The oil and gas industry has given me a very rewarding career; I have worked with exciting technologies and with talented people all over the world. It has been very satisfying to contribute technically to my company and the industry, to meet the energy needs of a growing world population. My involvement with the Society of Petroleum Engineers (SPE) has been a key factor in my ability to make those contributions.

I have been involved with SPE since the late 1960s, when I was a student member. And the journey has affected my life in so many ways, all of which stem from three simple decisions.

First was my decision to join SPE. For me, it was a natural decision. I wanted to be the best I could in my career and I have always viewed SPE as the foremost professional association for those working in oil and gas exploration and production (E&P). With its many technical resources (including its unrivaled collection of technical papers, respected magazines and peer-reviewed journals, and excellent conferences); the commitment exemplified by its mission, vision, and values; and its ability to connect E&P professionals globally, SPE was the best association to help me achieve my goal.

Second was the decision to learn. I took continuing education courses to keep up with the advancements in technology and to continue to sharpen my skills to become more productive and prolific in my work. I kept learning more and more, especially early in my career. Although I learned a lot by taking SPE short courses, I learned even more from teaching courses attended by some of the best minds in our industry.

SPE has done a tremendous job in training and education this year. For example, now we are offering 150 courses, a 200% increase over what we were doing just a couple
of years ago. I see even more growth opportunities in this area as membership grows in developing countries and our responsibility to educate the young professionals takes a clearer path around the world.

Third was the decision to volunteer. For me, this decision was based on wanting to give back to an organization that has given me so much professional growth and experience. I feel any professional should give something back to his or her organization or profession. I have been a member of SPE for more than 40 years. I have held all types of volunteer positions in SPE, including technical reviewer and Distinguished Lecturer, and served in all types of ways, including as a technical director on the SPE International Board of Directors.

This year SPE reached a milestone in membership, surpassing 100,000 members globally. In the past 10 years SPE has doubled in size, driving the Society to offer more programs and services to a truly diverse industry. Membership has grown in nearly every region; young professional members age 35 and under now compose 28% of our membership; and our student membership is at an all-time high. It is SPE’s ability to bring together energy professionals with diverse experience that makes it a unique global community. SPE transcends geographic borders, political issues, and company brands to connect members to knowledge, resources, and expertise worldwide. Many years ago, the SPE leaders had the foresight to see the expansion of the oil and gas industry globally and adapt our services and reach to ensure the long term success of the society.

This is a rewarding profession that gives us the opportunity to contribute to the welfare of people everywhere, to do exciting work with advanced technologies, to travel the world meeting diverse people, and to make lifelong friends. It is very satisfying when you use technology and see the benefits and the value that comes from it. SPE is an important partner in our industry’s mission.
SPE is the largest individual-member organization serving managers, engineers, scientists, and other professionals worldwide in the upstream segment of the oil and gas industry. Officially founded in 1955, SPE’s predecessor organizations date from the birth of the oil industry in the late 1880s.

SPE’s mission is to collect, disseminate, and exchange technical knowledge concerning the exploration, development, and production of oil and gas resources, and related technologies for the public benefit and to provide opportunities for professionals to enhance their technical and professional competence.

“No matter where you come from or which passport you are holding, we all speak the same language in SPE, the language of petroleum engineering.”

Farid, Denmark

“Right from my undergraduate period, SPE has served as a valuable resource for me [and an] inspiration to contribute in the development of the petroleum industry... The conferences, technical meetings, academic material, and debates all just add to the excitement. I don’t think there is any professional organization that does it all except SPE.”

Anthony, South Africa

Membership
SPE began 2012 with a record 104,762 members, with student membership representing the largest growth. The overall membership doubled in just the past 10 years growing on an average of 4.7% each year.

Professional Membership by Region
75,395 members in 123 countries
187 sections

Student Membership by Region
29,367 members in 103 countries
238 student chapters
SPE members have access to a global body of E&P knowledge through many different resources, especially the Society’s technical publications. SPE publications cover all aspects of the upstream oil and gas industry and are considered the most authoritative reports on technical applications and industry issues. Members have free or low-cost access to a broad spectrum of print and electronic periodicals, including the highly regarded *Journal of Petroleum Technology* (JPT), *The Way Ahead*, and, new in 2012, *Oil and Gas Facilities*.

**Journal of Petroleum Technology**
For more than 60 years, *JPT* has been SPE members’ most reliable guidepost to E&P technology. In 2012, working with SPE’s Technical Directors, *JPT* launched the Young Technology Showcase. The new series features new and emerging technologies that have been selected as having significant potential benefit to the upstream industry. This effort is a direct result of member input on ways to help the industry adopt new technology more rapidly to meet the growing demand of energy.

**Oil and Gas Facilities**
This year, SPE introduced its newest magazine, *Oil and Gas Facilities*. This bimonthly publication covers topics such as upstream onshore and offshore facilities, processing systems and design, measurement and control, pilot projects, mooring and station keeping, and more. The idea for the magazine began in 2011 during a meeting of SPE’s Projects, Facilities, and Construction Advisory Committee, which sought new ways to provide more targeted technical material to this sector of our membership.

**PetroWiki**
SPE has started development of a new way to collect and share technical knowledge for the E&P industry, called PetroWiki. SPE’s seven-volume *Petroleum Engineering Handbook* will provide the base for this visionary resource. The pilot, launched in September 2012, uses the handbook’s volume on drilling. Members will be able to add to that content via “wiki” methodology, and contributions will be vetted for technical validity. Anyone will be able to read PetroWiki, but content enhancements will be limited to SPE members.
MEETINGS

The Society listens to its members and creates programs to meet their needs, and that of the global industry. For example, in 2012, SPE sponsored 120 meetings, from workshops to major conferences, covering topics that were important to the industry and growth of our members. SPE members and industry leaders coordinate the technical programs for these events to ensure their relevance and validity.

Annual Technical Conference and Exhibition
SPE held its 2012 Annual Technical Conference and Exhibition (ATCE) 8–10 October in San Antonio, Texas, USA. The program included more than 350 technical papers, with expanded technical program and special events focusing on projects, facilities, and construction. Although SPE sponsors numerous meetings, ATCE remains the Society’s ultimate event. It is SPE’s official annual meeting of the members, where the Society’s finances are reported and new board officers and directors are installed. In recognition of the very global nature of its membership and of the industry, SPE now holds this key member meeting in a variety of locations around the world.

International Petroleum Technology Conference
The International Petroleum Technology Conference (IPTC) has become a major program in the Middle East and Asia Pacific regions. SPE collaborates with the American Association of Petroleum Geologists (AAPG), the European Association of Geoscientists and Engineers (EAGE), the Society of Exploration Geophysicists (SEG) to bring the region the full spectrum of E&P knowledge sharing in one event. It is now an annual event with the next IPTC to be held in China for the first time, 26–28 March 2013.

Offshore Technology Conference
SPE plays a big role in the Offshore Technology Conference (OTC). OTC is sponsored by 13 industry organizations and societies, who work cooperatively to develop the technical program each year.

In 2012, OTC reached a 30-year high with attendance of 89,400, up 14% from 2011. This year OTC announced the launch of OTC Asia, to take place in Kuala Lumpur in March 2014, and a partnership with the Instituto Brasileiro de Petróleo, Gás e Biocombustíveis (the Brazilian Petroleum, Gas, and Biofuels Institute) for OTC Brasil in 2013.
PROFESSIONAL DEVELOPMENT

SPE is committed to continuing education for its members. SPE offers programs and training courses to help its members maintain high professional standards and grow technically and professionally in their careers.

Training Courses
In 2012, SPE offered 150 training courses that took place in 20 cities in 11 countries. This is a 200% increase over what was done just a couple of years ago. These training programs are designed to enhance professional development and are taught by the most experienced experts in the world. Training courses are available during conferences and workshops, at training centers in Houston and Calgary, through customized in-house courses, and through the use of webinars and online offerings.

Distinguished Lecturers
The Distinguished Lecturer program is one of SPE’s most popular offerings, bringing outstanding speakers on the most current topics to SPE section meetings. During the 2011–12 season, 29 Distinguished Lecturers went on 131 tours, during which they gave 434 lectures and traveled 1,699,206 miles. In addition, the program launched its first webinar series in an effort to reach even more members.

Young Professionals
Members age 35 and under formed 28% of SPE’s professional (non-student) membership at the beginning of 2012. With a large number of experienced professionals leaving the workforce, our young professionals are being asked to take on more responsibilities earlier in their careers. This means that young professionals must acquire broad technical and soft skill sets to be able to perform the complex tasks required of them. SPE has developed many programs to help these young professionals take the next steps in their career, including workshops, publications, section networking groups, and the eMentoring program.
Society of Petroleum Engineers

2012 HIGHLIGHTS

EDUCATION

SPE has made attracting students to careers in the oil and gas industry a priority.

Student Programs

Student membership represents the largest growth segment in SPE, with close to 30,000 student members in more than 230 student chapters. SPE makes it easy for students to gain valuable career experience by networking with industry professionals and possible employers, learning from technology discussions at SPE meetings, and possibly receiving Society-sponsored scholarships. SPE awarded nearly USD 2.6 million this year in scholarships and fellowships for both undergraduate and graduate students pursuing degrees related to the oil and gas industry.

To help keep student membership growing and increase the workforce in the industry, it is essential to recruit and retain qualified professors. In 2010, the SPE Colloquium on Petroleum Engineering Education identified challenges in attracting, developing, and retaining faculty. In response, SPE developed a Petroleum Faculty Support Program to provide targeted faculty funding to help attract, develop and retain petroleum engineering faculty worldwide. The 2-year pilot program will competitively award grants to faculty in three categories:

• The SPE Teaching Fellow Award (USD 10,000) would recognize faculty for unique and creative pedagogy methods. This award is directed at developing and retaining faculty.

• The SPE PhD Pipeline Award (USD 10,000) would recognize faculty who have a proven track record or unique methods in encouraging undergraduates to pursue an academic career. This award is directed at attracting faculty.

• The SPE Research Fellowship would award new faculty initial seed funding for creative research ideas. This award would vary based on each proposal, but would be limited to USD 30,000 to USD 50,000. This award is directed at developing and retaining faculty.
Energy4me

Energy4me is SPE’s global energy education outreach program, offering career information and factual resources to students, teachers, and the public through the energy4me.org website, speaker programs, and teacher development. SPE encourages its more than 100,000 members worldwide to serve as classroom speakers, student mentors, and science fair judges to encourage students to learn more about the industry. The Energy4me program is continually working to keep its programs and lessons up to date, working with the US National Energy Education Development (NEED) project to create and produce new activities and implement into classroom curriculum worldwide.

Energy4me teacher workshops reached 154 educators at events that were held at the Annual Technical Conference and Exhibition and the Offshore Technology Conference.

SPE’s *Oil and Natural Gas* book demonstrates the dynamic processes of discovery of oil and how it shapes our world. It is full of colorful photos, diagrams, and graphics and is available in English, Arabic, Chinese, French, Spanish, and Russian. There were 9,066 *Oil & Natural Gas* books distributed throughout the year.

SPE Scholarships

- SPE Foundation Gus Archie Scholarship
- SPE Star Scholarship and Fellowship
- SPE Foundation Nico van Wingen Graduate Fellowship
- Henry DeWitt Smith Fellowship
- SPE Section Scholarships
**SPE Leadership**

SPE is a global not-for-profit organization organized as a Stichting, a foundation under the laws of The Netherlands. SPE is governed by a 27-member international Board of Directors representing SPE’s geographic and technical diversity.

## SPE Presidents

<table>
<thead>
<tr>
<th>Year</th>
<th>President</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Ganesh Thakur</td>
<td>Chevron Energy Technology Company</td>
</tr>
<tr>
<td>2011</td>
<td>Alain Labastie</td>
<td>Total</td>
</tr>
<tr>
<td>2013</td>
<td>Egbert Imomoh</td>
<td>Afren</td>
</tr>
<tr>
<td></td>
<td>SPE Vice President–Finance</td>
<td>Kenneth E. Arnold WorleyParsons</td>
</tr>
</tbody>
</table>

## SPE Board of Directors

### Regional Directors

- **Africa**
  - Alex Musa
    - Total E&P Nigeria Ltd.
- **Canada**
  - Keith MacLeod
    - Sproule Associates Limited
- **Eastern North America**
  - John Cramer
    - Superior Well Services
- **Gulf Coast North America**
  - Sid Smith Jr.
    - PolyFlow
- **Mid-Continent North America**
  - Mohan Kelkar
    - University of Tulsa
- **Middle East**
  - Hosnia Hashim
    - Kuwait Oil Company
- **North Sea**
  - Léon Beugelsdijk
    - Shell International E&P
- **Northern Asia Pacific**
  - Yiaw Hin Wee
    - Petronas
- **Rocky Mountain North America**
  - Arnis Judzis
    - Schlumberger
- **South America and Caribbean**
  - Nestor Saavedra
    - Ecopetrol ICP
- **South, Central and East Europe**
  - Maurizio Rampoldi
    - Eni E&P
- **Southern Asia Pacific**
  - John Boardman
    - RISC
- **Southwestern North America**
  - Peter Schrenkel
    - Vision Natural Resources, LP
- **Western North America**
  - Sam Sarem
    - Improved Petroleum Recovery Consultants
- **Russia and the Caspian**
  - Andrey Gladkov
    - Modeltech

### At-Large Directors

- Sudhir Vasudeva
  - Oil & Natural Gas Corporation
- Mohammed Y. Al-Qahtani
  - Saudi Aramco

### Technical Directors

- Drilling and Completions
  - Joseph Ayoub
    - Schlumberger
- Health, Safety, Security, Environment and Social Responsibility
  - Roland Moreau
    - ExxonMobil Upstream Research Company
- Management and Information
  - Cindy Reece
    - ExxonMobil
- Production and Operations
  - Ahmed Abou-Sayed
    - Advantek International
- Projects, Facilities and Construction
  - John Walsh
    - Shell Exploration & Production
- Reservoir Description and Dynamics
  - Gene Narahara
    - Chevron Energy Technology Company
SPE’s significantly exceeded budget expectations for the fiscal year, ending 31 March 2012. SPE had a total operating revenue of USD 64.8 million compared to USD 52.6 million in 2011. All of SPE major business segments [meetings, publications, membership, retail sales, SPE.org] contributed to the overall success of SPE.

The balance sheet of SPE continues to be financially strong. Since the balance sheet date of 31 March 2012 there have been no significant events that would materially impact the current financial condition of SPE.

**STATEMENT OF FINANCIAL POSITION**

*Society of Petroleum Engineers (SPE) Stichting Consolidated Statement of Financial Position as of 31 March 2012*

<table>
<thead>
<tr>
<th>Audited</th>
<th>USD thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>20,725</td>
</tr>
<tr>
<td>Other Assets</td>
<td>14,690</td>
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<tr>
<td>Reserve Fund Investments</td>
<td>38,561</td>
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<tr>
<td>Property and Equipment</td>
<td>12,582</td>
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<tr>
<td>Interest in SPE Foundation</td>
<td>10,471</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>97,029</strong></td>
</tr>
<tr>
<td>Liabilities and Net Assets</td>
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</tr>
<tr>
<td>Accounts Payable</td>
<td>11,038</td>
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<tr>
<td>Deferred Revenue</td>
<td>17,057</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>28,095</strong></td>
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<tr>
<td>Net Assets</td>
<td>68,934</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>97,029</strong></td>
</tr>
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</table>

**STATEMENT OF ACTIVITY**

*Society of Petroleum Engineers (SPE) Stichting Consolidated Statement of Activity for the year ended 31 March 2012*

<table>
<thead>
<tr>
<th>Audited</th>
<th>USD thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings</td>
<td>15,119</td>
</tr>
<tr>
<td>Membership</td>
<td>(4,589)</td>
</tr>
<tr>
<td>Education and Professional Activities</td>
<td>113</td>
</tr>
<tr>
<td>Print and Electronic Media</td>
<td>(2,745)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td><strong>7,898</strong></td>
</tr>
<tr>
<td>Member Advantage Programs (Funded through investment income)</td>
<td>(922)</td>
</tr>
<tr>
<td>Investments</td>
<td>283</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>7,259</strong></td>
</tr>
</tbody>
</table>