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NEWS RELEASE

Canadian Nuclear Trade Mission to the Republic of Korea will help forge stronger partnerships among Canadian and Korean nuclear companies.

April 23, 2015 Pickering Ontario. The Organization of Canadian Nuclear Industries (OCI), in partnership with the Ontario Government, is set to lead a trade mission of 18 leading Canadian nuclear suppliers and industry partners to the Republic of Korea – one of the world’s fastest growing nuclear markets and a nuclear partner of Canada’s for almost 40 years.

The trade mission delegation that will depart for Korea in two days includes 10 CEO’s of leading Ontario nuclear organizations – the strongest Canadian nuclear trade mission ever assembled.

“I am optimistic that this trade mission will build on the strong relationship that OCI formed with the Korea Atomic Industry Forum (KAIF) when KAIF Vice-Chair Mr. Kye-Hong Min and I signed an MOU of cooperation during the Pacific Basin Nuclear Conference held in Vancouver in August of 2014” said OCI President Dr. Ron Oberth.

Minister of Research and Innovation Dr. Reza Moridi, along with Bob Delaney, Parliamentary Assistant to Minister of Energy Bob Chiarelli, have agreed to lead the Ontario delegation to Korea. Dr. Moridi, a nuclear physicist by training, noted that “Ontario is home to many small and medium-sized enterprises (SMEs), that supply high quality, precision components to Canada’s 19 operating nuclear power plants and increasingly to export markets, located in communities across Ontario.” Spread across Stoney Creek, Cambridge, Burlington, Oakville, Mississauga, Durham, Cobourg, Peterborough and Pembroke, these world-class companies have created more than 12,000 highly skilled nuclear supply chain jobs that inject wealth into these communities.

“We look forward to the opportunity to discuss mutual priorities and share best practices for our nuclear sectors.” said Minister Moridi. “During this mission we hope to find new ways to increase partnership, and build on 40 years of cooperation between our jurisdictions”

“In addition we expect that many of the 18 nuclear suppliers and industry partners on the trade mission will establish connections with Korean counterparts leading to nuclear business deals in Korea and in third countries,” added Dr Oberth.

The Canadian delegation will also meet with senior officials of KHNP during a tour of the Wolsong site and with Korea Atomic Energy Research Institute (KAERI). The discussion with KAERI officials will focus on development and deployment of small modular reactors (SMR’s) particularly in off-grid applications in remote communities and in the mining sector.



A Korea trade mission delegate briefing was hosted by the Ontario Ministry of Energy at its offices on April 13, 2015. *L to R:* Dr. Ron Oberth (President, OCI), Hon. Reza Moridi (Minister of Research and Innovation), Hon. Bob Chiarelli (Minister of Energy), PA Bob Delaney (Parliamentary Assistant to the Minister of Energy) and Mr. Byung-Jun Kim (Consul of the Republic of Korea)

Organization of Canadian Nuclear Industries (OCI) is an association of more than 180 Canadian suppliers to the nuclear industry, which employ more than 12,000 highly skilled and specialized engineers, technologists and tradespeople. OCI companies design reactors, manufacture major equipment and components, and provide engineering services and support to CANDU nuclear power plants in Canada as well as to CANDU and Light Water Reactor (LWR) plants in offshore markets.

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BACKGROUNDER

- Canada has had a close and productive relationship with South Korea's nuclear industry through the successful construction of four CANDU units at the Wolsong site. The oldest Wolsong 1 unit has operated safely and reliably for almost 30 years and all four Wolsong units have life-time capacity factors in the 95% range, making them top of class. In 2012 the owner of the Wolsong 1 CANDU reactor, Korea Hydro and Nuclear Power Company (KHNP), completed the most successful ever refurbishment of a CANDU unit.
- Canada's unique natural uranium and on-power fuelled CANDU reactor has captured almost 10% of the world market. But while Canada's nuclear heritage is based on home grown heavy water reactor technology, the Ontario organizations on this trade mission would also like to collaborate with Korean nuclear companies on Pressurized Water Reactor ("PWR") and Small Modular Reactor (SMR") projects in Korea and in third countries.

Canada's Nuclear Industry

- Canada has more than 60 years of experience in the development and deployment of nuclear energy for both power generation and medical applications. Canada is the world's second largest producer of uranium. The 22 CANDU nuclear power plants that have been constructed in Canada have operated safely and reliably for more than 40 years. Within Ontario, nuclear energy supplies more than half of the province's electrical energy. Canada's natural uranium and on-power fuelled CANDU reactor has captured almost 10% of the world market.
- OCI companies have developed world-class capabilities across a broad spectrum of the nuclear supply chain including: reactor design, project and construction management, precision manufacturing of specialized and safety-related equipment including various pumps and valves, design and supply of reactor control systems and full scope training simulators, as well as fabrication of steam generators and various heavy components and modules. OCI companies also have capabilities in supporting operating reactors through reactor inspection and non-destructive testing, safety and risk analysis, and various operational support services.

Nuclear Energy in South Korea

- The Republic of Korea is a major nuclear energy country that is expanding its domestic nuclear fleet and now exporting its nuclear technology through a \$20 billion contract to supply four nuclear reactors to the UAE.
- Korea's 23 nuclear reactors have a total capacity of 20.7 GWe and supply almost one-third of the country's electricity. Considerable new capacity is planned by 2035 with 11 new reactors planned to be in-service by 2024.
- Korea imports 97% of its fuel, with \$170 billion spending on imported energy in 2011, one-third of all imports. Without nuclear power, this import bill would have been about \$20 billion higher according to KEPCO.
- Canada was the first country to transfer nuclear power technology to Korea, allowing Korea its first localization – the development in Korea and testing at NRU of Korean-made CANDU fuel. This was the beginning of Korea's march towards technological self-reliance culminating in

Korea's success in winning a four-unit nuclear project in the UAE in 2010 against strong international competition. Construction of these units is reported to be on budget and on schedule. Korea was also successful in the sale of a research reactor, based on the Canadian MAPLE research reactor design, to Jordan in 2011.

- Canadian companies successfully entered the Korean nuclear power market during the construction of four CANDU units at the Wolsong site from 1977 to 1999. Canadian suppliers have supported the ongoing maintenance of these units as well the refurbishment of Wolsong 1, completed in 2013.

OCI-KAIF Memorandum of Understanding

- The Organization of Canadian Nuclear Industries (OCI) and the Korea Atomic Industrial Forum (KAIF) signed a Memorandum of Understanding on nuclear cooperation in August 2014 at the Pacific Basin Nuclear Conference in Vancouver. This MOU outlines several ways that OCI and KAIF will work together including identifying opportunities at nuclear projects in Korea, Canada, or third countries on which OCI and KAIF companies can cooperate. The MOU supports and promotes innovation and cooperation associated with joint development, design, testing, licensing and construction on pressurized heavy water reactors, pressurized light water reactors, and small modular reactors in Korea, Canada, or in third countries.



Photo Caption: Signed MOU - Dr. Ron Oberth, President of OCI, and Mr. Kye-Hong Min, Executive Vice Chairman of

Canada - Korea Free Trade Agreement

- On March 11, 2014, in Seoul, Prime Minister Stephen Harper and President Park Geun-hye of the Republic of Korea announced that Canada and Korea had concluded negotiations on a new free trade agreement. This landmark achievement constitutes Canada's first free trade agreement in Asia and will provide new access for Canadian businesses and workers to Korea, the fourth-largest economy in Asia, with an annual GDP of \$1.3 trillion and a population of 50 million people.
- Foreign Affairs, Trade and Development Canada's "Global Markets Action Plan" consists of comprehensive actions to advance the interests of Canadian businesses in a specific group of key foreign markets. Korea was identified as priority market in GMPA based on the results of a multi-stage process that included economic modelling, analysis of potential sources of capital, technology and talent; and identification of core hubs in global value chains;
- International Trade Minister Ed Fast led a multi-sector trade mission to Seoul and Busan, Korea, from February 8 to 13, 2015, with over 100 Canadian delegates, paving the way for the OCI Nuclear Trade Mission to Korea next week.