



THE ROLE OF INFORMATION TECHNOLOGY IN THE UPSTREAM OIL & GAS INDUSTRY

Business Challenges, Sarbanes-Oxley & US Regulatory Mandates

These are the findings of an Ipsos-Reid study conducted on behalf of PeopleSoft in August and September, 2003. The study questioned forty-nine key IT decision makers drawn from the 140 member companies of the Canadian Association of Petroleum Producers (CAPP).

Calgary, AB, October 22, 2003 – Research conducted by Ipsos-Reid on behalf of PeopleSoft indicates that Information Technology is an important issue for the Oil and Gas industry today. Among other findings, study outcomes indicate that there is not currently a strong move among Canadian oil and gas companies to become compliant with the US Sarbanes-Oxley Act of 2002. Highlights of the study include:

- Cost control and the rising costs of production (41%) are considered by IT Executives as the major business challenge facing the oil and gas industry. Information technology (27%) and technology generally (14%) were the second most frequently identified industry challenges.
- Eight-in-ten (80%) participants strongly agree that IT is an important issue for the oil and gas industry today.
- Two-thirds (66%) said their company sees IT at a priority level of seven or better on a ten point rating scale.
- Just over half (51%) of respondents said that IT is used to optimize information management. In addition, 29% use IT for finance and human resource applications and 27% said IT improves decision-making through timely information.
- When asked about key ways to overcome IT challenges, most frequently mentioned suggestions include acquiring new technology (39%) and linking/integration of data (24%).
- One-third (31%) of participants were not familiar with Sarbanes-Oxley. Just under three-in-ten (28%) indicated their companies were taking steps towards complying with the requirements of the Act (8% Becoming Compliant, 8% Implementing new software, 4% Mapping the process, 4% Working with parent company to provide the information, 4% Attempting to understand the rules).
- Opinions were split about whether Canadian organizations should face similar regulatory mandates as U.S. companies. (35% "Yes", 31% "No", and 35% "Unsure").



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