Page 18

POST : 474-BELGRADE

011-DIL & GAS EQUIPMENT, SERVICES YUGOSLAVIA

PLANNING:

ACTIVITIES PROPOSED IN POST PLAN:

MACHINERY AND EQUIPMENT

POST HAS BEEN ACTIVE IN INTRODUCING CDN CO'S TO INA AND NAFTAGAS & FACILITATING THEIR BIDDING ON THE INA & NAFTAGAS TENDERS FOR BOTH IBRD & COFINANCING PORTIONS OF THE 1ST YUGOSLAV PETROLEUM PROJECT.

CONTINUOUS CONTACT WITH THE 3 YUGOSLAV CUSTOMERS FOR DIL & GAS EQUIPMENT - INA, NAFTAGAS, AND ENERGOINVEST - WILL BE MAINTAINED.

INCOMING MISSION COMPOSED OF REPRESENTATIVES FROM INA & NAFTAGAS HAS BEEN PROPOSED.

ENCOURAGE THROUGH DIRECT CONTACT ACTIVE PARTICIPATION OF A RANGE (6-8) OF OIL & GAS EQUIP. & SERVICE SUPPLIERS IN THE 1987 ZAGREB FAIR, WITH THE ALBERTA GOVERNMENT AS PART OF THE CDN STAND.

ANTICIPATED RESULTS:

\$10 MILLION TOTAL OF THE CONTRACTS AWARDED FOR THE FIRST YUGOSLAV PETROLEUM PROJECT.

\$10 MILLION PER ANNUM IN SALES OF CANADIAN EQUIPMENT AND SERVICES.

ADDITIONAL SOURCING FROM CANADIAN COMPANIES.

INCREASED DEPTH AS WELL AS INCREASED RANGE OF GOODS BEING SOURCED FROM CANADA FOR THE OIL AND GAS SECTOR.

TRACKING:

ACTIVITIES UNDERTAKEN IN QUARTER:

QUARTER: 1 CONTINUOUS CONTACT WITH THE THREE YUGOSLAV CUST-OMERS FOR OIL & GAS EQUIPMENT - INA, NAFTA, -GAS & ENERGOINVEST. ORGANIZED ICOMING MISSION FOR OIL AND GAS MISSION TO INTERCAN '87.

QUARTER: 2 CONTINUOUS SUPPORT OF CDN FIRMS TO SELL OIL AND GAS EQUIPMENT AND SERVICES TO INA, NAFTA-GAS AND ENERGO INVEST

GUARTER: 3 CONTINUOUS SUPPORT OF CDN FIRMS IN THEIR EFFORTS TO SELL DIL & GAS EQUIPMENT & SERVICES TO INA & NAFTA-GAS.

QUARTER: 4 CONTINUOUS SUPPORT OF CANADIAN FIRMS IN THEIR EFFORTS TO SELL DIL AND GAS EQUIPMENT AND SERVI-CES TO INA AND NAFTA-GAS.

QUARTERLY RESULTS REPORTED:

HELD SEVERAL MEETINGS WITH NAFTA-GAS TO ASSIST THE CON COS IN THEIR CONTRACT NEGOTIATIONS WITH NAFTA-GAS. FOUR REPS FROM INA & NAFTA-GAS HAVE ATTEND INTERCAN '87.

NEGOTIATIONS WERE FINALIZED & CONTRACTS SIGNED WITH RESPECT TO SALE OF \$3 M. WORTH OF DIL & GAS EQPT TO NAFTA-GAS. THESE CONTRACTS HAD BEEN INI-TIATED EARLIER THIS YEAR & REPORTED AS BUSINESS INFLUENCED IN OUR REPORT JAN. -MAR'87.

NUMEOUS INTERVENTIONS WITH NAFTA-GAS AIMED AT REGISTERING & OPENING OF L/C WITH RESPECT \$3M WORTH OF CONTRACTS ALREADY AWARDED TO CDN COS. NEW OPPORTUNITIES WERE UNCOVERED AT INA & NAFTA-GAS & PASSED ONTO CDN COMPANIES.

NUMEROUS INTERVENTIONS WITH NAFTA-GAS AIMED AT REGISTERING & OPENING OF L/C WITH RESPECT \$2 M WORTH OF CONTRACTS ALREADY AWARDED TO CDN COS. UNFORTUNATELY THE OPENING OF L/Cs WITH RESPECT TO THOSE CONTRACTS HAS BEEN FURTHER DELAYED.