31 March 2006 **GOVERNMENT OF CANADA MAKES KEY INVESTMENTS IN WORLD-CLASS NEWFOUNDLAND AND LABRADOR R&D PROJECTS**

St. John's , Newfoundland and Labrador

Researchers in Newfoundland and Labrador will be finding new ways to protect subsea infrastructure, helping oil and gas companies examine complicated seismic data, and creating new methods for wireless mobile computing thanks to significant investments from the Government of Canada.

The Honourable Peter MacKay, Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency (ACOA), today announced that five research and development projects in Newfoundland and Labrador will receive up to $13.1 million under ACOA's Atlantic Innovation Fund (AIF).

The Honourable Loyola Hearn, Minister of Fisheries and Oceans, released details of the projects today in St. John's on behalf of Minister MacKay. The selected projects will be led by private and not-for-profit sectors and academia, along with a number of other partners, and have a total value of $25.6 million.

The announcement comes as part of a series of announcements today to release details on the 29 highly innovative research and development projects throughout Atlantic Canada receiving funding from the AIF.

"ACOA is making key investments in research and development – investments that support the economic future and competitiveness of Atlantic Canada," said Minister MacKay. "It's about finding new ways of doing things, creating new approaches, new products and services and bringing them to markets around the world. The Government of Canada is committed to supporting these kinds of projects that bring new knowledge, new jobs and new business opportunities to the Atlantic region."

"These projects build on the tremendous expertise we are developing here in Newfoundland and Labrador in ocean and information technology," added Minister Hearn. "These investments from the AIF are creating partnerships that will bring exciting opportunities for new products, create highly skilled jobs, and position us to take advantage of emerging industries in Atlantic Canada."

Earlier today, Minister MacKay also announced the process for accepting proposals for the next round of projects to be funded under the Atlantic Innovation Fund. Mandatory letters of intent must be submitted to ACOA by May 10, 2006, and complete project proposals must be submitted by June 28, 2006. Detailed information is available on the ACOA website at: www.acoa-apeca.gc.ca.

ACOA's Atlantic Innovation Fund is a Government of Canada initiative designed to build the economy of Atlantic Canada by increasing the region's capacity to carry out leading- edge R&D that contributes directly to the development of new technology-based economic activity. The objective of the Fund is to increase R&D carried out in Atlantic Canadian research facilities, which will lead to the launch of new ideas, products, processes and services.

The AIF projects announced today in Newfoundland and Labrador include:

C-CORE

Risk Mitigation Strategies for Subsea Infrastructure

Protecting subsea infrastructure through better management of ice hazards

C-CORE is a not-for-profit corporation with international success in R&D, technology development and commercialization. Its specialized engineering services focus on technology adaptation and integration, design recommendations and engineering and risk analyses, and it has expertise in ice engineering, geotechnical engineering, remote sensing and intelligent systems. Through this project, C-CORE will work with several partners to build on the region's existing expertise in ice hazards management. It will develop world-class capability for the provision of commercial engineering services. It will also facilitate design recommendations to address the protection of, and risk mitigation strategies for, subsea infrastructure in ice environments. With a total cost of more than $7.6 million, this project will receive up to $3 million from the Atlantic Innovation Fund over three years.

Consilient

Development of Advanced Wireless Middleware for Future Mobile Computing

Advances in wireless mobile computing with new software and data management capabilities

Consilient is a global provider of wireless software that delivers push email connectivity to a wide variety of mobile phones. Widely recognized for excellence in innovation, employment and business practices, Consilient's customer base is comprised of Global Fortune 500 companies, wireless network operators, service providers and government agencies. This project will enable Consilient to offer flexible and powerful middleware software for handling, synchronizing, converting and combining multiple data types to and from various data repositories and pushing that data out to the end user to make it useable in numerous mobile device environments. With a total cost of $5 million, the project will receive up to $3 million from the Atlantic Innovation Fund over a three year period.

Memorial University of Newfoundland, Department of Earth Sciences

Purpose Built Computers for Seismic Modelling and Inversion

Providing leading-edge imagery from complicated seismic data to help oil and gas companies examine reservoirs and investigate new reserves

Memorial University of Newfoundland will lead an international team of experts in the seismic and computer industries as well as academia, to build world class technology for imaging the Earth's interior. The project will benefit the oil and gas industry through the development of three-dimensional, full-wave equation modeling and inversion software, as well as purpose-built wave equation computer hardware. This will mean better delineation of existing reservoirs and targeted drilling for new reserves. With total costs of more than $6 million, the project will receive up to $3 million from the Atlantic Innovation Fund over a four year period.

Memorial University of Newfoundland

Ocean Network Seafloor Instrumentation

Ocean floor monitoring processes for earthquake and tsunami detection

Memorial University of Newfoundland will lead the research and development of a five-year Ocean Network Seafloor Instrumentation project. The initiative will offer long- term, wide-area monitoring of seabed processes, such as geological imaging for offshore oil and gas exploration

and reservoir management, as well as earthquake and tsunami detection. With a total cost of more than $4 million, the project will receive up to $2.5 million from the Atlantic Innovation Fund over a five-year period.

Terra Nova Marine Company Limited

Yacht Management System

Touch screen technology for integrating electronics and navigation equipment

Terra Nova Marine Company Limited provides custom electrical engineering, design and manufacturing of control panels and switchboards primarily for the commercial marine industry. Through this project, the company will develop a Yacht Management System to enable vessel electrical control and monitoring through LCD touch screen panels. This project will greatly enhance Terra Nova Marine's expansion into the luxury yacht market and increase export sales opportunities. With total costs of $3 million, this initiative will receive up to $1.6 million from the Atlantic Innovation Fund over a three-year period.

– 30 –

Comprehensive backgrounders on the Newfoundland and Labrador projects announced today are attached. These along with project backgrounders on all projects announced today will be available on ACOA's website at 12:00 p.m. (AST): www.acoa-apeca.gc.ca

FOR FURTHER INFORMATION, CONTACT:

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Risk Mitigation Strategies for Subsea Infrastructure
C-CORE

C-CORE is a not-for-profit corporation with a successful history of R&D, technology development and commercialization. The corporation's dynamic team of over 60 engineering and business experts provides advanced technology solutions to production issues and market challenges encountered in offshore oil and gas production and transportation, gas transmission (onland pipelines), mining, and pulp and paper. International and national government clients also use C-CORE's services to address security, sustainability and safety issues related to their regulatory and operating needs.

In business for over 30 years, C-CORE's specialized engineering services are focused on technology adaptation and integration, design recommendations and risk analyses. Project teams are assembled based on client need and draw upon the corporation's expertise in ice engineering, geotechnical engineering, remote sensing and intelligent systems. Many complex projects require a multi-faceted approach and C-CORE combines these areas of expertise for a complete solution. From its headquarters in St. John's, Newfoundland and Labrador, C-CORE works with an international network of partners, leading alliances and consortia to ensure the best solutions for its clients.

For this project, C-CORE will work in partnership with Atlantic-based academic and government researchers, as well as engineering, procurement and construction companies, to build on the region's existing expertise in ice hazards management. The project will develop world-class capability for commercial engineering services and design recommendations used to manage protection and risk strategies for subsea infrastructure in ice environments.

This project will directly support offshore oil and gas developments by improving the economics of marginal offshore reserves. Current engineering strategies used to protect the seabed infrastructure from the keels of ice ridges or icebergs are costly and affect the economics of offshore developments. New engineering models for contact frequency, ice load, pipeline protection, and subsea protection will be integrated into alternative protection strategies.

The project, with a total value of more than $7.6 million, will receive up to $3 million from the Atlantic Innovation Fund (AIF) over three years. Other funding sources include the European Space Agency and the Natural Sciences and Engineering Research Council (NSERC) of Canada. As a result of the AIF investment, the proponent anticipates leveraging the remaining funding primarily from industry.

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