



MEDIA RELEASE

Oil and gas industry enhances research collaboration and innovation

For immediate release

Calgary, Alberta (October 18, 2006) – Research and technology development in Canada’s petroleum sector has just received a significant boost with the recent signing of a Memorandum of Understanding between Petroleum Technology Alliance Canada (PTAC) and industry partners representing the majority of Canada’s oil and gas activity.

Over the past 10 years, PTAC has worked together with members from all sectors of the oil and gas industry to increase research and development aimed at achieving cost-effective, socially responsible, and environmentally sound development of Canada’s petroleum resources. This Memorandum of Understanding between PTAC, the Canadian Association of Petroleum Producers (CAPP) and the Small Explorers and Producers Association of Canada (SEPAC) is expected to result in:

- Improved identification of industry research and technology development needs;
- More effective communication with government on research and technology development needs and opportunities;
- A new mechanism for funding research and technology development projects,
- Improved association communication on research and technology development; and
- Greater long-term financial stability for PTAC.

“PTAC’s work to facilitate collaborative research across our sector is critical to developing innovative solutions to the resource development challenges posed by Canada’s unique geography and geology,” says CAPP President Pierre Alvarez. “Technology is key to our efforts to become more productive and less environmentally intrusive while continuing to develop oil and gas resources for the benefit of Canadians.”

Under the agreement, CAPP and SEPAC will share support of PTAC’s core funding with the non-profit organization’s membership.

“This Memorandum of Understanding will enhance the pace of research and technology development,” says PTAC President Eric Lloyd. “The long-term health of the upstream petroleum sector in Canada depends on the collective advancement of strategic research and innovation. Jointly, we can pinpoint areas where research will be most effective and bring together the financial and intellectual resources to make it happen.”

“PTAC’s initiatives are especially important for smaller oil and gas companies which may not have the resources to pursue major research programs on their own – but which can make significant contributions to our base of knowledge through participation in collaborative research,” says SEPAC Executive Director Gary Leach. “This co-operative approach to the pursuit of technological solutions is tremendously valuable.”

Since its inception in 1996, PTAC has facilitated the launch of over 206 research projects totaling more than \$127.6 million. These projects have addressed research and technology needs in a variety of oil and gas sectors including drilling, health and safety, heavy oil, natural gas and crude oil production, oil sands, well completions, geoscience and eco-efficient technologies. A complete listing of PTAC-related projects is available on the PTAC website at www.ptac.org.

PTAC is a not-for-profit association that facilitates collaborative research and technology development to improve the financial, environmental and safety performance of the Canadian upstream conventional oil and gas industry.

CAPP is the voice of the upstream oil and natural gas industry in Canada, representing 150 member companies who explore for, develop and produce more than 95 per cent of Canada’s natural gas, crude oil, oil sands and elemental sulphur.

SEPAC represents the unique interests of emerging and junior conventional oil and gas companies to the public, governments and other sectors of the energy industry. Supporting more than 450 member companies, SEPAC is a powerful lobbying voice for this segment of the energy industry.

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