

Lockington, Elliott (SPAC/PSPC)

From: Singh, Nanki (SPAC/PSPC)
Sent: April 30, 2020 9:19 PM
To: Freeman, Tyler (SPAC/PSPC)
Subject: RE: Potential Tenaris Transformational Investment - confidential

Absolutely.

I see her schedule has been packed today and tomorrow as well, happy to connect at whatever time works best for you and resume the onboarding conversation 😊

Thanks !!

From: Freeman, Tyler (SPAC/PSPC)
Sent: April 30, 2020 8:38 PM
To: Singh, Nanki (SPAC/PSPC) <nanki.singh@canada.ca>
Subject: RE: Potential Tenaris Transformational Investment - confidential

Remind me to connect with you on this tomorrow! Let's chat in the early afternoon ish. This relates to one of your EA duties which is monitoring the @Canada email which I think I'll get you to start tomorrow or monday. Best to explain over phone.

From: Singh, Nanki (SPAC/PSPC)
Sent: April 30, 2020 7:17 PM
To: Freeman, Tyler (SPAC/PSPC) <tyler.freeman@canada.ca>
Subject: FW: Potential Tenaris Transformational Investment - confidential

How do you usually deal with follow ups to meetings that the Minister has had?

Do you run emails like these by her? This email seemed like a good chance to check in with you about that.

From: MCHATTIE Dave TS.ca [<mailto:dmchattie@tenaris.com>]
Sent: April 29, 2020 10:00 AM
To: Anand, Anita (SPAC/PSPC) <anita.anand@canada.ca>
Cc: Singh, Nanki (SPAC/PSPC) <nanki.singh@canada.ca>
Subject: FW: Potential Tenaris Transformational Investment - confidential

Dean Minister Anand,

Thanks for the call yesterday and all the actions to stabilize Canadians in this crisis. As promised, I am sharing with you an investment proposal we have made to the Strategic Innovation Fund that is waiting for government participation in order to bring people back to work in the hard hit, steel, manufacturing and energy sector. Any support that you can have with your cabinet colleagues to refund the ISED's Strategic Innovation Fund would make a difference today to get projects like the one we have proposed in construction.

Background

Amid all the critical actions necessary for Canadians to defend themselves from the Covid-19 pandemic, there are also some economic actions necessary to defend against the impacts and to prepare to be stronger on the other side when a new normal of recovery begins. The attached document outlines an investment proposal that we have made to the Strategic Innovation Fund. The fund itself is in limbo for projects like this since it has not yet been recapitalized. Our specific project can have a transformational impact on our Canadian operations and that would be very positive for workers in the hard hit energy and manufacturing sectors. Our investment can add 200 Canadian jobs in the construction phase alone for Calgary and Sault Ste. Marie at a time when unemployment is a critical problem. Additionally, the project will increase Canadian economic capabilities to serve Canada's oil and gas industry with Canadian manufacturing and strengthen the value generated in Ontario's steel industry for developing Canadian energy that the world demands.

The 2 pp document attached lays out our situation, the proposal submitted on April 1 and the outcomes we can achieve. We are prepared to make an investment decision in the next 60 days with government support.

Challenges

The economic crisis hitting Canada's energy industry, the manufacturers that supply it and the Canadian operations of Tenaris is unprecedented. With the recent **decline in oil prices** (from the mid \$50's to below \$20), corresponding **capital budget cuts in the oil and gas sector** (-7B in the last month), and a **rise in foreign import** competition from increasing **global overcapacity** have been compounded by the **global economic downturn** due to the Covid-19 pandemic. Tenaris Canada's operations face a forecasted **50% demand decline** for the product we manufacture. As a result, the challenges facing our money losing Calgary operations can no longer be continued. We have already had to issue layoffs for about 110 employees in Calgary and there is likely to be more. While we have recalled employees as a result of the CEWS, this is not likely sustainable once the program expires.

Investment Opportunity

Despite these negative conditions, Tenaris Canada is prepared to invest urgently in our Canadian operations to transform our industrial footprint in Canada to ensure a sustainable future to be more competitive globally and preserve jobs that support our world leading energy sector. **Tenaris Canada is seeking Federal government investment of \$15 million (which we are seeking a match from the Province of Ontario) into advanced manufacturing to transform our Sault Ste Marie operations.**

Joint investment will enable Tenaris Canada's **investment of \$70-100 million.** We are prepared to begin work now during 2020 for completion in 2022 if a decision can be made by June 30. This investment is the only way to recover and sustain employment levels.

Should you have any questions, I am available at your convenience.

Regards,
Dave

David McHattie

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