

Major UK company reports Canadian investment paying off

In October, 1983, LASMO Exploration (Canada) Ltd, opened its doors in Calgary, Alberta. Since then, the company – a wholly owned subsidiary of

London & Scottish Marine Oil PLC – has gone from strength to strength.

Commenting on the company's decision to invest in Canada, LASMO's chief executive, Christopher Greentree, says, 'We entered Canada because we perceived that investments for oil discovery in Alberta and Saskatchewan were attractive in the short term, and because we thought the overall economics would further improve with a change in the federal (then Liberal) government.'

The company's expectations have since been fulfilled. Canada has become one of its fastest growing areas of investment, following the repeal of the National Energy Programme and its replacement by the Western Accord, as well as the changes in royalty structures that have taken place in Canada's three western provinces.

As a result, the company's investment of some \$50 million is paying off.

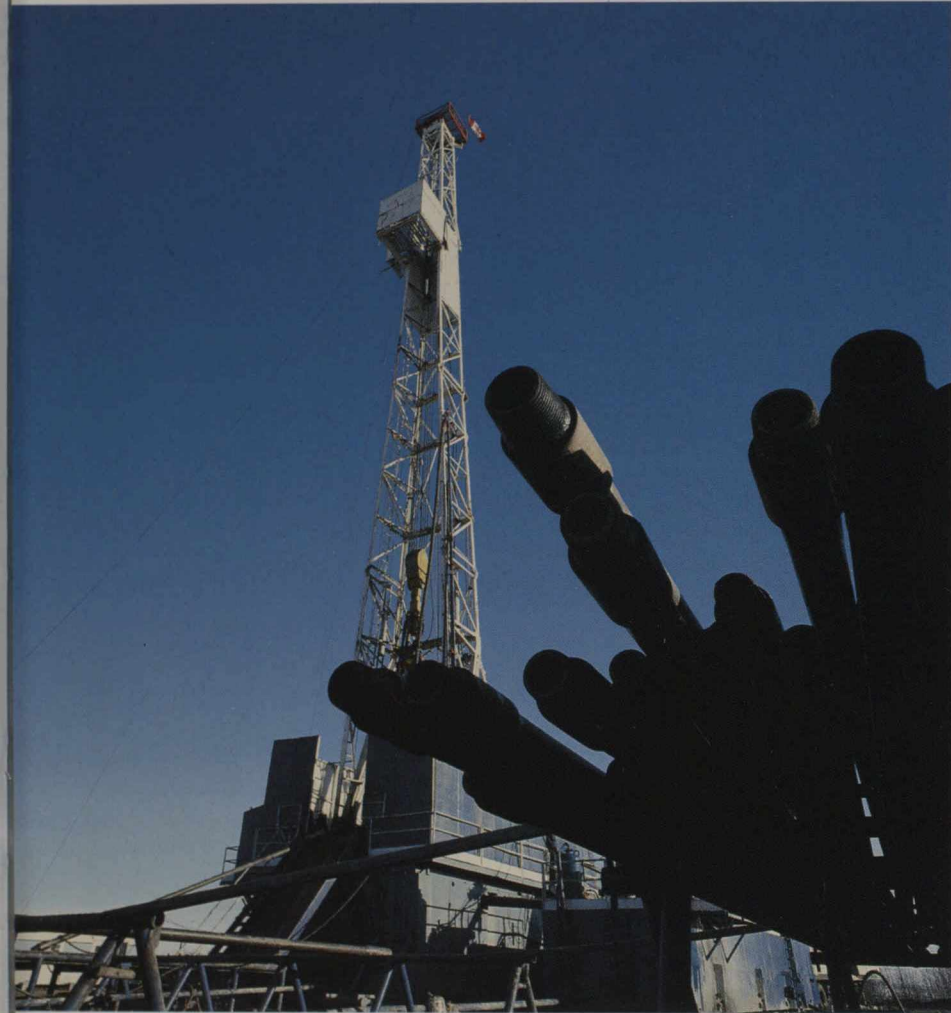
In 1985, LASMO drilled approximately 75 development wells and 50 exploration wells. It already has 11 drilling rigs operating in Alberta and Saskatchewan with a drilling success rate of over 60%. Current net production is 635 barrels per day, and net oil reserves are 4.8 million barrels.

The company employs about 300 Canadians, and it feels that it has benefitted from the technological skills of its staff, and of its Canadian contractors.

Says Greentree: 'Calgary has an abundance of exploration and production expertise. It can meet all of our needs in Canada, and many of the needs of our company worldwide.'

LASMO has entered joint venture with a number of Canadian companies, including PetroCanada, Shell, Home Oil and Canadian Hunter. It has also formed a new company with the Ontario Municipal Employees Retirement Board, called Lasmer Resources Inc. Lasmer's objective is to acquire and operate Canadian oil and natural gas producing properties. Its initial funding was \$20 million. ♦

Photo courtesy of LASMO Exploration (Canada) Ltd



investment in Canada

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