REPT4D 90/06/26

QUARTERLY PROGRESS REPORT OF EXPORT PROMOTION PROGRAM AT MISSIONS ABROAD FOR FISCAL YEAR 89 FORECAST OF KEY ACTIVITIES AND ANTICIPATED RESULTS STATED IN MISSION'S ANNUAL PLAN

POST :303-NAIROBI

SECTOR :011-OIL & GAS EQUIPMENT, SERVICES

KENYA

PLANNING: ACTIVITIES PROPOSED IN POST PLAN:

SUB-SECTOR: ALL SUB-SECTORS

CAN (LAVALIN IN CONSORTIUM W/SOGEA OF FRANCE) HAS BID IN COM CHANCES FOR LAVALIN SERVICES & CDN EQUIP SUPPL CONTRACTS

WORTH UP TO CS 72 IN OVER 3 YR PERIOD W/INITIAL BUS IN 88/89

TRACKING:

ACTIVITIES UNDERTAKEN IN QUARTER:

QUARTER: 1 Monitor developments in West Kenya Pipeline project. Promote Cdn Drilling Contractors with GOK and WB.

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QUARTER: 3 -----

QUARTER: 4 Assist Lavalin's efforts to conclude contract on West Kenya Pipeline project. Interface for EDC in concluding loan negotiations on this transaction. QUARTERLY RESULTS REPORTED:

Letter of intent signed by Kenyans with French, Jap & Cdn (Lavalin) companies pipe con, contract now being drawn up and hopefully signed next quarter. Sponsorship by HQ of MD Nat Oil Corp to Intercan 89.

Consortium members have agreed on price and shares.This has been forwarded to Min Finance for approval.EDC awaiting finalization to begin loan doc preparation. Cdn drilling firms have bid on WB geotherm equip contract.Await decision

Lavalin contract for up to Cdn dlrs 48 million signed on Jan 18, 1990. EDC reps visited to initiate loan negotiations. Post provided substantial ongoing assistance in negotiations which continued beyond end of fourth quarter

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ANTICIPATED RESULTS: