

SHARING TRADE SECRETS

Top Canadian Engineering Firm Solidly Entrenched in Russia

With over 20 years of experience in Russia, SNC-Lavalin Group Inc. has a number of large and varied projects under its belt in that country — in addition to a number of major contracts it is currently working on.

It was back in 1976 that the Montreal-based and Canada's foremost engineering-construction firm signed its first contract — for the supply and services to drill oil wells safely in permafrost regions.

The \$9 million contract — financed entirely by the Canadian Export Development Corporation (EDC) — was followed shortly afterward by a procurement and engineering services contract for the construction of four phosphoric acid plants, each with a capacity of 1,000 tonnes a day, at a total cost of US\$155 million.

It was on the heel of these initial contracts that the company decided to open an office in Moscow some ten years ago, to provide it with an understanding of current market conditions, seeking out prospects for new projects, and maintaining contacts with clients.

Why did SNC-Lavalin choose Russia?

"Given similarities in climate and major industries," says SNC-Lavalin's Senior Vice-President, Eurasia, John Lackowicz, "the company had the vision to see that its home-grown expertise could well answer the needs of Russia and the Commonwealth of Independent States (CIS)."

This foresight has handsomely paid off as the multinational company was contracted to undertake other major projects within the CIS — from oil fields to urban transit — each worth more than \$200 million.

These projects — some com-

pleted — include the Astrakhan sour gas field, and Tengiz sour oil field, well testing and well gathering system; the Tengiz sour oil and gas processing plant; the Zhanazol oil and gas plant expansion (preliminary stage); and a metro system for the city of

Strategy for Russia

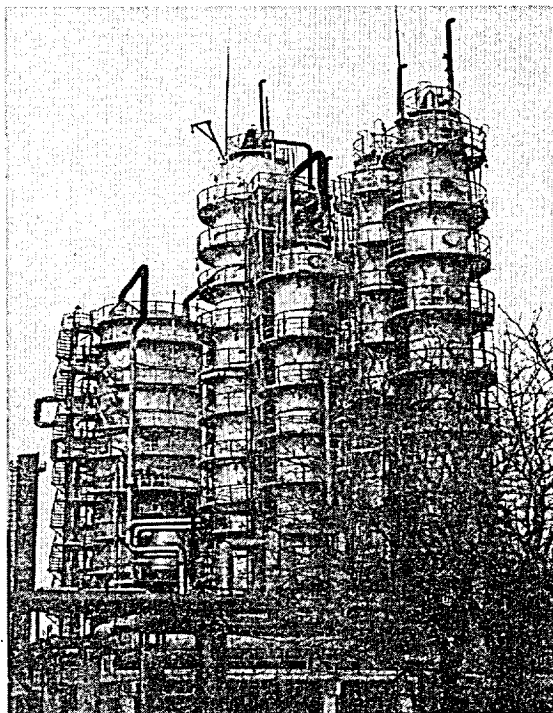
SNC-Lavalin's policy is to concentrate on economically viable projects that have a high priority in the country.

Although the company is active in markets throughout the world, Russia and the CIS rank among the key regions where it supplies its engineering and project management services catering to a wide range of industry and infrastructure.

Currently, SNC-Lavalin's largest contract — \$500 million — in Russia is the modernization of the Volgograd refinery for that country's largest oil company, JSC "LUKOIL".

Pursuing small to large contracts, a top multinational company like SNC-Lavalin still maintains close ties with local Canadian embassies. "They are our allies and partners," Lackowicz emphasizes, "helping us in opening doors and maintaining contacts with senior officials in government and industry."

For more information on SNC-Lavalin — with offices throughout Canada and 30 other countries — contact Director, Public Relations, Suzanne Lalonde. Tel.: (514) 393-1000. Fax: (514) 875-4877.



LUKOil refinery modernization by SNC-Lavalin

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