REPORT 4 89/02/06

QUARTERLY PROGRESS REPORT OF EXPORT PROMOTION PROGRAM AT MISSIONS ABROAD FOR FISCAL YEAR 88 FORECAST OF KEY ACTIVITIES AND ANTICIPATED RESULTS STATED IN MISSION'S ANNUAL PLAN

POST :637-SAD PAULO

011-OIL & GAS EQUIPMENT, SERVICES BRAZIL

PLANNING: ACTIVITIES PROPOSED IN POST PLAN:

ALL SUB-SECTORS

FOLLOW UP TO INSTITUTIONAL PARTICIPATION IN OIL AND GAS SHOW IN RIO DE JANEIRO AND PETROBRAS VISITS TO CANADA

FOLLOW UP ON NATURAL GAS SEMINAR HELD IN NOVEMBER 87 TO ENSURE LOCAL PARTNERSHIP ESTABLISHED TO BID ON UPCOMING TENDERS.

IDENTIFICATION OF LOCAL PARTNER FOR MAJOR CANADIAN FIRM(S) IN OIL/GAS DEEPWATER PRODUCTION EQUIPMENT/SERVICES

SECOND OIL AND GAS SEMINAR WITH PETROBRAS (AND BRAZILIAN PRIVATE SECTOR)TO BE HELD IN CANADA AFTER NPS.

INTENSIFY PROGRAM OF REGULAR VISITS TO PETROBRAS, GAS DISTRIBUTION COMPANIES, EQUIPMENT MANUFACTURERS.

PRODUCE SITREPS ON EVOLUTION OF OIL AND GAS SITUATION IN BRAZIL.

CONSOLIDATION OF RANGE OF COMMERCIAL RELATI-ONSHIPS & IDENTIFICATION OF NEW OPPORTUNITIES

ANTICIPATED RESULTS:

FOR SALES AND TECHNICAL COOPERATION

3 JOINT VENTURES IN NATURAL GAS DISTRIBUTION AND TRANSPORTATION/SERVICING; UP TO \$ 10 MIL-LION IN SALES.

ONE JOINT VENTURE; UP TO \$25 MILLION IN 3 YEARS

INCREASED EXPOSURE OF CDN CAPABILITIES; ENHAN-CED PROFILE WITH PETROBRAS & STATE GAS DISTR-IB.COYS; IDENTIFICATION OF NEW SALES/COOPERA-TION ACTIVITIES.

SUPPORT ONGOING MARKETING & INDUSTRIAL COOPE-RATION DEVELOPMENT ACTIVITIES(ADDITION.\$10 MILLION IN SALES AND 5 NEW J.V.)

IDENTIFICATION OF NEW OPPORTUNITIES FOR SALES /TECHNOLOGY COOP.(2 TO 3)THRU TIMELY REPORT-ING TO MEADQUARTERS.

TRACKING:

ACTIVITIES UNDERTAKEN IN QUARTER:

GUARTER: 1 A)BEGIN PLANNING & ORGANIZATION OF MISSION TO CONEXPO/ARPEL OIL SHOW & CONGRESS OCT. 88. B)PETROBRAS PARTICIPATION IN NATIONAL PETROLEUM SHOW.

GUARTER: 2 Assist EDC in nego. of Credit facil. w/PETROBRAS Proceed w/prepara. of Cdn particip. in COMEXPO '88 & follow-up on PETROBRAS projects. Prepare report on oil and gas (PETROBRAS's Investment Plan)

QUARTER: 3 -----

QUARTER: 4 -----

QUARTERLY RESULTS REPORTED:

DIRECTLY CONTACTED 50 CDN COYS & OBTAINED 15 ABSTRACTS FOR PAPERS. SPACE RESERVED FOR CDA STAND.SELECTION OF PARTICIPANTS IN PROGRESS. FULLY PRPEARED BRAZILIAN PARTICIPANT MILTON FRANKE AND ALTA. FOR HIS VISIT.

Will result in signing of credit facility with PETROBRAS in Nov. 88. This resulted in invitation of 2 Canadian co's to participate in gas projects. Increased interest in Cdn gas technology as a whole