

# MAXWELL DRUMMOND

## I N T E R N A T I O N A L

### 2009 Annual Energy Survey

Thank you for taking time to view the results of the first annual Maxwell Drummond International survey. This year we addressed two issues currently impacting the energy industry, **Positioning for Global Recovery** and **Knowledge Transfer**. We found the results of this year's survey informative and hope that they will help in your workforce planning going forward in 2009/2010.

As you will see, we gathered data from approximately 100 senior executives in companies of various sizes and headquarter locations.

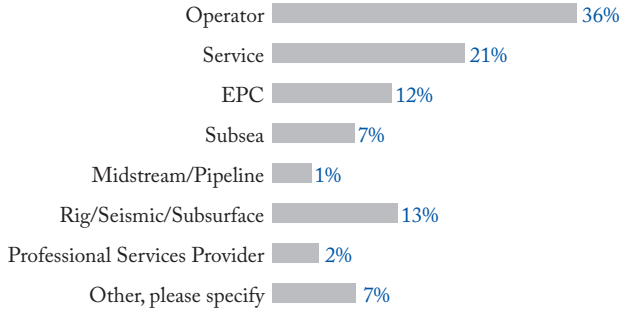
Below are the conclusions Maxwell Drummond International has made from the results:

- Overall, the industry has been very cautious in its response to the current economy. Most companies have reacted by creating alternative business plans.
- Much learning has occurred from our industry's past mistakes with companies viewing employees as assets that must be maintained versus a commodity that can be readily bought and sold.
- Most companies have viewed this global economic event as an opportunity to upgrade their employee base and believe they will be stronger as a result of actions taken.
- Those companies that had a distinct and well communicated plan in response to the change in the economy executed a smaller reduction in workforce than those that reacted without a formal plan.

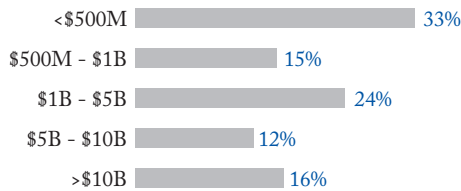
- Companies with a plan addressing current economic conditions are taking action by reviewing either non-personnel cost reductions or placing projects on hold to cut costs.
- Regarding knowledge transfer, companies are **STILL** not prepared for the "Big Crew Change". While roughly half of the companies that participated in the survey have mentoring programs, most felt that the program was merely "somewhat effective" as a tool for knowledge transfer.
- Current economic conditions have yielded an opportunity for industry as many of those who planned to retire in the next few years are now faced with decimated retirement investments; therefore, retirement has been staved off for a few more years. In effect, we have unintentionally bought time to retain intellectual capital, thus giving industry the opportunity to pass working knowledge down to new hires. This may be the last chance for industry to improve its practices in this area and bridge the generational knowledge gap.
- Finally, the biggest surprise of all was the overwhelming agreement on the price of oil at the end of this year and next, \$64/bbl and \$86/bbl respectively.

At Maxwell Drummond International, we believe there are opportunities in today's economic environment. We're located in the oil capitals of the world to take advantage of those opportunities for companies like yours.

## 1 Participant Sector Focus



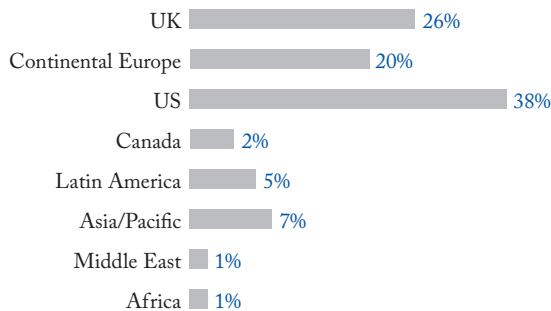
## 2 Participant Company Revenues



## 3 Does company have international operations?



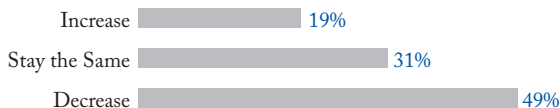
## 4 Corporate Headquarter Locations?



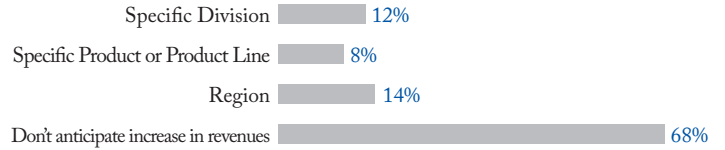
### Topic A: POSITIONING FOR GLOBAL RECOVERY

Is your company positioned for the recovery of the global economy?

## 5 FY 2009 revenues expect to:

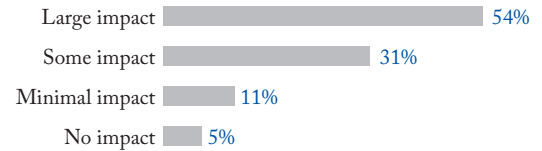


## 6 Does your company anticipate an increase in revenues, where will growth come from?

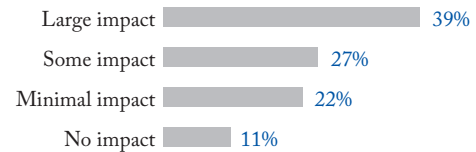


## 7 Rate the following as to what has impacted business the most in the past 12 months.

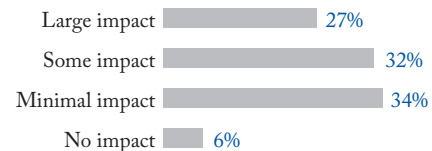
### The rapid drop in the price of crude oil



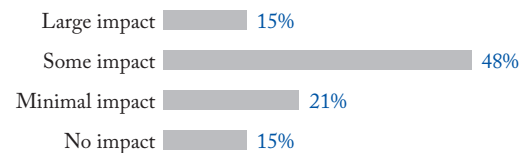
### The price of natural gas



### Failure of the financial markets



### General business conditions (recession)



## 8 Does the company's plan for 2009 differentiate between land and offshore operations?

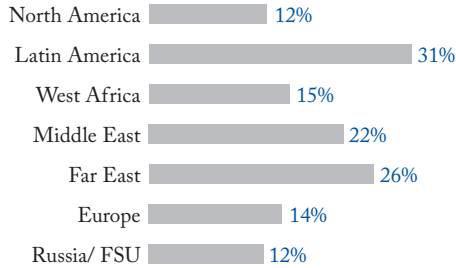


## 9 Does the company differentiate between natural gas and oil operations?



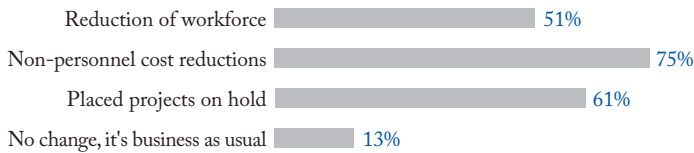
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**If you have operations located internationally, are there specific locations expecting growth in 2009?**



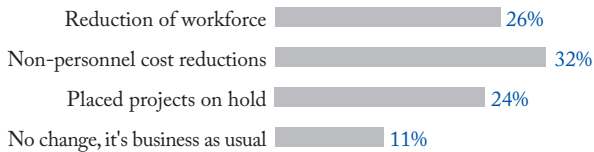
11

**How has your company reacted to the global economic downturn?**



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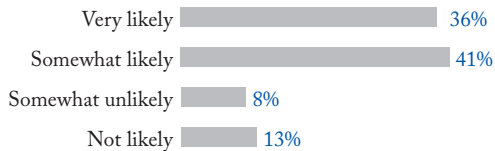
**Of those, which would be the primary area?**



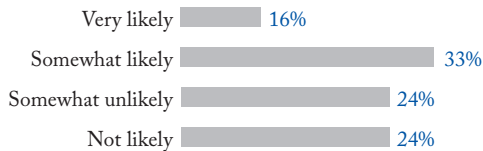
13

**Has your company or will your company be able to capitalize on opportunities created by the current economic conditions?**

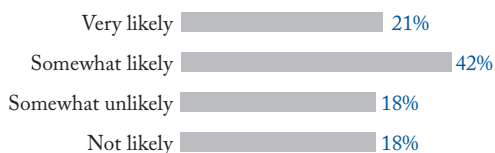
People, upgrading of skills or talent acquisition



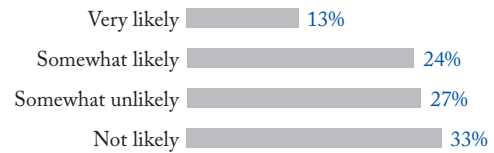
Acquisition of equipment of assets



Acquisition of another company

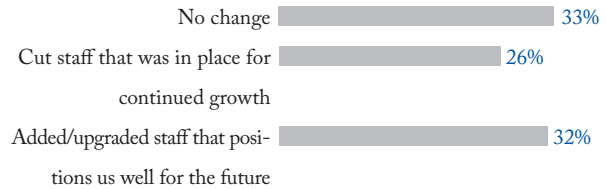


Sale of noncore or less productive assets



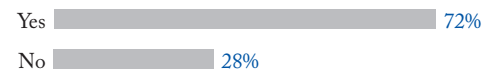
14

**Is your overall employee base stronger or weaker as a result of the global economy?**



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**Have your competitors reacted adequately to the down economy?**



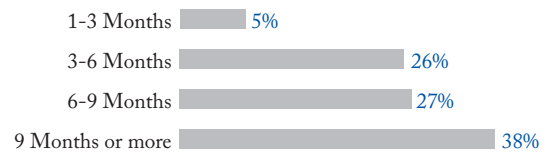
16

**Has your company created alternative business plans based on the economic indicators that most affect your business?**



17

**How rapidly do you think the energy industry will react to positive economic factors, such as an increase in oil price, the freeing up of the capital markets, etc?**



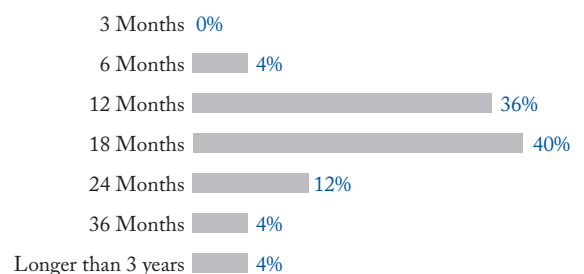
18

**Has company's leadership stated a clear vision of its business for the coming year either internally or externally?**



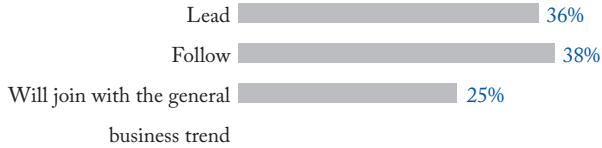
19

**When do you expect to see a rebound in the global economy?**



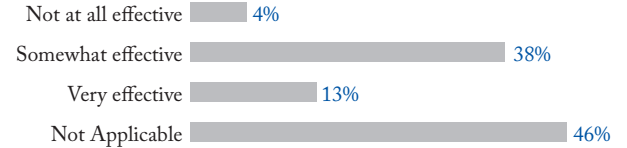
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**Do you feel the price of oil will lead or follow global economic recovery?**



27

**If yes, has that been an effective tool for knowledge transfer?**



## Topic B: KNOWLEDGE TRANSFER

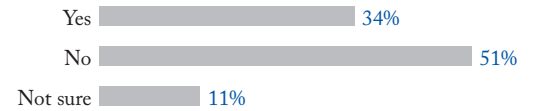
21

**Do you see the economic downturn affecting the tenure of portions of your workforce (i.e.: delayed retirement)?**



28

**Some companies have chosen to re-hire a retiree on a part time basis as a knowledge retention tool. Has your company used this tool?**



22

**Do you feel that the industry has reacted in a different manner during this economic downturn such that college students/recent graduates will be encouraged to choose energy specific career paths?**



29

**Where do you think the price of oil will fall on:**



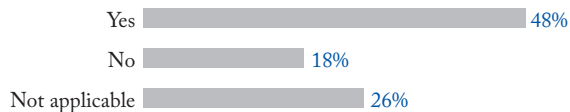
23

**Do you have an "in-house" management training program?**



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**If yes, does that training include trainee time with a senior manager to transfer knowledge?**



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**Are senior managers or staff encouraged or incentivized to document or share their knowledge in any way?**



26

**Does your company have a Mentor program?**



### CROSS TABULATIONS

When we compared those companies that stated they had developed a plan to address the current economy versus those that had not, we found:

While the majority of companies made non-personnel cost reductions, those with a stated plan were less likely to cut staff or put projects on hold.

#### Reduction in workforce



#### Placed project on hold



#### Non-personnel cost reductions



When we compared the headquarter location of the respondent with the length of time expected to see a rebound we discovered:

Companies headquartered internationally believe the economy will rebound in 12 months where those headquartered in US believe it will be 18 months before the economy will be back to normal.

