

TEAM CANADA 2002 SCORES \$337 MILLION IN NEW BUSINESS DEALS IN RUSSIA

February 15, 2002
Moscow, Russia

Prime Minister Jean Chrétien witnessed today the signing of 77 new business deals by Canadian enterprises during the Russia portion of the Team Canada 2002 trade mission. The deals, totalling \$337.151 million, include 25 contracts, totalling \$148.059 million, and 52 memoranda of understanding and letters of intent, totalling an estimated \$189.092 million.

"The success of Team Canada 2002 is a clear sign that the time is ripe for Canadian companies to substantially raise their profile in the new Russia," said the Prime Minister. As President Putin carries forward the historic program of reform that is anchoring Russia as an open, market-driven economy, it is clear that Canadian and Russian businesses will enjoy many more opportunities to realize their full potential as commercial partners."

The deals include a wide range of projects and investments in key sectors including agriculture and food, housing and construction materials, education, oil and gas, mining, and technology, including cold-weather technology.

As well, Canada Mortgage and Housing Corporation (CMHC) signed a Protocol with the State Committee on Construction, Architecture and Housing Policy which marks the establishment of a new Russian building code for single-family dwellings based on Canada's building code. This will create new opportunities in the Russian market for Canadian builders and construction material suppliers.

The deals were signed at the Luzhniki Sports Centre where Canada and Russia faced each other 30 years ago in the 1972 world hockey Summit Series. The Team Canada 2002 trade mission will head to Germany February 17.

- 30 -

CANADA-MOSCOW BUSINESS AGREEMENTS Backgrounder

Advantech, Montreal, Quebec

Advantech signed a contract with Syrus Systems of Moscow to supply satellite transmission equipment to transmit data and provide emergency restoration systems. The contract is valued at \$250,000, all of which is Canadian content.

Agrimex Inc., Montreal, Quebec

Agrimex signed a contract with Grus Ltd of Volgograd to develop commercial applications of alternative power technology.

Algonquin and Lakeshore Catholic District School Board, Napanee, Ontario

Algonquin and Lakeshore Catholic District School Board signed a memorandum of agreement with York Group Educational Services, Moscow, establishing a joint partnership to provide opportunities for Russian students to earn an Ontario Secondary School Diploma in Canada. The agreement is valued at \$150,000, all of which is Canadian content.

Algonquin and Lakeshore Catholic District School Board signed a memorandum of agreement with Maganom Educational Centre, Moscow, establishing a joint partnership to provide opportunities for Russian students to earn an Ontario Secondary School Diploma in Canada. The agreement is valued at \$150,000, all of which is Canadian content.

Amelin Engineering Ltd, Concord, Ontario

Amelin Engineering signed a memorandum of understanding with OOO Interblock of Moscow to establish an assembly plant in Moscow to assemble steam generators.

Amelin Engineering signed a memorandum of understanding with the Ministry of Housing and Municipal Services of the Republic of Bashkortostan, to establish an assembly plant in the city of Ufa to assemble steam generators. The agreement has a potential market value of \$30 million over the next two years, of which \$15 million is Canadian content.

Amelin Engineering signed a memorandum of understanding with Steamwood of Staryi, Oskol, Belgorod region, to provide consulting engineering services relating to wood drying and water treatment using steam generating technology. This agreement is valued at approximately \$8 million over three years, all of which Canadian content.

Amelin Engineering signed a memorandum of understanding with OOO Nizhngorodsky Dom of Nizhny Novgorod to establish an assembly plant in Russia to assemble steam generators. This agreement is valued at \$48 million over the next two years, of which \$24 million is Canadian content.

Benol Corporation, Ottawa, Ontario

Benol has signed a contract with Cardiology Research Complex, Ministry of Health of the Russian Federation, Moscow, for the sale of medical equipment. The agreement is valued at \$12 million, all of which is Canadian content.

Canada North Projects, Yellowknife, Northwest Territories

Canada North Projects signed a memorandum of understanding with Petrospect of St. Petersburg to transfer technology and supply equipment for the manufacture of roof trusses and building components for Canadian wood frame homes. The agreement is valued at \$250,000, all of which is Canadian content.

Canada Grain Inc. (a division of SIMEX), Montreal, Quebec

Canada Grain Inc. signed a contract with Erconproduct Ltd. of Moscow to supply green peas for their canning factory. The contract is valued at \$160,000, all of which is Canadian content.

Canada-Russia Society for Economic and Cultural Cooperation, Toronto, Ontario

The Canada-Russia Society for Economic and Cultural Cooperation signed a memorandum of understanding with RUSCAN to promote economic ties and attract and develop new business by connecting successful businesses in the two countries.

Canadian Business Consultants International, Salmo, British Columbia

Canadian Business Consultants International signed a memorandum of understanding with the Learning and Methodological Centre, Moscow, to collaborate on the development of an entrepreneurial skills training program focusing on former military personnel and rural youth. The agreement is valued at \$75,000, all of which is Canadian content.

Canadian Iceberg Vodka Corp., St. John's, Newfoundland and Labrador

Canadian Iceberg Vodka signed a letter of intent with Niagara Foods Ltd. of Moscow to enter into an agreement to sell Iceberg Vodka in Russia. Niagara will be given a contract for exclusive distribution rights for a three-year period, and the companies will combine their efforts and expertise to promote the sale of Iceberg Vodka in Russia. The agreement is valued at an estimated \$7 million, all of which is Canadian content.

Canadian Mortgage and Housing Corporation (CMHC), Ottawa, Ontario

CMHC signed a protocol with the State Committee on Construction, Architecture and Housing Policy (GOSSTROY) formalizing the establishment of a new Russian building code for energy-efficient, single-family dwellings based on the Canadian building code. The project has been supported by the Canadian International Development Agency.

Canam Services Inc., Calgary, Alberta

Canam Services signed a contract with Vanyoganneft, Nizhnevartovsk, to supply equipment for drilling operations. The agreement is valued at \$8 million, all of which is Canadian content.

Canbreal Therodiagnostic International, Ottawa, Ontario

Canbreal Therodiagnostic signed a memorandum of understanding with the Pavlov State Medical University, St. Petersburg, to jointly develop a strategic program to foster alliances for emerging technologies and innovative research involving the early detection and treatment of breast cancer based on Canbreal products and technologies. The agreement is valued at \$3 million, of which \$2 million is Canadian content.

Canbreal Therodiagnostic signed a memorandum of understanding with the Municipal Centre of Viral Research of St. Petersburg to establish mutual cooperation for the development of regional programs for innovation on aspects of early diagnosis and treatment of cancer, particularly breast cancer and HIV/AIDS. The screening methodologies are based on Canbreal products and technologies. The agreement is valued at \$3 million, of which \$2 million in Canadian content.

Canbreal Therodiagnostic signed a memorandum of understanding with the Yamalo-Nenetsk AIDS Centre to establish mutual cooperation for the development of regional programs for innovation on aspects of early diagnosis and treatment of HIV/AIDS and steroid dependent cancers, primarily breast cancer. The screening methodologies are based on Canbreal products and technologies. The agreement is valued at \$3 million, of which \$2 million in Canadian content.

CANstroy International Inc., Toronto, Ontario

CANstroy International signed a contract with 000 Rusky Dvor of Kamchatcka Oblast to provide procurement of building materials to build 30 single-family homes and 20 townhouses. The agreement is valued at \$2.4 million, of which \$1.44 million is Canadian content.

CANstroy signed a contract with Polysanbtorg of Surgut to provide procurement of building materials and engineering and design consulting for a five-story residential building. The agreement is valued at \$4.45 million over three years, of which \$2.67 million is Canadian content.

Centre for Trade Policy and Law, Ottawa, Ontario

The Centre for Trade Policy and Law signed a memorandum of understanding with the Centre for Trade Policy and Law of Moscow, to formally undertake joint marketing and business development in support of their respective organizations' long-term objectives. They will also jointly support Russia's accession to the World Trade Organization.

CEP International Petroleum Ltd., Calgary, Alberta

CEP International signed a letter of intent with Koriakia Autonomous Okrug to pursue onshore oil exploration in this autonomous region. The agreement is valued at \$30 million, all of which is Canadian content.

Conicor Consul International Group, Montreal, Quebec

Conicor signed a contract with OAO Agropemishlenaya Kompania of Moscow to modernize and provide technical enhancements to twelve poultry production facilities in the Moscow region and central Russia. The agreement is valued at \$25.5 million, all of which is Canadian content.

Connex International Inc., Calgary, Alberta

Connex International signed a contract with Industrial Systems Ltd., Omsk, to provide design and project management services for completion of a residential subdivision and development of a commercial centre in Omsk using Canadian methodologies. The agreement is valued at \$102,000, all of which is Canadian content.

Connex International signed a memorandum of understanding with Industrial Systems Ltd. to provide design and project management services for the development of an industrial park using Canadian methodologies.

Connex International signed a memorandum of understanding with Industrial Systems Ltd to provide professional services related to the training and development of technical construction methods, sales and marketing techniques, and financing and mortgage lending strategies.

Custom House Currency Exchange, Victoria, British Columbia

Custom House Currency Exchange signed a letter of intent with the National Cosmic Bank to share resources for the purpose of opening foreign exchange brokerage offices in Russia. The agreement is valued at \$5 million, all of which is Canadian content.

Custom House Currency Exchange signed a letter of intent with Lanit of Moscow for the provision of information technology support to develop infrastructure for electronic communications with Russian banks and customers.

Custom House Currency Exchange signed a letter of intent with the UFK-Consulting of Moscow to provide consulting services on legal and organizational steps on opening Canadian businesses in the currency exchange domain.

Diamond Business Systems, Toronto, Ontario

Diamond signed a memorandum of understanding with Mir Pharma of Moscow to design, install and provide technical support of an integrated computer and communications network. This agreement is valued at \$477,000, all of which is Canadian content.

Export Development Canada, Ottawa, Ontario

Export Development Canada signed a memorandum of understanding with Alrosa Company Limited of Moscow in which EDC will consider financing and insuring Canadian exports considered for procurement by Alrosa.

Finline Technologies Ltd., Waterloo, Ontario

Finline Technologies signed a contract with Ekran of St. Petersburg to provide a multipoint multichannel distribution system (wireless access for high speed internet, telephone and television broadcasting). The agreement is valued at \$4 million, of which \$3.5 million in Canadian content.

Finline Technologies signed a contract with Vlux Association of Moscow to provide a multipoint multichannel distribution system (wireless access for high speed internet and television broadcasting). The agreement is valued at \$715,000, all of which is Canadian content.

Finline Technologies signed a memorandum of understanding with Vlux Association of Moscow for a distribution agreement and prospects for services in Russia.

Fox 40 International Inc., Hamilton, Ontario

Fox 40 International signed a contract with Sport Legion of Moscow for Sports Legion to act as Russian distributor for Fox 40's sports products, including the world's most advanced Canadian-made Fox 40 pealess whistle. The agreement is valued at \$160,000, all of which is Canadian content

Gartner Lee Limited, Toronto, Ontario

Gartner Lee signed a memorandum of understanding with the Moscow City Government on environmental cooperation, the first phase being to develop a solid waste management planning, training and education project.

Hatch, Mississauga, Ontario

Hatch signed a contract with Sual Holdings of Moscow to prepare a pre-feasibility study for the construction of a greenfield alumina refinery in Komi Republic. The agreement is valued at \$400,000, all of which is Canadian content.

Hatch signed a general cooperation agreement with Sual Holdings to establish a cooperation program with the Komi Republic to develop a greenfield aluminum complex in the Komi Republic.

International Informatization Academy, Montreal, Quebec

International Informatization Academy signed a memorandum of understanding with the Ministry of Agriculture of the Republic of Tatarstan, Kazan, to create a joint venture to supply Canadian equipment and pregnant cows for a pilot project to develop the milk production industry in Tatarstan. The agreement is valued at \$30 million over 3 years, of which \$24 million is Canadian content.

International Informatization Academy and McGill University signed a memorandum of understanding with Moscow State University's Faculty of Management for the exchange of students and programs and the development of a distance education system. The agreement is valued at \$5 million over two years, of which an estimated \$2.5 million is Canadian content.

International Informatization Academy and McGill University signed a memorandum of understanding with the Moscow State Institute of Foreign Affairs for the exchange of students and programs and the development of a distance education system, and to use McGill's MBA program as a model to create similar programs in Moscow. The agreement is valued at \$5 million over two years, of which \$2.5 million is Canadian content.

International Informatization Academy signed a memorandum of understanding with the Novochoerkask Liquor and Vodka Plant to create a joint venture company in Montreal to import Russian vodka, as well as produce, bottle and distribute vodka in North America. The joint venture investment is valued at \$20 million over 4 to 5 years, of which \$15 million is Canadian content.

International Informatization Academy signed a memorandum of understanding with the Russian Test and Certification Centre (Rostest), Moscow, to establish an agency of Rostest in Montreal to certify products for export from North America to Russia. The agreement is valued at \$3 million, of which \$2.7 million is Canadian content.

International Informatization Academy signed a memorandum of understanding with Stroyinnovatsia 000 of Perm establishing a joint venture using Canadian technology to produce building materials for housing projects in Perm. The agreement is valued \$60 million, of which \$6 million is Canadian content.

InterUniversity Centre Canada, Guelph, Ontario

InterUniversity signed a memorandum of understanding with the Russian Academy Sciences for a training program, "Introduction to the Russian Market" to be held in Russia for entry-level businesses and new employees of established businesses, who will deal with the Russian market. The agreement is valued at \$90,000, all of which is Canadian content.

InterUniversity Centre Canada signed a letter of intent with Moscow State Lomonosov University to develop an inter-faculty system of courses offered in English, open to both Russian and foreign students. More generally, to strive to increase exchanges of students and faculty and promote collaborative research and projects involving faculty and students of Moscow State University and Canadian universities.

InterUniversity Centre Canada signed a contract with Foundation for Agrarian Development Research for a one-month course on the sociology, economics and politics of Russian agriculture and agri-food. The course is aimed at North American students, will be offered in English, and will take place in Russia. The first offering will be in the summer of 2002. This contract is worth \$18,000, all of which is Canadian content.

InterUniversity Centre Canada signed a contract with Ecological Travel Center for a one-month course-expedition through the ecological zones of Central Siberia, to be offered for the first time in August-September 2002. This contract is worth \$45,000, all of which is Canadian content.

InterUniversity Centre Canada signed a contract with Centre for International Educational Programs, St. Petersburg State Technical University for a program of Russian language, science and culture for North American students, to be offered on a continuing basis in three trimesters each year. This contract is worth \$48,000, all of which is Canadian content.

Lovat Inc., Toronto, Ontario

Lovat signed a contract with Engeocom of Moscow to supply spare parts for their a tunnel boring machine. The agreement is valued at \$843,000, of which all is Canadian content.

Lovat signed a memorandum of understanding with Metro Kazan of Kazan to supply a second tunnel boring machine. The agreement is valued at \$10 million, all of which is Canadian content.

Province of Manitoba, Winnipeg, Manitoba

The Province of Manitoba signed a letter of intent with the Murmansk Region to develop maritime links between the arctic ports of Churchill, Manitoba and Murmansk, Russia.

The Province of Manitoba signed a letter of intent with the Krasnoyarsk Region to develop new polar air routes between Winnipeg, Manitoba and Krasnoyarsk, Russia.

Montrade Inc., Montreal, Quebec

Montrade signed a contract with Luzhniki Corporation of Moscow to supply revolutionary artificial grass for Russia's Olympic Stadium and surrounding eight training fields. The agreement is valued at \$3.5 million, all of which is Canadian content.

International Student Education Department, Nanaimo-Ladysmith School District, Nanaimo, British Columbia

The International Student Education Department of the Nanaimo-Ladysmith School District signed a memorandum of understanding with PARTA of Moscow, to recruit Russian students for high school studies in Nanaimo.

The International Student Education Department of the Nanaimo-Ladysmith School District signed a memorandum of understanding with the European School of St. Petersburg to recruit Russian students for high school studies in Nanaimo.

The International Student Education Department of the Nanaimo-Ladysmith School District signed a memorandum of understanding with The Consulting Centre, European Centre, Moscow, to recruit Russian students for high school studies in Nanaimo.

The International Student Education Department of the Nanaimo-Ladysmith School District signed a memorandum of understanding with Franz and Lefort Education and Counseling Centre to recruit Russian students for high school studies in Nanaimo.

NASCOR, Calgary, Alberta

NASCOR signed a letter of intent with Severny Dom of Moscow licensing their structural building technology to Dom to build components for wood frame houses. The agreement is valued at \$3.18 million, all of which is Canadian content.

Nascor signed a letter of intent with Perspektiva of Perm licensing their structural building technology to Perspektiva to build components for wood frame houses as well as demonstration houses. The agreement is valued at \$1.4 million, all of which is Canadian content.

Nascor signed a memorandum of understanding with the government of Khanty Mansiysk licensing them their structural building technology to build components for wood frame houses. The agreement is valued at \$2.4 million, all of which is Canadian content.

Phoenix Geophysics Ltd., Toronto, Ontario

Phoenix Geophysics signed a memorandum of understanding with the St. Petersburg State Mining Academy to train Academy personnel on the use and interpretation of Phoenix's geophysical exploration equipment.

RJZ Mining Corporation, Calgary, Alberta

RJZ Mining signed a contract with OAO Volganefit of Samara to provide management, equipment and technical services in oil and gas exploration and development. The contract is valued at \$24 million over three years, of which \$7.2 million is Canadian content.

Ronald A. Chisholm Ltd., Toronto, Ontario

Ronald A. Chisholm signed a contract with Sistema-Agro of Moscow to supply them with dairy products for retail sale and meat products for further processing in Russia. The agreement is valued at \$39 million over three years, all of which is Canadian content.

Ronsco Inc., Montreal, Quebec

Ronsco signed a marketing agreement with the city of Nizhny Tagil to import semi-processed railway steel wheels and finish them in Canada.

Ronsco signed a contract with Zavod Machinostroitel of Voskresensk for the exclusive distribution of grinding media, which is used for grinding down rocks and minerals for industrial applications and used by different industries. The agreement has a potential value of \$19 million over three years, all of which is Canadian content.

SNC-Lavalin, Montreal, Quebec

SNC-Lavalin signed a contract with Moscow JSC City to provide engineering design services for a series of multi-functional train stations along a proposed rapid transit link between Sheremetievo Airport and the Leningradsky Railway Terminal Station. This contract is valued at \$280,000, most of which is Canadian content.

SNC-Lavalin signed a protocol of intent with JSC Elgaugol to hold negotiations and carry out a joint activity on the preparation of the agreement foreseeing joint implementation in the project of Elga Coal Deposit Development. The project includes the development of a 2.7 billion ton coal deposit located in the Republic of Sakha.

SNC-Lavalin signed a memorandum of cooperation for joint work with the administration of Samara Oblast for the design and construction of an investigative detention facility in the Volzhsk district of Samara City.

Tamwood International College, Vancouver, British Columbia

Tamwood International College signed a memorandum of understanding with Students International Limited of Moscow to promote Tamwood's Adult and Junior English as a second language study programs at S.I.'s 36 study abroad offices across Russia. The value of the project is \$150,000 over the first year of a multi-year agreement, all of which is Canadian content.

Thomson Technology Inc., Langley, British Columbia

Thomson Technology signed a memorandum of understanding with Zvezda Energetika of St. Petersburg to supply controls for a remote diesel powered generation plant in Yakutia. The agreement is valued at \$2.4 million, all of which is Canadian content.

The University of Manitoba and the Canadian Centre on Disability Studies, Winnipeg, Manitoba

The University of Manitoba and the Canadian Centre on Disability Studies signed a memorandum of understanding with the Moscow State Social University to promote socio-economic and human resource development through research, education, business ventures and exchanges between academic staff, professionals, people with disabilities and governments.

West Group Resources, Toronto, Ontario

West Group Resources signed a contract with Tyumen Oil Company of Moscow to develop and implement software designed to operate TNK gasoline stations throughout Russia and integrate their operations into a central data processing centre. The contract is valued at \$4.07 million, all of which is Canadian content.

West Group Resources signed a contract with Tyumen Oil Company to rebuild, in accordance with TNK corporate standards, a network of over 650 gasoline stations. The contract is valued at \$37.8 million, all of which is Canadian content.

West Group Resources' subsidiary Global Cro signed a contract and a memorandum of understanding with Orenburgnefteproduct, a subsidiary of Tyumen Oil Company, to computerize their fuel terminals and monitoring systems. The contract is valued \$358,000, and the memorandum is valued at \$1.67 million, all of which is Canadian content.