

SUBSCRIPTION LIST OPENED MONDAY, 1st JUNE, AND WILL CLOSE WEDNESDAY, 10th JUNE, 1891, AT NOON

The Provincial Natural Gas and Fuel Company

OF ONTARIO, LIMITED.

Incorporated under Charter from the Dominion Government of Canada.

CAPITAL \$500,000 IN 5000 SHARES OF \$100 EACH.

Already issued as fully Paid-up Stock 3000 Shares.....	\$300,000
Present issue, 1000 Shares	100,000
Total	\$400,000

BOARD OF DIRECTORS:

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| The HON. PETER McLAREN, Perth, Ont., Senator, President. | N. A. COSTE, Esq., Amherstburg, Ont., Vice-President. |
| D. McGILLIVRAY, Esq., Port Colborne, Ont., Secretary-Treasurer. | EUGENE COSTE, Esq., Buffalo, N. Y., Managing Director. |
| L. CUDDY, Esq., Amherstburg, Ont. | JOHN F. WOOD, M. P., Brookville, Ontario, JOSEPH CAVANAGH, Esq., Ottawa, Ont. |

The Dominion Safe Deposit Warehousing and Loan Company of Canada (Ltd.), Bank of Commerce Building, Toronto, :

Is authorized to receive subscriptions for \$100,000 additional capital in this Company, at a premium of \$15 per share, or \$115 for a \$100 share, payable: \$25 per share on application, \$25 per share on 10th June, \$25 per share on 10th July, \$25 per share on 10th August, \$15 per share on 10th September, or, a deduction at the rate of 8 per cent. per annum from due date of instalments may be made if the full amount is paid with the application.

The Provincial Natural Gas and Fuel Company, Limited, is a corporation chartered under the great seal of the Dominion of Canada, the liability of its shareholders being limited to the stock held by each. It has an authorized capital of \$500,000, of which \$300,000 has already been allotted and expended in perfecting the development hereinafter described. The further sum of \$200,000 is needed for Treasury purposes, which will be all that is required to complete the work, and pay all indebtedness, so that \$400,000 will be the extent of capital on which, for the present, dividends will be paid.

The Company is in possession of exclusive rights for gas purposes, underneath an area of FORTY-EIGHT THOUSAND ACRES, or nearly ten miles square, in the townships of Bertie, Humbertstone, Wainfleet, Willoughby and Crowland, in the County of Welland, comprising a gas field of unusual capacity, in close proximity to Buffalo. This territory comprises the natural gas area of this vicinity. The arrangements for its control are of the most comprehensive and precise character.

The Company have sunk THIRTEEN WELLS with the result that a supply of gas, amounting to thirty millions of cubic feet per day, has been developed, and with a pressure of over five hundred pounds to the square inch!

The Company have also constructed mains for the conveyance of gas directly into the city of Buffalo. An eight inch pipe, of the best material (manufactured by the Reading Iron Works of Reading, Pa.), has been laid through the county of Welland, for a distance of 107 1/2 miles, bringing it into direct connection with an extensive system of piping, now being constructed through the best residential quarters of Buffalo. Mains have been laid underneath the Niagara River, two in number, as a measure of precaution. In this work the Canadian Company have been greatly influenced by the advice and counsel of the gentlemen connected with the Standard Oil Company.

The contract for twenty years (and then renewable) has been made between the Company and the Buffalo Natural Gas Fuel Company, by which the latter undertake the sale and delivery in the City of Buffalo of the Canadian Natural Gas. The Buffalo Company has been for some years deriving a meagre supply of gas from McKean County, Pennsylvania, from oil and gas territory controlled by the Standard Oil Company, who practically own and control the Buffalo Buffalo. Sufficient, however, has been developed to give the good people of Buffalo a taste for this exceedingly convenient and attractive kind of fuel, and the extent of the demand for it as replacing coal has only been very partially met by the supply possible from Pennsylvania.

The price at which the Buffalo Company has been selling the product of their Pennsylvania wells had been Twenty five Cents net per thousand feet of gas, and this reasonable figure was agreed upon by the Canadian representatives as the rate at which competition with coal could be afforded, giving householders all the superiority possessed by natural gas over coal. This would give to each Company twelve and one half cents per thousand feet. The Buffalo Company undertook the laying of mains in the best part of that city, which under ordinary demand would reach consumers requiring a minimum of four million cubic feet a day. Already over \$200,000 has been expended by the Buffalo Company, and \$500,000 more is ready for expenditure for this purpose. The Canadian Company undertook to supply a maximum of eight million cubic feet a day under the contract. The connection was made on the 12th of January last at the International line mid river by the joint construction of the mains located in the bed of the stream.

The first great customer for Canadian gas was the Water Works Pumping Station of the city, where, at a cost of \$60,000 to \$70,000 per annum, the numerous boilers of the establishment are kept going night and day by Canadian natural gas. No longer are stokers needed to pitch in coal every few minutes; no longer is it necessary to shovel out heavy accumulations of ashes, while the heat rises and falls, with an uncertainty and irregularity destructive to the life of boilers. But by the turning of a tap, a steady supply of heat is secured from a reservoir of Nature's own distillation, intense, uniform and under perfect control.

As to the demand for Canadian natural gas in Buffalo and vicinity, the best information now points to an immediate consumption of, at least, two millions of cubic feet per day, before the new year; of four millions in 1892, and an extreme likelihood of six millions in 1893. These figures are all reasonable as based upon previous experience, for the fuel needs of the residential portions of the city penetrated. The city is one of the most progressive and prosperous on the continent, and in addition to the residential demand, the supplying of manufactories, especially during the summer months, is in contemplation. The growth of manufacturing industries in Buffalo is very rapid, as it is a point of unequalled distribution, both by lake and rail; and in view of the extraordinary advantages which this cheap and unlimited supply of natural gas affords, will, beyond all question, make rapid progress.

Should the foregoing estimates of consumption of Canadian natural gas be fulfilled, the income of the Company at Twelve and a Half Cents per thousand, would be at the following rate per annum. Estimating the expenses of the Company broadly, at the figures here given, the resulting profit, and rate of dividends on the \$400,000 of the capital employed, would be as follows:

	Average Daily Consumption in Cubic Feet.	Annual Income at 12 1/2 Cents Per 1000 Cubic Feet.	Estimated Expenditure and Sinking Fund.	Profits.	Dividend on \$400,000
May, 1891, to May, 1892.....	2,300,000	\$ 91,000	\$31,000	\$ 60,000	15 per cent.
" 1892 " 1893.....	4,000,000	180,000	40,000	140,000	35 "
" 1893 " 1894.....	6,000,000	273,000	73,000	200,000	50 "

If the above dividends are realized, the total investment will be paid back in three years. The natural gas fields in Pennsylvania have been in operation seven years, and last year in Pittsburgh the receipts were \$3,000,000, from an output that realized less than five cents per thousand feet against the twenty-five cents realizable in Buffalo.

Perhaps the best testimony to the belief of the permanence of the supply of Canadian gas is found in the fact that the Buffalo Company, after many years of experience, were willing to make so large an investment as \$400,000 in piping, and making connections under the ground. With the fact that the supply possible, from the thirteen wells now constructed, equals thirty millions of cubic feet per day, with so numerous a pressure as five hundred pounds to the square inch, coupled with an area of territory almost ten miles square, from which is needed only a supply of eight millions of cubic feet per day, is certainly sufficient justification for the action of the Buffalo Company. At any rate, after months of investigation, and the closest examination by the best experts available, their business sagacity, they deliberately reached the conclusion to make a contract of this kind, and an investment of the extent named. The Buffalo Company are putting under the ground, and practically burying, quite as much money as the Canadian Company invest; and that, too, after years of experience, and a thorough knowledge of the capacities of gas wells. The Buffalo Company, with its prudent management, will doubtless do all that it can to conserve and economize the enormous supply in the Canadian field, because every thousand feet is worth to them 12 1/2 cents. In this policy it will be, of course, most heartily seconded by the Canadian owners themselves. The supply is reasonably certain to yield a return large enough to pay everyone back the money they invest, with a well founded expectation that, for many years to come, the large dividends contemplated can be realized, as a profit upon the venture. If within three years, all the money paid into the property, and more, can be returned, the expectation seems a reasonable one, that the investment will be as good as any one that now promises, while the chances are that it will be better than anything else that offers.

Taken as a whole, this business enterprise seems a most attractive one, and worthy of every encouragement.

Forms of application for Shares and Unabridged Prospectus may be had from

THE DOMINION SAFE DEPOSIT WAREHOUSING & LOAN CO., Ltd.,

TORONTO.

When no allotment is made the deposit will be returned in full.

Toronto, 1st June, 1891.