

# 2011 Annual Energy Survey

## Executive Summary

**Maxwell Drummond is pleased to announce the results of its 2011 Annual Energy Survey. Over 100 senior international energy industry executives completed questions which focused on the following issues:**

- The current energy mix and its predicted evolution over the next five to 15 years.
- The energy industry and its likely geographical and economic future.
- The people and skills of the energy industry and potential collaboration between the sectors.

### About this survey

The survey participants incorporated a sampling of senior international energy industry executives covering a variety of energy sectors, including operators, service, EPC, subsea and professional services providers. Over two-thirds of the participant's companies surveyed have headquarters in North America and Europe, although South America, Africa, Middle East, Asia and Australasia were also included in the sample.

### About Maxwell Drummond

Maxwell Drummond International is a leading retained executive search consultancy offering professional search services to global clients in all sectors of the energy and natural resources industry. The firm's global headquarters are in London and Maxwell Drummond has established offices in Aberdeen, Calgary, Houston, Johannesburg, Perth and Sydney. Maxwell Drummond's search professionals have the relevant experience and networks to cover the major energy markets worldwide and specialise in all sectors of the energy industry, from oil and gas through to mining and renewable energy.

For more information about Maxwell Drummond or this survey, please visit [www.maxwelldrummy.com](http://www.maxwelldrummy.com)

### The Changing Energy Mix

Over the next fifteen years, respondents predicted a decrease in the use of conventional oil, gas and coal. Significant increases of use were envisaged for unconventional oil and gas, alternative/renewable energy and nuclear energy. China and Eastern Europe were predicted to be main focus areas for the development of unconventional resources.

### The Changing Industry

54.5% of participants felt that they had recovered from the economic recession. Most respondents felt that demand for oil and gas from emerging global economies and security of supply would determine the strategic direction of the energy industry in the next five years.

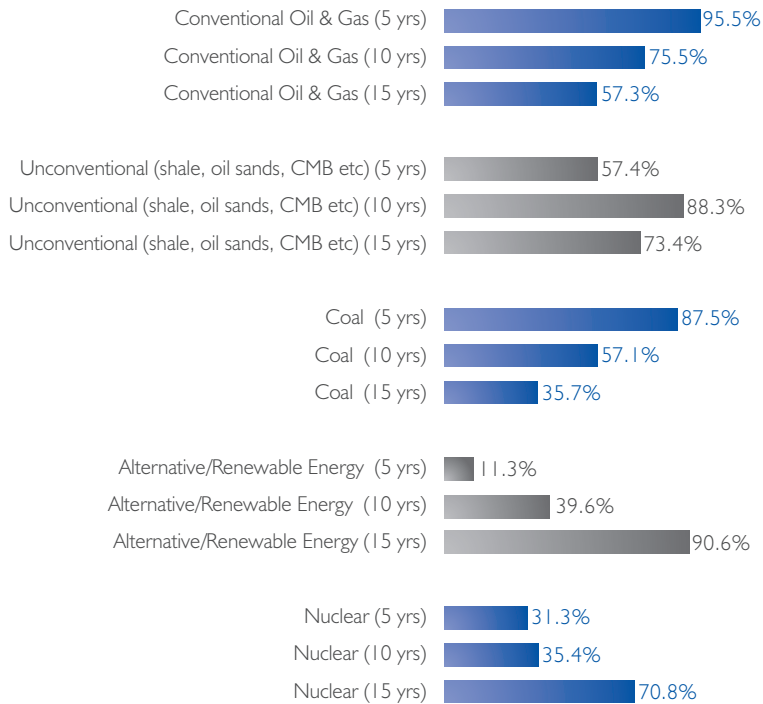
### People and Skills

Resource gaps remain a priority. It was expected that resource gaps would be felt throughout all divisions of the energy industry but that reservoir/petroleum engineering, drilling and completions and field operations would be most affected. Survey participants listed poor public perception as the highest cause for discouraging people from joining the industry.

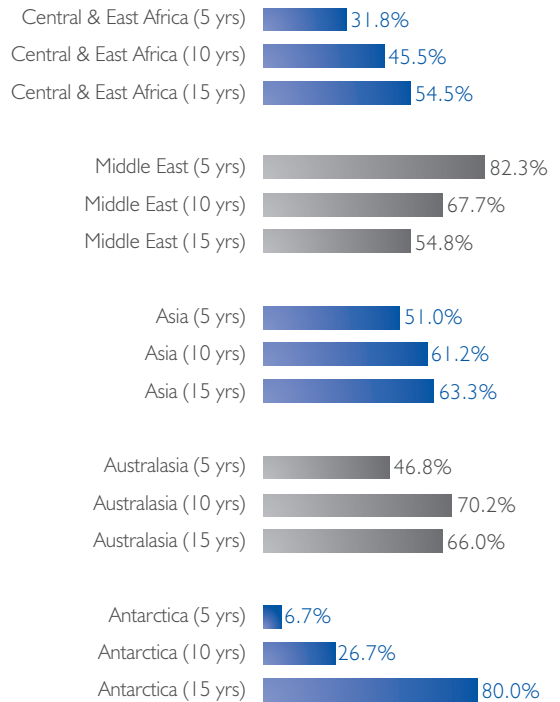
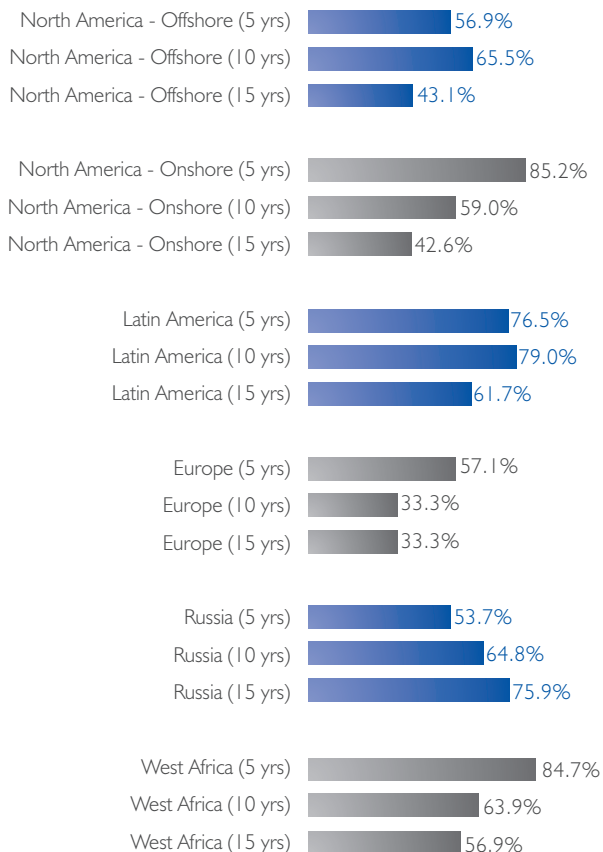
In managing skills gaps, most respondents believed collaborative sharing of knowledge and skills between the sectors would be helpful and suggested the best way to encourage sharing was through the use of cross-sector task forces and employee exchanges. They listed some of the key barriers that prohibit effective knowledge and skills transfer as lack of willingness to share and lack of time and resources.

## THE CHANGING ENERGY MIX

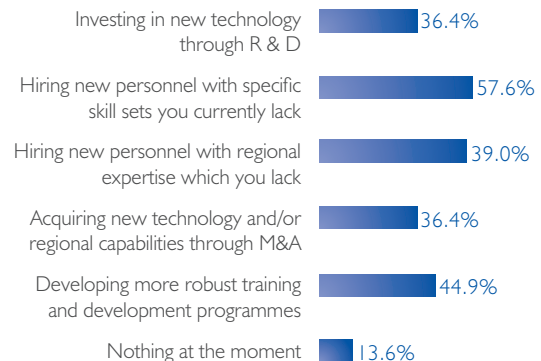
### 1. Which of the following energy sources do you believe will be the most substantial to the energy mix?



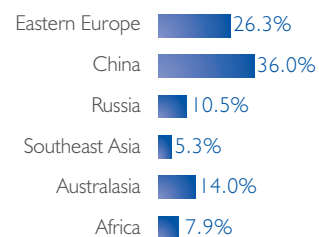
### 2. In which geographic regions do you think global exploration and production will be most focused?



### 3. Which of the following is your company doing, if applicable, to capitalise on the opportunities presented by the evolving energy mix?



### 4. At the moment, the main focus for unconventional resources (i.e. oil sands, shale gas, heavy oil, CBM) is North America. Where do you believe the next significant wave of unconventional resource development will be?

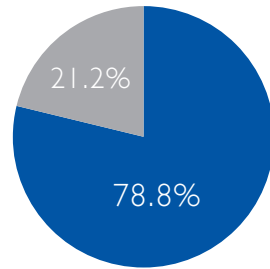


## THE CHANGING INDUSTRY

5. Do you believe that the US dollar will still be the dominant currency in the oil and gas industry in ten years?

Yes 78.8%

No 21.2%



6. What do you think the price of oil (Brent) will be at the end of 2011?

Response Average \$114.49

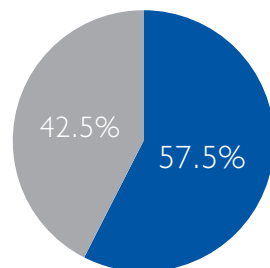
7. What do you think the price of oil (Brent) will be at the end of 2020?

Response Average \$169.80

8. Do you believe that the current global corporate energy centres (North America, Europe) will still be the most dominant in ten years?

Yes 57.5%

No 42.5%

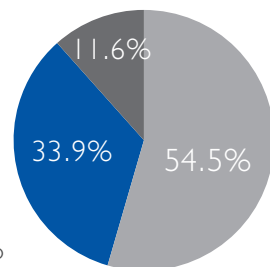


9. Has the energy industry successfully rebounded from the global recession?

Yes, we are back on track 54.5%

No, due to a lack of long term confidence in the global economy 33.9%

No, due to limited access to capital 11.6%



10. Which of the following issues or topics do you believe will dominate the strategic direction of the energy industry in the next five years?

Demand for oil and gas from the emerging global economies such as China, India and Brazil 90.3%

Economic, safe and environmentally friendly production of unconventional oil and gas 42.5%

Economic, safe and environmentally friendly offshore drilling 33.6%

Security of supply 66.1%

Carbon capture and storage 1.8%

Reduction of carbon emissions 17.7%

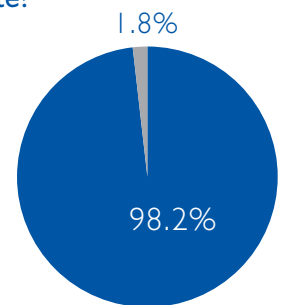
Appropriately trained and experienced staff 35.4%

## PEOPLE AND SKILLS

11. As someone in the industry, would you recommend a career in energy to a current student or recent graduate?

Yes 98.2%

No 1.8%



12. Given your thoughts on the energy mix, what do you feel will most impact access to experienced staff in the short to mid-term?

Lack of knowledge transfer from management/retirees to new/less experienced employees 50.5%

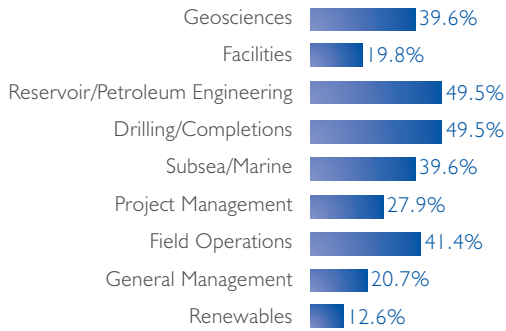
Willingness to relocate to harsh locations/previous experience in harsh locations 30.6%

Required expertise in a specific technology or project type 19.8%

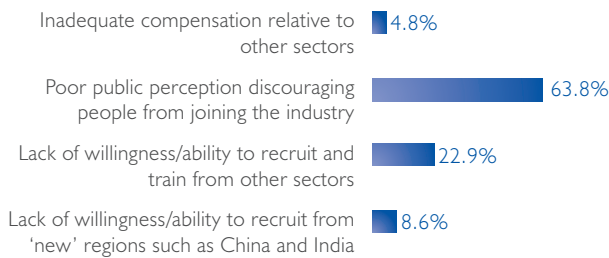
Ability to attract and retain the right people 63.1%

Deficient labour market supply in engineering or energy related disciplines 29.7%

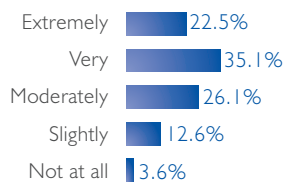
**13. Where do you feel that resources gaps are going to be most acute?**



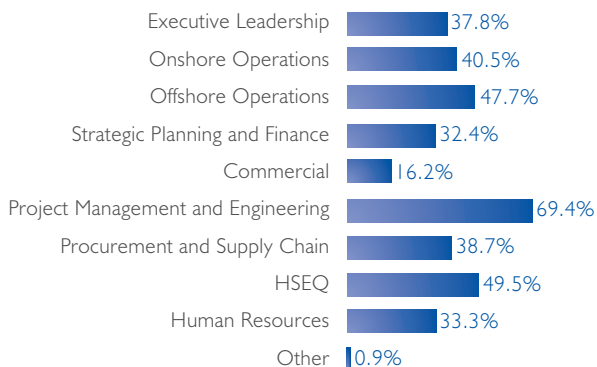
**14. What do you think is the main cause of the current 'resources gaps'?**



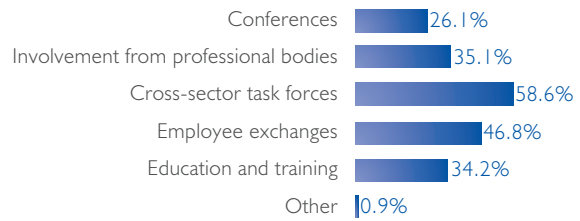
**15. Do you think it would be beneficial for oil and gas companies to actively collaborate with other sectors within the energy industry (such as renewables, coal, nuclear) to share knowledge and skills?**



**16. In which of the following functional areas do you believe the greatest opportunities to share best practice lie?**



**17. What do you feel are the very best ways to facilitate 'sharing' and 'collaboration' between the different energy sectors?**



**18. What do you think are the key barriers that are likely to prohibit the efficient transfer of knowledge and skills between different sectors?**



**NOTABLE 2009, 2010 AND 2011 COMPARISONS**

- In 2010, oil or gas was expected to be the most substantial contributor to the energy mix in the next five, ten and 15 years. But in 2011, more than 90% of respondents believed that by 2025, renewables will be the most substantial energy source.
- The perception of Latin America as a global exploration and production hub in the next ten years increased from 38% in 2010 to 79% in 2011.
- 70.2% of respondents in 2011 foresee Australasia as an E&P-focused area in the next ten years, compared to only 22% in 2010.
- Resource gaps remain a priority. The percentage of survey participants who encourage recent graduates or current students to consider a career in energy continue to rise.

