1978 ANNUAL REPORT

STATISTICAL SUPPLEMENT

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OF MANAGEMENT

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APRIL 1979

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INTRODUCTION

This book has been prepared by Home Oil Company Limited for general information as a supplement to the 1978 Annual Report. It is not to be construed as a solicitation for the purchase or sale of any securities of the Company.

Additional copies may be obtained from:

E. Jorgensen
Comptroller
Home Oil Company Limited
2300 Home Oil Tower
324 Eighth Avenue S.W.
Calgary, Alberta, Canada
T2P 2Z5

CORPORATE PROFILE

Home Oil Company Limited, incorporated as a federal company in 1929, is an independent Canadian oil and gas exploration and production company with its headquarters in Calgary, Alberta. Subsidiary offices are located in Tulsa, Oklahoma and Houston, Texas. Exploration activities are mainly concentrated in Canada, to a lesser extent in the United States and on a limited basis in other parts of the world. The Company's major producing properties are located in Alberta, with production also being obtained from properties in British Columbia, Saskatchewan and the United States. The Company operates and has ownership in two major pipeline systems and seven gas processing plants, as well as interests in many other gas processing plants within Alberta and British Columbia. It also has a 50 per cent interest in a natural gas liquids (LPG) fractionation plant and an underground storage facility at Hardisty, Alberta and owns a large underground facility for the storage of LPG's at Conway, Kansas. Home and its United States subsidiary market LPG's in both Canada and the United States but do not engage in refining or retail marketing of gasoline. Other corporate assets of Home include an operating silver-gold mine in Nevada, an investment in Panarctic Oils Ltd., substantial undeveloped coal reserves in south-western Alberta and south-eastern British Columbia and an oil sands lease in the Athabasca area of Alberta.

SUBSIDIARY AND AFFILIATED COMPANIES

Active Subsidiary Companies

Scurry-Rainbow Oil Limited (an Alberta company 88.3% owned as at December 31, 1978) and subsidiaries — engaged in oil and gas exploration and development in Canada, the United States and the North Sea. The Company also explores for coal and base metals in Canada. Principal subsidiaries are Scurry-Rainbow Oil (Sask) Ltd. and Plains Petroleums Limited.

Home Petroleum Corporation (a wholly-owned Oklahoma corporation) and subsidiaries — engaged in oil and gas exploration and development and in wholesale marketing and storage of natural gas liquids in the United States. Offices are located in Tulsa, Oklahoma, and Houston, Texas.

Home Oil (U.K.) Limited (a wholly-owned United Kingdom company) — engaged in oil and gas exploration and development in the United Kingdom and the U.K. sector of the North Sea.

Oman Home Oil Limited (a wholly-owned Alberta company) — holds exploration rights in the Arabian Sea, offshore Oman.

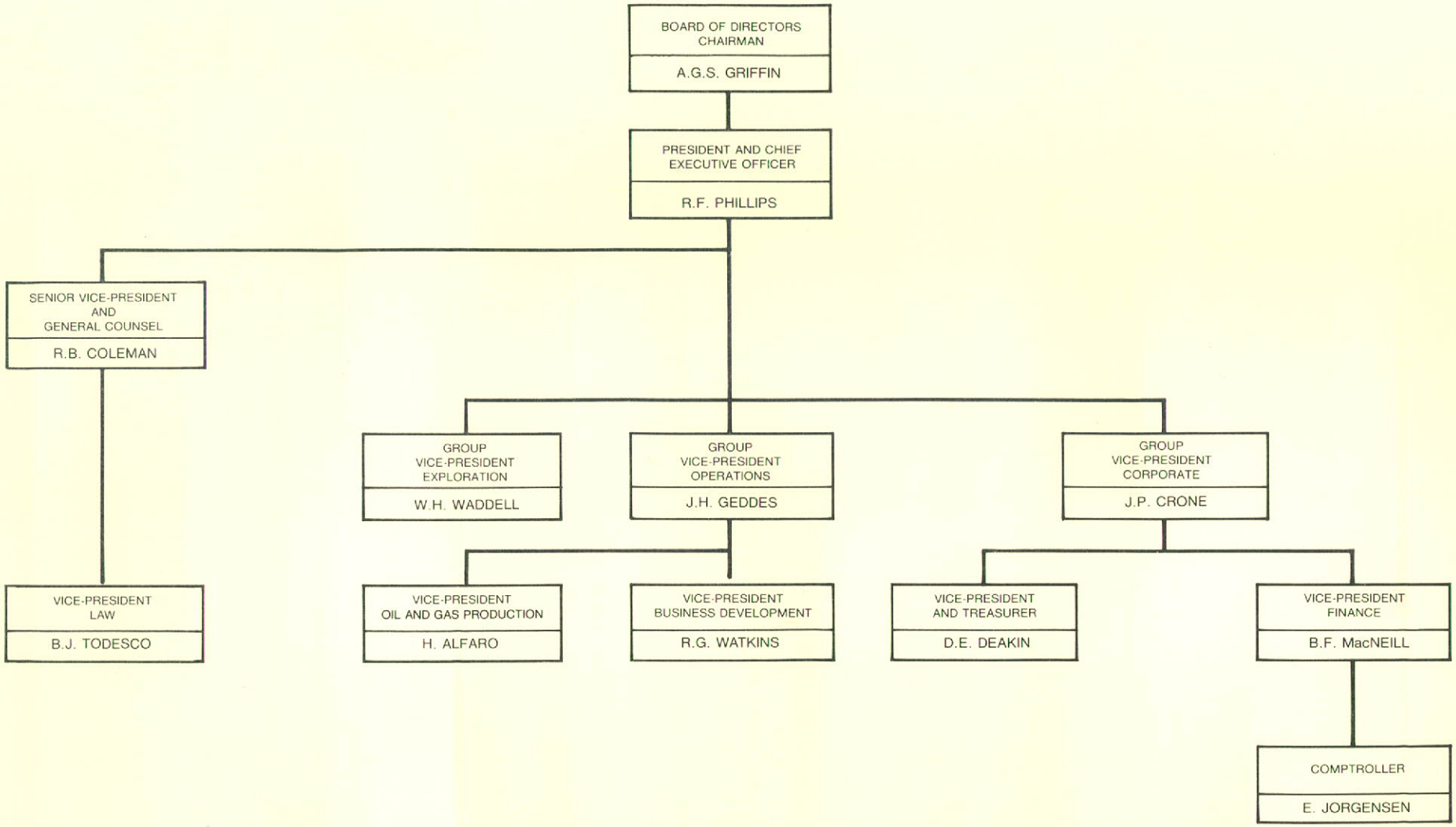
Affiliated Companies

Federated Pipe Lines Ltd. (a 50% owned Alberta company) — owns and operates a pipeline system which gathers crude oil from a number of fields in Northern Alberta (Swan Hills, Virginia Hills, Judy Creek, etc.) and transports it to Edmonton for delivery to refineries and the Interprovincial Pipeline system.

AUDIT COMMITTEE OF THE BOARD

The Company has an Audit Committee of the Board consisting of four outside Directors. The Committee meets with senior management of the Company, independent auditors, and the internal auditor twice a year.

SENIOR MANAGEMENT



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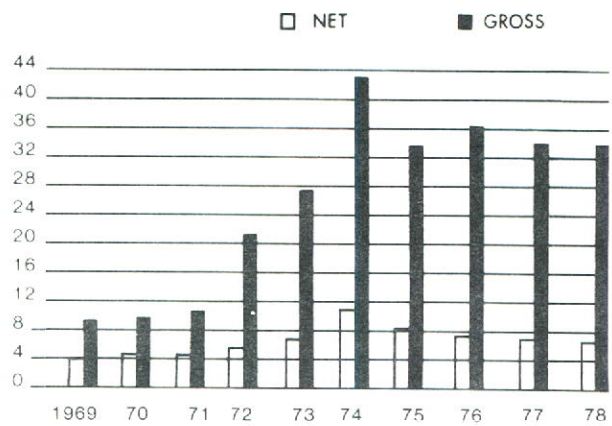
EXPLORATION ACREAGE
DECEMBER 31, 1978

	Petroleum & Natural Gas Leases (1)		Reservations, Licenses and Permits		Totals	
	Gross	Net	Gross	Net	Gross	Net
CANADA						
Alberta (1)	4,950,830	1,623,974	642,739	235,177	5,593,569	1,859,151
Arctic Islands	87,934	16,383	6,324,023	632,369	6,411,957	648,752
British Columbia (1)	799,001	241,835	1,102,224	274,456	1,901,225	516,291
Manitoba (1)	32,922	27,930	—	—	32,922	27,930
New Brunswick	—	—	178,050	48,984	178,050	48,984
Newfoundland	80,592	5,373	5,565,586	—	5,646,178	5,373
Northwest Territories	3,155	1,578	1,477,492	244,162	1,480,647	245,740
Ontario	3,100	1,388	—	—	3,100	1,388
Quebec	—	—	318,750	117,938	318,750	117,938
Saskatchewan	1,074,268	807,308	—	—	1,074,268	807,308
Yukon Territory	—	—	388,967	113,848	388,967	113,848
	7,031,802	2,725,769	15,997,831	1,666,934	23,029,633	4,392,703
EUROPE						
United Kingdom (Offshore) (2)	—	—	288,836	46,858	288,836	46,858
United Kingdom (Onshore)	—	—	57,920	15,577	57,920	15,577
	—	—	346,756	62,435	346,756	62,435
UNITED STATES						
Alaska	230,995	146,973	—	—	230,995	146,973
Arizona	170,804	170,804	—	—	170,804	170,804
Colorado	41,406	18,879	—	—	41,406	18,879
Gulf of Mexico	43,800	8,776	—	—	43,800	8,776
Kansas	14,459	5,592	—	—	14,459	5,592
Michigan	10,815	2,960	—	—	10,815	2,960
Montana	975,807	525,850	—	—	975,807	525,850
Nebraska	12,640	12,640	—	—	12,640	12,640
New Mexico	2,837	719	—	—	2,837	719
Nevada	34,218	12,488	—	—	34,218	12,488
North Dakota	698,125	252,157	—	—	698,125	252,157
Oklahoma	43,690	34,363	—	—	43,690	34,363
South Dakota	9,642	1,625	—	—	9,642	1,625
Texas	166,537	69,084	—	—	166,537	69,084
Utah	143,522	40,612	—	—	143,522	40,612
Wyoming	448,953	97,463	—	—	448,953	97,463
Southeastern States (3)	90,862	70,150	—	—	90,862	70,150
	3,139,112	1,471,135	—	—	3,139,112	1,471,135
OTHER	—	—	2,490,190	—	2,490,190	—
Australia	—	—	874,734	98,408	874,734	98,408
New Zealand	—	—	3,211,520	521,872	3,211,520	521,872
Oman	—	—	722,345	120,390	722,345	120,390
Tunisia	—	—	7,298,789	740,670	7,298,789	740,670
TOTALS	10,170,914	4,196,904	23,643,376	2,470,039	33,814,290	6,666,943

(1) Includes Mineral Titles, Mineral Leases and Royalty Interest Acreage.
(2) Includes 50,036 gross acres (10,005) net acres owned by Scurry Rainbow, which have subsequently been disposed of.
(3) Alabama, Kentucky, Louisiana, Mississippi.

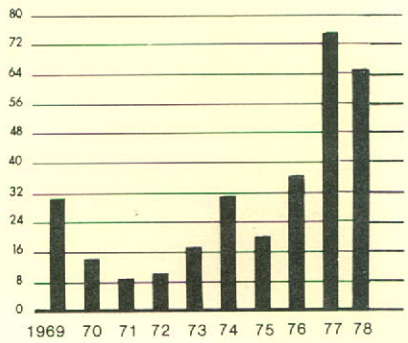
EXPLORATION ACREAGE
Millions of Acres



EXPLORATION EXPENDITURES
(Millions of Dollars)

Year	Exploration Drilling	Geological Geophysical Explor. Overhead	Land		Mining	Total
			Purchases	Lease Rentals		
1969	11.732	5.093	12.915	1.673	.151	31.564
1970	8.452	3.953	.618	1.267	.235	14.525
1971	3.296	3.007	1.353	1.315	.223	9.194
1972	3.938	3.798	.988	1.293	.255	10.272
1973	6.273	4.739	4.695	1.363	.650	17.720
1974	11.094	5.773	11.117	2.127	1.334	31.445
1975	9.896	4.523	3.060	2.296	.424	20.199
1976	17.867	5.641	9.218	2.378	1.382	36.486
1977	17.693	12.029	41.256	3.155	1.212	75.315
1978	26.506	18.811	14.006	3.071	1.979	64.373

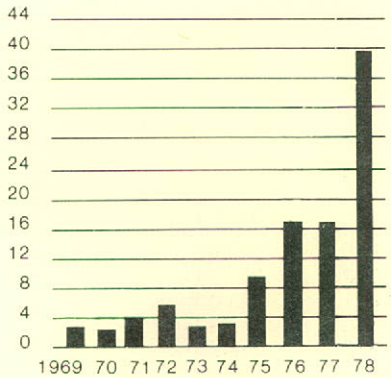
EXPLORATION EXPENDITURES
Millions of Dollars



DEVELOPMENT EXPENDITURES
(Millions of Dollars)

Year	Development Drilling	Oil Sands	Gas. Pro. Facil.	Production Equip.	Mining	Total
1969	.668	—	2.134	1.085	—	3.887
1970	.187	—	1.992	1.074	—	3.253
1971	1.059	—	1.050	2.156	—	4.265
1972	1.288	—	1.912	2.054	—	5.254
1973	1.441	—	.826	1.211	—	3.478
1974	1.142	—	.368	2.075	.160	3.745
1975	3.753	.868	.271	3.885	1.108	9.885
1976	6.180	.157	1.043	3.686	6.253	17.319
1977	7.800	.073	1.505	3.444	4.537	17.359
1978	26.875	.060	2.143	9.848	.557	39.483

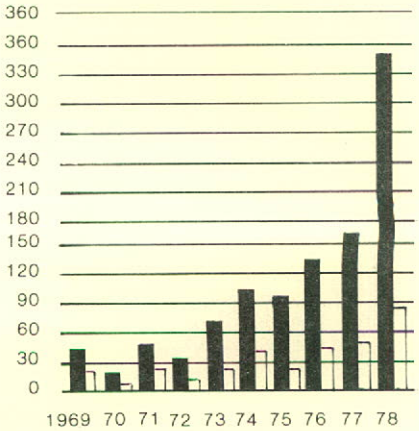
DEVELOPMENT EXPENDITURES
Millions of Dollars



DRILLING ACTIVITY
(Working Interest Wells)
Exploration and Development Wells

Year	Gross Wells Drilled	Net			
		Oil Wells	Gas Wells	Dry Wells	Total
1969	38	1	4	11	16
1970	14	0	2	4	6
1971	54	4	5	12	21
1972	32	2	1	7	10
1973	72	4	2	17	23
1974	107	4	9	25	38
1975	92	1	8	15	24
1976	134	5	20	19	44
1977	166	10	25	17	52
1978	349	24	38	26	88

DRILLING ACTIVITY
Wells Per Year
■ GROSS □ NET

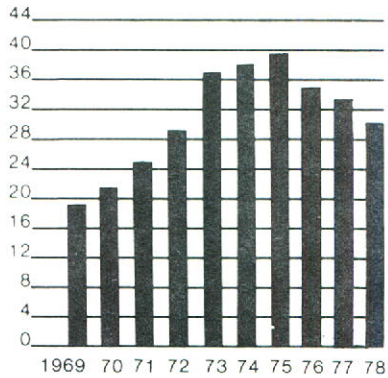


PRODUCTION SUMMARY, BEFORE DEDUCTION OF ROYALTIES

CRUDE OIL AND NATURAL GAS LIQUIDS
(condensate, propane, butane)

Year	Crude Oil	Liquids	Barrels Per Day
1969	16,471	3,288	19,759
1970	18,210	3,527	21,737
1971	21,452	3,545	24,997
1972	25,391	3,994	29,385
1973	31,849	4,181	36,030
1974	33,714	4,089	37,803
1975	35,564	4,092	39,656
1976	30,941	4,018	34,959
1977	29,532	4,081	33,613
1978	27,468	3,217	30,685

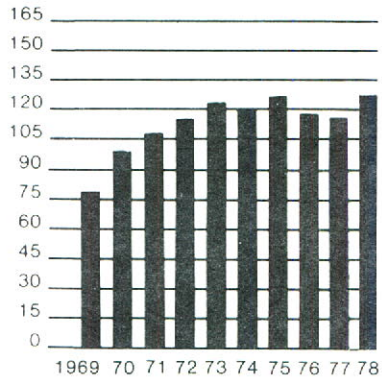
PRODUCTION OF CRUDE OIL
AND NATURAL GAS LIQUIDS
Thousands of Barrels per Day



NATURAL GAS

Year	MMCF/Day
1969	78,242
1970	95,799
1971	106,603
1972	115,162
1973	121,495
1974	119,523
1975	125,174
1976	119,152
1977	115,230
1978	125,737

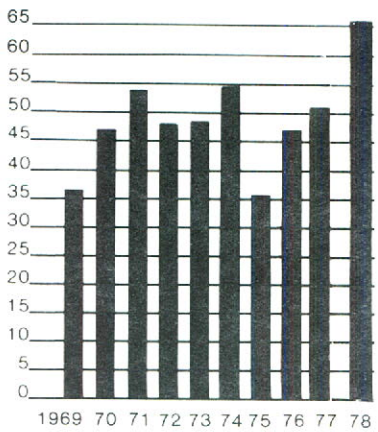
NATURAL GAS SALES
Millions of Cubic Feet per Day



SULPHUR

Year	Long Tons
1969	38,333
1970	47,333
1971	54,743
1972	48,531
1973	48,884
1974	54,886
1975	35,801
1976	47,211
1977	50,963
1978	66,144

SULPHUR SALES
Long Tons



PROVEN DEVELOPED RESERVES, BEFORE DEDUCTION OF ROYALTIES AND MINORITY INTERESTS

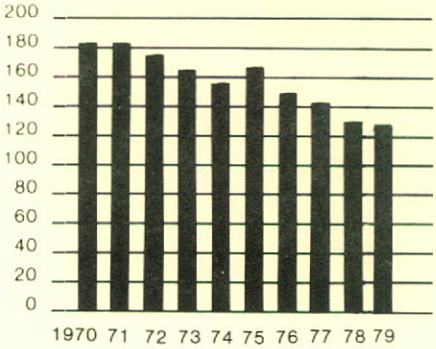
CRUDE OIL AND NATURAL GAS LIQUIDS
(condensate, propane, butane)

Millions of Barrels

January 1	Crude Oil	Liquids	Total
1970	164.463	19.912	184.375
1971	164.930	19.192	184.122
1972	159.445	18.433	177.878
1973	151.321	16.646	167.967
1974	140.141	15.560	155.701
1975	150.442	16.151	166.593
1976	137.015	15.710	152.725
1977	126.682	14.133	140.815
1978	117.023	12.392	129.415
1979	114.431	11.269	125.700

RESERVES — PROVEN DEVELOPED
CRUDE OIL AND NATURAL GAS LIQUIDS

Millions of Barrels



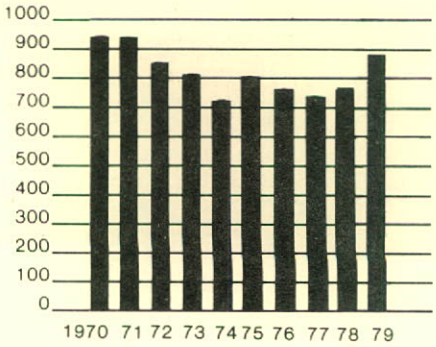
NATURAL GAS

Billions of Cubic Feet

January 1	BCF
1970	963.368
1971	958.903
1972	851.835
1973	807.701
1974	726.228
1975	810.882
1976	782.570
1977	758.578
1978	785.324
1979	895.022

RESERVES — PROVEN DEVELOPED
NATURAL GAS

Billions of Cubic Feet



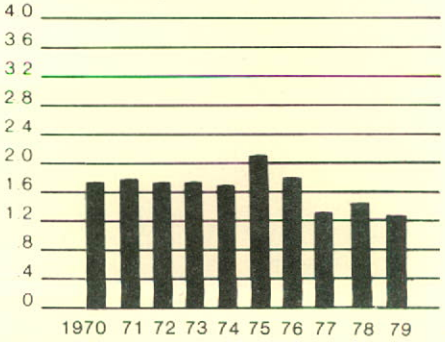
SULPHUR

Thousands of Long Tons

January 1	Long Tons (000's)
1970	1,730
1971	1,766
1972	1,725
1973	1,713
1974	1,663
1975	2,154
1976	1,786
1977	1,303
1978	1,442
1979	1,214

RESERVES — PROVEN DEVELOPED
SULPHUR

Thousands of Long Tons



CRUDE OIL PRODUCTION AND NATURAL GAS LIQUIDS SALES, BEFORE DEDUCTION OF ROYALTIES

	1978 (1)	1977	1976	1975	1974 (2)	1973	1972	1971	1970	1969
CRUDE OIL - BBLS.										
Alberta										
Harmattan	524,119	546,109	538,071	536,382	513,888	523,102	405,598	337,190	303,861	299,983
Leduc - Woodbend	117,065	156,735	165,932	193,674	234,436	269,532	260,174	216,289	207,693	214,200
Mitsue	1,036,396	992,650	1,024,030	1,247,071	1,220,488	1,331,434	1,088,804	900,982	734,043	638,118
Pembina	616,783	624,496	641,988	794,970	809,562	856,724	878,817	949,939	860,305	640,712
Redwater	193,181	206,311	210,350	272,336	208,072	—	—	—	—	—
Swan Hills	4,235,937	4,954,390	5,489,014	6,177,466	6,163,892	6,544,500	4,968,446	4,010,381	3,151,936	2,891,478
Turner Valley	401,741	412,286	403,547	383,024	367,545	377,641	330,137	353,318	370,031	380,311
Virginia Hills	519,734	603,200	684,006	878,233	1,003,129	1,133,167	870,333	659,908	618,926	528,034
Others	646,489	654,752	975,912	1,048,187	716,871	569,593	469,407	379,673	376,601	400,256
	8,291,445	9,150,929	10,132,850	11,531,343	11,237,883	11,605,693	9,271,716	7,807,680	6,623,396	5,993,092
British Columbia										
Boundary Lake	140,741	164,248	159,930	142,393	100,319	—	—	—	—	—
Peejay	151,265	213,049	192,190	213,083	142,033	—	—	—	—	—
Eagle	393,234	149,757	—	—	—			—	—	—
Others	95,594	96,702	90,468	147,047	136,045	—	—	—	—	—
	780,834	623,756	442,588	502,523	378,397	—	—	—	—	—
Saskatchewan										
Workman	243,917	229,505	273,150	385,767	237,896					
Others	593,896	692,005	388,518	460,995	404,760	19,311	21,347	22,300	23,254	18,823
	837,813	921,510	661,668	846,762	642,656	19,311	21,347	22,300	23,254	18,823
Manitoba	47,365	45,811	51,542	54,619	39,795	—	—	—	—	—
United States	68,238	37,340	35,638	45,870	7,089	—	—	—	—	—
Total Crude Oil	10,025,695	10,779,346	11,324,286	12,981,117	12,305,820	11,625,004	9,293,063	7,829,980	6,646,650	6,011,915
Daily Average	27,467	29,532	30,941	35,564	33,714	31,849	25,391	21,452	18,210	16,471
NATURAL GAS LIQUIDS - BBLS.										
Alberta										
Calgary (3)	67,518	87,436	85,557	86,693	99,372	98,400	94,663	88,076	79,937	71,031
Carstairs - Elkton	385,837	583,205	556,365	586,096	669,208	735,884	661,223	631,236	710,885	672,027
Harmattan (4)	253,070	330,612	277,993	285,853	270,543	309,375	323,794	250,611	223,941	238,007
Nevis	153,205	166,762	207,852	173,676	158,740	143,952	111,730	97,669	95,567	77,686
Others	314,829	321,415	342,860	361,171	294,564	238,614	270,535	226,333	177,025	141,369
Total Natural Gas Liquids	1,174,459	1,489,430	1,470,627	1,493,489	1,492,427	1,526,225	1,461,945	1,293,925	1,287,355	1,200,120
Daily Average	3,218	4,081	4,018	4,092	4,089	4,181	3,994	3,545	3,527	3,288
TOTAL DAILY AVERAGE CRUDE OIL AND N.G.L.'s	30,685	33,613	34,959	39,656	37,803	36,030	29,385	24,997	21,737	19,759

NOTES: 1 Includes Bridger Petroleum Corporation Ltd., effective March 1, 1978; 2 Includes Scurry-Rainbow Oil Limited, effective June 1, 1974; 3 Includes Calgary-Elkton and Calgary-Crossfield; 4 Includes Harmattan-Elkton and Harmattan-East.

NATURAL GAS SALES, BEFORE DEDUCTION OF ROYALTIES

(Thousand Cubic Feet)	1978(1)	1977	1976	1975	1974(2)	1973	1972	1971	1970	1969
ALBERTA										
Brazeau - Nordegg	751,827	880,470	1,035,832	1,172,149	1,148,659	728,517	724,187	726,474	571,230	—
Calgary[3]	1,967,465	2,551,380	2,308,337	2,251,109	2,430,143	2,350,685	2,296,241	2,207,300	2,111,422	1,891,564
Carstairs - Elkton	9,073,370	11,304,052	12,668,195	14,498,134	15,428,676	14,229,807	13,751,897	13,569,154	12,754,750	12,513,640
Coleman	772,537	580,360	1,523,740	208,684	—	—	—	—	—	—
Crossfield - Turner Valley	1,297,750	1,306,368	2,184,195	2,715,204	1,580,927	980,326	1,035,018	1,075,463	873,192	846,907
Hairy Hills	865,160	—	—	—	—	—	—	—	—	—
Harmattan	1,860,434	2,091,416	1,440,001	1,547,244	1,439,712	2,313,720	630,277	—	—	—
Jumping Pound	1,064,313	986,630	874,222	817,387	750,341	1,658,218	1,957,582	1,618,937	1,346,715	1,305,349
Marten Hills	2,204,762	2,551,380	2,573,546	2,637,768	2,573,828	2,763,237	2,788,964	2,590,668	3,035,492	247,124
Myrnam	770,628	—	—	—	—	—	—	—	—	—
Nevis	4,495,557	5,008,720	5,230,639	6,127,672	5,507,189	6,340,190	6,329,510	5,415,185	5,259,328	4,414,760
Retlaw	525,873	573,377	614,981	702,649	658,492	539,090	570,671	453,773	476,251	552,331
Sarcee	714,583	718,820	541,327	774,331	924,545	956,035	917,242	819,234	813,590	931,862
Sunland	559,967	—	—	—	—	—	—	—	—	—
Swan Hills	2,218,963	2,909,520	3,344,372	3,638,631	3,364,880	3,933,593	2,605,926	1,638,662	1,298,853	1,248,375
Tieland	555,008	—	—	—	—	—	—	—	—	—
Turner Valley	805,964	785,076	1,042,542	762,685	1,292,167	1,502,311	1,558,122	1,521,608	1,606,506	1,716,955
Wandering River	1,570,505	—	—	—	—	—	—	—	—	—
Whitecourt	744,621	787,060	676,484	1,006,802	1,250,751	1,326,481	1,418,187	1,171,368	1,566,719	94,407
Others	7,071,363	7,436,418	6,535,118	6,310,047	4,971,535	4,252,850	3,685,100	3,100,524	3,252,587	2,795,056
	39,890,650	40,471,047	42,593,531	45,170,496	43,321,845	43,875,060	40,268,924	35,908,350	34,966,635	28,558,330
BRITISH COLUMBIA	941,532	724,018	239,877	90,330	110,926	—	—	—	—	—
OTHER AREAS	5,061,824	864,030	781,160	427,849	192,980	470,960	1,880,525	3,001,745	—	—
TOTAL NATURAL GAS	45,894,006	42,059,095	43,614,568	45,688,675	43,625,751	44,346,020	42,149,449	38,910,095	34,966,635	28,558,330
Daily Average	125,737	115,230	119,165	125,174	119,523	121,496	115,162	106,603	95,799	78,242

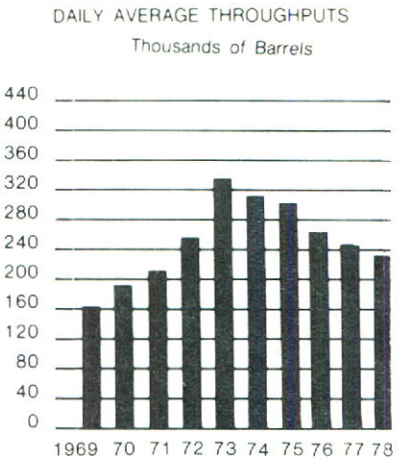
NOTE:

1 Includes Bridger Petroleum Corporation Ltd., effective March 1, 1978
2 Includes Scurry-Rainbow Oil Limited, effective June 1, 1974
3 Includes Calgary-Elkton and Calgary-Crossfield

FEDERATED PIPE LINES LTD.

DAILY AVERAGE THROUGHPUTS (Barrels)

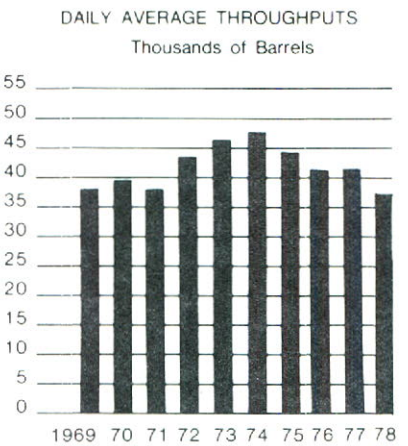
Year	Gatherings
1969	160,408
1970	184,175
1971	211,701
1972	258,907
1973	330,420
1974	314,524
1975	294,738
1976	262,559
1977	247,612
1978	232,812



CREMONA PIPE LINE DIVISION

DAILY AVERAGE THROUGHPUTS (Barrels)

Year	Gatherings
1969	38,267
1970	39,670
1971	38,854
1972	43,411
1973	45,817
1974	46,517
1975	43,759
1976	40,978
1977	41,386
1978	37,480



TEN YEAR CONSOLIDATED FINANCIAL SUMMARY

($000 omitted)

	1978(1)	1977	1976	1975	1974(2)	1973	1972	1971	1970	1969
CONSOLIDATED EARNINGS STATEMENT										
REVENUE										
Operating	$201,145	$185,213	$152,698	$139,545	$108,871	$ 74,199	$ 50,978	$ 44,111	$ 38,261	$ 32,694
Equity income (loss)	1,132	(850)	1,532	2,257	2,717	2,480	2,013	1,713	1,155	986
Investment income	2,422	4,347	6,816	3,673	2,681	2,030	2,189	2,171	2,570	3,200
	204,699	188,710	161,046	145,475	114,269	78,709	55,180	47,995	41,986	36,880
EXPENSE										
Operating, cost of sales and general	90,916	81,032	66,082	58,001	50,852	35,160 (3)	24,847	23,231	20,117	16,800
Depletion and depreciation	34,188	28,584	24,191	24,056	20,268	15,043	13,207	9,877	7,505	5,027
Interest	14,784	8,379	7,459	7,275	6,626	3,811	4,874	6,415	7,805	7,765
	139,888	117,995	97,732	89,332	77,746	54,014	42,928	39,523	35,427	29,592
Net earnings before undernoted	64,811	70,715	63,314	56,143	36,523	24,695	12,252	8,472	6,559	7,288
Current income taxes	7,723	13,803	26,014	27,447	11,761	6,786	3,673	1,778	41	—
Deferred income taxes	18,636	18,570	6,864	2,151	7,344	3,397	1,489	2,030	2,461	2,285
Net earnings before extraordinary items	$ 38,452	$ 38,342	$ 30,436	$ 26,545	$ 17,418	$ 14,512	$ 7,090	$ 4,664	$ 4,057	$ 5,003
Per Share (4)	$ 4.68	$ 4.68	$ 3.73	$ 3.26	$ 2.14	$ 1.90	$ 0.96	$ 0.65	$ 0.58	$ 0.73
Extraordinary items	$ 5,439	$ (1,345)	$ —	$ (963)	$ (3,902)	$ (295)	$ 2,198	$ 838	$ 1,390	$ (466)
Per Share (4)	$ 0.66	$ (.16)	$ —	$ (0.12)	$ (0.48)	$ (0.04)	$ 0.30	$ 0.12	$ 0.20	$ (0.07)
CONSOLIDATED BALANCE SHEET										
Assets:										
Current assets	$ 73,030	$ 74,836	$ 93,946	$ 77,747	$ 36,171	$ 18,978	$ 26,709	$ 20,136	$ 14,036	$ 15,479
Investments and advances	30,869	29,957	22,799	28,113	56,579	79,614	71,452	76,949	79,692	103,861
Property, plant and equipment (net)	510,904	377,790	312,447	283,364	278,282	174,262	167,436	171,057	164,395	154,230
Other assets and deferred charges	14,856	6,544	5,704	3,149	2,016	1,356	2,061	1,709	2,471	1,093
	$629,659	$489,127	$434,896	$392,373	$373,048	$274,210	$267,658	$269,851	$260,594	$274,663
Liabilities:										
Current liabilities	$ 77,169	$ 53,746	$ 40,476	$ 44,026	$ 53,055	$ 21,714	$ 22,082	$ 41,918	$ 42,080	$ 34,202
Deferred production revenue	3,400	—	—	—	—	—	1,680	1,680	1,680	—
Long term debt	133,756	77,200	85,111	72,600	68,119	32,466	66,897	55,760	59,779	89,008
Deferred income taxes	97,813	75,721	57,192	49,918	47,858	31,974	28,320	27,575	25,545	23,086
Minority interest	6,520	6,887	7,360	6,817	6,773	316	348	314	260	234
	318,658	213,554	190,139	173,361	175,805	86,470	119,327	127,247	129,344	146,530
Capital stock and retained earnings	311,001	275,573	244,757	219,012	197,243	187,740	148,331	142,604	131,250	128,133
	$629,659	$489,127	$434,896	$392,373	$373,048	$274,210	267,658	$269,851	$260,594	$274,663
Average number of shares issued and outstanding (000's)	8,218	8,191	8,165	8,155	8,144	7,624	7,362	7,121	7,024	6,852
Number of shares issued and outstanding Dec. 31 (000's)	8,227	8,202	8,176	8,157	8,144	8,142	7,364	7,358	7,065	7,002

Note 1: Includes Bridger Petroleum Corporation Ltd. from March 1, 1978
Note 2: Includes Scurry-Rainbow Oil Limited from June 1, 1974
Note 3: Includes $1,910,000 Government of Alberta mineral reserve tax which the Company elected to pay in lieu of increased royalties.
Note 4: Per share earnings based on average number of shares outstanding for the year.

FIVE YEAR SUMMARY

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

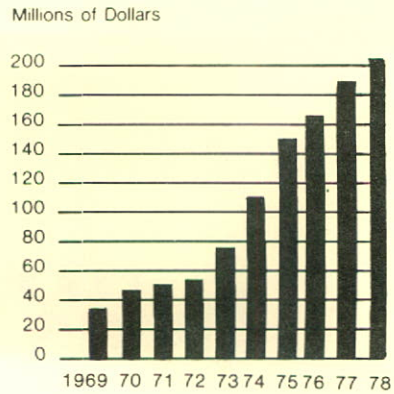
($000 Omitted)

	1978	1977	1976	1975	1974
FUNDS WERE OBTAINED FROM:					
Operations	$ 90,815	$ 86,855	$ 60,003	$ 51,720	$ 42,410
Long term borrowing	74,410	5,806	26,279	18,268	29,533
Issuance of capital stock	582	583	413	265	59
Sale and reclassification of investments - net	14,802	4,996	1,752	29,108	16,423
Disposal of assets	18,911	7,409	3,477	4,964	593
Other items - net	2,969	1,491	6,998	437	2,489
	202,489	107,140	98,922	104,762	91,507
FUNDS WERE USED FOR:					
Acquisition of subsidiary, net of working capital	57,667	—	—	—	44,174
Expenditures for property, plant and equipment	109,699	98,810	56,195	31,586	44,283
Investment and advances	11,105	20,377	4,374	4,706	1,772
Reduction in long-term debt	36,552	13,569	13,500	13,787	11,354
Dividends	9,045	6,764	5,104	4,078	4,072
Acquisition of minority interest	3,650	—	—	—	—
	227,718	139,520	79,173	54,157	105,655
Increase (decrease) in working capital	(25,229)	(32,380)	19,749	50,605	(14,148)
Working capital at beginning of year	21,090	53,470	33,721	(16,884)	(2,736)
Working capital (deficiency) at end of year	(4,139)	$ 21,090	$ 53,470	$ 33,721	$(16,884)

GROSS REVENUE

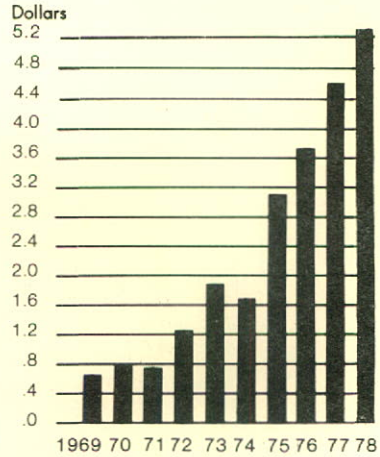
($000 omitted)

Year	Crude Oil	Gas and Products	Pipeline	L.P.G. Marketing & Storage	Mining	Investment Revenue	Equity Income (Loss)	Total
1969	13,596	6,710	2,067	10,321	—	3,200	986	36,880
1970	15,191	7,512	2,134	13,424	—	2,570	1,155	41,986
1971	19,406	8,105	2,155	14,445	—	2,171	1,713	47,995
1972	23,140	8,731	2,391	16,716	—	2,189	2,013	55,180
1973	33,902	10,825	2,671	26,801	—	2,030	2,480	78,709
1974	45,742	18,700	2,570	41,859	—	2,681	2,717	114,269
1975	58,289	34,219	2,615	44,422	—	3,673	2,257	145,475
1976	59,175	42,277	2,689	48,500	57	6,816	1,532	161,046
1977	66,635	53,026	2,805	61,655	1,092	4,347	(850)	188,710
1978	74,206	64,347	2,546	55,918	4,128	2,422	1,132	204,699



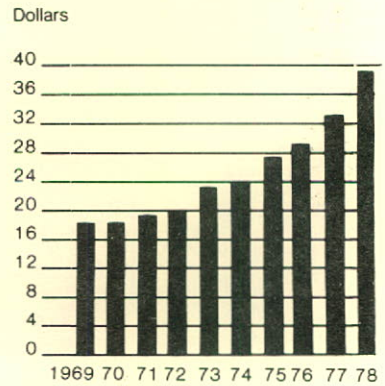
EARNINGS PER SHARE

Year	Operations	Extraordinary Items	Total
1968	$0.81	$1.18	$1.99
1969	0.73	(0.07)	0.66
1970	0.58	0.20	0.78
1971	0.65	0.12	0.77
1972	0.96	0.30	1.26
1973	1.90	(0.04)	1.86
1974	2.14	(0.48)	1.66
1975	3.26	(0.12)	3.14
1976	3.73	—	3.73
1977	4.68	(.16)	4.52
1978	4.68	0.66	5.34



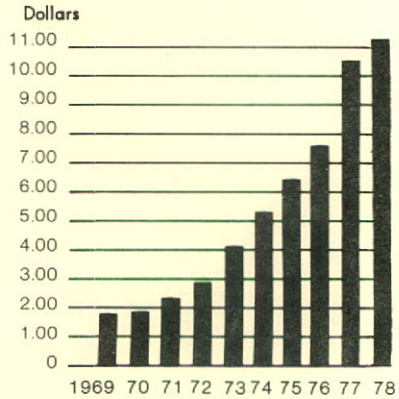
SHAREHOLDERS' EQUITY PER SHARE

Year	Per Share
1968	14.44
1969	18.30
1970	18.58
1971	19.38
1972	20.14
1973	23.06
1974	24.22
1975	26.85
1976	29.93
1977	33.60
1978	37.80



CASH FLOW PER SHARE

Year	Per Share
1968	2.16
1969	1.81
1970	1.99
1971	2.24
1972	2.84
1973	4.18
1974	5.33
1975	6.56
1976	7.61
1977	10.60
1978	11.05



ESTIMATED LONG-TERM DEBT REPAYMENTS FOR THE FIVE YEARS ENDING 1983 (see footnote)

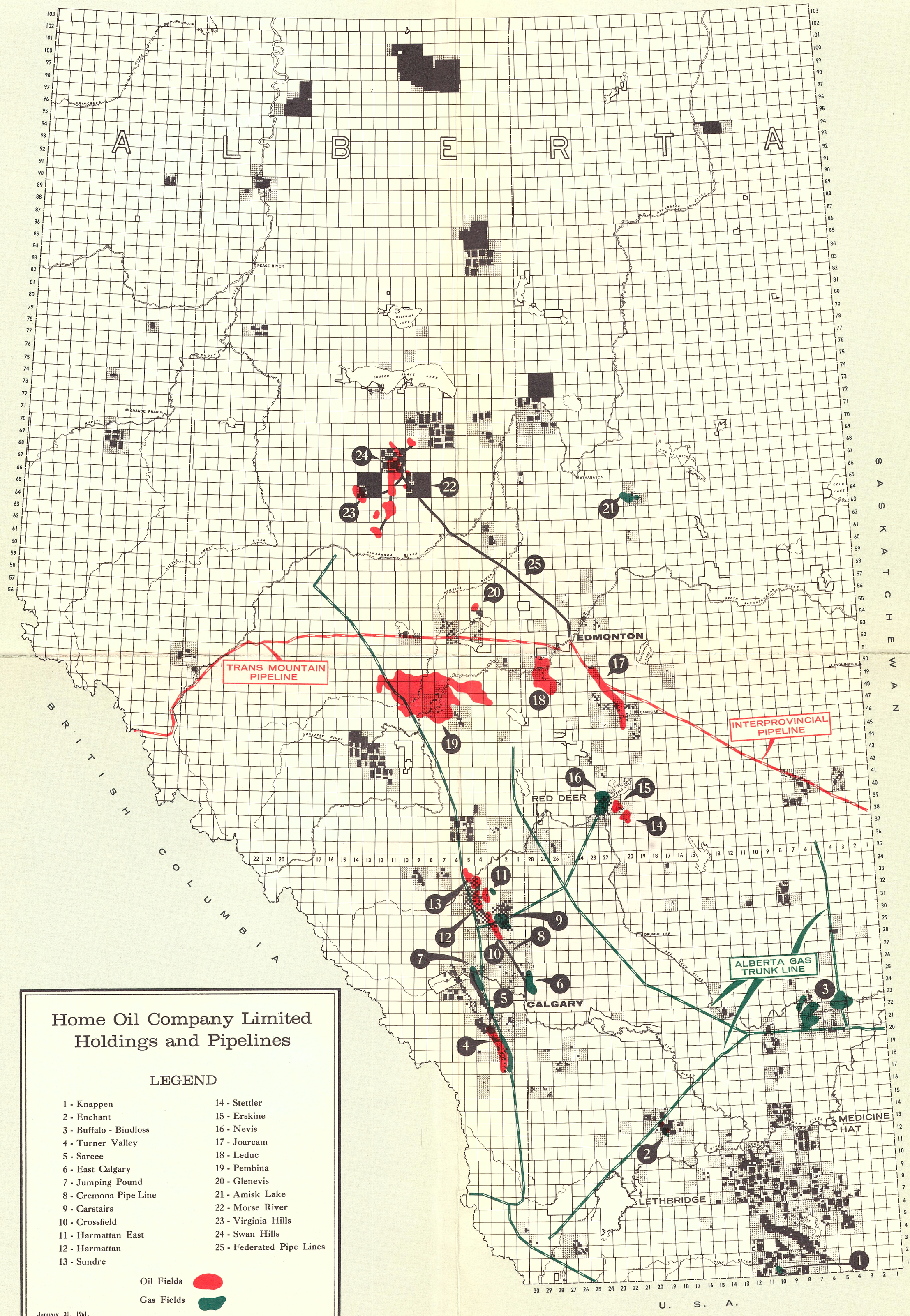
($000 omitted)

	1979	1980	1981	1982	1983
Home Oil Company Limited					
11.50% Secured Bonds, due April 1, 1986	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500
6.25% Collateral Trust Bonds, due April 1, 1983	1,000	1,000	1,000	1,000	1,000
*8.10% Promissory Note, due March 31, 1980	842	—	—	—	—
9.50% Redeemable Debentures due July 1, 1986*	593	484	484	484	484
9.875% Unsecured Debentures, due October 31, 1998					
Bank Production Loan, Part 1 evidenced by demand note due July 1, 1980	2,500	1,875	—	—	—
Bank Production Loan, Part II evidenced by demand note due November 1, 1981	2,000	2,000	1,000	—	—
Scurry-Rainbow Oil Limited					
7.25% Subordinated Debentures, due May 1, 1988	404	1,067	1,067	1,067	1,067
Non-interest bearing advances under exploration agreement, due October 1, 1979	381	—	—	—	—
*Non-interest bearing agreement, due July 23, 1990	30	24	24	24	24
*Bank Production Loan - due 1982	1,483	1,368	1,368	219	—
	197	—	—	—	—
Bridger Petroleum Corporation					
*Nonrecourse Notes, due December 20, 1988	1,423	1,338	—	—	—
*Bank Production Loans, due June 30, 1981					
*Gas Development Advance, due 1980	333	—	—	—	—
Home Petroleum Corporation					
*Non-interest bearing gas development advance, due 1979	363	—	—	—	—
*Non-interest bearing gas development advances, due 1983	440	539	535	2,293	4,365
	$13,489	$11,195	$ 6,978	$ 6,587	$ 8,440

NOTE:
These are the estimated amounts of long-term debt maturities and sinking fund requirements during the five-year period. Amounts in respect of U.S. Issues are marked *

TEN YEAR SUMMARY
SHAREHOLDERS' DATA

	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969
Shareholders' Equity										
Capital Stock ($)										
— Class A	114,856,000	114,274,000	113,691,000	113,278,000	113,013,000	112,954,000	83,887,000	83,758,000	83,405,000	82,245,000
— Class B	20,619,000	20,619,000	20,619,000	20,619,000	20,619,000	20,619,000	20,619,000	20,619,000	11,514,000	11,488,000
Retained Earnings ($)	175,526,000	140,680,000	110,447,000	85,115,000	63,611,000	54,167,000	43,825,000	38,227,000	36,331,000	34,401,000
Total	311,001,000	275,573,000	244,757,000	219,012,000	197,243,000	187,740,000	148,331,000	142,604,000	131,250,000	128,134,000
Shares outstanding — end of year	8,227,000	8,202,000	8,176,000	8,157,000	8,144,000	8,142,000	7,364,000	7,358,000	7,065,000	7,002,000
Number of Shareholders — end of year	9,611	10,600	11,800	12,600	11,200	11,100	11,100	12,300	15,300	12,600
Earnings per share ($)										
— before extraordinary items	4.68	4.68	3.73	3.26	2.14	1.90	.96	.65	.58	.73
— extraordinary items	.66	(.16)	—	(.12)	(.48)	(.04)	.30	.12	.20	(.07)
Total	5.34	4.52	3.73	3.14	1.66	1.86	1.26	.77	.78	.66
Cash Dividends —										
— Total ($)	9,045,000	6,764,000	5,104,000	4,078,000	4,072,000	3,875,000	3,690,000	3,606,000	3,517,000	3,501,000
— Per Share ($)	1.10	.825	.625	.50	.50	.50	.50	.50	.50	.50
Shareholders' Equity — Per Share ($)	37.80	33.60	29.93	26.85	24.22	23.06	20.14	19.38	18.58	18.30
Market Prices (Canadian)										
Class A - High ($)	46.50	47.50	34.88	31.25	55.13	58.00	43.75	37.50	32.50	81.25
- Low ($)	36.50	26.38	23.00	16.75	14.75	35.00	29.63	24.25	9.75	25.50
Class B - High ($)	43.50	45.00	30.50	27.50	51.00	53.00	41.00	36.75	32.00	78.00
- Low ($)	34.50	24.00	19.25	17.00	12.88	33.88	29.63	25.88	12.38	26.00



Home Oil Company Limited Holdings and Pipelines

LEGEND

1 - Knappen
2 - Enchant
3 - Buffalo - Bindloss
4 - Turner Valley
5 - Sarcee
6 - East Calgary
7 - Jumping Pound
8 - Cremona Pipe Line
9 - Carstairs
10 - Crossfield
11 - Harmattan East
12 - Harmattan
13 - Sundre
14 - Stettler
15 - Erskine
16 - Nevis
17 - Joarcam
18 - Leduc
19 - Pembina
20 - Glenevis
21 - Amisk Lake
22 - Morse River
23 - Virginia Hills
24 - Swan Hills
25 - Federated Pipe Lines

Oil Fields

Gas Fields

January 31, 1961.