

Chapter One

A Review of Petro-Canada's Operations

A. Startup and Evolution

In December of 1973, the Government of Canada announced a decision in principle to create a national petroleum company. The government of that time foresaw that a Crown oil company would engage in the following activities:

- explore for conventional oil and gas in Canada;
- make investments to develop Canada's oil and gas resources and, in particular, to accelerate development in those parts of Western Canada's oil sands not exploitable with existing technology;
- operate as a state purchasing agency for foreign oil; and
- possibly engage in the refining and marketing of petroleum products.

The *Petro-Canada Act* was introduced into Parliament on 3 October 1974 and received Royal Assent on 30 July 1975. Petro-Canada began operating in January 1976.

The purpose of the Corporation is stated in section 3 of the Act:

3. The purpose of this Act is to establish within the energy industries in Canada a Crown owned company with authority to explore for hydrocarbon deposits, to negotiate for and acquire petroleum and petroleum products from abroad to assure the continuity of supply for the needs of Canada, to develop and exploit deposits of hydrocarbons within and outside Canada in the interests of Canada, to carry out research and development projects in relation to hydrocarbons and other fuels, and to engage in exploration for, and the production, distribution, refining and marketing of, fuels.

The five formal objectives of the Corporation are given in section 6:

- 6.** The objects of the Corporation are
- (a) to engage in exploration for and the development of hydrocarbons and other types of fuel or energy;