



SPEE

SOCIETY OF PETROLEUM EVALUATION ENGINEERS

Park Hyatt Aviara
Carlsbad, California
June 4, 2018

SPEE Business Meeting
Simon McDonald
2018 SPEE President

What is SPEE's Mission and Why be a Member?

- Mission:
 - Advancement of the Profession of Petroleum Evaluation Engineering
 - Promoting High Ethical Standards
 - Personal Professional Growth
 - Through Continuing Education of our Membership and the Public
- Why
 - Industry contacts
 - Forum for exchange of information
 - Promotes professionalism and credibility

Agenda

- Accomplishments since last year
- Membership
- Budget and Finances
- Outlook

SPEE Accomplishments in Past Year

- Successful first Annual Meeting held outside North America
- Asia Pacific awarded “Chapter in Formation” status
- SPEE Dr John W Lee Scholarship Fund now fully endowed after generous donation by Dallas Chapter
- PRMS Approved
- Ethics Monograph Updated
- By-Laws Update Approved
 - Grievance Process summary issued; final document being finalised
- Strong Training Programme

Grievance Process- Key Features of New Process

- Provides protection to the organization and members from lawsuits.
- Transparent but confidential SPEE-funded process ensures fairness to all parties
- Arbitration is a condition of membership.
- Annual Membership affirmation of the process strengthens awareness and commitment to ethical and professional behavior.
- Clear role of all parties' roles and commitments ensures that all stakeholders are fully engaged in the process.
- Grievance hearing results will not be publicized.

Technical Training Committee – Monograph 4 Courses

- 211 Registrants in 9 Courses; ~ 90% attendees non-members

2017

- 7 Courses
- 169 Registrants (149 non-SPEE Members, 20 SPEE Members)
- Calgary, Dallas, Houston, Oklahoma City, Pittsburgh

2018

- 2 Courses to Date
- 42 Registrants (38 non-SPEE Members, 4 SPEE Members)
- Denver, Midland
- 2 more planned

Technical Training Committee – Financial Contribution

- Monograph 4 Courses (2017 & 2018 to date)

Contribution to Local Chapters

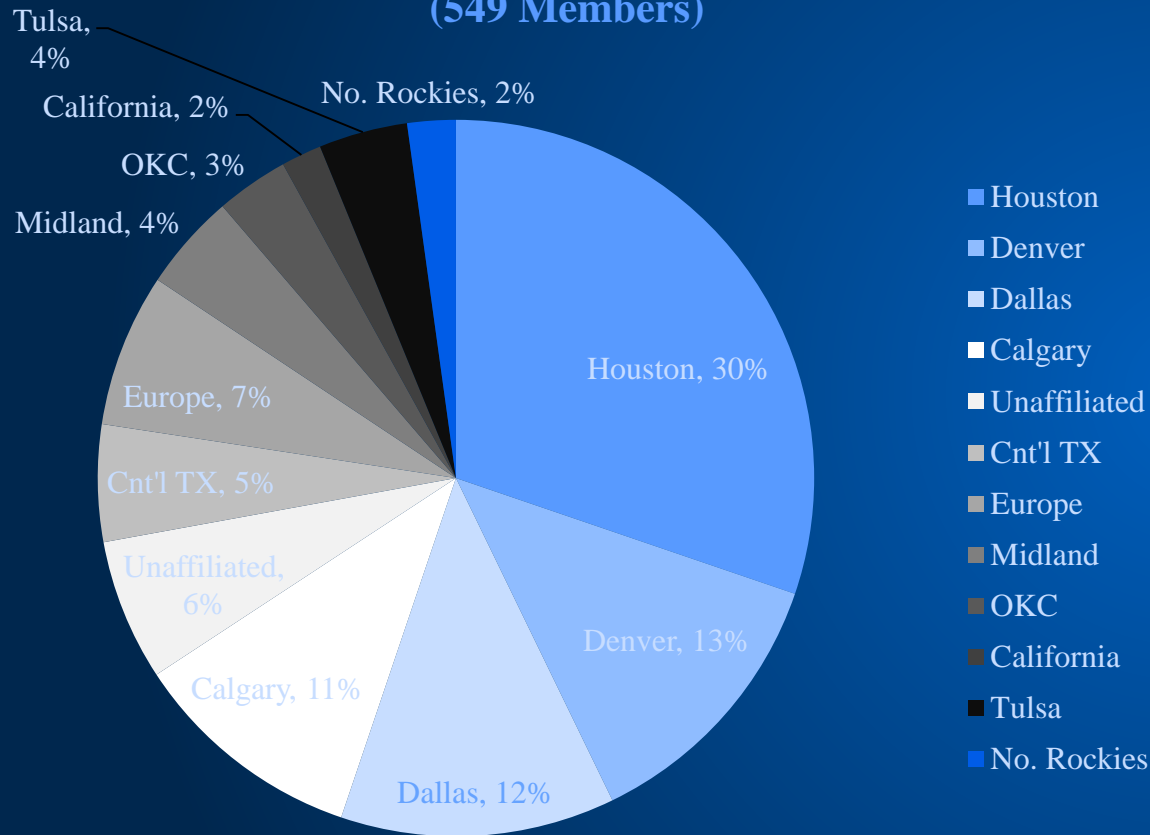
- 5 Courses Sponsored by Local Chapters
- \$30,133 contributed to Local Chapters

Contribution to SPEE International

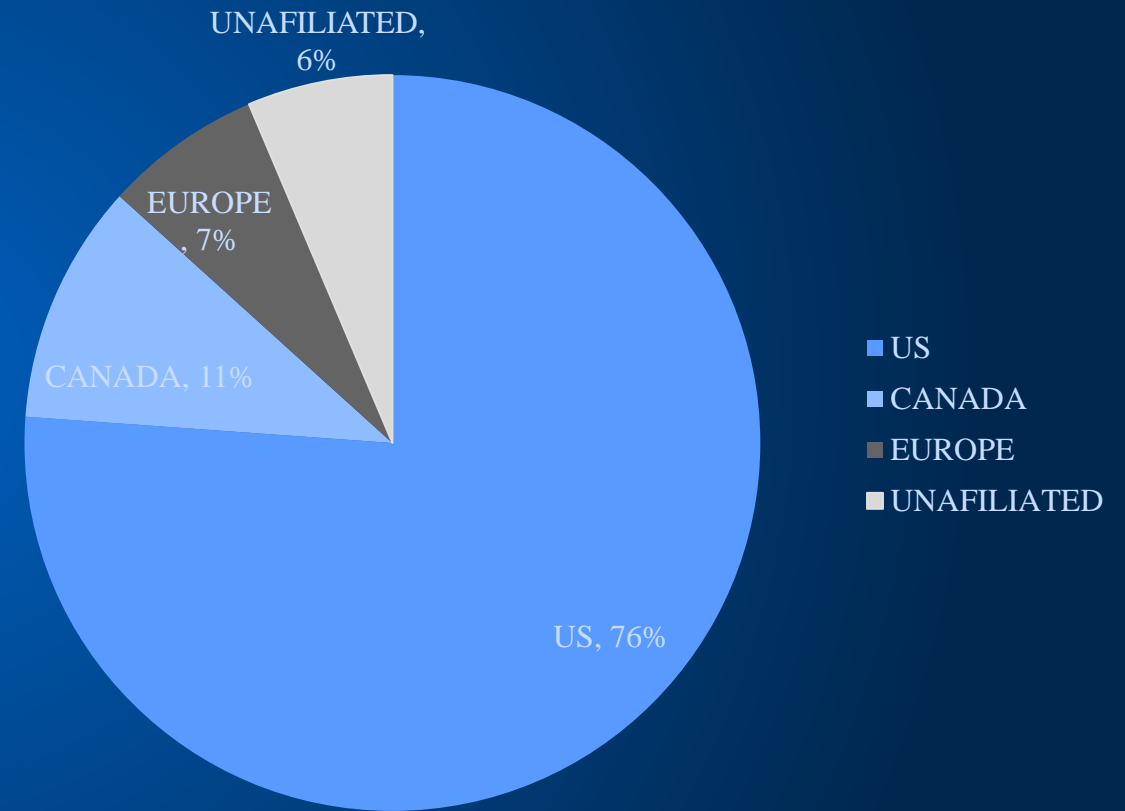
- 3 In House, 1 International Sponsored, 5 Chapter Sponsored
- \$68,915 contributed to SPEE International

Regional Demographics of Membership

SPEE MEMBERSHIP BY REGION
(549 Members)

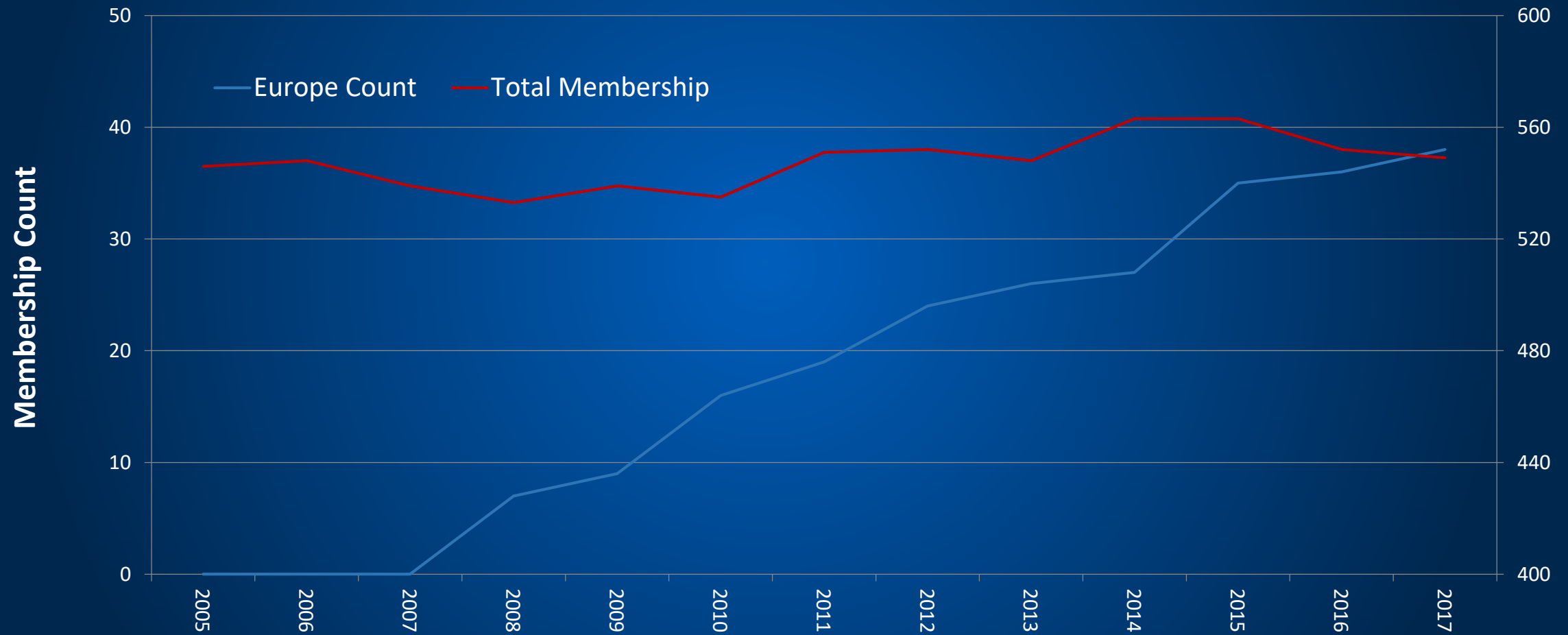


SPEE MEMBERSHIP BY REGION
(549 Members)



12 Year Change in Membership

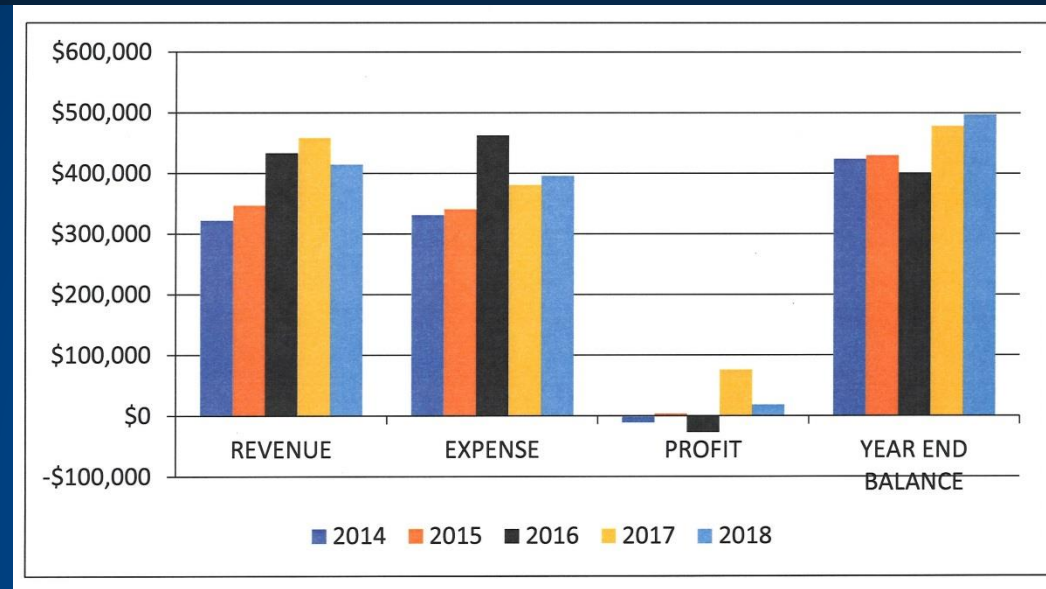
Total Membership & Europe Chapter Change



Membership – the Future

- Attendees of the Annual Meetings know the benefits of SPEE membership.
- Both as Chapters and as individual members, we need to actively reach out to talented professionals and encourage them to attend SPEE meetings and to consider becoming a member.
 - If each member here today recruited 2 qualified personnel in the next year, we would increase the membership of the society by > 30%
- Focus on younger new members
 - Encourage Associate membership > 5 years relevant experience
- The Board is taking active steps to expand our presence internationally
- As a society, we need to continue to reach and encourage larger E&P companies as well as consulting firms to communicate the strengths of membership in SPEE.

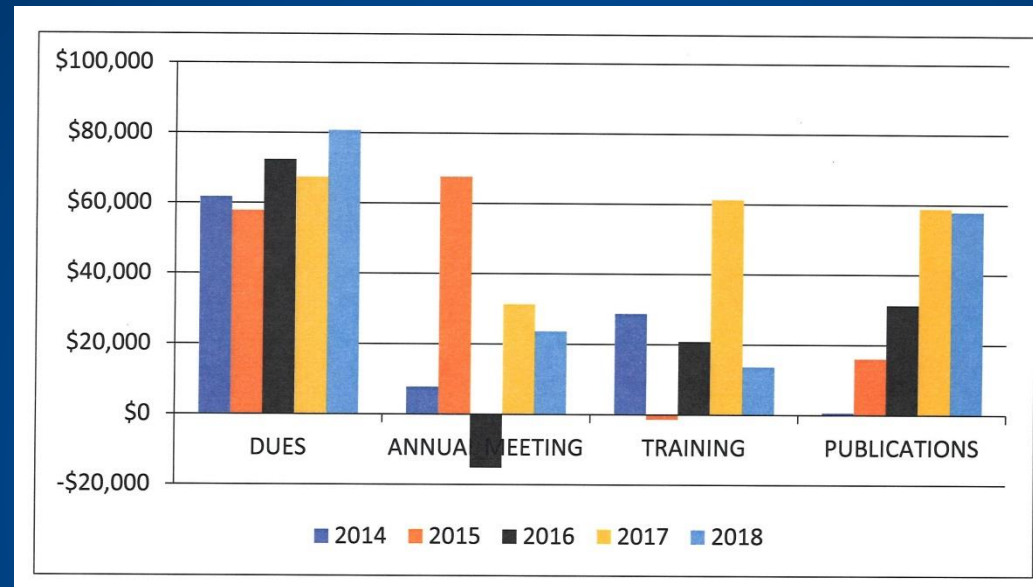
Summary Financial Performance, 2014 to 2018*



- The Society had a strong year in 2017 due to significant increases in Training and Publications.
- The 2016-2017 statics reflect increases in revenue and costs with launch of Monograph 4
- Loss in 2016 also due to deposits for future annual meetings; high profit in 2017 inflated due to delayed payment of annual meeting costs (paid in 2018)
- Society's cash balance healthy; increased by \$77k to stand at \$478k at end-2017

**) 2018 numbers are budget estimates*

Principal Net Contributions to Revenue for 2014 to 2018*



- Net contributions = revenue less direct costs; excludes Society's G&A costs
- Dues have experienced an increase from the low of 2015, with membership largely static at ~ 550
- 2017 Training and Publications contributions greatly increased on back of Mono 4 launch; Training and Publications revenue expected to fall away in 2019 before launch of Monograph 5 in 2020

*) 2018 numbers are budget estimates

Finances - Looking to the Future

- The G&A costs of the Society amount to ~\$140k
- 2017 was a strong profitable year due to a successful annual meeting and the training and publications revenue.
- Dues were increased for 2018; however these still only budgeted to cover ~ 60% of G&A costs.
- Financial health of the society dependent on training, publications and annual meeting revenue contributions
- We will continue our investment in the Monograph programme
- A vibrant and current Monograph portfolio should allow us to continue to develop our Training activities
- Strong financial position should provide opportunity for continuing funding of student endowments

Outlook

- Expand the reach of SPEE
 - Award of Chapter status to Asia Pacific
 - Investigating potential for S America Chapter
- COGEH update to be issued in H2 2018 by Calgary Chapter
- Continuing investment in Monograph development
 - Release of Monograph 2 in 2018 – Fair Market Value
 - New Monograph 5 – Type Curves
- Training - Further Monograph 4 training courses in 2018
- RDC – participation in PRMS Update Guidelines documentation
- Ethics
 - Roll out Ethics training PowerPoint presentations for use by Chapters
- Newsletter – going digital
- Society Historian

Thank you