



Microsoft Platform Helps Pandell Deliver Vital Hosted Solutions for Energy Industry

Pandell, which builds its solutions on the latest Microsoft .NET technology, is one of Alberta's fastest-growing companies.

As the price of oil has skyrocketed, hundreds of entrepreneurs in Western Canada have been jumping into the oil and gas business. Many of them are thriving in this high-risk, high-reward industry by building a new business, selling it to a larger oil and gas company, and then starting up their next venture. One key challenge these startups face is tracking the approval process for well-drilling projects, which can cost upward of \$10 million each.

Before a project begins, detailed spending requests—known in the business as Authorizations for Expenditures (AFE)s—must be approved by multiple decision makers, often including several other oil and gas companies who are partners on the project. It's not unusual for an

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entrepreneurial energy company to have many projects in the planning stages at the same time, with hundreds of AFEs at various stages of the approval process.

If handled manually, the authorization process can be extremely slow and cumbersome. Projects can be delayed while AFEs sit on executives’ desks, or work might begin before the spending has been approved, leaving huge capital expenditures unaccounted for. Workflow applications can help companies track AFEs more efficiently, but many junior (smaller) oil and gas companies don’t have the resources to install or maintain an expensive software and hardware infrastructure. The few that do often decide not to make the investment because their goal is typically to be absorbed by a larger oil and gas company a few years down the road.

To help junior and intermediate oil and gas companies efficiently track their AFEs at minimal cost, Pandell Technology Corporation—a leading provider of Software-as-a-Service (SaaS) solutions for the oil and gas, government and engineering sectors—created AFENexus, a Web-based application that automates the AFE approval process.

Like all of Pandell’s SaaS solutions, AFENexus is built on a foundation of Microsoft® technologies. “The Microsoft platform has been a strategic asset for us,” says Greg Chudiak, Pandell’s president and CEO. “It has given us the key ingredients we need to quickly develop powerful applications and offer them at low cost to our customers.”

Using AFENexus, energy companies can track AFEs as they make their way up the approval chain by simply logging on to the application from their Microsoft Windows® Internet Explorer® Web browser. Pandell, headquartered in Calgary, Alberta, offers a hosted version of the solution maintained on its own servers, and customers pay a small monthly fee for the service.

By offering SaaS solutions such as AFENexus, Pandell has reduced the total cost of ownership by as much as 50 percent over traditional workflow applications hosted on a customer’s own hardware.

“AFENexus is fantastic because our customers don’t need their own servers, they don’t need their own staff to manage the application, and on-going upgrades are seamless to users,” says David Beresford, vice president of research and development at Pandell. “The bottom line is it rapidly delivers a high-quality product to our customers at a fraction of the cost.”

Efficient Tracking Reduces Operating Costs and Increases Productivity

Among the companies that have adopted AFENexus is Delphi Energy Corp., a Calgary-based oil and natural gas company with a large inventory of development opportunities. While

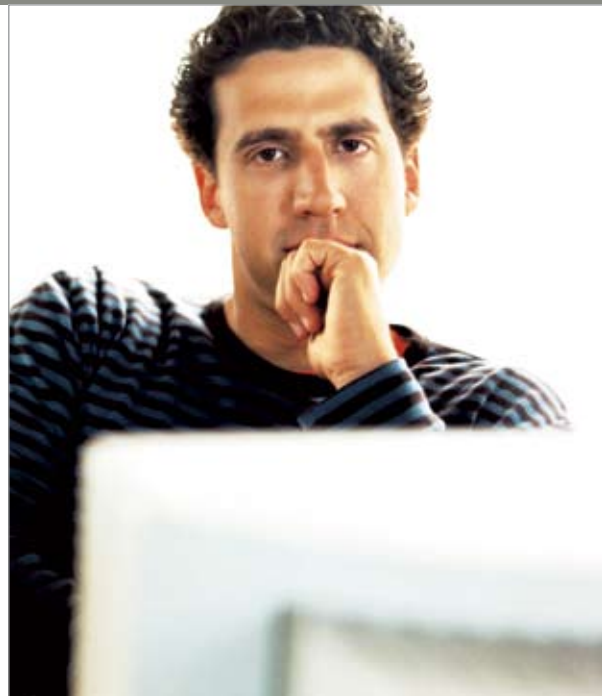
Delphi is a small company with just 25 employees, its capital expenditures in 2006 exceeded \$150 million. "We're talking big dollars, and that's why getting a handle on these AFEs is so important," says Ryan Ellson, Delphi's controller.

Before using AFENexus, Delphi tracked the AFE approval process manually using standard desktop applications. "At any given time, an AFE could be under someone's desk, misfiled with other papers or who knows where, so you never knew how many AFEs were circulating," says Ellson. "AFE typically aren't entered into the accounting system until after they're approved, so if a project starts before the approval process is complete, you may have \$3 million or so in capital expenditures that aren't showing up in your monthly forecast. There can be serious ramifications to that."

AFENexus creates a workflow, sending each decision maker an e-mail with a link to the AFE and any relevant attachments in the order that Delphi wants the approval process to occur. Delphi, which began using AFENexus in mid-2006, can now track exactly where each AFE is in the approval process, as well as who in the decision chain has made specific changes and when. "The time savings have been unbelievable," Ellson says. "Certain processes that took a day or two before can now be done in an hour."

A Stable, Flexible Foundation for SaaS Solutions

Pandell delivers all of its SaaS applications using the Pandell Liquid Intelligence™ (PLI) platform, an accelerated and efficient way to deliver high-



performance SaaS applications that track, visualize and control key business processes encompassing data, documents and transactions. PLI has a proven track record of delivering enterprise-class security, scalability, reliability and performance on systems with more than 25,000 users.

In addition to AFENexus, Pandell is helping entrepreneurial oil and gas companies manage their businesses more efficiently with two other SaaS applications:

- **JVNexus**, a joint venture billing and financial accounting system that helps small and mid-size energy companies manage the flow of money both internally and as it passes between partners
- **GeoNexus**, which helps oil and gas companies easily create, manage and store land contracts such as joint operating agreements and purchase and sale agreements

"There are lots of pieces to the software puzzle for oil and gas companies, and if you add it all up, it gets really expensive," says Dave Maryka, vice president of oil and gas solutions at Pandell. "By paying a low monthly fee to access industry-specific solutions, our customers can save tens of thousands of dollars in startup costs, be up and running faster and gain tax benefits because they can write off the entire solution as an expense each year."

The combination of Pandell's unique SaaS platform, subscription licensing model and operational services provides customers with a powerful and well-designed set of business tools that are easy to use and cost-effective to operate.

Powered by the Microsoft Platform

Pandell Liquid Intelligence (PLI) is built on Microsoft's latest .NET technology—the .NET Framework 3.0—and it includes a built-in development toolset for rapidly building Web-based thin client applications, an integration engine for interfacing with other systems, and a robust set of application management tools for supporting SaaS solutions.

The .NET Framework enables Pandell developers to write code at about twice the speed and at much higher quality than was possible in the past. "Executing code within the .NET Framework means our applications are simply more stable," Beresford says. "And by writing that code in Visual Studio® 2005, our developers can reach their result in fewer keystrokes thanks to fantastic code completion and refactoring support. All of this translates into more reliable Web-based applications, delivered more quickly to customers."

Pandell relies on several Microsoft technologies for its development environment, including SQL Server™ 2005, Windows Server® 2003 and Internet Information Services 6.0. The Active Directory® service in Windows Server 2003 ensures that Pandell customers are securely authenticated before they access any Pandell Web-based application. In addition, server load balancing enables Pandell applications to scale to meet the needs of customers at peak times.

Pandell also likes the flexibility of SQL Server 2005 Express, which allows the company's developers to work independently, from their own computers, rather than off the main server. This creates a controlled "sandbox" work environment that prevents developers from tripping over one another's work.

Pandell has been ranked among the top technology companies in Canada and is one of Alberta's fastest-growing companies. "Our partnership with Microsoft has provided a solid foundation for our growth and has enabled us to keep pace with the needs of the oil and gas industry and the other sectors we serve," says Chudiak.

■ To find out more about Pandell's Software-as-a-Service solutions, go to www.pandell.com

■ To find out more about Microsoft's affordable platform licensing options for Software-as-a-Service companies, go to www.microsoft.com/serviceproviders/licensing

■ To find out more about Microsoft's Emerging Business Team and the Microsoft Partner programs available for startups, go to www.MicrosoftStartupZone.com

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