

VI. HOW TO DO BUSINESS IN THE OIL AND GAS INDUSTRY:

A planned expansion in Ecuador's production capacity from 320,000 bpd to 450,000 bpd will create significant opportunities for Canadian investors and suppliers of capital and technology. Likewise, new exploration will require private capital investments and project financing on a large scale. Strategic association with local firms, would provide access to financial and technological resources that will help Ecuador to meet energy goals such as:

- *production, upgrading and conversion of heavy crude;
- *upgrading of refineries to process heavy crude;
- *exploitation of natural gas for local and export markets;
- *development of petrochemical and other related business projects

Once a potential investment opportunity has been identified, it will be necessary to initiate a dialogue and obtain more information concerning the investment opportunity. The Canadian Consulate in Quito can provide information on the PETROECUADOR officers to approach.

Firms interested in supplying equipment or services to PETROECUADOR requir a legal representative or local agent as well, should be registered with the appropriate subsidiary and with PETROECUADOR Huston's office. Normally only registered companies receive specification and invitations to BID. It is recommended that firms interested should establish contact with local firms for this process. The Canadian Consulate in Quito is able to assist firms in the selection process.

Patience and long term commitment to this market is a necessary element for success.