



DATE: June 10, 2006
TO: ALL MEMBERS
Re: PASC Accounting Procedures (1969, 1988 and 1996)
Wage Index Adjustment

In accordance with the terms of the referenced Accounting Procedures, the overhead rates chargeable under the following subclauses shall be adjusted as of the first day of July each year. (Please note that in the 1988 and 1996 Accounting Procedures this provision is an election. Therefore, in order for overhead rates to be automatically adjusted by the wage index factor, the parties need to have made an affirmative election with regard to this provision.)

1969 Accounting Procedure: Subclause 314(b)(1)
1988 Accounting Procedure: Subclauses 302(d)(2) and 302(d)(3)
1996 Accounting Procedure: Subclauses 302(e)(2) and 302(e)(3)

The adjustment shall be computed by multiplying the rate in use by the percentage increase or decrease in the average weekly wage and salary of the Canadian Petroleum and Natural Gas Industry for the last calendar year next preceding such last calendar year as reported by Statistics Canada.

The computation of the 2005 adjustment has been determined as follows:

2005 Monthly Average	\$1,356.29
2004 Monthly Average	<u>\$1,328.82</u>
Increase:	<u>\$27.47</u>
Percentage <u>Increase</u> :	2.07%

Effective July 1, 2006, overhead rates may be increased by 2.07%, subject to the elections described above.

Yours truly,

Diana Sheprak
President

PETROLEUM ACCOUNTANTS SOCIETY OF CANADA

JULY 1, 2006 WAGE INDEX DETERMINATION

* Data from Statistics Canada:

Survey 2612, Table 281-0026; Average Weekly Earnings, All Employees, Excluding Overtime, unadjusted for seasonal variation for the Canada, Oil and Gas Extraction Industry, classified using the North American Industry Classification System (NAICS).

MONTH	WEEKLY EARNINGS* Canadian Dollars
Jan 2005	1346.59
Feb 2005	1283.91
Mar 2005	1277.48
Apr 2005	1281.00
May 2005	1350.25
Jun 2005	1345.50
Jul 2005	1370.63
Aug 2005	1396.79
Sep 2005	1412.10
Oct 2005	1390.18
Nov 2005	1401.79
Dec 2005	1419.24
TOTAL	\$16,275.46
2005 Monthly Average	\$1,356.29
2004 Monthly Average	<u>\$1,328.82</u>
VARIANCE (Increase/(Decrease))	<u>\$27.47</u>
% Increase from 2004	2.07%

PETROLEUM ACCOUNTANTS SOCIETY OF CANADA

OVERHEAD RATE ADJUSTMENTS AS PER

1969 PASC ACCOUNTING PROCEDURE SUBCLAUSE 314(b)(1)

1988 PASC ACCOUNTING PROCEDURE SUBCLAUSE 302(d)

1996 PASC ACCOUNTING PROCEDURE SUBCLAUSE 302(e)

Percentage Increase

Utilizing Average Wage and Salary

Increases (or Decreases) for the Calendar Year Beginning

July 01, 1970	6.45
July 01, 1971	6.65
July 01, 1972	7.63
July 01, 1973	7.43
July 01, 1974	6.65
July 01, 1975	13.59
July 01, 1976	16.72
July 01, 1977	11.00
July 01, 1978	9.37
July 01, 1979	9.20
July 01, 1980	10.58
July 01, 1981	13.52
July 01, 1982	16.44
July 01, 1983	16.17
July 01, 1984	5.60
July 01, 1985	4.50
July 01, 1986	5.90
July 01, 1987	0.77
July 01, 1988	3.22
July 01, 1989	(0.26)
July 01, 1990	6.61
July 01, 1991	5.99
July 01, 1992	6.85
July 01, 1993	(1.54)
July 01, 1994	4.78
July 01, 1995	1.38
July 01, 1996	3.87
July 01, 1997	1.73
July 01, 1998	(2.74)
July 01, 1999	4.09
July 01, 2000	(0.51)
July 01, 2001	5.36
July 01, 2002	1.21
July 01, 2003	.49
July 01, 2004	(0.26)
July 01, 2005	6.20
July 01, 2006	2.07