

Team Canada in Indonesia: \$2.76 Billion in commercial deals

January 17, 1996

Jakarta, Indonesia - Prime Minister Jean Chrétien and six provincial premiers today witnessed the signing by Canadian businesses of 54 new business deals worth \$2.76 billion in Jakarta.

The business deals include \$565.67 million in commercial contracts and \$2,195.89 million in agreements in principle, including memoranda of understanding and letters of intent.

"The last few years have seen trade between Indonesia and Canada grow at a very rapid rate and both countries have been major forces for trade liberalization through APEC," said Prime Minister Chrétien. "This is a solid base to build on, and Team Canada has taken on that building job in earnest - with the deals signed today."

Today's signings in Jakarta bring the amount of business deals signed so far during the Team Canada trade mission to \$8.2 billion.

Also at today's signings, but not included in the \$2.76 billion total, Asamera Overseas Limited, a wholly-owned subsidiary of Gulf Canada Resources of Calgary, in cooperation with Talisman Energy, signed an acknowledgement of its memorandum of understanding with Pertamina, the state oil company of Indonesia, which will result in a new planned gas infrastructure investment of \$800 million.

Backgrounders on the deals signed today in Jakarta are attached.

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NEW CANADIAN INITIATIVES IN INDONESIA Background on Signing Ceremony in Jakarta

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ASL Analytical Service Laboratories Ltd., Vancouver, British Columbia

Allan Maynard representing ASL Analytical Service Laboratories Ltd. has signed a joint venture agreement with Dr. Thomas Suleiman of Surrey, B.C. and Dr. Frans Tshai of Jakarta, forming P.T. ASL Indonesia, an environmental services business in Indonesia. The new company is building a laboratory near Bogor, aiming to make it a "centre of excellence" in environmental laboratory services. This project will also involve an office opening in Jakarta. The total value of the project is \$1.5 to \$2 million. This project is partially supported by the Canadian International Development Agency's Industrial Co-operation program.

Aerodat Inc., Mississauga, Ontario

Aerodat Inc. has signed a memorandum of understanding with P.T. Multinusa Mineral of Jakarta to market and develop airborne geophysical and other technologies and services for the oil and gas and mining sectors. Aerodat's airborne geophysical services include bothymetric measurements, environmental site evaluation for nuclear or toxic waste disposal and searching for groundwater.

Aquarius Flight Inc., Markham, Ontario

Aquarius Flight Inc., a firm specializing in aerial photography and remote sensing, has signed a memorandum of understanding with P.T. Multinusa Komunindo Sakti of Jakarta to market,

develop applications and execute projects in the Indonesian geomatics and remote-sensing sector.

Armtec, Guelph, Ontario

Armtec, a division of Jannock Steel Fabricating Company of Guelph, Ontario, has signed a memorandum of understanding with P.T. Duta Graha Indah of Jakarta to form a joint venture to submit a proposal to supply and install approximately 800 metres of tunnelled storm sewer enclosure at the Sudirman Business District development in Jakarta. The proposal will be submitted to P.T. Dantayasa Arthatarna of Jakarta. As part of this joint operating agreement, Duta Grata will act as the lead contractor, providing all the necessary labour, equipment and machinery to complete the installation. Armtec will provide technical expertise, steel liner plate and field supervision for the project. The estimated value of Armtec's portion of the project is \$2 million.

Asamera Overseas Limited, Calgary, Alberta

Asamera Overseas Limited, a wholly owned subsidiary of Gulf Canada Resources, in co-operation with Talisman Energy, has signed an acknowledgement of its memorandum of understanding with Pertamina, the state oil company of Indonesia which will result in new planned gas infrastructure investment of \$800 million by Asamera/Talisman Energy and their partners.

Atomic Energy of Canada Ltd., Ottawa, Ontario

Atomic Energy of Canada Ltd. (AECL) has signed a technical co-operation agreement with Badan Tenaga Atom Nasional (BATAN), Indonesia's atomic energy agency, to exchange information and staff and to conduct joint research and development programs in the field of nuclear technology. The agreement will help Indonesia become familiar with CANDU technology and thereby facilitate consideration of CANDU for adoption as the basis of Indonesia's planned power program. That program envisages several nuclear power plants, each of which would be valued at up to \$2 billion. As the first step in implementing this program, AECL is initiating a study to determine the feasibility of adapting Indonesia's existing nuclear fuel fabrication plant to produce CANDU fuel.

Atomic Energy Control Board, Ottawa, Ontario

The Atomic Energy Control Board, which regulates Canada's nuclear industry, has signed a technical co-operation agreement with the Indonesian atomic energy authority, Badan Tenaga Atom Nasional (BATAN). This agreement builds on the nuclear co-operation agreement Canada signed with Indonesia in 1982. The AECB will provide a nine-month training program in Canada for six Indonesian officials. The program is sponsored by the Government of Canada through the Canadian International Development Agency Industrial Co-operation Program, the Atomic Energy of Canada Limited and Canadian private sector companies.

Bracknell Airport Development Corp., Toronto, Ontario

Bracknell Airport Development Corp. (BADCO) has signed a memorandum of understanding with P.T. Angkasa Pura 1 (PAP1) of the Indonesian Ministry of Communications to propose a joint venture, which will manage and operate terminal facilities at the Juanda International Airport in Surabaya. The new operating company will have the rights to manage and operate passenger terminal and cargo facilities at Juanda under a long-term concession. If the proposal is approved, BADCO and its consortium partners will make a cash investment in the company, a part of which will be used for facilities improvements. BADCO and its Canadian partners - YVR Airport Services Ltd. and NAPA Airport Development Consultants - will provide the operating company with executive management, technology transfer and training services. The viability study for this joint venture was supported by the Canadian International Development Agency's Industrial Co-operation Program.

Calian Technology Ltd., Kanata, Ontario

Calian Technology Ltd., a satellite telecommunications company, has received a plaque with P.T. Astel of Jakarta and Indosat, an Indonesian government agency, commemorating the

inauguration of the Inmarsat Land Earth Station in Jatiluhur. Calian provided an M/B hub which allows for a link between the Indonesian terrestrial telephone and telex networks and the Inmarsat network. Indosat will use the equipment to offer digital voice, fax and data services between Indonesia and Inmarsat mobile terminals.

Canadian Communications Consortium Inc., North Vancouver, British Columbia

Canadian Communications Consortium Inc., a consortium of nine small communications manufacturers and two federal agencies, has signed a memorandum of understanding establishing a joint venture with the Indonesian Ministry of Education to provide Canadian technology and financing for the design, systems integration and delivery of the National Long Distance Learning Network. The network will use satellites and provide interactive education courses to students in rural and urban areas of Indonesia. An office will be opened in Bogor (outside Jakarta) to support the execution of this project, which could generate an estimated \$65 million in business.

Canadian Wheat Board, Winnipeg, Manitoba

The Canadian Wheat Board has signed a five-year letter of understanding with Indofood of Jakarta, a major food processing company, to supply 1 to 1.5 million tonnes of Western Canadian wheat annually for five years. This agreement could generate an estimated \$1.5 billion to \$2.25 billion in business.

CANDESAL Inc., Ottawa, Ontario

Candesal Inc., a developer of innovative water production and cogeneration systems for seawater and brackish desalinization, has signed a memorandum of understanding with PT Patria Karya Rejeki (PKR), one of the Rejeki group of companies, for the wide-scale introduction of CANDESAL's desalinization technology into Indonesia. As one of the first projects under this agreement, CANDESAL has received an order from PT Primapackimia Rejeki, another member of the Rejeki Group, for a 200-cubic metre-per-day, truck-mounted, reverse osmosis desalinization unit for the Ancol region, north of Jakarta. Financing for the project is being pursued through the Export Development Corporation. Primapackimia has also placed purchase orders for a 1250 and a 3000 cubic-metre-per-day unit to be located in Ancol. These three orders will lead to the export of more than \$4.5 million in Canadian goods and services.

Can-Do International Inc., Richmond Hill, Ontario

Can-Do International, which makes pre-fabricated, cast-on-site concrete housing, has signed a \$5-million contract establishing a joint venture with P.T. Mitra Atlas Perskasa of Jakarta to market and promote Canadian construction materials.

Can-Do International has also signed a contract with P.T. Pancamekar Muktiraya of Jakarta to supply 10,000 cast-on-site pre-fabricated houses. The contract is valued at \$16.6 million per year.

Canora Asia Inc., Calgary, Alberta

Canora Asia Inc., which supplies environmental goods and services, has signed a contract establishing a joint venture with P.T. Putra Alvita Pratama of Jakarta to build, own and operate the water supply, waste water treatment and solid waste management system for a new city, Kota Legenda, which will eventually house 250,000 people. The first phase of the contract involves supplying technical services, construction and equipment to service the first 5000 houses. This five-year phase is valued at \$13.6 million. Canora is owned by 28 environmental engineering equipment and consulting companies and provides clients with expertise in the environmental field.

Canora Asia Inc. has also signed a contract through its joint venture company P.T. Canorindo Prima of Jakarta to build, own and operate a centralized waste water treatment system for Jakarta Industrial Estate Pulagadang. This contract is for \$3.5 million, and when completed, the project will be a demonstration project for future development activities.

Chemetics International Co. Ltd., Vancouver, British Columbia

Chemetics International Co. Ltd., which designs and supplies chemical plants and pollution control systems has signed a \$16-million contract with P.T. Indah Kiat Pulp and Paper Corporation of Tangerang, Jawa Barat, for the supply of a Chlorine Dioxide plant for P.T. Indah Kiat's Perawang pulp mill in Sumatra. This is the fifth such contract between the two companies and it will enable Indah Kiat to increase its production of high quality, environmentally friendly ECF pulp.

Communications PIXART inc., Montreal, Quebec

Communications PIXART inc., a television and audiovisual productions company, has signed a contract with Krida Cipta Pariwara, a Jakarta-based agency and commercial producer, to establish a new television production studio. This new company, PIXANDO, will produce Bahasa language dramatic television series, information programs, kid's fare and quiz shows for the country's five commercial networks. In the next five years, the Jakarta operation should generate revenues of well over \$14 million.

Cott Corporation, Toronto, Ontario

Cott Corporation, a manufacturer of soft drinks, has signed a trademark licensing agreement with its Indonesian partner, P.T. Pance Krida Lestari Investindo, a member of the Gemala Group of companies, for the production of soft drinks in Indonesia. Annual revenues resulting from this agreement are expected to reach \$1 million.

Ecolo Worldwide, Mississauga, Ontario

Ecolo Worldwide, which manufactures odour control equipment, has signed a contract with PT Kodrajaya Purnomo Abadi of Surabaya to distribute Ecolo's deodorizer airSolution™ in Indonesia. The contract is valued at \$200,000 a year. The Ecolo product, airSolution™, is used to eliminate odours from such sources as sewage, landfill transfer stations, washrooms and cooking exhausts.

Enerfin Inc., Boucherville, Quebec

Enerfin Inc., which specializes in the design and manufacture of air and liquid-liquid heat exchangers, a joint venture agreement and a shareholder agreement with P.T. Multifabrindo. Under this joint venture, Enerfin Inc. will transfer technology to P.T. Multifabrindo to establish a manufacturing facility in Oilegon to market, design and manufacture air and liquid-liquid heat exchangers in Indonesia. The projected total value of this agreement is \$1 million. This project is being supported by the Canadian International Development Agency's Industrial Co-operation Program.

Enerquin Air Inc., Montreal, Quebec

Enerquin Air Inc., an engineering firm specializing in the pulp and paper industry, has signed a contract with Mitsubishi Heavy Industries of Japan and P.T. Aspex of Jakarta to provide engineering systems for pulp and paper production in Indonesia. A similar contract with Mitsubishi and P.T. Indah Kiat Pulp and Paper of Tangerang, Jawa Barat, is at the implementation stage with the installation and operation of a new plant at Serang.

Export Development Corporation (EDC), Ottawa, Ontario

EDC, Canada's export credit agency, has concluded financing arrangements with P.T. Bank Umum Nasional of Indonesia in support of two commercial contracts involving P.T. Canorindo Prima and ECO Equipment FEP of Terrebonne, Quebec, and, P.T. Tripatra and Alcatel Canada Wire Inc. of Toronto, Ontario. These are the first two contracts to be signed under the US\$10 million line of credit between Bank Umum National and EDC.

EDC has also signed a declaration of financial co-operation for a sale by Stothert Group of Vancouver, British Columbia, and EIMCO Process Equipment of Mississauga, Ontario, to Indah Kiat Pulp and Paper Co. (IKPP). Financing is being arranged by Barclays Bank PLC, backed by EDC. As IKPP is a frequent purchaser of Canadian goods and services, EDC announces it

intends to present an offer for a line of credit to IKPP for its future purchases from Canada. EIMCO Process Equipment and Stothert Group Inc. have signed a \$20-million contract with Indah Kiat Pulp and Paper Corp. to supply a large recausticizing plant for its Perawang pulp mill. Recausticizing plants recover and recycle chemicals used to make pulp. EIMCO Process Equipment is a supplier of systems and solutions for the pulp and paper industry, providing recausticizing systems, water, wastewater, and boiler feed water treatment plants. Stothert is an engineering and management firm, which provides technical, financial, marketing, training and operations services in the pulp and paper, oil and gas and power sectors.

FAMIC Ltée, Saint Laurent, Quebec

FAMIC, a high technology automation company, has signed a memorandum of understanding to establish a joint venture for the manufacture of vocational educational equipment with P.T. Putranata Adi Mandiri of Jakarta.

Flora Manufacturing and Distributing Ltd., Burnaby, British Columbia

Flora Manufacturing and Distributing Ltd., a Canadian health products firm, has signed a distribution agreement with Amore Prima (P.T. Kharisma Bio Laris) of Jakarta to exclusively market Flora's herbal teas, including its traditional herbal treatment Flor*Essence. This agreement is valued at \$150,000.

Geomatics International Inc., Burlington, Ontario

Geomatics International Inc., specialists in environmental and geoscience services and a member of the Beck International group of companies, has signed a memorandum of understanding with P.T. Multinusa Komunindo Saki of Jakarta, a telecommunications, geology and remote-sensing firm, to facilitate the transfer of airborne remote-sensing technology from Canada to Indonesia. The agreement could generate \$250,000 in business, which includes the mounting of sensors on aircrafts to monitor harmful environmental changes to land and water resources. Geomatics will also work to establish a permanent presence in Indonesia to jointly promote its services with P.T. Multinusa to both the public and private sectors.

Golden Griddle Ltd., Toronto, Ontario

Golden Griddle Ltd., a family restaurant franchise with over 65 restaurants in Canada, has signed a memorandum of understanding with P.T. Anwar Sierad of Jakarta, an integrated poultry producer and restaurant management corporation, to establish the Golden Griddle restaurant chain in Indonesia. Currently 10 franchised restaurants throughout Indonesia with a value of approximately \$4.5 million are planned.

Golden Panthers Resources, Toronto, Ontario

Golden Panthers Resources, a gold exploration and development corporation, has signed a purchase agreement to acquire and expand a Jakarta-based gold mining operation in Kalimantan, P.T. Puncok Cyclop Minerals. P.T. Puncak also holds gold mining prospects in Sumatra and Irian Jaya, which will also be developed under the agreement.

Groupe Chagnon International Ltée, Varennes, Quebec

Groupe Chagnon International Ltée, which specializes in heavy steel equipment, has signed a joint venture contract with P.T. Multi Fabrindo Gemilang of Jakarta to form a joint venture to produce tubular pylons for power transmission. P.T. Multi Fabrindo Gemilang makes process equipment and special structures used in the electrical, chemical, petrochemical and the oil and gas industry.

Groupe Rasakti Inc., Drummondville, Quebec

Groupe Rasakti Inc., a designer and manufacturer of specialized tools for power transmission and aeronautic maintenance tooling, has signed a \$1-million contract establishing a joint venture with P.T. Multi Fabrindo Gemilang of Jakarta to transfer technology related to products intended for electrical distribution networks. The Canadian International Development Agency supported this project.

H.A. Simons, Vancouver, British Columbia

H.A. Simons, an engineering consulting firm with expertise in pulp and paper mills, has signed a contract with PT Kiani Kertas to provide engineering and training services required for the development of the pulp mill in Kalimantan Timur.

Hatfield Consultants Ltd., Vancouver, British Columbia

P.T. Hatfield Prima, a Canadian-Indonesian joint venture company controlled by Hatfield Consultants Ltd., has signed a \$300,000 contract to conduct an environmental impact assessment for P.T. Arutmin Indonesia's proposed coal mine in South East Kalimantan.

Hickling Group, Ottawa, Ontario

Hickling Group, a Canadian management consulting firm, has received a plaque signed by the Prime Minister commemorating the establishment of their office in Jakarta. An initial investment of \$350,000 is being made.

Hughes Aircraft of Canada Ltd., Richmond, British Columbia

Hughes Aircraft of Canada Ltd.'s Systems Division has signed a \$1-million subcontract with P.T. Elektrindodaya Pakarnusa (ELSA) of Bandung to manufacture and install automatic message switching centre equipment, part of the new Jakarta Automated Air Traffic Control System. The new Jakarta air traffic control system is an integral part of the new FAT50 Air Traffic Control Program for Indonesia.

Hydrosult Inc., Montreal, Quebec

Hydrosult Inc., a consulting firm specializing in engineering, hydraulic, water resources planning, environmental management and procurement services has signed a contract with P.T. Ilansa Lestari of Jakarta to study and implement water supply in West Java. This contract is valued at approximately \$1.9 million.

Interprovincial Pipeline International Ltd., Edmonton, Alberta

Interprovincial Pipeline International Ltd. has signed a memorandum of understanding with P.T. Senavangi Wismarta Utama for pipeline development work in central Sumatra. IPL International is a member of the IPL Energy group of companies. IPL Energy owns and operates one of the world's longest and most complex liquid hydrocarbon pipeline systems.

LanSer Technologies Corporation, Montreal, Quebec

Lanser Technologies Corporation, a wireless telecommunications company, has signed a letter of intent with P.T. Telepoint of Jakarta, an Indonesian wireless carrier, to supply the Cellpac™ wireless data services in Indonesia. The Cellpac service will carry credit card, automated teller machine and other transactions using wireless technology. This project will generate \$50 million of equipment exports and \$200 million of services revenues over the next five years.

Les Produits Fraco Ltée, St-Mathias-sur-Richelieu, Quebec

Les Produits Fraco Ltée, which specializes in the design and manufacture of hydraulic working platforms, has signed a joint venture agreement with P.T. Kharisma Konstruksi Perkasa of Jakarta to transfer technology. The technology transfer will involve manufacturing, installation and dismantling of working platforms. The joint venture is valued at \$1 million. The company has already opened an office in Jakarta and has generated \$200,000 in a six month period on rental contracts on building sites in Jakarta.

MPB Technologies Inc., Dorval, Quebec

MPB Technologies (MPBT) Inc., a developer and manufacturer of advanced fibre-optic telecommunications systems, products and technology, has signed a memorandum of understanding to establish a joint operation with P.T. Len Industri (Persero) of Bandung, the largest government-owned electronics company in Indonesia. Under this initial agreement, the two companies will pursue submarine and terrestrial cable systems projects. MPBT will provide training, technology transfer and manufacturing assistance and licensing to enable P.T. Len to

co-manufacture advanced erbium doped fibre (laser) amplifiers. The initial cable systems could generate revenues of \$25 million. The Canadian International Development Agency supported the viability study for this agreement.

Monenco AGRA, Oakville, Ontario

Monenco AGRA, an engineering contractor, has been awarded a \$12-million contract from Indonesia's national power utility Perusahaan Listrik Negara to serve as project manager for the second phase of construction of an 800-megawatt combined cycle power plant at Grati, Indonesia.

Navigation Aeronav International Inc., Lachine, Quebec

Navigation Aeronav International Inc., which provides multilingual technical and consulting services to the international aviation industry, has signed a memorandum of understanding with P.T. Len Industri of Bandung to transfer technology for manufacturing, installation and maintenance of 18 VOR's (VHF Omni Range), a ground-based electronic navigational aid, to assist in air navigation throughout Indonesia. This agreement includes a manufacturing licence and technical cooperation between the two companies for three years. Navigation Aeronav International Inc. will provide training and specialized manufacturing and test equipment. The project is valued at \$35 million. The Export Development Corporation is considering insurance and some financing for this project. The Canadian International Development Agency's Industrial Co-operation Program supported the viability study for this agreement.

Northern Telecom, Mississauga, Ontario

Astel (Aneka Spring Telekomindo), the distributor of Northern Telecom in Indonesia, has signed a \$5-million contract with P.T. Aplikanusa (Lintasarta) of Jakarta, to supply X.25 Frame Relay Public Network switching equipment nationwide. Lintasarta is a public data carrier owned by P.T. Telkom, P.T. Indosat, and other companies.

Northland Associates Ltd., St. John's, Newfoundland

Northland Associates Ltd. has signed a letter of intent with B.P.P. Technologies, Indonesia's ministry for technology development, to assess Indonesia's peat resources and prepare options for development of these resources. Northland Associates Ltd., which provides services ranging from environmental management to graphic design and air photo interpretation, is working on the project with Data Services International of Milltown, Newfoundland, and the Memorial University of Newfoundland. This project is worth \$3 million in phase I. Northland Associates (1995) Ltd. and Data Services International Ltd. will form a joint venture to conduct this project.

P.T. Inco, Jakarta, Indonesia

P.T. International Nickel Indonesia (P.T. Inco) of Jakarta, a subsidiary of Inco Limited of Toronto, has signed a 30-year extension of its contract of work with the Indonesian government, paving the way for an expansion of the P.T. Inco Soroako nickel mining and smelting facility on the island of Sulawesi. P.T. Inco, 58.7 per cent owned by Inco Limited, estimates that it will invest \$812 million in the expansion, including \$177 million for a new hydroelectric facility, designed to increase nickel production capacity by 50 per cent to approximately 150 million pounds of nickel in matte yearly. Nickel in matte is an intermediate product (about 80 per cent pure nickel). The expansion, expected to be completed in late 1998, includes the addition of a fourth smelting line and the construction of an additional hydroelectric facility on the Larona River, downstream from the company's existing 165-megawatt hydroelectric unit.

SNC-Lavalin Inc., Montreal, Quebec

SNC-Lavalin has signed a memorandum of understanding with P.T. Aneka Tambang, an Indonesian state-owned company operating mines and smelters, to undertake a feasibility study for the Pomalaa Hydroelectric power generation plant on the island of Sulawesi. The proposed project is intended to provide hydroelectric power to substitute for the diesel power of the expanding Pomalaa nickel processing plant. Capital cost of this project, which will be implemented on a private basis, is estimated at \$260 million. SNC-Lavalin Inc. is a subsidiary of

SNC-Lavalin Group Ltd. of Montreal, Quebec, which has offices in 26 countries. It provides engineering, procurement, project management and financing services in the power, industrial, general engineering, environment, construction and transport sectors worldwide.

SNC-Lavalin also received a plaque signed by the Prime Minister commemorating the opening of its new operating company, P.T. SNC-Lavalin TPS, in Jakarta with its Indonesian partner, Tri Panoto Sri Konsultan. The company was set up to better serve Indonesian clients and to broaden the scope of SNC-Lavalin's operations in Eastern Asia.

Sproule International Limited, Calgary, Alberta

Sproule International Limited, a subsidiary of Sproule Associates Limited, a geological and petroleum engineering and consulting firm, has signed a memorandum of understanding with Lemteck of Jakarta to form a joint venture to provide petroleum industry consulting and training services. Lemteck is the consulting arm of the Faculty of Engineering at the University of Indonesia. The deal is expected to generate \$1.5 million yearly.

Sun Life Assurance Co. of Canada, Toronto, Ontario

Sun Life Assurance Co. of Canada has signed an agreement to form a joint venture with P.T. Inti Putramodern of Jakarta. The new company, P.T. Asuransi Modern Sun Life, received its joint venture operating licence on December 22, 1995. The two partners have invested \$22 million in the company. Sun Life holds 60 per cent of the shares in P.T. Asuransi Modern Sun Life, while the remainder is held by P.T. Inti Putramodern, an Indonesian company with interests in manufacturing, trading, finance and real estate. From its head office in Jakarta, P.T. Asuransi Modern Sun Life will sell traditional group and individual insurance products.

Survival Systems Ltd., Dartmouth, Nova Scotia

Survival Systems Ltd., which specializes safety training systems, has signed a \$120,000 contract with Dhadex, a Jakarta-based training company, to provide a Canadian instructor for one year. The package also includes the training, certification and quality audits of local instructors for Dhadex. This is a follow-up to the recent sale of an aircraft ditching simulator. The METS™ recreates an aircraft crash into water is used to train people such as military pilots and offshore oil workers who fly over water. The contract will be financed through an Export Development Corporation I