
Burntsand Takes Steps to Focus Its Business and Leverage Key Capabilities

Toronto, ON. December 4, 2003. Burntsand, Inc. (Burntsand) (TSX:BRT) a North American business solutions integrator today announced that it has taken strategic action to rationalize its business in order to focus its effort and leverage key capabilities. These actions include exiting a market segment it serves, focusing on its strongest technology partners and simplifying its geographical representation strategy and related management and administration structures.

Burntsand is exiting its Canadian Federal Government business and as a result is closing its office in Ottawa, Ontario. "Unfortunately our investment in Ottawa has been slower in realizing a reasonable return and, with the current uncertainties associated with this market, we have decided to exit this industry segment. On a 2003 year to date basis, Ottawa was less than 2% of our professional services revenue with close to 6% of our employees. We had a very strong Web Content Management team in the city and we wish them all the best in transitioning to a Canadian Federal Government focused organization", stated Jim Yeates, Chairman and CEO of Burntsand Inc.

Burntsand will continue to invest in its partnerships with Documentum, Microsoft, Remedy and FrontRange who remain premier technology partners across the organization. Burntsand will also increase focus with respect to prospect targeting and account management. The company will be operating a near-shore Deployment Centre based in Calgary, Alberta to service and support both USA and Canadian based customers in the areas of IT Service Management and Infrastructure Architecture services.

Burntsand is simplifying its geographical representation to create more economically viable regions, consisting of Toronto, Canada West, US West, and US East, with 2 offices shifting to a project office focus in these regions. The company will retain its overall skill-sets and capabilities and the regions will increase their focus on providing clients with the services they need during the company's 2004 planning horizon.

Burntsand will take a charge in the last quarter of 2003 of approximately \$1.6 million for severance and related expenses associated with the reduction of its workforce by approximately 23% including the closing of its Ottawa office, \$0.9 million for excess real estate over the next several years and will assess for impairment the value of non-cash assets in conjunction with its year end audit. Following these changes, Burntsand will now have 175 employees and contractors consisting of approximately 140 Delivery, 12 Sales, and 23 Management and Administration staff.

"Burntsand's cost structure is being adjusted to reflect the current situation and I believe that these steps place Burntsand into an agile position for future opportunities", stated Jim Yeates.

As a follow-up to Mel Steinke leaving the Company and his role as CEO, he has also resigned from the board of directors.

About Burntsand

Burntsand is a Solutions Integrator focusing on business solutions that deliver enhanced productivity. Burntsand's success results from its ability to rapidly create company-wide integrated business solutions for clients in the areas of Portals, Relationship & Service Management, Content Management, Business Intelligence and Knowledge Management. These solutions integrate into the client's enterprise

architecture. Burntsand's extensive cross-industry experience in the integration of eBusiness solutions augments vertical expertise in Canadian Provincial governments, the financial services, energy, manufacturing and distribution, and pharmaceutical industries. Headquartered in Toronto, Burntsand operates across North America. The company trades on the Toronto stock exchange (TSX) under the symbol BRT, Burntsand's website address is www.burntsand.com

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