Yesterday, Today & Tomorrow

HR Trends in the E&P Industry

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“The dominant factor in the next society will be something to which most people are only just beginning to pay attention: the rapid growth in the older population and the rapid shrinking of the younger generation”

- Peter Drucker (The Economist, November 3, 2003)

“I think the real test for us competitively will not necessarily be locating resources and identifying opportunities, but finding and developing a sufficient number of highly skilled technical and commercial people to carry out all this work.”

- Peter Robertson
Vice Chairman of the Board, ChevronTexaco
OTC – May 4, 2005

Productivity Per Professional

	Worldwide [1] Production MMBOEPD	# of Professionals	Barrels/ Professional	Productivity Increase %
1985	70.7	119,871	590	-
2004	91.3	121,809	750	27%
2020	139.2	154,667	900	20%

(1) EIA Data

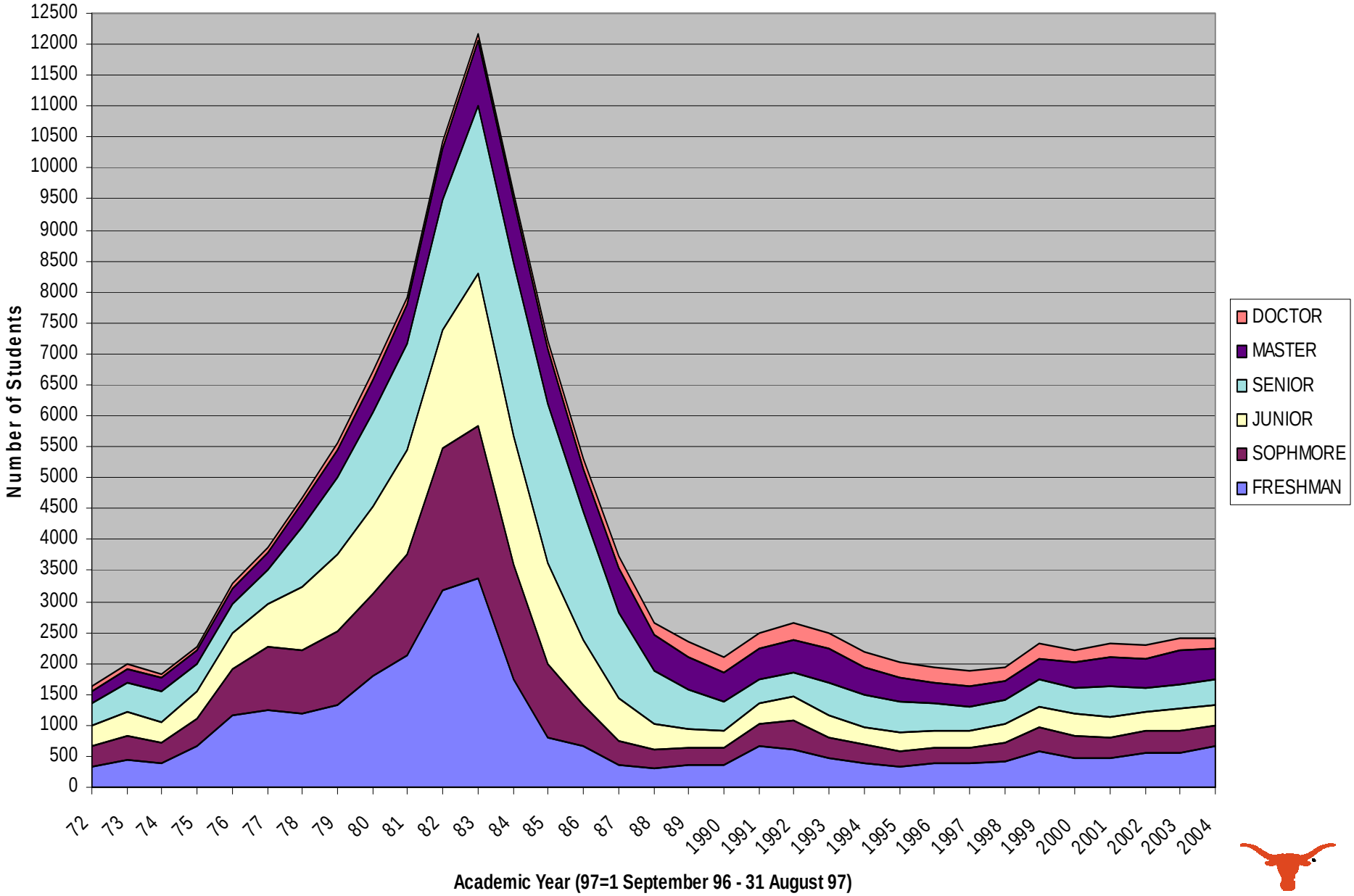
How Many Do We Need?

# Required:		154,667
# Today	121,809	
Less Retired in 2020	<50,820>	
Today's Employees in 2020		70,989
New Professionals Needed (Gap)		83,678

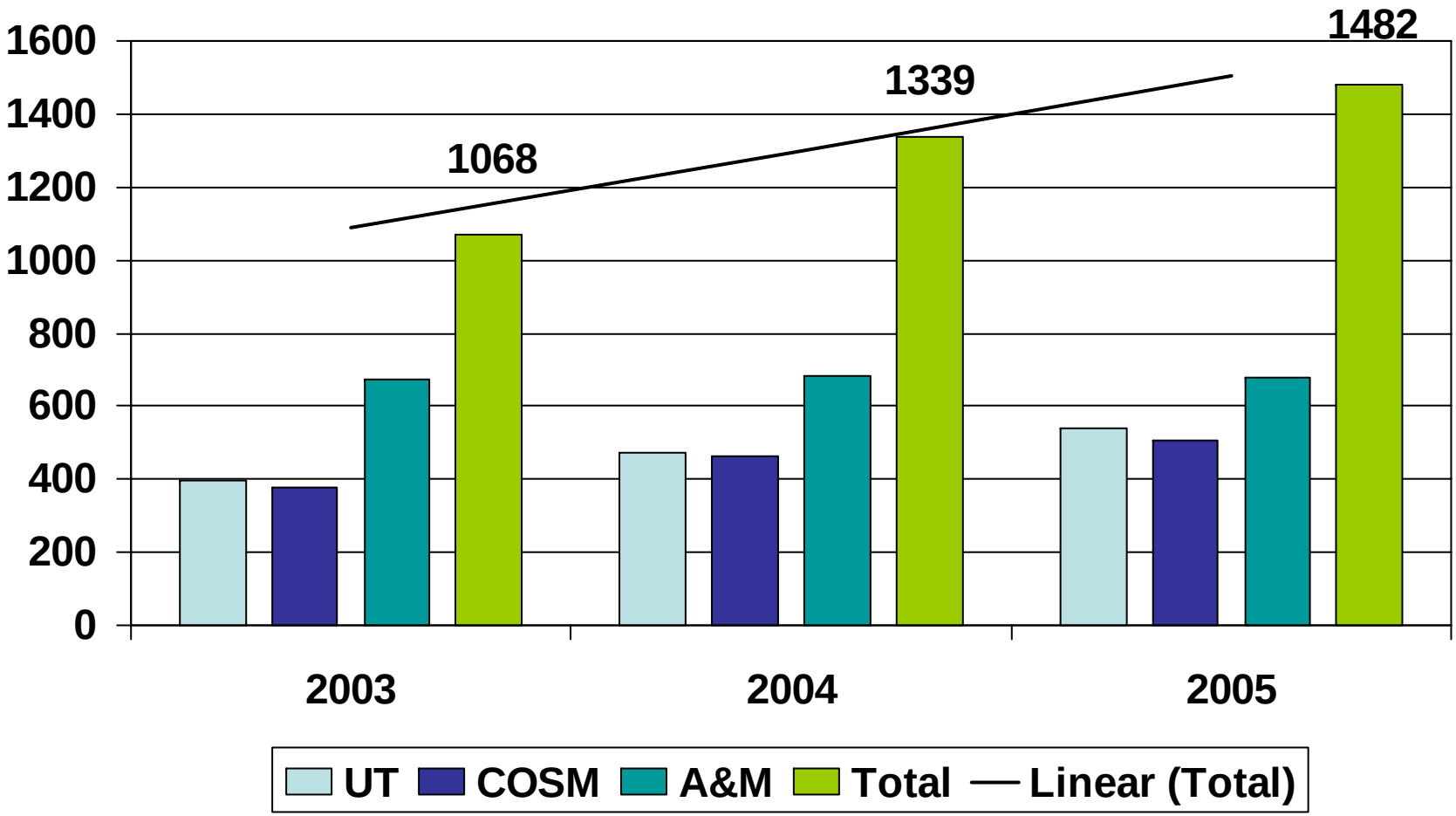
Needs Analysis

83,678	Needed
?	Grads
?	Gap

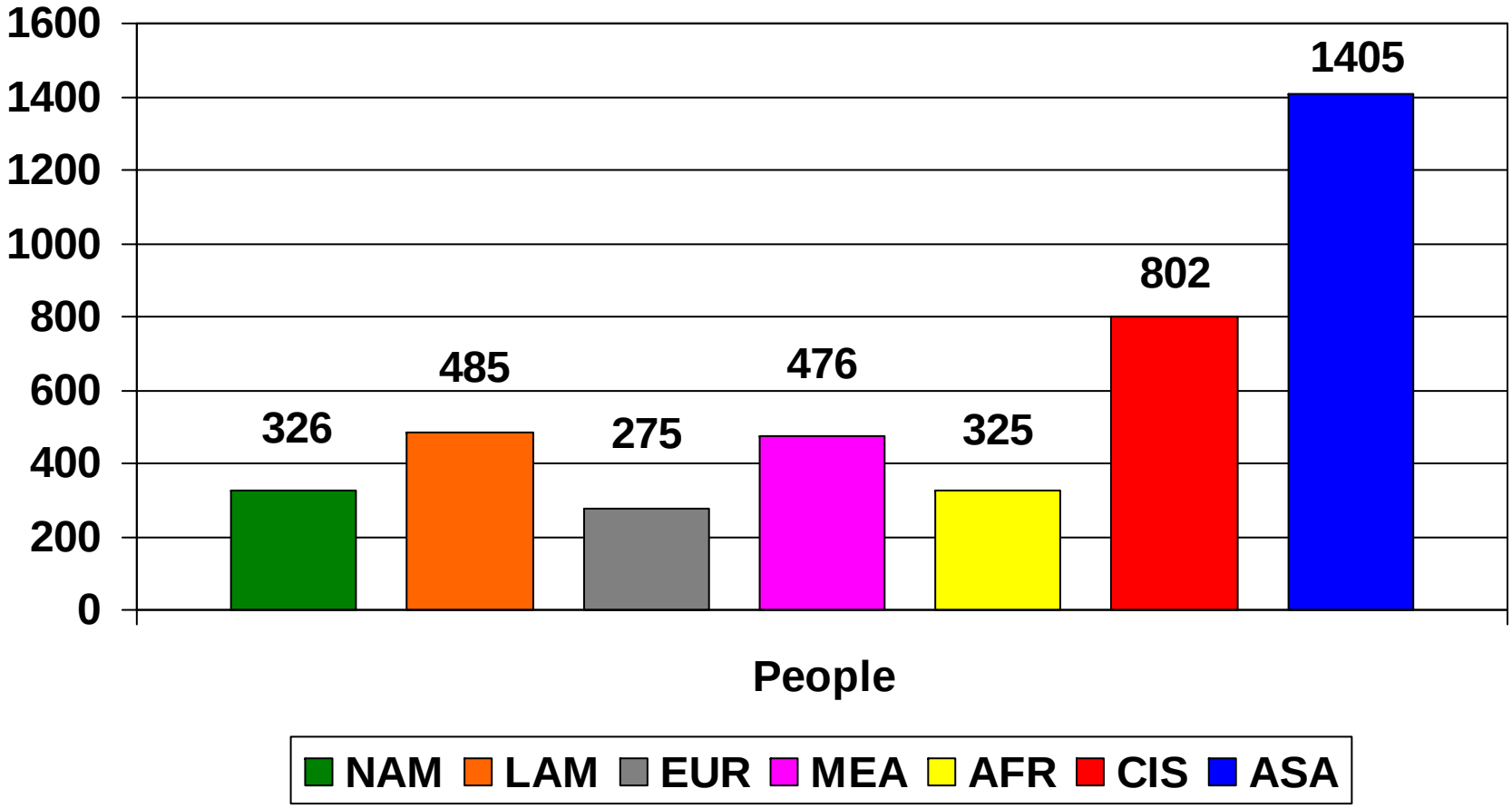
US Petroleum Engineering Enrollment



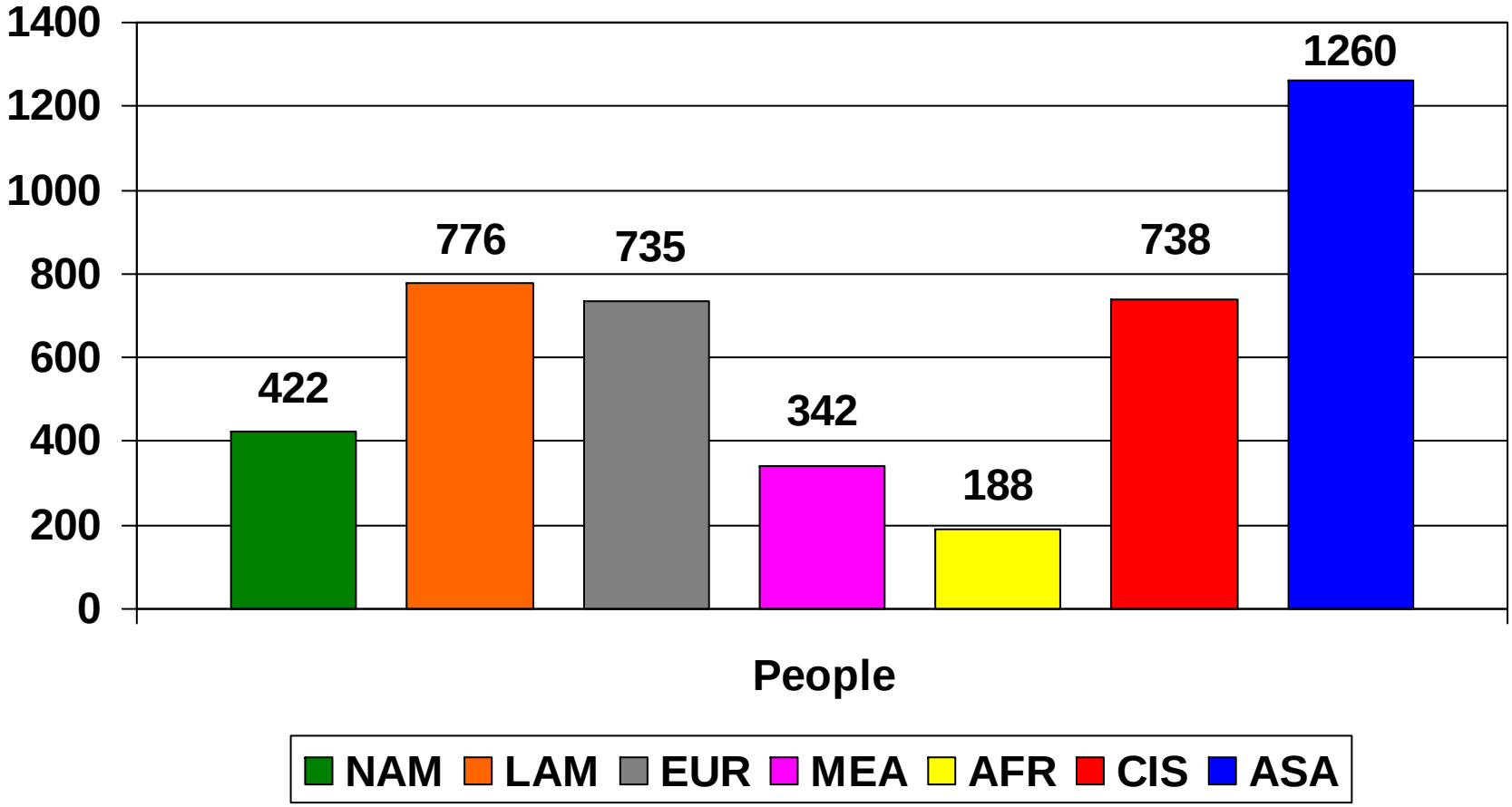
Geology/Geophysics/PE- Enrollment



Geoscience Graduate Talent Pool 2004 (Total 4,094)



Petroleum Engineering Graduate Talent Pool 2004
(Total 4461)



Needs Analysis

83,678	Needed
51,750	Grads(1)
31,928	Gap

(1) Estimated English Speaking Grads by 2020

Today’s Tactics to Students

- Education
- Industry promotion
- Scholarships
- Internships

Today’s Tactics to Recruit/Retain Experienced Professionals

- Increased compensation
- Golden welcomes
- Equity (options/grants)
- Retention bonuses
- Buyouts
- Perks (autos/clubs)
- Exotics

What Do You Need To Do?

- Analyze skills needed for your strategy
- Align compensation programs
- Beg, borrow, steal, or acquire
- Promote student awareness