

IN SUCH A FUTURE, OUR CANADIAN OIL AND GAS INDUSTRY HOLDS GREAT PROMISE.

TODAY, MANY OF OUR COMPANIES ARE NOW MORE EFFICIENT IN THEIR OPERATIONS. THE COMPETITIVENESS OF OUR INDUSTRY HAS BEEN RESTORED. AND, AS YOU KNOW, SOME PROMISING OPPORTUNITIES LIE IN OUR VAST FRONTIER REGIONS, BOTH IN THE BEAUFORT SEA AND ON THE GRAND BANKS.

IT WILL COME AS NO SURPRISE THAT I AM PARTICULARLY INTERESTED IN HIBERNIA.

IN JULY 1988, THE GOVERNMENTS OF CANADA AND NEWFOUNDLAND SIGNED A 'STATEMENT OF PRINCIPLES' WITH THE HIBERNIA CONSORTIUM (LED BY MOBIL) TO PROCEED WITH THE DEVELOPMENT OF THE OILFIELD. THE TENDERING PROCESS TO SECURE CONTRACTORS FOR THE PROJECT IS WELL UNDERWAY. ONGOING NEGOTIATIONS ARE NOW PROCEEDING TO COMPLETE THE LEGALLY BINDING AGREEMENT BY THIS FALL.

THE VAST HIBERNIA OIL FIELD WILL ADD AN AVERAGE OF 110,000 BARRELS A DAY TO CANADA'S LIGHT OIL OUTPUT. IN ORDER TO BRING THIS PROJECT INTO PRODUCT, \$5.2 BILLION WILL BE INVESTED OVER A PERIOD OF SIX YEARS. A GRAVITY-BASED STRUCTURE, REQUIRING CLOSE TO 500,000 TONNES OF HIGH QUALITY CONCRETE, WILL BE BUILT TO REST ON THE SEAFLOOR. THE PLATFORM WILL EXTEND ABOVE SEA LEVEL, PROVIDING A STABLE BASE FOR DRILLING. FOR PRODUCTION OPERATIONS AND FOR STORAGE OF UP TO 1.5 MILLION BARRELS OF OIL. IN ADDITION, THE STRUCTURE WILL BE DESIGNED TO WITHSTAND ALL ENVIRONMENTAL FACTORS, INCLUDING STRAY ICEBERGS.

HIBERNIA WILL MAKE A MAJOR CONTRIBUTION TOWARDS A REGIONAL SOURCE OF SUPPLY OF OIL IN ATLANTIC CANADA WHERE DEMAND IN THE 1990S IS EXPECTED TO REACH 200,000 BARRELS A DAY. THE PROJECT WILL ALSO GENERATE SIGNIFICANT BUSINESS OPPORTUNITIES FOR HUNDREDS OF COMPANIES IN NEWFOUNDLAND AND OTHER PARTS OF CANADA. FINALLY, AND PERHAPS MOST IMPORTANT, HIBERNIA WILL PAVE THE WAY FOR THE DEVELOPMENT OF A NUMBER OF OTHER OIL AND GAS PROSPECTS OFF THE EAST COAST, INCLUDING TERRA NOVA, WITH POTENTIAL RESERVES OF AS MUCH AS 400 MILLION BARRELS OF OIL.

AS I HAVE ALREADY STATED, ONE OF THE KEY CRITERION WHICH INFLUENCES THE DEVELOPMENT OF SUCH MAJOR PETROLEUM RESOURCES IS THEIR