



WHITE ROSE DEVELOPMENT PROJECT

Canada-Newfoundland and Labrador Benefits Report

October 1 – December 31, 2005

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1.0 INTRODUCTION

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending December 31, 2005, as required under the Conditions set out in Decision 2001.01 for the White Rose Development Project.

Project expenditures presented in this report cover the period February 1, 2002 to December 31, 2005.

2.0 SUMMARY OF PROJECT ACTIVITIES

This section provides progress information for major Project components during the period October 1 to December 31, 2005.

2.1 Project Overview

- First oil was achieved on November 12, 2005
- First tanker load was on Dec 6, 2005 and the second tanker on Dec 17, 2005
- 2.4 million barrels produced as of December 31, 2005 at an average production rate of 66,000 bbls/day

2.2 Operations

- Crews from AKCS and Canship continued to provide startup and commissioning support during the quarter.
- There were a total of 85 Persons on Board (POB) the SeaRose as of the end of December 2005.

2.3 Transportation

Both shuttle tankers, the *Jasmine Knutsen* and the *Heather Knutsen*, have entered into service and commenced offloading and transportation of crude from the SeaRose.

2.4 Miscellaneous

- The hull bottom plate was removed from the Cowhead quay and deposited at the deep water storage site.

3.0 EMPLOYMENT SUMMARY

3.1 Employment by Residence Status

As at December 31, 2005, a total of 957 management, engineering, technical, skilled trades, support and consultant employees of Husky and its contractors were employed directly on the White Rose Development Project. Of this total 805 or 84.1% were residents of Newfoundland and Labrador when hired, while another 82 or 8.6% were residents of other regions of Canada at the time of hire. Over 98.5% of positions for the White Rose project were located in Newfoundland and Labrador as at December 31, 2005.

Table 5.1: Participation of Newfoundland and Labrador, Canadian and Non-Canadian Residents in White Rose Activity by Location of Work As at December 31, 2005

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
TOTAL	650	155	805	77	6	82	59	10	69	957

3.2 Employment by Location (Person Hours)

From October 1 to December 31, 2005, Husky project management, major contractors and sub-contractors carried out a total of 499,059 person hours of work related to the White Rose Development Project. Approximately 92.2% of these person hours were worked in Newfoundland and Labrador. Overall, approximately 71% of the total hours on the project were carried out in Newfoundland and Labrador.

Table 5.2: Summary of Person Hours Worked in Newfoundland & Labrador, Other Canadian, and Foreign Locations October 31 to December 31, 2005

Project Component	For the Quarter Ending December 31, 2005				Project to Date ⁵			
	Newfoundland & Labrador	Other Canadian	Foreign	Total	Newfoundland & Labrador	Other Canadian	Foreign	Total
Husky Project Management	93,696	21,564	9,757	125,017	994,497	68,240	59,190	1,121,927
FPSO Project Management ¹	74,197	0	704	74,901	554,166	10,849	92,009	657,024
FPSO Topsides ²	0	0	0	0	6,520,229	792,229	43,766	7,356,224
FPSO Hull ³	0	0	0	0	5,228	0	1,779,935	1,785,163
FPSO Turret ⁴	0	0	0	0	33,431	0	1,165,371	1,198,802
Subsea ⁵								
Subsea Production System	18,516	0	1,946	20,462	976,756	5,655	568,209	1,550,620
Glory Holes	0	0	0	0	136,325	0	29,702	166,027
Drilling	171,685	4,543	180	176,408	1,485,461	45,989	8,334	1,539,784
Logistics	102,224	0	48	102,272	667,791	203	258	668,252
TOTAL	460,317	26,107	12,635	499,059	11,373,884	923,165	3,746,774	16,043,823

4.0 PROJECT EXPENDITURE

For the period February 1, 2002 to December 30, 2005, project expenditures (as a percentage of total cost) were 41% Newfoundland and Labrador content, 13% Other Canadian and 46% Foreign content.