



Burton Joyce
CHAIRMAN OF THE BOARD

LETTER FROM OUR CHAIRMAN

BURTON JOYCE director since 1993

Mr. Joyce is the Chairman of the Board of Directors of IPSCO Inc. and a former President and CEO of Terra Industries Inc., a manufacturer of fertilizer and methanol.

The past year witnessed more new performance records and milestones at IPSCO. Buoyed by continued strength in steel and energy prices, and a strong operating performance, our share price climbed more than 13% on both the New York Stock Exchange and the Toronto Stock Exchange in 2006. During the past four years, IPSCO's share price has risen by more than 800%.

Meanwhile, our ability to create value could also be seen in an annual dividend which increased 39% from CDN \$0.56 in 2005 to CDN \$0.78 in 2006. We also renewed our share repurchase program through the Toronto Stock Exchange, authorizing the repurchase of up to 10% (approximately 4.7 million shares) of our public float over a one-year period beginning May 9, 2006. At year-end, approximately 1 million shares had been repurchased through the program.

We also took advantage of our abundant cash flow to significantly strengthen IPSCO's platform for long-term earnings growth. On December 1, 2006, we finalized the \$1.43 billion acquisition of NS Group, a move that gives us the largest energy tubular manufacturing capacity of any producer in the United States and Canada with a significantly expanded product offering in higher value alloy and seamless tubulars and a new presence in premium oilfield connections. As a result of this transaction, IPSCO is now well positioned to be the provider of choice in a North American energy pipe market that will continue to benefit from positive long-term fundamentals.

As always, our ability to create sustainable value for investors was grounded in our commitment to the highest possible standards of corporate governance. And, once again, we were pleased to see that commitment recognized by independent corporate governance studies. IPSCO achieved a "AAA" rating on the Shareholder Confidence Index published by the Joseph L. Rotman School of Management at the University of Toronto in December 2006. We also remained in the top quartile of Canadian public companies in the annual *Globe and Mail* survey of corporate governance practices. Please see "Governance at IPSCO" on the following page to learn more about the Company's corporate governance policies and practices.

In closing, I would like to acknowledge the valuable contributions of Mr. Roger Tetrault who will be retiring from the Board in 2007 following eight years of service. I would also like to extend the Board's thanks and congratulations to all the employees of IPSCO for making 2006 another year for the record books. Thanks to their efforts, we have been able to reinforce the confidence of our customers, our suppliers and our investors while shaping our business for continuing success in the future.

Burton Joyce
Chairman of the Board

March 1, 2007