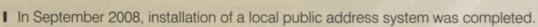


"I congratulate the work of the United Kingdom and Canada here at Shchuch'ye. London and Ottawa are indispensable partners in our efforts to destroy this dangerous stockpile."

 Former U.S. Senator Richard G. Lugar on a visit to the Shchuch'ye chemical weapons destruction facility in August 2007.

Some significant milestones at Shchuch'ye

- In September 2007, the railway bridge over the Miass River was completed.
- In October 2007, an inter-site communications project was completed. This system provides emergency communications between the sites and with local populations.



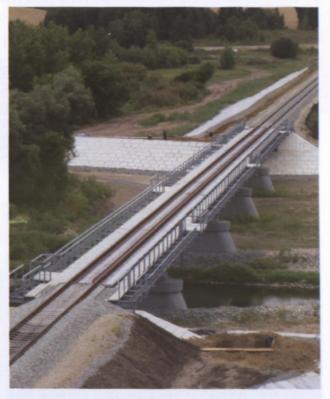


Canada's projects at the Shchuch'ye CWDF are being implemented in cooperation with the United Kingdom. The U.K. Ministry of Defence has played a crucial role in coordinating funding for a number of donors at the facility.

Looking Ahead at 2009-2010

With destruction operations beginning at Shchuch'ye, Canada's second phase of chemical weapons destruction projects will take place at the Kizner CWDF.

Through Canada's bilateral treaty with Russia, Canada is providing assistance at the Kizner CWDF pursuant to a \$100 million commitment made by Prime Minister Stephen Harper at the 2006 G8 Summit in St. Petersburg. Given that the 2 million munitions at Kizner are virtually identical to those at Shchuch'ye, Canada is focusing on providing similar destruction equipment for the Kizner facility's two main destruction buildings. This will include the destruction process lines (which are the core of the demilitarization process), the catalytic reactors and other key specialized equipment.



The railway bridge over the Miass River was completed in September 2007.