



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JULY 1 – SEPTEMBER 30, 2008

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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 September 30, 2008, as required under the Conditions set out in Decision 2001.01 for the White Rose Development Project.

This report provides a summary of progress/activities related to Husky Energy's East Coast Operations and includes activities of its major sub-contractors as well.

2.0 Highlights for the Period

- Overall Canada / Newfoundland content for Husky's East Coast operations which includes the White Rose Project, North Amethyst Project, and Exploration was 42.8% NL and 26.1 % Other Canadian.
- A total of 9.31 million barrels of oil were produced during the period from July 1, 2008 to September 30, 2008 at an average production rate of 101,200 bbls/ day
- Total production from first oil up until September 30, 2008 is 104.5 million barrels
- Total employment for White Rose Operations was 1129 as of September 30, 2008.

3.0 Employment Summary

As of September 30, 2008, a total of 1129 people were employed on Husky's East Coast Operations. This includes people employed with Husky and its contractors. Of this total 1001 or 88.6% were residents of Newfoundland and Labrador when hired, while another 96 or 8.5 % were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as at September 30, 2008. There were 659 people working in the offshore.

Table 3.1 - Employment Summary by Location, as of September 30, 2008



Employment by Location for: **White Rose**
September(2008)

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Offshore	552	17	569	74	0	74	16	0	16	659
St. John's	292	140	432	20	3	22	16	0	16	470
TOTAL	844	157	1,001	93	3	96	32	0	32	1,129

4.0 North Amethyst Tieback Project

- Considerable progress was made on the North Amethyst project in the 3rd Quarter. of 2008. A total of 389 people were employed on the project as of the end of September 2008. Person hours for the period totaled approximately 164,000 bringing the total to date to over 639,000. NECL continued to ramp up at the Bull Arm site in preparation for fabrication activities.

Table 4.1 North Amethyst Employment by Location for Q3 2008




Employment by Location for: **North Amethyst**
September(2008)

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Germany	0	0	0	0	0	0	7	19	26	26
Houston	0	0	0	0	0	0	15	7	21	21
Leeds, UK	0	0	0	0	0	0	4	1	5	5
Offshore	12	1	13	10	0	10	3	0	3	26
St. John's	203	65	269	10	1	11	30	1	31	311
TOTAL	215	66	282	20	1	21	60	27	87	389

5.0 Procurement Summary (Contracts > \$250,000)

There were 8 contracts greater than \$250,000 awarded during the third quarter of 2008.

Husky East Coast Operations Procurement Summary		2008 - Q3					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
Rotating Equipment Maintenance	Ozark Services	NL	A	100%			100%
Fire Safety Equipment Maintenance	K&D Pratt	NL	A	100%			100%
Re-determination Consulting Services	Gaffney Cline & Associates	UK	F	5%		95%	100%
Gas Monetization Options Study	Genisis Oil & Gas Consultants		B	2%		98%	100%
Wireline Logging Services	Schlumberger Canada Ltd	Mount Pearl, NL	I	23%	18%	59%	100%
Mudlogging Equipment and Services	International Logging	St. John's	F	15%	10%	75%	100%
Coring Services	Baker Hughes Canada (INTEQ)	Mount Pearl, NL	E	17%	25%	59%	100%
							0%
NORTH AMETHYST CONTRACTS							0%
							0%
CDC Expansion and Extension Study	Genisis Oil & Gas Consultants		A	5%	95%		100%
							0%
Cost Range Code Legend							
A = 250,001 - 500,000 \$	E = 2,000,001 - 3,000,000 \$	I = 10,000,001 - 15,000,000 \$	M = 50,000,001 - 75,000,000 \$				
B = 500,001 - 1,000,000 \$	F = 3,000,001 - 5,000,000 \$	J = 15,000,001 - 20,000,000 \$	N = 75,000,001 - 100,000,000 \$				
C = 1,000,001 - 1,500,000 \$	G = 5,000,001 - 7,500,000 \$	K = 20,000,001 - 30,000,000 \$	O = Over 100,000,001 \$				
D = 1,500,001 - 2,000,000 \$	H = 7,500,001 - 10,000,000 \$	L = 30,000,001 - 50,000,000 \$					

6.0 Exploration

Husky contracted CGGVeritas and the vessel MV Veritas Vantage to record 3-D seismic data over the White Rose SDLs, EL 1099 and adjacent land holdings. The survey commenced on 7th. The data was acquired in a north-south direction, rather than the planned west-east, in order to minimize the impact of the crab fishery which was concentrated over the area of the 200 mile limit on the eastern edge of the survey area.

7.0 Photographs



Production Manifold at Metal World



Pile Sleeve for MSF No. 2 at Metal World

Canada-Newfoundland and Labrador Benefits Report
For the Quarter Ending September 30, 2008



Husky Contributes \$300,000 to the Bowring Park Foundation in August 2008



Husky Contributes \$400,000 to the H. Bliss Murphy Cancer Clinic in August 2008