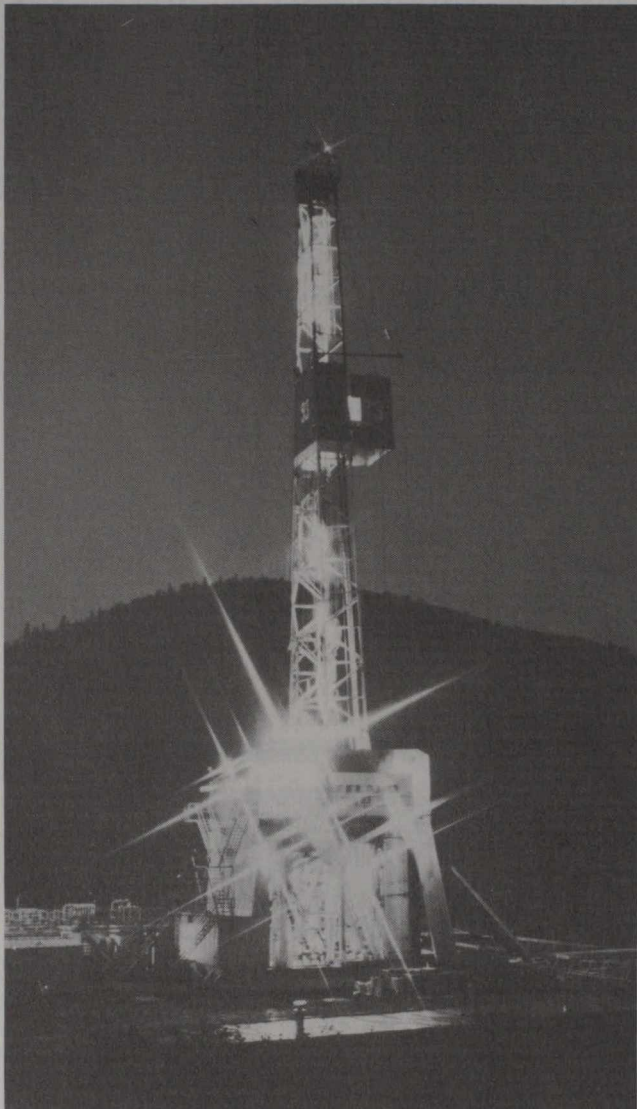


## NEW PROJECTS AND INVESTMENTS IN CANADIAN OIL AND GAS

During the last year the Canadian Government has made special efforts to ensure stability in the energy sector and to give industry the confidence and opportunity to lead the economic recovery.



*Drilling for oil under the  
midnight sun of  
Canada's far north*

Part of the plan has been to cushion the impact on the oil and gas industry of uncertain conditions in world markets, and amendments have been brought to the pricing and revenue sharing agreements with some producing provinces. Oil producers now receive the world price for all oil discovered after 1973. This measure alone should raise industry's cash flow by as much as \$250 million by December 31, 1984. Gas producers are expected to benefit from the increase in domestic natural gas prices which took place on August 1, 1983, and from the additional increase planned for February 1, 1984. Furthermore, in its latest budget, the Canadian Government announced tax relief for Enhanced Oil Recovery projects and provided other tax concessions.

The oil and gas industry is responding positively to these changes. The Government's review of mid-year investment intentions indicates that the oil and gas industry is expected to be one of the main sectors showing strength. Investment in oil and gas is expected to grow by about 9% in 1983, significantly above the level of investment in the economy as a whole.

The potential for growth in this sector is illustrated by several major investment projects underway across Canada. New projects recently announced include: a \$600 million heavy oil upgrader in Saskatchewan, and two projects costing a total of \$500 million to extract oil from the tar sands in Alberta. Major new investment in the Syncrude oil sand project, amounting to \$1200 million over the next five years, was also announced following the amendments to the pricing and revenue sharing agreement with Alberta. These projects are an indication that the initiatives taken by the Canadian Government and the producing provinces are providing industry with an attractive environment for continued energy development.

Investment activity is also proceeding rapidly in the North and the East Coast offshore, in the areas known as the Canada Lands. Exploration and development in these areas - about twice the surface area of Canada's ten provinces combined - remains a major objective of the Canadian Government. In all, more than \$8000 million will be spent to drill about 140 exploration wells in the