Ranger Oil Limited

1982 Annual Report

Corporate History

In thirty years, Ranger Oil has grown from a relatively small oil and gas company active only in Western Canada and the United States into a substantial independent oil and gas explorer and producer with diverse international interests.

The Company was incorporated in the Province of Ontario, Canada, August 21, 1950 as Maygill Petroleum Company. Its name was changed to West Maygill Gas & Oil Limited on May 13, 1954 when its capital was reduced by 10:1. The name was changed to Ranger Oil (Canada) Limited on August 5, 1958 and on June 12, 1980, the Company was continued under the Canada Business Corporations Act as Ranger Oil Limited. The Company's common shares were split two for one on August 10, 1978; two for one on December 12, 1979; and three for one on October 31, 1980.

Front Cover

The Sedco 714 semi-submersible rig under construction in South Korea just prior to leaving dry dock. The distance from the keel to the derrick floor of the rig, is approximately 170 feet, or the height of a 15 storey building.

Common Share Market Data

The common shares of the Company are listed on the Toronto, New York, Pacific and London stock exchanges. The high and low sales prices for the common shares on the Toronto and American stock exchanges for each quarter of the two fiscal years 1982 and 1981 are tabulated below. The Company has not paid any dividends on its common shares.

	Toronto Stock Exchange (Canadian dollars)		American Stock* Exchange (U.S. dollars)	
1982				
1st Quarter	$ 9.63	$ 5.00	$ 8.13	$ 4.13
2nd Quarter	8.38	5.88	6.75	4.56
3rd Quarter	7.88	5.63	6.25	4.50
4th Quarter	10.25	6.25	8.25	5.13
1981				
1st Quarter	$23.00	$16.00	$19.25	$13.13
2nd Quarter	18.13	13.00	15.38	10.63
3rd Quarter	17.00	8.00	13.88	6.63
4th Quarter	12.13	9.25	10.13	7.75

* The common shares were listed and traded on the American Stock Exchange until January 28, 1983 when listing on The New York Stock Exchange became effective.

Annual General Meeting

The Annual General Meeting of shareholders will be held at 2:00 p.m. on May 18, 1983 at the Westin Hotel, Calgary.

Note:

Copies of the Company's Form 10-K (without exhibits) as filed with the Securities and Exchange Commission are available upon written request free of charge to all shareholders of record and beneficial owners of shares. Exhibits to the Form 10-K will be supplied upon request for a fee which represents the Company's cost of reproduction and mailing.

1982 Highlights

FINANCIAL HIGHLIGHTS (thousands of U.S. dollars)

	1982	1981
Revenue	**$177,677**	$200,808
Cash Flow	**$ 76,889**	$154,405
Net Earnings	**$ 28,185**	$ 16,979
Capital Expenditures	**$ 44,437**	$107,519
Long-term Debt	**$ 17,734**	$112,256
Common Shares Outstanding (thousands)	**60,852**	60,243
Per Share — Cash Flow	**$ 1.27**	$ 2.57
— Net Earnings	**$ .46**	$ .28

Galloway gas processing facility during construction

OPERATIONAL HIGHLIGHTS

	1982	1981
Gross Daily Production		
Crude Oil and Natural Gas Liquids (barrels)		
Canada	**962**	1,086
United States	**286**	176
United Kingdom	**19,555**	18,021
TOTAL	**20,803**	19,283
Natural Gas (thousands of cubic feet — Mcf)		
Canada	**16,932**	15,803
United States	**1,833**	1,859
TOTAL	**18,765**	17,662
Gross Proved Reserves At December 31		
Crude Oil and Natural Gas Liquids (millions of barrels)		
North Sea	**46.5**	50.7
North America	**5.3**	4.4
Natural Gas (billions of cubic feet)		
North America	**155.1**	138.6

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Chairman's Report

J. M. Pierce, Chairman

The past year has been a period of substantial instability for the world economy and in particular the oil industry. The Company responded early in 1982 to the worsening economic situation by implementing various cost control programs, including reducing staff levels and by minimizing capital expenditure programs and future commitments. The Company's priority was to eliminate all bank debt by the end of 1982. At December 31, 1982 the Company's cash on hand exceeded the current bank debt and early in 1983 the majority of this debt was repaid.

Although there still exists concern over the current world oil price situation, a decrease will not have a major effect on the Company's projected cash flows because of the high marginal rate of government taxes and royalties it is currently paying.

In spite of the economic uncertainty, volatile interest rates and lower world oil prices, Ranger's net earnings for 1982 were the highest in the Company's history. Net earnings for 1982 were $28.2 million, a 66% increase over the previous year. The increase is attributable to lower interest expense in 1982 and a reduction in the overall effective tax rate from tax credits associated with dividend payments received from a subsidiary company.

Funds generated from operations declined to $76.9 million for 1982 from $154.4 million in 1981. This was mainly attributable to a provision for current U.K. taxes of $69.9 million. Capital expenditures for the year were $44.4 million.

Gross revenue, net of royalties and revenue taxes, decreased to $177.7 million from $200.8 million in 1981. The decrease was attributable to lower world oil prices received for the Company's U.K. production and a retroactive adjustment of an additional 1.4 million barrels of oil received during the second and third quarters of 1981, under the terms of the Ninian Unitization Agreement.

The Company plans to increase U.K. exploration in the latter part of 1983, utilizing the Sedco 714 semi-submersible drilling rig on prospective licences currently held and on other projects.

The Company's current interest in the Ninian field is 6.1783%. However, it is anticipated that this will decrease slightly in 1983 due to the present redetermination negotiations.

Production from the Ninian field averaged 307,000 barrels of oil per day. The natural gas liquids fractionation facilities at the Sullom Voe terminal were completed and the sale of propanes and butanes commenced in April, 1982. Prices averaged $33.03 per barrel of oil and $22.78 per barrel of natural gas liquids during 1982. The current oil price is $30.10 per barrel.

During 1982 the Company continued exploration in the United States, primarily in the offshore Gulf Coast area on blocks acquired in 1981, and in the Rocky Mountain area. Drilling activity resulted in major gas discoveries on offshore blocks East Cameron 65 and Vermilion 153 and in oil discoveries in North Dakota and Colorado. The Company is currently evaluating all of these discoveries with additional drilling.

The current gas marketing situation and government policies in Canada have resulted in a substantial reduction in exploration activity. The Company has adhered to a policy of only pursuing exploration prospects which are capable of generating early cash flow. During 1982, the focus was on constructing seven gas processing facilities and obtaining or increasing gas contracts where possible for existing reserves.

The Government of the People's Republic of China is expected to announce the award of contract areas for exploration offshore China in the near future. Because of the substantial amount of seismic data that has been obtained, drilling operations could commence shortly after the receipt of an award.

In Australia, the Company has reduced its future capital commitments by selling its 17% interest in the offshore WA 192P permit for a reimbursement of past costs. The Company has retained an indirect 1.5% interest in this permit through its 20% holding in Pontoon Oil and Minerals. To date, three wells have been drilled, two of which have had encouraging but uneconomical oil shows. The seismic survey on Permit EP 216 in the Canning Basin has been completed and a drilling program is planned for 1983.

The construction of the Sedco 714 semi-submersible drilling rig and the two supply vessels proceeded on schedule. The various contracts and requisite financing arrangements were finalized during the year.

In order to provide a broader market for the Company shares, Ranger Oil Limited was listed on the New York and Pacific stock exchanges early in 1983.

J. M. Pierce
Chairman

March 31, 1983

Reserves

NORTH SEA — NINIAN OIL FIELD

Based on a January 21, 1983 reserve study by DeGolyer and McNaughton, independent Petroleum Consultants, estimated remaining gross proved reserves of crude oil and natural gas liquids as at December 31, 1982 are as follows:

	Thousands of barrels
Crude Oil	
Total Remaining Oil Recoverable	716,484
Ranger's 6.1783% Interest (1)	44,267
Natural Gas Liquids	
NGL's Recoverable	35,825
Ranger's 6.1783% Interest (1)	2,213
Total Oil & NGL's — Ranger 6.1783% Interest	46,480

North Sea oil and gas reserves outside of the Ninian Oil Field are not included in the above figures. This applies specifically to the discoveries on blocks 3/8 and 23/27, and the block 48/18b gas discovery.

(1) Unit agreement percentage following second redetermination of interest.

NORTH AMERICA

The reserve estimates for Canada have been prepared by McDaniel & Associates Consultants Ltd. The reserve estimates for the United States have been prepared by Keplinger and Associates, Inc. and by S & W Petroleum Consultants, Inc.

The Company's share of estimated proved reserves before royalty as at December 31, 1982 are as follows:

Canada	
Crude Oil and Natural Gas Liquids (thousands of barrels)	4,063
Natural Gas (millions of cubic feet)	147,772
United States	
Crude Oil and Natural Gas Liquids (thousands of barrels)	1,188
Natural Gas (millions of cubic feet)	7,347
CORPORATE TOTAL	
Crude Oil and Natural Gas Liquids (thousands of barrels)	51,731
Natural Gas (millions of cubic feet)	155,119

World-wide Acreage Holdings as at December 31, 1982

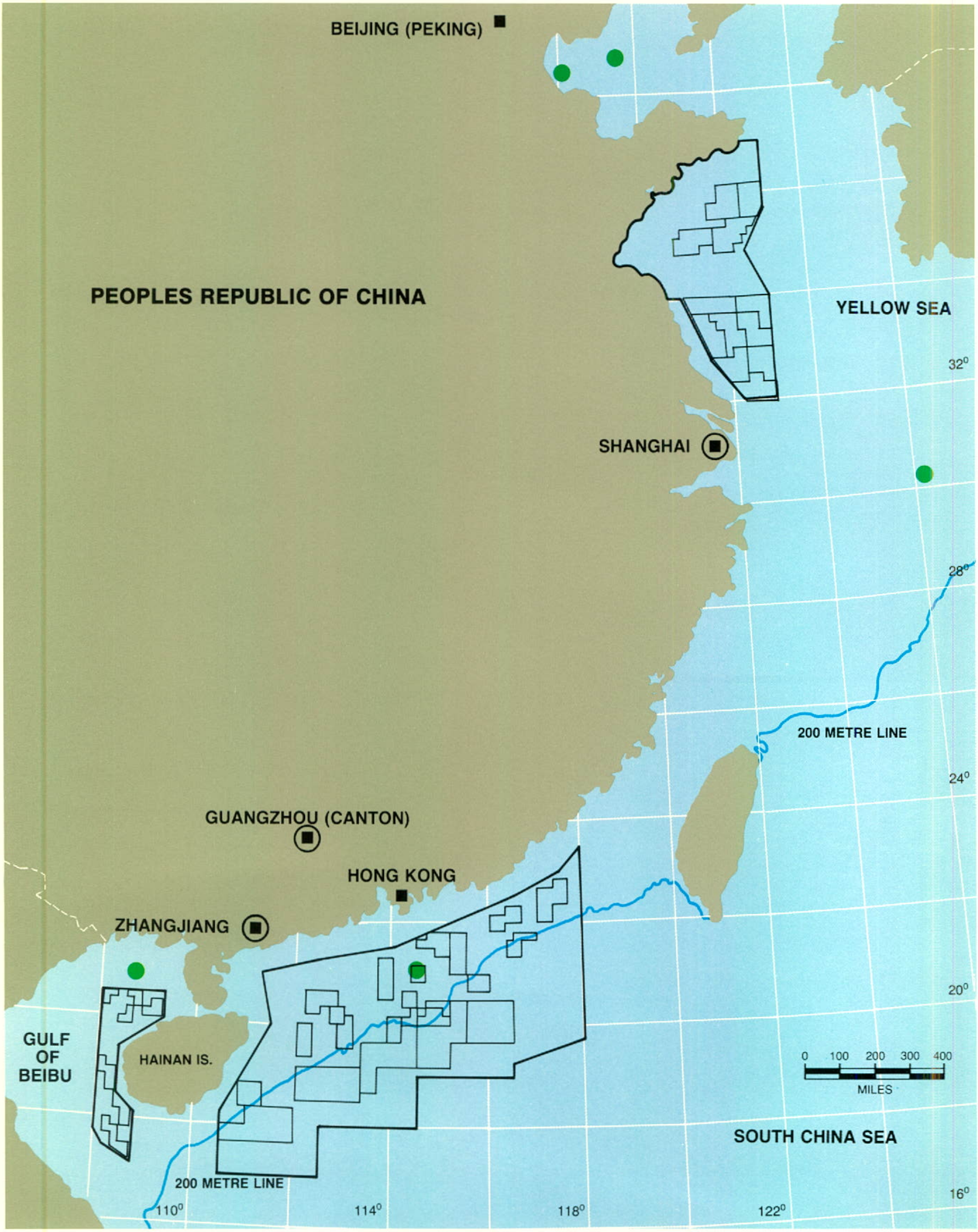
Geographical Area	Nature of Interest	Block Numbers	Gross Acres	Net Acres
(a) Oil and Gas Developed Acreage				
Canada				
Alberta	Leases and licences		592,862	113,545
British Columbia	Leases		15,147	2,530
Saskatchewan	Leases		5,290	1,159
			613,299	117,234
United States				
Colorado	Leases		4,942	547
Louisiana	Leases		1,873	1,245
Montana	Leases		2,058	268
North Dakota	Leases		22,987	2,359
South Dakota	Leases		—	—
Texas	Leases		4,959	2,405
Wyoming	Leases		14,248	1,229
Other States	Leases		949	303
			52,016	8,356
United Kingdom — North Sea	Licence P.199	3/8a (Ninian)	7,715	1,543
			673,030	127,133
(b) Oil and Gas Undeveloped Acreage				
Canada				
Alberta	Leases and licences		635,689	92,981
British Columbia	Leases		36,749	8,742
Saskatchewan	Leases		99,801	141
			772,239	101,864
United States				
Colorado	Leases		49,950	7,140
Louisiana	Leases		42,136	4,167
Montana	Leases		41,038	9,661
North Dakota	Leases		205,692	13,878
South Dakota	Leases		13,983	5,716
Texas	Leases		19,711	5,376
Wyoming	Leases		18,881	2,545
Other States	Leases		10,888	4,654
			402,279	53,137
	Licence Number			
United Kingdom — North Sea	P-114 (1)	22/27a	41,711	16,685
		23/27	49,273	19,709
	P-128 (1)	48/18b	16,754	3,854
		48/19b	19,818	4,558
	P-229 (1)	3/30a	38,302	7,660
		4/21	2,298	460
		4/26	10,329	2,066
	P-199 (1)	3/8a	17,317	3,463
	P-329 (2)	3/8b	12,516	2,503
	P-396 (1)	209/4	24,118	3,859
			232,436	64,817
Guyana			1,496,320	209,485
Australia		E.P. 216	3,950,838	2,212,469
			6,854,112	2,641,772
(c) Coal Exploration Acreage				
Canada				
British Columbia	Licences		19,745	13,822

(1) At the end of the initial six-year term, 50% of the acreage reverts to the Crown. The above table gives effect to the required relinquishment.

(2) No relinquishment required.

International Operations

CHINA



The Government of the People's Republic of China is expected to announce licence awards to explore for oil and gas offshore China in the spring or early summer of 1983. Ranger is a member of a consortium which has applied for such licences. Other members are B.P. Petroleum Development Limited (the Operator), Broken Hill Proprietary Company Limited, Petrobras International S.A. -Braspetro and Petro-Canada Exploration Inc.

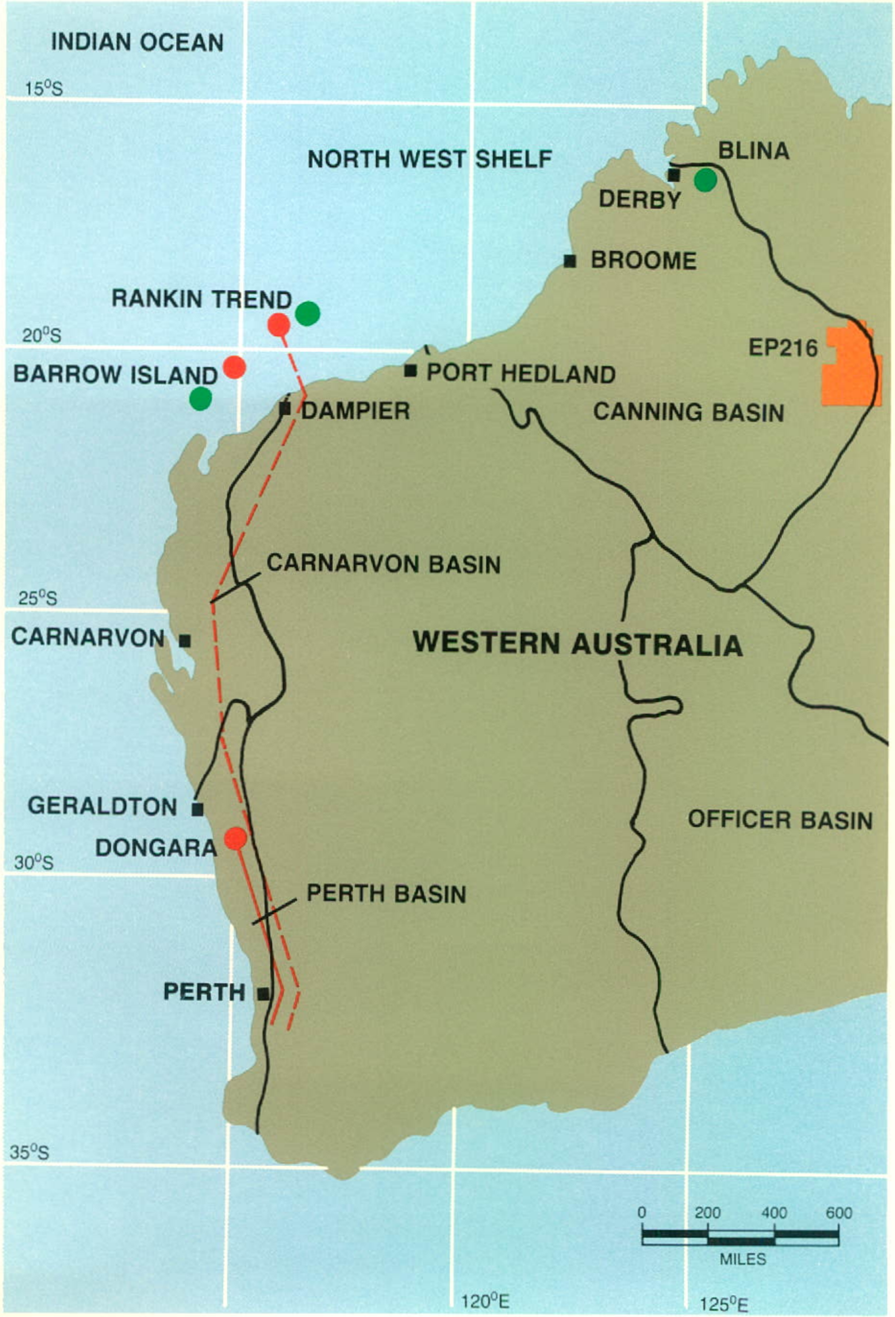
The licences made available for application are shown on the accompanying map. They are located within the boundaries of seven seismic survey areas in which over 56,000 line miles of seismic data was previously acquired and interpreted.

LEGEND
- OIL PRODUCING & DISCOVERY AREAS
- PROBABLE FUTURE SHORE BASES
- BOUNDARY OF SEISMIC SURVEY AREAS
- LICENCE AREAS MADE AVAILABLE FOR APPLICATION (1982)

AUSTRALIA

The Company has rearranged its holdings in Australia in order to substantially reduce its direct capital expenditure obligation. The 17% participating interest in offshore permit WA-192-P has been assigned to an Australian subsidiary of Getty Oil Company. The Company has retained an indirect interest in this permit through its 20% equity interest in Pontoon Oil & Minerals N.L. which holds a 7.5% participating interest in the permit.

The Company has completed two seismic surveys on its permit E.P. 216 in the Canning Basin of Western Australia. The permit is approximately 3.95 million acres in area and the Company holds a 56% participating interest.



LEGEND
- RANGER PERMITS
- OIL DISCOVERY
- GAS DISCOVERY
- PROPOSED PIPELINE
- GAS PIPELINE

United Kingdom

NINIAN FIELD

History

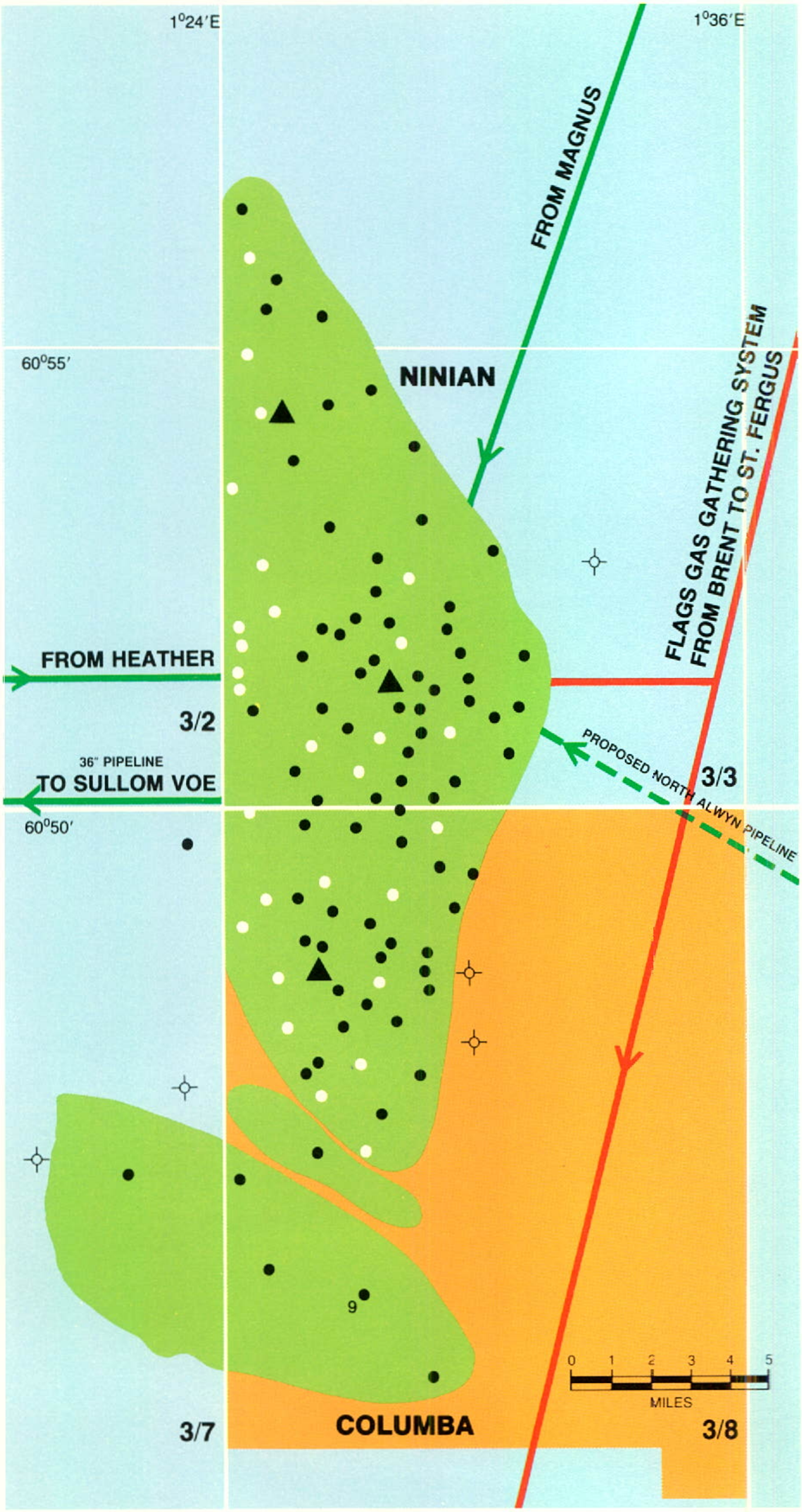
The Ninian field, located in the United Kingdom sector of the North Sea, was discovered by the BP/Ranger group in January, 1974. The field was developed utilizing three offshore platforms and production commenced in December, 1978. By the end of 1982, approximately 361 million barrels of oil had been produced from the field. Water injection commenced in June, 1979, and to date 368.5 million barrels of water have been injected in a successful reservoir pressure maintenance program.

Development

During 1982, twelve oil production wells and five water injection wells were completed. Ninety-three wells comprising 63 production and 30 water injection wells have now been completed out of a planned 96 wells. The remaining wells will be completed in the first half of 1983.

The injection of natural gas liquids into the field was discontinued in April, 1982 when liquid fractionation and marketing facilities at the Sullom Voe terminal were completed. During the second quarter gas sales commenced through the Wesleg gas pipeline system.

During 1982, the P. 199 licence partners drilled a step-out well 3/8a-8A adjacent to the east boundary of the Ninian unit for reservoir delineation and development planning. The well, in which Ranger has a 20 per cent interest, has been evaluated and abandoned in accordance with North Sea practice.



LEGEND

- RANGER PROPERTIES
- OIL FIELD
- GAS PIPELINE
- OIL PIPELINE
- OIL PIPELINE PROPOSED
- OIL WELL
- ABANDONED WELL
- INJECTION WELL
- PLATFORM (3)

Production

All three Ninian platforms operated smoothly and without any significant interruption throughout the year. In 1982, 112 million barrels of crude oil were produced from the field, for an average rate of 307,000 barrels of oil per day. In addition 2.1 million barrels of propane, 1.2 million barrels of butane, and 32.9 million cubic feet of natural gas were produced.

The Company's share of oil production was 6.9 million barrels, sold at an average price of $33.03 per barrel. Subsequent to year end, the price has declined to $30.10 per barrel. The Company's share of natural gas liquids production was 199,300 barrels, sold at an average price of $22.78 per barrel.

Ninian Pipeline

The 36 inch oil pipeline from the Ninian Central Platform to the Sullom Voe terminal operated steadily during 1982, handling crude oil from both the Ninian and Heather fields.

Negotiations were completed during the year to utilize excess pipeline capacity for transportation of oil production from both the Magnus and North Alwyn fields to the terminal. The Company received $7.3 million for the sale of a portion of its pipeline capacity to the North Alwyn participants.

Sullom Voe

The construction of the terminal was completed in 1982 with the commissioning of natural gas liquids fractionation facilities. The terminal throughput from both the Ninian and Brent fields averaged 1.1 million barrels of crude oil per day. The Company's overall ownership interest in the 1.4 million barrels of oil per day capacity terminal is 1.69%. Both the Ninian pipeline and the terminal will continue to be valuable assets to the Company as surplus capacity is sold for utilization by new developing fields in the adjacent area.

Redetermination

The third interim redetermination of the partners' interests in the Ninian field is currently under review and is expected to be finalized in the near future. It is anticipated that the Company's interest in the field will decrease slightly. Under the terms of the unitization agreement, oil production, operating expenses and capital expenditures for field, pipeline and terminal facilities will be retroactively adjusted in accordance with the new equity participation assigned. The fourth and final redetermination is expected to take effect not later than July 1, 1984.

Columba Field

The BP/Ranger group in which Ranger has a 20% interest drilled the 3/8-3 discovery well in 1975 and two highly successful appraisal wells, 3/8a-5A and 3/8a-6A in 1980. In 1981 a further appraisal well, 3/8a-7, encountered oil at the extreme southeast limit of the accumulation.

During 1982, the Company participated in well 3/8a-9A as part of its program of appraising the Columba structures, lying immediately to the south of the Ninian field. Drill stem tests performed over three separate intervals recovered rates of up to 3,000 barrels of oil per day.

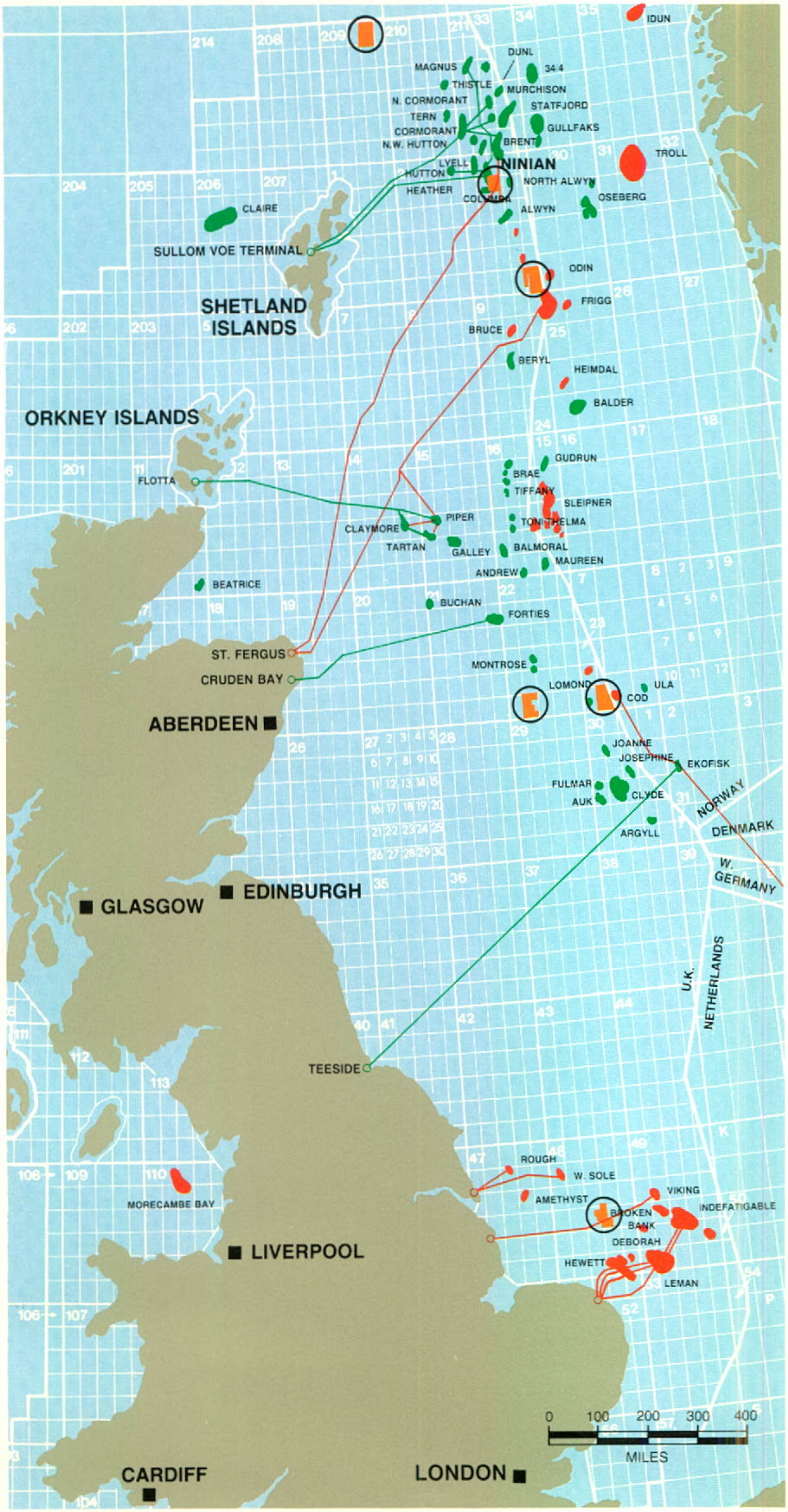
This well completes the appraisal of the field and the Columba group is actively studying development of the field.

Ninian, Central Platform

NORTH SEA

Ranger has an interest in five other licence areas in the U.K. sector of the North Sea which underwent further evaluation in 1982.

During the year a significant amount of seismic data was processed and interpreted for Ranger-operated Licence Areas P114 (Blocks 22/27a and 23/27), P128 (Blocks 48/18b and 48/19b) and P229 (Blocks 3/30a, 4/21 and 4/26), in which Ranger has interests of 40%, 23% and 20% respectively. In early 1983, Ranger entered into a farm-out agreement whereby a third party will drill two wells on Block 23/27 to earn 50% of the Company's interest in the block. The first well is currently being drilled.



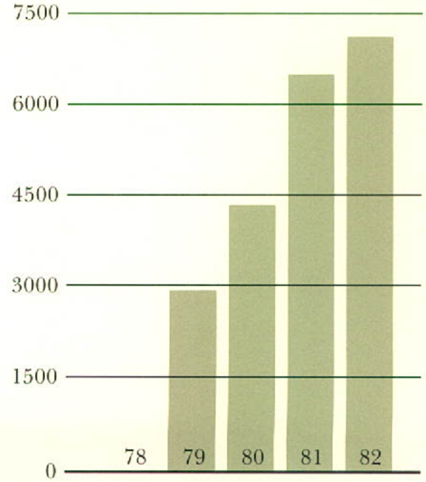
LEGEND
- RANGER PROPERTIES
- GAS FIELD
- OIL FIELD
- GAS PIPELINE
- OIL PIPELINE

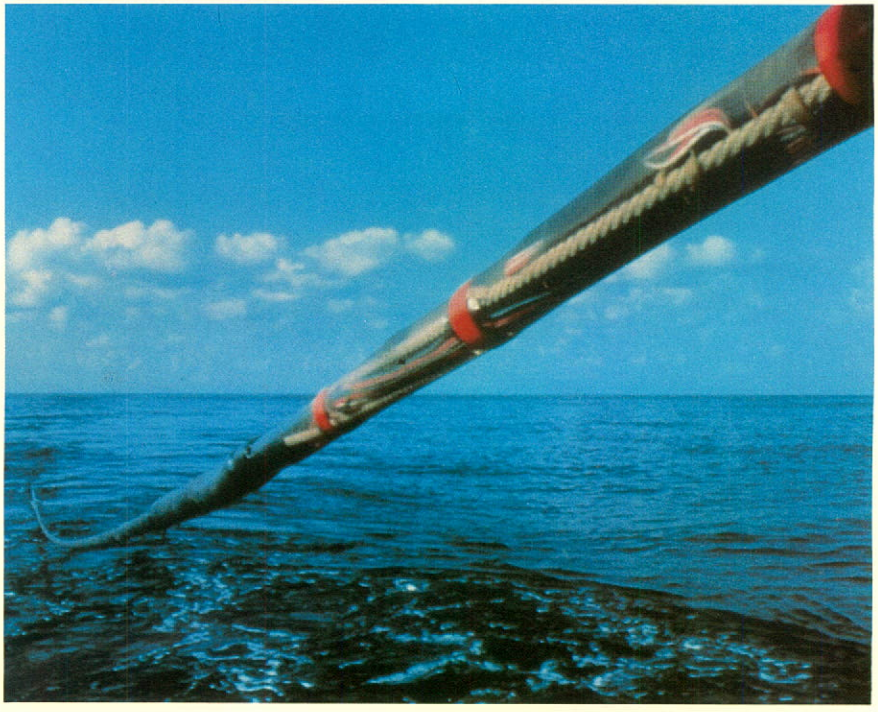
The interpretation of seismic surveys on Licence P329 (Block 3/8b) and P396 (Block 209/4), in which Ranger has non-operating interests of 20% and 16% respectively, has resulted in drilling being planned for both blocks.

In January 1983, the Company in conjunction with other oil industry partners, filed applications with the U.K. Department of Energy for a number of licences in the Eighth Round of offshore licence allocations. The awards are expected to be announced in April, 1983. In addition, Ranger is actively pursuing farm-in opportunities in the U.K. on prospective licences held by third parties.

On March 15, 1983, the U.K. government introduced a new Finance Bill. The major proposed changes are applicable to new oil fields given development approval after April 1, 1982, and include the elimination of the 12½% royalty on oil production, a reduction and eventual elimination by 1986 of Advance Petroleum Revenue Tax, and a doubling of the oil allowance for Petroleum Revenue Tax purposes. In addition, all exploration and appraisal costs incurred prior to the determination of a new field may be deducted from any other field's Petroleum Revenue Tax liability.

Oil & NGL
(Thousands of Barrels)

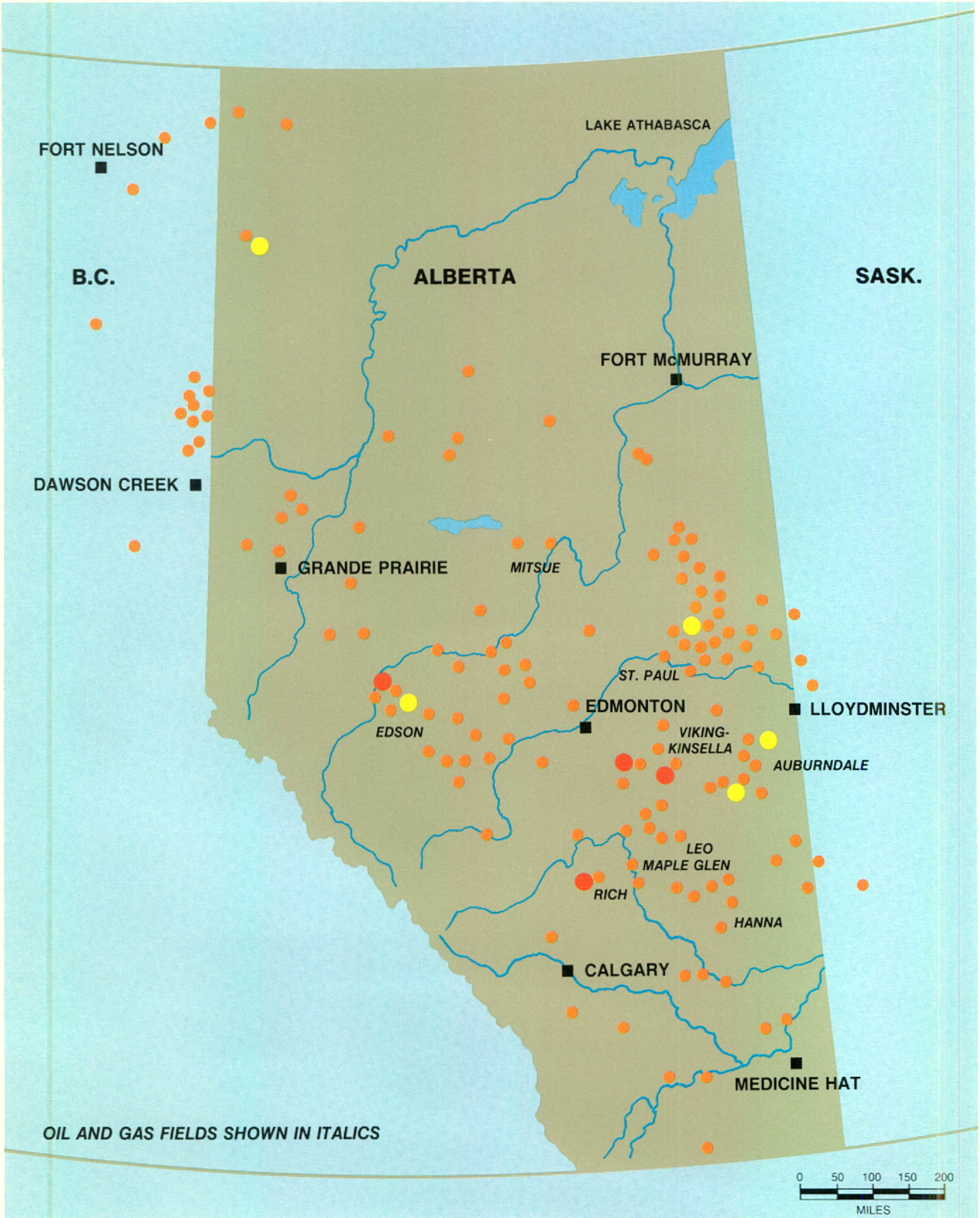




Offshore seismic activity in the North Sea

North American Operations

CANADA



Due to the uncertainty existing in the Canadian gas export situation, Ranger's exploration activities in 1982 were substantially reduced compared to previous years. Drilling activities were limited to areas where the Company has had considerable prior success and where gas contracts and processing facilities are in place to ensure early cash flow from successful drilling. During the year, the Company participated in the drilling of 14 wells, resulting in two oil wells and three gas wells. Four wells have been cased for further evaluation. In addition to the above wells, the Company has a royalty interest in one oil well and 10 gas wells drilled during the year. The majority of these wells are on production.

In the Edson West area two additional wells were drilled, bringing the total for the area to seven. The Company is operator and has a 50% interest in a gas gathering and processing facility constructed to produce an average of 6,000 Mcf of natural gas and 180 barrels of natural gas liquids per day. The plant commenced operations in February, 1983.

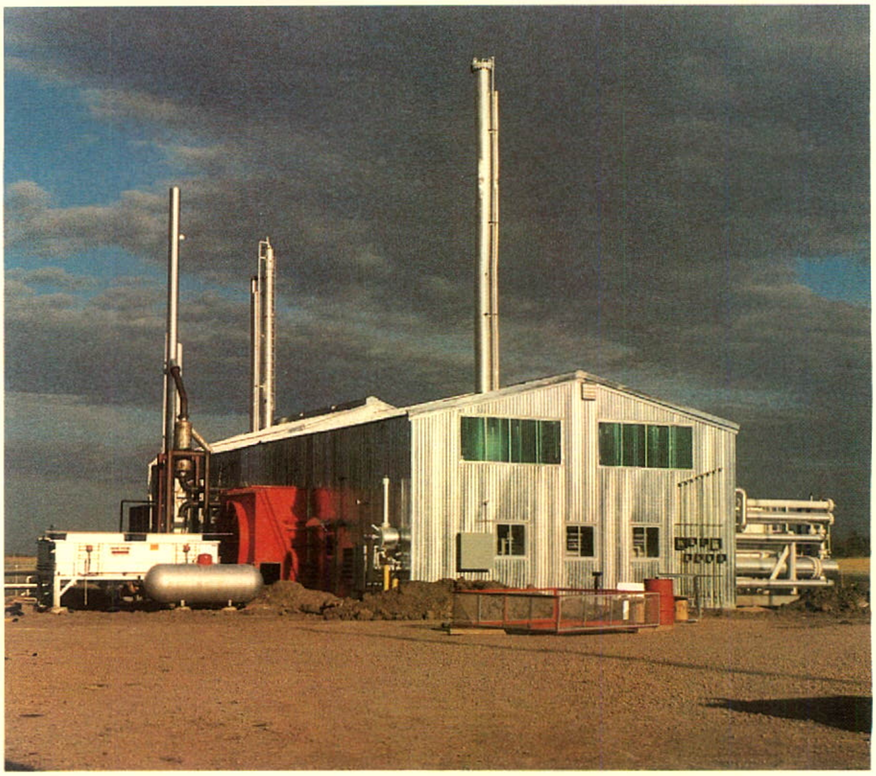
In the Rich-Fenn area, four wells were drilled resulting in two new gas wells. The existing gas processing facilities were expanded and went on stream in September to handle the increased production. A new gas contract was negotiated which brought the area total to 2,800 Mcf of gas per day.

New gas production facilities were also constructed by Ranger at Bruce and Killam and went on stream in September and December respectively. A total of nine wells were connected to these facilities, which will provide an additional 625 Mcf of gas per day to Ranger's production.

In addition, the Company participated in a number of new gas facilities constructed and operated by partners which will net Ranger additional production of approximately 800 Mcf of gas per day.

Ranger participated in the drilling of one new oil well in both the Edson and Hanna areas. The Company's net share of production from these wells will be approximately 30 barrels of oil per day and they will qualify for the New Oil Reference Price.

Expansion of Rich gas processing facility



LEGEND

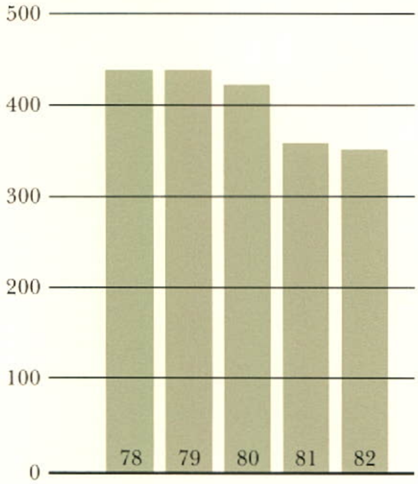
- RANGER PROPERTIES
- 1982 PLANT CONSTRUCTION
- EXISTING MAJOR PLANTS

In June, Ranger entered into a farm-out arrangement on the Banquereau block, offshore Canada's east coast, whereby the farmee would earn one-half of Ranger's 4% working interest by paying the drilling costs on the initial two commitment wells. The first well tested 23,200 Mcf of natural gas and 100 barrels of condensate per day from the Mississauga formation. The second well was a dry hole. In early 1983 the Company sold its remaining working interest in the block for approximately $1 million and retained a 2% net profits interest.

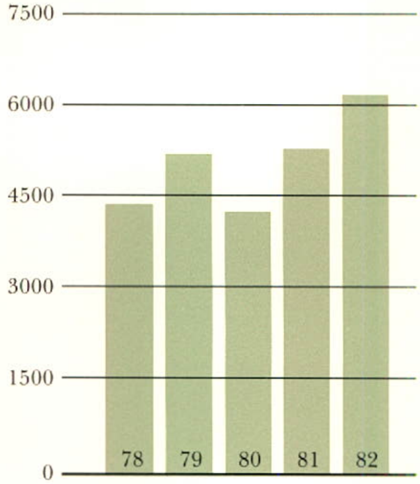
Canadian production for 1982 averaged 962 barrels of oil and natural gas liquids and 16,932 Mcf of gas per day. The average price received was $19.66 per barrel of oil and $2.16 per Mcf of gas. The current prices are approximately $24.33 per barrel of oil and $2.24 per Mcf of gas.

Seismic activity near Edson, Alberta

Oil & NGL
(Thousands of Barrels)



Gas
(Millions of Cubic Feet)



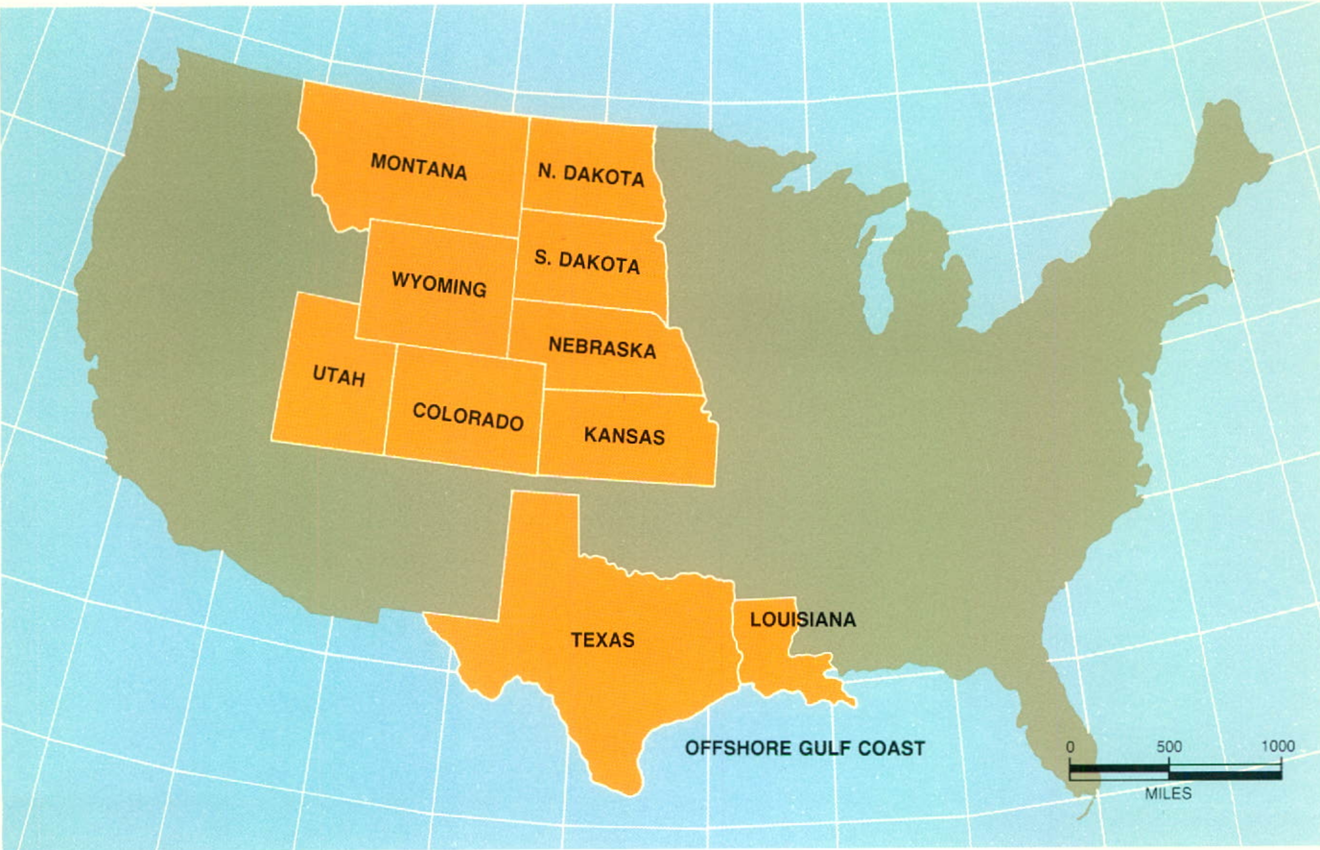
Drilling Activity

The Company participated in the drilling of 50 exploratory and development wells in North America in 1982 as follows:

	Oil Wells	Gas Wells	Cased Wells	Dry	Total
Canada					
Exploratory	2	2	2	4	10
Development	0	1	2	1	4
U.S.A.					
Exploratory	9	3	0	12	24
Development	7	2	0	3	12
Total					
Exploratory	11	5	2	16	34
Development	7	3	2	4	16
Net Wells					
Exploratory	2.6	.9	.5	2.4	6.4
Development	1.4	.7	.6	.7	3.4

In addition, Ranger has varying royalty interests in 14 successful wells, drilled and completed by others in 1982.

UNITED STATES



LEGEND

RANGER ACTIVITY AREA

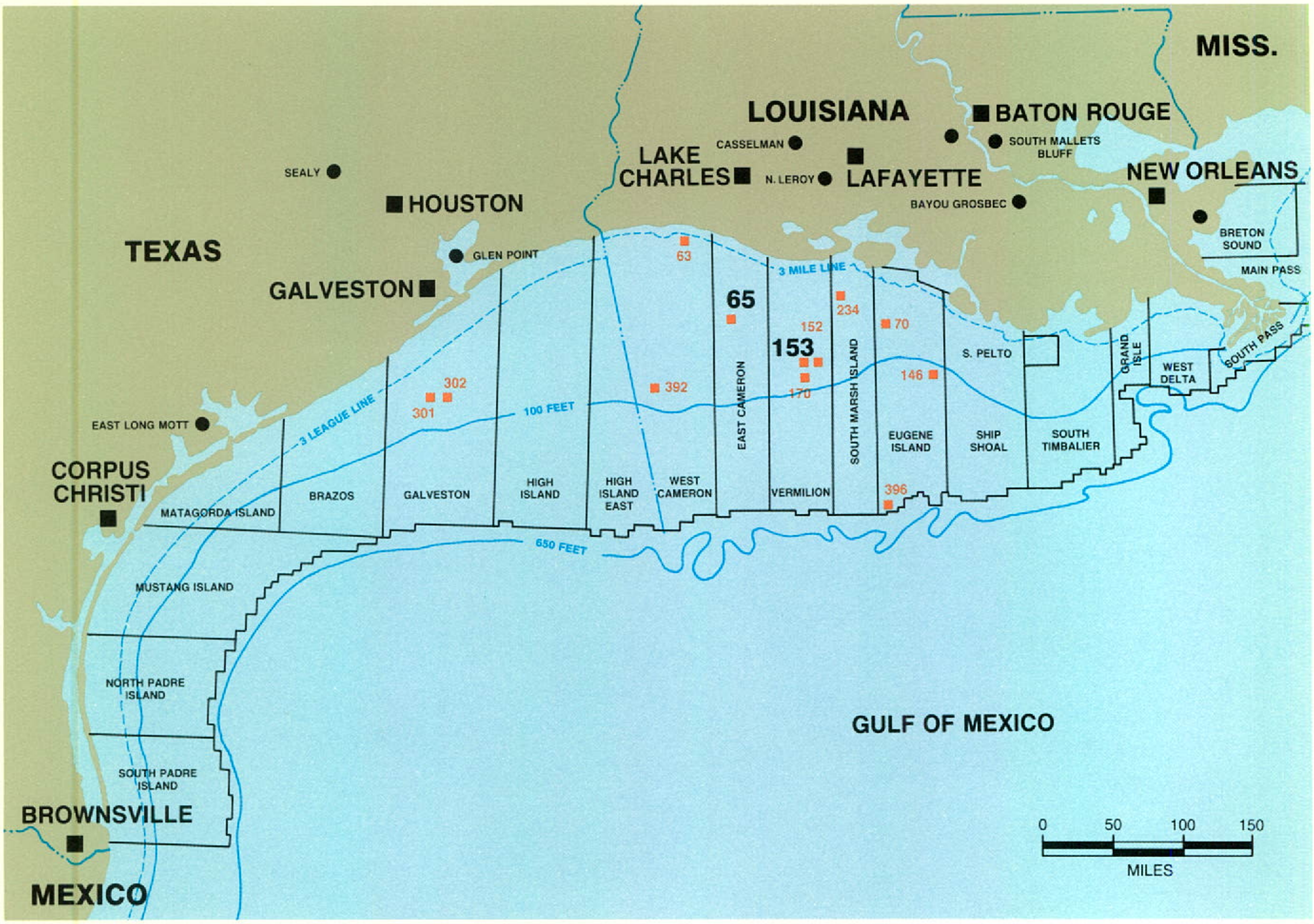
Ranger's drilling activity during 1982 in the United States resulted in the discovery of three potentially significant new fields and participation in the development of a fourth new field. Two of the new fields are gas discoveries in the Gulf of Mexico offshore Louisiana and the other two are oil fields in the Rocky Mountain area. The Company participated in drilling a total of 36 wells resulting in 16 oil wells and 5 gas wells, for a success ratio of 58%.

In the Gulf Coast offshore area, Ranger continued exploration activity on the 11 Federal Lease blocks acquired in September, 1981. A second successful exploration well was drilled on East Cameron Block 65 (Ranger interest 10%) located twenty miles offshore Louisiana. The first well, East Cameron 65 #1, was drilled in late 1981 to a depth of 12,400 feet and production tested 7,200 Mcf of gas and forty barrels of condensate a day from a Miocene sand interval. The East Cameron 65 #2 well was perforated in the Rob "L" Miocene sand and production tested gas at 10,800 Mcf and condensate at 178 barrels per day. A third exploratory well on the block is currently being drilled.

A second offshore Gulf Coast discovery was made on Vermilion Block 153 located 48 miles off the Louisiana coast. The well was drilled to 15,000 feet and production tested 10,500 Mcf of gas and 516 barrels of condensate a day. A confirmation well on this block was spudded in January 1983. In addition to its 8% interest in Vermilion Block 153, Ranger has an 8% interest in offsetting Block 152 to the east and a 12% interest in Block 170 immediately to the south.

Onshore exploratory drilling was concentrated in the Williston basin in North Dakota and in the Paradox basin in southwestern Colorado. Most of this drilling occurred on acreage obtained with the acquisition of Kissinger Petroleum Corporation in 1981. Exploration activities on these properties are carried out in conjunction with Canadian & Oriental Oil Limited (COOL) under the terms of an agreement

TEXAS-LOUISIANA GULF COAST



LEGEND

- ● RANGER PROPERTIES - ONSHORE
- ■ RANGER PROPERTIES - OFFSHORE

whereby COOL pays for 100% of the exploration drilling costs to earn a 50% interest in the properties.

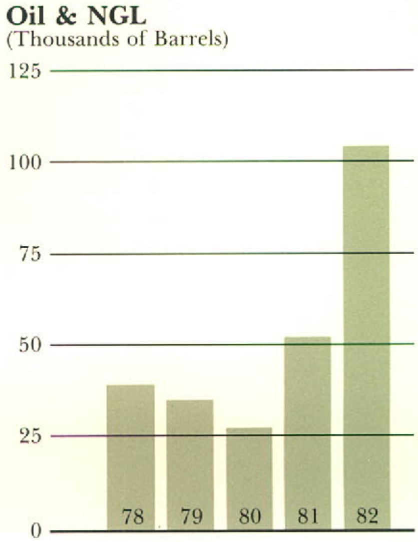
In the Williston basin, the Ellestad 9-35 well located in MacKenzie County, North Dakota flowed 504 barrels of oil and 1,500 Mcf of gas per day from the Silurian Interlake formation at a depth of 12,540 feet. Ranger has a 50% interest in this well. A gas flow line to the well has recently been completed and full production commenced in March, 1983. An offset development well in which Ranger has a 38% interest has been drilled and is being evaluated.

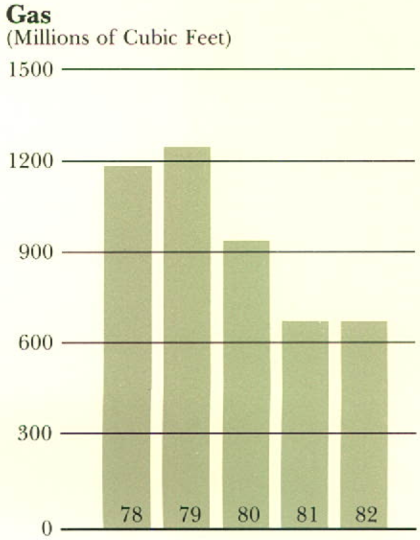
In the Paradox Basin, the Company has an interest in three wells in the recently discovered Squaw Point field in Dolores County, Colorado. Ranger has a 40.5% interest in the Federal 24-7 well which tested 560 barrels of oil per day and 1,000 Mcf of gas per day. After payout, the Company will have a 12.5% interest in the Federal 44-7 well which flowed 518 barrels of oil per day and a 25% interest in the Federal 33-8 well which flowed 48 barrels of oil per day. These wells are producing from the Desert Creek formation at an approximate depth of 6,200 feet.

Production facility in the U.S.

In addition to the Paradox and Williston basin activity, Ranger participated in new drilling in the Amanda field in Toole County, Montana and in Barton County, Kansas. The Company's exploration activities for 1983 will continue to be focused on the offshore Gulf coast area and the Rocky Mountain region.

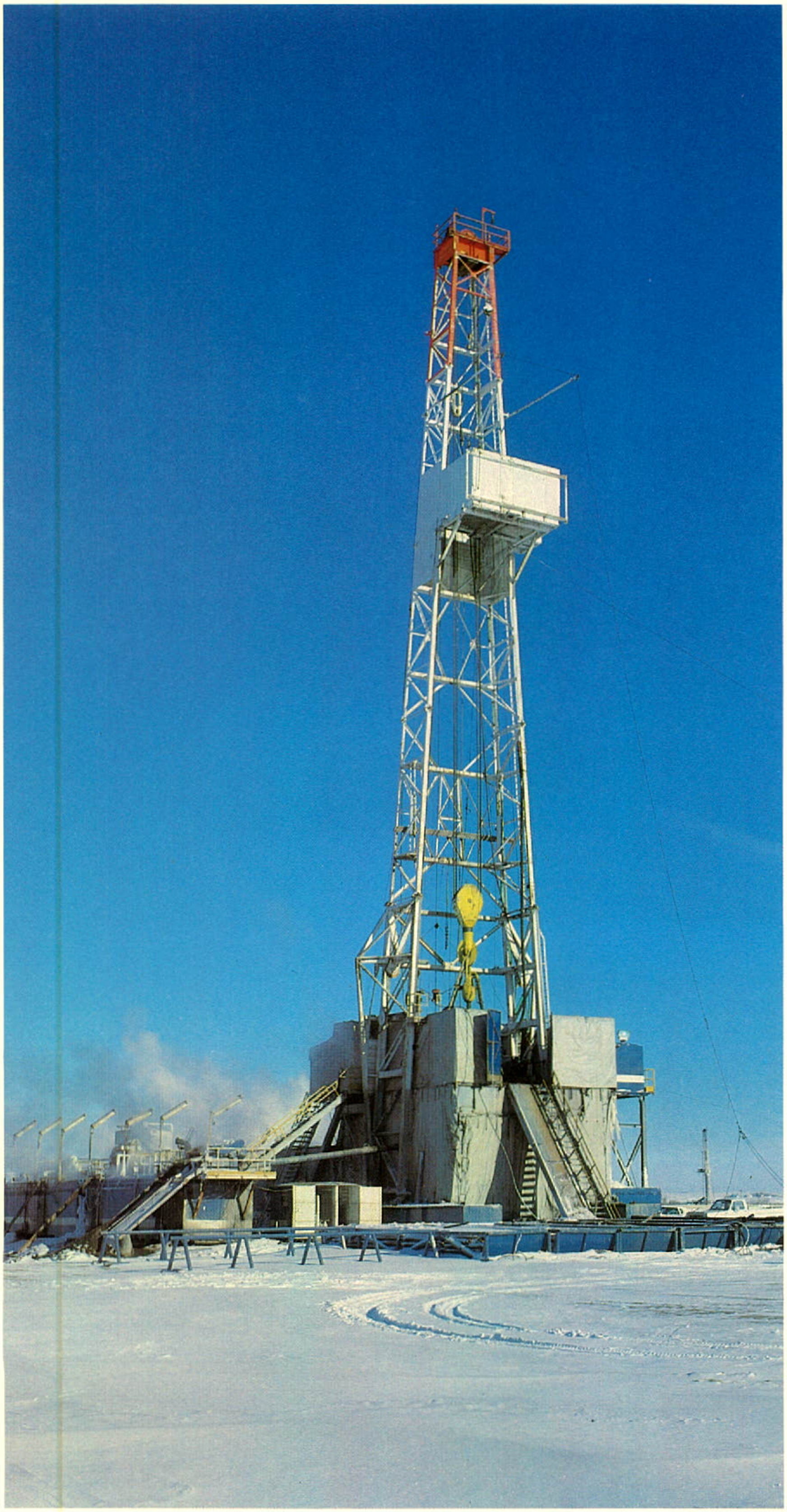
Production for 1982 averaged 286 barrels of oil per day and 1,833 Mcf of gas per day. The average price received was $30.52 per barrel of oil and $2.76 per Mcf of gas. Current production is approximately 600 barrels of oil and 3,000 Mcf of gas per day.





Derrick of Trumark rig

Drilling Operations



Sedco 714 Corporation

The Company and Sedco, Inc. entered into an agreement in 1981 to form a joint venture U.S. corporation (the "714 Corporation") to build, own and operate a semi-submersible mobile offshore drilling rig. Ranger and Sedco each own 50% of the equity of the Corporation. This rig is a 700 series model and is being built by Hyundai Heavy Industries in South Korea. It will incorporate the latest technological equipment, including a 15,000 p.s.i. blowout preventer and will be capable of operating safely in the most hostile offshore areas including those of eastern Canada and the North Sea, drilling in water depths of up to 1,500 feet to depths of more than 20,000 feet beneath the ocean floor. The rig is being financed by a loan to the 714 Corporation from a banking syndicate, which will provide 90% of the estimated $118 million cost, including the initial $6 million mobilization cost. The remaining 10% balance will be funded by equal contributions from Ranger and Sedco.

The rig has been contracted to Ranger for an initial term of five years. Under the terms of this agreement, the Company is obligated to pay an operating day rate throughout the contract term, which is expected to commence in the latter part of 1983, that will amortize the cost of the drilling rig over the five-year period and cover all interest charges and operating expenses. This day rate is

Trumark rig on location in Montana

presently estimated to be approximately $116,400 and will not change for the five-year contract period, except for fluctuations in the direct operating costs and interest rates, which comprise approximately 45% of that day rate.

Ranger currently plans to mobilize the rig on completion in the latter part of 1983 for drilling in the U.K. sector of the North Sea. Although no commitment or contract currently exists, drilling of exploration wells is expected to be on licence areas in which Ranger currently holds an interest with other joint venture partners, on newly acquired prospects, and also under drilling subcontract to other operators on areas in which Ranger may or may not have an interest.

At the present time, Ranger cannot determine the extent of the market that will require utilization of the sophisticated features of the equipment during the five-year period, 1984 to 1988 inclusive, but believes its unique qualities will provide a competitive margin over less capable equipment. Charges to joint venture partners and sub-contracting operators may be either higher or lower than the day rate charged to Ranger and will be related to the estimated competitive costs at the time of utilizing other available equipment in drilling like wells. Such cost may not be a direct function of day rate charges because of the variable drilling capacity of such alternate equipment. There is a surplus of less sophisticated offshore semi-submersible drilling rigs capable of operating in most areas where exploration is currently being conducted in the North Sea at day rates from $60,000 to $80,000. If the 714 is utilized in drilling any wells not requiring its special features then the day rate may be substantially lower than the day rate charged to Ranger by the joint venture company.

Smit-Lloyd/Ranger B.V.

During 1982, Ranger formed a joint venture corporation with Smit-Lloyd B.V. of Rotterdam, Holland for the purpose of constructing, owning and operating two 9,500 horsepower anchor handling, supply and towing vessels. Ranger owns a 47.5% interest in the joint venture corporation. The two vessels, costing $11.5 million each, are scheduled to be completed in May and September 1983.

An $18 million loan facility has been arranged between the joint venture corporation and a Dutch bank to finance the construction cost. The balance will be financed by Dutch government subsidies and by equity contributions from the corporate joint venture participants.

The two vessels have been contracted to Ranger for a minimum period of five years and will be used primarily to support the 714 drilling rig, but will also be available under subcontract arrangements for utilization by third parties. The day rate cost to the Company is presently estimated to be $7,500 which the Company believes approximates current existing market rates for equivalent supply vessels.

See note 11 to the financial statements for additional information with respect to the drilling rig and supply boats' future commitments.

Trumark Drilling Services

Trumark Drilling Services is a limited partnership formed in 1981 between Ranger and Canadian & Oriental Oil Limited to own and manage the four rigs acquired with the purchase of Kissinger Petroleum Corporation. During 1982, Trumark sold two of the older, less efficient drilling rigs. A 50/50 joint venture between Trumark and a third party drilling contractor, which owns three new rigs, experienced a 65% utilization rate during 1982.

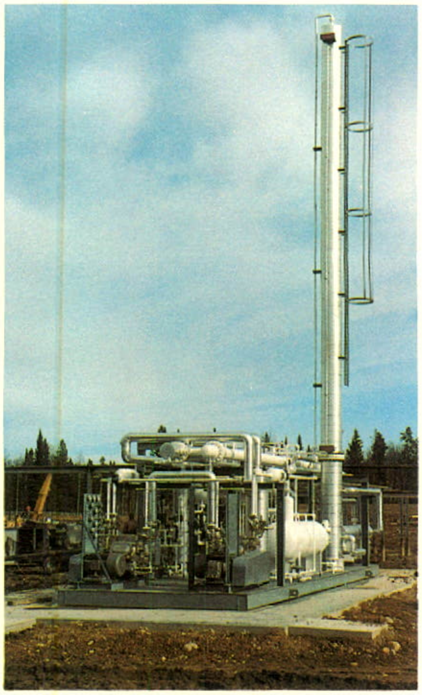
Making a connection, Trumark rig

Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Net earnings for 1982 rose to $28.2 million ($.46 per share) compared to $17.0 million ($.28 per share) for 1981. The increase in earnings was mainly attributable to reduced interest charges and a lower effective tax rate offsetting a decrease in oil and gas sales.

Refrigeration unit for Galloway gas plant



Revenue

Oil and gas sales decreased from the record 1981 levels as prices declined. Also, the Company had received 1.4 million barrels of oil in 1981 pursuant to the retroactive oil adjustment under the terms of the Ninian Unitization Agreement which resulted in an additional $42.8 million of sales during 1981. The average sales price for Ninian oil during 1982 declined to $33.03 per barrel, compared to a 1981 average of $36.97. Subsequent to year end, the price has further declined to $30.10 per barrel. The 1982 decreases were offset somewhat by both increased production and prices from North American operations.

The 20% U.K. Supplementary Petroleum Duty was applicable throughout the entire year and expired on December 31, 1982.

Investment and other income increased substantially as the Company invested its surplus cash in interest-bearing deposits and realized exchange gains due to the decrease in value of the U.K. pound. The exchange gains increased to $6.2 million in 1982 from $.6 million in 1981.

Expenses

Total expenses decreased to $79.2 million in 1982 from $95.0 million for 1981. This decrease was attributable to both a reduction in depletion and depreciation costs and interest expense. Depletion and depreciation charges in 1981 had included $6.9 million related to the retroactive oil adjustment in the Ninian field. Interest expense declined by 51% as the average loan balances were substantially lower and interest rates on average decreased in 1982 compared to 1981.

Income and U.K. Petroleum Revenue Taxes

Income and U.K. Petroleum Revenue Taxes, as a percentage of earnings before taxes, decreased to 71% in 1982 from 84% for 1981. This was mainly attributable to a tax benefit of $8.8 million being received in 1982 upon the payment of dividends between subsidiary companies.

The Company's U.K. operations were subject to current taxes for the first time in 1982. The amount of current taxes payable in future years will depend somewhat on the level of exploration and development expenditures incurred.

Capital Expenditures

Capital expenditures during 1982 decreased to $44.4 million from $107.5 million in 1981. The decrease is attributable to two factors: (i) a payment by the Company in 1981 of $37.2 million made upon the redetermination of interests in the Ninian field, and (ii) due to the uncertain economic environment, the Company's priority in 1982 was to reduce bank debt.

CAPITAL RESOURCES AND LIQUIDITY

At year end the Company had a working capital deficiency of \$33.7 million versus working capital of \$19.7 million at the end of 1981. The deficiency is attributable to \$31.8 million of Petroleum Revenue Tax which was paid February 28, 1983 and \$13.5 million of Corporation Tax payable September 30, 1983, included in current liabilities. The Company expects to fund these tax payments from 1983 cash flow.

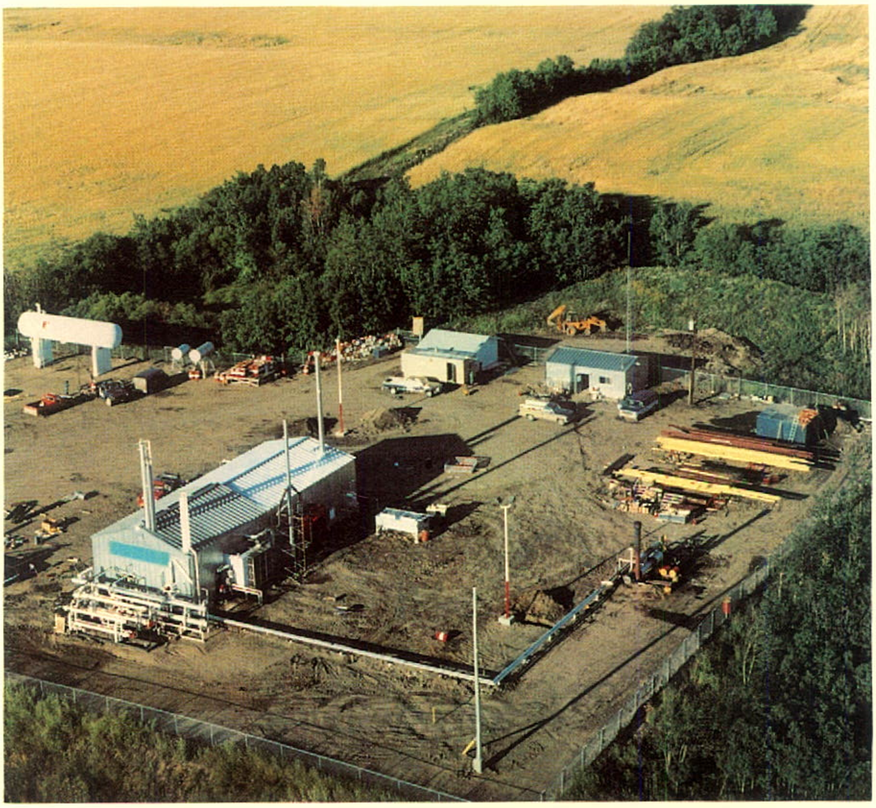
Funds generated from operations in 1982 was \$76.9 million compared to \$154.4 million in 1981. The decrease is attributable to the provision for current U.K. taxes made in 1982 and the increased revenue received in 1981 from the retroactive oil adjustment under the terms of the Ninian Unitization Agreement.

Funds generated from operations in 1983 and subsequent years will be influenced by future world oil price movements. Because of the high effective marginal rate of government royalties and taxes (89.5% in the U.K.), only a relatively small percentage of a decline in price would be borne by Ranger.

The third redetermination of interests in the Ninian field is expected to be concluded in the near future. While the Company's interest in the field is expected to decrease from its current share of 6.1783%, the amount of such decrease has not been finally determined. In the event of a decrease, the Company will be responsible for the replacement of a proportionate share of past oil production. This will result in a reduced cash flow to the Company commencing in the second half of 1983. However, this will be partially offset by the reimbursement to the Company by other participants in the field of a proportionate share of past development and operating costs, with interest.

The Company has utilized a substantial portion of funds generated from operations over the past two years to reduce bank debt. In January 1983, the Company repaid the majority of its current bank loans from cash on hand. The only long-term debt, as at December 31, 1982, is \$23,000,000 of 8½% debentures repayable commencing in 1992. The Company presently has unutilized lines of credit of \$87 million.

Rich plant under construction



In view of the economic uncertainty that has prevailed over the past year, the Company has reduced new capital expenditure programs and future commitments. The majority of exploration onshore activities in North America are carried on in conjunction with COOL under agreements whereby COOL pays for 70% of costs to earn a 50% interest and the Company pays 30% to earn a 50% interest in exploratory properties.

Capital Expenditures

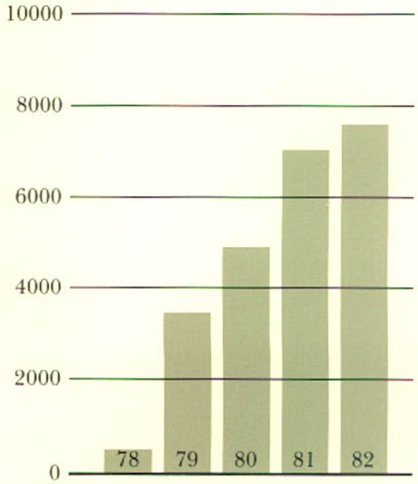
The Company's major long-term commitments pertain to the Sedco 714 drilling contract and the Smit-Lloyd supply boats contract. Under the terms of these arrangements, the Company has leased these vessels for a period of five years. (See Note 11 to the Financial Statements and Drilling Operations for details.) The Company intends to increase exploration activity in the U.K. sector of the North Sea utilizing the Sedco 714 drilling rig and associated supply vessels. The Company expects that its cash flow from the U.K. will provide the necessary funds to carry out this program. In addition, the Company has dedicated $25 million of its bank lines of credit to provide for any interim shortfall that may occur.

The Company's current plans for 1983 are to fund capital expenditures from existing cash flow.

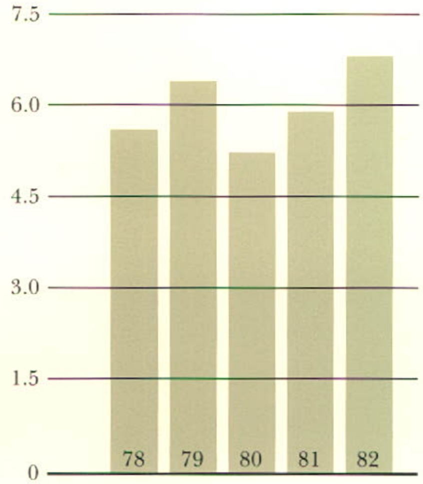
The Company is confident it has the capability to finance any major development programs such as the potential development of the Columba Field south of Ninian or the U.S. Gulf Coast discoveries from internally generated cash flow, project financing, drawdown of existing credit lines and from additional external sources such as the debt and equity markets in Canada, the United States and Europe.

SL 120 under construction in the Netherlands

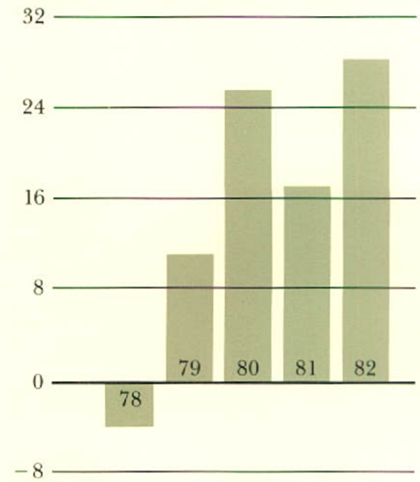
Oil Production — **before Royalty**
(Thousands of Barrels)



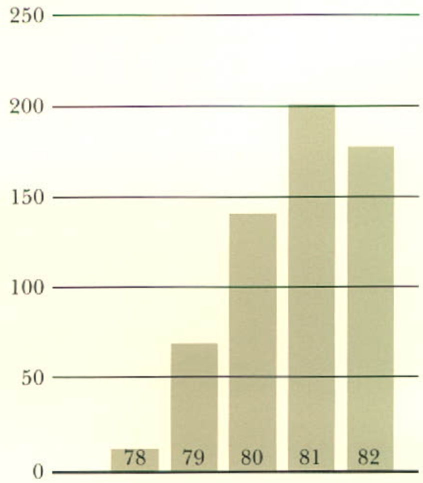
Gas Production — **before Royalty**
(Billions of Cubic Feet)



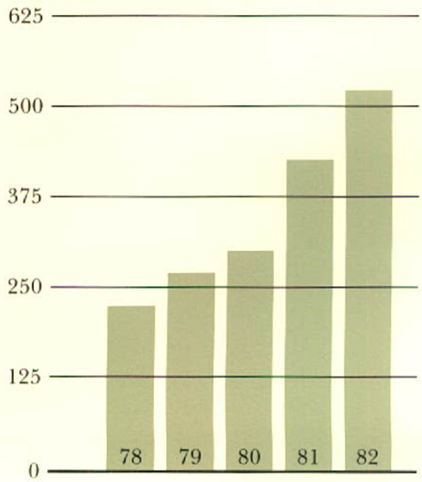
Net Earnings
(Millions of Dollars U.S.)



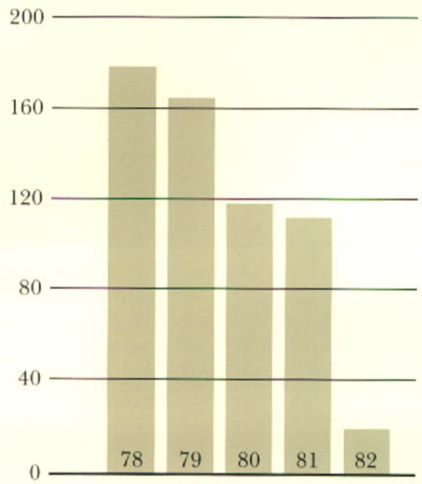
Revenue
(Millions of Dollars U.S.)



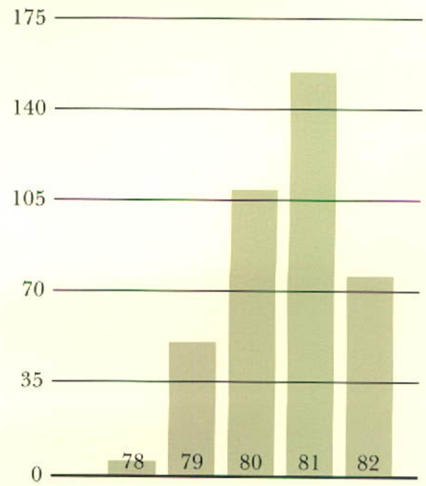
Total Assets — **as of December 31**
(Millions of Dollars U.S.)



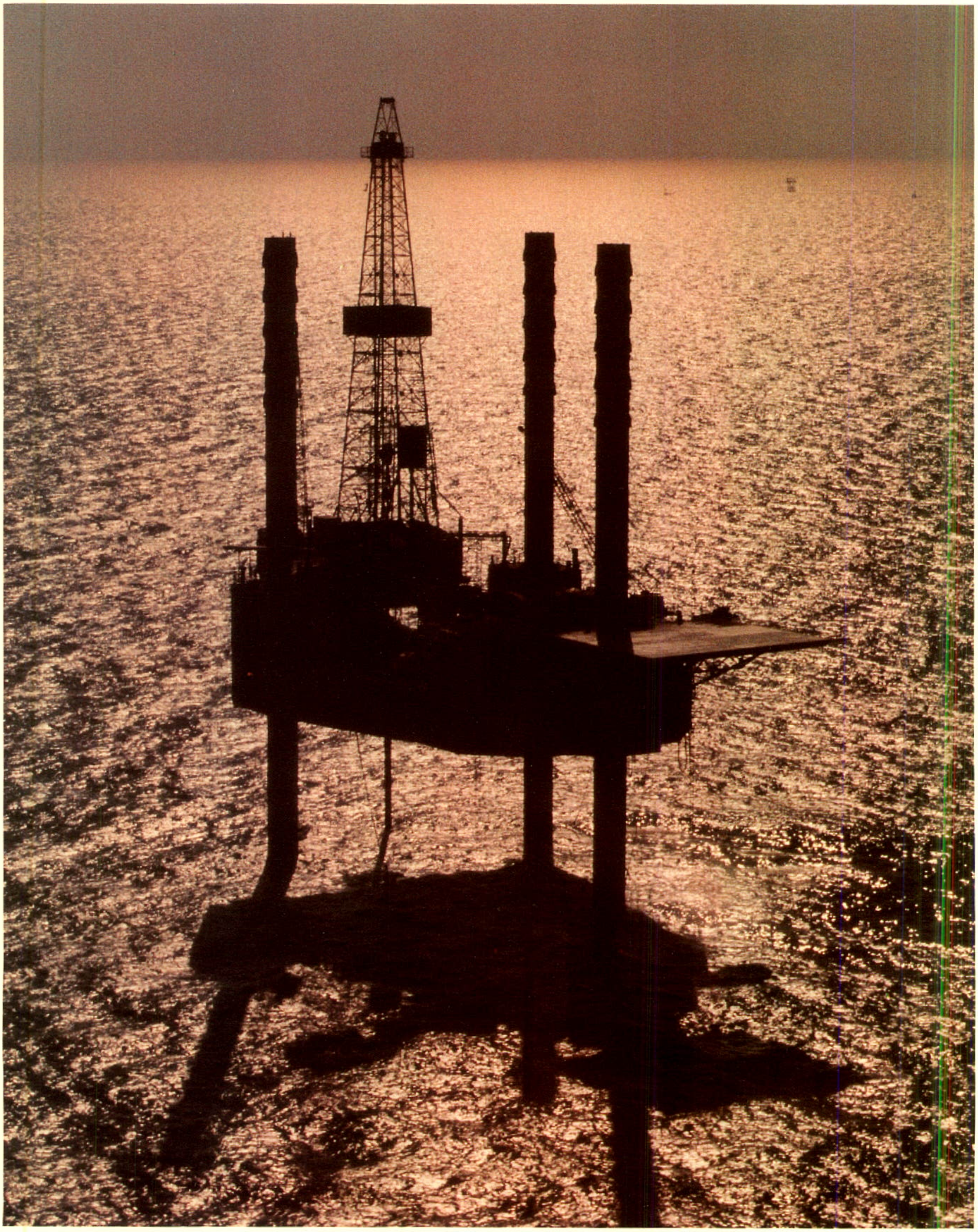
Long-Term Debt — **as of December 31**
(Millions of Dollars U.S.)



Funds Generated From Operations
(Millions of Dollars U.S.)



Drilling second East Cameron well, U.S. Gulf Coast



Consolidated Statement of Earnings and Retained Earnings

Three Years Ended December 31, 1982
(in thousands of U.S. dollars)

	1982	1981	1980
Revenue			
Oil and gas sales	**$208,238**	$252,254	$139,780
U.K. Supplementary Petroleum Duty	**(43,515)**	(57,005)	—
	164,723	195,249	139,780
Investment and other income	**12,954**	5,559	996
	177,677	200,808	140,776
Expenses			
Operating	**17,513**	18,797	11,049
General and administrative	**7,442**	7,073	3,774
Interest (note 1)	**10,394**	21,503	17,354
Depletion and depreciation	**40,430**	44,315	25,079
Write-down of oil and gas and mineral properties	**446**	188	4,243
Provision for future site restoration costs	**3,010**	3,087	2,093
	79,235	94,963	63,592
Earnings before taxes (note 8)	**98,442**	105,845	77,184
Income and U.K. Petroleum Revenue Taxes (note 9)	**70,257**	88,866	51,683
Net Earnings	**28,185**	16,979	25,501
Retained earnings at beginning of year	**59,062**	42,083	16,582
Retained Earning at End of Year	**$ 87,247**	$ 59,062	$ 42,083
Net Earnings per Common Share, based on weighted average number of common shares outstanding	**$.46**	$.28	$.43

Ranger Oil Limited

Consolidated Balance Sheet

as at December 31, 1982 and 1981
(in thousands of U.S. dollars)

ASSETS

	1982	1981
Current Assets		
Cash and short-term deposits	**$109,674**	$ 2,995
Accounts receivable	**43,928**	41,802
Note receivable	**—**	8,514
Inventory, at the lower of cost and net realizable value	**1,512**	2,427
	155,114	55,738
Investments (note 4)	**12,515**	8,246
Property, Plant and Equipment ("full cost" basis — note 5)	**351,908**	359,681
	$519,537	$423,665

LIABILITIES

	1982	1981
Current Liabilities		
Bank loans (note 6)	**$107,003**	$ 8,425
Accounts payable	**17,086**	27,653
Income and other taxes	**64,702**	—
	188,791	36,078
Long-Term Debt (note 6)	**17,734**	112,256
Gas Production Prepayments	**3,476**	1,822
Provision for Future Site Restoration Costs	**10,244**	7,233
Deferred Taxes	**171,872**	168,114
Commitments and Contingencies (note 11)		

SHAREHOLDERS' EQUITY

	1982	1981
Capital Stock (note 7)		
Authorized		
Preferred and common shares without par value in unlimited number		
Issued		
60,852,382 (1981 — 60,243,012) Common shares	**40,173**	39,100
Retained Earnings	**87,247**	59,062
	127,420	98,162
	$519,537	$423,665

Approved by the Board

E O Parry

Director
E. O. Parry

Jack M. Pierce

Director
J. M. Pierce

Ranger Oil Limited

Consolidated Statement of Changes in Financial Position

Three Years Ended December 31, 1982
(in thousands of U.S. dollars)

	1982	1981	1980
Source of Funds			
Net earnings	**$ 28,185**	$ 16,979	$ 25,501
Items not requiring funds			
Depletion and depreciation	**40,430**	44,315	25,079
Write-down of oil and gas and mineral properties	**446**	188	4,243
Provision for future site restoration costs	**3,010**	3,087	2,093
Deferred taxes	**3,758**	89,836	51,610
Other	**1,060**	—	—
Funds generated from operations	**76,889**	154,405	108,526
Sale of property and equipment	**10,869**	33,928	—
Long-term debt	**23,929**	116,574	27,204
Gas production prepayment	**1,654**	375	747
Issue of common shares	**1,073**	585	605
	114,414	305,867	137,082
Application of Funds			
Investments	**4,705**	8,246	—
Property, plant and equipment	**44,437**	107,519	57,150
Long-term debt	**118,609**	141,898	72,777
Acquisition of Kissinger Petroleum Corporation (note 3)	—	36,073	—
	167,751	293,736	129,927
Increase (Decrease) in Working Capital	**(53,337)**	12,131	7,155
Working capital at beginning of year	**19,660**	7,529	374
Working Capital (Deficiency) at End of Year	**$ (33,677)**	$ 19,660	$ 7,529

Summary of Changes in Working Capital

	1982	1981	1980
Increase (Decrease) in Current Assets			
Cash and short-term deposits	**$106,679**	$ 2,073	$ (3,272)
Accounts receivable	**2,126**	16,584	7,344
Note receivable	**(8,514)**	8,514	—
Inventory	**(915)**	2,427	(529)
	99,376	29,598	3,543
Decrease (Increase) in Current Liabilities			
Bank loans	**(98,578)**	(8,425)	—
Accounts payable	**10,567**	(17,442)	7,516
Income and other taxes	**(64,702)**	—	—
Current maturities on long-term debt	—	8,400	(3,904)
	(152,713)	(17,467)	3,612
Increase (Decrease) in Working Capital	**$ (53,337)**	$ 12,131	$ 7,155

Notes to Consolidated Financial Statements

December 31, 1982
(Tabular amounts in thousands of U.S. dollars)

1. ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of Ranger Oil Limited ("the Company") and its subsidiaries, all of which are wholly-owned.

(b) U.S. Dollar Reporting

The majority of the Company's business is transacted in U.S. dollars and, accordingly, the consolidated financial statements are expressed in that currency.

(c) Investments

The Company accounts for its investments in affiliated companies and joint ventures by the equity method of accounting, under which its investments are recorded at cost and adjusted to include its share of the earnings or losses of those entities.

(d) Currency Translation

The accounts recorded in other currencies have been translated into U.S. dollars on the following basis:

(i) Current assets and current liabilities, at the rate of exchange in effect as at the balance sheet date;

(ii) Investments and property, plant and equipment, at the rate of exchange in effect at the date on which the respective assets were acquired;

(iii) Long-term debt, at the rate of exchange in effect at the date on which the funds were borrowed;

(iv) Provision for future site restoration costs, at the rate of exchange in effect at the date on which the provisions were recorded;

(v) Revenue and expenses (excluding depletion, depreciation and write-downs of oil and gas and mineral properties which are translated at the same rates as the related assets), at average rates in effect during the year.

Foreign exchange gains (1982 — $6,241,000; 1981 — $563,000) and losses (1980 — $354,000) are included in investment and other income.

(e) Oil and Gas Operations

The Company follows the "full cost" method of accounting for oil and gas operations whereby all costs of exploring for and developing oil and gas reserves are capitalized. Such costs, including the costs of production equipment, are accumulated in centres established on a country-by-country basis and depleted using the unit-of-production method based upon the estimated proved oil and gas reserves in each cost centre. Such costs are generally limited to the present value of future net revenues from estimated production of proved reserves at current prices and costs plus the lower of cost and estimated fair value of unproved property. The costs of unusually significant investments in unproved properties and major development projects are excluded from the depletion computation until such time as it is determined whether or not proved reserves are attributable to the properties, the project is completed, or impairment in value has occurred.

Substantially all the Company's exploration and development activities related to oil and gas operations are conducted jointly with others. The accounts reflect only the Company's proportionate interest in such activities.

(f) **Capitalization of Interest Costs**

The costs of exploring for and developing oil and gas reserves include interest and other financing charges on funds borrowed to finance unusually significant investments in unproved properties and the costs of major developments such as the Ninian Field in the North Sea. Such charges are capitalized (1982—$5,508,000; 1981—$3,978,000; 1980—$5,156,000) and will be amortized against production revenues on the same basis as other exploration and development costs.

(g) **Site Restoration**

The Company provides for major site restoration costs (such as the removal of off-shore production platforms at the end of the producing life of a field) on a unit-of-production basis, based on its share of the estimated future liability for such costs.

(h) **Mineral Exploration**

Costs related 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.

(i) **Income and U.K. Petroleum Revenue Taxes**

The Company follows the tax allocation method of accounting under which (a) the provision for corporate income taxes is based on the earnings reported in the accounts, and (b) the estimated total liability for U.K. Petroleum Revenue Tax is apportioned to accounting periods on the basis of gross revenues derived from U.K. oil and gas production.

(j) **Depreciation**

Depreciation of aircraft and other equipment has been provided in the accounts at methods and per annum rates (ranging from 5% to 30%) which are estimated to amortize the cost of the assets less salvage values over their useful lives.

(k) **Oil and Gas Sales**

Revenue from oil and gas sales is net of all royalties, Canadian Petroleum and Gas Revenue Tax, Incremental Oil Revenue Tax, U.S. Windfall Profit Tax and a financing fee of 8% of the Company's share of crude oil production from the Ninian Field.

(l) **Earnings Per Share**

Earnings per common share have been computed by dividing net earnings by the weighted average number of common shares outstanding during the year. In determining the number of common shares used in the computation, no consideration has been given to outstanding stock options or shares to be issued under the Company's stock bonus plan, which, although considered to be common share equivalents under United States accounting principles, would not have a material effect on the calculation of earnings per common share as reported.

2. UNITED STATES ACCOUNTING PRINCIPLES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and conform with United States accounting principles except for the capitalization of interest costs.

The Company has capitalized interest to December 31, 1980 on the portion of its outstanding bank loans that was regarded to relate to ongoing development activities in the Ninian Field in the North Sea. Had the Company followed United States accounting principles in this area, the interest capitalization period for the Ninian project would have ended upon the commencement of production from the Field effective January 1, 1979. As a result, consolidated net earnings for the years ended December 31, 1982 and 1981 would have been increased by $713,000 ($.01 per share) and $841,000 ($.02 per share), respectively; consolidated net earnings for the year ended December 31, 1980 would have been decreased by $1,930,000 ($.03 per share).

3. BUSINESS COMBINATIONS

During 1981, the Company acquired all the issued and outstanding shares of Kissinger Petroleum Corporation ("Kissinger"), a privately-held Colorado corporation engaged in oil and gas exploration and production activities and drilling operations in the United States and Canada, for $22 million cash and $23 million principal amount of convertible subordinated debentures of the Company. This business combination has been accounted for as a purchase and the results of operations of Kissinger have been included in the consolidated financial statements of the Company since March 31, 1981, the effective date of acquisition.

The acquisition is summarized as follows:

Net assets acquired:		
Current assets		$13,172
Current liabilities		9,653
		3,519
Property, plant and equipment		56,862
		60,381
Long-term debt	$19,166	
Deferred income taxes	1,623	20,789
		$39,592
Purchase consideration:		
Cash, including acquisition costs of $229,000		$22,229
8½% debentures, net of discount of $5,637,000		17,363
		$39,592

Had the acquisition of Kissinger been made at January 1, 1980, it would not have had a significant effect on the consolidated results of operations of the Company for the year ended December 31, 1980.

4. INVESTMENTS

Investments in affiliated companies and joint ventures are comprised of the following:

	Company's Interest	1982	1981
Canadian & Oriental Oil Limited, public company (quoted market value — $5,180,000)	9.9%	**$ 7,105**	$7,075
Sedco 714 Drilling Corporation, corporate joint venture	50.0%	**3,024**	449
Smit-Lloyd/Ranger B.V., corporate joint venture	47.5%	**1**	—
Drilling joint venture, unincorporated	25.0%	**845**	—
Pontoon Oil & Minerals N.L., private company	20.0%	**1,036**	154
Union Jack Oil Company Limited, private company	16.0%	**414**	414
Other private companies		**90**	154
		$12,515	$8,246

The Company's share of losses in affiliated companies and joint ventures for the year ended December 31, 1982 was $373,000 (1981 — $325,000; 1980 — $ Nil) and has been included in investment and other income in the accompanying statement of earnings.

(a) In 1981, the Company and Canadian & Oriental Oil Limited ("COOL"), a Hong Kong based corporation, entered into an arrangement under which COOL acquired a 50% interest in the oil and gas properties and land-based drilling rigs acquired by the Company in the acquisition of Kissinger (see note 3). In addition, COOL agreed to participate with the Company in ongoing North American oil and gas exploration and production activities, for a minimum period of two years, commencing July 28, 1981. The Company manages the operations of the joint venture program for which it recovered related costs from COOL in the amount of $1,302,000 and $321,000 for the years ended December 31, 1982 and 1981, respectively.

(b) Sedco 714 Drilling Corporation was formed with Sedco, Inc. to own and operate a Sedco 700 type semi-submersible, mobile off-shore drilling rig. The drilling rig is being constructed at an estimated cost of $112 million and upon mobilization, scheduled for December 1983, will be contracted to the Company for a minimum period of five years.

The joint venture corporation has arranged a U.S. dollar loan facility to finance 90% of the estimated construction costs of the rig; the balance of the costs will be financed by equity participation in the joint venture by the Company and Sedco, Inc. The bank loan is secured by a mortgage on the rig and the five-year drilling contract with the Company (see note 11).

(c) Smit-Lloyd/Ranger B.V. was formed to construct and operate two offshore supply vessels. The joint venture corporation has arranged a Dutch guilder bank loan, secured by mortgages on the vessels, to finance approximately 80% of the $23 million estimated construction costs; the balance of the costs will be financed by equity participation. The vessels will be contracted to the Company for a minimum period of five years (see note 11).

(d) In 1982, the Company participated in the formation of a drilling joint venture to own and operate three land-based drilling rigs. The joint venture has a $9,657,000 U.S. dollar bank term loan at December 31, 1982 secured by a first mortgage on the drilling rigs and a guarantee by the Company.

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depletion and Depreciation	Net
December 31, 1982			
Oil and gas properties*			
Canada	**$ 75,363**	**$ 16,091**	**$ 59,272**
United States	**56,295**	**8,489**	**47,806**
United Kingdom	**320,599**	**108,801**	**211,798**
Other foreign areas	**15,932**	**—**	**15,932**
Mineral properties	**3,360**	**—**	**3,360**
Aircraft	**10,128**	**1,807**	**8,321**
Other equipment	**8,318**	**2,899**	**5,419**
	$489,995	**$138,087**	**$351,908**
December 31, 1981			
Oil and gas properties*			
Canada	$ 67,139	$ 13,295	$ 53,844
United States	45,017	6,196	38,821
United Kingdom	313,214	75,274	237,940
Other foreign areas	8,623	—	8,623
Mineral properties	3,155	—	3,155
Aircraft	10,128	1,271	8,857
Other equipment	10,213	1,772	8,441
	$457,489	$ 97,808	$359,681

*Includes oil and gas properties, together with exploration, development and production equipment thereon.

The United States cost centre includes unproved property costs of $24,093,000 at December 31, 1982 (1981 — $28,868,000) which have been excluded from costs presently being depleted. These properties are currently in various stages of exploration and it is anticipated that the costs will be included in the depletion computation by December 31, 1983.

6. LONG-TERM DEBT

The long-term debt of the Company and its subsidiaries is summarized as follows:

	1982	1981
United Kingdom		
U.S. dollar bank loan	**$ —**	$ 21,900
North American		
Canadian dollar bank loans	**—**	51,842
U.S. dollar bank loans	**—**	20,800
8½% Convertible subordinated debentures (principal amount — $23,000,000; effective interest rate — 12%)	**17,734**	17,575
Other	**—**	139
	$17,734	$112,256

United Kingdom and North American bank loans, including bankers' acceptances, totalling $10,300,000 U.S. and $96,703,000 U.S., respectively, at December 31, 1982 are expected to be fully paid in 1983. Accordingly, these loans have been reflected as current liabilities in the accompanying balance sheet.

(a) The U.K. bank loan has been advanced under a $30,000,000 U.S. revolving production loan facility and bears interest at 5/8% over the London Interbank Offered Rate. The loan is secured by a first fixed charge over the U.K. subsidiary's interest in the Ninian Field and a first floating charge over its other assets. The average effective interest rate during 1982 was 14.4% (1981 — 18.0%). The U.K. subsidiary pays a standby fee of 1/4% per annum on one half of the unused portion of the loan facility and 1/8% per annum on the balance.

(b) The North American bank loans have been advanced under Canadian and U.S. dollar loan facilities aggregating approximately $75,000,000 U.S. Interest rates on the Canadian dollar loans range from the bank's Canadian prime lending rate to, at the option of the Company, 1% over the interest rate on Canadian bankers' acceptance notes. Interest rates on the U.S. dollar loans range from 1/2% over the London Interbank Offered Rate to, at the option of the Company, the bank's U.S. prime lending rate. The average effective interest rate during 1982 was 16.0% (1981 — 19.5%). The loans are secured by North American oil and gas properties, a general assignment of book debts and a demand debenture of the Company providing a first floating charge over all its assets.

(c) The convertible subordinated debentures have a term of 20 years, are redeemable under certain circumstances and are convertible into common shares of the Company at a price of $28.75 U.S. per share.

7. CAPITAL STOCK

Changes in outstanding common share capital during the three years ended December 31, 1982 were as follows:

	Number of Shares	Amount
Balance, December 31, 1979	59,649,192	$37,910
Shares issued on exercise of employee stock options		
For cash	200,600	354
For a promissory note	240,000	251
Balance, December 31, 1980	60,089,792	38,515
Shares issued on exercise of employee stock options		
For cash	61,600	134
For a promissory note	72,000	121
Shares issued under employees' stock bonus plan	19,620	330
Balance, December 31, 1981	60,243,012	39,100
Shares issued on exercise of employee stock options		
For cash	**115,600**	**233**
For promissory notes	**480,000**	**617**
Shares issued under employees' stock bonus plan	**13,770**	**223**
Balance, December 31, 1982	**60,852,382**	**$40,173**

Notes receivable from officers totalling $617,000 are included in accounts receivable in the accompanying balance sheet.

As of December 31, 1982, common shares in the capital stock of the Company were reserved as follows:

2,191,800 shares under an employees' stock option plan of which options to purchase 276,000 shares are outstanding, exercisable from time to time to December 1987 at prices ranging from $1.75 Cdn. to $12.00 Cdn. per share;

2,500,000 shares under an agreement with the Chairman and President of the Company which provides a ten-year option to acquire shares of the Company at a price of $10.50 Cdn. per share, exercisable as to 50% of the option shares after the fifth anniversary of the date of the grant and as to a further 10% after each successive anniversary thereafter.

566,610 shares under an employees' stock bonus plan of which 62,510 shares have been awarded and are to be issued as fully paid without consideration in annual instalments to May 1986.

800,000 shares for issue on conversion of 8½% debentures (see note 6).

Changes in the number of shares issuable under outstanding options during the three years ended December 31, 1982 were as follows:

	1982	1981	1980
Shares under option at beginning of year	**979,700**	1,017,800	1,431,000
Options granted	**102,500**	138,500	73,000
Options exercised	**(595,600)**	(133,600)	(440,600)
Options cancelled	**(210,600)**	(43,000)	(45,600)
Shares under option at end of year	**276,000**	979,700	1,017,800

8. NINIAN FIELD REDETERMINATION

Under the Ninian Unitization Agreement, the Company's interest in the Ninian Field in the U.K. sector of the North Sea is based on the allocation of oil reserves in place and is subject to periodic adjustment as additional reservoir data from the Field becomes available. Effective January 1, 1981, the Company's interest in the Field was redetermined and increased to 6.1783% from 5.192%. Accordingly, in February 1981, the Company paid to the other participants in the Field a proportionately increased share of past development costs and operating expenses (including interest thereon) of $37,167,000 and $2,181,000, respectively. In addition, the Company received during the second and third quarters of 1981 a correspondingly increased share of past oil production of approximately 1.4 million barrels (before deduction of royalties and 8% financing fee). The effect of this increased share of past production included in the Company's consolidated statement of earnings for the year ended December 31, 1981 is summarized as follows:

Revenue	
Oil and gas sales, net of royalties and 8% financing fee	$42,756
U.K. Supplementary Petroleum Duty	10,027
	32,729
Expenses	
Operating	2,181
Depletion and depreciation	6,887
Provision for future site restoration costs	543
	9,611
Earnings before taxes	$23,118

A further redetermination of the Company's interest in the Ninian Field is presently in progress and is expected to be concluded in April 1983. While the Company's interest in the Field is expected to decrease from its current share of 6.1783%, the amount of such decrease cannot be determined at the present time. In the event of a decrease, the Company will be reimbursed by other participants in the Field for a proportionate share of past development costs and operating expenses (including interest thereon) and will be responsible for the replacement of a proportionate share of past oil production.

It is expected that the final redetermination of the Company's interest in the Field will occur not later than July 1, 1984.

9. INCOME AND U.K. PETROLEUM REVENUE TAXES

Consolidated earnings before taxes and tax provisions for the three years ended December 31, 1982 arise substantially from operations in the U.K. and are summarized as follows:

	1982	1981	1980
Earnings (loss) before taxes			
U.K.	**$104,976**	$114,918	$78,239
Other areas	**(6,534)**	(9,073)	(1,055)
	$ 98,442	$105,845	$77,184
Current income taxes			
U.K.	**$ 31,687**	$ —	$ —
Other areas	**371**	143	928
Alberta Royalty Tax Credit	**(3,784)**	(1,113)	(855)
	28,274	(970)	73
Deferred income taxes			
U.K.	**358**	31,224	25,135
Other areas	**37**	(1,638)	498
	395	29,586	25,633
U.K. Petroleum Revenue Tax			
Current	**38,225**	—	—
Deferred	**3,363**	60,250	25,977
	41,588	60,250	25,977
	$ 70,257	$ 88,866	$51,683

During 1982, upon payment of dividends between subsidiary companies, a tax benefit in the amount of $8,790,000 was realized. This amount has been reflected in the accompanying financial statements as a reduction in the provision for current income taxes for the year ended December 31, 1982.

Deferred income taxes and U.K. petroleum revenue tax expenses result from timing differences between exploration and development costs claimed for tax purposes and the related depletion and depreciation expenses reflected in the accounts.

10. SEGMENTED INFORMATION

The Company operates principally in one industry segment, which comprises the exploration for, and the development and production of oil and gas. Information about the Company's operations by geographic area for the three years ended December 31, 1982 is as follows:

	1982	1981	1980
Oil and gas sales			
Canada	**$ 11,661**	$ 9,430	$ 9,140
United States	**3,386**	2,122	1,694
United Kingdom	**193,191**	240,702	128,946
	$208,238	$252,254	$139,780
Operating profit (loss)			
Canada	**$ 5,954**	$ 4,368	$ 5,761
United States	**85**	405	(3,298)
United Kingdom	**97,731**	115,935*	79,482*
Other foreign areas	**(446)**	(188)	(510)
	103,324	120,520	81,435
Investment and other income	**12,954**	962	996
General corporate expenses	**(7,442)**	(7,073)	(3,774)
Interest expense	**(10,394)**	(8,564)	(1,473)
Earnings before taxes	**$ 98,442**	$105,845	$ 77,184
Identifiable assets			
Canada	**$ 73,451**	$ 68,769	$ 43,498
United States	**50,498**	44,111	5,064
United Kingdom	**211,923**	238,081	220,256
Other foreign areas	**16,036**	8,720	4,913
	351,908	359,681	273,731
Corporate assets	**167,629**	63,984	26,140
Total assets	**$519,537**	$423,665	$299,871

*After deduction of Ninian loan interest.

The Company received approximately 93%, 95%, and 92% of its oil and gas revenues from oil sales to two customers in 1982 and one customer in 1981 and 1980, respectively.

11. COMMITMENTS AND CONTINGENCIES

(a) In connection with the Company's interest in the Sedco 714 Drilling Corporation and Smit-Lloyd/Ranger B.V. (see note 4), the Company has contracted for the services of the Sedco 714 semi-submersible offshore drilling rig and two supply vessels for a period of five years. The drilling rig and supply vessels are intended to be used by the Company in exploration programs in which there may be other participants. The Company plans to sub-lease the rig and the vessels when they are not being used in such programs. As of December 31, 1982 the Company's estimated commitments under these contracts were as follows: 1983 — $6,285,000; 1984 — $47,975,000; 1985 — $47,975,000; 1986 — $47,556,000; 1987 — $42,941,000; 1988 — $37,676,000. The estimated costs under the commitments will be reduced by any recoveries from other participants in exploration programs and any sub-lease revenue.

(b) Future minimum lease payments under operating leases relating to the rental of office and other building facilities (but excluding leases related to oil, gas and mineral rights) are as follows: 1983 — $717,000; 1984 — $964,000; 1985 — $987,000; 1986 — $941,000; 1987 — $941,000; thereafter — $9,081,000.

Total lease rentals charged to operations during each of the three years ended December 31, 1982 were not significant.

(c) The Company has guaranteed the $9,657,000 bank loan of a drilling joint venture (see note 4).

12. OIL AND GAS PRODUCING ACTIVITIES

(a) Net Revenues from Oil and Gas Production

	Canada	United States	United Kingdom	Total
1982				
Oil and gas sales	**$11,661**	**$3,386**	**$193,191**	**$208,238**
Production expenses	**1,912**	**926**	**13,876**	**16,714**
Net revenues	**$ 9,749**	**$2,460**	**$179,315**	**$191,524**
1981				
Oil and gas sales	$ 9,430	$2,122	$240,702	$252,254
Production expenses	1,519	693	15,012	17,224
Net revenues	$ 7,911	$1,429	$225,690	$235,030
1980				
Oil and gas sales	$ 9,140	$1,694	$128,946	$139,780
Production expenses	1,519	498	9,032	11,049
Net revenues	$ 7,621	$1,196	$119,914	$128,731

(b) Costs Incurred in Oil and Gas Producing Activities

	Canada	United States	United Kingdom	Other Foreign Areas	Total
1982					
Property acquisition	**$ 38**	**$ 72**	**$ —**	**$ —**	**$ 110**
Exploration	**4,059**	**9,214**	**7,064**	**7,755**	**28,092**
Development	**3,593**	**2,068**	**8,555**	**—**	**14,216**
	$ 7,690	**$11,354**	**$15,619**	**$7,755**	**$ 42,418**
Production expenses	**$ 1,912**	**$ 926**	**$13,876**	**$ —**	**$ 16,714**
Depreciation, depletion and write-down of oil and gas properties	**$ 2,796**	**$ 2,293**	**$33,527**	**$ 446**	**$ 39,062**

1981					
Property acquisition*					
Unproven	$16,241	$28,299	$ —	$ —	$ 44,540
Proven	18,907	3,253	—	—	22,160
Exploration	6,821	3,307	4,923	5,398	20,449
Development	6,116	4,738	52,025	—	62,879
	$48,085	$39,597	$56,948	$5,398	$150,028

*Includes properties acquired on purchase of Kissinger Petroleum Corporation (see note 3).

Production expenses	$ 1,519	$ 693	$15,012	$ —	$ 17,224
Depreciation, depletion and write-down of oil and gas properties	$ 2,309	$ 959	$39,130	$ 188	$ 42,586
1980					
Property acquisition	$ 1,118	$ —	$ 2,326	$ —	$ 3,444
Exploration	5,802	688	4,229	3,045	13,764
Development	2,930	—	29,221	—	32,151
	$ 9,850	$ 688	$35,776	$3,045	$ 49,359
Production expenses	$ 1,519	$ 498	$ 9,032	$ —	$ 11,049
Depreciation, depletion and write-down of oil and gas properties	$ 1,552	$ 4,477	$22,426	$ 510	$ 28,965

Auditors' Report

To the Shareholders of
Ranger Oil Limited

We have examined the consolidated balance sheet of Ranger Oil Limited as at December 31, 1982 and 1981 and the consolidated statements of earnings and retained earnings and changes in financial position for the three years ended December 31, 1982. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1982 and 1981 and the results of its operations and the changes in its financial position for the three years ended December 31, 1982 in accordance with generally accepted accounting principles applied on a consistent basis.

Thorne Riddell

Chartered Accountants

Calgary, Canada
March 1, 1983

Supplemental Financial Information

(unaudited)

1. OIL AND GAS RESERVES AND RELATED RESERVE RECOGNITION ACCOUNTING DATA

(a) Oil and Gas Reserves

The following tables set forth the Company's net proved and proved developed oil and gas reserves as at December 31, 1980, 1981 and 1982. The quantities of proved and proved developed oil and gas reserves are determined by independent consulting engineers.

(i) Oil and Natural Gas Liquids
(thousands of barrels)

	Canada	United States	United Kingdom	Total
Proved Reserves, December 31, 1979	2,849	170	41,977	44,996
Revision of previous estimates	66	(30)	—	36
Extensions, discoveries	116	2	2,504	2,622
Production	(245)	(19)	(3,664)	(3,928)
Proved Reserves, December 31, 1980	2,786	123	40,817	43,726
Additional reserves due to redetermination of Ninian working interest	—	—	8,911	8,911
Proved Reserves, January 1, 1981	2,786	123	49,728	52,637
Revision of previous estimates	(347)	177	(1,473)	(1,643)
Purchase of reserves	—	242	—	242
Extensions, discoveries	146	78	—	224
Sale of reserves	—	(112)	—	(112)
Production	(217)	(39)	(6,458)	(6,714)
Proved Reserves, December 31, 1981	2,368	469	41,797	44,634
Revisions of previous estimates	**300**	**(89)**	**2,414**	**2,625**
Extensions, discoveries	**27**	**690**	**—**	**717**
Production	**(218)**	**(68)**	**(5,888)**	**(6,174)**
Proved Reserves, December 31, 1982	**2,477**	**1,002**	**38,323**	**41,802**
Proved Developed Reserves:				
December 31, 1980	2,786	107	23,695	26,588
December 31, 1981	2,368	403	33,089	35,860
December 31, 1982	**2,477**	**703**	**38,323**	**41,503**

(ii) Natural Gas
(millions of cubic feet)

	Canada	United States	Total
Proved Reserves, December 31, 1979	66,024	7,423	73,447
Revision of previous estimates	(873)	(2,847)	(3,720)
Extensions, discoveries	13,757	—	13,757
Production	(2,988)	(663)	(3,651)
Proved Reserves, December 31, 1980	75,920	3,913	79,833
Revision of previous estimates	(16,238)	966	(15,272)
Purchase of reserves	36,587	240	36,827
Extensions, discoveries	17,321	404	17,725
Sale of reserves	(16,885)	(111)	(16,996)
Production	(3,390)	(476)	(3,866)
Proved Reserves, December 31, 1981	93,315	4,936	98,251
Revisions of previous estimates	**2,926**	**(387)**	**2,539**
Extensions, discoveries	**11,636**	**1,641**	**13,277**
Production	**(4,287)**	**(473)**	**(4,760)**
Proved Reserves, December 31, 1982	**103,590**	**5,717**	**109,307**
Proved Developed Reserves:			
December 31, 1980	75,920	1,920	77,840
December 31, 1981	93,315	2,801	96,116
December 31, 1982	**103,590**	**3,275**	**106,865**

Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids, which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. The proved developed reserves of the United Kingdom have been calculated based on the ratio of Ninian wells drilled as at December 31 compared to the total Ninian wells to be drilled.

Net reserves are calculated after deducting any working, royalty (including government royalties) and override interests of other parties in the Company's properties.

The estimated quantities of United Kingdom reserves are based upon the present 6.1783% interest in the Ninian Field. A further redetermination of the Company's interest is presently in progress and is expected to be concluded in the first half of 1983.

(b) **Future Net Revenues**

Future net revenues from estimated production of the Company's proved and proved developed oil and gas reserves and the present value of such future net revenues as of December 31, 1980, 1981 and 1982, as determined by the Company's engineering staff for the Canadian and United Kingdom reserves and by independent consulting engineers for the United States reserves are set out in the following tables.

	Canada	United States	United Kingdom	Total
Future Net Revenues (thousands of U.S. dollars)				
Proved Reserves:				
1983	$ 10,851	$ 6,335	$149,010	$ 166,196
1984	12,035	6,041	125,560	143,636
1985	11,936	3,861	109,053	124,850
Thereafter	182,735	16,845	420,568	620,148
	$217,557	$33,082	$804,191	$1,054,830
Proved Developed Reserves:				
1983	$ 10,851	$ 5,597	$149,010	$ 165,458
1984	12,035	2,984	125,560	140,579
1985	11,936	2,621	109,053	123,610
Thereafter	182,735	9,538	420,568	612,841
	$217,557	$20,740	$804,191	$1,042,488
Present Value of Future Net Revenues (thousands of U.S. dollars)				
Proved Reserves:				
December 31, 1980	$ 60,038	$ 5,095	$990,904	$1,056,037
December 31, 1981	$ 72,011	$10,268	$803,466	$ 885,745
December 31, 1982	**$ 95,641**	**$22,419**	**$581,347**	**$ 699,407**
Proved Developed Reserves:				
December 31, 1980	$ 60,038	$ 3,156	$459,779	$ 522,973
December 31, 1981	$ 72,011	$ 7,298	$636,077	$ 715,386
December 31, 1982	**$ 95,641**	**$15,211**	**$581,347**	**$ 692,199**

Future net revenues have been estimated using current sales prices, royalties, operating costs and future development costs necessary to produce such reserves. They have been further reduced by United Kingdom Supplementary Petroleum Duty, Canadian Petroleum and Gas Revenue Tax and Incremental Oil Revenue Tax and United States Windfall Profit Tax. The present value of estimated future net revenues has been computed using a mid-year discount factor at a 10% rate.

The sales prices used in the calculation of estimated future net revenues are based upon the sales price received by the Company for production on December 31. Sales price changes occurring subsequent to year-end have not been considered in this calculation.

(c) **Summary of Oil and Gas Producing Activities**

The following information with respect to Reserve Recognition Accounting ("RRA") has been prepared in accordance with the Securities and Exchange Commission guidelines. Under this method of accounting, annual earnings are based on the change in value of proved reserves relative to the exploration and development expenditures incurred for the corresponding period.

Although Management supports the additional disclosure requirement of the future net revenues and net present values of reserves prepared under specific guidelines, they feel there are too many inherent difficulties in the estimation process to utilize this information in determining earnings for a period. The earnings determined under RRA will differ substantially from the cash flow generated from production operations and do not reflect the funds available for dividend payments or exploration and development.

	1982	1981	1980
	(thousands of U.S. dollars)		
Additions to estimated proved oil and gas reserves	**$ 20,969**	$ 16,332	$ 12,463
Revision to estimates of reserves proved in prior years:			
Change in prices	**(113,454)**	(7,548)	205,294
Other	**(43,592)**	(173,028)	6,264
Interest factor — accretion of discount	**88,575**	106,805	70,008
Gain on sale of reserves in place and non-producing properties	**—**	11,213	—
	(47,502)	(46,226)	294,029
Additional value due to redetermination of Ninian working interest	**—**	—	160,698
	(47,502)	(46,226)	454,727
Exploration and development costs			
Costs incurred:			
Acquisition	**110**	44,540	3,444
Exploration	**28,092**	20,275	13,764
Development	**5,043**	9,642	2,193
	33,245	74,457	19,401
Changes in deferred costs	**(4,265)**	(44,160)	(9,600)
	28,980	30,297	9,801
Reserve recognition accounting results before taxes	**(76,482)**	(76,523)	444,926
Provision for income and U.K. petroleum revenue taxes	**(68,516)**	23,186	299,555
Results of oil and gas activities on the basis of reserve recognition accounting	**$ (7,966)**	$(99,709)	$145,371

Additions to estimated proved oil and gas reserves represent the present value of future revenue to be obtained from proved oil and gas reserves discovered during the current year.

Revision to estimates of reserves proved in prior years represents the change in present value of future revenues to be obtained from proved oil and gas reserves discovered in prior years.

Exploration and development costs represent the acquisition and drilling costs incurred by the Company which have been determined to be productive or non-productive during the year. Acquisition and exploration costs are deferred until it is determined whether or not the property contains proved reserves, at which time they are expensed.

Provision for taxes represents the estimated increased tax liability based on tax rates in effect at the end of the year. As this estimation of the liability only considers tax legislation in effect at the year-end, certain additional liabilities may exist for legislation subsequently enacted.

(d) **Summary of Changes in the Present Value of Estimated Future Net Revenues from Proved Reserves**

	1982	**1981**	**1980**
		(thousands of U.S. dollars)	
Increases:			
Additions to estimated proved oil and gas reserves	**$ 20,969**	$ 16,332	$ 12,463
Revision to estimates of reserves proved in prior years	**(68,471)**	(73,771)	281,566
Additional value due to redetermination of Ninian working interest	**—**	—	160,698
Purchase of reserves in place	**—**	22,160	—
Expenditures that reduced future development costs	**9,173**	53,239	29,958
	(38,329)	17,960	484,685
Decreases:			
Production revenue less production expenses	**148,009**	178,025	128,731
Sales of reserves in place	**—**	10,227	—
	148,009	188,252	128,731
Increase (decrease) in present value	**(186,338)**	(170,292)	355,954
Balance at beginning of year	**885,745**	1,056,037	700,083
Balance at end of year	**$699,407**	$ 885,745	$1,056,037

2. SELECTED QUARTERLY FINANCIAL DATA

The following table summarizes selected quarterly financial data for 1982 and 1981:

	Three Months Ended			
	March 31	**June 30**	**September 30**	**December 31**
	(thousands of U.S. dollars, except per share amounts)			
1982				
Oil and gas sales	**$51,422**	**$48,661**	**$52,734**	**$55,421**
Net earnings	**$ 4,286**	**$ 3,219**	**$ 9,763**	**$10,917**
Net earnings per share	**$.07**	**$.05**	**$.16**	**$.18**
1981				
Oil and gas sales	$55,438	$85,729	$59,825	$51,262
Net earnings	$ 6,531	$ 5,478	$ 1,537	$ 3,433
Net earnings per share	$.11	$.09	$.03	$.05

Ranger Oil Limited

FIVE-YEAR STATISTICAL REVIEW

(in thousands, unless otherwise stated — dollar amounts are expressed in U.S. dollars)

	1982	1981	1980	1979	1978
Earnings					
Revenue	**$177,677**	$200,808	$140,776	$ 69,961	$ 9,548
Funds generated from operations	**$ 76,889**	$154,405	$108,526	$ 50,125	$ 5,053
Net earnings (loss)	**$ 28,185**	$ 16,979	$ 25,501	$ 10,942	$ (3,773)
Net earnings (loss) per share	**$.46**	$.28	$.43	$.19	$(.07)
Balance Sheet					
Working capital (deficiency)	**$ (33,677)**	$ 19,660	$ 7,529	$ 374	$ 2,041
Property, plant and equipment — net	**$351,908**	$359,681	$273,731	$245,975	$207,592
Long-term debt	**$ 17,734**	$112,256	$118,414	$163,987	$178,279
Shareholders' equity	**$127,420**	$ 98,162	$ 80,598	$ 54,492	$ 26,125
Number of shares outstanding — at year end	**60,852**	60,243	60,090	59,649	51,569
Market price for shares					
Toronto ($ Cdn.) — High	**$ 10.25**	$ 23.00	$ 27.50	$ 9.13	$ 3.31
— Low	**$ 5.00**	$ 8.00	$ 6.50	$ 2.67	$ 2.15
American — High	**$ 8.25**	$ 19.25	$ 23.38	$ 7.83	$ 2.88
— Low	**$ 4.13**	$ 6.63	$ 5.21	$ 2.50	$ 1.81
Capital Expenditures					
North America	**$ 21,048**	$ 45,536	$ 18,270	$ 9,247	$ 13,130
North Sea	**$ 15,634**	$ 56,487	$ 35,835	$ 44,029	$ 66,335
Other Foreign Areas	**$ 7,755**	$ 5,496	$ 3,045	$ 1,952	$ 426
Land Holdings — Acres					
North America — gross	**1,840**	2,284	489	423	498
— net	**281**	385	150	132	164
North Sea — gross	**240**	240	216	204	204
— net	**66**	66	62	60	60
Other foreign areas — gross	**5,447**	8,567	6,088	2,138	—
— net	**2,422**	2,945	2,640	428	—
Production — North American					
Crude oil and natural gas liquids — before royalty					
Annual (bbls)	**455,000**	411,000	451,000	473,000	477,000
Daily average (bbls)	**1,248**	1,262	1,232	1,297	1,307
Natural gas — before royalty					
Annual (Bcf)	**6.8**	5.9	5.2	6.4	5.6
Daily average (Mcf)	**18,765**	17,662	14,162	17,644	15,243
Production — United Kingdom					
Crude oil and natural gas liquids — before royalty					
Annual (bbls)	**7,138,000**	6,578,000	4,392,000	2,960,000	—
Daily average (bbls)	**19,555**	18,021	12,000	8,109	—

The above Net Earnings per share and market price for shares have been adjusted to give effect to a two-for-one stock split in August 1978, a two-for-one stock split in December 1979 and a three-for-one stock split in October 1980.

BOARD OF DIRECTORS

J. M. Pierce, B.Sc., P.Eng.
Calgary, Alberta
Chairman and President of the Company

*†E. O. Parry
Calgary, Alberta
President of Morrin Holdings Ltd., a family holding company

E. M. Bronfman
Toronto, Ontario
Deputy Chairman of Edper Investments Ltd., a family investment and financial company

*F. R. Matthews, Q.C.
Calgary, Alberta
Partner, MacKimmie Matthews, Counsel for the Company

A. B. Henderson
London, England
Chairman and Managing Director of Fraser Henderson Limited, an investment management company

*†A. G. Hall, P.Eng.
Calgary, Alberta
Petroleum Consultant

*†W. B. Dingle, P.Eng.
Calgary, Alberta
Retired Oil Executive

** Member of Audit Committee and of Compensation Committee*
† Member of Drilling Committee

OFFICERS AND SENIOR PERSONNEL

J. M. Pierce, B.Sc., P.Eng.
Chairman and President

G. H. Bowman, B.Sc., P.Eng.
Senior Vice President and Managing Director, Ranger Oil (U.K.) Limited

A. L. Evans, B.Sc., P.Geol.
Vice President Exploration, International

E. E. Felzien
Vice President, Drilling Operations

F. J. Dyment, C.A.
Treasurer

L. Treloar, P.Admin.
Secretary

E. Tonn, B.Sc., P.Geol., M.B.A.
President, Ranger Oil Company

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Ranger Oil Company
Ranger Holdings Company
Ranger Oil (International) Limited
Ranger, Inc.
Ranger Oil (Australia) Limited
Kissinger Petroleums Ltd.

BANKERS

Bank of Montreal
Calgary, Alberta

AUDITORS

Thorne Riddell
Calgary, Alberta

LEGAL COUNSEL

MacKimmie Matthews
Calgary, Alberta

Norton, Rose, Botterell & Roche
London, England

TRANSFER AGENTS & REGISTRARS

Guaranty Trust Company of Canada
Calgary, Vancouver, Toronto

The Chase Manhattan Bank
New York, N.Y.

Transfer Agent
Morgan Genfell & Co. Limited
London, England

Registrar
The Royal Trust Company
London, England

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Toronto Stock Exchange
New York Stock Exchange
Pacific Stock Exchange
London Stock Exchange

Printed in Canada

Ranger Oil Limited