

Guidelines and Eligibility Criteria - Amended

Oil and Gas Manufacturing and Services Export Development Fund (OGEDF)



PURPOSE

Supporting the manufacturing and fabrication of equipment and provision of services that is used primarily in the upstream or downstream supply activities of the oil and gas industry is essentially a new initiative for this Province. The OGEDF will not only provide for an increased export capability and technology transfer opportunities, but will also help reduce the sector's dependence on large local industrial projects. An expansion of the Province's export capabilities in this area is essential to the continued growth of our industry and the beginning of an established presence in the global marketplace.

PROGRAM OBJECTIVES

The objectives of the OGEDF are to:

- expand oil and gas related supply and service capability into export markets;
- support commercialization and the introduction of new technologies and processes;
- enhance the economic sustainability of the oil and gas supply and service sector in Newfoundland and Labrador;
- encourage export investment in oil and gas related manufacturing/fabrication and service industry;
- encourage the growth of export-based fabrication and manufacturing capabilities, related to servicing oil and gas exploration, production and processing nationally and internationally; and,
- increase job opportunities and economic growth within the oil and gas sector through the development of new or expansion of existing manufacturing, fabrication and service capabilities.

The Province of Newfoundland and Labrador has committed \$2.0 million in 2011/12 for the OGEDF. Applications for funding under the program will be subject to assessment by the Department of Business and will not necessarily be accepted or approved.

ELIGIBILITY

Eligibility is limited to oil and gas supply and services companies. The business must, to the satisfaction of the Department:

- be duly registered company under the Newfoundland and Labrador Corporations Act or the Canada Business Corporations Act and legally entitled to conduct business in the province;
- have operations situated in the province;
- demonstrate its ability to access the financial capital required to complete the project;
- demonstrate its ability to execute the business plan;

- contribute to the growth of the oil and gas sector through direct and indirect benefits;
- be able to demonstrate the managerial capacity and commitment to undertake the work identified in the project proposal; and,
- be in good standing with the Province of Newfoundland and Labrador.

The project must:

- have a minimum total project investment of \$1,000,000; and,
- generate incremental local employment benefit and revenue.

Funding priority will be placed on projects that have advanced technology transfer potential that enhance oil and gas related export capability, support export-related commercialization, expand export market opportunities and create economic growth and employment in the Province's oil and gas supply and service industry.

AMOUNT OF FUNDING

Successful applicants under the OGEDF will normally be eligible to receive up to 50% of total eligible project costs in a non-repayable contribution. A higher percentage of up to 75% of eligible costs may be considered for projects which are outside the Northeast Avalon region. **All funding offers are subject to the availability of program funds.**

USE OF FUNDS

Eligible expenses will primarily include capital expenditures, arms length contract labour, professional fees and any other expenses specific to the project, deemed critical to a project's success and demonstrated as directly related to development and the export capability of the company's products and services.

INELIGIBLE ACTIVITIES

The value of in-kind resources is ineligible for reimbursement under the program.

DISBURSEMENT OF FUNDS

Successful applicants will be required to enter into a Contribution Agreement with the Department of Business prior to the disbursement of funds. The Contribution Agreement will outline the work to be performed and terms and conditions which the applicant must meet in order to be reimbursed for approved eligible project costs.

All contributions under the OGEDF will be communicated to the public and all successful applicants under the Fund must agree to a public release of details of the level of funding received and the nature of the project supported.

Once a project is approved, the applicant must prepare and sign the Project Claim Form and submit it to the Department of Business for processing. All sources of funding received must be indicated on the claim form.

All claims for reimbursement of approved eligible costs must be supported by invoices for purchased goods and services or other appropriate documentation to support the project cost incurred to the satisfaction of the Department. On-site inspections of completed activities may be required prior to disbursement of funds.

Successful applicants must conduct all project activities in an environmentally sound manner. It will be the applicant's responsibility to meet all regulatory requirements, obtain required permits (municipal, provincial, and federal), and ensure environmental compliance for any project approved under the Fund.

INFORMATION REQUIREMENTS

Applications for funding must be accompanied by the company's detailed business plan which will generally include the following information:

- Introduction
- Project Description and Background
- Detailed Business Plan including:
 - Business Overview
 - Marketing and Promotional Plan
 - Human Resources Plan
 - Manufacturing and/or Operations Plan
 - Financial Plan (Historical and Proforma)
 - Supporting Documents

It is the applicant's responsibility to ensure that all information is included to avoid delays in the project assessment.

HOW TO APPLY

Businesses wishing to access funding should consult with the Department of Business to determine eligibility for assistance under the OGEDF. Project proposals must be submitted to the Assistant Deputy Minister, Department of Business, for review and evaluation. Proposals and supporting documentation supplied by the applicant will be assessed against the program objectives and eligibility criteria.

Inquiries may be directed to:

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