



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
OCTOBER 1 – DECEMBER 31, 2008

Table of Contents

1.0	Introduction.....	3
2.0	Highlights for the Period.....	3
3.0	White Rose Employment Summary	3
4.0	North Amethyst Tieback Project	4
5.0	Procurement Summary (Contracts > \$250,000).....	5
6.0	Exploration.....	5
7.0	Photographs	6

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 47.8% NL and 27.4 % Other Canadian.
- A total of 9.9 million barrels of oil were produced during the period from Oct 1, 2008 to December 31, 2008 at an average production rate of 107,600 bbls/ day
- Total production from first oil up until December 31, 2008 is 114.4 million barrels
- Total employment for White Rose Operations was 1130 as of December 31, 2008.
- Total Employment on the North Amethyst Project was 479 of December 31, 2008.

3.0 White Rose Employment Summary

As of December 31, 2008, a total of 1130 people were employed on Husky's White Rose Operations. This includes people employed with Husky and its contractors. Of this total 1005 or 88.9% were residents of Newfoundland and Labrador when hired, while another 86 or 7.6% were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as at December 31, 2008.

Table 3.1 - Employment Summary by Location, as of December 31, 2008



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

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Offshore	513	17	530	62	1	63	17	0	17	610
St. John's	322	153	475	21	3	23	22	0	22	520
TOTAL	835	170	1,005	82	4	86	39	0	39	1,130

4.0 North Amethyst Tieback Project

Progress continued to be made on the North Amethyst project in the 4th Quarter. of 2008. A total of 479 people were employed on the project as of the end of December 2008. Person hours for the period totaled approximately 247,000 bringing the total to date to over 960,000. Activity at Bull Arm continued to progress well as did production of flowlines and other sub-sea equipment at Technip and Cameron's manufacturing facilities.

Table 4.1 North Amethyst Employment By Location for Q4 2008




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

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Bull Arm	93	0	93	0	0	0	0	0	0	93
Germany	0	0	0	0	0	0	29	6	35	35
Houston	0	0	0	0	0	0	7	6	13	13
Leeds, UK	0	0	0	0	0	0	5	1	6	6
Offshore	8	0	8	2	0	2	1	0	1	11
St. John's	224	60	285	7	1	8	26	3	29	321
TOTAL	325	60	386	9	1	10	68	16	83	479

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

There was only one contract greater than \$250,000 awarded during the fourth quarter of 2008.

Table 7.1 Procurement Summary - Q4 2008

Husky East Coast Operations Procurement Summary		2008 - Q4					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
Supply Vessel (Ice Management)	Secunda	Dartmouth, NS	H	79%	21%		100%
							0%
NORTH AMETHYST CONTRACTS							0%
							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

The seismic program for 2008 wound down at the end of September and data collected will be processed locally over the coming months.

7.0 Photographs



Henry Goodrich Under Tow in the White Rose Field

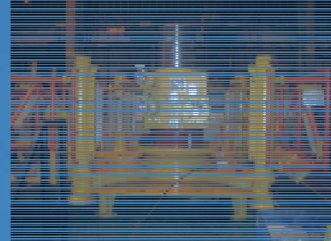


SeaRose with the GSF Grand Banks and Henry Goodrich in the Background

North Amethyst Project - Cameron Manufacturing



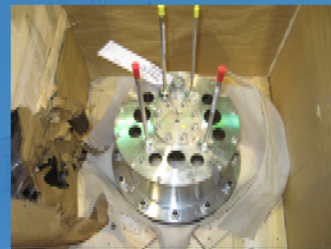
1st Production Tree leaving Leeds



1st Water Injection Tree



SDU #1



Manifold Stabplate

North Amethyst Project – NECL Fabrication



Module Hall – Jan 19, 2009



MSF #2 – partially painted



Water Injection Module #1



Manifold Valves during SAT



Production Module #1

North Amethyst Project - Technip Manufacturing



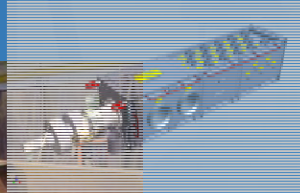
Umbilical awaiting for UTA Termination



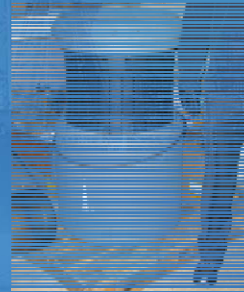
Packaged Flowline



UTA Frame



UTA



Weak Link



North Amethyst Project - SIT Layout



Husky Employees Contribute to the VOCM Happy Tree – Christmas 2008