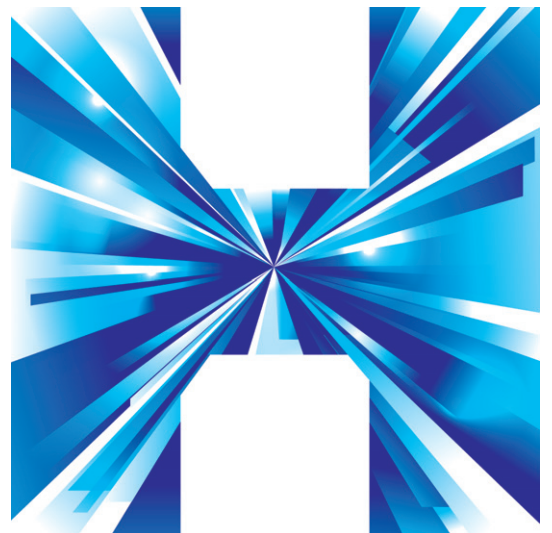


THE OIL & GAS GLOBAL SALARY GUIDE 2011

Global salaries and recruiting trends.



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THANK YOU

We would like to express our gratitude to all those organisations and individuals who participated in the collection of data for this year's survey. More than 10,000 people responded which was certainly overwhelming. This has ensured that we can produce an informative document to help support your business decisions.

Disclaimer: The Oil & Gas Global Salary Guide 2011 is representative of a value added service to our clients and candidates. Whilst every care is taken in the collection and compilation of data, the survey is interpretive and indicative, not conclusive. Therefore information should be used as a guideline only and should not be reproduced in total or by section without written permission from Hays.

SURVEY SUMMARY

10,800+

PEOPLE RESPONDED TO THE SURVEY

3,900+

RESPONDENTS ARE EMPLOYERS IN THE INDUSTRY

1,000+

RESPONDENTS WORK WITH A GLOBAL SUPER MAJOR

50+

COUNTRIES WORLDWIDE REPRESENTED

20+

DISCIPLINE AREAS COVERED

“The comparison of salaries between our 2010 and 2011 guides appears to be a good measure of the pace and strength of each country’s respective recovery within the industry.”

I am delighted to introduce this year’s salary guide and am particularly pleased to report that the guide is bigger and better than last year’s. We were inundated with responses to our survey so firstly a big thank you to all those who took the time to contribute.

Since our inaugural launch last year the interest in this guide has been enormous. It seems such a document has found a significant place in the industry for those wishing to understand where the market sits in terms of remuneration and employment trends.

Taking a global view of the figures we could summarise by saying the average permanent remuneration has remained steady. This however would be misleading when considering the changes in economic fortunes between individual countries and the fluctuations in salaries we have seen within the year.

The data for this year’s guide was collected during September and October 2010 by which time most of the world’s economies were in full recovery. This said we know from our own recruitment activities that movements in permanent salaries do take time to wash through the industry. So whilst the industry recovered towards the end of 2009, salaries continued to fall until early 2010, before starting to climb again later in the year. Therefore the comparison of salaries between our 2010 and 2011 guides appears to be a good measure of the pace and strength of each country’s respective recovery within the oil and gas market.

The last two years have seen a huge number of overseas employees laid off as demand fell through the recession. While some of this slack was taken back up in 2010, those at the bottom of the career ladder suffered most. Therefore it is no coincidence that salaries fell furthest in countries that traditionally provide lower cost labour to the industry.



Matt Underhill
Managing Director, Hays Oil & Gas

In line with this trend we also saw a huge amount of repatriation of high skilled labour from all parts of the globe, with many taking up positions at home or retiring from the industry altogether. Again these industry trends were reflected in the figures with falling levels of overseas workers and tenure dropping. At the other end of the spectrum, and exceeding the number of increased retirements, we also saw a big drop in new entries to the industry. So paradoxically experience levels actually increased.

Contractor rates are in essence a great deal more reactive to changes in the industry and therefore followed the recovery with less delay. Consequently we have seen growth across the board of between 10 and 20 per cent with only a few cases going against the trend. This said there is still some way to go before day rates recover to pre-recession levels.

The data does show continuing use of temporary contractors. In such a fluctuating market this should perhaps be no surprise. We also found that the expat package is far from dying out; a trend we feel goes against that of other industries.

We are pleased to see optimism in the industry continues to rise after a couple of tough years. This optimism has yet to overheat the market and consequently it is a good market for both recruiters and job seekers. Whilst there are still plenty of opportunities available, rates and remuneration are not being inflated to untenable levels.

Finally I would like to thank our partners, Oil and Gas Job Search, without which we would not have been able to map out the industry as we have done. I would also like to thank all those that worked on collating and producing such a great document this year.

Matt Underhill, Managing Director, Hays Oil & Gas

“I was extremely pleased that almost 11,000 industry professionals from more than 20 different disciplines completed the survey. This equates to a very impressive increase on the previous year.”

We are again delighted to partner with Hays to deliver to the industry the second issue of the Global Oil and Gas Salary Guide.

Our objective is to provide both recruiters and job seekers with a better understanding of the approximate levels of pay, benefits and confidence that currently exist in the market. In so doing, employers and employees can ensure they are getting value for money in their employment dealings. Clearly, undertaking a global survey within such a large industry is no small task, and equally to drill down into specific roles or geographic regions would start to render the data inaccurate. We have therefore concentrated on the averages for groups of employees in the industry defined by: which country they are working in and where they are from; the discipline area in which they work; how much experience they have; and how they are employed (i.e. permanent staff or temporary contract).

Last year's inaugural guide was completed by over 7,000 participants with the results being published in February 2010. Following publication, we offered free access via the Oilandgasjobsearch and Hays websites. This led to over 35,000 downloads within the first month of launch. The feedback from our candidates and clients was very encouraging and it quickly became apparent that we had created a document without compare in the industry, and its insights and level of detail was attracting huge levels of interest. This encouraged us to repeat the undertaking and once again we approached our customers and users to complete a detailed survey that would form the basis of the 2011 guide. Initial levels of participation were astounding and I was extremely pleased that almost 11,000 industry professionals from more than 20 different disciplines completed the survey. This equates to a very impressive increase on the previous year.

The 2011 guide differs from last year's in that we have been able to provide details on the salary trends of different types of jobs in a range of locations by using last year as a benchmark. We have also included more data in the benefits and packages section: always an emotive subject. In addition, we have expanded the number of countries in this year's guide to over 50 which means that we have now covered the majority of the 'significant' oil and gas locations.

As is demonstrated in our figures a level of confidence has been restored to many of the global energy markets evidenced by the re-emergence of the oil sands activity in Canada and the Australian market leading the way with several huge projects passing final investment decision (with more to come in 2011). The South East Asian markets have also seen strong expansion in exploration and production to satisfy growing demand. One of the other main points from the guide is that a greater number of professionals are more optimistic about the future even in light of the difficult market conditions elsewhere. With greater stability in the oil price and more confidence in financial markets, I am equally as optimistic about the industry for 2011 and beyond.

Oilandgasjobsearch has mirrored the industry as a whole over the last 12 months with an increase in jobs posted, applications to jobs and a massive leap in the number of site users. We have far more clients than we did last year and this again is a sign of the increased confidence in the sector. We have recently opened a new office in Australia to help fulfill the needs of our Australian and Pacific based clients and candidates. We are also looking to expand in the Middle East during 2011.

I am sure that the detailed content of the guide will prove to be an invaluable source of data for many in the industry from recruiters to job seekers alike.

I would like to take this opportunity to thank our partners, Hays Oil & Gas, and all the participants who took the time to complete the survey.

Duncan Freer, Managing Director, Oil and Gas Job Search



Duncan Freer
Managing Director, Oil and Gas Job Search

A GLOBAL PERSPECTIVE



Alberta

Strengthening oil price gives oil sands new life in Western Canada.

North Sea

Several new discoveries give the region hope that a slow decline of the North Sea industry can be reversed. Optimism returns as the region has a stronger than expected recovery from the global recession of 2009.

Gulf of Mexico

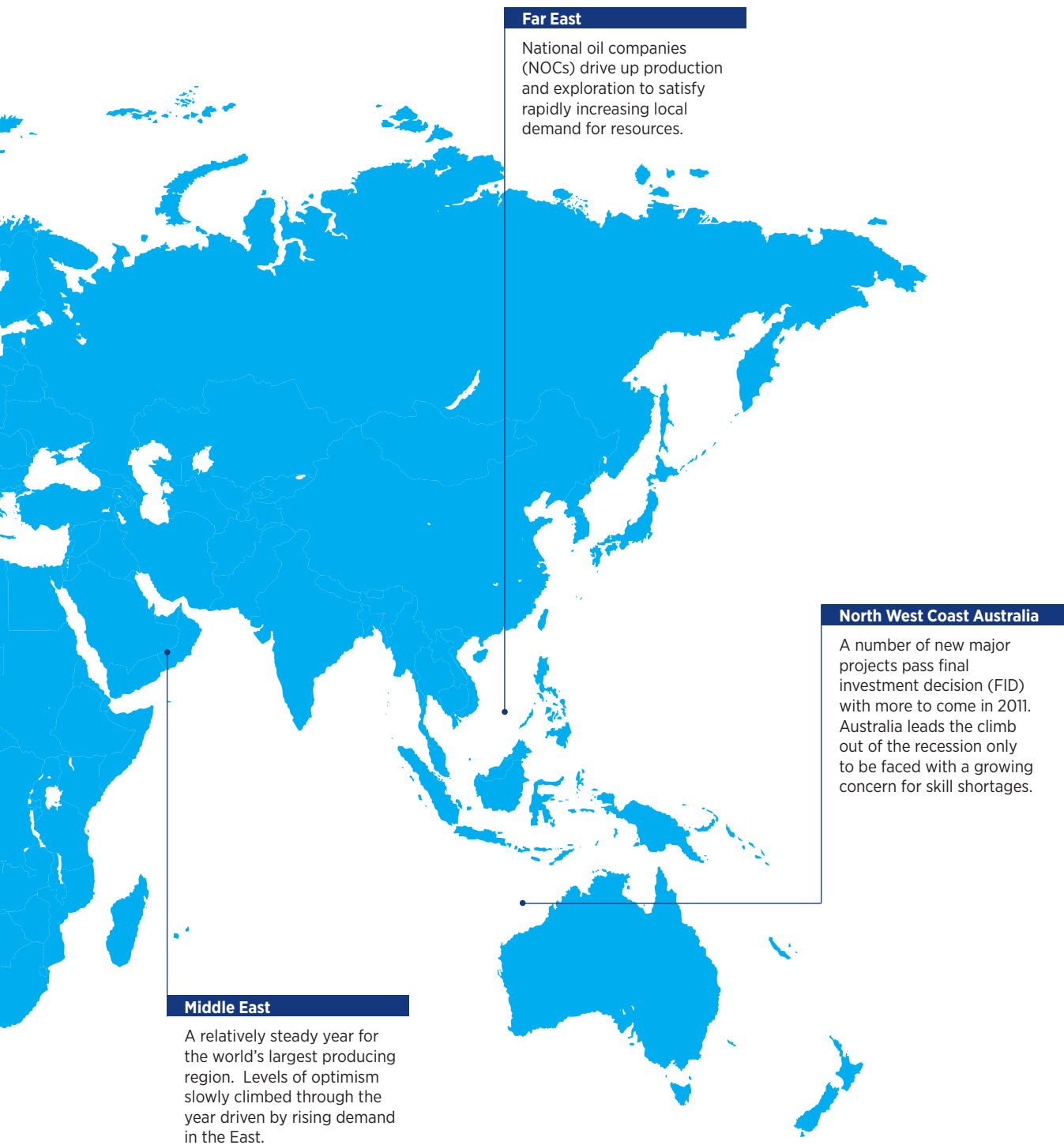
Massive blow out on the Deepwater Horizon oil rig takes 11 lives and creates an environmental nightmare at 1500 metres below the surface. The well takes 12 weeks to cap and stalls the American offshore exploration industry.

Brazil Coast

Further discoveries in the pre salt fields off Eastern Brazil add further fuel to a growing offshore market. Local ship yards kick into overdrive to make sure the fields can be adequately serviced with FPSO's and support vessels.

West Africa

Increasing production and exploration activity provides the region with much needed forward revenues. However the riches on offer bring conflict as all stakeholders struggle to maximise their returns.



Far East

National oil companies (NOCs) drive up production and exploration to satisfy rapidly increasing local demand for resources.

Middle East

A relatively steady year for the world's largest producing region. Levels of optimism slowly climbed through the year driven by rising demand in the East.

North West Coast Australia

A number of new major projects pass final investment decision (FID) with more to come in 2011. Australia leads the climb out of the recession only to be faced with a growing concern for skill shortages.

SECTION ONE

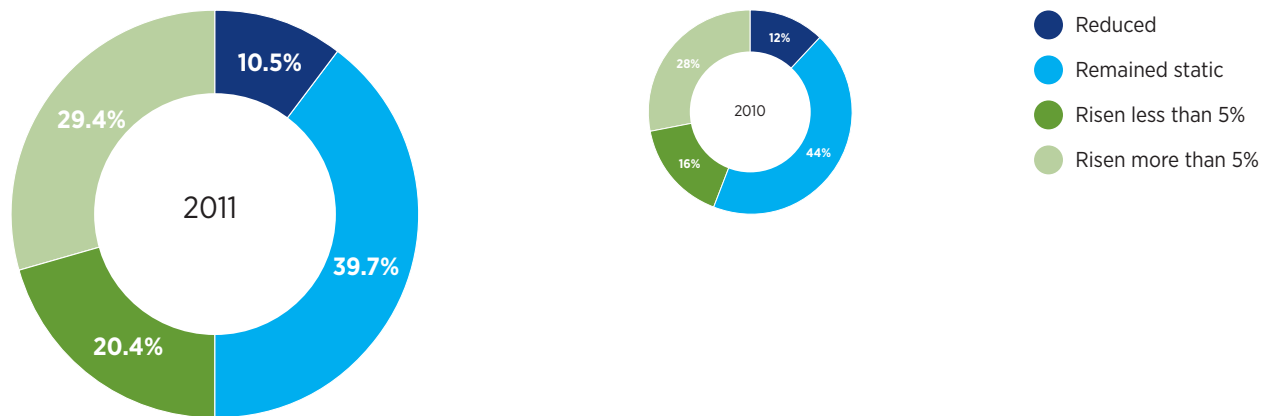
SALARY INFORMATION

Over 20 per cent of employers expect salaries to increase by more than 10 per cent in the next 12 months.

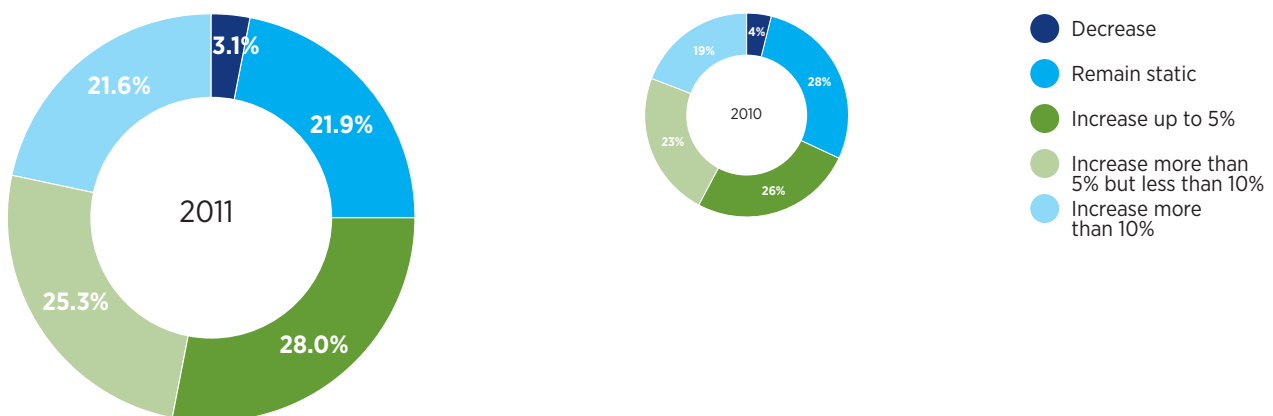
Just over half the respondents received a pay increase in the last 12 months.

Three quarters of respondents expect salaries to increase in the next 12 months.

In the last 12 month has your salary:



In the next 12 months, do you expect salaries to:



SALARY INFORMATION

OVERVIEW

The practice of paying premium rates to attract contractors to some of the more colourful locations is very much in play.

FOR PERMANENT STAFF BY COUNTRY

This year our global salary survey turned out an average figure of US\$75,813* per annum which, interestingly, is approximately the same as last year. Whilst this implies there was no increase in pay and remuneration through the year, it would be an error to say that salaries have been flat. In fact it has been a year of great change.

With the global recession hitting the world's markets in late 2008, the oil and gas industry was not immune to its effects. By the end of 2009 the worst had passed and business was in recovery. However permanent salary trends by their nature lag behind the economic state of the industry (as opposed to contract day rates which trend more in sync) and salaries continued to fall. It was only in 2010 that we saw permanent packages stabilise and then start to climb in quarters two and three.

The figures surveyed for this release were taken from September to October 2010 and they very much reflect where each country was in this recovery life cycle. Several are yet to see levels return to where they are the year before, notably the UK, Oman and India. On the other hand, there are several others that were clearly already beyond those levels experienced in 2009 including Norway, Brazil, Singapore and Qatar.

As always the figures tell a thousand stories and each and every country will have their own story to tell on how the industry fared through the year. Analysing the overall figures we do however find a significant trend in expats being repatriated back to their home countries which is commonplace through any downturn. Expats by their nature are at the senior end of the industry and remuneration, and this migration is represented by a 5% increase in salaries for locally based staff and an equivalent fall of 5% on those imported.

Combining the figures for imports and locally based staff the top five highest paying countries were Australia, Canada, USA, Norway and the Netherlands. Those paying the least were Pakistan, India, Philippines, Romania and Iran.

* Base and guaranteed cash payments

FOR CONTRACT STAFF BY COUNTRY

Contractor rates are driven by a multitude of factors and are highly susceptible to market forces. Rates for short and medium term contracts are also much more reflective or 'real time' in respect of where the industry is travelling. Consequently with the market bottoming out in 2009, we expected to see some increase in the 2010 figures compared to those that were gathered in last year's survey. This proved to be the case with increases averaging between 10 and 20%.

In the majority of countries, rates for imported contractors were higher than their local colleagues. This very much reflects the traditional demand for contractors in importing skills (at a premium price) that are not available locally. However, this year we saw a number of countries with local rates exceeding those of imports, i.e. Australia, the UK, Canada, Norway and the Netherlands.

Background

Only where the sample size is large enough have we listed countries in this table.

Permanent staff salaries are the figures returned by respondents as their package in US dollar equivalent figures (respondents were asked to convert their salary into US dollars using xe.com at the time of responding) excluding one-off bonuses, pension, share options and other non-cash benefits, for those working on a yearly payroll. Those on a daily payroll are extracted and listed separately.

The average salaries listed under local labour are representative of respondents based in their country of origin. Salaries listed under imported labour are representative of those who are working in that country but originate from another.

Where not enough responses were received, entries are returned as N/A.

Contractor rates are listed as US dollar equivalent day rates as listed by respondents.

Analysing the data further this is due to one of the major underlying employment trends in the industry through 2009 and into 2010 - repatriation as mentioned above. Indeed many companies used the downturn to exit foreign imports on inflated salaries who were taken on when the market was flying in 2007 and 2008. The majority of these individuals returned to their home countries and picked up further contracts as the market improved thus pushing up local rates.

The practice of paying premium rates to attract contractors to some of the world's more 'colourful locations' is still very much in play. Many of those countries that have the lowest local rates are paying the highest rates for imports, i.e. Iraq, Philippines, Pakistan and Vietnam.

BY EXPERIENCE

By discipline area

The average global salary for those entering the industry (between 0 and 4 years experience) is between \$35,000 and \$45,000. This is not to say there is uniformity between countries, more that there is little variation between disciplines. Those in marine/naval engineering appear to gain in worth very quickly. Conversely cost engineers and piping engineers seem to take some time before their earnings rise.

At the other end of people's experience subsea engineers once again appear at the top of the league table. This is true for both those with 20 plus years experience, but even more so for those at 10 to 19 years, a reflection of the demand that exists in the market for deep water engineering experience.

We also note that business development salaries for those with 20+ years experience (and we would have to assume a decent network) have also risen significantly and now top the table. Again this mirrors a move by many companies seeking to expand their market share post the recession. Experienced professionals in drilling and geoscience continue to attract above average remuneration in line with last year's figures.

With a top line salary of only \$86,900, those in logistics appear to have had a tough year. However looking at the data further we are able to see that tenure has dropped notably, which will reduce this average at a time when new salaries were at a historical low.

By company type

There were some significant changes in salaries by company type. The biggest jump was for those with 20+ years experience and 10 to 19 years experience working with an operator.

Results also show that those with 20+ years experience working with a global super major or a consultancy received sizeable increases.

The only company type to report increases at all experience levels was global super majors. Conversely, oil field services recorded decreases at all levels. The most significant decrease was for those with 20+ years experience working with a contractor.

SALARY INFORMATION
SALARIES

Country	Local Labour		Imported Labour	
	Average annual salary	Average daily rate	Average annual salary	Average daily rate
Algeria	42,900	430	93,400	770
Angola	33,500	410	108,500	1,040
Argentina	66,000	N/A	119,000	660
Australia	143,700	1,080	144,600	1,020
Azerbaijan	37,900	490	141,600	960
Bahrain	56,000	N/A	75,000	570
Brazil	99,500	570	99,500	780
Canada	129,900	970	111,400	910
China	49,400	540	109,900	910
Colombia	49,700	440	177,500	1,590
Egypt	44,000	440	121,300	990
France	106,000	830	111,300	930
India	35,600	400	104,400	690
Indonesia	41,800	430	125,000	930
Iran	40,900	390	83,400	470
Iraq	21,700	280	94,800	1,060
Italy	73,900	730	88,600	740
Japan	N/A	580	128,300	1,050
Kazakhstan	32,400	390	129,400	1,060
Korea	120,800	560	130,400	1,010
Kuwait	N/A	550	72,900	640
Libya	42,300	440	87,400	820
Malaysia	50,200	490	109,900	740
Mexico	57,900	530	95,700	780
Netherlands	124,300	1,280	107,500	880
New Zealand	107,200	860	101,400	1,190
Nigeria	39,600	460	126,200	940
Norway	130,300	1,290	119,800	1,020
Oman	40,400	580	72,200	610
Pakistan	25,500	360	60,300	1,300
Papua New Guinea	31,200	300	197,200	1,000
Philippines	37,600	390	135,000	1,270
Poland	54,100	460	77,500	1,010
Portugal	N/A	340	N/A	920
Qatar	69,000	550	77,300	610
Romania	38,900	450	120,000	570
Russia	63,000	550	127,800	1,020
Saudi Arabia	61,200	480	65,200	540
Singapore	66,300	500	98,500	720
South Africa	76,200	630	92,500	540
Spain	77,000	570	93,800	900
Sudan	36,800	450	62,000	720
Trinidad & Tobago	49,700	440	184,700	1,290
Turkey	68,200	500	82,600	470
Turkmenistan	N/A	N/A	N/A	1,060
United Arab Emirates	61,200	610	69,200	550
United Kingdom	86,700	820	76,300	670
USA	117,000	840	110,700	870
Venezuela	59,700	520	111,200	890
Vietnam	29,600	240	140,400	1,080
Yemen	23,300	290	97,800	870

Notes: All figures are base salaries, quoted in US dollars. Annual salaries to the nearest one hundred, daily rates to the nearest ten.

SALARY INFORMATION
SALARIES

Discipline area	Years of experience			
	0 to 4	5 to 9	10 to 19	20 +
Business Development/ Commercial	42,000	60,600	93,900	146,400
Construction/ Installation	34,700	46,600	81,000	125,900
Downstream Operations Management	45,200	56,900	83,900	115,900
Drilling	46,700	59,100	94,600	131,800
Electrical	35,900	49,100	77,900	109,400
Estimator/ Cost Engineer	30,700	50,800	80,500	106,300
Geoscience	41,500	64,900	93,700	138,000
Health, Safety and Environment (HSE)	36,300	52,300	86,500	115,100
Logistics	34,700	45,400	72,300	86,900
Marine/Naval	54,900	64,500	92,200	115,900
Mechanical	34,800	47,400	70,500	107,300
Piping	30,500	42,300	66,500	101,200
Process (chemical)	34,400	50,400	77,600	126,400
Production Management	43,400	75,800	95,900	124,700
Project Controls	44,600	59,900	94,600	124,100
Quality Assurance/Quality Control (QA/QC)	38,500	49,800	83,000	110,700
Reservoir/ Petroleum Engineering	45,000	58,100	86,500	109,600
Structural	42,600	47,100	84,100	111,100
Subsea/ Pipelines	46,600	89,100	122,600	137,400
Supply Chain/ Procurement	39,300	51,500	79,900	115,500
Technical Safety	34,400	48,500	87,700	108,900
Instrumentation, Controls & Automation	42,600	50,600	70,800	112,000
Maintenance	23,300	33,200	57,900	112,900
Company type	0 to 4	5 to 9	10 to 19	20 +
Consultancy	44,800	57,400	92,600	129,700
Contractor	39,600	53,900	82,000	114,600
EPCM	43,900	54,900	84,300	139,600
Equipment Manufacture and Supply	36,400	55,400	75,200	100,000
Global Super Major	53,400	71,000	107,500	136,400
Oil Field Services	39,200	50,900	77,300	97,400
Operator	45,300	70,700	103,600	141,300

Notes: All figures are base salaries, quoted in US dollars. Annual salaries to the nearest one hundred, daily rates to the nearest ten.
 EPCM - Engineering, procurement and construction management;
 HSE - Health, safety and environment; QA/QC - Quality assurance/quality control.

SECTION TWO

INDUSTRY BENEFITS

Almost one third of respondents indicated they receive no benefits which could ultimately influence employee loyalty.

INDUSTRY BENEFITS OVERVIEW

“Companies are wising up to the fact that flexible bonuses linked to profit do align employee interests with that of the company.”

This year bonuses dominate the list of benefits paid to staff in the oil and gas industry with over 37% of those surveyed stating they received a bonus of some kind. These are increasingly profit linked, although we are finding that bonus schemes are becoming more tailored to the role and individual. Whilst the figures are marginally down from last year's release, this is not unexpected following such a large down turn in the industry and cash flow being tight. However companies are wising up to the fact that flexible bonuses linked to profit do align employee interests with that of the company and the 'no profit, no payment' nature of bonuses appears to be driving more widespread use.

Whilst over one third of staff received a bonus, the amount paid out was a modest 9.61% of their overall package. This clearly reflects that profits were down through 2009/10, reducing the payout. Again we expect this to rise next year as balance sheets improve.

The provision of health cover, home leave and car/transport allowance has come down considerably from last year, along with housing allowances which are marginally lower. Whilst these are all driven down by a 'lack of spare funds', it also reflects the trend in repatriating expats back to their home country over the last few years to save costs through the recession.

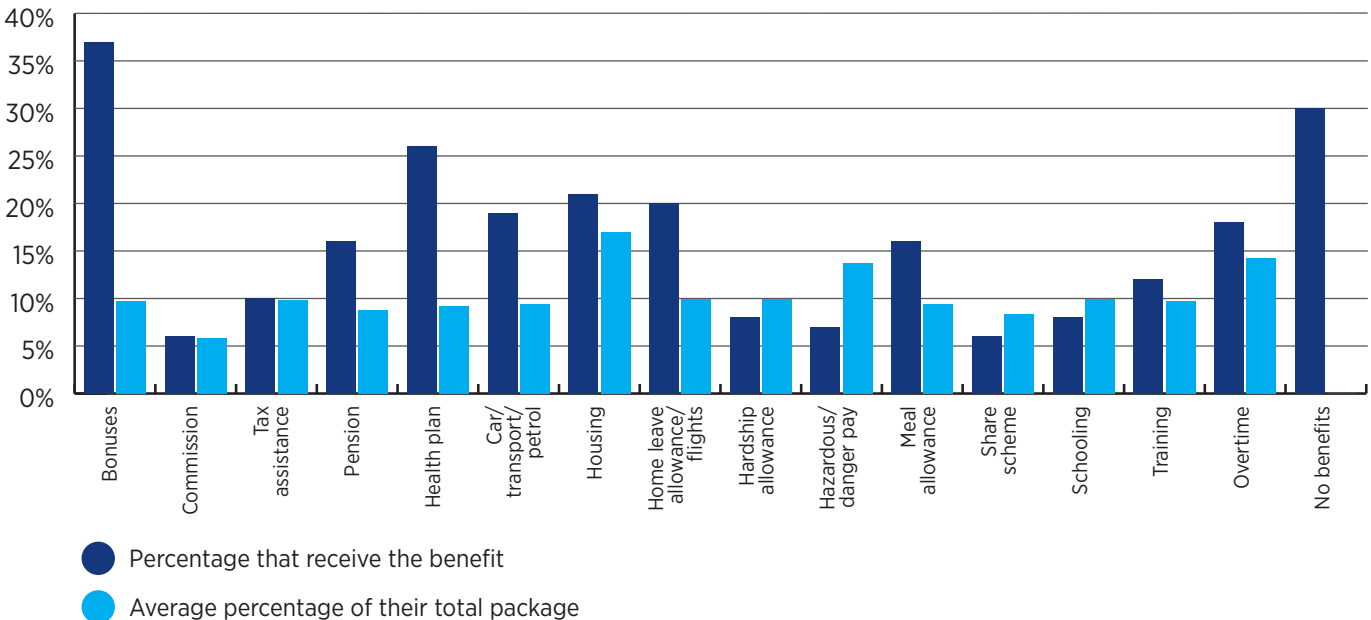
We also looked at some of the more generic day to day benefits that staff receive and found quite high levels of provision in terms of meal allowance (16%), training (12%) and overtime (18%). Many other industries are moving away from such allowances, however with large numbers in our industry working offshore or in remote locations and the high levels of safety required on site, it would be impractical to phase out such payments.

Oil and gas still leads the way when we consider expats working in some of the more dangerous parts of the globe and we were keen to explore what sorts of payments these individuals were receiving for such assignments. We found only a small percentage of individuals receiving such payments however for those that did, we found danger/hazardous pay running at 13% of package and 10% for hardship allowance.

Benefits are becoming an increasingly important part of individual's packages, although more so in some regions than others. On average we found that the Middle East paid the most in terms of package benefits amounting to 38% of their overall package, where Australasia was at the bottom end providing only 14% of the in benefits.

Overview of industry benefits

Percentage of respondents that receive each benefit and the average value of this benefit as a percentage of the overall package:



Background

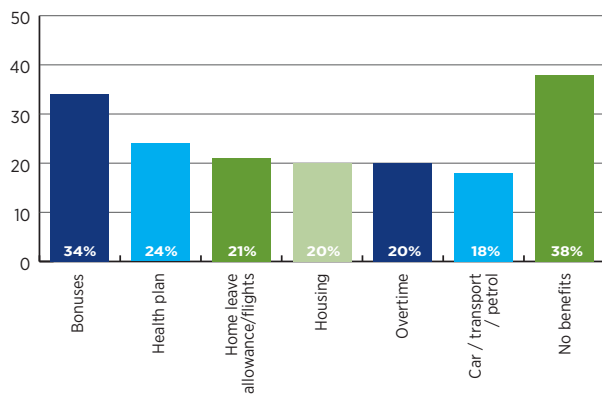
The bar chart shows two figures related to benefits that professionals in the oil and gas industry receive. The first figure represents the percentage of respondents that receive that particular benefit, i.e. 37% of respondents receive some sort of bonus. The second figure represents the value of that benefit stated as a percentage of their overall package for those that receive it which in the case of bonuses is 9.69%.

TOP BENEFITS BY COMPANY TYPE

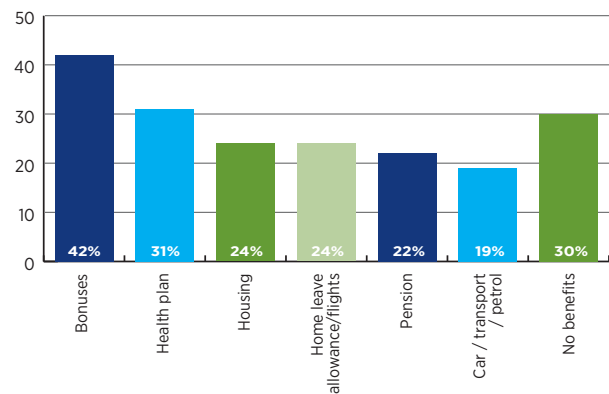
Overall, those working with Global Super Majors or Operators receive more benefits.

Bonuses dominate the list of benefits for all company types, followed by health plan.

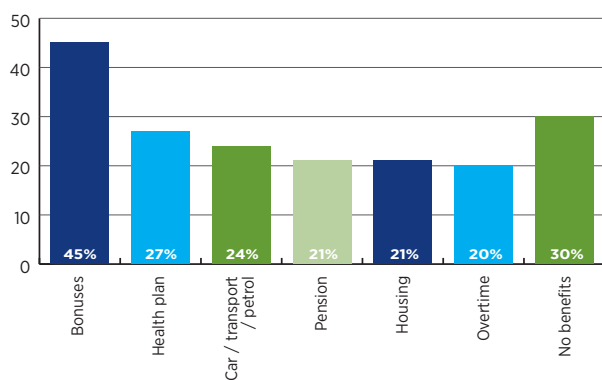
EPCM/Contractor



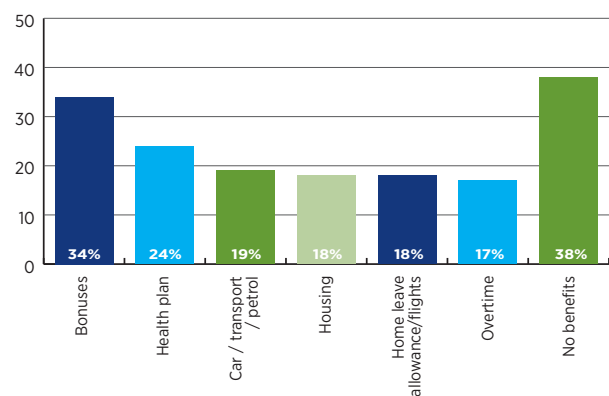
Global Super Major/Operator



Equipment Manufacture and Supply



Oilfield Services/Consultancy



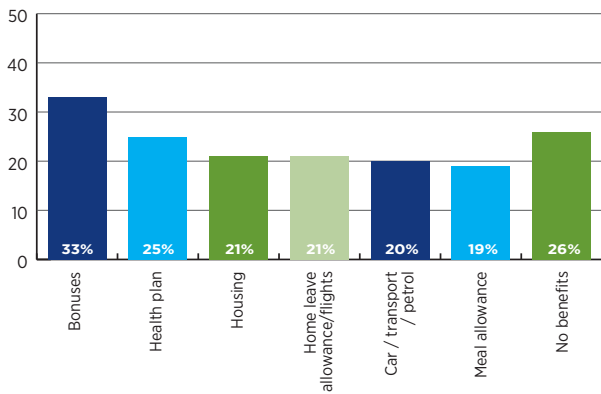
Notes: Graphs here show the top benefits by company type and the percentage of people who receive them.

TOP BENEFITS BY REGION

With competition for skills increasingly high, benefits are becoming an important attraction strategy for many employers.

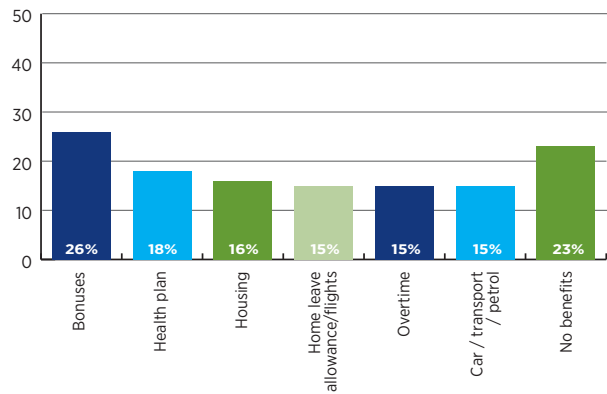
Africa

On average, benefits received by those working in Africa are valued at 26% of their total package:



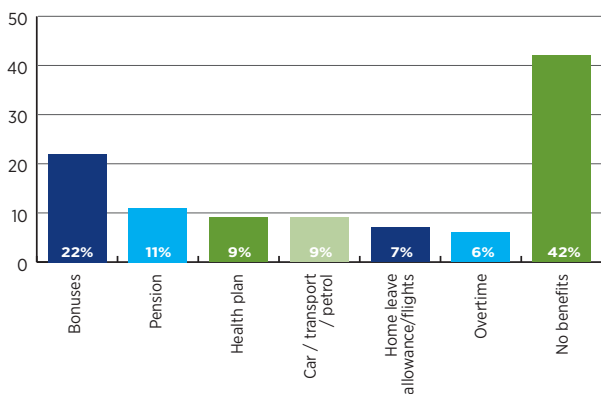
Asia

On average, benefits received by those working in Asia are valued at 33% of their total package:



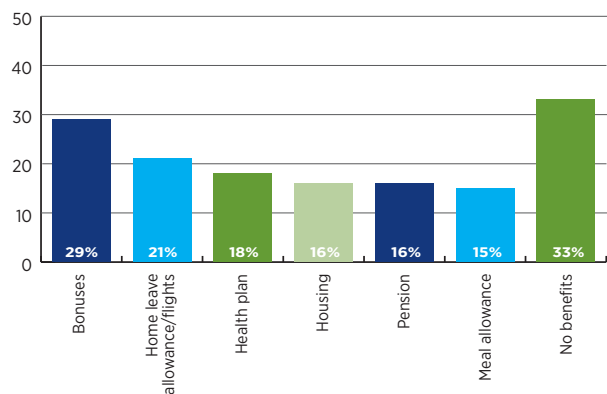
Australasia

On average, benefits received by those working in Australasia are valued at 14% of their total package:



Commonwealth of Independent States (CIS)

On average, benefits received by those working in CIS are valued at 22% of their total package:



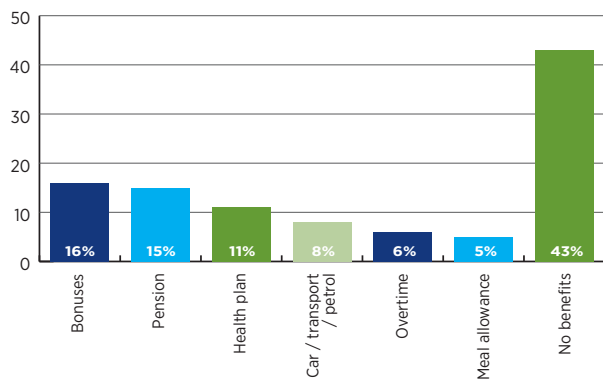
Note: Graphs here and overleaf show the top benefits by region and the percentage of people who receive them. CIS includes Russia and the former Soviet Republics.

INDUSTRY BENEFITS
TOP BENEFITS BY REGION

On average, those working in the Middle East receive the most benefits while those in Australasia receive the least.

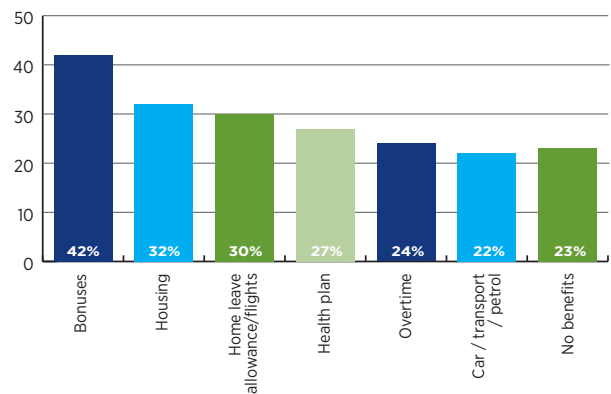
Europe

On average, benefits received by those working in Europe are valued at 15% of their total package:



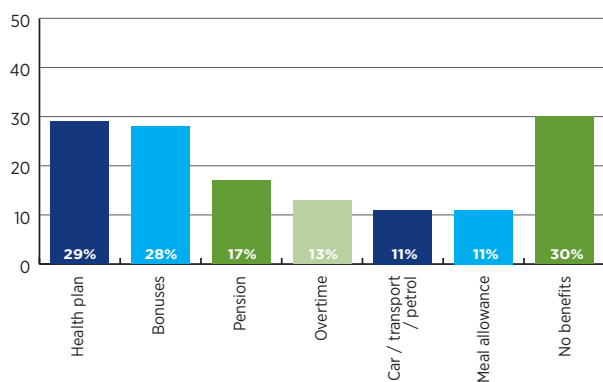
Middle East

On average, benefits received by those working in the Middle East are valued at 38% of their total package:



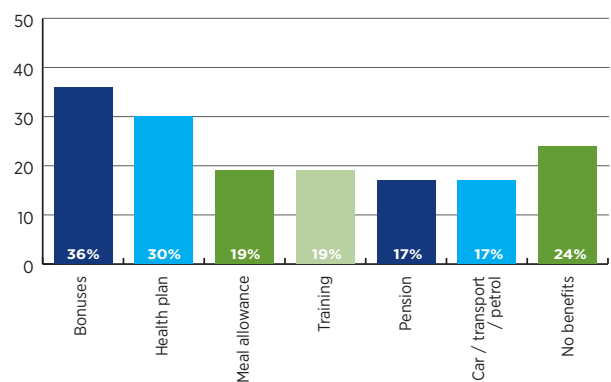
North America

On average, benefits received by those working in North America are valued at 23% of their total package:



South America

On average, benefits received by those working in South America are valued at 35% of their total package:



SECTION THREE

INDUSTRY EMPLOYMENT

There was a tide of repatriation over the past 12 months as experienced staff returned home to seek work.

“Respondents were positive about the immediate future of the industry with less than 10% expecting any decrease in staffing levels over the next year.”

DIVERSITY

Gender

The industry is still heavily dominated by male employees, and these figures are consistent with our own experience of female participation within the industry. Clearly the trend line on this percentage will make for interesting reading in future years with more women encouraged to enter the industry.

Age bracket

Whilst most of the demographics provided by the survey are what you would expect, we know from other industries that the number of under 25's in the industry is comparatively low. Whether this merely reflects a higher need for tertiary qualifications in the industry or actually reveals an underinvestment in people being brought into the industry is open for debate. Again we will monitor this figure closely in coming years.

Based in country of origin

There is an increase in locally based employees with 58.1% working in their country of origin versus 54.4% for last year. These figures reinforce the trend through 2009 and early 2010 that saw many in the industry return to their home country. This tide of repatriation was driven by a great number of experienced staff and contractors being laid off through the downturn. Many of these returned home to seek work, and did so successfully as the market rebounded through 2010.

Analysing the figures further we also found some evidence of an above average level of early retirements particularly within those contractors on higher day rates from high paying countries.

MOVEMENT OF WORKFORCE

The trend for repatriation through 2009/10 affected all of the figures. This is highlighted with the sharp decreases in foreign imports in Asia, Africa and Europe. Only Australasia and the Middle East showed an increase in foreign imports, reflecting the two regions' quick recovery from the downturn.

YEARS OF EXPERIENCE

Consistent with the previous year's downturn there is a sharp fall in new comers to the industry reducing those with less than four years experience to just under 20% of the workforce.

Whilst demand for those with less experience was weak we did see employers take advantage of an experience rich market and a wave of job moves flowed through the industry as the market improved. This was reflected in the numbers in their current role for one year or less, with the total climbing sharply from last year's 16.8% to this year's figure of 24.7%. In general there was an equally sharp drop for those in their current role for more than 10 years, again indicating the layoff of experienced highly paid individuals that occurred whilst the recession was at its depth, and the fact that many of them never returned to the workforce.

Clearly worldwide demand for oil and gas is not on the wane, and in the longer term such periods of neglect in bringing new talent into the industry will surely hamper growth. With the availability of skills dropping, those already in the industry will undoubtedly be the ones to benefit with rising salaries and day rates.

EMPLOYMENT MIX BY COMPANY TYPE

There are some consistent trends in employment through the industry when reviewing employment mix. These are namely an increase in the percentage of those employed on a permanent basis, and a corresponding decrease in the use of contractors. With contractor day rates running at nearly double that of permanent staff salaries (on a 'cash for cash' basis and assuming a full 240 days a year worked) it is not difficult to understand why employers sought to take advantage of such a candidate rich market through 2009 and 2010. The drop in using contractors covers all company types. Interestingly most of this drop is for those contracted through agencies however Oil Field Services companies buck this trend with an increase in agency use but sharp decreases in direct contractors.

STAFFING LEVELS

Once again following on from last year's results respondents are positive about the immediate future of the industry with less than 10% expecting any decrease in staffing levels over the next year.

Somewhat surprisingly there is a marked increase in expat packages in the industry. This is despite most market commentary predicting a phasing out of such employment as local talent capabilities rise. The forward expectations on the use of expats looks likely to continue too, with nearly 43% expecting increases in the next year verses only 10.3% showing a decrease.

The use of contractors continues to rise in the industry with 41% of respondents indicating that 20% or more of their staff are employed on a temporary/contract basis as opposed to full time staff. Again we see this trend continuing with over 39% of respondents expecting this to increase verses only 18% decrease.

As would be expected the use of contractors and temporary employment continues to be widespread through all sectors of the industry with those disciplines returning the highest utilisation use shown on page 26.

INDUSTRY EMPLOYMENT
DIVERSITY

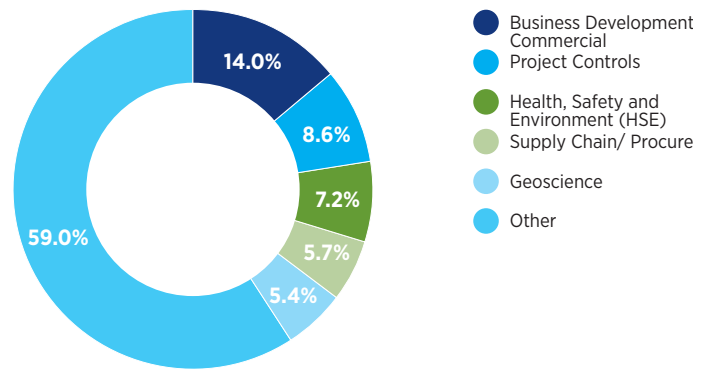
The highest percentage of women in oil and gas are working in business development.

The number of people working in their country of origin increased by 3.7%.

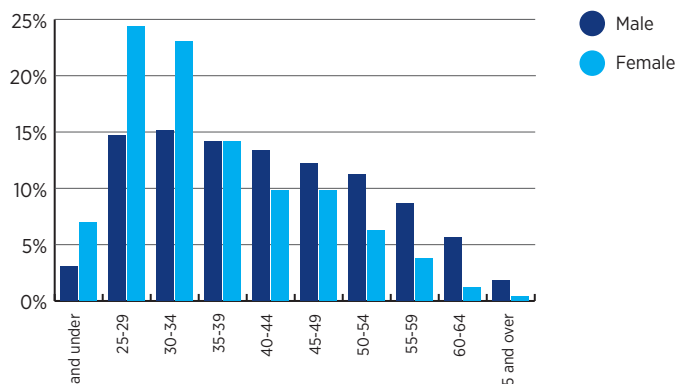
Diversity of staff:



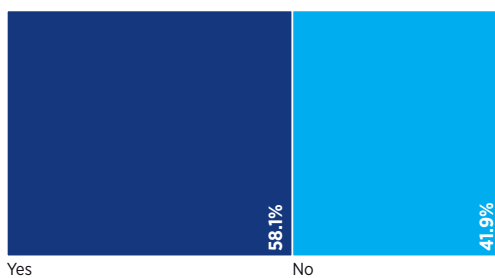
Women in oil and gas:



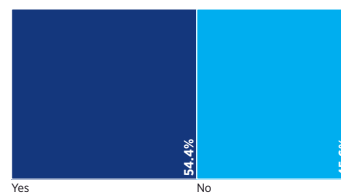
Age bracket:



Are you based in your country of origin?
2011



2010

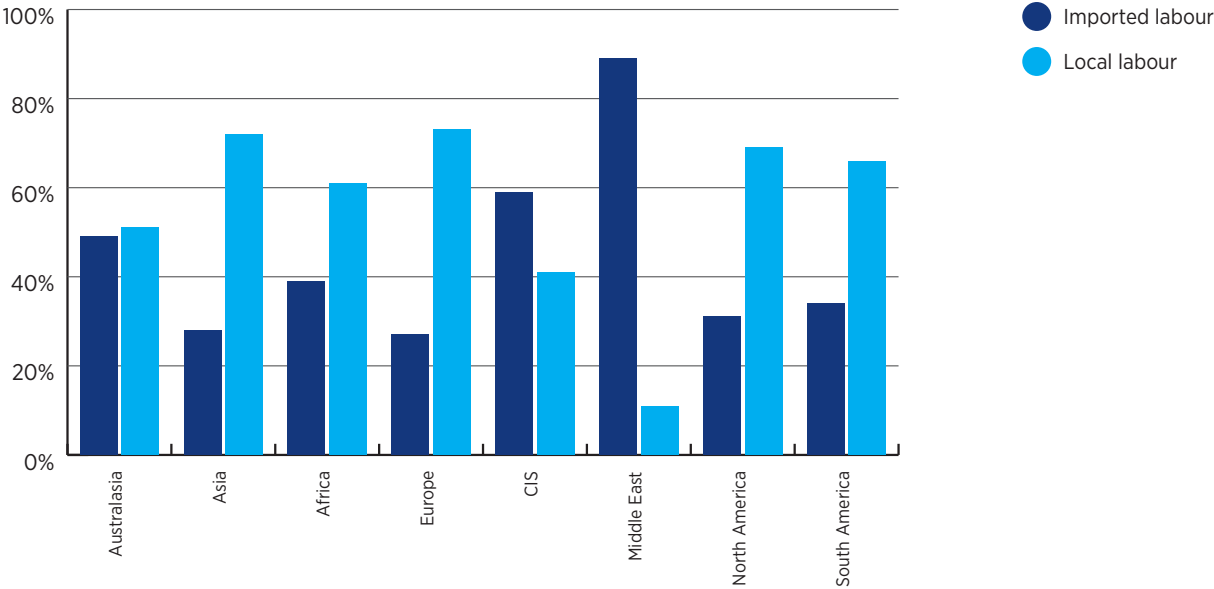


MOVEMENT OF WORKFORCE

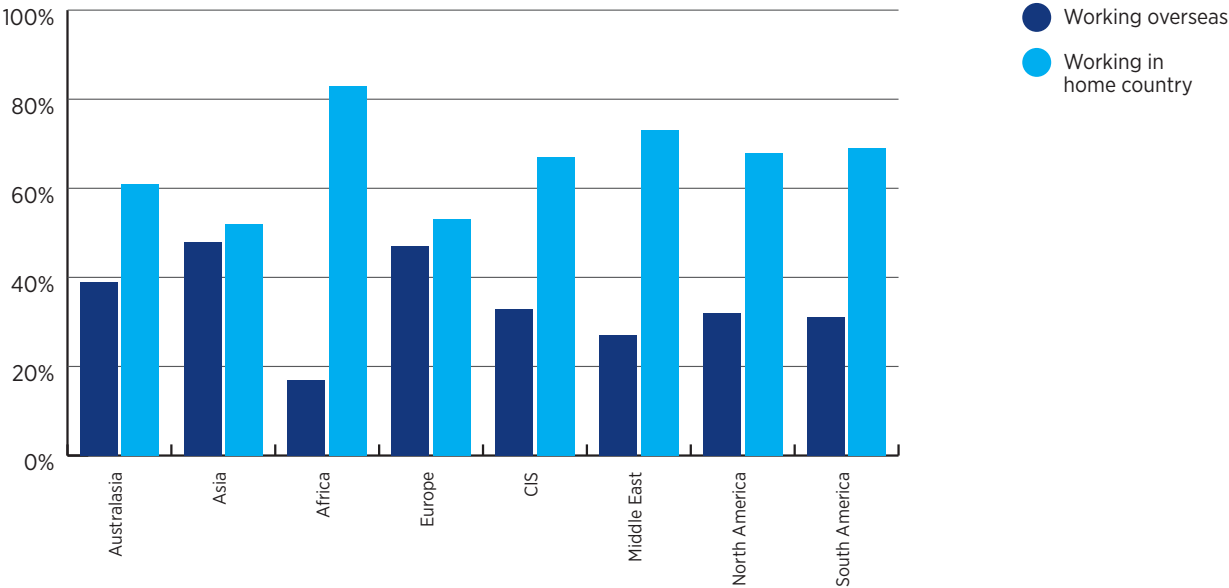
The Middle East is the number one importer of skills with 90% of the workforce imported.

There are more people working in their home country than 12 months ago, with South America showing the largest increase in local labour compared to last year.

Imported workforce versus local workforce:



Working overseas versus working in home country:

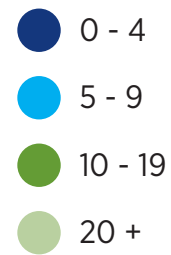
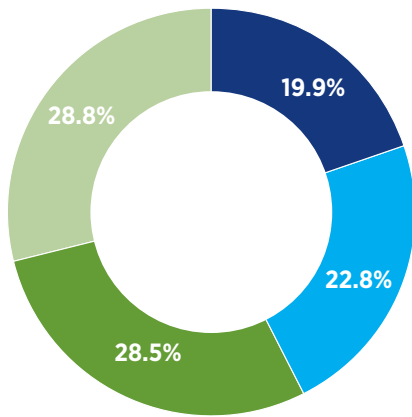


Notes: 'Imported workforce' shows the makeup of the workforce by region, comparing those working in their country of origin against those who originated from elsewhere. 'Working overseas' shows the regions where respondents originate from, comparing those who are working locally against those who are working overseas.

EXPERIENCE AND TENURE

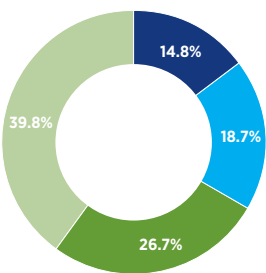
There was a sharp fall in newcomers to the industry, reducing those with less than four years experience to just under 20% of the workforce.

Years of experience:

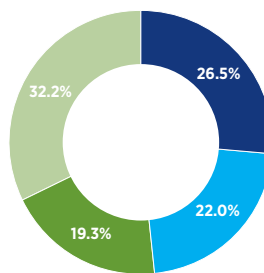


For specific discipline areas:

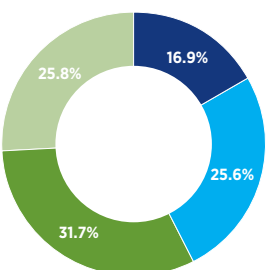
Construction/ Installation



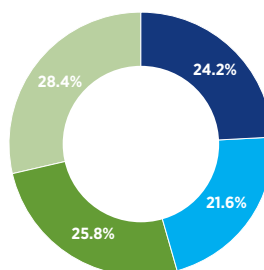
Geoscience



Project Controls

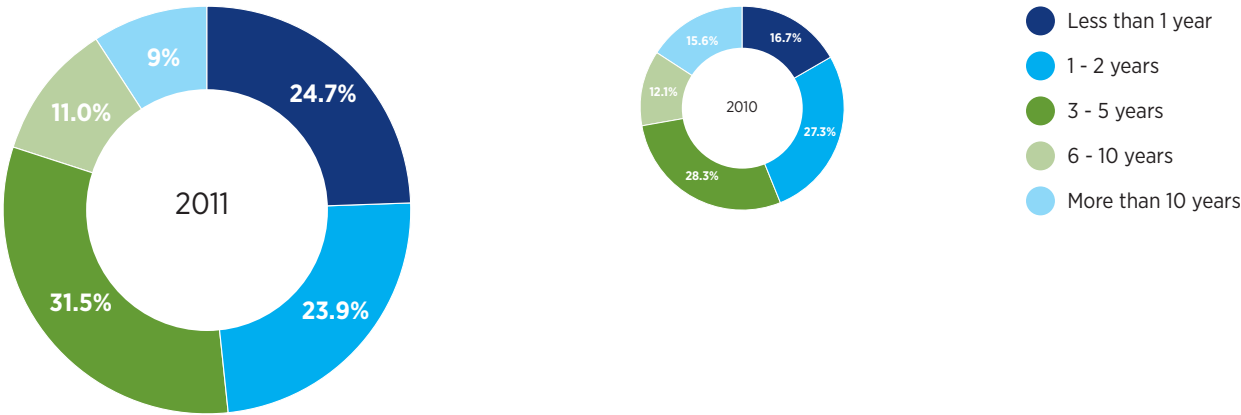


Subsea/ Pipelines

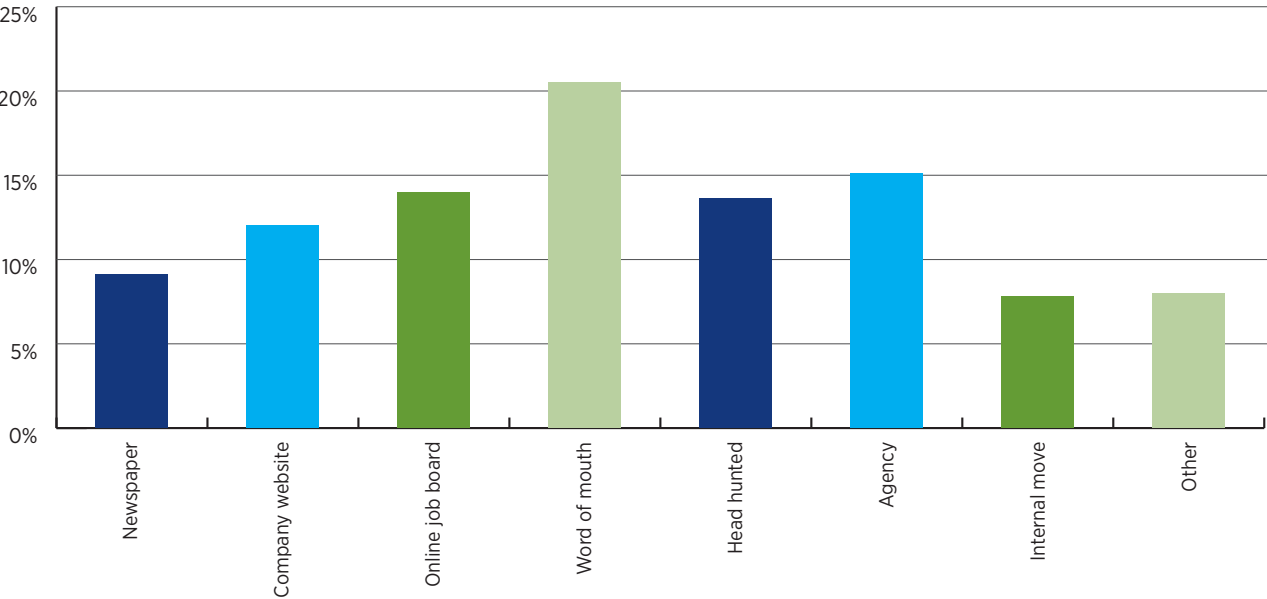


Over the last 12 months there was a wave of job moves as the market improved. This was reflected in the number of candidates who have been in their current role for one year or less.

Time in current role:



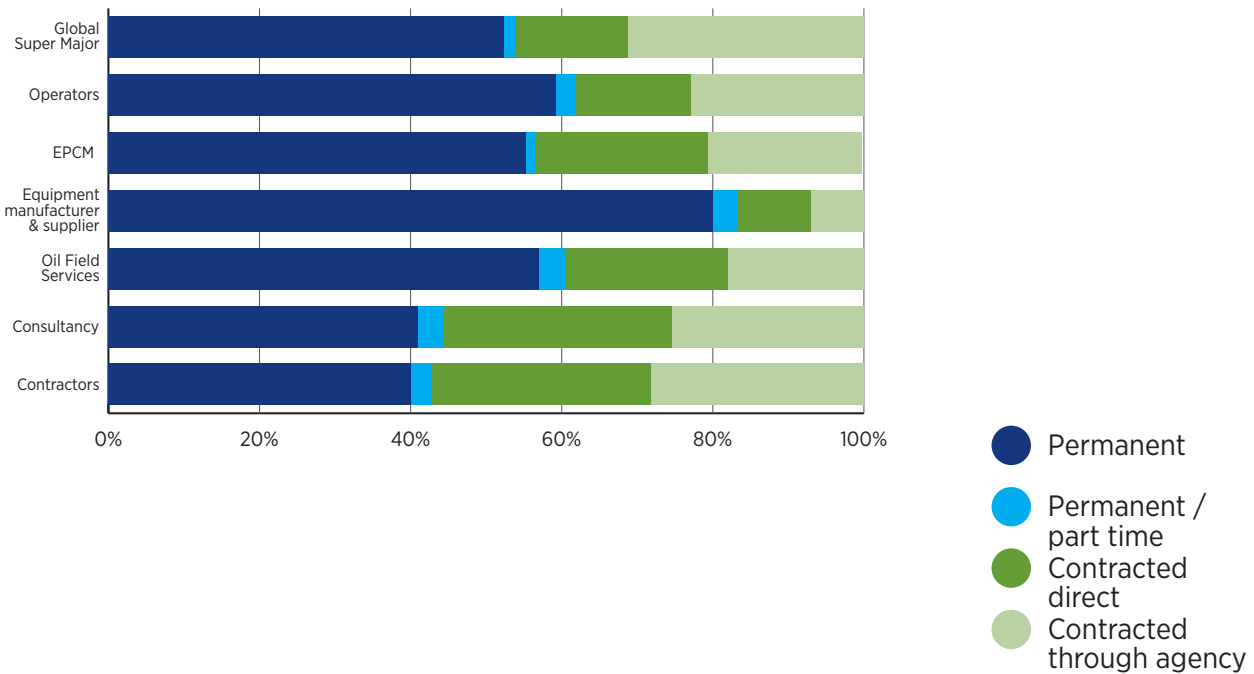
How did you find your current role?



EMPLOYMENT MIX

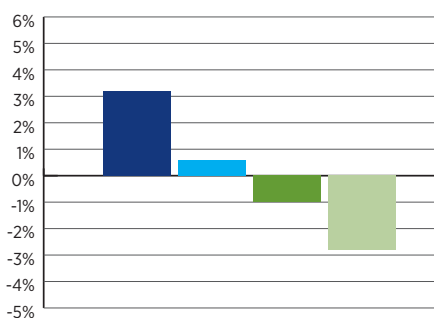
Permanent/full time staff levels have increased by an average of 2.7% across all company types in comparison to other employment.

Employment mix by company type:

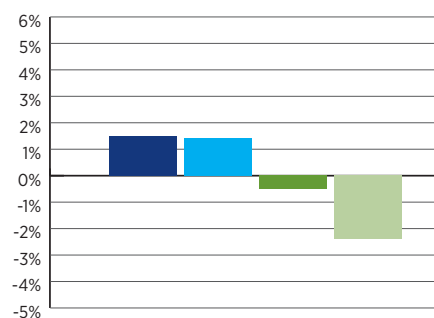


Percentage change from 2010 to 2011

Global Super Major

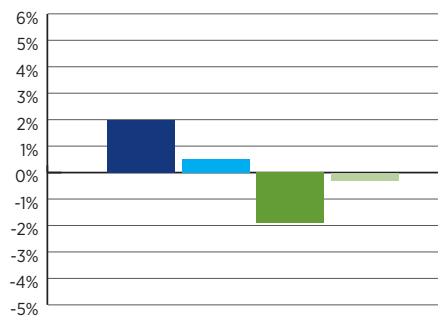


Operators

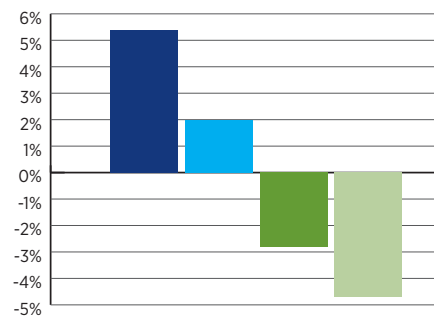


The number of staff employed on a contract basis, both direct and through an agency, has decreased by an average of 1.8% across all company types.

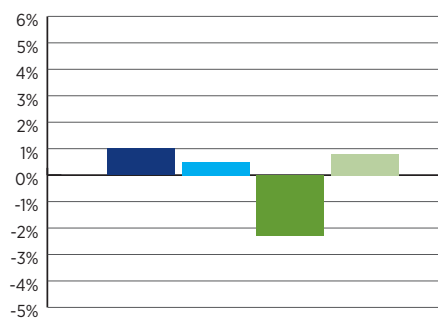
EPCM



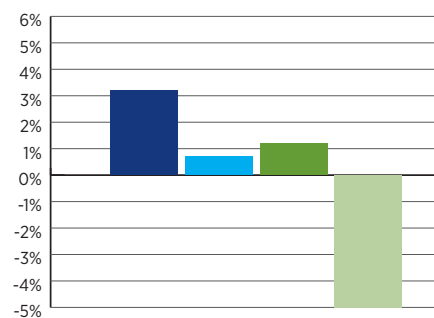
Equipment Manufacturer & Supplier



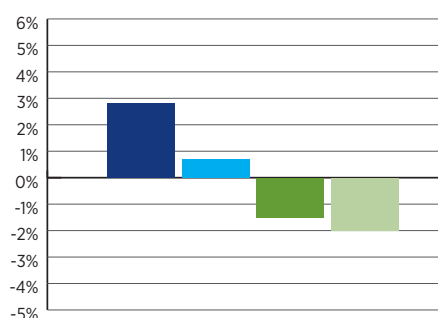
Oil Field Services



Consultancy



Contractor

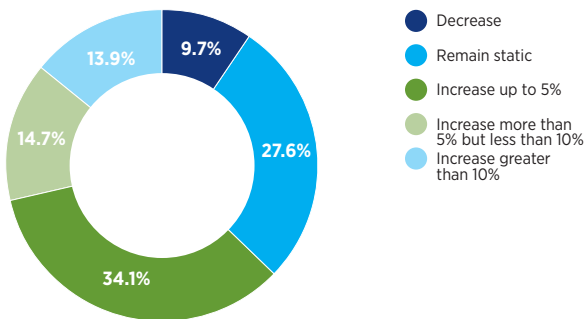


STAFFING LEVELS

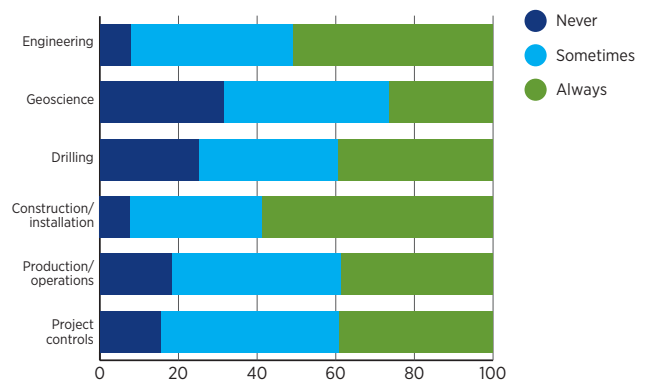
One third of employers expect their staffing levels to increase in the next 12 months.

More than 40% of employers plan to increase the number of expats they employ in the next 12 months.

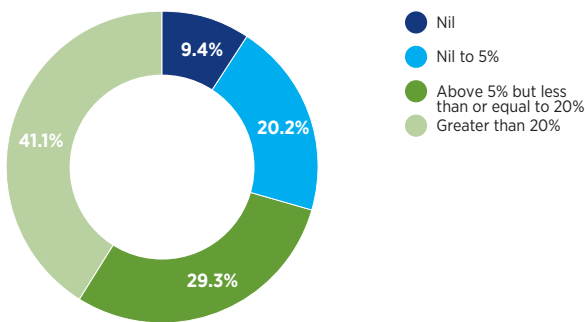
In the next 12 months, do you expect staffing levels to:



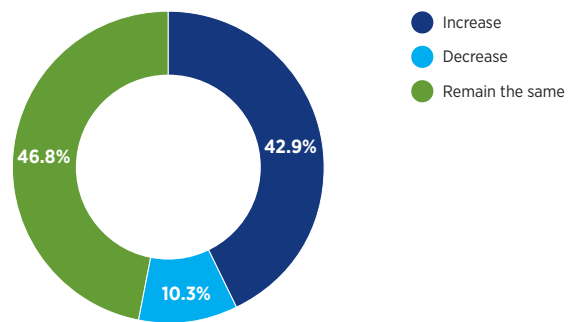
If your company employs contractors, please indicate in which areas:



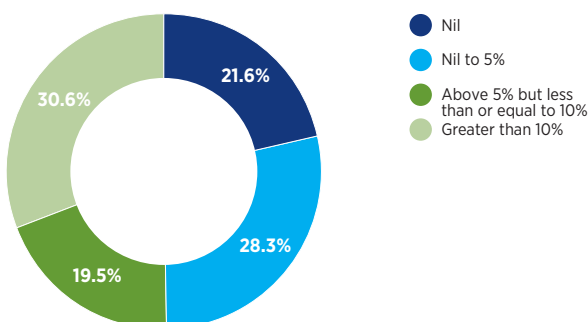
What percentage of your staff is currently employed on temporary/contract assignment?



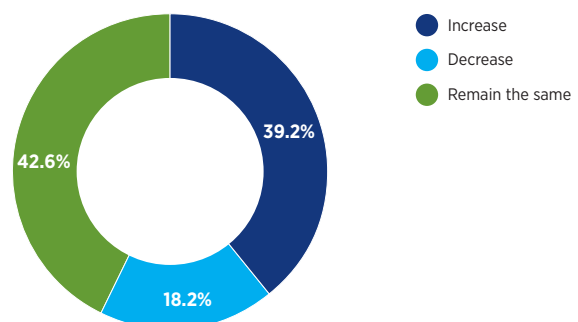
How do you expect this percentage to change in the next 12 months?



What percentage of your workforce is currently employed on expat package?



How do you expect this to change in the next 12 months?



SECTION FOUR

ECONOMIC OUTLOOK

More than half of respondents describe their outlook in the current employment market as positive.

ECONOMIC OUTLOOK
OVERVIEW

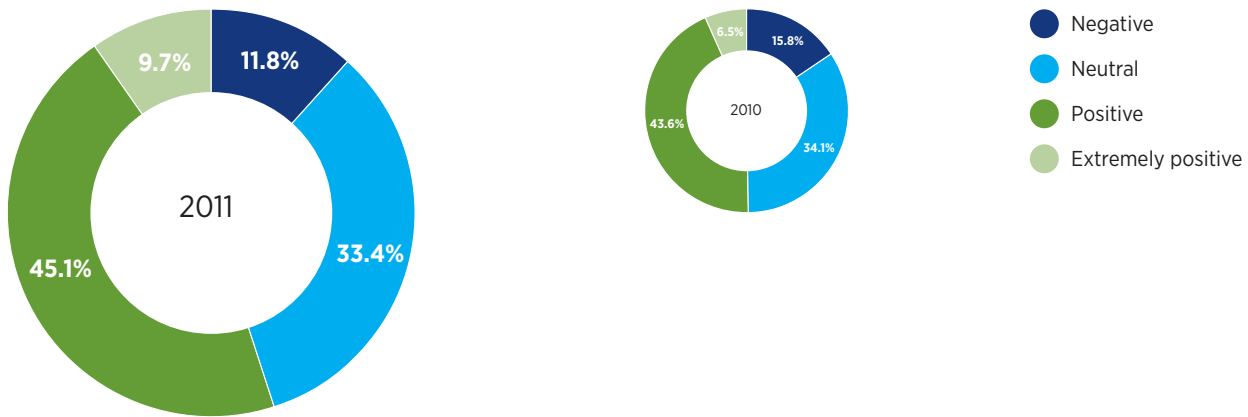
The Middle East will be a key focus for half the respondents operations over the next 12 months.

The good news for the industry is that the majority of respondents are confident about the state of the employment market. This year 54.8% are positive or extremely positive which is a modest increase on last year's figure of 50.1%. However we do not yet see the levels of enthusiasm in the market that indicate job seekers are once again fully in the ascendancy (with the exception of a few markets), and it may take a few months more of sustained growth before this materialises.

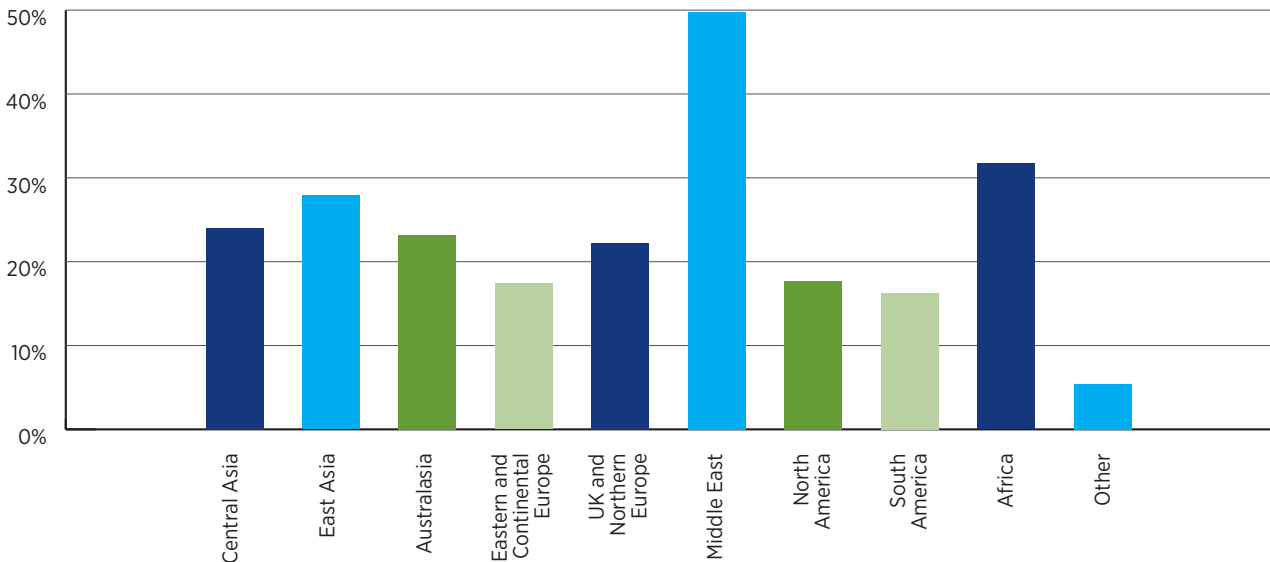
It is perhaps not surprising, given the events of the last year, that many in the industry are also concerned for the environment and safety. Time will tell whether this concern is maintained through to next year.

It will also take some time for the full effects of the downturn to wash through the industry and be forgotten. With nearly 29% of respondents still believing that economic instability is the major concern over the next twelve months, it is clearly not yet behind us.

How would you describe your confidence in the current employment market?



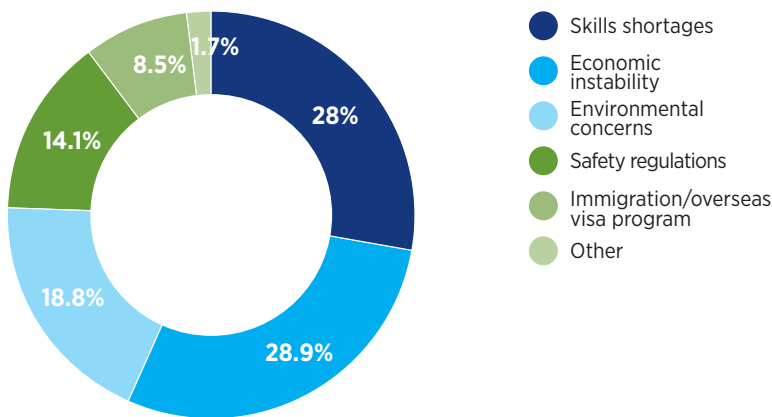
Outside of your own regional area, which geographic areas will be a key focus for your operations over the next 12 months?



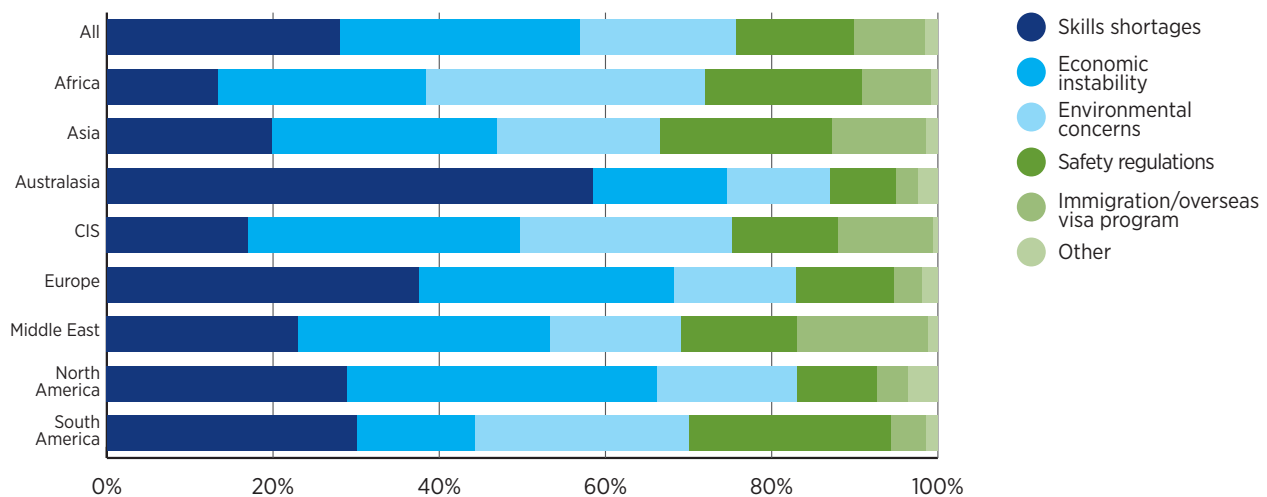
More than a quarter of the industry still believe economic instability will be the most significant issue facing the industry over the next 12 months.

By far the most significant issue facing employers in Australasia is skill shortages.

In your opinion, what will be the most significant issue the oil and gas industry will have to tackle in the next 12 months?



By region:



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