This is a preliminary short form prospectus relating to these securities, a copy of which has been filed with the securities commission or similar regulatory authority in each of the provinces of Canada but which has not yet become final for the purpose of a distribution to the public. Information contained herein is subject to completion or amendment. These securities may not be sold to, nor may offers to buy be accepted from, residents of such jurisdictions prior to the time a receipt for the final short form prospectus is obtained from the appropriate securities commission or similar regulatory authority.

PRELIMINARY SHORT FORM PROSPECTUS DATED JUNE 24, 1997

This short form prospectus has been filed under procedures in each of the provinces of Canada and the United States which permit certain information with respect to these securities to be determined after the prospectus has become final and permit the omission from this short form prospectus of such information. Such procedures require the delivery to purchasers of a prospectus or a prospectus supplement containing this omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada or the United States has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary, Gulf Canada Resources Limited, Gulf Canada Square, 401-9th Avenue S.W., Calgary, Alberta, T2P 2H7. Telephone (403) 233-4000. For the purpose of the Province of Quebec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Secretary of Gulf Canada Resources Limited at the above-mentioned address and telephone number.

New Issue and Secondary Offering ● , 1997

Gulf Canada Resources Limited

U.S. $ ●

24,139,928 Ordinary Shares

24,139,928 ordinary shares (the "Ordinary Shares") of Gulf Canada Resources Limited ("Gulf Canada" or the "Corporation") are being qualified for distribution by this Prospectus. 4,000,000 Ordinary Shares are being offered by Gulf Canada, 16,281,513 Ordinary Shares are being offered by A&G Resources Corporation ("A&G"), 3,700,000 Ordinary Shares are being offered by Ontario Teachers' Pension Plan Board ("Ontario Teachers'") and 158,415 Ordinary Shares are being offered by the University of Chicago (the University of Chicago, together with A&G and Ontario Teachers', the "Selling Shareholders"). See "Selling Shareholders" and "Plan of Distribution". Gulf Canada will not receive any of the proceeds relating to the Ordinary Shares sold by the Selling Shareholders. See "Use of Proceeds".

The ordinary shares of Gulf Canada are listed on The Toronto Stock Exchange, the Montreal Exchange and the New York Stock Exchange. On June 24, 1997, the closing sale prices for the ordinary shares of Gulf Canada on The Toronto Stock Exchange and the New York Stock Exchange were Cdn. $12.00 per share and U.S. $8.8125 per share, respectively. The offering price has been determined by negotiation among Gulf Canada, the Selling Shareholders and the Underwriters. See "Plan of Distribution".

In the opinion of Canadian counsel, the Ordinary Shares will, at the date of closing, be eligible for investment under certain statutes as set forth under "Eligibility for Investment".

See "Risk Factors" beginning on page 8 hereof for certain risk factors relevant to an investment in the Ordinary Shares.

Price: U.S. $ ● per Ordinary Share

	Public Offering Price	Underwriting Fee(1)(2)(3)	Net Proceeds to the Corporation(3)(4)	Net Proceeds to the Selling Shareholders(4)
Per Ordinary Share	U.S. $ ●	U.S. $ ●	U.S. $ ●	U.S. $ ●
Total	U.S. $ ●	U.S. $ ●	U.S. $ ●	U.S. $ ●

(1) Gulf Canada's share of the aggregate underwriting fee is U.S. $ ● , A&G's share of the aggregate underwriting fee is U.S. $ ● , Ontario Teachers' share of the aggregate underwriting fee is U.S. $ ● and the University of Chicago's share of the aggregate underwriting fee is U.S. $ ● .

(2) Gulf Canada, the Selling Shareholders and the Interested A&G Lenders (as defined herein) have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the U.S. Securities Act of 1933.

(3) Gulf Canada has granted the Underwriters an option exercisable for a period of 30 days after the date of this Prospectus to purchase up to an aggregate of 3,620,989 additional ordinary shares of Gulf Canada solely to cover over-allotments, if any, at the public offering price less the underwriting fee. If such option is exercised in full, the total public offering price, underwriting fee, net proceeds to the Corporation and net proceeds to the Selling Shareholders will be U.S. $ ● , U.S. $ ● , U.S. $ ● and U.S. $ ● , respectively. This Prospectus also qualifies the distribution of the ordinary shares of Gulf Canada pursuant to the over-allotment option granted to the Underwriters. See "Plan of Distribution".

(4) Before deducting the aggregate expenses related to the sale of the Ordinary Shares estimated at U.S. $ ● which, together with the underwriting fee, are to be paid by Gulf Canada and the Selling Shareholders in proportion to the number of Ordinary Shares sold by each of them.

The Underwriters, as principals, conditionally offer the Ordinary Shares, subject to prior sale if, as and when issued by Gulf Canada or, in the case of the secondary offering, if, as and when sold by the Selling Shareholders and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of Gulf Canada by Bennett Jones Verchere, Calgary, Alberta, and Butler & Binion, L.L.P., Houston,Texas, on behalf of A&G by Osler, Hoskin & Harcourt, Calgary, Alberta, and Latham & Watkins, New York, New York, on behalf of Ontario Teachers' and the University of Chicago by their respective counsel, and on behalf of the Underwriters by Stikeman, Elliott, Toronto, Ontario and Vinson & Elkins L.L.P., Houston, Texas.

Subscriptions for the Ordinary Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is intended that the closing of the offerings will take place on or about July ● , 1997, or such other date as may be agreed upon, but not later than August ● , 1997. Certificates representing the Ordinary Shares will be available for delivery at closing.

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CURRENCY AND EXCHANGE RATES

Gulf Canada publishes its consolidated financial statements in Canadian dollars. All dollar amounts set forth in this Prospectus are in Canadian dollars, except where otherwise indicated. The following table sets forth for the periods indicated, certain exchange rates based on the noon buying rate in the City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate"). Such rates are set forth as United States dollars per Cdn. $1.00 and are the inverse of rates quoted by the Federal Reserve Bank of New York for Canadian dollars per U.S. $1.00. On June 24, 1997, the Noon Buying Rate was Cdn. $1.00 equals U.S. $.7186.

	Three Months Ended March 31, 1997	Year Ended December 31,				
		1996	1995	1994	1993	1992
Noon Buying Rate at end of period	US $.7228	US $.7301	US $.7323	US $.7128	US $.7544	US $.7865
Average Noon Buying Rate during period	$.7357	$.7332	$.7305	$.7300	$.7729	$.8235
Highest Noon Buying Rate during period	$.7487	$.7513	$.7527	$.7632	$.8046	$.8757
Lowest Noon Buying Rate during period	$.7228	$.7235	$.7023	$.7103	$.7439	$.7761

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been filed with securities regulatory authorities in each of the provinces of Canada and are specifically incorporated by reference in, and form an integral part of, this Prospectus:

(a) the Annual Information Form of Gulf Canada dated March 6, 1997 for the year ended December 31, 1996, including the Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated therein;

(b) the Management Proxy Circular of Gulf Canada dated March 17, 1997, relating to the Annual and Special Meeting of shareholders of Gulf Canada held on April 30, 1997;

(c) the audited comparative consolidated financial statements of Gulf Canada and the notes thereto for the years ended December 31, 1996 and 1995, together with the report of the auditors thereon, contained in Gulf Canada's 1996 Annual Report, the Addendum to Notes to Consolidated Financial Statements — Additional disclosures required by United States Generally Accepted Accounting Principles ("U.S. GAAP") and the Supplemental Oil and Gas Information required by U.S. GAAP;

(d) the unaudited comparative consolidated financial statements of Gulf Canada as contained in the Quarterly Report of Gulf Canada for the three month period ended March 31, 1997 and the Addendum to Notes to Consolidated Financial Statements for the Three Months Ended March 31, 1997 — Differences Between Canadian and United States Generally Accepted Accounting Principles and Additional Disclosures Required by U.S. GAAP; and

(e) the material change report of Gulf Canada dated June 16, 1997 and filed in connection with the offer for CS Resources Limited. See "Recent Developments — CS Resources".

Any documents of Gulf Canada of the type referred to above subsequently filed with a securities commission or any similar authority in Canada after the date of this Prospectus and prior to the termination of the offerings shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute a part of this Prospectus.

The specific terms of the offerings omitted from this Prospectus will be contained in a supplemented prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of the supplemented prospectus.

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Gulf Canada Resources Limited, Gulf Canada Square, 401 – 9th Avenue S.W., Calgary, Alberta, T2P 2H7.

THE CORPORATION

Gulf Canada is one of the world's largest independent producers of oil and natural gas. In this Prospectus, references to "Gulf Canada" or the "Corporation" include, except where the context otherwise requires, Gulf Canada's subsidiaries.

Gulf Canada's principal operating centers in 1996 were in Western Canada and Indonesia with additional exploration properties in Algeria and Australia, and a significant exploration land position in the United States. The acquisition of Clyde Petroleum plc ("Clyde") in the first quarter of 1997 added significant producing assets and exploration lands in the United Kingdom, The Netherlands, Indonesia, and Australia, as well as exploration lands in Libya, Syria, Yemen, The Falkland Islands, and Argentina.

Gulf Canada's head office is located at 401 – 9th Avenue, S.W., Calgary, Alberta, Canada, T2P 2H7 and its telephone number is (403) 233-4000.

RECENT DEVELOPMENTS

Clyde Offer

On December 18, 1996, Gulf Canada announced its intention to acquire, through a wholly-owned subsidiary, all of the shares of Clyde (the "Clyde Offer"). The Clyde Offer valued all of the issued shares of Clyde at approximately $1.1 billion. On April 30, 1997, Gulf Canada had acquired more than 90% of the shares of Clyde. On June 11, 1997, all remaining shares which were not tendered in the Clyde Offer were compulsorily acquired and Gulf Canada is now the beneficial owner of the entire issued share capital of Clyde. On a pro forma basis, as at December 31, 1996, Gulf Canada's gross proved plus probable reserves, including the reserves attributable to Clyde, were 855 million barrels of crude oil and 6,671 billion cubic feet of natural gas and during the first quarter of 1997, Gulf Canada's average gross production, including production attributable to Clyde, was 125,000 barrels of crude oil per day and 524 million cubic feet of natural gas per day.

Gulf Indonesia

Gulf Canada has previously announced its intention to dispose of a portion of its interest in Gulf Indonesia Resources Limited (formerly Asamera Canada Limited). Gulf Canada currently expects such disposition to be completed prior to the end of 1997.

CS Resources

On June 6, 1997, Gulf Canada announced its intention to make a public offer to acquire all of the issued and outstanding shares of CS Resources Limited ("CS Resources") for consideration of $14.25 for each share of CS Resources, consisting of, at the election of the shareholder, 1.1539 ordinary shares of Gulf Canada, a combination of ordinary shares and cash, or $14.25 in cash (subject to a maximum aggregate amount of cash of $100,000,000). The formal offer was made on June 17, 1997 and expires on July 8, 1997. On June 18, 1997, another party announced that it would make an offer to purchase all of the shares of CS Resources for $16.00 cash for each share. On the same date, Gulf Canada announced that it would not amend its offer for all of the shares of CS Resources and would allow it to expire.

SELLING SHAREHOLDERS

General

Based on information provided to the Corporation by the Selling Shareholders, the following table sets forth the names of and the numbers and percentages of shares owned, before and after giving effect to the offerings, by the Selling Shareholders:

Name and Address	Number of shares owned before the offerings	Percentage owned before giving effect to the offerings	Number of shares owned after the offerings	Percentage owned after giving effect to the offerings(4)
A&G Resources Corporation (1) . . . Toronto, Ontario	68,486,987	25.4%	52,205,474	19.1%
Ontario Teachers' Pension Plan Board (2) (3) . . . . Toronto, Ontario	8,928,571	3.3%	5,228,571	1.9%
University of Chicago (2) . . . . Chicago, Illinois	1,000,000	0.4%	1,000,000	0.4%

(1) Crédit Lyonnais Canada holds the ordinary shares owned by A&G as custodian for the A&G Lenders (as defined below).

(2) In January 1995, the Participants (as defined below) acquired a 25% interest in Gulf Canada through the purchase of newly issued ordinary shares and share purchase warrants, and entered into the Shareholder Agreement (as defined below) and certain other agreements. The Ordinary Shares offered hereby by Ontario Teachers' were acquired at such time. The Ordinary Shares offered by the University of Chicago will be sold after the exercise of share purchase warrants acquired in January 1995, which exercise will be effected prior to closing of the offerings.

(3) Includes only those ordinary shares purchased as a Participant in January 1995.

(4) Assuming the Underwriters' over-allotment option is not exercised. In the event the Underwriters' over-allotment option is exercised in full, A&G, Ontario Teachers' and the University of Chicago will own 18.8%, 1.9% and 0.4%, respectively, of the outstanding ordinary shares of Gulf Canada after giving effect to the offerings.

A&G

To secure certain indebtedness of Olympia & York Resources Credit Corp. ("OYRCC"), of which A&G is a wholly-owned subsidiary, A&G issued guarantees to certain of its lenders (the "A&G Lenders") and, as security for its obligations under such guarantees, all of the ordinary shares beneficially owned by A&G are pledged to Crédit Lyonnais Canada as custodian for the A&G Lenders. OYRCC is in default under its indebtedness to the A&G Lenders, with the result that the A&G Lenders are free at any time to realize on the pledged ordinary shares.

Crédit Lyonnais Canada, as custodian for the A&G Lenders, in accordance with instructions received from certain of the A&G Lenders (the "Interested A&G Lenders"), has granted its consent to the sale of up to 16,281,513 ordinary shares being offered hereunder by A&G pursuant to a consent agreement with A&G. The sale of shares by A&G is conditional upon A&G paying to Crédit Lyonnais Canada, for the benefit of the Interested A&G Lenders, subject to the provisions for indemnification contemplated by the Underwriting Agreement in respect of its obligations to the Interested A&G Lenders, an amount equal to the aggregate amount payable by the Underwriters to A&G upon closing of the offerings (net of the fee payable to the Underwriters and the expenses of the offerings payable by A&G).

Effect of Offerings on Certain Agreements

Pursuant to a shareholder agreement dated January 25, 1995 (the "Shareholder Agreement") between Gulf Canada, Crédit Lyonnais Canada, A&G and certain institutional investors led by Torch Energy Advisors Incorporated (the "Participants"), subject to certain conditions, the board of directors of Gulf Canada will be comprised of (a) four directors nominated by the Participants; (b) four directors nominated by A&G (of which one will be the chairman, as proposed by A&G); (c) three independent directors; and (d) the chief executive officer, who is nominated by the Participants. In the event the percentage of ordinary shares held by

A&G or the Participants falls below 18% of the outstanding ordinary shares but remains above 10%, such party will lose the right to nominate one member of the board of directors. If such party's holdings of ordinary shares falls below 10%, then such party will lose the right to nominate any directors.

The Shareholder Agreement requires Gulf Canada, so long as (i) the aggregate number of ordinary shares held by A&G and the Participants constitutes at least 33⅓% of the outstanding ordinary shares and (ii) no other entity or group of entities acting in concert holds more ordinary shares than A&G and the Participants combined, to solicit proxies in favor of the board nominees of A&G and the Participants. If the aggregate number of ordinary shares held by A&G and the Participants falls below 33⅓%, Gulf Canada will not be required to solicit proxies in favor of the board nominees of either A&G or the Participants.

Upon the closing of the offerings, 19.1% of the outstanding ordinary shares (18.8% if the Underwriters' over-allotment option is exercised in full) will be held by A&G, and 12.0% of the outstanding ordinary shares (11.8% if the Underwriters' over-allotment option is exercised in full) will be held by the Participants, including 1.9% and 0.4% held by Ontario Teachers' and the University of Chicago, respectively (1.9% and 0.4%, respectively, if the Underwriters' over-allotment option is exercised in full). Based on the foregoing, the aggregate number of ordinary shares owned by A&G and the Participants upon the closing of the offerings will constitute approximately 31.1% of the outstanding ordinary shares (30.7% if the Underwriters' over-allotment option is exercised in full).

The Ordinary Shares sold in the offerings will no longer be subject to the Shareholder Agreement.

USE OF PROCEEDS

The net proceeds to the Corporation from the offerings will amount to approximately U.S. $ ● (or U.S. $ ● if the Underwriters' over-allotment option is exercised in full) after deducting Gulf Canada's portion of the estimated expenses of the offerings and the underwriting fee, being U.S. $ ● and U.S. $ ● , respectively. The net proceeds to the Corporation from the offerings will be used by Gulf Canada to fund portions of its 1997 capital and exploration expenditure budget which may include acquisitions.

The Corporation will not receive any of the proceeds relating to the Ordinary Shares sold by the Selling Shareholders.

DESCRIPTION OF SHARE CAPITAL

As of May 31, 1997, the authorized capital of Gulf Canada consists of an unlimited number of Junior Preference Shares, issuable in series, of which none is outstanding, an unlimited number of Senior Preference Shares, issuable in series, of which 85,504,557 Series 1 Shares and 300 Series 2 Shares are issued and outstanding, and an unlimited number of ordinary shares without par value of which 269,173,467 were issued and outstanding as fully paid and non-assessable shares. As of such date, Gulf Canada also had outstanding 13,750,000 warrants, which were issued on January 25, 1995. Each warrant entitles the holder to purchase one ordinary share at a price of $5.75 per ordinary share prior to close of business on January 25, 1998. A portion of the warrants are being exercised by one of the Selling Shareholders in connection with the offerings. As at May 31, 1997, an additional 16,482,894 ordinary shares were issuable pursuant to currently existing options held by directors, officers, employees and former employees of Gulf Canada.

Subject to the prior rights of the holders of the Senior Preference Shares and the Junior Preference Shares, the holders of ordinary shares are entitled to receive dividends if, as and when declared by the board of directors of Gulf Canada. Each ordinary share entitles the holder thereof to one vote at meetings of shareholders. In the event of a voluntary or involuntary liquidation, dissolution or winding-up, after payment of all outstanding debts and amounts payable in respect of shares ranking in priority to the ordinary shares, the remaining assets of Gulf Canada available for distribution are to be distributed pro rata to the holders of the ordinary shares. Holders of ordinary shares have no conversion, subscription or preemptive rights. The issued and outstanding ordinary shares of Gulf Canada are listed and posted for trading on The Toronto Stock Exchange, Montreal Exchange and New York Stock Exchange.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at March 31, 1997, and as adjusted to give effect to the issue of the Ordinary Shares as of such date. The information presented should be read in conjunction with the unaudited comparative consolidated financial statements of the Corporation for the three months ended March 31, 1997 and the addendum to notes of such statements required by U.S. GAAP incorporated by reference into this Prospectus.

	As at March 31, 1997			
	U.S. GAAP		Canadian GAAP	
	Actual	As Adjusted(1)	Actual	As Adjusted(1)
	(in millions) (unaudited)			
Cash and short-term investments	$ 301	$ ●	$ 301	$ ●
Short-term debt				
Current portion of long-term debt	$ 223	$ 223	$ 223	$ 223
Short-term loans	850	850	850	850
Total short-term debt	$ 1,073	$ 1,073	$ 1,073	$ 1,073
Long-term debt				
9% Debentures due 1999(2)	$ 173	$ 173	$ 173	$ 173
11% Debentures due 2000(3)	200	200	0	0
9¼% Senior Subordinated Debentures due 2004(2)	414	414	414	414
9⅝% Senior Subordinated Debentures due 2005(2)	277	277	277	277
8.35% Senior Notes due 2006(2)	346	346	346	346
8.25% Senior Notes due 2017(2)	311	311	311	311
Clyde Petroleum plc				
Long-term committed bank facilities	192	192	192	192
Senior Notes issued by Crusader Ltd.	31	31	31	31
Long-term credit facility for Corridor Gas Project	14	14	14	14
Total long-term debt	1,958	1,958	1,758	1,758
Shareholders' equity				
Series 1 preference shares	428	428	428	428
Series 2 preference shares	149	149	149	149
Ordinary shares(4)	903	●	1,045	●
Total shareholders' equity	1,480	●	1,622	●
Total capitalization	$ 3,438	$ ●	$ 3,380	$ ●

(1) As Adjusted information assumes that the Underwriters' over-allotment option will not be exercised.

(2) The 9% Debentures due 1999, the 9¼% Senior Subordinated Debentures due 2004, the 9⅝% Senior Subordinated Debentures due 2005, the 8.35% Senior Notes due 2006 and the 8.25% Senior Notes due 2017 are U.S. dollar obligations. Amounts outstanding under these obligations have been converted to Canadian dollars at the closing rate of exchange of U.S. $0.722 to Cdn. $1.00 at March 31, 1997.

(3) The 11% Debentures due 2000 were issued by a special purpose entity and are not included in the Corporation's consolidated financial statements prepared in accordance with Canadian GAAP.

(4) Ordinary shareholders' equity includes contributed surplus of $77 million and a positive $32 million foreign currency translation adjustment and is presented under U.S. GAAP including a deficit of $48 million, and under Canadian GAAP including retained earnings of $6 million.

RISK FACTORS

This Prospectus, including the documents incorporated by reference herein, includes "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the United States Securities Exchange Act of 1934. All statements other than statements of historical facts included in this Prospectus, including without limitation, statements in "Recent Developments" and statements regarding the Corporation's financial position, reserve quantities and net present values, business strategy and plans and objectives of management of the Corporation for future operations, are forward-looking statements. Although the Corporation believes that the assumptions upon which such forward-looking statements are based are reasonable, it can give no assurance that such assumptions will prove to have been correct. Important factors that could cause actual results to differ materially from the Corporation's expectations ("Cautionary Statements") are disclosed below and elsewhere in this Prospectus. All subsequent written and oral forward-looking statements attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements. Before investing in the Ordinary Shares, prospective investors should carefully consider the following information:

Leverage

In connection with the acquisition of Clyde, Gulf Canada has entered into a loan agreement with a Canadian chartered bank (the "Loan Agreement") to finance the purchase of all of the shares of Clyde and to refinance the Corporation's indebtedness, which increased the Corporation's leverage. As of May 31, 1997, the outstanding indebtedness under the Loan Agreement was U.S. $679 million. The Loan Agreement has a maturity date of February 17, 1998. Gulf Canada currently expects to repay and/or refinance borrowings under the Loan Agreement through issuances of securities in the capital markets (including the sale of shares of Gulf Indonesia Resources Limited (formerly Asamera Canada Limited)), sales of assets and bank refinancing. Gulf Canada is currently negotiating with the bank to extend the maturity under the Loan Agreement. In 1997, Gulf Canada used approximately U.S. $173 million of net proceeds from an equity offering and approximately U.S. $220 million of net proceeds from a senior notes offering to reduce outstanding amounts under the Loan Agreement.

As of May 31, 1997, Gulf Canada's total outstanding indebtedness was approximately $2.9 billion. Gulf Canada's level of indebtedness will have several important effects on its future operations, including (i) that a substantial portion of the Corporation's cash flow from operations must be dedicated to the payment of interest on its indebtedness and will not be available for other purposes, (ii) that covenants contained in the Corporation's debt obligations will require the Corporation to meet certain financial tests, and other restrictions will limit its ability to borrow additional funds or to dispose of assets and may affect the Corporation's flexibility in planning for, and reacting to, changes in its business, including possible acquisition activities and (iii) that the Corporation's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes may be impaired. The Corporation's ability to meet its debt service obligations and to reduce its total indebtedness will be dependent upon Gulf Canada's future performance, which will be subject to general economic conditions and to financial, business and other factors affecting the operations of Gulf Canada, many of which are beyond its control.

Volatility of Oil and Natural Gas Prices

Gulf Canada's results of operations and financial condition are dependent on the prices received for its oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions as well as conditions in other oil producing regions, which are beyond the control of Gulf Canada. Any material decline in oil or natural gas prices could have a material adverse effect on Gulf Canada's operations, financial condition, proved reserves and the level of expenditures for the development of its oil and natural gas reserves. No assurance can be given that oil and natural gas prices will be at levels which will generate profits for Gulf Canada.

In addition, Gulf Canada regularly assesses the carrying value of its assets in accordance with Canadian GAAP and U.S. GAAP under the successful efforts method. If oil and natural gas prices become depressed or decline, the carrying value of Gulf Canada's assets could be subject to downward revision.

Need to Replace Reserves

Gulf Canada's future oil and natural gas reserves and production, and therefore its cash flows, are highly dependent upon Gulf Canada's success in exploiting its current reserve base and acquiring or discovering additional reserves. Without reserve additions through exploration, acquisition or development activities, Gulf Canada's reserves and production will decline over time as reserves are exploited. The business of exploring for, developing or acquiring reserves is capital intensive. To the extent cash flows from operations are insufficient and external sources of capital become limited or unavailable, the Corporation's ability to make the necessary capital investments to maintain and expand its oil and natural gas reserves will be impaired. In addition, there can be no assurance that Gulf Canada will be able to find and develop or acquire additional reserves to replace production at acceptable costs.

Recent Losses

The Corporation had net losses of $28 million and $197 million for the years ended December 31, 1995 and 1994, respectively. The net loss during 1994 included significant reductions related to the carrying value of assets while the net losses during 1994 and 1995 included significant restructuring charges. While the Corporation had earnings of $37 million for the year ended December 31, 1996 and of $12 million for the three months ended March 31, 1997, there can be no assurance that Gulf Canada's operations will be profitable in the future. In addition, the acquisition of Clyde and the consolidation of Clyde's results of operations with those of Gulf Canada, including any resulting increase in depreciation, depletion and amortization or otherwise, may adversely affect the Corporation's future earnings, or cause the Corporation to sustain a loss in the future.

Operating Hazards and Other Uncertainties

Acquiring, developing and exploring for oil and natural gas involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, other environmental risks, fires and spills. Although Gulf Canada maintains insurance in accordance with customary industry practice, Gulf Canada is not fully insured against all of these risks. Losses resulting from the occurrence of these risks could have a material adverse impact on Gulf Canada. Gulf Canada, like other international oil companies, attempts to conduct its business and financial affairs so as to protect against political and economic risks applicable to operations in the various countries where it operates, but there can be no assurance that Gulf Canada will be successful in so protecting itself.

Gulf Canada is also subject to deliverability uncertainties related to the proximity of its reserves to pipeline and processing facilities and the inability to secure space on pipelines which deliver oil and natural gas to commercial markets.

Uncertainty of Reserve Estimates

This Prospectus includes and incorporates by reference estimates of Gulf Canada's oil and gas reserves and the present value of such reserves prepared by Gulf Canada's staff of petroleum reserve engineers. There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of Gulf Canada. The reserve data set forth in this Prospectus represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. All such estimates are to some degree speculative, and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. Gulf Canada's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from such estimates, and such variances could be material.

Estimates with respect to proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be substantial, in the estimated reserves.

Consistent with the securities disclosure legislation and policies of Canada, as interpreted by the securities commissions in Canada, Gulf Canada has used escalated prices and costs in calculating reserve quantities included and incorporated by reference in this Prospectus. This method differs from the required method of disclosure of reserve quantities in financial statements filed with the U.S. Securities and Exchange Commission (the "SEC"), which must be based on period end prices and costs, without escalation, except where required by contract. Additionally, Canadian legislation and policies permit the disclosure of "probable" reserves which may not be disclosed in financial statements filed with the SEC. Probable reserves are generally believed to be less likely to be recovered than proved reserves.

The reserve estimates included or incorporated by reference in this Prospectus could be materially different from the quantities and values ultimately realized.

Acquisition Risks

The Corporation intends to continue acquiring oil and gas properties. Although the Corporation performs a review of acquired properties that it believes is consistent with industry practices, it generally is not feasible to review in depth every individual property involved in each acquisition. Ordinarily, the Corporation will focus its review efforts on the higher-value properties and will sample the remainder. However, even a detailed review of records and properties may not necessarily reveal every existing or potential problem, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and potential. Inspections may not always be performed on every well, and environmental problems, such as ground water contamination, are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the Corporation often assumes certain environmental and other risks and liabilities in connection with acquired properties. There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and actual future production rates and associated costs with respect to acquired properties, and actual results may vary substantially from those assumed in the estimates.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and Canadian and U.S. federal, provincial, state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with Gulf Canada's past and current operations. The legislation also requires that refineries, service stations, wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Gulf Canada, either directly or through subsidiaries, previously owned numerous refineries, service stations and related operations in Canada and the Unites States, and continues to hold former sites, which have given rise to some claims and could give rise to additional claims in the future under laws that provide that responsible parties can include present and prior owners, operators and others, including claims for investigation, clean-up and restoration costs and damages for personal injury. Although Gulf Canada believes that it is currently in substantial compliance with all existing material environmental regulations, there can be no assurance that future environmental costs will not have a material adverse effect on Gulf Canada's financial condition or results of operations.

Competition

There is strong competition relating to all aspects of the oil and gas industry, in particular the exploration for and development of new oil and natural gas reserves. Gulf Canada actively competes for reserve acquisitions, exploration leases, licences and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than Gulf Canada. Gulf Canada's competitors include major integrated oil and gas companies and numerous other independent oil and gas companies and individual producers and operators.

Governmental Regulation

The oil and gas business is particularly subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights, as well as with respect to prices, taxes, royalties and the exportation of oil and natural gas. Such regulation may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for oil and natural gas, increase Gulf Canada's costs and have a material adverse impact on Gulf Canada.

Exchange Rate Fluctuations

Gulf Canada is exposed to foreign exchange risks since the majority of its revenue is received in or by reference to U.S. dollar denominated prices while the majority of its expenditures are in Canadian dollars. The exchange rate between Canadian dollars and U.S. dollars has varied substantially in the last five years. See "Currency and Exchange Rates". The Canadian dollar equivalent of Gulf Canada's U.S. dollar long-term debt (excluding that of self-sustaining foreign subsidiaries) as at March 31, 1997 amounted to $1,521 million. If the value of the Canadian dollar in U.S. dollar terms does not change from the March 31, 1997 level, Gulf Canada would, under Canadian GAAP, recognize an $80 million before tax ($59 million after tax) loss relating to deferred foreign exchange losses over the remaining term of the liabilities. A payment or refinancing in Canadian dollars of such liabilities would result in an immediate recognition of this loss. Under U.S. GAAP, such losses have already been recognized. The Canadian dollar equivalent of U.S. dollar long-term debt (including current portion) of Gulf Canada's self-sustaining foreign subsidiaries as at March 31, 1997 amounted to $372 million.

Control by Certain Shareholders

A&G and the Participants are parties to the Shareholder Agreement, pursuant to which the parties thereto have agreed to vote together for the election of mutually agreed upon nominees as directors (constituting a majority of the board of directors) and on certain other matters. The parties to the Shareholder Agreement own approximately 39.0% of the outstanding ordinary shares of Gulf Canada (excluding warrants). Following the offerings, the parties to the Shareholder Agreement will own (without giving effect to the Underwriters' over-allotment option) approximately 31.1% of the outstanding ordinary shares and will continue to vote together for the election of the directors of Gulf Canada as provided in the Shareholder Agreement. As a result, such parties will continue to be able to influence the outcome of all actions to be voted on by the shareholders of the Corporation.

Shares Eligible for Future Sale

As of May 31, 1997, 16,482,894 ordinary shares of Gulf Canada were reserved for issuance pursuant to outstanding incentive stock options to certain directors, employees, and former employees of Gulf Canada. In addition, there are outstanding warrants to purchase an aggregate of 13,750,000 ordinary shares of the Corporation, a portion of which are being exercised by one of the Selling Shareholders in connection with the offerings. The ordinary shares issuable upon the exercise of such options or warrants will qualify for sale in distributions registered under the Securities Act and applicable Canadian securities law, or in transactions exempt from registration thereunder. In addition, Gulf Canada may finance a portion of the cost of future acquisitions or operations through additional issuances of its ordinary shares or other equity securities. Gulf Canada and certain officers have agreed, with certain exceptions, not to sell or otherwise dispose of certain equity securities, including ordinary shares, for a period of 90 days after the date of this Prospectus, without the consent of the Underwriters. See "Plan of Distribution".

The parties to the Shareholder Agreement, who own approximately 39.0% of the ordinary shares of the Corporation prior to the offerings, are also party to a registration rights agreement dated January 25, 1995 ("Registration Agreement") under which such shareholders have the right, up to two times per year, to require Gulf Canada to register for sale under U.S. or Canadian securities laws the ordinary shares held by such shareholders. The Corporation has the right under such agreement to delay any such registration for a period of up to 60 days under certain circumstances. In the Underwriting Agreement, the Corporation has agreed not to effect any such registration for 60 days from any request for such a registration, but not more than 60 days following the closing of the offerings. Following such time, no assurances can be given that the parties to the Registration Agreement will not cause a registered offering of their ordinary shares. Additionally, the parties to the Shareholder Agreement may make public and private resales of securities owned by them, subject to certain limitations imposed by U.S. and Canadian securities laws. See "Plan of Distribution".

Sales of substantial amounts of ordinary shares, the issuance of additional ordinary shares as acquisition consideration or the perception that such sales or issuances could occur, could adversely affect prevailing market prices for the ordinary shares and could impair Gulf Canada's future ability to raise capital through an offering of equity securities.

CERTAIN INCOME TAX CONSIDERATIONS

Shareholders Not Resident in Canada

In the opinion of Bennett Jones Verchere, Canadian counsel to the Corporation ("Counsel"), the following is, as of the date hereof, a general summary of the principal Canadian federal income tax consequences generally applicable to shareholders (the "Non-resident Shareholders") who, for the purposes of the Income Tax Act (Canada) (the "Tax Act"), have not been resident in Canada at any time while they held their Ordinary Shares, hold their Ordinary Shares as capital property and do not use or hold, and are not deemed under the Tax Act to use or hold, their Ordinary Shares in, or in the course of, carrying on business in Canada. This summary is based upon and takes into account the current provisions of the Tax Act and the current regulations thereunder (the "Regulations"), all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance prior to the date hereof (the "Proposed Amendments"), and Counsel's understanding of the current administrative practices published by Revenue Canada, Customs, Excise and Taxation ("Revenue Canada"). This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, nor, except as specifically noted herein, does it take into account tax laws or considerations of any province or territory of Canada or any jurisdiction outside Canada. Moreover, there can be no assurance that the Proposed Amendments will be enacted as proposed or that the Tax Act, the Regulations thereunder or the administrative practices of Revenue Canada, respectively, will not change in a manner which will affect the Canadian federal income tax consequences of an investment in Ordinary Shares. This summary is not applicable to a Non-resident Shareholder that is either a "financial institution" within the meaning of section 142.2 of the Tax Act or a non-resident insurance corporation that carries on business in Canada and elsewhere.

This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Consequently, prospective shareholders should consult their own tax advisers with respect to their particular circumstances.

Acquisition of Ordinary Shares

A Non-resident Shareholder will generally compute the adjusted cost base of his or her Ordinary Shares under the same rules as apply to residents of Canada. The adjusted cost base of each Ordinary Share acquired by a Non-resident Shareholder will be determined by averaging the cost to the Non-resident Shareholder of such Ordinary Shares with the adjusted cost base to the Non-resident Shareholder of all other ordinary shares owned by the shareholder immediately prior to such acquisition.

Dividends paid by the Corporation to a Non-resident Shareholder will be subject to Canadian withholding tax at the rate of 25%, unless such rate is reduced under the provisions of a tax treaty between Canada and the Non-resident Shareholder's jurisdiction of residence. Under the terms of the tax treaty between Canada and the United States (the "Treaty"), dividends paid by the Corporation to individual and corporate shareholders (other than certain tax exempt shareholders) who are residents of the United States for the purpose of the treaty and who own less than 10% of the voting stock of the Corporation are generally subject to withholding tax at the reduced rate of 15%. Under the terms of the Treaty no tax is payable in respect of dividends paid by the Corporation to a trust company, organization or other arrangement that is a resident of the United States, generally exempt from income tax in the United States and operated exclusively to administer or provide pension, retirement or employee benefits.

Disposition of Ordinary Shares

A Non-resident Shareholder who disposes of or is deemed to have disposed of his or her Ordinary Shares (other than in a tax deferred transaction) will recognize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of the Ordinary Shares disposed of and any reasonable costs associated with the disposition. A Non-resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain recognized unless: (i) the Ordinary Shares are "taxable Canadian property" for purposes of the Tax Act; and (ii) the Non-resident Shareholder is not entitled to relief under a tax treaty between Canada and his jurisdiction of residence. Generally, an Ordinary Share will be "taxable Canadian property" of a Non-resident Shareholder if, at any time during the five year period immediately preceding the disposition of an Ordinary Share, not less than 25% of the issued shares of any class of the capital stock of the Corporation belong to the Non-resident Shareholder and persons with whom the Non-resident Shareholder did not deal at arm's length, or any combination thereof.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in an underwriting agreement dated ● , 1997 (the "Underwriting Agreement"), the Corporation and the Selling Shareholders have agreed to sell to each of the underwriters named below (the "Underwriters"), and each of the Underwriters have severally agreed to purchase from the Corporation and the Selling Shareholders, the respective numbers of Ordinary Shares set forth opposite its name below:

Underwriters	Number of Ordinary Shares
RBC Dominion Securities Inc.	●
Salomon Brothers Inc	●
Smith Barney Inc.	●
Goldman, Sachs & Co.	●
CIBC Wood Gundy Securities Inc.	●
Nesbitt Burns Inc.	●
TD Securities Inc.	●
HSBC James Capel Canada Inc.	●

The closing of the purchase and sale of the Ordinary Shares is intended to occur on or about July ● , 1997, or such other date as may be agreed upon, but not later than August ● , 1997, at a purchase price of U.S.$ ● per Ordinary Share payable in cash to the Corporation and the Selling Shareholders. Each of the Corporation and the Selling Shareholders has agreed to pay to the Underwriters at closing a fee of ● % of the aggregate public offering price of the Ordinary Shares for their services performed in connection with the offerings. Salomon Brothers Inc, Smith Barney Inc. and Goldman, Sachs & Co. will effect any sales of Ordinary Shares in Canada through their respective Canadian affiliates, Salomon Brothers Canada Inc, Smith Barney Canada Inc. and Goldman Sachs Canada. RBC Dominion Securities Inc., CIBC Wood Gundy Securities Inc., Nesbitt Burns Inc., TD Securities Inc. and HSBC James Capel Canada Inc. will effect any sales of Ordinary Shares in the United States through their respective U.S. affiliates, RBC Dominion Securities Corporation, CIBC Wood Gundy Securities Corp., Nesbitt Burns Securities Inc., Toronto Dominion Securities (USA) Inc. and HSBC Securities, Inc.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at the discretion of the respective Underwriters upon the occurrence of certain events. The Underwriters, however, are required to take up and pay for all of the Ordinary Shares under the offerings if any are purchased under the Underwriting Agreement.

The Corporation has granted the Underwriters an option exercisable for 30 days after the date of this Prospectus to purchase up to an additional 3,620,989 ordinary shares solely to cover over-allotments, if any, at the public offering price less the underwriting fee, as set forth on the cover page of this Prospectus. If the Underwriters exercise their over-allotment option, the Underwriters have severally agreed, subject to certain conditions, to purchase on a *pro rata* basis such ordinary shares. This Prospectus qualifies the distribution of the ordinary shares received by the Underwriters on exercise of the over-allotment option.

The Corporation has agreed that it will not, for the period ending 90 days after the date of the Prospectus, offer, sell, contract to sell or otherwise dispose of any ordinary shares or any securities of the Corporation which are substantially similar to the Ordinary Shares or which are convertible or exchangeable into ordinary shares or securities which are substantially similar to the Ordinary Shares, without the prior written consent of the Underwriters with the exception of ordinary shares issuable pursuant to the Corporation's stock option plan, employee benefit plans, presently existing option agreements and certain other exceptions. Certain officers of the Corporation have agreed that they will not for a period ending 90 days after the date of the Prospectus, offer, sell, contract to sell or otherwise dispose of any ordinary shares or securities which are substantially similar to the Ordinary Shares or which are convertible or exchangeable into ordinary shares or securities which are substantially similar to the Ordinary Shares, without the prior written consent of the Underwriters, subject to certain limited exceptions. A&G and Crédit Lyonnais Canada as custodian for the

A&G Lenders have agreed that they will not, for a period ending 90 days after the date of the Prospectus, offer, sell, contract to sell or otherwise dispose of any ordinary shares or any securities of the Corporation which are substantially similar to the ordinary shares or which are convertible or exchangeable into ordinary shares or securities which are substantially similar to the ordinary shares, without the prior written consent of the Underwriters subject to certain limited exceptions in the case of bona fide third party tender offers open to all holders of the ordinary shares.

Each of the Corporation, the Selling Shareholders and the Interested A&G Lenders has agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase ordinary shares of Gulf Canada. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Ordinary Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of The Toronto Stock Exchange and the Montreal Exchange relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the offerings, a stabilizing manager may over-allot or effect transactions on the New York Stock Exchange, The Toronto Stock Exchange and/or the Montreal Exchange which stabilize or maintain the market price of the ordinary shares at a level which might not otherwise prevail on that exchange. Such stabilizing, if commenced, may be discontinued at any time.

CERTAIN LEGAL MATTERS

The matters referred to under "Eligibility for Investment" and certain other Canadian legal matters relating to the offerings will be passed upon at the date of closing on behalf of Gulf Canada by Bennett Jones Verchere, Calgary, Alberta, on behalf of A&G by Osler, Hoskin & Harcourt, Calgary, Alberta, on behalf of Ontario Teachers' by its legal counsel and on behalf of the Underwriters by Stikeman, Elliott, Toronto, Ontario. Certain United States legal matters will be passed upon at the time of closing on behalf of the Corporation by Butler & Binion, L.L.P., Houston, Texas, on behalf of A&G by Latham & Watkins, New York, New York, on behalf of the University of Chicago by its legal counsel and on behalf of the Underwriters by Vinson & Elkins L.L.P., Houston, Texas. Mr. Walter B. O'Donoghue, a director of the Corporation, is a partner of Bennett Jones Verchere. Partners and associates of the firms of Bennett Jones Verchere, Osler, Hoskin & Harcourt and Stikeman, Elliott, as a group, beneficially own, directly or indirectly, less than one percent of the outstanding ordinary shares and less than one percent of the outstanding Series 1 Shares. Vinson & Elkins L.L.P. from time to time provides legal services to Gulf Canada not related to the offerings.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones Verchere, counsel to the Corporation, Osler, Hoskin & Harcourt, counsel to A&G and Stikeman, Elliott, counsel to the Underwriters, at the date of closing the Ordinary Shares will be eligible investments, without resort to the so-called "basket" provisions under, or their purchase would not be prohibited by, the statutes listed below, in each case subject to general investment provisions and in certain cases subject to prudent investment requirements and requirements relating to investment or lending policies or goals and subject to restrictions and prohibitions on investments made in the capacity of a fiduciary or administrator:

Insurance Companies Act (Canada)
An Act respecting insurance (Quebec) (in respect of insurers (other than a mutual association, a professional corporation or a guarantee fund corporation)
Trust and Loan Companies Act (Canada)
Loan and Trust Corporations Act (Ontario)
Loan and Trust Corporations Act (Alberta)
Pension Benefits Standards Act, 1985 (Canada)
Insurance Act (Manitoba)
Trustee Act (Manitoba)
Pension Benefits Act (Ontario)
Supplemental Pension Plans Act (Quebec)
An Act respecting Trust companies and savings companies (Quebec)
Financial Institutions Act (British Columbia)
The Pension Benefits Act (Saskatchewan)
The Pension Benefits Act (Manitoba)

In the opinion of such counsel, at the date of closing, the Ordinary Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retired income funds and deferred profit sharing plans.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several of the provinces or territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt, or deemed receipt, of the supplemented prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the supplemented prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Date: June 24, 1997

The foregoing, together with the documents incorporated herein by reference and the information deemed to be incorporated herein by reference, as of the date of the supplemented prospectus providing the information permitted to be omitted from this Prospectus, will constitute full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities laws of each of the provinces of Canada and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

"J.P. BRYAN"
(Signed) J.P. BRYAN
President and Chief Executive Officer

"CRAIG S. GLICK"
(Signed) CRAIG S. GLICK
Senior Vice-President, Corporate
and Corporate Secretary
and Chief Financial Officer

On behalf of the Board of Directors

"HELMUT M. NELDNER"
(Signed) HELMUT M. NELDNER
Director

"WALTER B. O'DONOGHUE"
(Signed) WALTER B. O'DONOGHUE
Director

CERTIFICATE OF THE CANADIAN UNDERWRITERS

Date: June 24, 1997

To the best of our knowledge, information and belief, the foregoing, together with the documents incorporated herein by reference and the information deemed to be incorporated herein by reference, as of the date of the supplemented prospectus providing the information permitted to be omitted from this Prospectus, will constitute full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities laws of each of the provinces of Canada and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

RBC Dominion Securities Inc.

"Brian K. Petersen"
By: (Signed) Brian K. Petersen

Salomon Brothers Canada Inc

"Douglas C. Eberlee"
By: (Signed) Douglas C. Eberlee

Smith Barney Canada Inc.

"Christopher M. Burley"
By: (Signed) Christopher M. Burley

Goldman Sachs Canada
by its General Partner
Goldman Sachs Canada Inc.

"David J. Gluskin"
By: (Signed) David J. Gluskin

CIBC Wood Gundy
Securities Inc.

"D. Jeff van Steenbergen"
By: (Signed) D. Jeff van Steenbergen

Nesbitt Burns Inc.

"Robert B. Wonnacott"
By: (Signed) Robert B. Wonnacott

TD Securities Inc.

"Mark Herman"
By: (Signed) Mark Herman

HSBC James Capel Canada Inc.

"Brian D. Heald"
By: (Signed) Brian D. Heald

The following includes the name of every person or company having an interest, either directly or indirectly, to the extent of not less than five percent in the capital of:

RBC Dominion Securities Inc.: RBC Dominion Securities Limited, a majority-owned subsidiary of a Canadian chartered bank;

Salomon Brothers Canada Inc: an indirect wholly-owned subsidiary of Salomon Inc;

Smith Barney Canada Inc.: a wholly-owned subsidiary of Travelers Inc.;

Goldman Sachs Canada: a limited partnership in which The Goldman Sachs Group, L.P., is the general partner;

CIBC Wood Gundy Securities Inc.: a wholly-owned subsidiary of a Canadian chartered bank;

Nesbitt Burns Inc.: a wholly-owned subsidiary of The Nesbitt Burns Corporation Limited, a majority-owned subsidiary of a Canadian chartered bank;

TD Securities Inc.: a wholly-owned subsidiary of a Canadian chartered bank; and

HSBC James Capel Canada Inc.: a wholly-owned subsidiary of a Canadian chartered bank.