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Pandell's Nexus Suite Of Back-Office Software Developed With Juniors In Mind

Pandell Technology Corporation president and chief executive officer Greg Chudiak has long appreciated the entrepreneurial resolve and roll-up-the-sleeves mentality of the junior oil and gas sector. In fact, the ability of smaller petroleum entities to compete in a high-risk, high-reward industry where margins are thin — and staff counts often just as skeletal — aroused his own entrepreneurial spirit.

Realizing a need and recognizing opportunity, Chudiak has positioned his company to be the first to deliver a complete suite of “back-office” software products for the junior sector, taking some of the load off smaller companies by allowing them to use their resources — be it human or otherwise — at optimum levels.

“Junior companies are true entrepreneurs. There’s lots of hype around the industry but these guys put a lot of risk on the table to make a successful business,” he says. “What we really wanted to offer was a full back-office [software] solutions suite specifically developed for the junior and mid-sized oil and gas companies. That’s really been the focus of our business.”

The Nexus suite includes JVNexus for joint venture financial accounting, AFENexus for authority for expenditure tracking, GeoNexus for land management, and the latest offering, EANexus, for economic analysis. Each application is designed to assist junior oil and gas companies capitalize on their internal resources, enabling them to do more with less.

Karen Beagle, marketing communications coordinator for Calgary-based Pandell, says the fact that the Nexus product line was developed exclusively for its niche market sets it apart from other systems.

“The products have been really tailored for the junior oil and gas market from inception,” she says. “The developers of the Nexus suite are all industry experts so it was a really good fit to take that industry knowledge and apply it to where there was an obvious gap in what the industry needs. Rather than pushing our products on the market, the market has let us know what it needs and we’ve responded accordingly.”

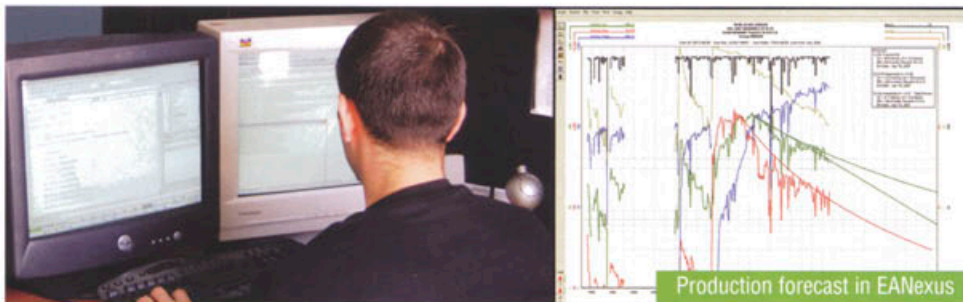
In addition, when Pandell develops or acquires a software product, Chudiak says the company goes to great lengths to fine-tune the package. “The products in the suite undergo a significant upgrade to incorporate the Pandell Liquid Intelligence technology underneath,” he says.

Pandell Liquid Intelligence (PLI) is a software toolset that uses breakthrough technology to deliver best-in-class industry software solutions. Built on Microsoft’s latest .NET technology, Chudiak says PLI solutions are faster to build, easier to use, readily integrate with other applications, perform better and are more accessible, secure and trouble-free to support and maintain. Add to this the affordability of

acquiring the software through a “Software-as-a-Service” (SaaS) business model, and the company’s clients are enjoying the greatest benefits available for the lowest cost.

“Microsoft has been a big supporter of our efforts to offer our clients better products and services through SaaS. We’ve been successful enough that Microsoft selected us as one of 20 companies worldwide to participate in its Lighthouse program for emerging SaaS providers,” he says.

The Nexus suite is ideally suited for a gradual growth in systems purchasing, Chudiak explains. “Generally, a junior company will start with JVNexus, then add EANexus or, as their land holdings grow, GeoNexus. As they get to 1,000 barrels of oil equivalent per day, the company needs to move from spreadsheets to a more efficient approval and processing system and AFENexus is the clear solution.”



“This again speaks to the needs of junior oil and gas companies that don’t have thousands of dollars to sink into their software systems,” adds Beagle. “The suite offers an affordable way to acquire the services they need to support their businesses as they start out and grow.”

Speaking of cost, Pandell offers the Nexus products on a monthly subscription basis with the four systems costing between \$450 and \$750 each with no additional upfront capital expenditures.

Pandell has 300 client installations and counting. “With this substantial client base, we are proud to be the market leader. Communication with our customers is a key to ensuring we stay in this position,” says Chudiak.

Tim Veenstra, president and CEO of Annex Petroleum Inc., is a long-time user of Pandell’s economic analysis solution. “A key driver of our company’s success is fast and accurate economic analysis. EANexus allows us to conduct economic analysis, forecasting, reporting and budgeting for single-projects, and get the big picture view across the entire portfolio — all from a single application. And it balances ease of use with having the breadth of functionality we need.”

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, its capital expenditures in 2006 exceeded \$165 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, adding that before using AFENexus, Delphi tracked the AFE approval process manually using standard desktop applications.

“The time savings have been unbelievable,” Ellson says. “Certain processes that took a day or two before can now be done in an hour.”

Calgary-based Innova Exploration Ltd. is a four-year seasoned user of JVNexus software. As a successful junior oil and gas company with 25 employees, Innova uses JVNexus daily to manage all of its joint venture accounting functions.

Louise Walker, accounting supervisor at Innova,

says managing joint venture finances is a complicated process requiring a complex solution. And, she says, JVNexus delivers.

“In a busy exploration company such as ours, having fast data input capabilities and real-time reporting features are key to ensuring our partner financial information is up-to-date and reliable,” Walker says. “With JVNexus, we are able to post our journal entries, analyze our data, and preview information any time, not just before month-end. This ensures we have the ability to verify reports and provide complete information to our partners.”

Next up for Pandell is a new and improved version of GeoNexus. As well, the company is beginning the process of upgrading EANexus, while JVNexus will undergo a nip and tuck sometime in the future.

“GeoNexus 3.0 will be a fully Web-enabled solution when we deliver that to the market in the later half of this year,” Chudiak says. “We will continue to expand on the product line in addition to improving the existing products and making sure they are an excellent fit for what the needs of the junior oil and gas industry are.”

■ Paul Wells

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