



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

**Annual Membership Salary Survey
Highlight Report**

September 2007



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OVER 10,000 SPE MEMBERS WORLDWIDE PARTICIPATE IN THE 2007 SALARY SURVEY

In 2007 SPE authorized a full-scale update and re-design of its annual salary survey process, and it resulted in a far more comprehensive dataset than ever before collected, both in terms of number of respondents and in depth of information.

This year all SPE members worldwide (excluding students) were invited to participate, and a total of 10,047 submitted their confidential, anonymous information. This volume of participation vastly surpassed the 2006 survey of 2,751 members, rendering the sample of data far more robust and reliable than ever before. The survey's representation of members working outside of the United States is most extraordinarily improved: a total of 5,412 respondents – well over half of the participants – reported from work locations outside of the US, as compared with just 1,186 such respondents in 2006. The 2007 survey contains data from SPE members in 91 countries, compared with 51 in 2006.

While every survey is subject to sample size concerns, the tremendous increase in representation of SPE members from every region around the globe provides for far more statistical significance in this year's data. Therefore, these results can be considered with a much higher degree of confidence.

In 2007, SPE contracted with Western Management Group, a compensation survey specialty firm with many years' experience in conducting such data collection projects on a multinational basis. As in the past, the data collection interface with SPE members was via internet. But data was collected in local currencies for the first time, and more comprehensive data editing and validation procedures were performed than in the past, resulting in the inclusion of both more diverse and more valid data.



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, 2007, which is the data effective date.

In Figure 1 and Figure 2, we see the dispersion of Base Pay and Other Compensation across the ten major regions in which SPE members were working in the summer of 2007. The worldwide median Base Pay was reported as \$118,250. With the addition of Other Compensation, the median Total Compensation reported by SPE members was \$146,194.

The two work regions reporting highest average pay were the North Sea/North Atlantic, and the United States. Two lowest were South American/Caribbean/Mexico, and Southeast Asia.

Members reported, on average, an annual increase of 8.3% to Base Pay. The highest work region in that regard was Australia/New Zealand, at 10.2%, while the lowest was North Sea/North Atlantic, at 7.5%

The proportion of members reporting receiving a car allowance varied widely from region to region, from a low of 23.2% in Canada to a high of 53.5% in Africa.

With regard to demographics, there was little variation in average age reported by members, with no region's average younger than 39 or older than 46. Members working in the United States reported 21 years of experience on average, noticeably higher than that of any other region.

There was significant regional variation in the reported level of education. Nearly three-quarters of the members working in South Central & Eastern Europe reported having received education beyond a Bachelors Degree, significantly above the worldwide average of 42.2%, and nearly triple the 25.9% rate reported from Canada.

The proportion of members working within the region of their citizenship varied quite widely as well, an issue we will examine in more detail a bit later.

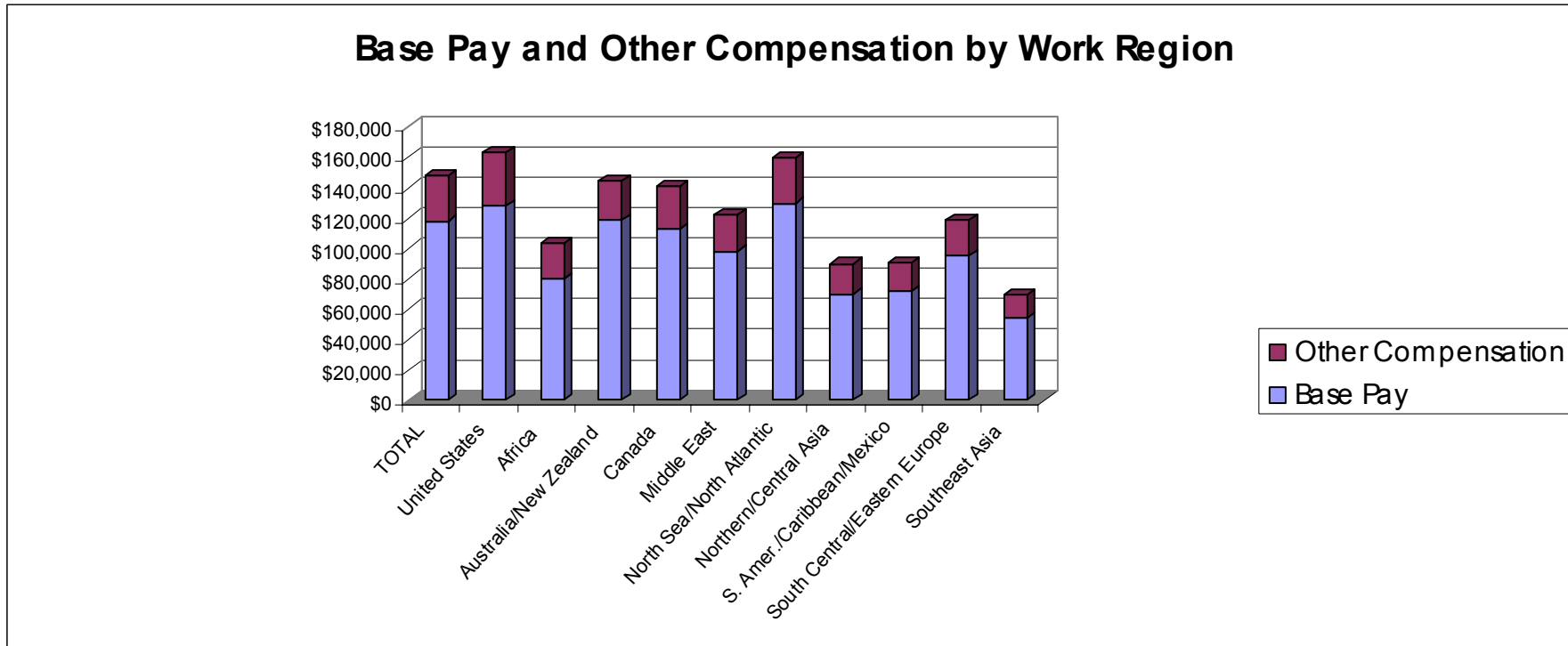


Figure 1

SUMMARY OF RESULTS BY WORK REGION											
	Total (n=10,047)	United States (n=4,635)	Africa (n=463)	Australia / New Zealand (n=364)	Canada (n=634)	Middle East (n=862)	North Sea / North Atlantic (n=1,412)	Northern / Central Asia (n=275)	S. America / Caribbean / Mexico (n=470)	South Central / Eastern Europe (n=193)	Southeast Asia (n=654)
Base Pay											
Mean	\$122,458	\$133,899	\$102,041	\$138,806	\$116,803	\$103,457	\$140,220	\$97,887	\$84,030	\$102,890	\$84,248
Median	\$118,250	\$128,000	\$80,000	\$118,833	\$112,612	\$98,076	\$130,000	\$70,000	\$72,000	\$95,000	\$54,000
Other Compensation											
Mean	\$55,128	\$62,244	\$50,285	\$39,308	\$57,121	\$43,063	\$55,862	\$58,292	\$33,286	\$50,510	\$36,967
Median	\$30,000	\$35,000	\$23,231	\$25,464	\$28,153	\$24,000	\$30,000	\$20,000	\$18,470	\$23,767	\$15,210
Total Compensation											
Mean	\$167,712	\$187,897	\$140,706	\$168,827	\$165,094	\$133,332	\$187,181	\$139,858	\$108,604	\$138,221	\$113,109
Median	\$146,194	\$165,000	\$96,794	\$143,024	\$140,764	\$119,946	\$160,652	\$80,000	\$86,327	\$113,029	\$67,306
Average Base Pay Increase	8.3%	8.2%	8.8%	10.2%	7.8%	8.3%	7.5%	9.2%	8.7%	7.9%	9.2%
% with Car Allowance	33.5%	26.0%	53.5%	27.2%	23.2%	44.1%	43.0%	36.4%	34.5%	36.8%	48.8%
Average Age	43	46	40	39	41	41	42	40	41	43	40
Average Years Experience	18	21	14	15	16	17	16	16	16	17	15
% with Education Beyond Bachelors Degree	42.2%	34.0%	40.8%	36.3%	25.9%	44.7%	66.7%	58.9%	57.0%	74.1%	36.7%
% Citizens of Work Region	n/a	86.5%	57.1%	69.6%	84.8%	44.8%	76.5%	56.6%	81.9%	61.1%	64.5%



Figure 2



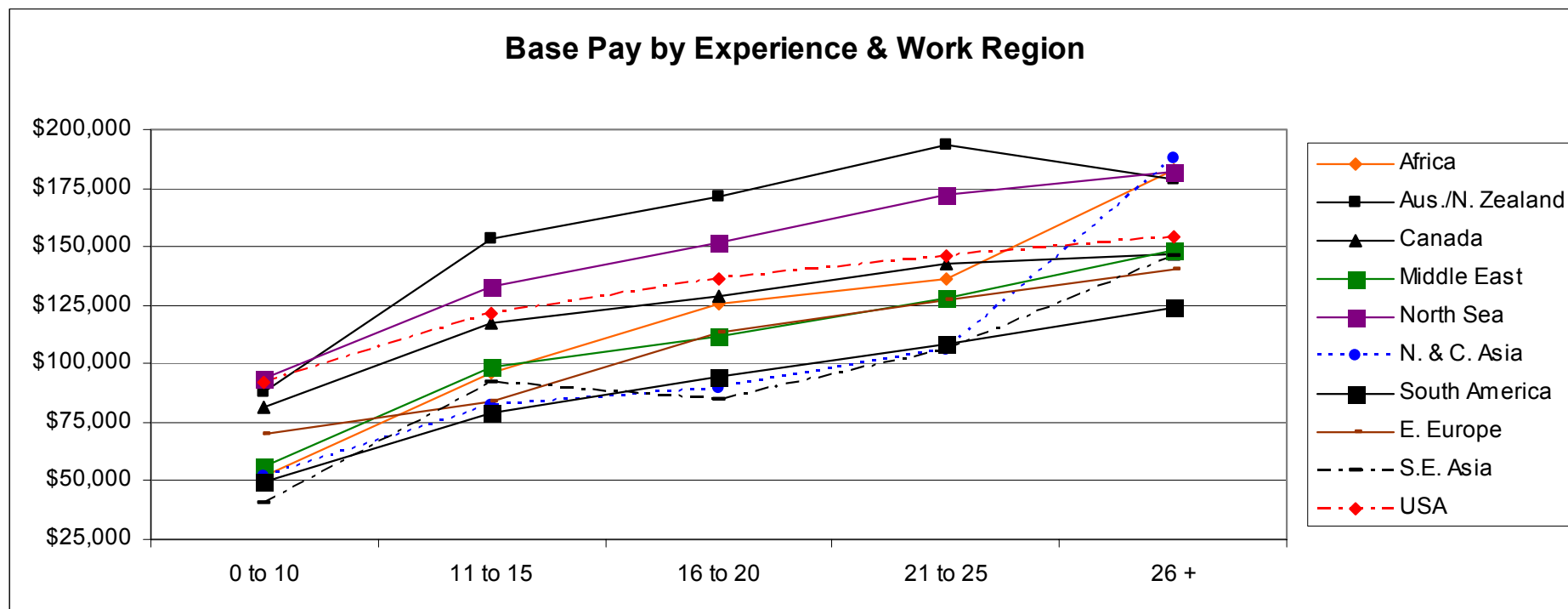


The Global Impact of Work Experience

In Figure 3, we examine the influence of work experience on Base Pay, on a region-by-region basis. We see a consistent (and non-surprising) pattern of increased mean average base pay through categories of increased work experience.

It is interesting to note that when broken out in this manner, both Australia/New Zealand and North Sea/North Atlantic show a pattern of noticeably higher reported base pay than the United States through most experience categories, more distinctly than when all experience categories are combined.

Figure 3



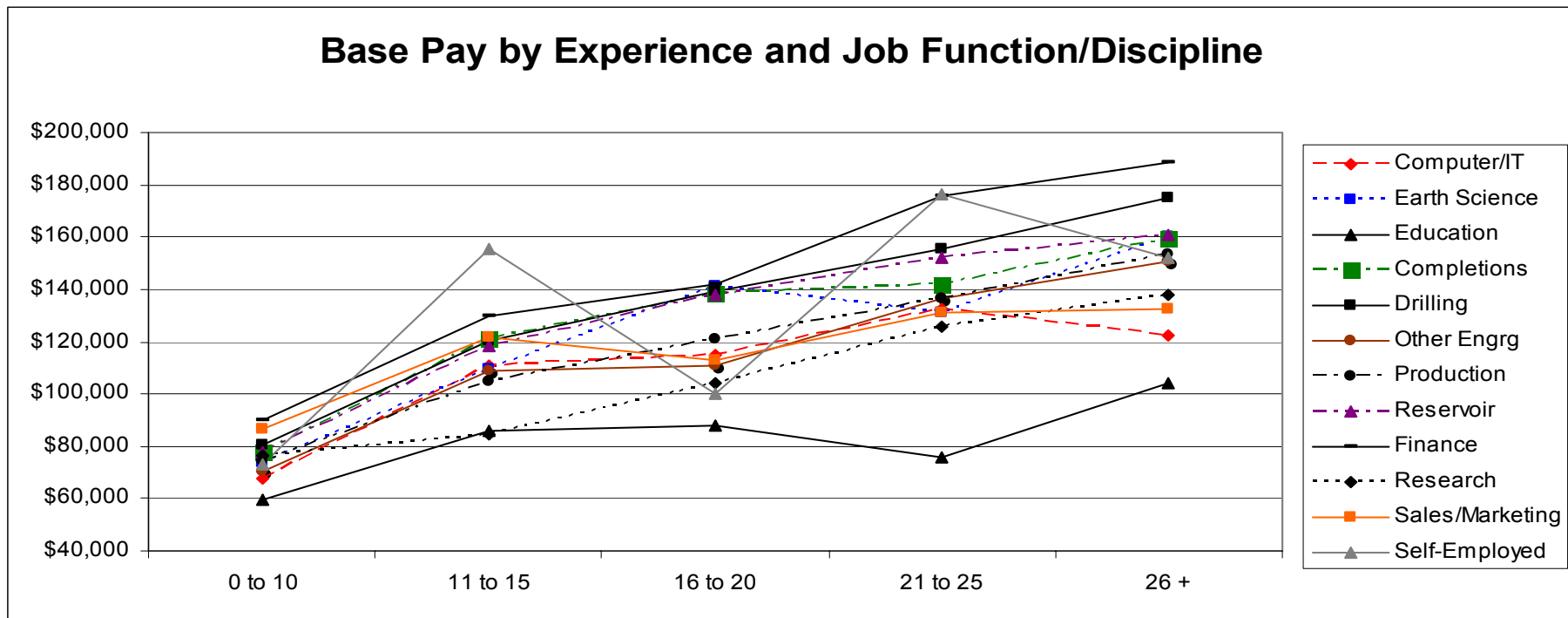


Job Functions and Experience

Focusing on the relationship between reported Base Pay, work experience, and job function/discipline worldwide, Figure 4 reveals that for most jobs, pay increases with experience. But not quite for all: in the Education/Training function, the line is fairly flat. Moreover, Base Pay for this function was the lowest reported across the board. This view reveals members in the Research job function as reporting the highest average rates of Base Pay in all experience categories.

The Self-Employed function, which includes independent consultants, was reported as the most volatile, displaying little relationship between Base Pay and experience. However, it must be recognized that this function contains the least population, rendering it the most subject to sample size distortion.

Figure 4





The Impact of Citizenship

The comparison of citizens versus non-citizens working in each region reveals some of the most striking differences in reported average pay, shown in Figure 5.

In Africa, non-citizen members reported an average Base Pay of more than three times than of citizens, and Other Compensation nearly four times as great. In Southeast Asia and North & Central Asia, the differences in average pay and other compensation reported by citizens and non-citizens were even greater. Other regions reporting much greater pay levels from non-citizens are the Middle East, South America/Caribbean/Mexico, and South Central Europe.

In all regions, the non-citizens reported significantly greater average work experience. Yet in two of them – North & Central Asia, and South Central Europe –the citizens reported significantly greater levels of education beyond a Bachelor's Degree.



Figure 5

ANALYSIS BY CITIZENSHIP										
	United States		Africa		Australia/New Zealand		Canada		Middle East	
	Citizen (n=4003)	Non-Citizen (n=627)	Citizen (n=263)	Non-Citizen (n= 199)	Citizen (n=252)	Non-Citizen (n=110)	Citizen (n=537)	Non-Citizen (n=96)	Citizen (n=384)	Non-Citizen (n=474)
Base Pay	\$136,349	\$118,576	\$52,678	\$167,064	\$136,274	\$145,902	\$117,077	\$115,456	\$65,124	\$134,342
Other Compensation	\$64,502	\$46,806	\$22,932	\$80,552	\$34,960	\$49,054	\$58,583	\$48,403	\$22,268	\$54,742
% with Car Allowance	26.4%	23.4%	51.7%	55.8%	25.0%	32.7%	22.9%	25.0%	35.9%	50.8%
Average Base Pay Increase	8.2%	8.2%	8.9%	8.8%	10.6%	9.3%	7.9%	7.6%	8.4%	8.2%
Average Years Experience	22	14	10	19	15	16	17	16	12	20
% with Education Beyond Bachelor Degree	30.0%	59.8%	40.7%	41.2%	32.1%	44.6%	22.2%	45.8%	39.3%	49.2%
	North Sea/North Atlantic		North/Central Asia		S. America/Caribbean/Mexico		S. Central/E. Europe		Southeast Asia	
	Citizen (n=1077)	Non-Citizen (n=331)	Citizen (n=155)	Non-Citizen (n= 119)	Citizen (n=381)	Non-Citizen (n=84)	Citizen (n=118)	Non-Citizen (n=75)	Citizen (n=421)	Non-Citizen (n=232)
Base Pay	\$140,922	\$137,065	\$44,982	\$166,823	\$70,279	\$146,266	\$73,761	\$148,722	\$41,354	\$161,776
Other Compensation	\$52,165	\$68,182	\$9,354	\$100,478	\$24,852	\$65,757	\$31,015	\$73,464	\$13,673	\$72,371
% with Car Allowance	45.1%	36.6%	24.5%	51.3%	31.5%	50.0%	28.8%	49.3%	42.5%	60.3%
Average Base Pay Increase	7.4%	7.6%	9.7%	8.7%	8.6%	8.9%	7.6%	8.5%	9.7%	8.4%
Average Years Experience	17	14	12	20	15	21	16	18	12	21
% with Education Beyond Bachelor Degree	67.2%	65.3%	76.8%	35.3%	57.2%	57.1%	84.8%	57.3%	35.9%	38.4%



Job Categories and Total Compensation

Taking a look at total compensation by job category, (including base pay, car allowances, bonuses, commissions, stock options, etc.) we see in Figure 6 total pay packages reported by members working in the various regions.

In every region, the Executive/Top Management category is the highest-paid, followed by the Manager/Director category. Also, consistently across every region, the Supervisor/Superintendent/Lead job category reports greater average Total Compensation than the Professional/Individual Contributor segment.

The North Sea/North Atlantic region reports the highest average Total Compensation for Executives and Managers. The United States reports the highest-paid Professionals and Technicians, while Australia/New Zealand indicates the highest average in the Supervisor category. Northern & Central Asia displays the lowest average Total Compensation in every category reported.



Figure 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.	\$333,758	\$361,686	\$412,033	\$260,178	\$237,663	\$429,065	*	\$220,257	\$436,373	\$279,632
Manager/Director	\$218,288	\$214,947	\$210,477	\$210,994	\$194,391	\$229,692	\$128,299	\$162,290	\$175,873	\$160,456
Professional	\$156,544	\$102,632	\$125,061	\$133,153	\$113,561	\$148,668	\$65,021	\$80,856	\$110,429	\$81,758
Supervisor	\$180,548	\$145,846	\$194,201	\$172,603	\$136,334	\$173,783	\$76,569	\$109,249	\$121,075	\$108,332
Technician/Specialist	\$122,136	\$65,047	\$93,990	\$114,036	\$75,729	\$114,728	\$28,063	\$57,968	\$43,933	\$51,528
	* Insufficient data for display									



The USA: Experience, Job Function, and Base Pay

Figure 7 focuses strictly on members working in the United States. These survey participants are examined on the basis of job function/discipline and years of experience.

We see that the most populous discipline, by far, is Reservoir Engineering, with over 20% of the U.S. respondents. This job function also reports as being among the highest-paid at every experience level.

Though it's among the smallest populations responding to the survey, the Finance/Administration job function reports the highest level of average Base Pay at every level of experience. Perhaps this is because this function includes many of the executives, top management and directors.

In the U.S. as in the worldwide dataset, the function reporting the lowest Base Pay compensation is Education/Training.



Figure 7

U.S. BASE PAY BY JOB FUNCTION AND EXPERIENCE												
Years of Experience	Total		Computer/IT		Earth Sciences		Education/Training		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	\$92,259	1078	\$86,221	14	\$95,878	32	\$75,837	6	\$88,623	137	\$96,332	119
11 to 15	\$121,176	364	\$115,897	15	\$117,154	18	\$96,463	8	\$125,915	44	\$124,707	47
16 to 20	\$136,396	482	\$133,375	8	\$151,630	25	\$115,366	13	\$143,376	47	\$144,658	54
21 to 25	\$146,387	685	\$124,464	7	\$129,974	23	\$105,887	11	\$145,999	64	\$154,696	87
26 +	\$154,175	2010	\$132,420	20	\$148,244	102	\$118,355	35	\$150,973	150	\$169,954	242
Total	\$133,899	4635	\$117,691	64	\$135,390	200	\$110,522	74	\$127,625	442	\$144,537	554
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	\$82,796	158	\$91,193	175	\$99,833	248	\$112,414	10	\$91,942	63	\$88,975	76
11 to 15	\$107,423	40	\$120,924	41	\$128,388	67	\$144,650	5	\$111,991	11	\$106,999	48
16 to 20	\$121,601	50	\$143,534	66	\$144,983	109	\$149,868	11	\$113,118	28	\$117,454	44
21 to 25	\$133,137	63	\$147,136	102	\$157,646	167	\$189,644	12	\$137,002	24	\$124,337	66
26 +	\$144,232	218	\$153,847	245	\$164,355	424	\$176,723	42	\$142,294	68	\$128,866	240
Total	\$119,225	533	\$131,928	631	\$143,577	1017	\$164,925	80	\$118,500	196	\$118,566	474



How to Learn More

Clearly, this Highlight Report only scratches the surface of such a deep and detailed database. Space here doesn't permit the presentation of every possible permutation of the many jobs, geographies, employer types, nor an analysis of the data dispersion in all of the compensation elements included.

However, for those of you interested in obtaining more detailed information, SPE has made arrangements with WMG to offer direct, confidential access to the complete survey database. With that access you will be able to filter and parse the information as broadly or as detailed as you like without compromising the confidentiality of any respondent. You will be able to choose from a variety of report display formats, making this 2007 Annual Membership Salary Survey more flexible and useful than ever. 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.

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 and so on will be quite adequate. For others, perhaps those with management and/or Human Resources responsibilities in the industry, more numerous and differently-focused "slices" of the data would be much more useful. Therefore, a selection of database access options is provided.

To find out more, including report format descriptions and samples, and prices, please point your internet browser to the following URL:

<http://www.spe.org/salary>