXPANSION

ANG has applied for a further expansion to the Pipeline capacity by November 1, 1995, in conjunction with a proposed expansion of the PGT system and the planned construction of the Tuscarora pipeline from Malin, Oregon to Reno, Nevada.

In October 1993, ANG filed an application with the NEB for facilities designed to accommodate long-term transportation contracts for up to 321.7 MMcf per day of year-round capacity and an additional 40 MMcf per day of winter service commencing November 1, 1995. These newly contracted volumes are required to serve utility and end-use markets in southern British Columbia, the U.S. Pacific Northwest, northeastern California and northwestern Nevada. This additional capacity is backed by long-term firm transportation contracts with 11 shippers; however 97 MMcf per day is conditional upon one shipper obtaining state regulatory approval.

Depending on the state regulatory approval, the capital cost of this project to ANG is estimated at between $30.0 million and $52.0 million. The NEB has called a public hearing on the application which is scheduled to begin on March 21, 1994.

ANG is reassessing its new facility requirements in light of indications from certain shippers and other parties that existing capacity could be made available to satisfy all or part of the 1995 expansion markets. While the ANG Pipeline remains fully contracted, some rationalization of capacity in Canada and the U.S. could ultimately be undertaken which could obviate or reduce the scope of the proposed expansion.

ANG'S PEACE RIVER PIPELINE

On December 30, 1993, ANG sold its Peace River pipeline to NOVA for $15.3 million. This pipeline transported natural gas for regional industrial users in northern Alberta. The pipeline had very limited growth potential for ANG and was restricted by NOVA's regulatory mandate. For these reasons, it was considered non-strategic. The disposition resulted in an after-tax gain of $4.6 million.

COGENERATION PROJECT

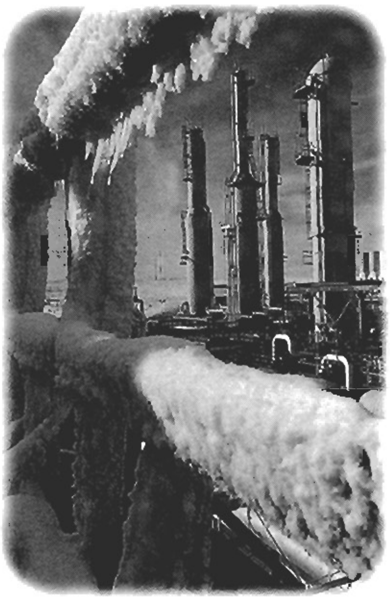
In December 1992, ANG and TransAlta Energy formalized a partnership agreement regarding the planned ownership and operation of a cogeneration facility to be located adjacent to ANG's Crowsnest compressor station in British Columbia. Total project costs are expected to be approximately $150.0 million, which will be project financed with equity and non-recourse debt. ANG's equity investment is anticipated to range between $15.0 million and $30.0 million. These costs are expected to be incurred in 1995 and 1996.

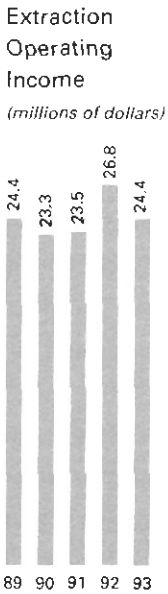
The facility will recover exhaust heat from five existing pipeline compressors at ANG's Crowsnest compressor station and from two new natural gas-fired turbine-driven electrical generators which will be installed as part of the project. The exhaust heat will then be converted to steam which, together with the new gas turbine generators, will produce electricity. The facility will be capable of producing 130 megawatts of power.

In March 1993, ANG and TransAlta Energy filed an Energy Project Certificate application with the Province of British Columbia for authorization of the cogeneration facility. During August 1993, notification was received that no significant facility-related issues were outstanding, and the application was forwarded to the British Columbia Minister of Energy for approval.

ANG and TransAlta Energy had concluded a conditional Memorandum of Understanding with the Sacramento Municipal Utility District (SMUD) which outlined a proposed 130 megawatt electricity sale from the project. In November 1993, however, this agreement was terminated by SMUD mainly due to their inability to obtain acceptable transmission arrangements. Since that time, ANG and TransAlta Energy have continued to work with POWEREX, the export marketing division of BC Hydro, to seek alternative markets for the sale of the electricity from the project. ANG, TransAlta Energy and POWEREX signed a letter of intent for the marketing of the electricity generated by the project. Given the economic viability of the project, it is anticipated that these marketing efforts will be successful and that commercial operation will commence prior to 1997.

EXTRACTION





The Cochrane extraction plant is one of the lowest-cost producers of ethane and NGL in Alberta. Ethane, NGL and liquified carbon dioxide are extracted from the natural gas stream passing through the Cochrane extraction plant which straddles the NOVA pipeline system. Ethane and NGL are extracted under long-term agreements which provide for the recovery of all reasonable operating expenses, depreciation, interest expense and an after-tax return on the net investment.

Ethane is sold under a long-term agreement as feedstock for ethylene production. Ethane production in 1993 averaged 42,073 barrels per day compared to 42,055 barrels per day in 1992. Extracted NGL, composed of approximately 69 per cent propane, 22 per cent butane and nine per cent pentane plus, are sold under long-term contracts. Production of NGL averaged 18,933 barrels per day in 1993, compared to 17,717 barrels per day in 1992, an increase of 6.9 per cent. The increase in NGL production resulted from a richer inlet gas stream experienced in 1993.

Operating income from the extraction business was $24.4 million in 1993 compared to $26.8 million in 1992. A decrease in revenue entitlement associated with a depreciating investment base and lower income taxes reduced operating income.

On November 1, 1993, as a result of pressure from the California Public Utilities Commission, the A&S gas supply pool was dissolved and A&S gas sale arrangements to PGT and PG&E were terminated. A&S was a major natural gas shipper on the NOVA pipeline system and ANG had agreements with A&S to extract

In June 1993, the Alberta Energy Resources Conservation Board gave ANG unconditional approval to recommission and upgrade previously idled facilities at Cochrane. The expansion will allow the Cochrane extraction plant to process up to 900 MMcf per day of additional natural gas.

ethane and NGL from the A&S gas supply pool. The dissolution of the supply pool necessitated the replacement of the A&S extraction agreements. The majority of the transportation capacity held by A&S was assigned to PG&E and to producers formerly in the A&S gas supply pool. As a result, ANG replaced the existing A&S extraction agreements with a new A&S agreement, an agreement with PG&E and 168 new agreements with producers formerly in the A&S gas supply pool.

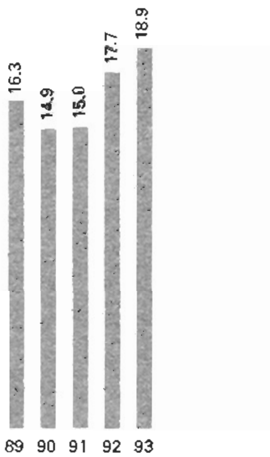
The dissolution of the A&S gas supply pool had no significant impact on the volumes of gas processed at the Cochrane extraction plant in 1993.

RECOMMISSIONING PROJECT

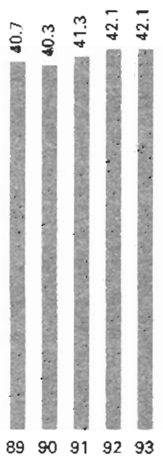
ANG received unconditional approval from the Alberta Energy Resources Conservation Board in June 1993, to recommission and upgrade previously idled facilities at the Cochrane extraction plant. The project will allow the Cochrane extraction plant to process up to 900 MMcf per day of additional natural gas for a total plant capacity of 2,200 MMcf per day. This opportunity comes from the increased volumes of natural gas flowing through the Cochrane extraction plant as a result of the Alberta to California pipeline expansion. Construction and recommissioning of the facility is progressing on schedule and within budget. Completion is expected in the third quarter of 1994. The capital cost of the project is estimated at $55 million. To date, construction of the recommissioning project is 20 per cent complete.

In December of 1992, ANG signed a product sale agreement relating to the increased volumes of NGL to be produced from the recommissioned facility. This agreement provides for the use of downstream facilities upon terms substantially similar to existing arrangements. This agreement also includes a product marketing arrangement. ANG is finalizing agreements for the processing of natural gas at the recommissioned facility with shippers transporting gas on the expanded NOVA pipeline facilities.

NGL Production
(thousands of barrels per day)



Ethane Production
(thousands of barrels per day)

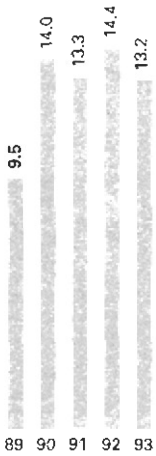


CanStates Gas Marketing, a partnership in which ANG has a 66.7 per cent interest, contracts with natural gas producers for gas supplies which are marketed in the eastern U.S. and central and western Canada. It has two long-term export contracts with deliveries of approximately 125 MMcf per day. These two contracts amount to approximately 50 per cent of CanStates Gas Marketing's sales volumes. The agreements specifically provide for the recovery, by CanStates Gas Marketing, of virtually all transportation costs from its customers. As a result, CanStates Gas Marketing has entered into agreements providing for pipeline transportation capacity.

Total natural gas sales volumes for 1993 were 94,400 MMcf, which were comparable to 1992.

ANG participates in the marketing of products from the Cochrane extraction plant. Sales of NGL from the plant are made under a long-term product sales agreement. In 1993, a richer inlet gas stream generated higher production volumes. Overall stronger NGL prices and increased sales volumes resulted in an increase in operating income for 1993 compared to 1992. An increase in natural gas prices in 1994 is expected to lower NGL marketing profits.

Marketing Operating Income
(millions of dollars)



Contractual arrangements also provide for ANG's participation in the marketing of ethane outside Alberta. These arrangements have not contributed to ANG's operating income for a number of years and are not expected to contribute in the near term.

The natural gas and NGL marketing business is affected by the seasonality of market demand for natural gas and NGL. Traditionally, the more active periods for natural gas sales are winter and summer, and for NGL, the fall and winter.

ANG was also in the NGL and crude oil brokerage business. This business was operated as CanStates Energy and CanStates Petroleum Marketing. On February 3, 1994, this business was sold after experiencing significant losses. The sale also included ANG's 12.3 per cent interest in the St. Clair Underground Storage partnership which owned and operated the Marysville Underground Storage Terminal in Michigan. The selling price of these assets was $5.9 million plus working capital. Based on the net realizable value of the assets, a 1993 year end loss provision of $4.9 million was taken by writing off goodwill and other intangibles. The finalization of the sale on February 3, 1994, will have no material effect on income in 1994.

GAS STORAGE PROJECT

In January 1994, the Corporation's Board of Directors approved ANG's equity participation in a gas storage project being developed by Amoco Canada Petroleum Company Ltd. near Crossfield, Alberta. Agreements are being finalized for ANG to invest an estimated $16 million in project development costs for the drilling of additional wells and providing additional compression and connecting facilities for which ANG will obtain an approximate 20 per cent interest in the Crossfield Storage Project. This project is of strategic significance to both the B.C. Pipeline System and the Cochrane extraction plant. The current plan is to develop up to 400 MMcf per day of deliverability capacity from the project by November, 1994.

ANG is in the specialty chemicals business. Chemical products are manufactured at ANGUS facilities located in Sterlington, Louisiana and in Ibbenbueren, Germany. Products are marketed worldwide to a broad range of industries.

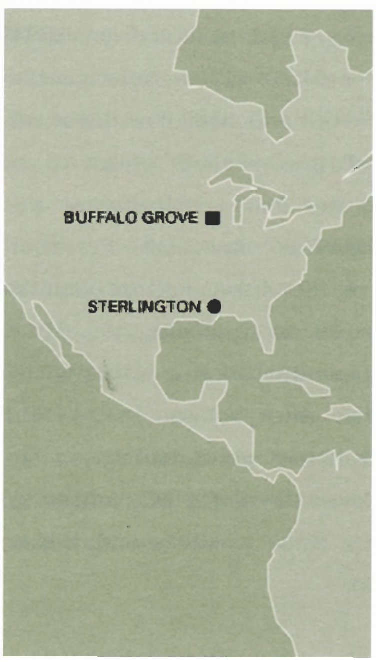
ANGUS, which is the world's largest producer of nitroparaffins, manufactures four basic nitroparaffin co-products: nitromethane; nitroethane; 1-nitropropane; and 2-nitropropane. These co-products are made from a feedstock of nitric acid and propane. Nitroparaffin derivatives are produced from each of the basic co-products.

Chemicals Operating Income
(millions of dollars)

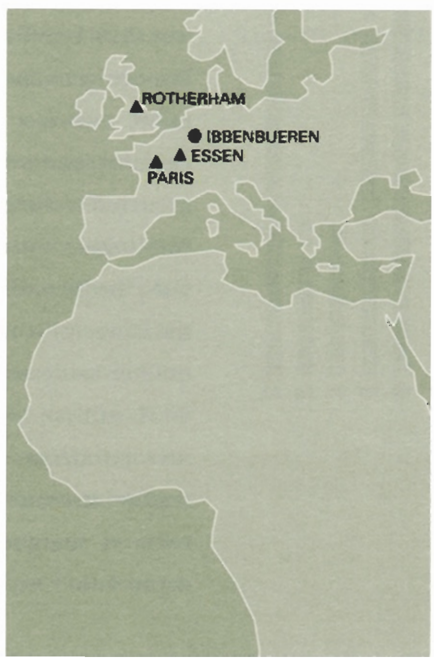
Operating income in 1993 for chemicals was $26.4 million, up $17.1 million from 1992. The increase includes $12.6 million from a settlement between ANGUS and IMC Fertilizer for reimbursement of unabsorbed plant costs incurred following the 1991 explosion at the Sterlington nitroparaffins plant. IMC Fertilizer was the operator of the nitroparaffins plant at the time of the explosion. Excluding the $12.6 million settlement, operating income improved by $4.5 million. Higher sales volumes of certain nitroparaffins and better plant utilization, to restore inventory levels, were partially offset by reduced margins for some products and higher depreciation expense.

The April 1993 settlement agreement between ANGUS and IMC Fertilizer provided for reimbursement of certain losses relating to the explosion. ANGUS and its insurers will be paid US $180.0 million plus interest over a three-year period. The net settlement to ANGUS is approximately US $35.0 million (CDN $44.4 million). In addition to the CDN $12.6 million ($7.0 million after-tax) recorded as income from continuing operations, CDN $31.8 million ($15.4 million after expenses and tax) was recorded as an extraordinary item. As required under the terms of the settlement agreement, ANGUS had received US $15.0 million by December 31, 1993. The balance is due as follows: US $5.6 million in 1994, US $4.1 million in 1995 and US $10.3 million in 1996. ANGUS continues to seek further recoveries from IMC Fertilizer and its insurers for losses not covered by the 1993 settlement.

The Sterlington, Louisiana plant manufactures nitroparaffins and their derivatives. The basic nitroparaffins plant currently operates at approximately two-thirds of its annual production capability of 90 million pounds. The Ibbenbueren plant primarily manufactures nitroparaffin derivatives. Nitroparaffins for the manufacture of these derivatives are supplied by the Sterlington plant.



North America



Europe

Southeast Asia

■ Headquarters

● Manufacturing Facilities

▲ Information Offices

ANGUS is the world's largest producer of nitroparaffins and their derivatives. ANGUS manufactures more than 50 unique chemical products which are used in a broad range of applications. These include racing fuels, pharmaceutical intermediates, agricultural intermediates, paints and coatings, buffers and personal care products.

Infrastructure and safety projects throughout 1993 accounted for a large portion of the US $9.4 million of capital expenditures. During 1994, total expenditures are projected to be approximately US $10.0 million. These funds are directed at completing 1993 infrastucture and safety projects as well as the construction of a new administration building at Sterlington. Sustaining capital for ANGUS normally ranges from US $5.0 million to US $7.0 million each year.

The majority of ANGUS' products are sold to highly competitive global markets. Competition is based primarily on alternative chemistry where success depends upon product performance and service to customers. In the second half of 1992, the world's second largest producer of nitroparaffins exited the business. The liquidation of its inventories impacted ANGUS' business in several market segments during 1993. ANGUS has regained sales lost as a result of this one-time event.

Nitroparaffins and nitroparaffin derivatives produced by ANGUS comprise more than 50 products which are used in many applications including pharmaceuticals, coatings, solvents, textiles and agricultural chemicals. Serving a wide range of specialty chemical markets, these products offer value-added properties such as building blocks for pharmaceutical drugs, additives which reduce corrosion and aid dispersion in paints, biocides for metalworking fluids, and neutralizers and dispersants for cosmetic and personal care products.

ANGUS' product diversity is demonstrated by their use in applications such as the leading drugs used to combat tuberculosis and treat ulcers, in almost all hair sprays, in the majority of high performance latex paints produced in the U.S., and in fungicides used in the fumigation of high-value crops such as strawberries and tomatoes. The diversity of markets which ANGUS' products serve leads to a low concentration on any one customer or industry group. The largest industry group represented less than 15 per cent of ANGUS' 1993 gross margin. In a typical year, the ten largest customers account for approximately 26 per cent of gross margin. The diversified market and customer base also reduces the impact of economic cycles on sales and profitability.

One of ANGUS' major focuses has been to develop new markets for existing products and new products based on nitroparaffin chemistry and proprietary technology. Research and development expenditures were approximately US $4.0 million in 1993, and are targeted at approximately four per cent of sales. Four new products were introduced in 1993, and numerous market opportunities for current products were pursued.

The new products introduced in 1993 have been designed to bring customers increased value by improving the properties of their finished products, improving the safety of their products, or a combination of both. An example of this is a recently introduced specialty additive for the adhesive industry, ZT-55, which provides the combined benefits of a substantial improvement in the strength of the bond with reduced worker exposure to hazardous chemicals. Zoldine RD-20, the first new ANGUS product in the field of reactive diluents, allows customers to offer urethane coatings that have improved appearance, weatherability and reduced environmental impact during the application stage. A new metalworking fluid additive developed in Europe has been approved for use by a major automobile manufacturer due to its unique balance of properties. A number of other new products continue in various stages of development and are scheduled for introduction over the next several years.

ANGUS is also focusing its efforts on increasing market penetration in Europe and the Far East. During 1993, North American sales accounted for 53 per cent of total sales, European sales accounted for 28 per cent and Asian and Latin American sales accounted for 19 per cent.

LIQUIDITY AND CAPITAL RESOURCES

ANG maintained a strong liquidity position and improved its access to capital markets in 1993, during a period of significant asset growth. Taking advantage of upgraded credit ratings, the Corporation issued new fixed-term debt and entered the commercial paper market.

Funds from continuing operations increased significantly in 1993 to $58.8 million from $40.8 million in 1992. The increase of $18.0 million was mainly due to the legal settlement with IMC Fertilizer and improved operating performance from ANG's pipeline, marketing and chemical businesses, as well as lower interest charges. Non-cash working capital requirements increased by $29.4 million mainly due to an increase in inventories and receivables. A large portion of this increase relates to the commencement of Pipeline expansion operations and inventory replenishment in the chemicals business.

Capital expenditures on property, plant and equipment for 1993 totalled $111.1 million. Approximately $67.8 million of this amount was for expansion of the Pipeline. The remainder of the expenditures relate to sustaining capital requirements for ANGUS as well as the Cochrane extraction plant recommissioning project.

During 1993, a net investment of $17.6 million was made to maintain ANG's 49 per cent interest in Foothills South B.C. The investment facilitated completion of Foothills South B.C.'s share of the Pipeline Expansion.

Long-term debt of $140.0 million was repaid in 1993. This includes $60.0 million of debentures, carrying an interest rate of 10⅛ per cent which matured on October 22, 1993. In addition, notes payable of $80.0 million were repaid. Also, a $25.0 million cross-currency interest rate swap matured May 4, 1993.

As a result of continued improvement in financial performance and a strong balance sheet, the two Canadian bond rating services upgraded the credit ratings on ANG's debt in June 1993. The higher quality ratings allow ANG wider access to capital markets and lower financing costs. The corporate debt ratings are as follows:

	1993	1992
Dominion Bond Rating Service		
Debentures	A (Low)	BBB
Commercial Paper	R-1 (Low)	R-2 (High)
Canadian Bond Rating Service		
Debentures	B++ (High)	B++
Commercial Paper	A-2 (High)	A-2

Subsequent to obtaining the credit upgrades, ANG successfully issued $110.0 million of unsecured debentures carrying an 8.4 per cent coupon payable semi-annually. The debentures mature in 2003. The net proceeds were used to fund ANG's Pipeline and its expansion.

During the fourth quarter, ANGUS issued US $25.0 million of unsecured senior notes at an interest rate of 6.56 per cent. Principal repayments are due in seven installments commencing in 1997 with a final payment in 2003. The proceeds were used to retire notes payable and for general corporate purposes. This debt also partially hedges ANG's net investment in its U.S. operations.

Proceeds from the divestiture of non-strategic assets were also used to retire notes payable.

ANG entered the commercial paper market in October 1993, after a two-year absence. This action lowered the cost of short-term borrowing compared to the cost of bank financing. By year end, ANG had $76.0 million of commercial paper outstanding with varying terms to maturity.

As of December 31, 1993, total debt outstanding was $256.2 million with $176.8 million classified as long-term debt and $79.4 million classified as short-term debt. Total debt in 1993 increased by $62.4 million over 1992 levels mainly due to expansion of the B.C. Pipeline System. ANG's long-term debt includes $110.0 million in Canadian dollars, CDN $56.1 million denominated in U.S. dollars, and CDN $10.7 million denominated in Deutsche marks. For further details, see Note 6 to the consolidated financial statements.

The Corporation's weighted average cost of borrowing for short-term debt was 6.5 per cent compared to 7.8 per cent in 1992. The lower cost of borrowing in 1993 was due to a significant decline in interest rates and broader access to capital markets made possible by ANG's improved credit rating.

Total capital expenditures in 1994 are expected to be approximately $76.8 million. Of the total, $63.8 million is expected to be spent in Canada, largely on the Cochrane extraction plant recommissioning project. The remainder will be invested by ANGUS in the U.S. on sustaining capital, safety and environmental projects, and funding the construction of a new administration building at Sterlington.

At the end of 1993, ANG had revolving credit facilities totalling $156.5 million with five Canadian banks, of which $152.8 million was unused. ANG reduced these facilities by $20.0 million from 1992 levels based on projected financing requirements for 1994. In addition, ANG had a US $6.0 million credit facility, of which US $5.9 million was unused at year end. The credit facilities are required to support ANG's commercial paper program and are also used for general corporate purposes.

Financing requirements during 1994 are expected to be satisfied through a combination of internally generated cash flow and short-term borrowing.

SENSITIVITIES

Management monitors key market drivers which affect ANG's cash flow and profitability.

Increase in Key Market Drivers	1994 Earnings per share increase (decrease)
Propane price of US $0.03 per US gallon	$0.04
CDN/US dollar exchange rate of CDN $0.01	(0.01)
Natural gas CDN $0.20 per gigajoule	(0.03)

CANADIAN OPERATIONS

ANG is committed to operating its business in a manner that protects the environment.

In 1993, ANG implemented an Environmental Philosophy and Policy (the Environmental Statements) which are provided to its employees and are available to the public. The Environmental Statements emphasize the Corporation's commitment to protecting the environment and the measures it is taking to achieve its environmental performance goals.

A key measure is the appointment of a Chief Compliance Officer who reports to the Board of Directors and is responsible for ensuring ANG's compliance with all applicable environmental regulations. The Chief Compliance Officer is a member of the Safety and Environmental Review Committee (SERC), which in turn is responsible for reviewing safety and environmental concerns and supervising or conducting environmental inspections and audits. The SERC is comprised of members of senior management, engineering and operations staff.

An important corporate initiative involves environmental audits of all facilities on a regular basis. The audits assess ANG's compliance with legal requirements, conformity with policies and standards of performance, and day-to-day environmental management.

In the fall of 1991, a series of environmental audits of facilities was conducted, starting with the Cochrane extraction plant and followed by the Pipeline. ANG has now implemented changes which were recommended as a result of these audits. In 1992, audits of ANG's Peace River pipeline, the corporate head office in Calgary and ANG's vehicle fleet were conducted. The audits confirmed that ANG's facilities comply with regulations and conform with industry and corporate standards and practices. They also confirmed that ANG operates in a progressive and environmentally responsible manner. Inspections of the Cochrane extraction plant and the B.C. Pipeline System in 1993 indicated that no significant environmental concerns existed.

Specific environmental protection programs were carried out during 1993, including the completion of an asbestos abatement program connected with the recommissioning of the lean oil facilities at the Cochrane extraction plant. Also, a cooling water pilot project, using low-cost ozone in place of conventional water treatment chemicals, was initiated at the Cochrane extraction plant. Based on favourable preliminary results, a large-scale test will be conducted in 1994. In addition, updated guidelines for spill reporting and waste handling and disposal have been implemented at the Cochrane extraction plant.

Turbine exhaust gas emission reduction systems were installed on the new compressors at both the Crowsnest and Moyie compressor stations. This entailed water injection into gas turbines to reduce the amount of oxides of nitrogen (NO_x) emitted to the atmosphere. Full implementation will be completed in 1994.

Noise abatement measures and equipment were incorporated into all the new facilities installed as part of the Pipeline Expansion.

ANG does not expect that environmental protection laws will affect it differently from other corporations in the industries in which it operates. To date, environmental protection requirements have not had a materially adverse impact on earnings or the competitive position of the Corporation. In future, it is anticipated that new and amended legislation will increase environmental compliance costs; however, management is unable to predict the future impact of such increased costs.

CHEMICALS

ANGUS is committed to full compliance with current and future environmental regulations on a worldwide basis. In this respect, ANGUS is engaged in an active program of environmental management. During the reconstruction of its nitroparaffin facility, many improvements were incorporated anticipating future regulatory requirements, including changes in the U.S. *Clean Air Act*.

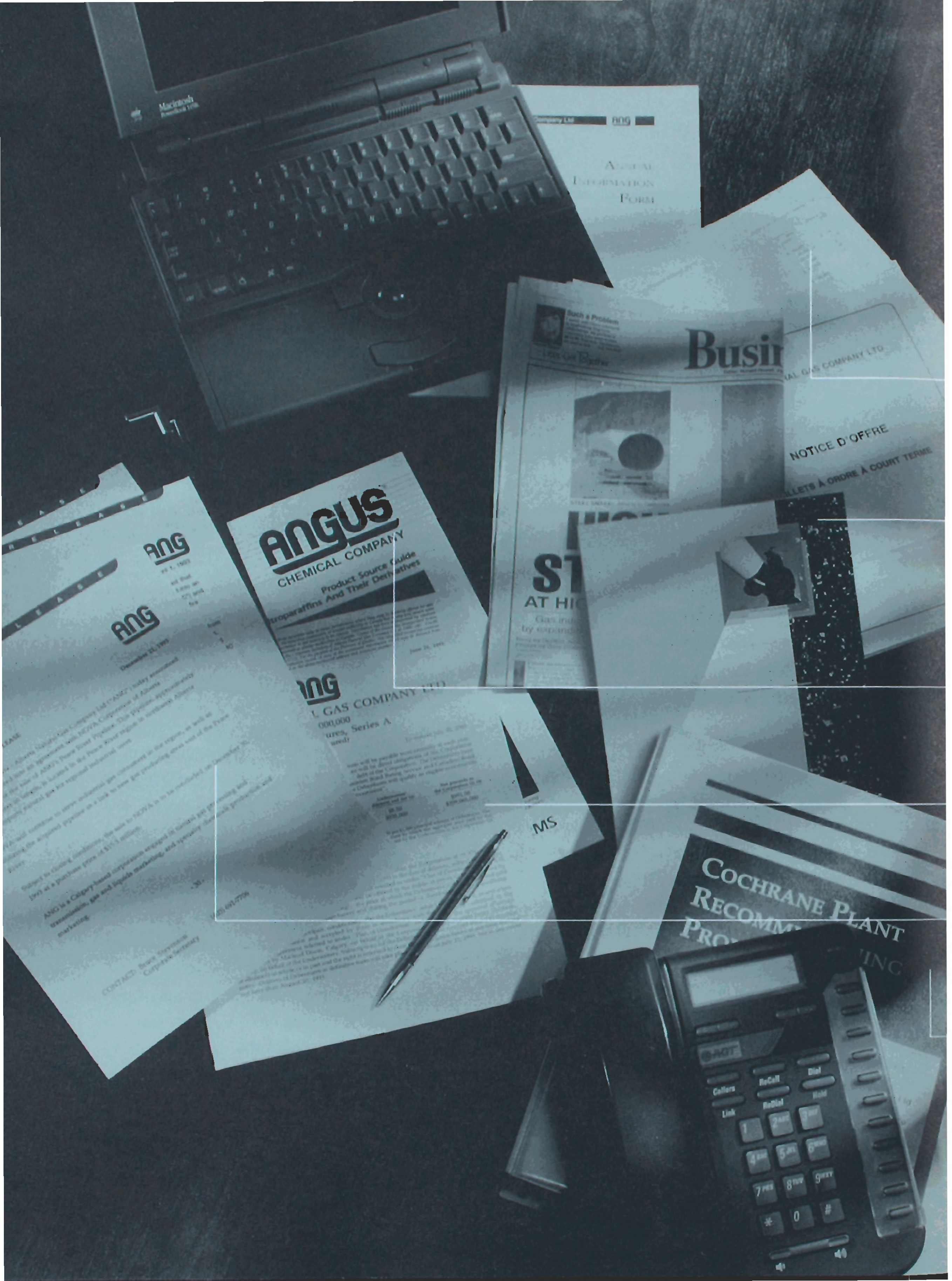
In 1992, ANGUS initiated a project to reduce its long-term material handling risks, which includes stringent material handling standards for certain chemicals. In 1993, many of these standards were implemented with more than US $1.0 million spent on projects to upgrade handling and storage facilities. Improvements included installation of double-bottomed tanks, improved containment capability, and a redesign of the system to reduce potential sources of leaks.

In February 1994, the Louisiana Department of Environmental Quality granted ANGUS' request for authorization to continue operation of its Class I hazardous waste injection wells to the year 2007. ANGUS also holds approvals for the continued use of the wells from the U.S. Environmental Protection Agency and the Louisiana Department of Natural Resources. The wells are monitored on an ongoing basis to ensure prevention of harm to the environment.

The costs associated with ANGUS' environmental activities have increased significantly in recent years. While it is difficult to determine environmental compliance costs, ANGUS expects environmental capital costs to reach US $1.0 million to US $2.0 million per year over the next three to four years. ANGUS has dedicated resources to identify industrial and regulatory trends relating to environmental issues at an early stage, and to make prudent business decisions based on a strategy of reducing long-term financial vulnerability.

CORPORATE CONTRIBUTIONS

As a responsible corporation, ANG invests in the continued development of the communities in which it operates. Contributions are made to organizations that promote health, welfare and education, as well as athletic, civic and cultural activities. This year our employees conducted ANG's most successful United Way campaign. Their efforts produced record contribution and participation levels.



A YEAR OF ACCOMPLISHMENT

1993 was a year of major accomplishment for ANG highlighted by strong earnings growth, significant investment in facilities and a renewed focus on strategic assets and tasks. Selected highlights include:

Continued improvement in financial performance led to higher quality ratings from the two Canadian bond rating services. ANG now has wider access to capital markets at lower financing costs.

After several years of planning and development, the Pipeline Expansion commenced operation on November 1, 1993. This project more than doubled ANG's pipeline investment and increased the B.C. Pipeline System capacity by more than 56 per cent.

Focusing on continued growth, ANGUS Chemical Company introduced four new products. ANGUS continues to be the largest producer of nitroparaffins in the world.

Investor confidence allowed ANG to solidify its financial position through the entry into the commercial paper market and the issue of favourable debentures and unsecured notes.

Divestiture of non-strategic assets increased the allocation of financial resources to projects of strategic importance and stronger growth potential.

The recommissioning project commenced at the Cochrane extraction plant. This project provides for a 70 per cent increase in NGL extraction capability and for future earnings growth.

MANAGEMENT'S REPORT

The accompanying consolidated financial statements and all other information in this Annual Report have been prepared by the management of ANG. Management is responsible for the integrity and objectivity of this information. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Where appropriate, amounts based on estimates and judgements are included. Financial information throughout this Annual Report is consistent with the consolidated financial statements.

Management has established and maintains appropriate systems of internal control, with policies and procedures which are designed to meet its responsibility for reliable and accurate reporting. These systems of control include a program of review by ANG's internal auditors.

Arthur Andersen & Co. are independent auditors appointed by the shareholders. For the purposes of determining the nature, timing and extent of their audit procedures, the auditors have considered ANG's internal controls. They have audited the consolidated financial statements in accordance with generally accepted auditing standards so as to enable them to express an opinion on the fairness of the financial statements.

Through its appointed Audit Committee, the Board of Directors oversees the financial reporting prepared by management. The Audit Committee meets regularly with management, the internal auditors and Arthur Andersen & Co. to review auditing and financial reporting matters. Internal and external auditors have unrestricted access to the Audit Committee and management. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

AUDITORS' REPORT

To the Shareholders of Alberta Natural Gas Company Ltd:

We have audited the consolidated balance sheet of Alberta Natural Gas Company Ltd as at December 31, 1993 and 1992 and the consolidated statements of income, reinvested earnings and cash flow for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1993 and 1992 and the results of its operations and its cash flow for the years then ended in accordance with generally accepted accounting principles.

Calgary, Alberta,
February 3, 1994.

Arthur Andersen & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31 *(in thousands except earnings per share)*	1993	1992
Revenues	$ 662,693	$ 527,819
Expenses		
Operating and maintenance	521,016	409,257
Selling, administrative and research	49,598	50,079
Depreciation and amortization	22,619	15,426
Property taxes and other expenses	4,793	5,139
	598,026	479,901
Operating Income	64,667	47,918
Other income	13,705	4,684
Interest expense	(16,397)	(19,422)
Income from Continuing Operations before Income Taxes	61,975	33,180
Income taxes	(28,577)	(15,381)
Income from Continuing Operations	33,398	17,799
Discontinued operations	790	(20,075)
Extraordinary items	15,396	20,181
Net Income	$ 49,584	$ 17,905
Earnings per share		
Continuing operations	$ 1.30	$ 0.82
Discontinued operations	0.03	(0.92)
Extraordinary items	0.60	0.92
Net income	$ 1.93	$ 0.82

CONSOLIDATED STATEMENT OF REINVESTED EARNINGS

Year ended December 31 *(in thousands)*	1993	1992
Opening balance	$ 58,239	$ 55,400
Net income	49,584	17,905
	107,823	73,305
Dividends	(17,459)	(15,066)
Closing balance	$ 90,364	$ 58,239

See accompanying notes.

CONSOLIDATED BALANCE SHEET

December 31 (in thousands)	1993	1992
Assets		
Current Assets		
Cash and interest bearing deposits	**$ 13,668**	$ 39,501
Accounts receivable	**115,571**	86,132
Income taxes receivable	**–**	10,876
Inventories	**57,495**	38,551
Other	**4,512**	3,950
Total current assets	**191,246**	179,010
Investments	**38,532**	18,489
Property, Plant and Equipment	**376,474**	289,752
Goodwill and Other	**34,364**	22,021
	$ 640,616	$ 509,272
Liabilities and Shareholders' Equity		
Current Liabilities		
Notes payable	**$ 79,445**	$ 22,009
Accounts payable and accrued liabilities	**101,968**	86,463
Deferred income taxes	**16,426**	16,361
Current portion of long-term debt	**–**	60,000
Total current liabilities	**197,839**	184,833
Long-Term Debt	**176,748**	111,813
Deferred Income Taxes	**58,273**	43,150
	432,860	339,796
Shareholders' Equity		
Common shares	**113,701**	113,099
Reinvested earnings	**90,364**	58,239
Foreign exchange adjustment	**3,691**	(1,862)
	207,756	169,476
	$ 640,616	$ 509,272

Approved on behalf of the Board of Directors

J. E. Goudie

John E. Goudie
Director

John Beddome

John M. Beddome
Director

See accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW

Year ended December 31 *(in thousands)*	**1993**	1992
Continuing Operations		
Income from continuing operations	**$ 33,398**	$ 17,799
Non-cash items included above	**25,369**	23,038
Funds from continuing operations	**58,767**	40,837
Change in non-cash working capital items	**(29,385)**	6,921
Other	**(5,646)**	4,136
	$ 23,736	$ 51,894
Discontinued Operations	**$ 790**	$ 48,697
Investing Activities		
Net property, plant and equipment additions	**$ 111,073**	$ 85,409
Proceeds on sale of assets	**(15,300)**	–
Investments	**17,599**	(4,561)
Extraordinary items	**(13,479)**	(17,925)
Other	**(4,887)**	(3,742)
	$ 95,006	$ 59,181
Financing Activities		
Long-term debt additions	**$ 144,068**	$ 1,242
Long-term debt repayments	**(140,000)**	(30,000)
Dividends	**(17,459)**	(15,066)
Common shares issued for cash	**602**	59,277
	$ (12,789)	$ 15,453
Summary of Cash (Used) Provided		
Continuing operations	**$ 23,736**	$ 51,894
Discontinued operations	**790**	48,697
Investing activities	**(95,006)**	(59,181)
Financing activities	**(12,789)**	15,453
	(83,269)	56,863
Cash and Cash Equivalents (Deficiency)		
Opening balance	**17,492**	(39,371)
Closing balance	**$ (65,777)**	$ 17,492

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Alberta Natural Gas Company Ltd (ANG) owns and operates a large-diameter pipeline for the transportation of natural gas through southeastern British Columbia. This pipeline links the systems of NOVA Corporation of Alberta (NOVA) and Pacific Gas Transmission Company (PGT) to move natural gas from Alberta to California and the United States Pacific Northwest. ANG holds a 49.0 per cent interest in Foothills Pipe Lines (South B.C.) Ltd. (Foothills South B.C.) which owns a pipeline that parallels and interconnects with ANG's pipeline. Foothills South B.C.'s pipeline is operated by ANG as an integral part of the ANG pipeline system. A major pipeline expansion project in southeastern British Columbia, co-sponsored by ANG and Foothills South B.C., was completed and commenced service on November 1, 1993.

The pipeline system in southeastern British Columbia is subject to regulation by the National Energy Board (NEB) pursuant to the National Energy Board Act. The NEB regulates accounting matters, the export of gas, the construction and operation of gas pipelines and tolls charged for transportation service. The Foothills South B.C. pipeline is also regulated by the Northern Pipeline Agency pursuant to the Northern Pipeline Act.

ANG owns and operates a natural gas liquids (NGL) and ethane extraction facility near Cochrane, Alberta. The plant straddles the western Alberta mainline of the NOVA pipeline system. The purchasers of NGL and ethane from the Cochrane extraction plant have agreed to provide for the recovery of operating expenses, taxes and capital invested together with a return on the unrecovered investment.

ANG is engaged in the natural gas marketing business in Canada and the United States. These operations are managed by the CanStates Gas Marketing partnership of which ANG owns 66.7 per cent. ANG also participates in the marketing of products from the Cochrane plant.

ANGUS Chemical Company (ANGUS), a wholly owned subsidiary of ANG, owns and operates chemical production facilities located in the United States and Germany. These facilities utilize propane and nitric acid as feedstock to produce nitroparaffins and derivative products which are then marketed worldwide.

2. ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Significant accounting policies are summarized below:

Basis of Presentation

The consolidated financial statements include the accounts of ANG and all of the accounts of subsidiaries and partnerships over which ANG has control. The equity method of accounting is followed for investments which are less than 50.0 per cent owned by ANG.

2. ACCOUNTING POLICIES (continued)

Inventories

Inventories are carried at the lower of cost and market. The last-in, first-out method is used to account for certain chemical inventories. These inventories would be $7.1 million higher at December 31, 1993 ($5.9 million at December 31, 1992) if the first-in, first-out method had been used. Average cost is used for most other inventories.

Property, Plant and Equipment

Property, plant and equipment is carried at cost less accumulated depreciation. Cost includes the cost for funds used during the construction of assets that are devoted to cost of service arrangements. The rate used to capitalize this financing cost is the NEB accepted rate of return on rate base or, where appropriate, the rate specified in the contract. This return is included in income when it is recorded.

Depreciation is calculated on a straight-line basis over the estimated service lives of assets. The overall composite rate is 3.8 per cent (3.7 per cent in 1992) for pipelines, 2.3 per cent (2.4 per cent in 1992) for extraction and 6.5 per cent (5.6 per cent in 1992) for chemicals.

Goodwill

Goodwill arose on the acquisition of certain subsidiaries and partnerships. It represents the portion of the purchase price in excess of the fair value of the identifiable net assets acquired and is amortized on a straight-line basis over a period of 30 years. In 1993, an additional provision was made to write off $3.7 million of goodwill (see Note 18). The unamortized balance was $9.0 million at December 31, 1993 ($13.1 million at December 31, 1992).

Foreign Currency Translation

The accounts of United States subsidiaries are translated into Canadian dollars using the balance sheet date exchange rate for all assets and liabilities and the average exchange rate during the year for revenues and expenses. The cumulative effects of these foreign currency translations are included in the "Foreign exchange adjustment" component of shareholders' equity until there is a realized reduction of the net investment in United States dollars.

The accounts of the German subsidiary are translated into Canadian dollars using the balance sheet date exchange rate for all monetary assets and liabilities and the historical exchange rate for non-monetary assets and liabilities. Revenues and expenses are translated at the exchange rates prevailing on the date of the transactions. The effect of these foreign currency translations is included in the determination of net income.

ANG's Deutsche mark denominated long-term bank loan is translated into Canadian dollars using the balance sheet date exchange rate. The effect of this foreign currency translation is deferred and amortized to income over the term of the bank loan.

2. ACCOUNTING POLICIES (continued)

Natural Gas Sales Contracts

Certain natural gas sales contracts are entered into at fixed prices for up to a year. Revenues and expenses related to these contracts are recorded when deliveries are made. Anticipated future losses, if any, on specific contracts are charged to income when identified.

Natural gas transportation costs of $45.1 million, previously reported for 1992 as a reduction of revenues, have been reclassified to expenses to be consistent with the presentation adopted for 1993. This reclassification has no effect on net income.

Income Taxes

Income taxes are provided using the tax allocation basis for all income except for cost of service income which permits the recovery of income taxes as paid. Income taxes are provided on this source of income using the taxes payable method to the extent they are recovered as revenue. Had the tax allocation basis been used for this source of income, there would have been a deferred tax recovery of $2.4 million in 1993 ($3.7 million in 1992) on this income, and additional deferred income taxes would have been recorded in the amount of $17.6 million to December 31, 1993 ($20.0 million to December 31, 1992).

Withholding taxes are provided on undistributed earnings of foreign subsidiaries if those earnings are deemed not to be permanently invested.

Post Employment Benefits Other Than Pensions

Certain health care, dental care and life insurance benefits to eligible retirees and their dependants are provided. These benefits are expensed when the costs are incurred.

3. INVENTORIES

December 31 (in thousands)	**1993**	1992
Pipelines	**$ 5,865**	$ 2,750
Extraction	**2,203**	1,977
Marketing	**7,144**	3,816
Chemicals	**42,283**	30,008
	$ 57,495	$ 38,551

4. INVESTMENTS

December 31 (in thousands)	**1993**	1992
Foothills Pipe Lines (South B.C.) Ltd.	**$ 25,717**	$ 6,538
Amoco Centre joint venture	**6,092**	4,179
St. Clair Underground Storage partnership (see Note 18)	**3,618**	4,457
Foothills Pipe Lines (Yukon) Ltd.	**2,420**	2,567
Other	**685**	748
	$ 38,532	$ 18,489

4. INVESTMENTS (continued)

Foothills South B.C. has negotiated a $90.0 million bank line of credit to provide interim financing for its portion of the pipeline expansion project in southeastern British Columbia. This line was drawn to $83.7 million as at December 31, 1993. ANG has guaranteed 49.0 per cent of any outstanding loan balance. The guarantee will terminate upon replacement of the interim financing with long-term debt, which management anticipates will occur in 1994.

An ANG wholly-owned subsidiary, ANG Realty Ltd., has a 50.0 per cent interest in the Amoco Centre joint venture. The other 50.0 per cent interest is held by Olympia & York AMCC Limited, a subsidiary of Olympia & York Developments Limited (O&Y). The joint venture owns an office building in Calgary (the Property). The debt on the Property is a joint and several obligation of the owners. It is funded by a banking syndicate (the Bank) whose only recourse as against ANG Realty Ltd. and ANG is to the Property.

All monthly payments required under the loan agreement are in good standing. In addition, substantial payments have been made against the outstanding principal of the loan. Funds for this purpose have been generated through the renegotiation of certain building leases and through continuing profitable building operations. At present, a letter of intent has been signed with lead tenant Amoco Canada Petroleum Company Ltd. to provide for a renegotiation and extension of their existing lease, including the occupancy of a further three floors of space.

In spite of the foregoing, the Bank has, by letters dated January 20, 1993 and September 3, 1993, notified ANG that it has accelerated payment of the balance of the loan by reason of the insolvency of O&Y, in that O&Y's current situation constitutes a continuing event of default under the loan agreement. Negotiations continue with the Bank to effect a satisfactory restructuring of the debt on the Property. Management is of the opinion that an arrangement can be implemented that extends the term of the loan. The Bank has, to date, not commenced legal action against the Property in response to O&Y's insolvency, but has reserved all rights to do so under its security agreements.

In management's opinion, no impairment of the carrying value of the net investment in the Property has occurred. This position is based on several valuations of the Property, as well as outside legal counsel's opinion that ANG would be successful in preserving its interest in the Property, notwithstanding actions taken by or that may be taken by the Bank against O&Y or the Property.

5. PROPERTY, PLANT AND EQUIPMENT

December 31 *(in thousands)*	**1993**	1992
Cost		
Pipelines	**$ 210,756**	$ 127,218
Extraction	**153,661**	147,670
Chemicals	**184,436**	168,058
Under construction	**24,109**	29,550
Other	**6,039**	1,581
	579,001	474,077
Accumulated depreciation		
Pipelines	**63,102**	62,768
Extraction	**77,537**	73,969
Chemicals	**59,956**	46,818
Other	**1,932**	770
	202,527	184,325
Net book value	**$ 376,474**	$ 289,752

6. LONG-TERM DEBT

December 31 *(in thousands)*	Interest Rate (%)	Due Date	**1993**	1992
Debentures	8.40	2003	**$ 110,000**	$ –
Notes (US $25.0 million)	6.56	1997 to 2003	**33,100**	–
Bonds (US $13.0 million)	6.75	1998 to 2008	**17,223**	16,534
Bank loan (DM 14.0 million)	7.75	1996	**10,655**	10,989
Debentures			**–**	60,000
Notes			**–**	80,000
Other			**5,770**	4,290
			176,748	171,813
Less current portion			**–**	60,000
			$ 176,748	$ 111,813

All debt is unsecured except for the US $13.0 million bonds which are secured by certain ANGUS pollution control assets costing US $11.2 million. All long-term debt matures after 1998 except for $10.7 million in 1996, $4.7 million in 1997 and $4.9 million in 1998. Interest on long-term debt was $9.0 million in 1993 ($15.7 million in 1992).

7. SHAREHOLDERS' EQUITY

The authorized share capital consists of an unlimited number of preference shares and an unlimited number of common shares.

Year ended December 31	Number of common shares issued and fully paid 1993	1992	(in thousands) 1993	1992
Opening Balance	**25,654,365**	20,989,935	**$ 113,099**	$ 53,822
Issued for cash	**43,143**	4,664,430	**602**	59,277
Closing balance	**25,697,508**	25,654,365	**$ 113,701**	$ 113,099

ANG has reserved common shares for issuance under a senior management stock option plan. At December 31, 1993, options for 339,903 shares were outstanding (235,346 at December 31, 1992). The options are exercisable for cash at prices ranging from $13.38 to $16.13 per share during specified periods that expire no later than 10 years from the grant date.

8. OTHER INCOME

Year ended December 31 (in thousands)	1993	1992
Gain on sale of assets	**$ 5,157**	$ –
Allowance for funds used during construction	**4,204**	2,140
Equity income	**3,729**	2,504
Other	**615**	40
	$ 13,705	$ 4,684

ANG sold its Peace River pipeline for $15.3 million on December 30, 1993. The "Gain on sale of assets" relates to this sale.

9. INCOME TAX RATE

The provision for income taxes varies from the amount determined by applying the combined statutory Canadian federal and provincial income tax rates to "Income from Continuing Operations before Income Taxes." The following is a reconciliation of the combined statutory rates to the effective income tax rate:

Year ended December 31	1993	1992
Statutory income tax rates	**44.0%**	44.0%
Effect of the taxes payable method for cost of service arrangements	**(0.1)**	5.6
Effect of foreign tax rates	**(3.4)**	(5.6)
Non-deductible expenses	**3.7**	2.3
Other	**1.9**	0.1
Effective income tax rate	**46.1%**	46.4%

10. DISCONTINUED OPERATIONS

Discontinued operations in 1993 relate to the contingent portion of the sale proceeds from the disposition of the fine chemicals business in Ireland. This business was sold in 1992.

Year ended December 31 *(in thousands)*	**1993**	1992
Disposal gain (loss)	**$ 879**	$ (11,442)
Operating loss	**–**	(3,549)
Withholding taxes on the repatriation of sale proceeds	**(89)**	(5,084)
	$ 790	$ (20,075)

11. EXTRAORDINARY ITEMS

Extraordinary items were recorded for the nonrecurring consequences of the Sterlington fire and explosion. The 1993 gain represents the proceeds from the IMC Fertilizer settlement (see Note 12) and the 1992 gain represents an "involuntary conversion" book gain arising from insurance proceeds received to rebuild the damaged plant. The following is a summary of the extraordinary items:

Year ended December 31 *(in thousands)*	**1993**	1992
Gain	**$ 31,822**	$ 56,733
Expenses	**(4,010)**	(20,429)
Income and other taxes	**(12,416)**	(16,123)
	$ 15,396	$ 20,181

12. LITIGATION SETTLEMENT

In April 1993, ANGUS entered into an agreement with IMC Fertilizer Group, Inc. and IMC Fertilizer, Inc. (collectively IMC Fertilizer) relating to the May 1, 1991 explosion at the Sterlington, Louisiana nitroparaffins plant. IMC Fertilizer was the operator of the plant at the time of the explosion. The agreement provides for IMC Fertilizer to pay ANGUS approximately US $35.0 million plus interest over a three-year period. In addition, IMC Fertilizer dropped its claim seeking reimbursement from ANGUS for amounts paid by IMC Fertilizer to the United States Occupational Safety and Health Administration and for other related expenses. ANGUS received US $15.0 million by December 31, 1993 as required under the terms of the agreement. Receivables from IMC Fertilizer on December 31, 1993 of US $20.0 million, due from 1994 to 1996, are included in "Accounts receivable" (CDN $7.5 million) and "Goodwill and Other" (CDN $19.0 million).

The net settlement to ANGUS of approximately US $35.0 million (CDN $44.4 million) was recorded as income from continuing operations of CDN $12.6 million ($7.0 million after tax or $0.27 per share) and as an extraordinary item of CDN $31.8 million. The $12.6 million portion of the settlement was recorded as a reduction in "Operating and maintenance" expense in 1993. This amount represents a recovery of fixed production costs previously expensed as "unabsorbed plant costs" of $4.3 million and $8.3 million in 1991 and 1992, respectively. The remainder of the settlement proceeds was recorded as an extraordinary item (see Note 11).

13. SEGMENTED INFORMATION

Financial information by industry segment

(in thousands)	Pipelines	Extraction	Marketing	Chemicals	Eliminations and corporate items	Total
1993						
Revenues	**$ 35,856**	**$ 149,591**	**$ 345,229**	**$ 133,492**	**$ (1,475)**	**$ 662,693***
Depreciation and amortization	**3,163**	**3,415**	**3,973**	**12,068**	**–**	**22,619**
Operating income	**9,196**	**24,447**	**13,204**	**26,363**	**(8,543)**	**64,667**
Identifiable assets	**200,742**	**135,172**	**41,302**	**248,717**	**14,683**	**640,616**
Capital expenditures	**77,966**	**16,237**	**25**	**12,415**	**4,430**	**111,073**
1992						
Revenues	27,950	138,434	251,761	115,569	(5,895)	527,819*
Depreciation and amortization	2,191	3,302	384	9,549	–	15,426
Operating income	6,633	26,787	14,424	9,265	(9,191)	47,918
Identifiable assets	100,861	106,520	46,343	244,147	11,401	509,272
Capital expenditures	39,012	2,210	12	44,175	–	85,409

Financial information by geographic segment

(in thousands)	Canada	Foreign	Total
1993			
Revenues	**$ 494,380**	**$ 168,313**	**$ 662,693***
Operating income	**38,606**	**26,061**	**64,667**
Identifiable assets	**379,050**	**261,566**	**640,616**
1992			
Revenues	395,268	132,551	527,819*
Operating income	37,884	10,034	47,918
Identifiable assets	253,390	255,882	509,272

* Sales to three customers account for 47.5 per cent (43.5 per cent in 1992) of these revenues.

14. RELATED PARTY TRANSACTIONS

TransCanada PipeLines Limited owns a 49.9 per cent interest in ANG. Prior to June 30, 1992, Pacific Gas Transmission Company (PGT) and its affiliates were related parties since PGT owned this interest in ANG.

In the normal course of its business, ANG enters into transactions with related parties which reflect prevailing market conditions. These transactions include revenues for the transportation and sale of natural gas ($5.1 million in 1993 and $26.9 million in 1992) and expenses for the transportation and purchase of natural gas ($48.6 million in 1993 and $43.4 million in 1992). The net amount due to related parties was $5.1 million at December 31, 1993 ($3.7 million at December 31, 1992).

ANG acted as the agent for Foothills South B.C. in performing construction management services for the 1993 pipeline expansion. In that capacity, ANG recovered from Foothills South B.C. costs of approximately $100.0 million.

15. PENSION PLAN

Substantially all of ANG's employees participate in defined benefit pension plans. At December 31, 1993, the actuarial present value of the accumulated pension benefits was $26.1 million, and the fair value of the pension fund assets was $23.8 million. Unfunded pension obligations are recorded as liabilities in the accounts.

16. CONSOLIDATED STATEMENT OF CASH FLOW

"Cash and Cash Equivalents (Deficiency)" is defined to include interest bearing deposits and is net of notes payable included in current liabilities. Non-cash items included in "Income from continuing operations" consist of the following:

Year ended December 31 (in thousands)	**1993**	1992
Depreciation and amortization	**$ 22,619**	$ 15,426
Deferred income taxes	**9,600**	7,951
Gain on sale of assets	**(5,157)**	–
Equity income net of cash received	**(2,233)**	(1,594)
Other	**540**	1,255
	$ 25,369	$ 23,038

17. CONTINGENCIES AND COMMITMENTS

ANG has received reassessment notices dated October 7, 1993 from Revenue Canada for the 1985 to 1989 taxation years, for additional taxes and interest. ANG disagrees with these reassessments and notices of objection have been filed. Legal counsel has advised that there are substantial arguments to support ANG's position; however, the ultimate outcome of the objection is not determinable at this time. Meanwhile, taxes and interest have been prepaid in order to avoid further assessment of non-deductible interest. If ANG's notices of objection are upheld, this amount plus interest will be refunded. Should the tax assessments be upheld, approximately $8.0 million (including a deferred tax adjustment of $4.4 million) would be charged directly to reinvested earnings.

PAGE
MISSING

FIVE YEAR SUMMARY

(in thousands of dollars except for share data and other statistics)	**1993**	1992	1991	1990	1989
Operations					
Revenues	**662,693**	527,819*	467,556*	346,683*	342,189*
Operating income	**64,667**	47,918	44,663	60,144	61,660
Income from continuing operations	**33,398**	17,799	15,659	29,921	29,620
Net income (loss)	**49,584**	17,905	(44,620)	25,728	23,623
Total assets	**640,616**	509,272	441,919	439,966	365,974
Capitalization					
Short-term debt	**79,445**	22,009	49,879	6,044	55,741
Long-term debt including current portion	**176,748**	171,813	198,725	178,012	86,455
Shareholders' equity	**207,756**	169,476	105,392	168,528	152,652
Total capitalization	**463,949**	363,298	353,996	352,584	294,848
Cash flow					
Funds from continuing operations	**58,767**	40,837	38,020	57,410	52,645
Net property, plant and equipment additions	**111,073**	85,409	78,519	11,070	14,220
Net long-term debt additions (repayments)	**4,068**	(28,758)	19,022	88,558	7,700
Common shares issued (purchased)	**602**	59,277	(3,668)	(2,263)	364
Dividends paid	**17,459**	15,066	14,273	14,470	14,528
Share data					
Earnings per share					
Continuing operations	**$ 1.30**	0.82	0.74	1.41	1.39
Net income (loss)	**$ 1.93**	0.82	(2.12)	1.21	1.11
Funds from continuing operations per share	**$ 2.29**	1.87	1.81	2.70	2.46
Dividends paid per share	**$ 0.68**	0.68	0.68	0.68	0.68
Outstanding shares in thousands					
Year end	**25,698**	25,654	20,990	21,233	21,359
Average	**25,672**	21,831	21,021	21,284	21,362
Shareholders' equity per share at year end	**$ 8.08**	6.61	5.02	7.94	7.15
Toronto Stock Exchange market price per share					
High	**$ 18.50**	16.00	17.25	19.50	19.13
Low	**$ 14.50**	12.00	12.38	11.50	14.25
Close	**$ 16.50**	15.75	13.88	12.88	19.00
Other statistics					
Return on average shareholders' equity**	**17.71%**	15.02%	11.43%	18.63%	19.89%
Return on average capital employed**	**10.21%**	7.87%	7.65%	12.31%	13.02%
Dividend yield on year end market price	**4.12%**	4.32%	4.90%	5.28%	3.58%
Debt to shareholders' equity ratio	**1.23**	1.14	2.36	1.09	0.93
Interest coverage ratio**	**4.78**	2.71	2.38	4.00	4.19

* Restated

** Based on income from continuing operations

DIRECTORS

John M. Beddome[3,4]
Calgary, Alberta
President and Chief Executive Officer of the Corporation

John E. Goudie[1]
Calgary, Alberta
Retired Chairman of the Board of the Corporation and of Alberta and Southern Gas Co. Ltd.

Robert A. Helman
Chicago, Illinois
Partner and Chairman of the Management Committee, Mayer, Brown, & Platt

George M. Hugh
Calgary, Alberta
Chief Operating Officer of TransCanada PipeLines Limited

Donald C. Lowe[1,2]
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Chairman of the Board, Sedgewick Limited.

Gerald J. Maier[2,3]
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Chairman and Chief Executive Officer, TransCanada PipeLines Limited

Patrick Reid
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Retired Chairman, Vancouver Port Corporation

Robert J. Richardson[2,3]
Montreal, Quebec
Management Consultant

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Chairman of the Board of the Corporation

George W. Watson[1]
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President, TransCanada PipeLines Limited

Robert A.M. Young, Q.C.
Calgary, Alberta,
Senior Vice President, Law, TransCanada PipeLines Limited

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Chairman of the Board

John M. Beddome
President and Chief Executive Officer

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Senior Vice President, Chief Financial Officer and Treasurer

Walentin Mirosh
Senior Vice President, Law

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Vice President, Business Development and Engineering

Kenneth W. Peake
Vice President, Regulatory Affairs and Pipeline Expansion

Jerry A. Smith
Vice President, Operations

Bruce A. Stevenson
Corporate Secretary

Marilyn A. Pfaefflin
Assistant Treasurer and Manager, Finance

[1] Member of the Audit Committee
[2] Member of the Compensation Committee
[3] Member of the Executive Committee
[4] Director of ANGUS

ANGUS CHEMICAL COMPANY OFFICERS

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Janet E. Mann
Vice President, Marketing

Robert L. Klein
Vice President, Research and Development

Kent S. Strong
Vice President, Sales

Mark W. Joslin
Controller

Bruce A. Stevenson
Corporate Secretary

CORPORATE OFFICE

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STOCK EXCHANGE LISTINGS

Common shares are listed for trading on the Alberta, Montreal, Toronto and Vancouver stock exchanges, and trade under the symbol ANG.

TRANSFER AGENT AND REGISTRAR

Montreal Trust Company, Calgary, Montreal, Regina, Toronto, Vancouver, Winnipeg.

Notice of change of address should be sent to the Transfer Agent.

DIRECT DEPOSIT SERVICE

Shareholders of ANG may elect to have their dividends deposited directly into the bank account of their choice by advising Montreal Trust Company.

AUDITORS

Arthur Andersen & Co.
Chartered Accountants
Calgary, Alberta.

ABBREVIATIONS

A&S	Alberta and Southern Gas Co. Ltd.
ANG	Alberta Natural Gas Company Ltd
ANGUS	ANGUS Chemical Company
Pipeline	ANG's pipeline in southeastern British Columbia
Pipeline Expansion	The British Columbia portion of the Alberta to California pipeline expansion project
B.C. Pipeline System	Pipeline and the pipeline owned by Foothills South B.C.
Foothills South B.C.	Foothills Pipe Lines (South B.C.) Ltd.
IMC Fertilizer	IMC Fertilizer Group, Inc. and IMC Fertilizer, Inc.
MMcf	Million cubic feet
NEB	National Energy Board
NGL	Natural gas liquids
NOVA	NOVA Corporation of Alberta
PGT	Pacific Gas Transmission Company
PG&E	Pacific Gas & Electric Company
TransAlta Energy	TransAlta Energy Corporation

CONVERSION TABLE

The conversion factors set out below provide approximate conversions. To convert from Metric to Imperial, multiply by the factor indicated. To convert from Imperial to Metric, divide by the factor indicated.

Metric	Imperial	Factor
kilometres	miles	0.62
millimetres	inches	0.04
megawatts	horsepower	1340
million cubic metres	million cubic feet	35.3
cubic metres	barrels	6.29

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