



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JULY 1 – SEPTEMBER 30, 2009

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, 2009, 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 68.1% NL and 14.5 % Other Canadian.
- A total of 2.7 million barrels of oil were produced during the period from July 1, 2009 to September 30, 2009 at an average production rate of 29,305 bbls/ day
- Total production from first oil up until September 30, 2009 is 132.7 million barrels
- Total employment for White Rose Operations was 1071 as of September 30, 2009.
- The North Amethyst Project was completed at the end of September and handed over to operations in the first week of October 2009.

3.0 White Rose Employment Summary

As of September 30, 2009, a total of 1071 people were employed on Husky's White Rose Operations. This includes people employed with Husky and its contractors. Of this total 973 or 90.8 % were residents of Newfoundland and Labrador when hired, while another 66 or 6.2% 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, 2009.

Table 3.1 - Employment Summary by Location, as of September 30, 2009



Employment by Location for: **White Rose**
September(2009)

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Offshore	505	13	518	47	0	47	11	0	11	575
St. John's	302	153	455	17	2	19	21	1	22	496
TOTAL	807	166	973	64	2	66	32	1	33	1,071

4.0 North Amethyst Tieback Project

The North Amethyst was completed and turned over to operations in the first week of October and all that remains is the close out of some technical and commercial issues. A total of 337 people were employed on the project as of the end of September 2009. Person hours for the period totaled approximately 261,000 bringing the total to date to over 1,659,000. The original person hour estimate presented in the Benefits Plan was 1,660,000 hours. The total to date only includes about 100,000 hours for drilling and logistics. The overall drilling program for North Amethyst which has yet to begin is estimated at 1,100,000 hours. Over \$77.9 million was expended on the North Amethyst project for the period July 1 to September 30, 2009 and \$590 million to date. Drilling of a production well will commence as soon as the maintenance and refit work is completed on the GSF Grandbanks near the end of November. First oil is estimated in the first quarter of 2010.

Table 4.1 North Amethyst Employment By Location Q3 2009



Employment by Location for: **North Amethyst**
September(2009)

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	19	4	23	23
Houston	0	0	0	0	0	0	4	2	7	7
Leeds, UK	0	0	0	0	0	0	1	0	2	2
St. John's	111	31	142	27	1	28	131	5	136	306
TOTAL	111	31	142	27	1	28	156	11	167	337

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

There was one contract greater than \$250,000 awarded during the third quarter of 2009.

Table 7.1 Procurement Summary – Q3 2009

2009 - Q3										
Procurement Summary										
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total			
								0%		
								0%		
								0%		
NORTH AMETHYST CONTRACTS								0%		
Solids Control Equipment and Services	M-I Drilling Fluids Canada	St. John's	G	27%	40%	33%	100%			
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

There were no exploration activities for the second quarter of 2009.

7.0 Photographs



Vessel



Deep Pioneer



Jumbo Javelin



Happy River

Vessel Name	Date Arrived Bay Bulls	Date Departed Bay Bulls	Total Days
Deep Pioneer	28-May-09	7-Aug-09	71
Jumbo Javelin	6-Jun-09	22-Jun-09	16
Happy River	6-Jun-09	23-Jul-09	47
Wellservicer	18-Jun-09	10-Oct-09	114
Seahorse	3-Sep-09	4-Oct-09	31
Osprey	31-Aug-09	11-Oct-09	41
Total Vessel Days			320



Wellservicer



Seahorse



Osprey

Summary of Subsea Installation Program - Work Vessels



Deployment of Spool Recovery Frame



Filling the Hopper on the SeaHorse with Well Servicer in Background



Husky Donates \$500,000 to the Give From the Heart Campaign



Husky Booth at the Labrador and Beyond Show



Synergy 2009 Joint Oil Spill Response Exercise in Conception Bay



Mr. John Lau officially recognizes the crew of the Osprey for their efforts during the recovery of passengers and crew on Cougar Flight 491