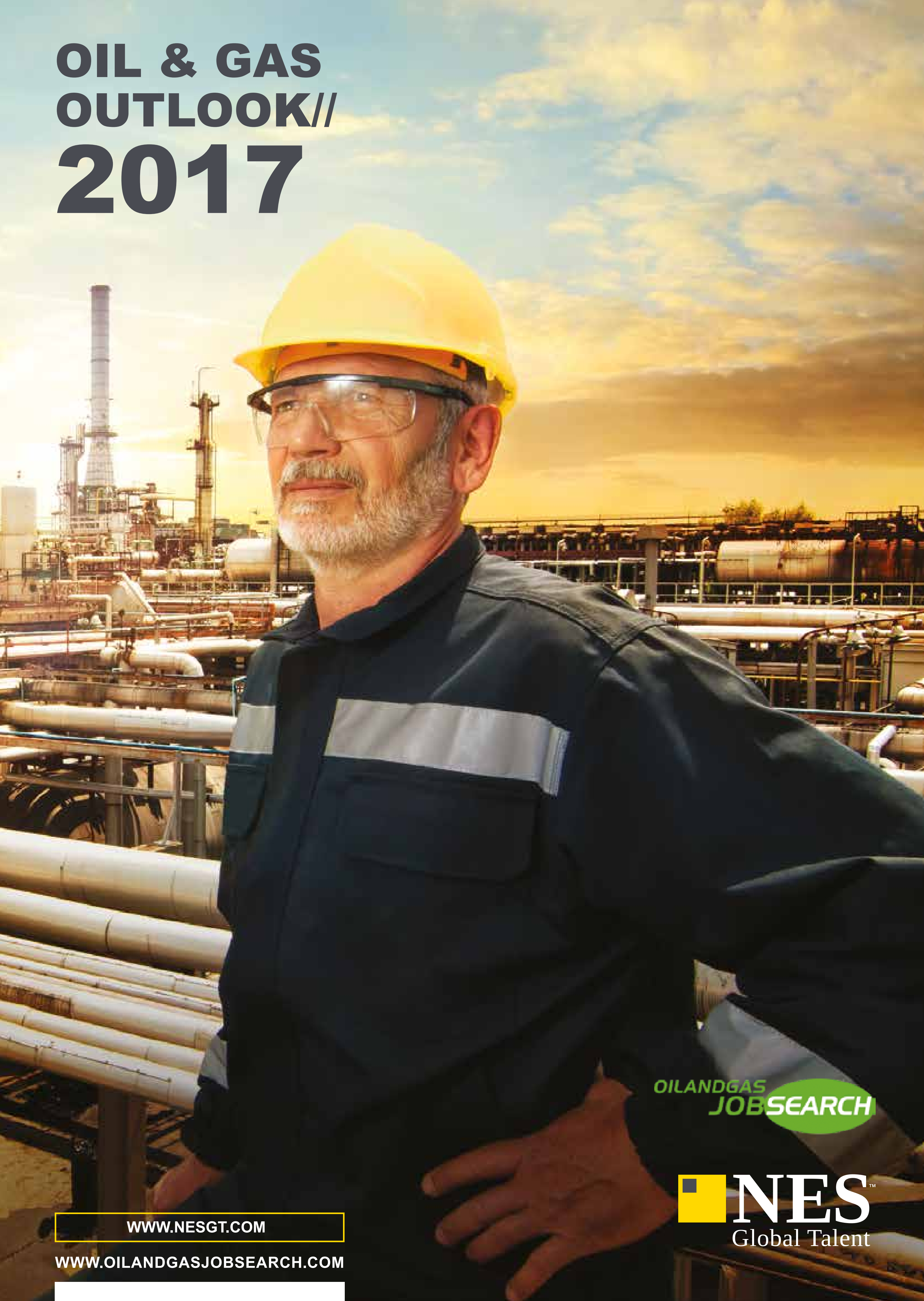
OIL & GAS OUTLOOK// 2017



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METHODOLOGY

This year, approximately 10,000 participants across over 20 disciplines from 158 countries responded to our survey. The research was completed during the first half of the year and once closed, the data was compiled and cleansed to eliminate erroneous responses and outliers.

Our teams of local experts around the world have also reviewed the data to ensure it reflects the realities of the local labour markets.

We have analysed the findings to identify trends and points of interest in the results and believe that the combination of the survey's quantitative data with our localised expertise, delivers a representative view of the industry.

It is worth noting that due to sample size and respondent errors accuracy on any particular figure cannot be guaranteed.

In addition, respondents report their salaries to us converted to $US from their local currencies, meaning that fluctuations in the relative value of currencies versus the $US will also impact the results.

Nonetheless, we believe that by looking at the results as a whole, and particularly the trends, there is considerable value in this research.

FOREWORD

ALEX FOURLIS,
MANAGING DIRECTOR

It's my pleasure to partner with NES Global Talent for the first NES Global Oil & Gas Outlook.

I'd like to thank everyone who took part this year. Your efforts are greatly appreciated.

There is a sense of positivity throughout the guide the likes of which we haven't seen since 2013 and can be read as an indication of a potential stabilisation of the oil market. This is key to kick-start projects that haven't been viable for a while and will have a positive effect on job volume and salaries across the industry.

Comparing the number of jobs posted throughout the industry YTD to the end of July vs the same period in 2016, there has been a 2% increase year on year with jobs from corporates up by 8%. The companies advertising the highest volume of jobs in 2017 to the end of July are: -

1. Halliburton
2. Amec Foster Wheeler
3. Baker Hughes
4. CB & I
5. Chevron

Geographically, the regions that have seen the highest levels of hiring activity YTD by job advert volume are: -

1. North America (54%)
2. Europe (21%)
3. APAC (11%)
4. Middle East (9%)
5. South America (5%)

At Oilandgasjobsearch.com, our role hasn't changed significantly. We still aim to provide the best place to advertise and find jobs and candidates within the industry. Site behaviour can be a signal to industry-wide sentiment and we've seen an increase in the number of advertised jobs, visits to the site and new registered users since April 2017.

Keep an eye out for our upcoming "State of the industry" hiring trends reports. Hopefully, they will continue to highlight positive trends within the industry.

CEO WELCOME

TIG GILLIAM

We are delighted to share with you the first NES Global Oil & Gas Outlook for 2017. This research aims to provide the industry with some key insight into global market trends in compensation and benefits and using the information gathered consider the outlook for the next 12 months.

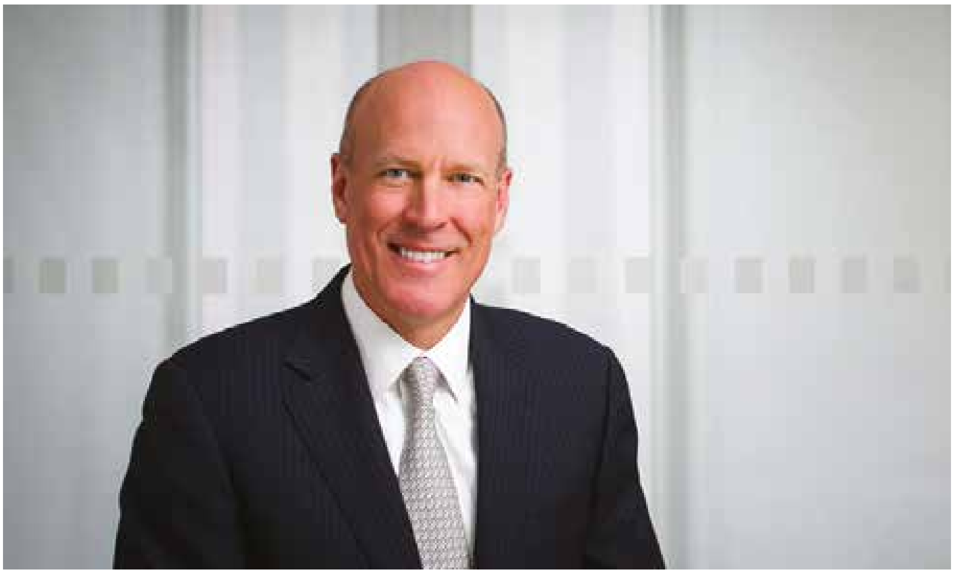
This is the first year that we have conducted our research and I would like to thank everyone who gave up their time to take part and give us their views.

We had a huge range of respondents split across upstream, mid-stream and downstream, as well as significant input from people who are relatively new to the industry, with over 2,500 respondents having under 4 years' experience – this is great to see and delivers a fresh perspective on the industry as a whole.

Although the market recovery has not been as rapid as we would have liked, this year's results appear to show real positivity returning to the market and signs that 2018 could see the beginning of a more sustainable global upturn. Indeed, 55% of our survey respondents said they felt positive that the industry would improve over the next 12 months.

Oil prices have steadily climbed over the last 12 months and whilst we may not see the scale and volume of projects arriving at Final Investment Decision that we did prior to 2014, continued progress in the market will generate new opportunities coming forward.

We hope you find our research of value and look forward to working with you and continuing to serve the Oil & Gas Industry in the year ahead.



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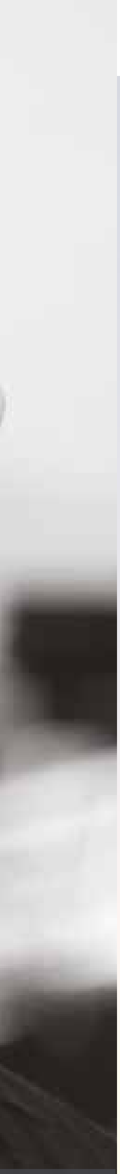


WHY NES?

- 45+ offices across 28 countries, with further in-country registrations
- 500+ discipline-specific consultants and dedicated assignment support staff
- 35+ years of Engineering experience
- Winner of the International Payroll Provider of the Year, 2016, at the CIPP Excellence Awards and continually re-accredited with Payroll Quality Partnership (PQP) status

cipp Annual Excellence Awards 2016 WINNER International service provider of the year

The Chartered Institute of Payroll Professionals Payroll Quality Partnership

REDEFINING RECRUITMENT//

NES Global Talent can offer a full range of staffing solutions:

- Contract
- Permanent (Direct) Hire
- Managed Solutions, contingency and project-based
- Fully outsourced service

These services are complemented by an industry-leading support service and mobility package to ensure clients keep hold of the top talent in a compliant manner for as long as they need it.

Placing specialists into technical environments across…

- Construction
- Commissioning
- Drilling
- Engineering
- Maintenance
- Production / Operations
- Project Services
- Research and Development
- Safety, Health, Environment and Quality

NES™ Global Talent

SUMMARY OF FINDINGS//

1// THE MARKET IS SHOWING SIGNS OF RECOVERY...

- 89% of employers stated that they expect staffing levels to stay the same or increase in the next 12 months.
- Employers recognise skills shortages as a hugely important issue and PMC organisations stand out as pro-actively investing in this area.
- There has been a stabilisation in labour population with 31% of employers saying they have not laid-off any staff in the last 12 months and 38% saying they have laid off under 50.

2// INCREASING CONFIDENCE...

- 48% of employers predict salaries will increase by more than 5% in the next 12 months.
- 72% of respondents said they are confident of finding new work within the industry.
- 68% of respondents said they expected their salaries to increase in the next 12 months!

3// WORKFORCE LANDSCAPE...

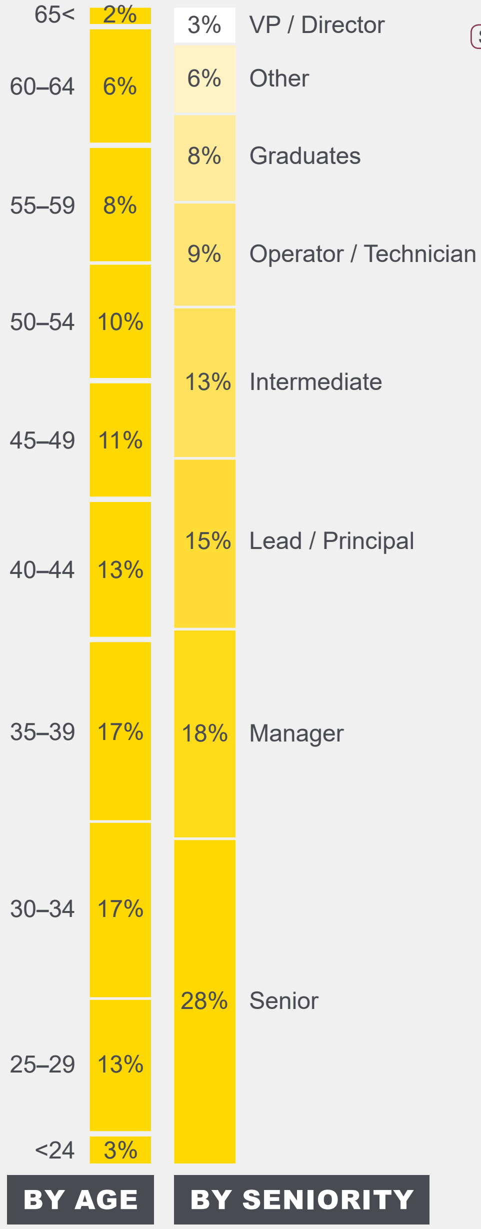
- 20% have moved roles in the last 12 months.
- 75% of employers rely on an expatriate workforce to supplement their projects.
- 89% expect this reliance to remain the same or increase.

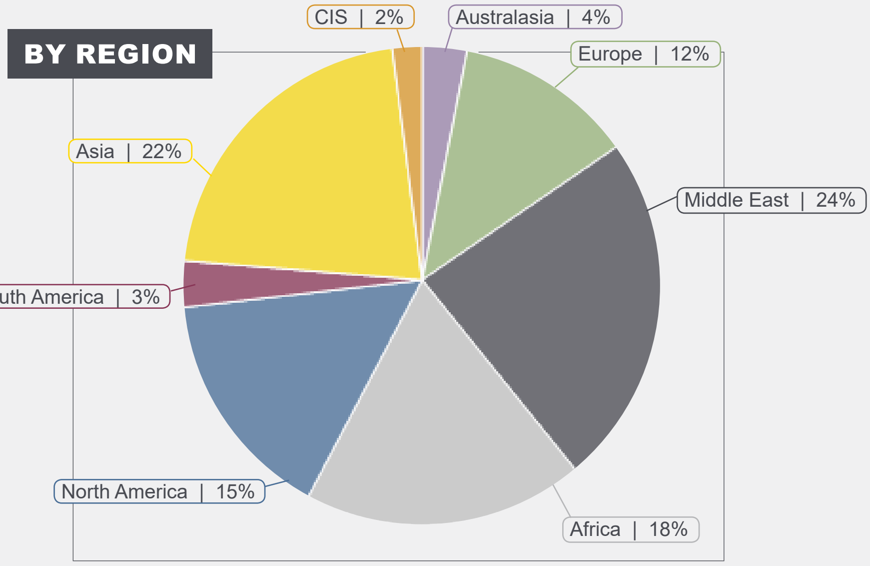
4// BENEFITS...

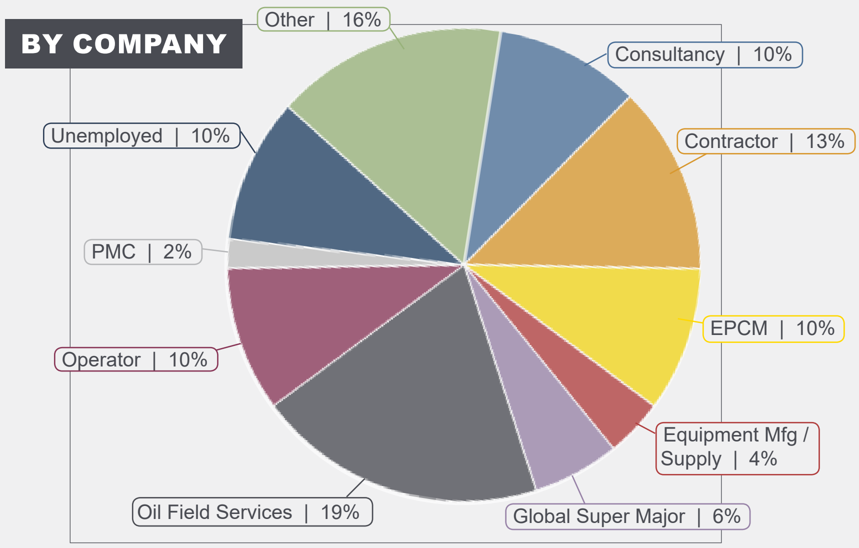
- 60% of the market currently receives benefits as part of their package.
- Bonuses and health plans appear to be the most popular options, but housing and transport support is also increasingly offered as part of an overall package.
- Opportunity to travel is also a key factor when candidates are seeking a new role.

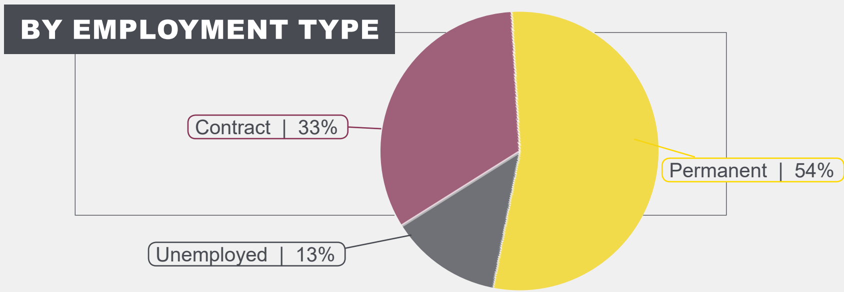
DEMOGRAPHICS

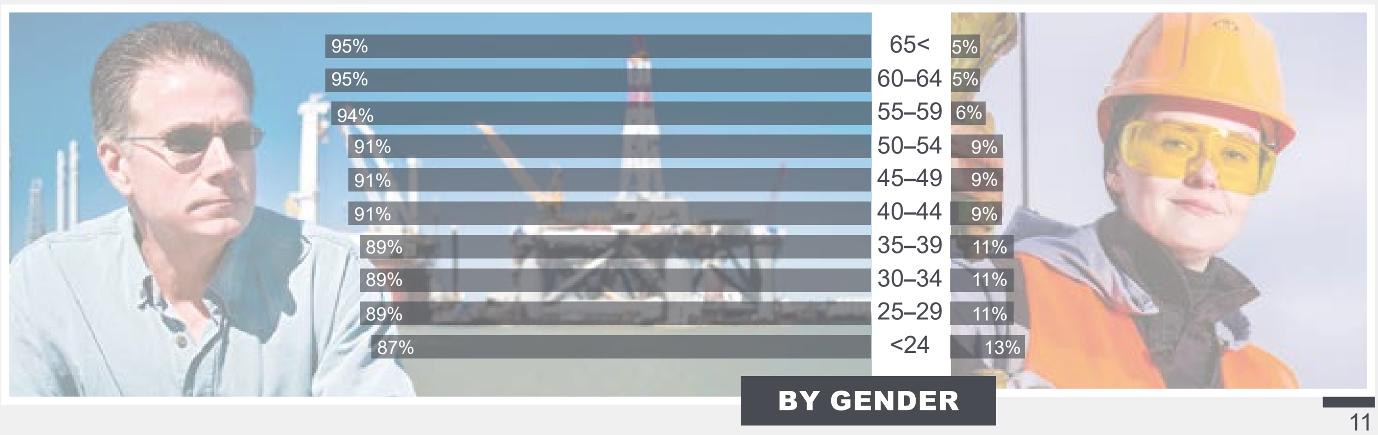
The demographics of the 10,000 respondents are shown below. We had a high level of response from people who had just entered the industry with less than 4 years' experience, delivering a fresh perspective on an experienced market.



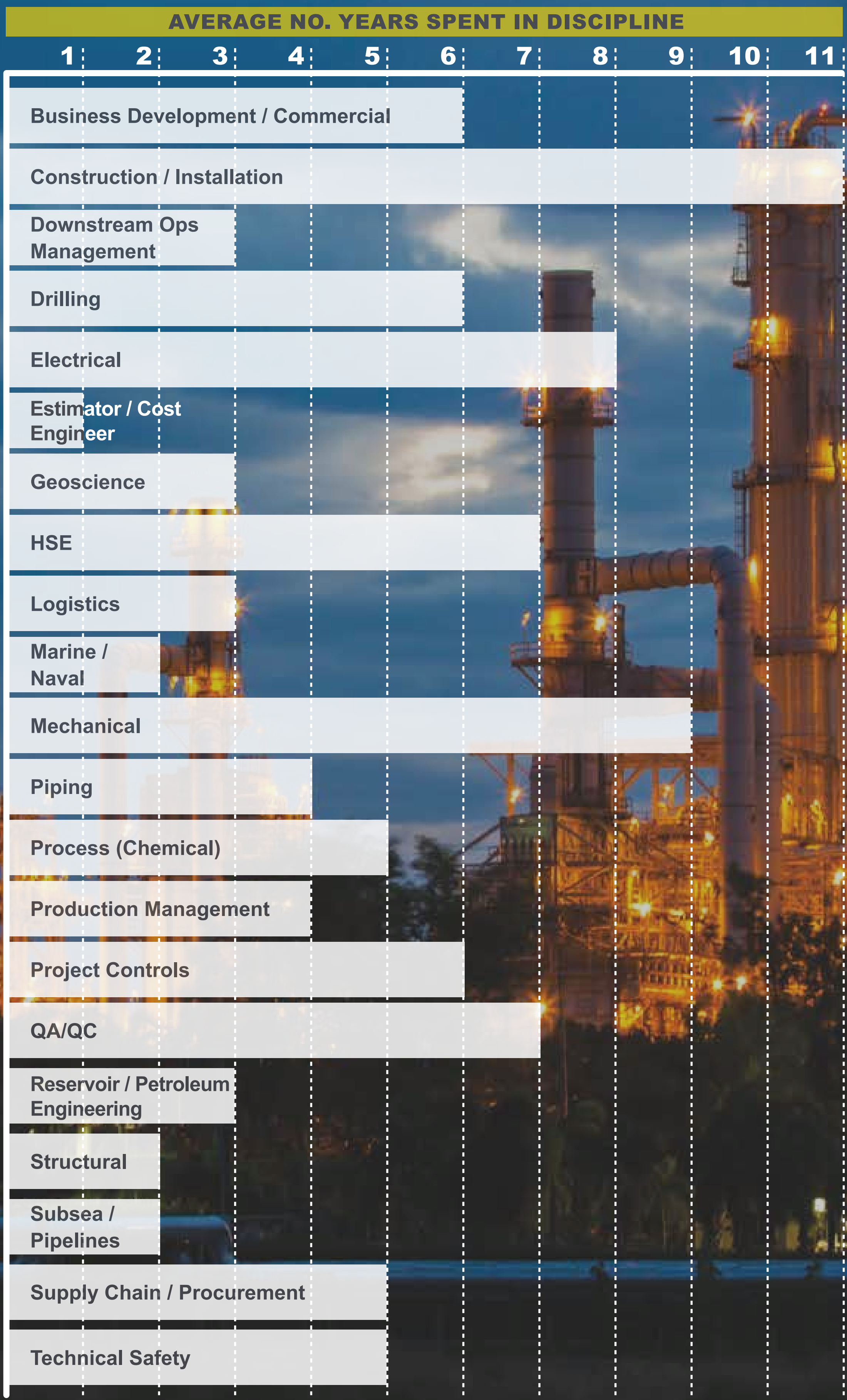








DEMOGRAPHICS// DISCIPLINES



	0-4 YEARS	5-9 YEARS	10-19 YEARS	20+ YEARS
BUSINESS DEVELOPMENT / COMMERCIAL	20.5%	25.8%	32.1%	21.6%
CONSTRUCTION / INSTALLATION	14.6%	22.9%	30.5%	32.1%
DOWNSTREAM OPERATIONS MANAGEMENT	23.7%	19.8%	29.5%	27.0%
DRILLING	21.7%	22.8%	28.1%	27.4%
ELECTRICAL	13.0%	25.5%	28.0%	33.5%
ESTIMATOR / COST ENGINEER	17.8%	24.3%	30.8%	27.1%
GEOSCIENCE	18.9%	21.8%	29.1%	30.2%
HEALTH, SAFETY & ENVIRONMENT (HSE)	19.8%	26.9%	31.5%	21.8%
LOGISTICS	30.6%	23.1%	26.2%	20.1%
MARINE / NAVAL	15.9%	22.8%	30.2%	31.2%
MECHANICAL	21.0%	23.9%	26.2%	29.0%
PIPING	13.0%	22.0%	37.2%	27.9%
PROCESS (CHEMICAL)	17.3%	21.2%	33.2%	28.3%
PRODUCTION MANAGEMENT	16.7%	27.2%	26.3%	29.8%
PROJECT CONTROLS	17.3%	25.1%	34.7%	22.9%
QUALITY ASSURANCE / QUALITY CONTROL (QA / QC)	16.5%	22.3%	35.8%	25.4%
RESERVOIR / PETROLEUM ENGINEERING	30.2%	27.8%	20.2%	21.8%
STRUCTURAL	13.9%	18.2%	34.8%	33.2%
SUBSEA / PIPELINES	16.7%	26.3%	33.3%	23.7%
SUPPLY CHAIN / PROCUREMENT	18.5%	23.1%	29.7%	28.7%
TECHNICAL SAFETY	26.7%	25.2%	26.7%	21.5%

A GLOBAL OUTLOOK//

DANE GROËNEVELD//
MD, AMERICAS

There are many reasons to maintain a positive outlook as the region has been incredibly resilient throughout the downturn, introducing new technologies and business practices to drive production efficiencies that encourage ongoing asset development at lower oil prices. In addition, natural gas has become the leading power generation fuel, overtaking coal, and the US continues to stride towards becoming a significant force in the export of Liquefied Natural Gas (LNG). These capital projects, associated with the LNG export market, have provided many opportunities to local and global talent pools in 2016/2017, and should continue to provide employment to professionals across North America in the foreseeable future.

The North American Downstream sector has benefited from lower feedstock prices, with solid domestic demand and the added bonus of a growing export market. Refined products from North America continue to rise and these facilities have been working to capacity, meaning that 2018 & 2019 should result in increased job creation, particularly in the project engineering, construction and maintenance disciplines as refiners look to increase capacity through new plants or maintain and upgrade the facilities that have worked hard over recent years.

The US shale and Canadian In Situ sectors can now produce much more oil at a lower cost than a couple of years ago. Therefore, Tight Oil and Shale projects will outweigh the traditional major capital projects in Fort McMurray, Gulf of Mexico and Eastern Canada in the coming years. That being said, the outlook for those locations with major capital projects looks improved, with a handful of good prospects underway or planned for the coming years, to support more employment opportunities for skilled personnel.

Mexico following the 'reform' is starting to look more positive after recent results indicate that the resources found in its Gulf of Mexico fields are significantly larger than anticipated. This news should result in further requirement for Exploration and Production personnel but it will be a long time before the resources required for project execution will be needed. Finds in Guyana and Suriname are also promising, as is the continued role that Trinidad & Tobago will play supporting the assets developed in these countries as well as those in their own waters. Elsewhere, Brazil continues to take small steps towards recovery, with an undoubtedly strong resource base to be developed in the future, and countries such as Colombia and Ecuador are seeing good signs of activity and investment too.

GAVIN PEAVOY//
MD, EUROPE & AFRICA

Following the dramatic market decline towards the end of 2014, 2017 is showing significant signs of genuine recovery providing opportunity for Oil and Gas talent across Europe and Africa. Recent investment awards of significant projects in areas such as Kazakhstan and East Africa support the demand for workforce in key engineering locations such as London, Paris and the Netherlands. The streamlining of cost in the industry over the past 3 years will ensure that moving forward projects will be delivered more efficiently with improved technology. In Europe we are also seeing further investment in maintenance and modification projects across the North Sea.

Given its reliance on major capital projects, Africa's resurgence will be tempered due to the project cost of production however the sheer scale of opportunity throughout the continent makes for exciting times. Traditionally well-developed West African countries such as Nigeria and Angola will continue to see investment from the majors and continue to produce, however the emergence of East Africa, in particular Mozambique, will be key to growth within the region. Other locations worthy of note include Uganda and Tanzania due to significant onshore pipeline projects, whilst in North Africa, Egypt will have a major part to play over the next 5 years.

DARREN GRAINGER// MD, MIDDLE EAST

It's been a challenging 2 years for new projects within Oil & Gas in the Middle East. The slowdown indicates that national oil companies are investing less in new projects and instead focusing on company consolidation. This is evidenced by several large and imminent mergers that will significantly impact the local market, such as the ADMA-OPCO and ZADCO merger in Abu Dhabi. In Qatar, research suggests that Qatargas and Rasgas will look at combining efficiencies, further impacting the Qatari market.

Gas is playing an increasingly important role for the region. Oman is putting huge investment into developing its gas resources, spurred by rising energy demand and the ongoing surge of its downstream industry. In Iraq, three major gas processing facilities are under construction at Basra, Missan and Nasiriyah which will process gas from the southern oil fields for use in power generation and local industries.

A shift has also occurred in the petrochemicals sector. Some analysts suggest we have entered the mixed-feed era, and there is certainly movement in Saudi Arabia for such a venture at Jubail. Elsewhere, Kuwait and Oman are looking to follow suit with their respective integrated refinery projects at Al-Zour and Duqm. The Port of Duqm, with its close proximity to major shipping lanes and major markets, is Oman's single biggest economic project, and aims to diversify its economy away from oil by strengthening the chemical network between the East and the West.

With clients becoming heavily reliant on new technologies, the need to innovate and transform the workforce and business processes is essential. Job opportunities based in locations previously labelled as 'challenging' are now easily accessible thanks to industrialisation and diversification across the marketplace.

Influenced by global trends, the region's power market is slowly beginning to diversify, with state utility companies investing in an increasing number of renewable projects, away from traditional sources of energy.

There are plenty of recruitment opportunities in the solar, coal and nuclear sectors which will continue through to 2018. In addition, several large projects in the Middle East have the potential to significantly push up activity towards the end of 2017 and NES has seen a 20% increase in contract hires in the last 12 months, so there are still many reasons to be positive despite the market challenges.

MATT UNDERHILL// MD, ASIA PACIFIC

Asia Pacific is starting to rebound from the downturn of 2015-16 and job growth is now occurring in most locations around the region. It is however a more selective growth pattern than a trend across the board. As per most regions around the world, with oil prices low, demand for crude from the refining industry is contrastingly high and this is driving ever increasing production from existing assets. Consequently we're seeing strong activity from the oil field services markets, onshore field development skills within unconventional assets, and demand for talent in operations, production and maintenance.

From an industry life cycle perspective we're starting to see some activity through the exploration and concept engineering phases, however these are very selective and more of the hiring is being driven by companies repositioning themselves to future growth markets. In Asia Pacific this includes inward investment into Indonesia, Malaysia and Vietnam in particular.

We are also starting to see a number of select projects hitting Asia's formerly busy fabrication yards for construction phase, where competition for new work is fierce to say the least. This is creating opportunities in China, Korea and Malaysia.

SALARY OVERVIEW//

Confidence is returning to the market.

Nearly 50% of employers surveyed expect salaries to increase by over 5% in the next 12 months. **Results from our survey indicate that despite the downturn in the market those working in the Oil & Gas Industry are still well remunerated compared to other industries, with an average permanent staff graduate salary of more than $38,000 globally** *(based on the combined total of all graduate salaries across all disciplines).*

In what has been an uncertain economic environment our data shows that salaries are still holding up well and the industry is showing great resilience and even signs of recovery.

Figures understandably vary by country, with political stability, the economy and physical geography clearly playing a role in the narrative and the differences are likely to be accentuated over the coming year as the political environment in countries such as the US and Britain continues to change apace.

Historically the movement of skilled labour around the globe has been relatively fluid, which has ensured the industry can obtain the skills they need where and when they need them. However with many countries beginning to push a policy of "local workers first" and as the terms of the UK's exit from the European Union begin to play out, it will be interesting to see how this affects salaries in the near and long term.

Both Australasia and North America regions continue to show a positive outlook and have been incredibly resilient throughout the downturn and with a number of projects and a skilled labour pool to tap in to pay rates in these regions remain high.

Northern Europe is also still performing well with mid-stream and downstream projects still driving activity.

Whilst oil prices are still nowhere near 2013 levels they are now at a level where clients can once again look to initiate projects with expectations of an acceptable financial return. We are confident therefore that salaries will rise this year and that experienced professionals can continue to attract above average remuneration.

BACKGROUND// Only where the sample size is large enough have we listed figures in these tables. Where not enough responses were received, entries are returned as N/A. Permanent staff salaries are the figures returned by respondents as their base salary in US dollar equivalent figures (respondents were asked to convert their salary into US dollars using xe.com at the time of responding) excluding one-off bonuses, pension, share options and other non-cash benefits, for those working on a yearly payroll.

PERMANENT AVERAGE SALARIES// $

BY DISCIPLINE	GRADUATE	INTERMEDIATE	SENIOR	LEAD PRINCIPAL/ MANAGER	VP / DIRECTOR
Business Development / Commercial	27,600	38,800	53,900	81,300	167,700
Construction / Installation	36,500	40,800	63,600	99,700	162,500
Downstream Operations Management	59,100	63,200	69,100	77,400	102,000
Drilling	31,500	44,700	68,000	110,700	245,800
Electrical	44,300	49,400	61,100	84,000	120,500
Estimator / Cost Engineer	27,500	33,700	61,900	85,000	170,000
Geoscience	59,000	61,600	75,400	105,000	145,000
Health, Safety & Environment *(HSE)*	41,300	49,700	61,600	98,400	134,200
Logistics	38,600	46,200	72,400	81,800	101,000
Marine / Naval	24,300	34,000	77,500	85,000	135,000
Mechanical	38,100	46,000	66,900	75,900	157,000
Piping	32,200	43,400	65,000	82,000	105,000
Process (Chemical)	42,500	59,500	82,000	93,600	125,000
Production Management	30,900	60,300	73,000	104,900	124,700
Project Controls	36,000	59,000	63,300	89,300	122,400
Quality Assurance / Quality Control *(QA/QC)*	37,300	51,800	61,300	84,800	127,000
Reservoir / Petroleum Engineering	50,500	71,500	95,400	124,800	N/A
Structural	39,500	43,700	69,200	92,000	N/A
Subsea / Pipelines	46,000	60,100	83,000	102,000	250,000
Supply Chain / Procurement	37,500	56,900	73,600	89,800	182,100
Technical Safety	37,300	60,100	77,800	109,000	154,000

BY COMPANY TYPE	GRADUATE	INTERMEDIATE	SENIOR	LEAD PRINCIPAL/ MANAGER	VP / DIRECTOR
Consultancy	38,100	46,500	68,600	86,700	143,500
Contractor	40,200	58,300	71,400	80,900	141,100
EPCM	46,200	52,000	67,200	100,400	156,600
Equipment Manufacture & Supply	23,600	41,200	59,300	85,800	171,800
Global Super Major	35,400	79,400	91,200	112,850	179,600
Oil Field Services	42,500	54,400	64,000	71,300	165,100
Operator	58,800	63,400	80,000	121,900	156,400
PMC	30,500	45,700	74,500	88,900	105,750

$ REGION> DISCIPLINE v	AMERICAS		EUROPE			AFRICA		
	North	South	North	East	West	North	South	West
Business Development/ Commercial	115,000	52,500	80,000	55,000	95,000	40,000	62,000	20,320
Construction/ Installation	145,500	31,000	59,000	45,000	80,000	50,000	52,000	50,700
Downstream Operations Management	155,700	62,000	N/A	40,000	65,000	58,000	68,000	32,895
Drilling	171,600	125,700	80,000	75,000	90,000	62,000	72,000	66,000
Electrical	135,300	45,700	45,000	35,000	50,000	45,000	55,000	25,300
Estimator / Cost Engineer	110,000	32,000	N/A	35,000	50,000	37,500	42,000	32,950
Geoscience	123,300	34,000	70,000	55,000	80,000	60,000	75,000	39,800
Health, Safety and Environment (HSE)	140,000	52,000	N/A	50,000	70,000	40,000	52,000	35,500
Logistics	93,000	26,000	N/A	40,000	65,000	35,000	47,000	27,000
Marine/Naval	128,000	52,000	65,000	55,000	70,000	45,000	52,000	40,000
Mechanical	118,000	46,200	55,000	38,000	65,000	45,000	54,000	25,300
Piping	132,700	36,000	52,000	42,000	60,000	47,500	52,000	25,300
Process (Chemical)	141,000	63,000	65,000	45,000	65,000	51,000	60,000	N/A
Production Management	133,800	52,400	N/A	N/A	45,000	55,000	62,000	N/A
Project Controls	140,000	57,500	50,000	38,000	50,000	42,000	47,000	34,000
Quality Assurance/ Quality Control (QA/QC)	119,600	55,700	45,000	35,000	45,000	43,000	55,000	32,200
Reservoir/ Petroleum Engineering	115,000	48,000	80,000	60,000	85,000	59,000	71,000	67,000
Structural	110,000	N/A	N/A	40,000	48,000	52,000	58,000	32,200
Subsea/ Pipelines	125,000	36,000	70,000	55,000	70,000	50,000	62,000	50,800
Supply Chain/ Procurement	118,300	50,000	60,000	40,000	60,000	46,000	55,000	27,000
Technical Safety	177,000	95,000	50,000	38,000	55,000	50,000	85,000	N/A
AVERAGE CONTRACTOR DAY RATE								
Operator / Technician	350	130	450	250	400	285	300	100
Intermediate	550	220	525	350	475	300	350	200
Senior	750	340	600	400	550	315	425	265
Lead / Principal	950	500	700	550	650	350	495	315
VP	1,400	900	1,400	800	1,300	N/A	550	N/A

BACKGROUND// Contractor rates are listed as US dollar equivalent day rates as provided by respondents.

CONTRACTOR RATES IN $

(Annual equivalent)

Middle East: GCC	Middle East: Iraq	Russia & CIS	Asia: North East	Asia: South East	Australasia
68,500	102,750	N/A	90,000	70,000	110,000
104,500	156,750	98,000	100,000	90,000	120,000
98,000	147,000	N/A	70,000	70,000	100,000
69,300	103,950	40,000	100,000	90,000	160,000
77,400	116,100	75,500	70,000	60,000	95,000
53,300	79,950	N/A	70,000	50,000	100,000
108,000	162,000	160,000	90,000	80,000	150,000
47,800	71,700	105,500	70,000	60,000	110,000
42,500	63,750	N/A	50,000	40,000	70,000
63,000	94,500	N/A	70,000	60,000	120,000
77,400	116,100	71,000	60,000	50,000	90,000
77,400	116,100	49,000	60,000	50,000	90,000
77,400	116,100	60,000	80,000	70,000	110,000
49,800	74,700	N/A	70,000	50,000	110,000
58,000	87,000	80,300	70,000	70,000	110,000
68,600	102,900	49,300	65,000	50,000	100,000
105,000	157,500	156,000	80,000	80,000	150,000
77,400	116,100	N/A	80,000	60,000	100,000
77,400	116,100	N/A	70,000	70,000	120,000
55,000	82,500	N/A	50,000	40,000	90,000
68,400	102,600	83,000	70,000	60,000	120,000

Middle East: GCC	Middle East: Iraq	Russia & CIS	Asia: North East	Asia: South East	Australasia
330	495	300	200	200	600
500	750	350	250	250	700
800	1,200	400	400	350	800
1,000	1,500	500	700	750	1,000
1,200	1,800	700	1,200	1,200	1,300

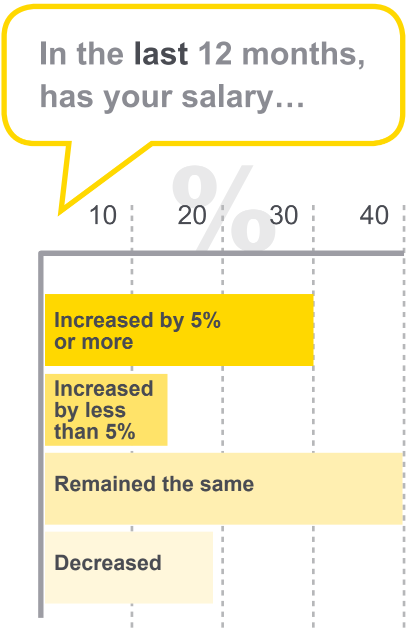
LOOKING BACK

Despite a tough market, 42% of respondents said their salary had increased in the last 12 month period and 40% said it had remained the same.

LOOKING FORWARD

Over the next 12 months, it appears there are clear signs of optimism and recovery with 68% of respondents saying they expect their salaries to increase over the next 12 months.

Significantly, 48% of employers actually predict that salaries will increase by more than 5% and we are still seeing upward pressure on salaries in areas where there are skill shortages.



BENEFITS// WHAT'S IMPORTANT TO YOU?

With the market recovering, competition for the best talent will only increase. Companies may look to use a selection of benefits to attract and retain the best talent, who will demand more than just a basic salary >>

Our research shows that just 60% of the market currently receives benefits as part of their package.

Bonuses and health plans appear to be the most popular options, but housing and transport support are also increasingly offered as part of an overall package.

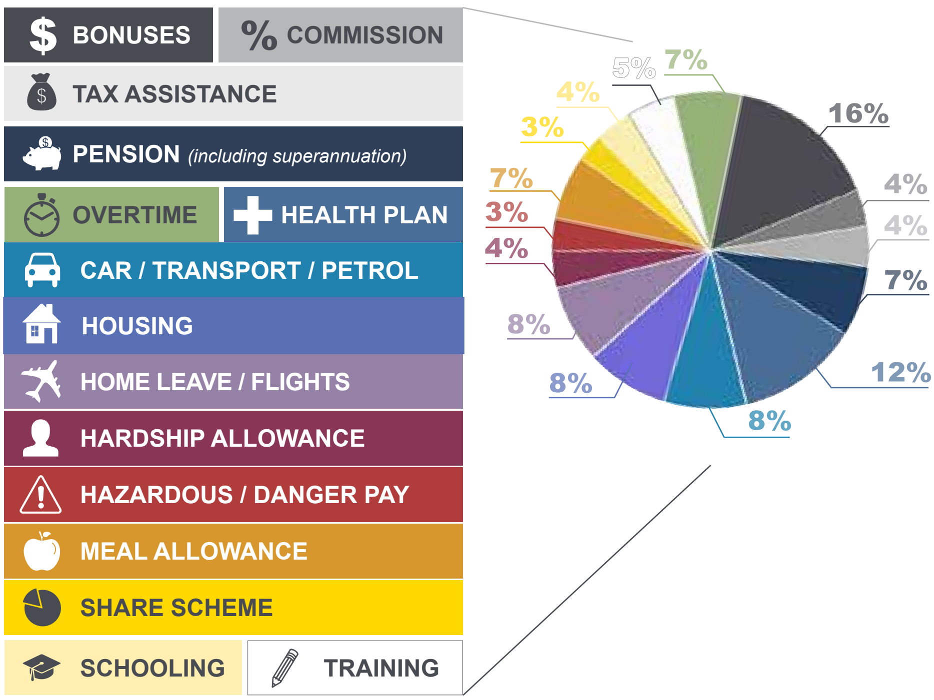
- Bonuses and hazardous pay allowance feature heavily and are offered by all company types.
- Training is an important benefit amongst PMC employers, whilst employers in other segments focus their packages around housing, home leave allowance and health plans.
- Whilst training is only received by a small percentage of recipients (12%) it makes up a large percentage of their package. This may be due to employers hiring more junior employees, looking to mentor and upskill them on the job through investing in their training package.

BENEFITS RECEIVED

Do you receive benefits?

YES 60.5% | **NO 39.5%**

	% Respondents who receive this benefit	% Of benefit package
Bonuses	37.8%	19.7%
Commission	9.2%	11.2%
Tax assistance	9.8%	20.1%
Pension *(including superannuation)*	17.3%	15.0%
Health plan	30.5%	24.5%
Car/transport/petrol	20.4%	21.8%
Housing	20.5%	28.0%
Home leave/flights	19.3%	29.6%
Hardship allowance	9.1%	21.7%
Hazardous/danger pay	7.9%	25.1%
Meal allowance	16.0%	24.2%
Share scheme	6.7%	13.9%
Schooling	9.2%	24.6%
Training	11.8%	28.9%
Overtime	16.8%	28.0%



TOP BENEFITS RECEIVED BY COMPANY TYPE//

	CONSULTANCY	CONTRACTOR	PMC
Bonuses	24%	23%	29%
Car/transport/petrol	9%	8%	8%
Commission	8%	7%	11%
Hardship allowance	11%	10%	11%
Hazardous/danger pay	21%	21%	27%
Health plan	16%	16%	28%
Home leave/flights	16%	15%	30%
Housing	13%	15%	31%
Meal allowance	6%	6%	8%
Overtime	6%	6%	7%
Pension *(inc. superannuation)*	11%	13%	20%
Schooling	5%	5%	7%
Share scheme	5%	6%	7%
Tax assistance	8%	9%	9%
Training	12%	14%	24%
No benefits	42%	37%	29%

	EPCM	EQUIPMENT MFG & SUPPLY	GLOBAL SUPPLY MAJOR
Bonuses	30%	36%	44%
Car/transport/petrol	4%	10%	5%
Commission	7%	7%	9%
Hardship allowance	14%	13%	24%
Hazardous/danger pay	27%	27%	34%
Health plan	18%	19%	19%
Home leave/flights	20%	13%	22%
Housing	20%	14%	19%
Meal allowance	8%	6%	10%
Overtime	5%	4%	6%
Pension *(inc. superannuation)*	16%	12%	13%
Schooling	4%	5%	7%
Share scheme	6%	6%	10%
Tax assistance	6%	11%	10%
Training	17%	12%	12%
No benefits	31%	25%	24%

	OILFIELD SERVICES	OPERATOR
Bonuses	33%	44%
Car/transport/petrol	8%	6%
Commission	8%	9%
Hardship allowance	14%	21%
Hazardous/danger pay	23%	37%
Health plan	15%	19%
Home leave/flights	17%	18%
Housing	15%	18%
Meal allowance	8%	9%
Overtime	8%	7%
Pension *(inc. superannuation)*	15%	12%
Schooling	6%	7%
Share scheme	8%	11%
Tax assistance	11%	12%
Training	16%	12%
No benefits	32%	23%

IN FOCUS// Training is still not a priority in benefit packages, but PMC organisations appear to be investing in this area.

REGIONAL SPOTLIGHT

	AUSTRALASIA	NORTHERN EUROPE	MIDDLE EAST	NORTH AFRICA	NORTH AMERICA
Bonuses	22%	12%	31%	35%	28%
Car/transport/petrol	1%	4%	7%	13%	4%
Commission	3%	8%	6%	14%	2%
Hardship allowance	20%	18%	7%	14%	14%
Hazardous/danger pay	11%	13%	24%	24%	32%
Health plan	9%	5%	20%	19%	9%
Home leave/flights	7%	9%	25%	14%	6%
Housing	9%	11%	24%	14%	6%
Meal allowance	4%	4%	8%	10%	3%
Overtime	2%	4%	6%	12%	2%
Pension *(inc. superannuation)*	6%	10%	13%	15%	7%
Schooling	6%	4%	4%	8%	3%
Share scheme	3%	5%	10%	10%	3%
Tax assistance	5%	7%	8%	16%	7%
Training	5%	7%	16%	19%	10%
No benefits	50%	56%	30%	34%	34%

Northern European employers top the list this year for the highest percentage of respondents receiving no benefits at all, with Australasia close behind. This could be due to the fact that many of these countries have social taxes and nationally provided healthcare. Africa shows as one of the few areas actively investing in training whilst tax assistance also proves to be valued in this region.

As you would expect, bonuses, hazardous pay, home leave allowances and health plans feature across all regions.

Benefits received by employment type:

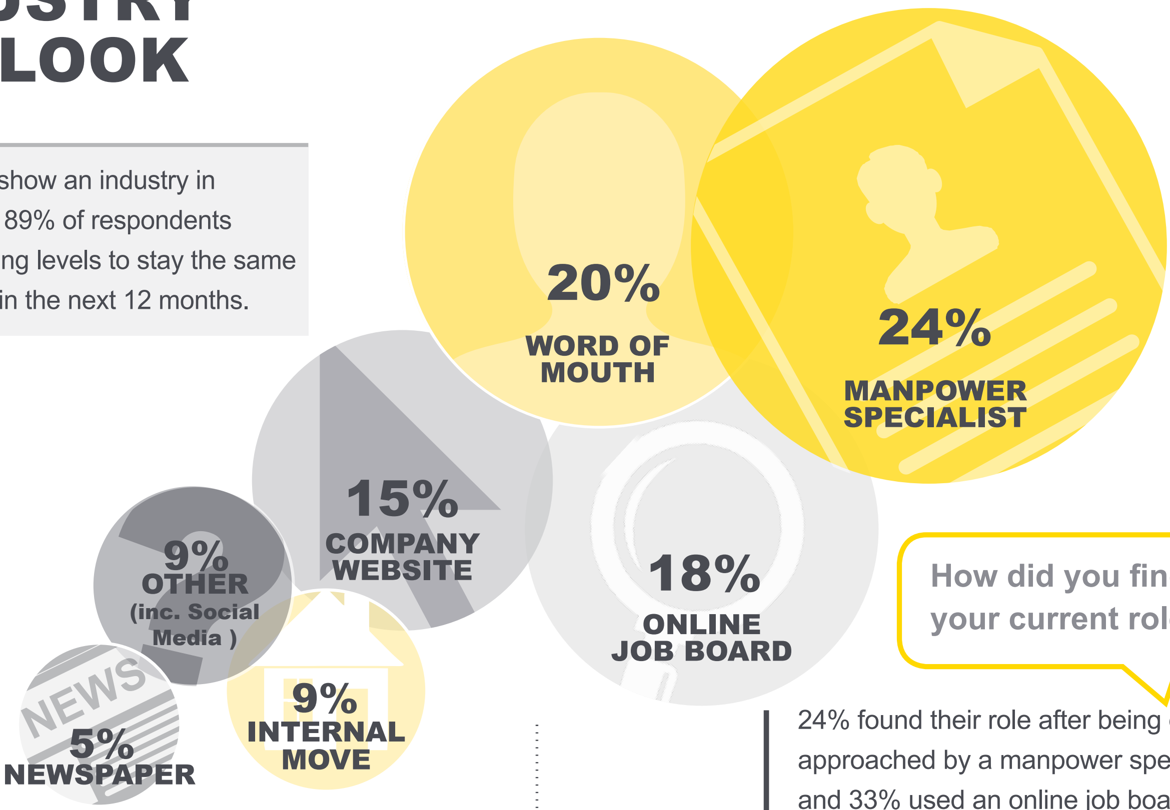
72%
PERMANENT

28%
CONTRACT

EMPLOYMENT TRENDS//

INDUSTRY OUTLOOK

Our results show an industry in recovery as 89% of respondents expect staffing levels to stay the same or increase in the next 12 months.



How did you find your current role?

24% found their role after being directly approached by a manpower specialist and 33% used an online job board or website. However it appears traditional methods are still prevalent in this industry with 20% making their next move through word of mouth and 5% using the print press! Surprisingly just a handful of our respondents said they found a new role via other means such as social media.

When considering a new role, what is most important to you?

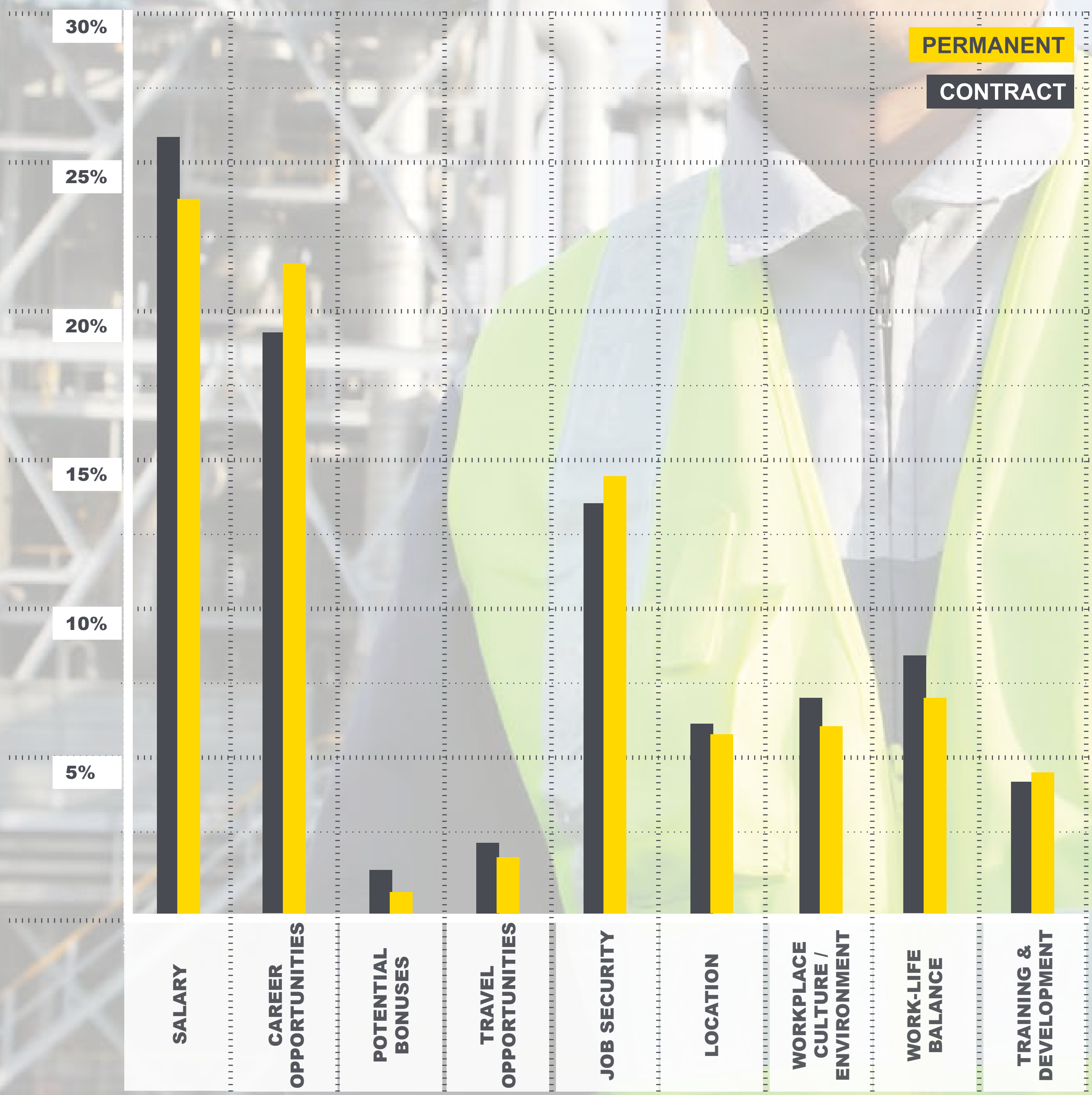
Whilst you would expect candidates to say salary is important to them when choosing a new role, it is often found to be other factors that influence the role they choose and how long they stay there.

It's important employers understand these drivers to ensure they continue to attract the best in global talent and position themselves as the brand of choice.

Career opportunities and job security are high on the agenda when candidates are actively seeking a new role in the job market.

HOW DO CONTRACTORS AND PERMANENT EMPLOYEES DIFFER IN THEIR PRIORITIES?

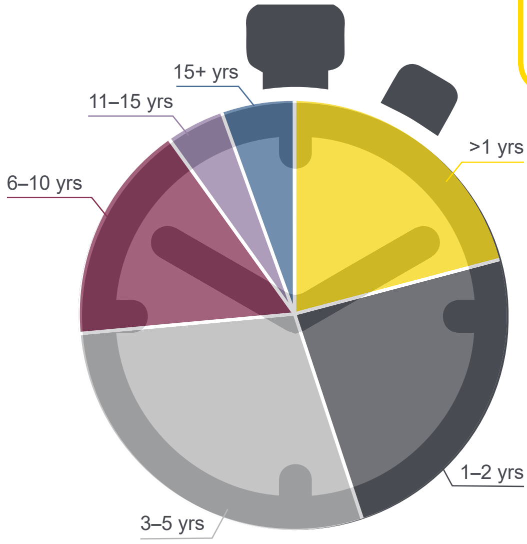
It is clear that job security is more important to permanent employees and opportunities to travel are valued by contractors, however results also appear to show that whichever type of employee you are, the workforce as a whole has similar priorities when considering a new role.



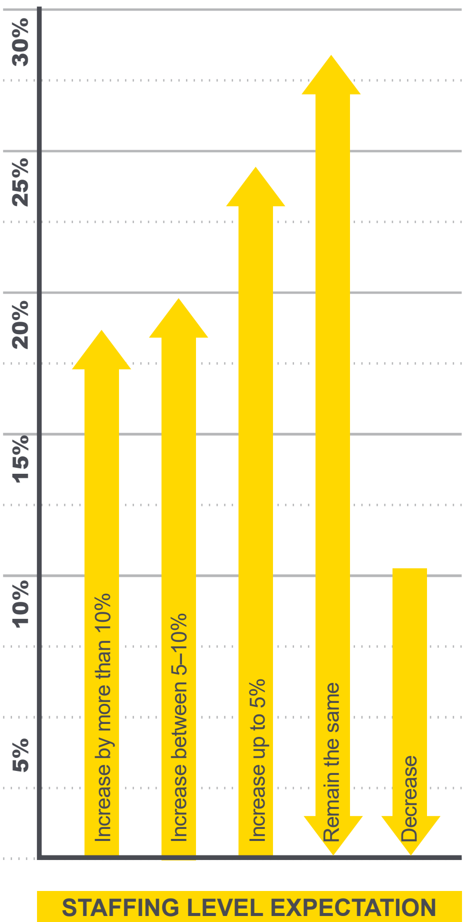
LABOUR MOVEMENT

The Oil & Gas Industry has seen much change over the last few years and it appears the workforce has mirrored this changing landscape. Nearly 45% of respondents have changed jobs in the last 2 years and only 10% have remained in their post for more than 11 years.

How long have you been employed with your employer?



STAFFING EXPECTATIONS//



89%

of employers seem to share a positive outlook, stating they expect staffing levels to stay the same or increase in the next 12 months.

IN FOCUS// 20% of respondents have changed jobs this year.

THE EXPATRIATE LANDSCAPE

How heavily are companies relying on expatriates?

A large percentage of employers still rely on expatriates to supplement their workforce. This is to be expected given the global nature of the industry.

What percentage of your workforce is currently employed on an expatriate package?

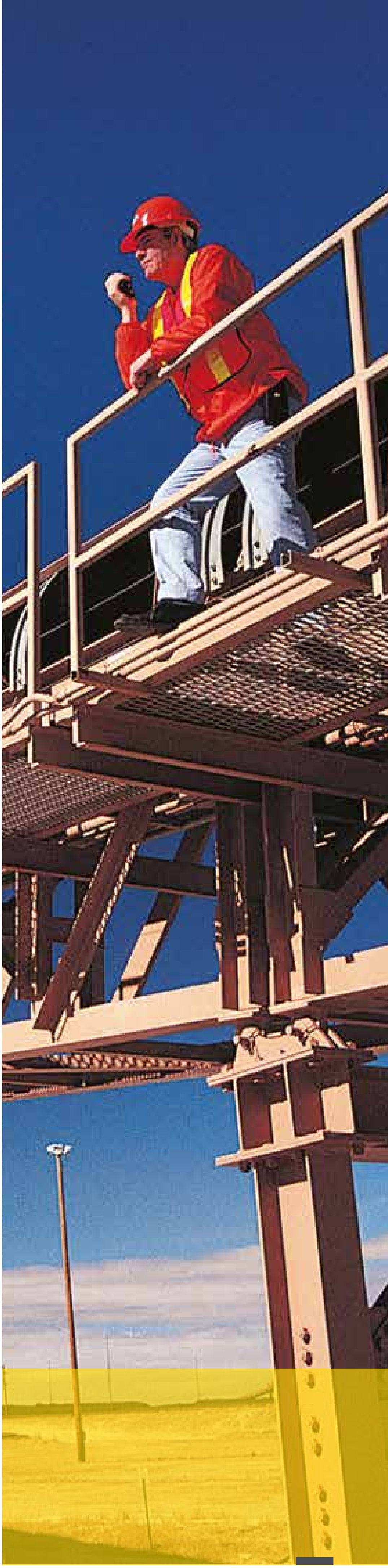
- More than 10% | 29%
- Between 5–10% | 24%
- Up to 5% | 22%
- None | 25%

How do you expect this percentage to change in the next 12 months?

- Increase | 43%
- Remain the same | 46%
- Decrease | 11%

43% think their reliance will increase in the next 12 months.

If this statistic materialises a manpower provider with mobility expertise and capability will be vital for both the candidate and the employer moving forwards to ensure global projects can continue unabated.

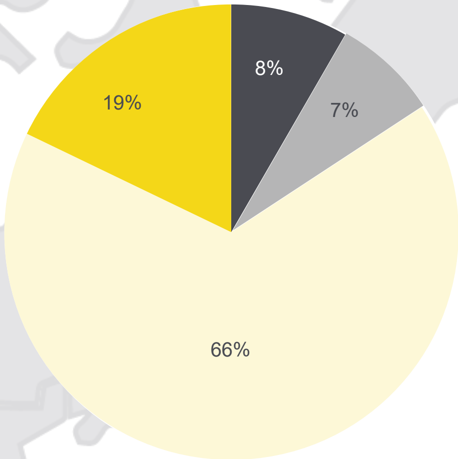


THE EXPATRIATE LANDSCAPE

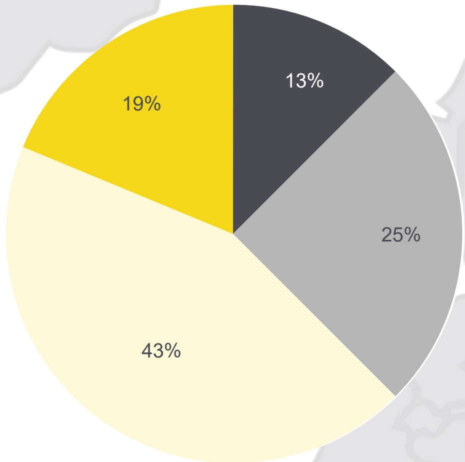
continued

Percentage of workforce currently employed on an expatriate package...

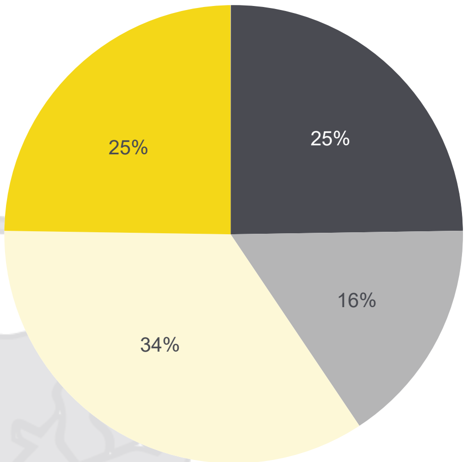
NORTH AMERICA



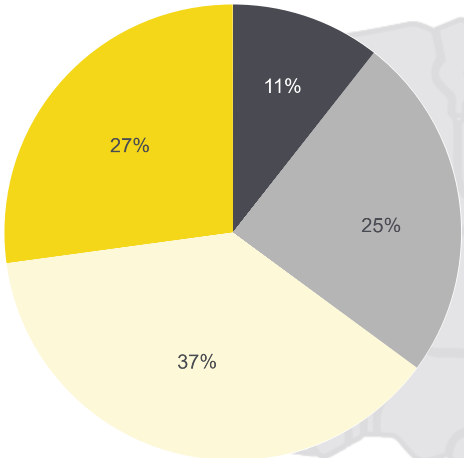
NORTHERN EUROPE



SOUTH AMERICA



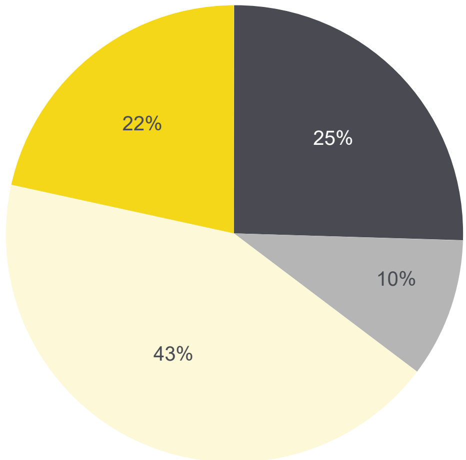
WESTERN EUROPE



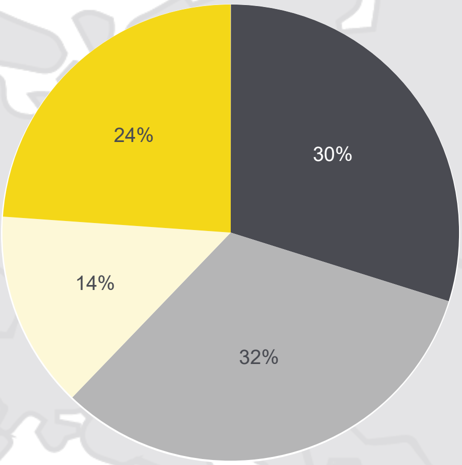
KEY

- up to 5%
- none
- between 5-10%
- more than 10%

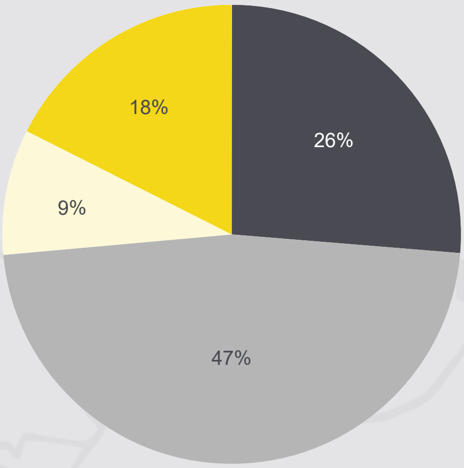
EASTERN EUROPE



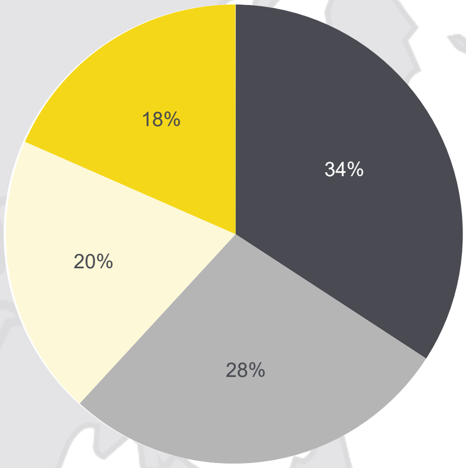
NORTH AFRICA



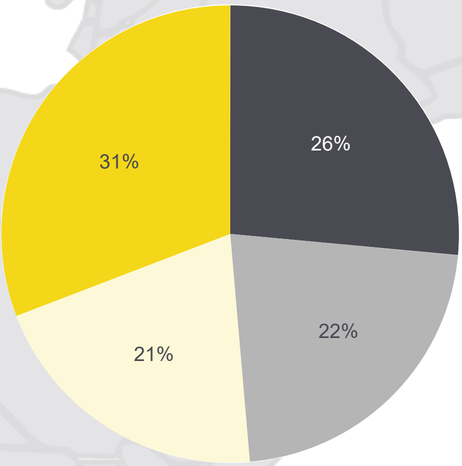
MIDDLE EAST



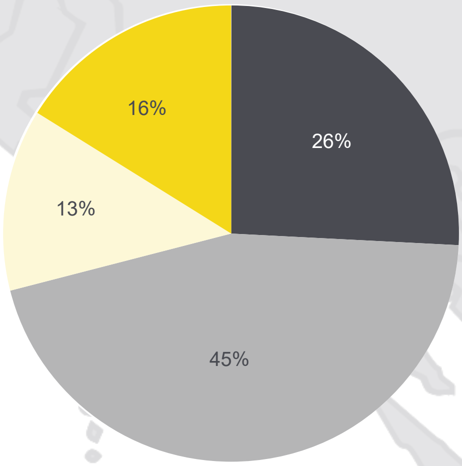
RUSSIA & CIS



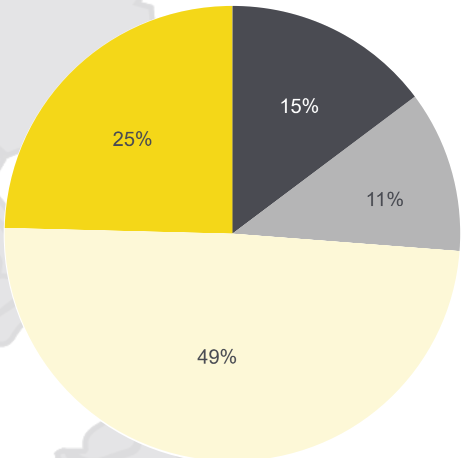
WEST AFRICA



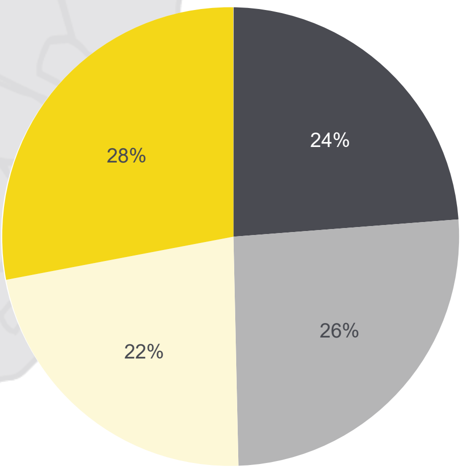
NORTH EAST ASIA



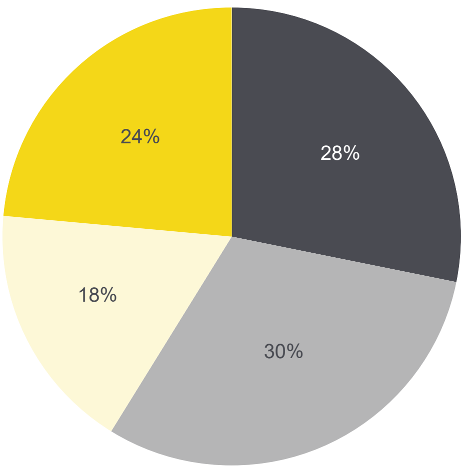
AUSTRALASIA



SOUTH AFRICA



SOUTH EAST ASIA



GAVIN PEAVOY// MD, EUROPE & AFRICA COMMENTS...

“Many regions still heavily rely on expatriate workers, but we have seen an increasing focus on hiring locally particularly in Africa and the US, so this landscape may change over the coming year.”

THE CONTRACTOR LANDSCAPE//

Contractors continue to be in demand across the market and remain a vital industry tool used to cover short term skills gaps and niche expertise. This is expected to continue as employers look to curb project spend and find alternative solutions to investing in large permanent staff workforces.

COMPANY TYPE	% EMPLOYEES ON TEMPORARY CONTRACTS
Consultancy	38
EPCM	36
Equipment Mfg & Supply	11
Global Super Major	31
Oil Field Services	31
Operator	26
PMC	40

GAVIN PEAVOY// MD, EUROPE & AFRICA COMMENTS…

“Over the past 12 months we have witnessed encouraging signs within our core Oil & Gas markets and it’s apparent confidence is returning to the sector. Africa still relies significantly on major capital projects, hence the sanctioning of these will be key to returning to growth, however the UK and Europe are very much growth areas and we look forward to supporting our clients in these regions.”

In the next 12 months, do you expect your use of temporary / contract staff to…

- Increase | 40%
- Remain the same | 40%
- Decrease | 20%

IN FOCUS// 80% of employers expect to continue to use contract staff in the next 12 months.

Where are contractors most in demand?

Results show that there continues to be a large reliance on contractors across all disciplines but particularly across Engineering and Design, Operations, Maintenance and Production.

WHERE ARE CONTRACTORS MOST IN DEMAND?

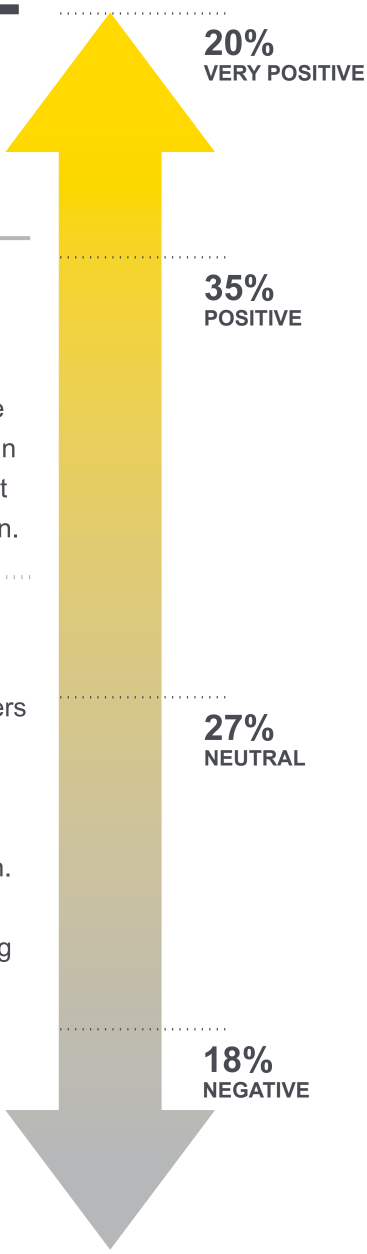
DISCIPLINE	N/A	NEVER	SOMETIMES	ALWAYS
CONSTRUCTION / SUBSEA / PIPELINES	17%	13%	34%	36%
DRILLING & WELL DELIVERY	25%	21%	28%	26%
ENGINEERING & DESIGN	12%	12%	40%	36%
EQUIPMENT SUPPLIER	16%	13%	33%	38%
GEOSCIENCE & PETROLEUM ENGINEERING	24%	21%	32%	23%
HSE / QC / QA	11%	19%	37%	33%
OPERATIONS / MAINTENANCE / PRODUCTION	11%	15%	36%	38%
PETROCHEMICALS	24%	21%	32%	23%
PROJECT CONTROLS	12%	17%	37%	34%

EMPLOYER CONFIDENCE//

CONFIDENCE IN THE CURRENT MARKET

Employer confidence in the current market is pleasingly high with 55% feeling positive or very positive. The Middle East and Africa look to be the key areas of focus as operators begin to kick-start some of the projects that were put on hold during the downturn.

As you'd expect the downturn has mostly impacted salary and headcount, but as the market recovers employers are understandably concerned by the skills shortage and potential further economic instability which could stunt regrowth. Employers in Africa and the Middle East also highlight safety as an going concern and this will need to be addressed if plans to expand further in these regions are to succeed.



How has the downturn in the industry impacted your business?

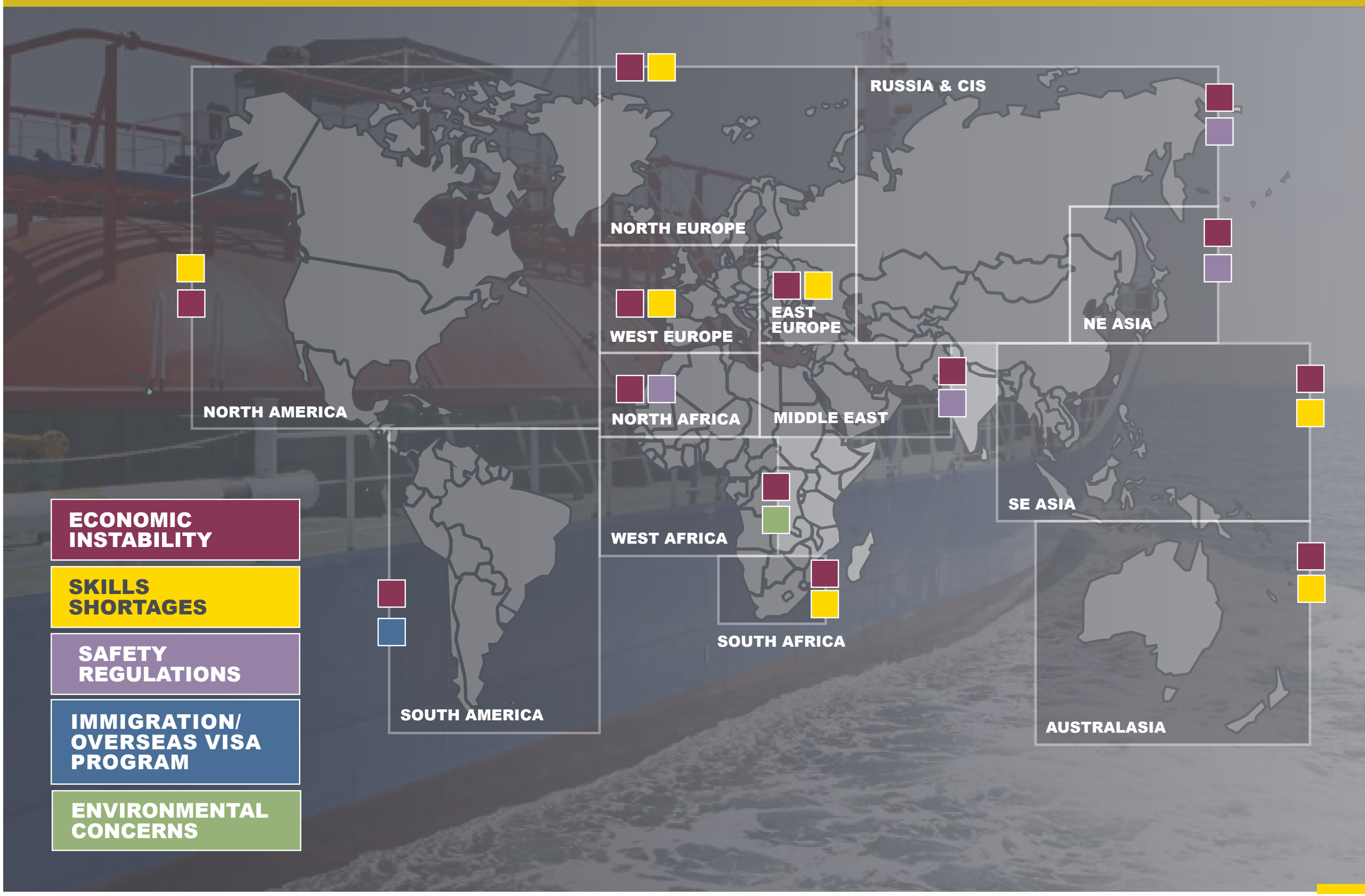
$	SALARY CHANGES 34%
	HEADCOUNT CHANGES 30%
	BENEFIT CHANGES 18%
	WORKLOAD CHANGES 18%

IN FOCUS// 49% of employers are mostly concerned by economic instability but skills shortages are also of concern.

What is the most significant issue facing the Oil & Gas Industry in the next 12 months?

49%	ECONOMIC INSTABILITY
22%	SKILLS SHORTAGES
9%	ENVIRONMENTAL CONCERNS
7%	SAFETY REGULATIONS
5%	IMMIGRATION / OVERSEAS VISA PROGRAM
5%	SECURITY/SAFETY CAUSED BY SOCIAL UNREST
3%	OTHER

MAIN CONCERNS FOR THE INDUSTRY...

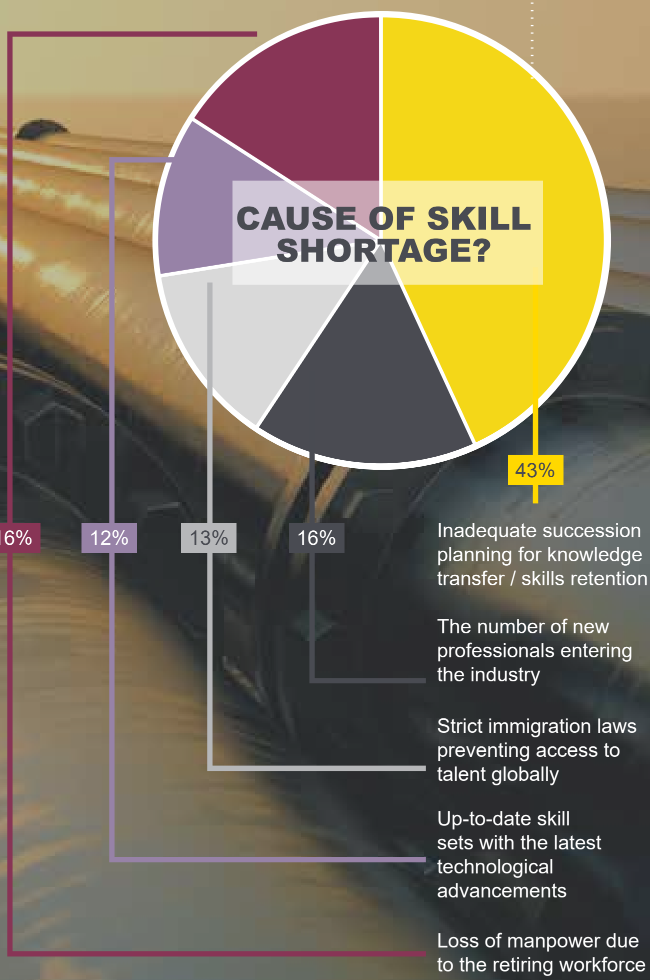


In what areas are skill shortages impacting productivity?

20%	OPERATIONS / MAINTENANCE / PRODUCTION
15%	ENGINEERING & DESIGN
13%	BUSINESS DEVELOPMENT
9%	CONSTRUCTION / SUBSEA / PIPELINES
7%	DRILLING & WELL DELIVERY
6%	HSE / QC / QA
5%	PROJECT CONTROLS
4%	SUPPLY CHAIN / PROCUREMENT / PURCHASING
3%	GEOSCIENCE & PETROLEUM ENGINEERING
3%	PETROCHEMICALS
2%	SUPPORT FUNCTION E.E. HR / FINANCE / IT
13%	NOT APPLICABLE

IN FOCUS// Skills shortages are particularly apparent in Operations and Maintenance.

IN FOCUS// 43% point to inadequate succession planning and knowledge transfer as a reason for the skills shortage.



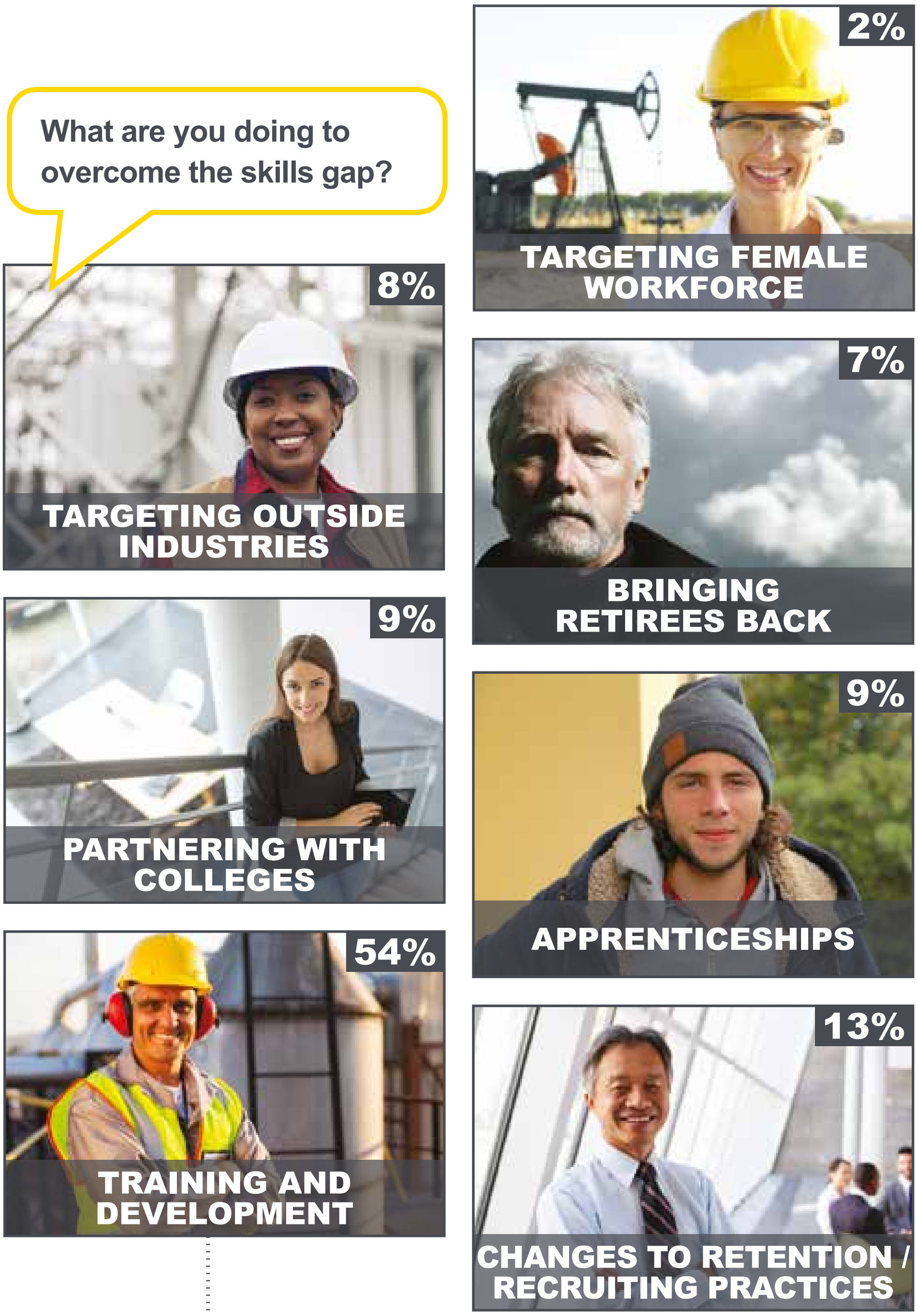
What can be done?

NES Global Talent work closely with our clients to support them in their efforts to close the skills gap and we have seen some fantastic initiatives designed to address this industry-wide concern, ranging from offering training to high school students, to partnering with universities and carrying out research with experienced engineers in order to improve training techniques.

For example, NES Sure Flow is proud to be a Foundation and Capacity Building Partner in the Trades Exposure Centre project in Alberta, Canada. The project is a collaborative partnership between the school division, industry, the Canadian Indigenous communities and the government.

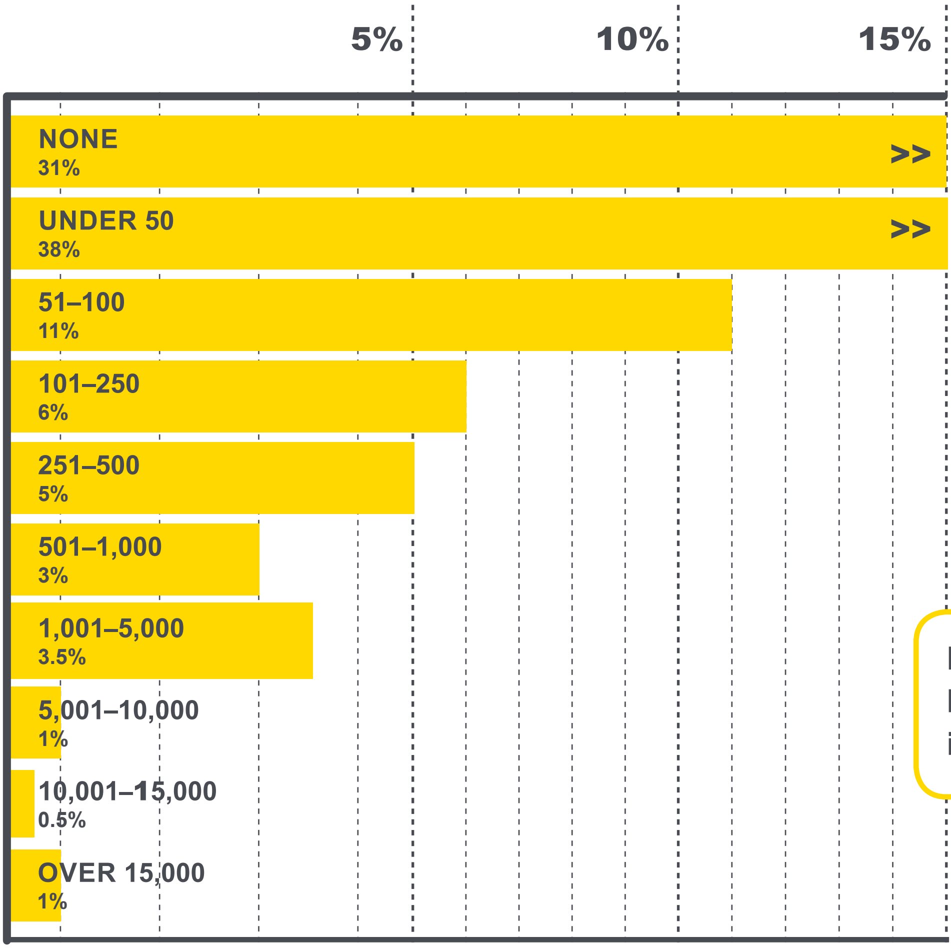
The CAD$4 million facility consists of a service rig (Aurora #69) on a safe well, classroom space and scaffolding shop. The Trades Exposure Centre provides training opportunities to high school students and allows them to complete hands-on service rig training. The programme is designed to allow students to make an informed decision about pursuing a career in the Oil and Gas Industry and engage them at an early age.

You can find out more about the programme here: www.tradesexposure.ca



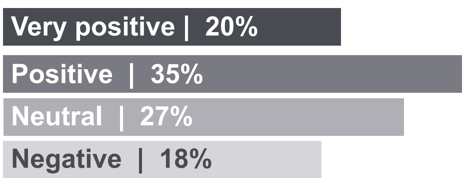
Huge investment in training and development to overcome the skills gap

REAL MARKET POSITIVITY//



Huge layoffs the like of which we saw in 2014/15 appear to have now abated with 31% of employers saying they have not laid off staff in the last 12 months and 38% have laid off under 50.

How many employees have you had to lay off in the last 12 months?



How would you describe your confidence in the current employment market?

44%

see the market strengthening in the next 12 months.

55%

feel positive about the market.

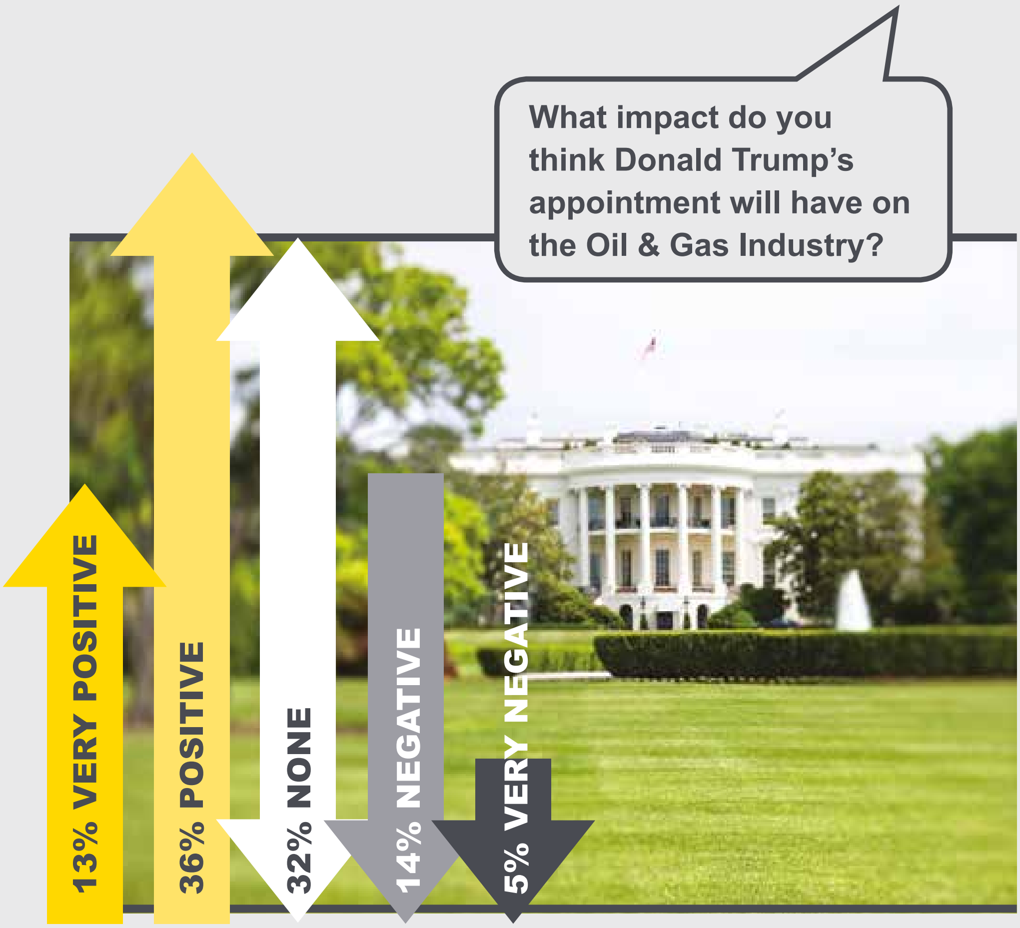
THE TRUMP FACTOR//

In an earlier survey carried out this year by NES Global Talent (immediately following the US election) Oil & Gas workers appeared buoyed by the election of President Trump with 70% of US respondents saying his win would be good for the industry and 78% predicting that it would create more jobs in the sector.

63% of respondents from the rest of the world agreed that Trump's election would have a positive impact.

A huge 70% of US respondents believed Trump's win would be good for the Oil & Gas Industry at the time of the election

Whilst this positivity now seems to have reduced 6 months on, 49% still predict the market will strengthen over the next 12 months.



CANDIDATE CONFIDENCE//

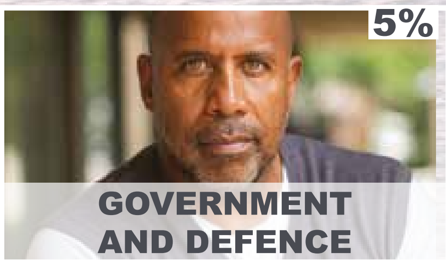
When jobs are scarce a skilled worker always has the option to move in to a complementary sector such as the renewables market, where skills can be easily migrated and previous experience can be invaluable.

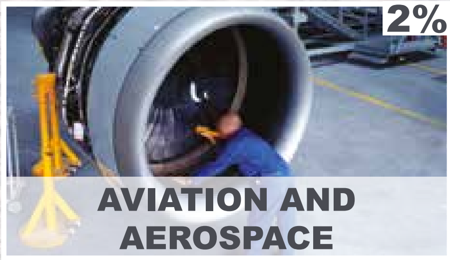
However according to our research 46% of respondents are choosing to stay with the Oil & Gas Industry for the near term. 63% even state they are prepared to take a lower rate to secure a new role in this market.

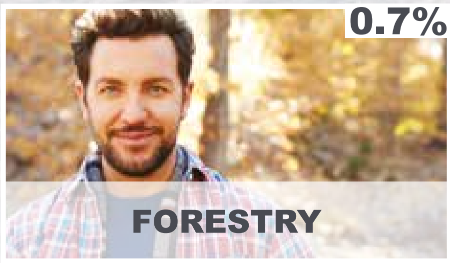
Are you currently seeking opportunities in your field outside of the Oil & Gas Industry?

46% NO

54% YES







What can be done to retain the skills?

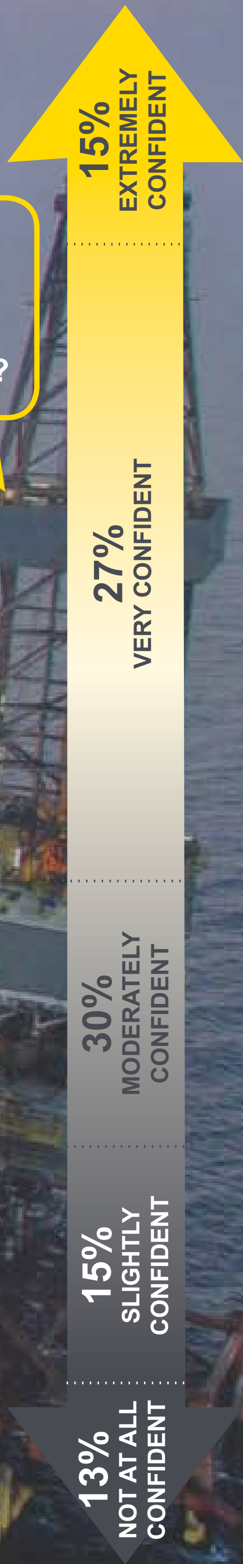
To shore up future talent needs we need to work together as an industry to ensure candidates feel there are still exciting challenges and job security in Oil & Gas. If as predicted the market begins to show signs of recovery in 2018 this message should become easier as clients begin to reinvest and restart projects which offer unrivalled career opportunities to engineering and technical professionals. As a global manpower provider we will play a key part in promoting this message and supplying our clients with the skilled resource they need to drive innovation forward.

IN FOCUS// 46% of respondents are not looking outside of Oil & Gas.

72%

are confident of finding new work within the industry.

How confident are you about finding employment in the Oil & Gas Industry?

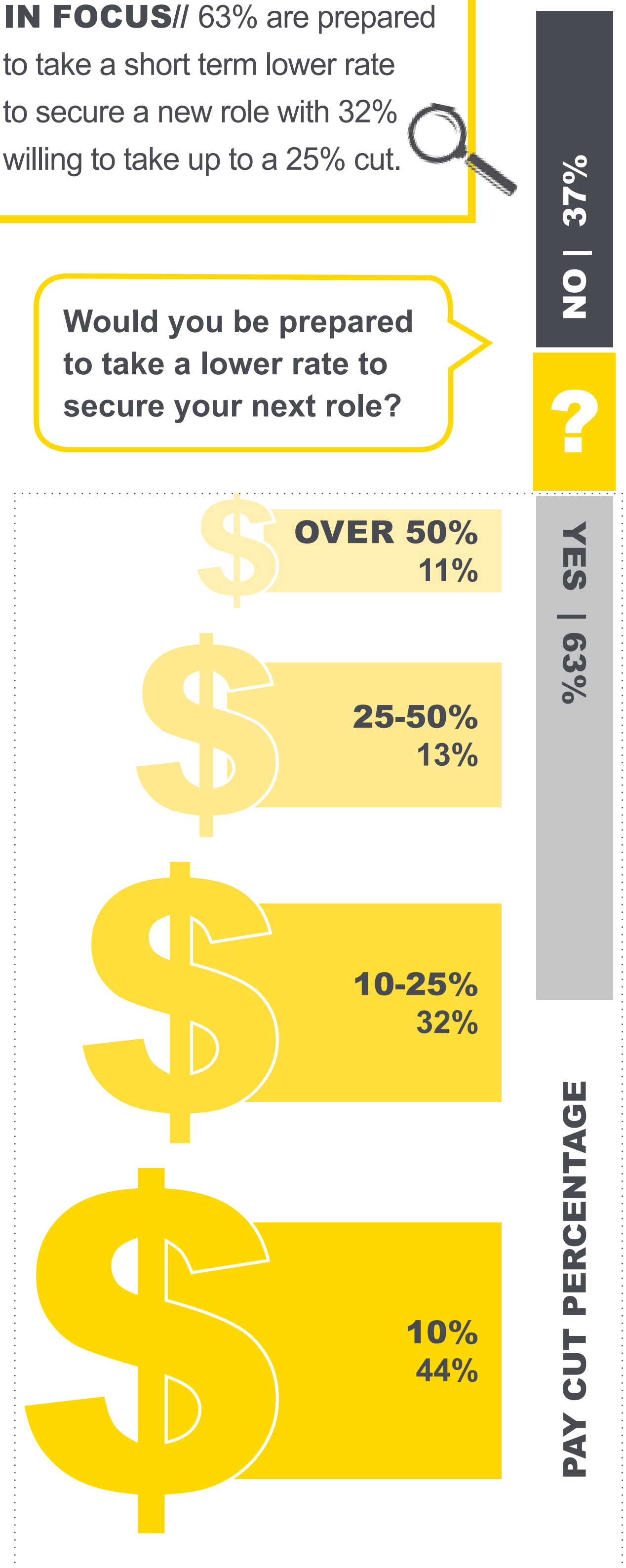


DANE GROËNEVELD// MD, AMERICAS COMMENTS...

"In a tough market it is a natural step for candidates to look at their options in other sectors – Power for example is an industry which has many synergies with Oil & Gas and has been a popular choice for contractors with transferable skills."

IN FOCUS// 63% are prepared to take a short term lower rate to secure a new role with 32% willing to take up to a 25% cut.

Would you be prepared to take a lower rate to secure your next role?



Whilst we have seen very few rate cuts over the last 12 months our data shows that upon contract end, contractors are willing to consider lower rates in order to secure a new role. A large percentage state they would accept a lower rate if it secured them a new long term role on an exciting and challenging project and if there were other factors which made the role appealing to them. Such other factors which could influence this decision included training, convenient location and future career development opportunities.


What do you look for when looking for a new role?
RATE 41%
LOCATION 32%
ROTATION 17%
OTHER 10%