

Statement of Amy Jolley

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Good morning, I am Amy Jolley, Vice President of Tax for Noble Energy, Inc. Thank you for the invitation to participate in this discussion about the role of women in the US manufacturing sector.

Background on Noble

Noble Energy is a Houston-based independent oil and natural gas exploration and production company with a market capitalization of approximately \$20 billion. Last year we celebrated our 80th anniversary. We have roughly 2,500 employees and produce approximately 250,000 barrels of oil equivalent per day from our operations around the world. In 2012, our annual revenues totaled \$4 billion.

At Noble Energy, we operate in five core areas. In the United States, we operate in the Marcellus Shale of West Virginia and Pennsylvania, the DJ Basin in Colorado, and the deepwater Gulf of Mexico. Our international operations include offshore Israel and Cyprus in the Eastern Mediterranean, where we have discovered approximately 37 trillion cubic feet of natural gas resources, which has the potential to provide both Israel and Cyprus with energy independence for decades to come; and offshore Equatorial Guinea and Cameroon in West Africa. We have a very active exploration program; domestically we are exploring a new region in Nevada as well as several international locations. In 2013 our capital spending program is expected to be nearly \$4 billion—nearly two thirds of which will be spent in the US.

The manufacturing sector

You may be curious about the connection of the upstream oil and gas industry with a classic manufacturing model. Although the industry may not be designated as manufacturing by virtue of converting raw materials into finished goods, in some ways upstream exploration and production activities do constitute a form of manufacturing, and in other ways there is significant overlap between manufacturing and extractive industries. Having worked in a manufacturing environment for several years, I have noted many similarities in terms of the challenges facing both the manufacturing and extractive industries in the financial, operational, and human resources areas.

Significant technological advances have allowed the onshore oil and gas industry, as a whole, to reinvest its capital and human resources for the recovery of hydrocarbons from American basins. But to access these hydrocarbons, oil and gas companies frequently follow manufacturing, or assembly line, concepts to drill and complete an increasing number of wells. As most are aware, a manufacturing environment is conducive to a standardized costing approach. As processes become more homogenous, safety performance improves, efficiencies increase, and costs become standardized. In the upstream oil and gas business, we try to capture the same benefits.

In the operational arena, domestic exploration and production companies and manufacturing enterprises have several functions in common. Research and development, or product development, is comparable to gathering seismic data, and drilling exploration and appraisal wells. The sectors share the same considerations with respect to procurement, which involves inventory management, supply chain and logistics. For example, we must purchase and store huge amounts of pipe, casing, tubing and wellheads for our Gulf of Mexico, Colorado, Pennsylvania and West Virginia operations. The oil and gas field manufacturing process consists of installation, development, and production. Logistics and distribution may comprise a separate function, or may be contained with marketing, another function that operates in a similar way in both sectors.

The exploration and production industry faces the same challenges as traditional manufacturing in regards to recruiting, hiring and retaining highly-skilled employees needed to run cost-efficient businesses. Earlier I mentioned Noble Energy's rapid growth. Of our 2,500 employees, nearly 400 were added in 2012 alone and we have a similar growth profile anticipated for 2013. As we expand, we continue to hire outstanding employees, including both experienced individuals and new collegiate and high school graduates throughout multiple disciplines--technical, operational, informational technology, financial, and marketing. Because we are an exploration company, we must attract the highest level of talent in the science, technology, engineering, and mathematics in order to maintain our commitment to excellence. For Noble, this means hiring various types of engineers (petroleum, mechanical, reservoir) and geoscientists (geophysicists, geologists, petrophysicists), oil and gas economists, and land administrators. To further ensure enterprise-wide success, that same caliber of employee must be in place in the support functions required to run a successful business such as legal, finance and information technology.

Within Noble Energy, our new employees interact with experienced mentors and managers as well as with senior and executive management, engaging in project assignments, on-the-job projects, and continuing education through e-learning and virtual classroom training. Noble is motivated by investing in its employees, and offers various development programs both within and across disciplines, including a "Learn, Excel, Achieve, Develop" (or LEAD) program, an accelerated leadership track. I'm involved in the latter, and have a female mentee who has entered the operational space. It is an amazing opportunity for both of us to share multi-functional experiences and learn new facets of the business.

Attracting top talent

In order to maintain access to top talent, we have strong recruiting and internship programs with key colleges and universities in our domestic core areas. To capture the attention of these individuals, the courtship must start early in their academic careers. We involve ourselves in the K-12 curriculum to encourage students and help them realize what opportunities are available. For example, we have been involved at the high school level through the Junior Achievement "Company Program", which requires students to engage in an entrepreneurial activity, and participate in "Finance Park", which is focused on teaching high school students career and life skills. We are heavily involved with Junior Achievement in the Houston area.

We are in the fifth year of our partnership with Junior Achievement and our Chief Operating Officer, Dave Stover, is on the Houston Board of Directors.

The number and percentage of females in managerial and professional roles has been increasing at Noble Energy over the past few years, and much can be attributed to the larger number of females enrolled in the technical disciplines at the universities and colleges where we recruit. As Noble Energy continues its growth, it will continue to focus on ensuring that the critical level of talent is met regardless of gender, but as the number of females with technical degrees continues to increase, there will be an inherent increase in the number of females in such roles within the company. We tend to recruit at a small number of core schools within each of our key disciplines, and we are noticing a shift in the number of female graduates within the technical geoscience and engineering disciplines. Noble Energy is currently bimodal—that is, we have a large number of employees who are either in the first few or last few years of their careers. When we compare the groups, there is a significant difference between the gender and ethnic diversity in the experienced group nearing retirement and the new employees. As an example, our summer interns are starting to arrive. This week's group of geoscience interns consisted of three students, two of which are female.

As I think of my own role within the company realize that 15 or 20 years ago, it would have been unlikely for a female to hold my current position. That being said, last week I attended a Houston area Chief Tax Officers Forum, and of the attendees, females held the top tax position within approximately 25% of local companies. That number was approximately 10% just 3-4 years ago, so progress is being made.

For me, the key to increasing the gender mix across the board in the manufacturing sector is to actively inform students of skills required to take advantage of great employment opportunities that exist in these exciting job fields.

As a child growing up in rural Iowa, my own parents always led me to believe I could do anything I wanted. However, I'm not sure I necessarily knew what those choices actually looked like. For example, I didn't know what an engineer was, let alone the differences between a chemical engineer, a mechanical engineer, and a petroleum engineer. That was an internet age ago, but my own personal philosophy is that there are still plenty of girls out there who do not have sufficient exposure to the types of careers available and the skills needed in order to qualify for those jobs.

As a mother, I want work options that make life easier for me and my family and other two career families. As a part of its growth endeavor, Noble Energy is evaluating and implementing programs and tools that will enhance employees' flexibility, which tends to enhance productivity and job satisfaction. Many Noble Energy employees will be moving to a new headquarters this summer. We are partnering with the nearby YMCA to provide extended day care next door to the new facility, and will also have onsite food service that will offer takeout options for family meals—a great convenience for two career families who are often stretched by the end of the day. With these steps and others such as flex time and a focus on work-life

balance issues, Noble Energy is making a positive difference in the lives and careers of its all of its employees.

Having companies actively participate in educational outreach can demonstrate the range of careers options available so children can pursue targeted educational opportunities. The more opportunities we can get in front of our kids, the more we can show them how they can bring productivity and economic success to themselves, their families, their employers and the United States. I am the mother of two young children—a five year old boy and a three year old girl. I want them both to understand that the range of opportunities is nearly limitless, but also to provide them concrete examples of what their choices might be with the talents they have.

That concludes my remarks. Thank you again for the opportunity to participate here today.