



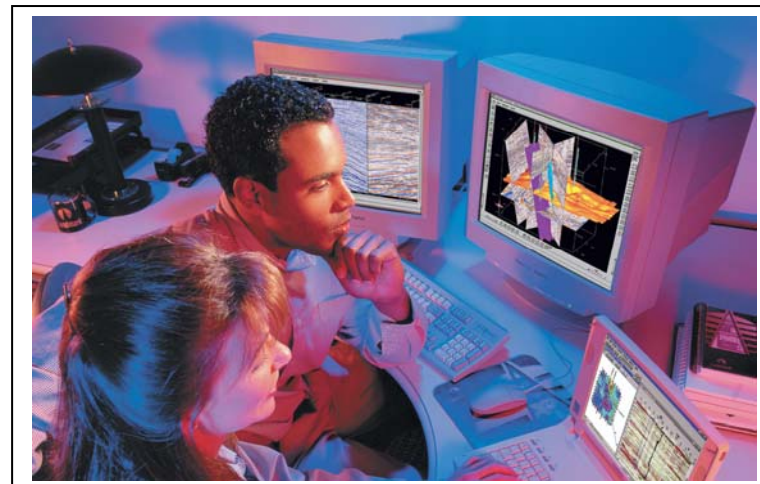
**The Society of Petroleum Engineers
Richardson, Texas**



Annual Membership Salary Survey

Highlight Report

September 2008



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SPE SALARY SURVEY PARTICIPATION GROWS BY MORE THAN 30%

For the second year in a row, SPE members participated in the Annual Membership Salary Survey at a record rate. The 2008 survey collected data from more than 13,000 members worldwide, 3,000 more than in 2007. Therefore, the level of participation is statistically representative across a wider variety of geographies, jobs, and demographic categories.

The survey is truly a global endeavor, as more than half of its 2008 respondents—a total of 6,731—reported working in a country other than the United States. In total, SPE members working in 116 different countries participated, representing 125 countries of citizenship. Over 1,800 respondents were working in the North Sea/North Atlantic region, and more than 1,000 were from the Middle East. Record participation was achieved in every region around the world.

Invitations to participate in the survey were sent via email during the months of June and July 2008 by SPE's survey consultant, Western Management Group (WGM), to all employed SPE members, excluding students and consultants. Compensation data was collected in local currency via a username-and-password-credentialed online questionnaire. The response database was thoroughly edited, with incomplete and/or clearly erroneous records deleted. Individual responses are maintained in the strictest confidence, and salary reports are released only in aggregated form.



General Findings

All compensation data presented in this Highlight Report is expressed in US dollars. Data collected in local currencies has been converted to US dollars using the exchange rate as of July 1, 2008, which is the data effective date.

Fig. 1 and Fig. 2 present base pay and other compensation data reported by SPE members working in the 10 major regions around the globe. The worldwide median base pay in 2008 is USD 127,200, representing an increase of 7.5% over that reported a year ago. The median total compensation this year is reported as USD 158,103, more than 8% greater than the comparable figure in the 2007 survey.

Three work regions stand out in 2008 as representing the highest average pay: the United States, Australia/New Zealand, and North Sea/North Atlantic. As was the case in 2007, the two regions with the lowest average pay are South America/Caribbean/Mexico and Southeast Asia, with the latter being distinctly the lowest paid.

The average annual increase in base pay is reported as 8.1% overall. The work region with the highest increase is Australia/New Zealand, at 10.6%, while Canada is lowest with 7.3%.

As was the case in 2007, the proportion of members who report receiving a car allowance varies widely from region to region, from a low of 23.4% in Canada to a high of 57.2% in Africa.

In contrast, the average age of respondents is quite consistent around the globe, with no region's average age younger than 39 or older than 45. Similarly, the average years of industry experience does not show dramatic variation from region to region, with most falling within a year or two of the worldwide average of 18 years.

There is, however, significant regional variation in the level of education. Over 70% of the members working in South Central/Eastern Europe report having received education beyond a bachelor's degree, far above the worldwide average of 40.4% and nearly triple the 25.5% rate reported from Canada.

The proportion of members working within the region of their citizenship varies from 87.2% in the US to just 38.9% in the Middle East.



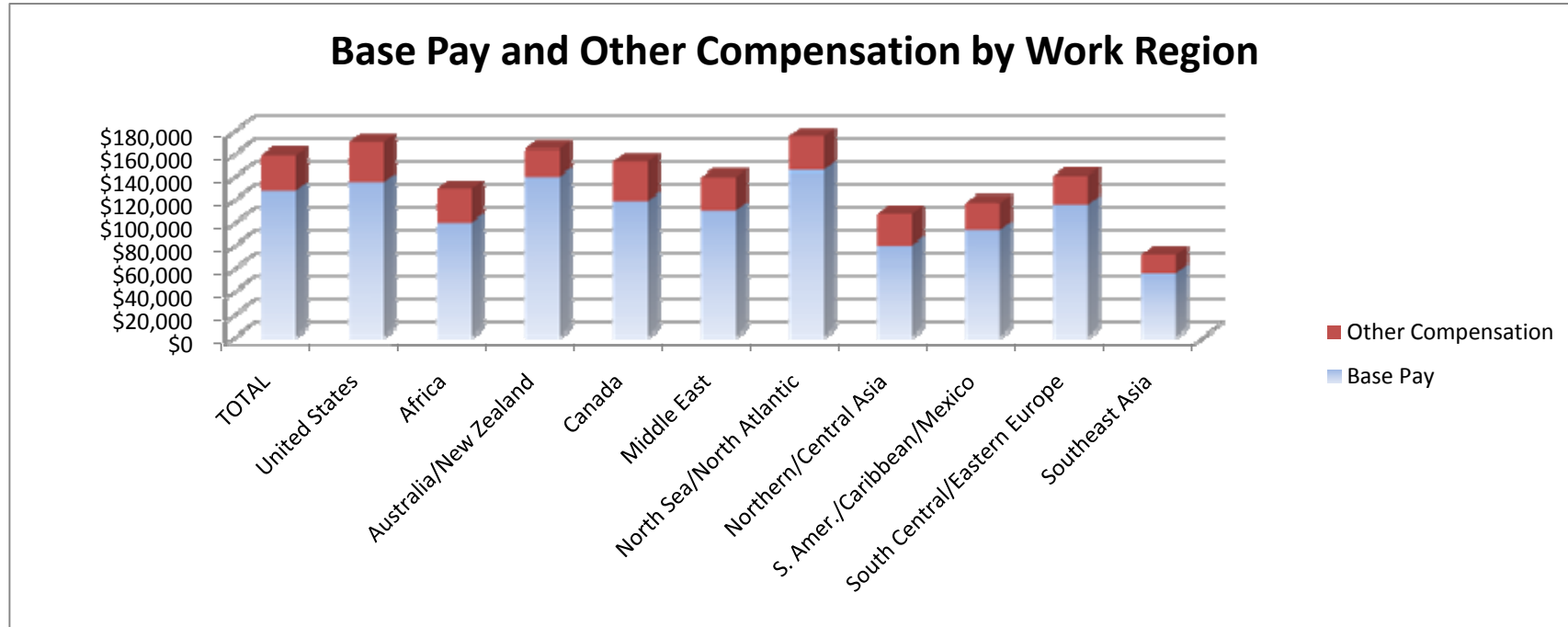
Fig. 1

SUMMARY OF RESULTS BY WORK REGION (All compensation data is expressed in US dollars.)

	Total (n=13,141)	USA (n=6,410)	Africa (n=587)	Australia & New Zealand (n=457)	Canada (n=820)	Middle East (n=1,015)	North Sea & North Atlantic (n=1,804)	Northern & Central Asia (n=357)	S. America, Caribbean, & Mexico (n=574)	South Central & Eastern Europe (n=251)	Southeast Asia (n=863)
Base Pay											
Mean	\$133,762	\$140,588	\$115,989	\$159,584	\$126,841	\$121,065	\$154,181	\$110,842	\$106,105	\$123,750	\$91,015
Median	\$127,200	\$135,000	\$100,000	\$140,000	\$118,577	\$110,000	\$145,497	\$80,000	\$93,519	\$115,492	\$55,967
Other Compensation											
Mean	\$62,887	\$72,613	\$52,836	\$47,792	\$69,110	\$47,053	\$52,265	\$64,862	\$41,916	\$66,760	\$40,145
Median	\$31,400	\$35,000	\$29,201	\$24,037	\$34,585	\$29,644	\$29,897	\$27,000	\$23,400	\$25,244	\$15,778
Total Compensation											
Mean	\$185,470	\$204,444	\$157,844	\$197,128	\$185,584	\$154,767	\$196,161	\$154,447	\$136,702	\$169,763	\$120,647
Median	\$158,103	\$170,000	\$125,146	\$165,857	\$153,162	\$135,000	\$171,407	\$98,063	\$111,713	\$138,843	\$69,721
Average Base Pay Increase	8.1%	8.0%	8.6%	10.6%	7.3%	8.1%	7.4%	8.2%	9.9%	7.5%	8.9%
% With Car Allowance	35.1%	27.6%	57.2%	24.3%	23.4%	46.3%	44.8%	44.8%	39.4%	43.4%	49.8%
Average Age	43	45	41	39	41	42	41	40	41	42	38
Average Years of Experience	18	20	15	14	16	17	16	15	16	17	14
% With Education Beyond Bachelor's Degree	40.4%	32.5%	40.1%	39.0%	25.5%	44.0%	65.9%	59.4%	49.7%	70.5%	34.3%
% Citizens of Work Region	n/a	87.2%	49.2%	71.8%	84.5%	38.9%	78.0%	55.2%	76.3%	59.4%	65.1%



Fig. 2



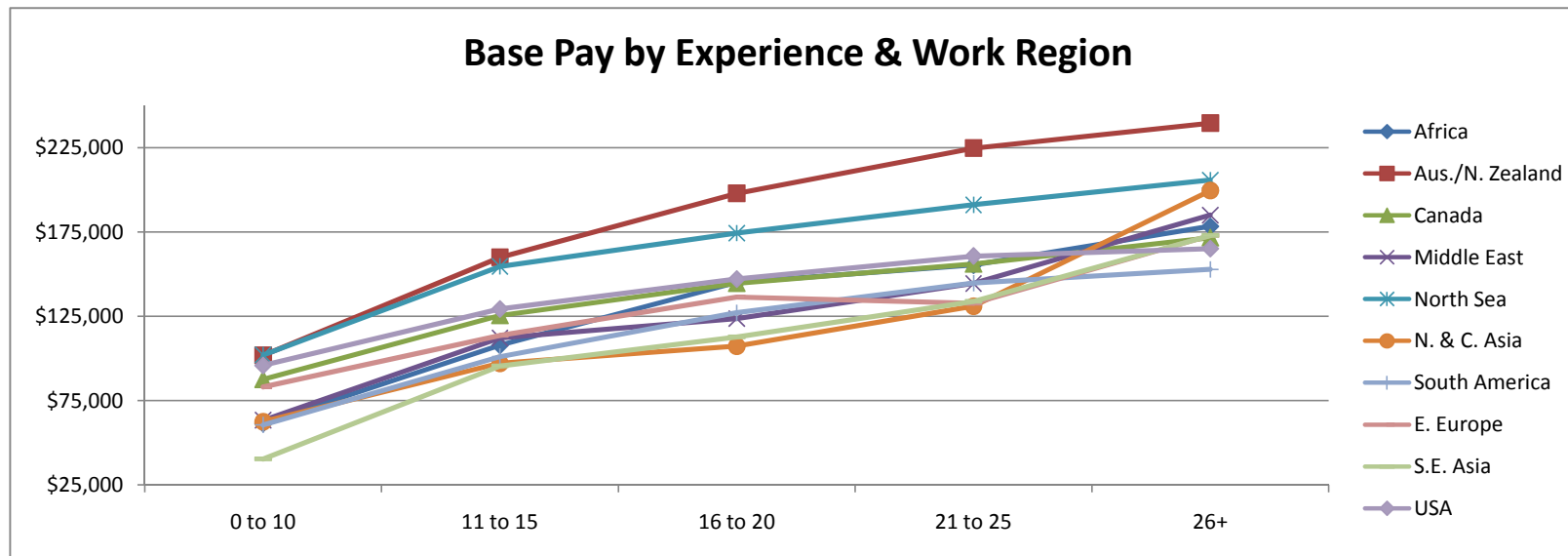


The Global Impact of Work Experience

Fig. 3 shows the relationship between work experience and base pay in each of the various regions. Not surprisingly, the trend is fairly consistent that higher salary is a function of greater experience, and this relationship does not begin to flatten or reverse even at the highest levels of work experience.

In this chart, both Australia/New Zealand and North Sea/North Atlantic stand out, having the highest and second-highest mean average base pay at every point on the experience line.

Fig. 3 (All compensation is expressed in US dollars.)



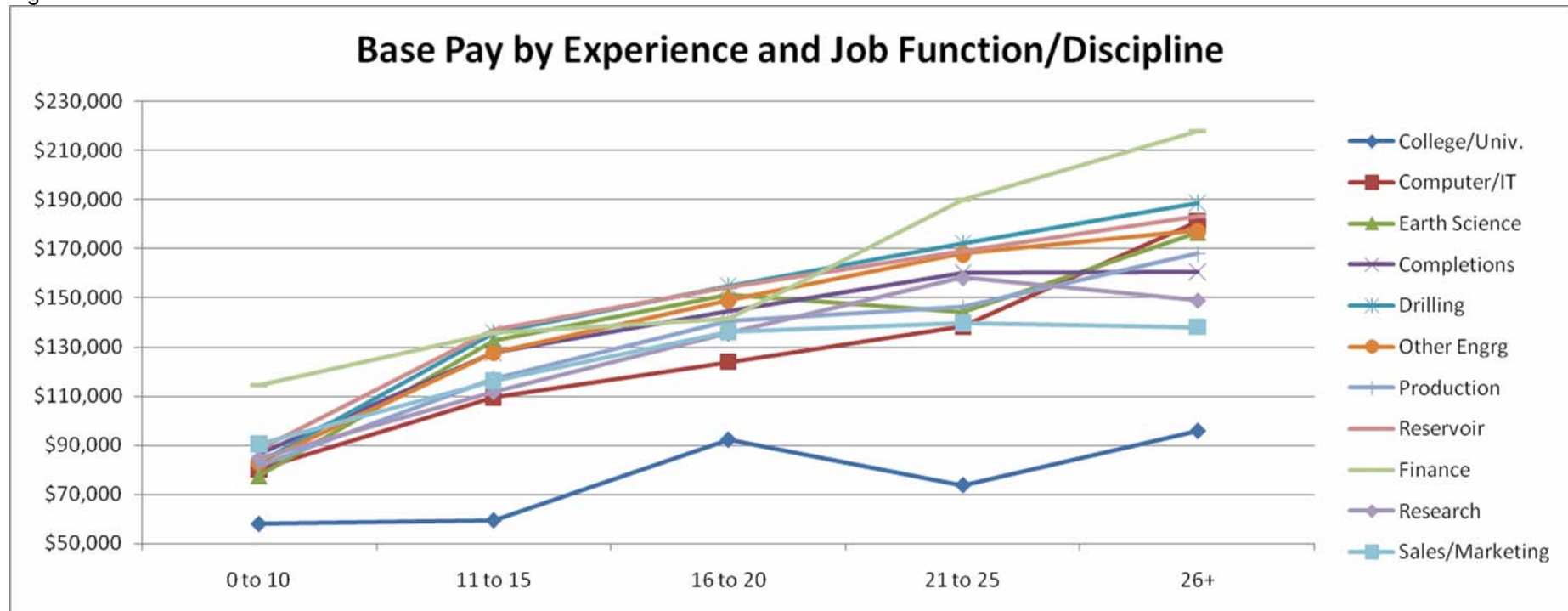


Job Functions and Experience

In Fig. 4, the impact of both work experience and job function/discipline on base pay worldwide is shown. While the general correlation between experience and pay remains, it is not as strong and consistent as in Fig. 3.

Finance is notably the highest-paid discipline among both the least-experienced and the most-experienced respondents, while being essentially the same as the other disciplines in the 16 to 20 year experience category. The college/university discipline is clearly the lowest-paid job function at every level of experience.

Fig. 4





The Impact of Citizenship

Fig. 5 compares the compensation of citizens versus noncitizens working in each region. As was the case in 2007, this analysis reveals perhaps the most dramatic differences in reported average pay.

In both North/Central Asia and Southeast Asia, the average base pay reported by noncitizens is about four times greater than that of citizens. In Africa, noncitizens make more than three times the base pay of citizens, and in the Middle East, South America/Caribbean/Mexico, and South Central/Eastern Europe, the ratio is about 3:1. The other compensation category shows noncitizen-to-citizen differences of even greater degrees. Yet in the US, Australia/New Zealand, Canada, and North Sea/North Atlantic, the differences between noncitizen and citizen pay are far smaller. and in the US and North Sea regions, the base pay for noncitizens is lower.

The patterns of both average work experience and education are also significantly different between citizens and noncitizens from region to region.



Fig. 5

ANALYSIS BY CITIZENSHIP

	USA		Africa		Australia/New Zealand		Canada		Middle East	
	Citizen (n=5,590)	Non-Citizen (n=819)	Citizen (n=289)	Non-Citizen (n=295)	Citizen (n=328)	Non-Citizen (n=129)	Citizen (n=693)	Non-Citizen (n=127)	Citizen (n=395)	Non-Citizen (n=619)
Base Pay	\$142,707	\$126,154	\$56,255	\$175,343	\$155,995	\$168,711	\$124,061	\$142,011	\$71,031	\$152,995
Other Compensation	\$75,865	\$48,836	\$27,760	\$75,160	\$44,609	\$55,921	\$67,174	\$80,151	\$23,746	\$56,840
% With Car Allowance	27.9%	25.8%	57.4%	57.3%	21.1%	32.6%	24.1%	20.5%	41.1%	49.6%
Average Base Pay Increase	8.1%	7.9%	10.1%	7.4%	11.1%	9.6%	7.3%	7.3%	8.6%	7.8%
Average Years of Experience	21	13	10	20	13	16	15	16	13	19
% With Education Beyond Bachelor's Degree	28.4%	59.8%	40.5%	41.7%	33.2%	53.5%	20.2%	54.3%	37.5%	48.1%
	N. Sea & N. Atlantic		N. & C. Asia		S. Am./Carib./Mex		S. Cen./E. Europe		Southeast Asia	
	Citizen (n=1,407)	Non-Citizen (n=394)	Citizen (n=197)	Non-Citizen (n=158)	Citizen (n=438)	Non-Citizen (n=136)	Citizen (n=149)	Non-Citizen (n=102)	Citizen (n=562)	Non-Citizen (n=301)
Base Pay	\$159,461	\$135,721	\$45,437	\$192,613	\$87,090	\$167,342	\$90,545	\$172,255	\$43,365	\$179,985
Other Compensation	\$51,101	\$56,525	\$19,284	\$97,355	\$28,802	\$75,366	\$42,097	\$91,709	\$14,802	\$78,109
% With Car Allowance	48.1%	33.3%	32.5%	60.8%	34.5%	55.2%	43.1%	44.1%	42.1%	64.5%
Average Base Pay Increase	7.5%	7.1%	8.6%	7.8%	10.3%	8.7%	7.6%	7.2%	9.7%	7.5%
Average Years of Experience	17	12	12	19	15	21	16	18	10	20
% With Education Beyond Bachelor's Degree	66.2%	65.1%	71.1%	44.3%	51.6%	43.4%	81.9%	53.9%	31.5%	39.5%



Job Categories and Total Compensation

Fig. 6 shows total compensation worldwide, factoring in not just base pay but all other compensation as well (bonuses, commissions, allowances, stock options, etc.), broken down by job category.

In every region except Southeast Asia, the executive/top management category is the highest paid, though the gap between that category and the manager/director category varies considerably by region. In virtually every region, the population in the supervisor job category reports a greater average total compensation than the professional segment, and the technician/specialist category is the lowest paid.

By a wide margin, the South Central/Eastern Europe region reports the highest average total compensation for executives. Also of interest is the degree to which supervisors report the highest pay in Australia/New Zealand. The least-compensated job category is that of technician/specialist in Northern/Central Asia.

Fig. 6

TOTAL COMPENSATION BY JOB CATEGORY AND WORK REGION										
	United States	Africa	Australia/NZ	Canada	Middle East	North Sea/ N. Atlantic	Northern/ Central Asia	S. Am./Carib./ Mexico	South Cent./ East. Europe	Southeast Asia
Executive/Top Mgmt.	\$428,154	\$258,892	\$419,036	\$325,813	\$286,792	\$435,848	\$526,756	\$245,616	\$784,102	\$136,779
Manager/Director	\$241,316	\$220,878	\$262,212	\$227,641	\$216,786	\$253,033	\$218,439	\$210,689	\$192,295	\$193,184
Professional	\$163,253	\$122,232	\$141,444	\$154,582	\$132,674	\$150,392	\$108,146	\$99,700	\$131,572	\$85,460
Supervisor	\$194,859	\$160,885	\$224,665	\$194,144	\$143,378	\$197,075	\$157,927	\$125,884	\$149,166	\$129,042
Technician/Specialist	\$120,356	\$94,041	\$116,878	\$123,376	\$90,182	\$123,546	\$37,529	\$71,697	\$66,898	\$60,535



United States: Experience, Job Function, and Base Pay

Looking strictly at compensation in the United States, Fig. 7 shows base pay broken down by work experience and job function/discipline.

As in 2007, by far the most populous job discipline is reservoir engineering, encompassing more than 20% of the US respondents. However, the population for this job discipline reports the highest average base pay only at the 16–20-years-of-experience level.

The population for the finance/administration function is among the smallest populations responding to the survey, but it reports the highest overall average base pay and is the highest-paid population in several experience categories.

Consistent with the worldwide pattern, the US job discipline reporting the lowest base pay is college/academic.



Fig. 7

US BASE PAY BY JOB DISCIPLINE AND EXPERIENCE

Years of Experience	Total		Computer/IT		Earth Sciences		College/Academic		Engrg: Completions		Engrg: Drilling	
	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n
0 to 10	\$95,765	1725	\$97,650	10	\$92,761	34	\$88,310	13	\$90,911	202	\$94,605	182
11 to 15	\$129,275	560	\$120,553	7	\$135,385	13		0	\$131,225	67	\$130,545	56
16 to 20	\$147,052	563	\$112,980	5	\$151,000	13	\$107,103	8	\$144,211	50	\$147,015	46
21 to 25	\$160,767	808	\$159,923	8	\$147,948	18	\$115,350	10	\$158,709	59	\$184,073	77
26+	\$165,130	2711	\$202,485	18	\$168,694	66	\$131,880	20	\$154,574	160	\$179,729	264
Total	\$140,588	6410	\$150,718	49	\$143,568	144	\$111,020	54	\$127,064	540	\$147,981	631
Years of Experience	Engrg: Other		Engrg: Production		Engrg: Reservoir		Finance/Admin.		Research		Sales/Marketing	
	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n
0 to 10	\$87,587	236	\$97,279	249	\$105,566	381	\$130,346	13	\$97,786	66	\$87,909	124
11 to 15	\$126,442	67	\$134,428	63	\$143,800	104	\$157,870	5	\$117,268	16	\$109,335	62
16 to 20	\$157,006	75	\$150,000	63	\$160,787	122	\$145,500	6	\$150,083	20	\$123,743	62
21 to 25	\$154,339	111	\$152,417	97	\$168,598	179	\$163,720	11	\$152,187	15	\$134,602	84
26+	\$172,331	433	\$160,504	256	\$175,373	533	\$227,901	44	\$151,094	56	\$131,008	326
Total	\$143,431	928	\$133,603	741	\$150,377	1321	\$192,220	79	\$127,015	176	\$120,541	660

n= number of respondents

Fig. 8 shows base salaries by job category and gender, clearly reflecting an apparent gender bias across all job categories. However, as shown in Fig. 9, the disparity is much smaller at the Supervisor and Professional/Individual Contributor job classes for those newer to the industry, indicating the possibility that the gender gap may be narrowing. Further analysis across geographic regions may shed additional light on this topic.



Fig. 8

AVERAGE BASE PAY BY JOB CATEGORY AND GENDER

Gender	Total		Exec/Top Mgmt		Manager/Director		Professional/I.C.		Supervisor		Technician/Spec.	
	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n
Male	\$137,590	11828	\$214,335	785	\$164,563	2846	\$117,562	5251	\$137,189	2332	\$87,255	614
Female	\$99,283	1313	\$175,563	29	\$142,912	139	\$91,544	840	\$114,630	176	\$64,575	129

I.C. = Individual contributor

Fig. 9

AVERAGE BASE SALARY BY JOB CATEGORY, GENDER AND EXPERIENCE

Experience	Gender	Executive/ Top Management		Manager/Director		Supervisor/ Superintendent/Lead		Professional/Individual Contributor		Technician/Specialist/Support	
		Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n	Base Pay	n
0-5 Years	M	\$75,264	29	\$96,938	77	\$73,950	186	\$72,186	1,441	\$53,849	197
	F	\$50,792	7	\$86,987	17	\$75,925	29	\$70,405	397	\$46,902	45
6-10 Years	M	\$172,135	17	\$119,717	199	\$99,572	291	\$102,666	871	\$81,167	94
	F	*	1	\$131,370	12	\$101,280	43	\$95,586	192	\$71,332	35
11-15 Years	M	\$175,672	31	\$137,659	320	\$128,972	357	\$120,639	604	\$103,721	70
	F	*	2	\$136,745	20	\$117,294	44	\$121,783	82	\$72,922	12
16-20 Years	M	\$188,946	67	\$160,111	418	\$138,523	376	\$140,711	469	\$99,588	50
	F	*	2	\$157,935	32	\$112,551	12	\$118,154	59	\$95,477	8
21-25 Years	M	\$231,471	129	\$172,613	532	\$156,309	346	\$143,135	451	\$116,945	47
	F	*	4	\$155,542	26	\$150,787	19	\$127,062	42	\$76,165	12
26+ Years	M	\$225,801	510	\$180,256	1,298	\$162,284	767	\$160,470	1,349	\$119,331	143
	F	\$229,467	13	\$158,923	31	\$146,258	29	\$138,159	53	\$81,746	12

* Insufficient data for display (minimum of 5 responses required)



How to Learn More

This report provides highlights from the total survey database. Presentation of every possible permutation of the many jobs, geographies, and employer types and an analysis of the data dispersion in all of the compensation elements included are simply not practical in this summary.

However, for those interested in obtaining more detailed information, SPE has arranged with WMG to offer direct, confidential access to the complete survey database. With that access, you can filter and tailor the information as broadly or as finely as you wish. (The only restriction is that no individual survey participant's data will be revealed; to protect the privacy of each participant, the smallest aggregation of data points displayed in any cut is five individuals.) You are able to choose from a variety of report display formats, and because the 2008 survey database is by far the largest yet, this year's SPE Annual Membership Salary Survey offers greater reliability and value than ever.

SPE recognizes that there are different types and levels of detail likely to be required by different users. As an individual, perhaps just a few cuts focusing on your particular job category/function, region, experience level, and education will be quite adequate. For others, perhaps those with management and/or human resources responsibilities in the industry, more numerous and differently focused "breakouts" of the data will be much more useful. Therefore, a selection of database access options is provided.

To find out more and to view report format descriptions, samples, and prices, please point your Internet browser to the following URL.

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