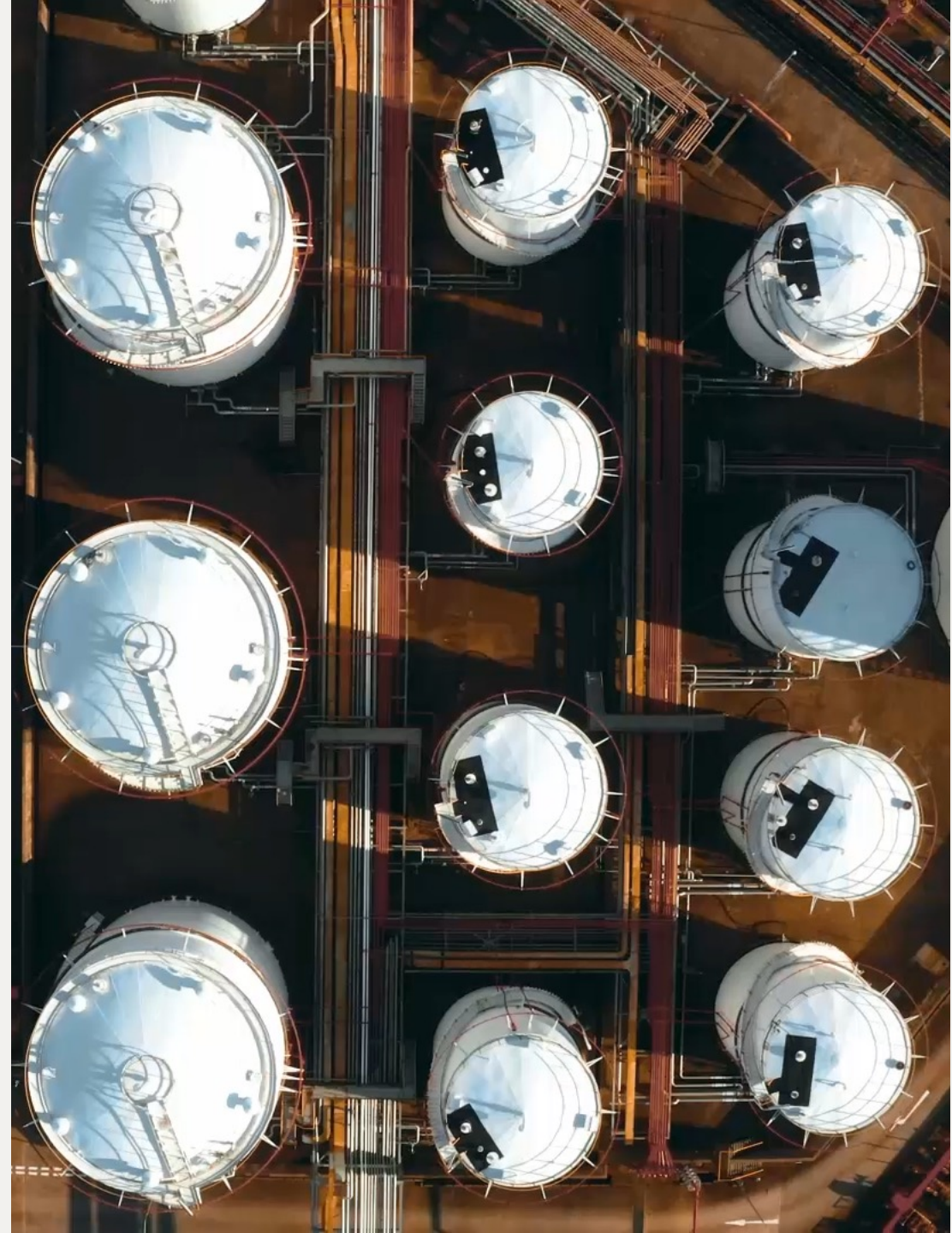




Mainframe Modernization Survey Report 2025

Industry focus: Oil & Gas

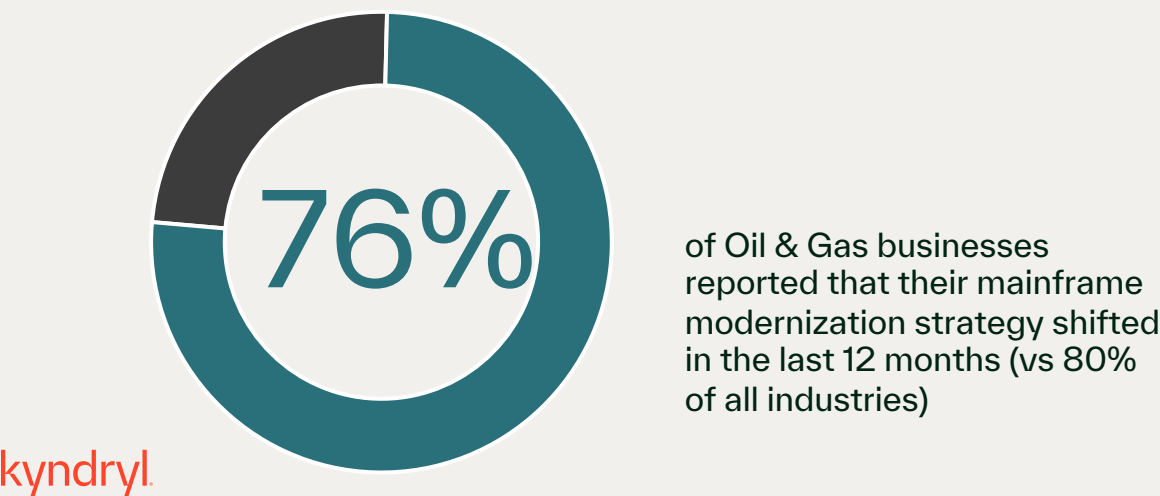


How Oil & Gas companies are approaching mainframe modernization in 2025

Modernizing IT environments has never been more challenging – or more urgent.

In 2025, Kyndryl commissioned Coleman Parkes Research to undertake the third annual global survey of 500 senior leaders at enterprises that make use of mainframes. The research found that while the mainframe continues to offer businesses a reliable, secure, and high-performance platform for their core operations, enterprises are dynamically adapting mainframe modernization strategies in response to changing market opportunities.

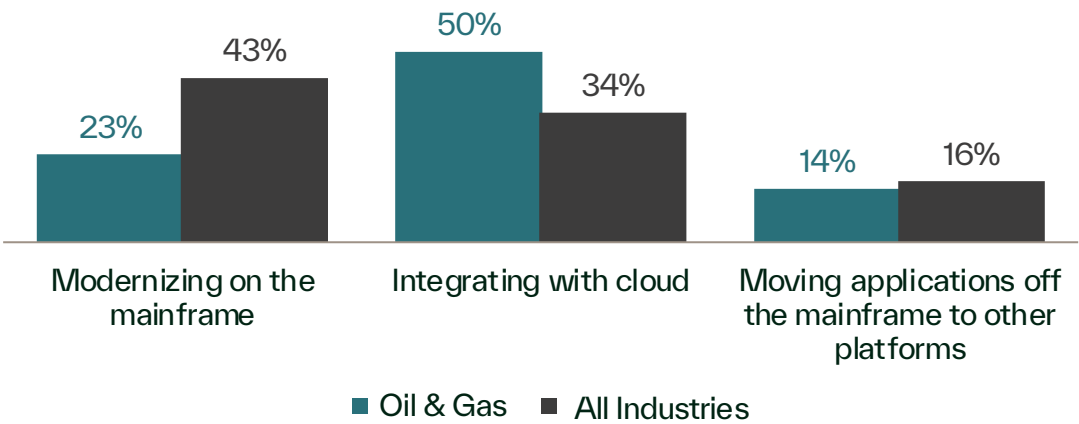
The evolving capabilities of the mainframe allow it to remain central to IT strategies. Organizations continue to accelerate and steer their evolution, opening up a wealth of new possibilities.



FINDING 1

Businesses are embracing a surprisingly nimble approach to their modernization strategy

HOW STRATEGIES HAVE CHANGED



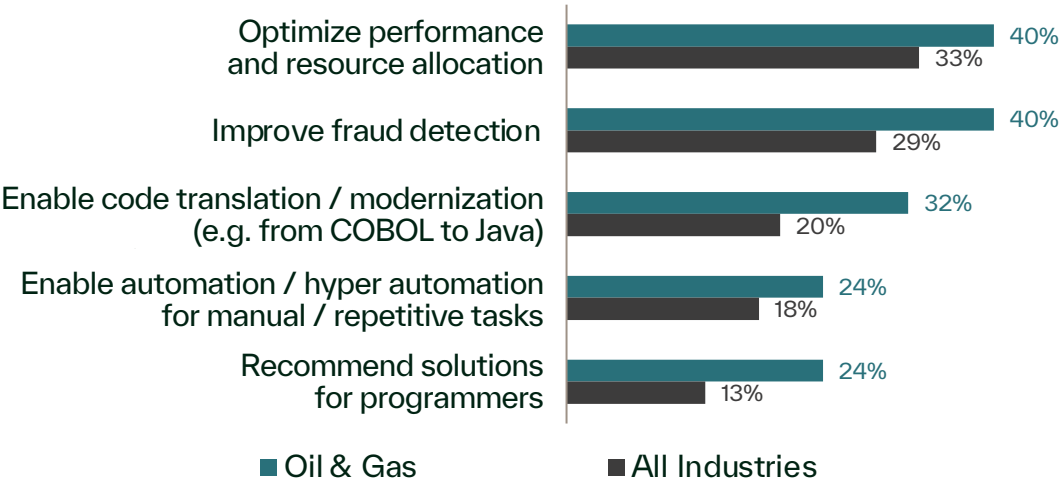
ANNUAL EXPECTED SAVINGS FROM MODERNIZATION PROJECTS (OIL & GAS ONLY)



FINDING 2

Deployment of AI and generative AI on the mainframe starts to pay off

TOP AI MAINFRAME USE CASES



\$43 million

Estimated revenue projected over the next three years from AI/gen AI initiatives (vs. \$44 million for all industries)

\$24 million

Projected savings (labor, operational, business) over the next three years from AI/gen AI initiatives (vs. \$29 million for all industries)

FINDING 3

Across most industries, businesses are increasing usage of the mainframe, despite respondents reporting a decline in the platform’s importance to overall strategy

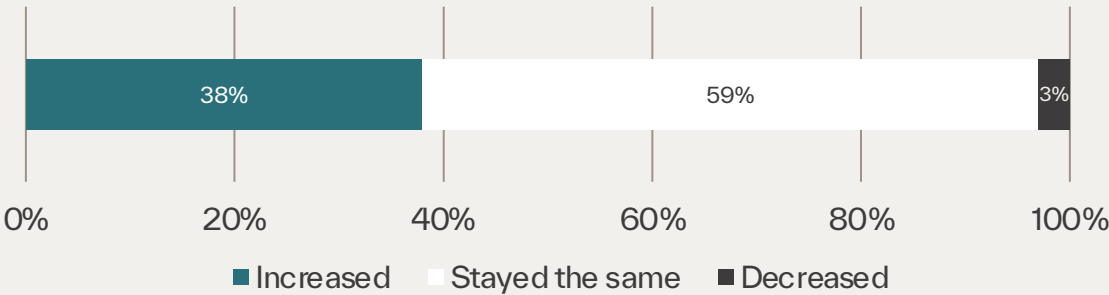
66%

of Oil & Gas organizations say mainframe is very or extremely important to their strategy and operations (vs 78% across all industries)

WHY OIL & GAS BUSINESSES ARE KEEPING WORKLOADS ON THE MAINFRAME

- 1. Business criticality of the data (41%)
- 2. Privacy and data protection concerns (34%)
- 3. Availability is better on the mainframe (34%)
- 4. Lower costs on the mainframe (34%)

MAINFRAME USE: LAST 12 MONTHS (OIL & GAS ONLY)

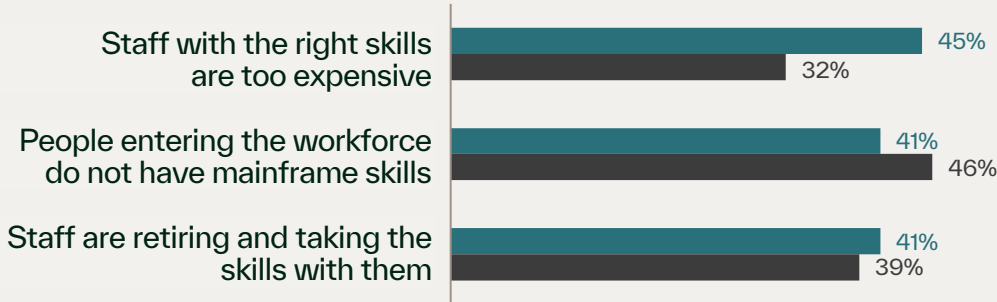


FINDING 4

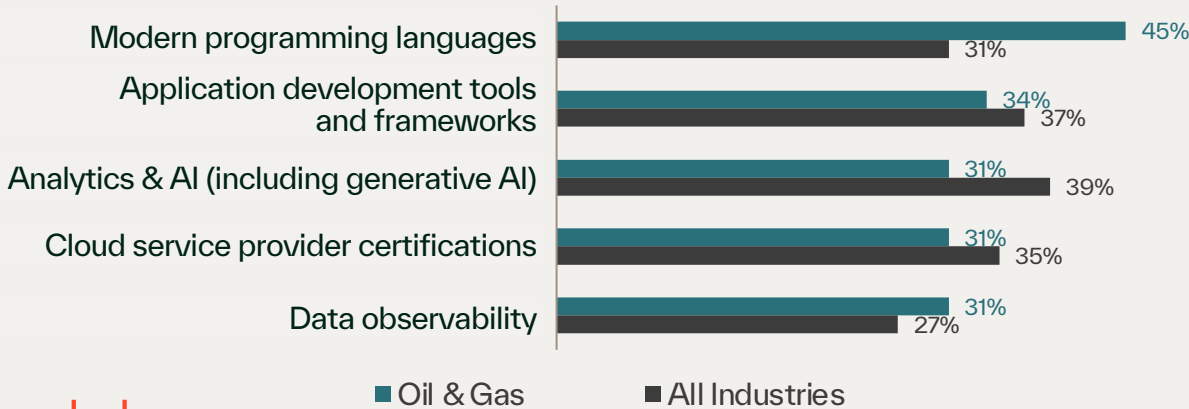
Mainframe modernization requires a multi-skilled organization

69% of Oil & Gas organizations **struggle to find skilled talent** for mainframe modernization projects (vs. 70% across all industries)

TOP CHALLENGES IN MAINTAINING A SKILLED WORKFORCE



MAIN SKILLS DEVELOPMENT INVESTMENTS



FINDING 5

Regulatory compliance requirements have an outsized influence on modernization plans and strategies, while security remains a top concern

93% of Oil & Gas organizations say regulatory compliance is influencing their organizations' decision-making regarding mainframe mod (vs. 94% of All Industries)

#1

Oil & Gas organizations say **security is the #1 key area** their organizations factor into their decision-making when developing a mainframe modernization strategy

HOW REGULATORY COMPLIANCE REQUIREMENTS INFLUENCE DECISION-MAKING

- 1. **Accelerating modernization** timelines to meet compliance requirements (41%)
- 2. **Increasing collaboration** between IT, security, and compliance teams (37%)
- 3. **Re-prioritizing budget** to support regulatory compliance (26%)
- 4. **Influencing decisions** on cloud adoption and hybrid infrastructure (26%)
- 5. **Shaping technology** selection criteria of 3rd parties (26%)

For more information on Kyndryl's work with Oil & Gas businesses, visit:
<https://www.kyndryl.com/us/en/industries/chemical-oil-gas>

To read Kyndryl's 2025 Mainframe Modernization Survey Report, scan the QR code





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