EPORT 4 9/05/10

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

OST :303-NAIROBI

011-OIL & GAS EQUIPMENT, SERVICES KENYA

LANNING: ACTIVITIES PROPOSED IN POST PLAN:

ANTICIPATED RESULTS:

ALL SUB-SECTORS

PROMOTE PROPOSAL SUBMITTED BY CDN COMPANY FOR EXTENSION CONTRACT FOR CDN COMPANY IF PROPOSAL ACCEPTED OF MOMBASA-NAIROBI OIL PIPELINE TO UGANDAN BORDER.

PROMOTE PROPOSAL SUBMITTED BY CDN COMPANY FOR CONTRACT FOR CDN COMPANY IF PROPOSAL ACCEPTED REHABILITATION AND UPGRADING OF MOMBASA OIL REFINERY.

INVESTIGATE PLANS FOR EXPLORATION, EQUIPMENT TENDERS, ESPECIALLY POSSIBLE CONTRACTS FOR DRILLING, SERVICES OR GEOTHERMAL SECTOR AND REPORT TO DRIE, DEA, PROVINCES. EQUIPMENT. INTRODUCE TWO NEW COMPANIES TO

MARKET.

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RACKING: ACTIVITIES UNDERTAKEN IN QUARTER:

QUARTER: 1 SUPPORT LAVALIN'S ACTIVITIES TO OBTAIN CONTRACT FOR WSET KENYAS PIPELINE EXTENSION TO ELDORET. CONTINUE PROMOTION OF CDN SURVEYORS & DRILLING TRACT. VISIT OF MINISTER OF ENERGY TO CANADA, AND CONTRACTORS FOR BUSINESS W/MULTI NATIONALS IN OIL & GAS EXPLORATION & W/KENYAN GOVT.

QUARTER: 2 Monitor developments in West Kenya pipeline project on behalf of lavalin and EDC. Promote image of Cdn drilling contractors with GOK and multinationals.

QUARTER: 3 Monitor developments in West Kenya pipeline project. Promote Cdn drilling contractors with GOK and multinationals.

QUARTER: 4 ---marrie as attented outly benefits on within QUARTERLY RESULTS REPORTED:

INCREASED ACTIVE SUPPORT FOR LAVALIN WITH ENERGY MINISTRY IN ITS EFFORTS TO SECURE PIPELINE CON-CONTINUOUS FOLLOW-UP BY POST WITH MINISTRY WERE HIGHLIGHTS.

Discussed pipeline proj. with GOK& Parastatal officials, Lavalin rep and EDC. Lavalin/french joint bid competes with Jpnse. Financing impasse & possible W.B. involvement complicate matter. Bawden Won Drilling contract w/total & partners.

World Bank appears prepared to finance part of W. Kenya pipeline extension. Possibility emerged of Lavalin/Japanese cooperation for substantial portions of project.