

## India's oil and gas sector heats up

India is one of the fastest growing economies in the world with gross domestic product growth expected to be above 8% this year. The growing energy demands of India's one billion people has effected changes in the market environment, and overhauling the hydrocarbon sector has become a vital goal for the Indian government.

India produces only around 30% of its crude oil requirements and had to import some \$25 billion worth of crude oil and products in 2002 and 2003. To accelerate the expansion of India's oil and gas sector, 90 blocks have been awarded for exploration under the New Exploration Licencing Policy (NELP) over the last 4 years. In the previous 10 years, only 22 blocks had been awarded.

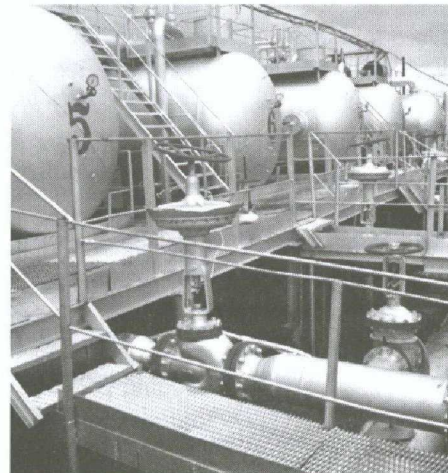
### Digging for opportunities

The exploration initiatives under NELP have shown encouraging results and Canadian exploration companies like Calgary's **Niko Resources**, **Canoro Resources** and Vancouver's **Geo-Global Resources** are taking advantage of these opportunities. In 2002, Niko—in association with its local partner—made the world's largest gas discovery (14 trillion cubic feet) offshore in India. The Indian government is expected to offer additional oil and gas exploration blocks under NELP by the end of May 2004.

The Oil & Natural Gas Corporation (ONGC), India's largest exploration company, recently launched one of the world's biggest-ever deep-water exploration campaigns by a single operator, involving expenditures of \$3.4 million per day over the next three years. ONGC is also launching a \$2.5 billion project for the re-development of the Bombay High oil and gas field and is offering service contracts to private companies for operating offshore and onshore

marginal fields. Companies like Calgary's **Precision Drilling** and **Newsco Directional & Horizontal Drilling** have recently won significant contracts from ONGC.

Indian oil and gas companies are actively acquiring equity oil abroad and will be interested in teaming up with Canadian companies. ONGC Videsh Limited (OVL) acquired a 25% stake in the Greater Nile Project in Sudan from Calgary-based **Talisman Energy** in 2003. OVL also acquired a 20% stake in Sakhalin Oil Fields in Russia for approximately \$2.5 billion and has projects in Myanmar, Libya, Angola, Syria, Vietnam and Iran. In 2002, Reliance Industries Limited India acquired a 20% interest in Yemen's Block 9 from Calgary-based **Calvalley Petroleum**.



To harness new energy sources, the Government of India has awarded 16 blocks for coal bed methane exploration. India is also part of a five-nation consortium exploring methane gas hydrates in Canada's Mackenzie Delta. National programs for blending ethanol with petrol and a pilot project for the use of bio-diesel have also been launched.

### Meeting India's energy needs

Recent gas discoveries in India are expected to significantly reduce the

gap between the high gas demand and relatively low domestic supply. To further bridge the gap, a number of liquefied natural gas projects have been planned across the country. In fact, India's first-ever liquefied natural gas shipment from Qatar arrived in January 2004.

India has emerged as one of the largest emerging gas markets in the Asia-Pacific region and a number of pipelines have been planned across the country to handle the growing availability of natural gas. Gas Authority of India Limited owns most of the existing 6,100-kilometre gas pipeline infrastructure in India. Canadian companies like Calgary's **Telvent** and **Global Thermoelectric** are already providing equipment and services to Indian pipeline companies.

The growing Indian market offers opportunities in all sub-sectors of the oil and gas industry. To assist Canadian companies in tracking upcoming projects, business opportunities will be posted on the **Alberta Electronic Business Information System (AEBIS)** on a weekly basis. This market intelligence is available to all Canadian companies. For more information, contact Tristan Sanregret, e-mail: [tristan.sanregret@gov.ab.ca](mailto:tristan.sanregret@gov.ab.ca).

Also, an Indian delegation will be present at the **Global Petroleum Show** to be held from June 7-10, 2004, in Calgary. For interested Canadian companies, a session on India has been planned at this event on June 8 at the Rotary House on Stampede Grounds.

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## Canadian software company goes global

**A**ppplied Courseware Technology (ACT), a small software company out of Fredericton, New Brunswick, recently won an \$800,000 contract with Lockheed Martin, an aeronautics company known internationally as a leader in the design, development and production of jet fighters, military training simulation, and defence and space systems.

With a staff of only a dozen, ACT competed against 71 international candidates to provide an instructional system development tool for Lockheed Martin's \$270-billion F-35 Joint Strike Fighter project. Specializing in software for the analysis and design of training systems, ACT focuses on building models that provide detailed analyses of training requirements, indicates return on investment and can demonstrate whether systems comply with specified regulations and requirements.

With a very unique service offering, ACT works mainly with large, highly regulated organizations, usually in the military and aerospace industries. Lockheed Martin is just one of the company's multimillion dollar contracts to date. Other organizations include BAE Systems, the U.S. Navy, the European Aeronautic Defence and Space Company and Lufthansa Technical Services.

Getting this dynamic list of clients did not happen overnight. In the mid 1990s, 80% of ACT's revenue was attributed to Canadian federal government contracts. At that time, the company looked to hold onto this revenue and diversify into new markets. Gerry Costello, founder and President of ACT, explained that it was important as a small firm entering the international arena to remain focused on the company's highly specialized skill-set and "stick to our knitting."

When the company began expanding into the U.S. and Europe, ACT



New Brunswick's Applied Courseware Technology won a contract with Lockheed Martin's \$270 billion F-35 Joint Strike Fighter project.

invested in market research and drew upon the services of trade commissioners at Canadian embassies and consulates in the U.S. and England. It was helpful for Costello and company to understand the local markets, mitigate risk and familiarize themselves with major contacts in the industry. Ultimately, it was the company's solid reputation that saw it transition into a successful international company.

### Good advice

Costello recommends that any Canadian company interested in

expanding internationally should make themselves recognized by the leading global suppliers in their field, whether it is through a Canadian embassy or consulate or other sources at the federal or local level. The long term benefits of a "word of mouth" reputation can lead to a positive association with a successful product or company. ACT is proof that a shining reputation can go a very long way toward achieving objectives in international business.

**For more information**, go to [www.integrator.com](http://www.integrator.com).

## CanadExport survey — continued from page 1

- among CanadExport readers who visit the on-line version, over 85% would recommend the site to their business colleagues;
- respondents particularly enjoy the pullout supplements which focus on a geographical area or specific topic like women entrepreneurs;
- on average, each copy of CanadExport reaches three people: the subscriber, plus at least two colleagues; and
- most readers are interested in the U.S. in terms of exports, followed by Europe and the Asia-Pacific region.

The results of this survey are accurate within +/-3 percentage points at the 95% confidence level. **For more information**, or to submit your comments, contact *CanadExport*, e-mail: [canad.export@dfait-maeci.gc.ca](mailto:canad.export@dfait-maeci.gc.ca).