



# Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT  
JANUARY 1 – MARCH 31, 2011

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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 March 31, 2011, 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 Atlantic Region and includes activities of its major sub-contractors as well.

## 2.0 Highlights for the Period

- Overall Canada / Newfoundland content for Husky's operations which includes the White Rose Project, North Amethyst Project, West Pilot Scheme and Exploration was 68.7% NL and 19.9% Other Canadian.
- Total employment for Atlantic Region operations was 1139 as of March 31, 2011, representing a content of 90% NL and 6% Other Canadian.
- All positions for Atlantic Region operations were located in Newfoundland and Labrador.

## 3.0 White Rose Employment Summary

As of March 31, 2011, a total of 918 people were employed on Husky's White Rose Operations of which 425 were located offshore. This includes people employed with Husky and its contractors. Of this total 848 or 92% were residents of Newfoundland and Labrador when hired, while another 53 or 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 March 31, 2011. The number of females employed on White Rose operations was 162 or approximately 18% of the total workforce.

**Table 3.1 - Employment Summary by Location, as of March 31, 2011**




Employment by Location for: **White Rose**  
March(2011)

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Offshore	371	19	390	31	0	31	4	0	4	425
St. John's	319	139	458	19	3	22	12	1	13	493
<b>TOTAL</b>	<b>690</b>	<b>158</b>	<b>848</b>	<b>50</b>	<b>3</b>	<b>53</b>	<b>16</b>	<b>1</b>	<b>17</b>	<b>918</b>

## 4.0 North Amethyst Tieback Project

North Amethyst development drilling related to the project continued in the first quarter of 2011. The G-25 4 well drilled in late 2010 was completed in January 2011. An additional two North Amethyst wells were drilled in this quarter with completions planned in Q2 2011. A total of 204 people were employed on the project as of the end of March 2011. Person hours for the period totaled approximately 93,763 bringing the total to date to almost 2.3 million.

**Table 4.1 North Amethyst Tieback Project Employment Summary by Location**




**Employment by Location for: North Amethyst  
March(2011)**

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Offshore	128	4	132	12	0	12	7	0	7	151
St. John's	26	15	40	0	0	0	11	2	13	53
<b>TOTAL</b>	<b>154</b>	<b>19</b>	<b>173</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>17</b>	<b>2</b>	<b>19</b>	<b>204</b>

## 5.0 West White Rose Pilot Scheme

A total of 17 people were employed on the project as of the end of March 2011. Person hours for the period totaled approximately 5,895.

**Table 5.1 West Pilot Scheme Employment by Location Q1 2011**



**Employment by Location for: West White Rose  
March(2011)**

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
St. John's	2	4	7	0	0	0	5	6	10	17
<b>TOTAL</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>6</b>	<b>10</b>	<b>17</b>

## 6.0 Procurement Summary (Contracts > \$250,000)

A total of 5 new contracts and 24 contract extensions greater than \$250,000 were awarded during the first quarter of 2011.

Husky East Coast Operations		2011 Q1																					
Procurement Summary																							
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total																
<b>NEW CONTRACTS</b>																							
Biostratigraphical Services	Riley Geoscience Ltd	Walsall, UK	B			100%	100%																
Development of a Trench System for Subsea Pipelines (R&D)	Petroleum Research Atlantic Canada	St. John's, NL	B	100%			100%																
Industrial Hygiene Services	Rogers Enterprises Limited	Paradise, NL	A	100%			100%																
Development of a Safety and Survival Training Simulation Program (R&D)	Petroleum Research Atlantic Canada	St. John's, NL	A	100%			100%																
Consulting Services	Granheme, Inc.	Houston	B			100%	100%																
<b>CONTRACT EXTENSIONS*</b>																							
Waste Management Services	Newalta Corporation	St. John's	F	75%	25%		100%																
Freight Forwarding, Customs Clearance and Immigration	PF Collins	St. John's	C	100%			100%																
MODU GSF Grand Banks	Transocean Canada Drilling Services	St. John's	O				0%																
ROV Equipment and Services	Oceaneering Canada Limited	St. John's	J				0%																
Drilling Fluids, Equipment and Services	MI Swaco	St. John's	J				0%																
Cementing Equipment and Services	Schlumberger Canada Limited	St. John's	G				0%																
Directional Drilling, LWD, MWD Services	Schlumberger Canada Limited	St. John's	H				0%																
Wireline Equipment and Services	Schlumberger Canada Limited	St. John's	G				0%																
Drilling and Fishing Tools	Weatherford Canada Partnership	St. John's	G				0%																
Mud Logging Services	Weatherford Canada Partnership	St. John's	F				0%																
Coring Services	Baker Hughes	St. John's	F				0%																
Cuttings Conveyance	AGR Drilling Services Canada Inc.	St. John's	F				0%																
Rig Positioning Services	Fugro Geosurveys Inc.	St. John's	I				0%																
Casing Handling Equipment and Services	FI Canada	St. John's	I				0%																
Liner Hanger Equipment and Services	Import Tool Corporation	St. John's	F				0%																
Solids Control Equipment and Services	MI Swaco	St. John's	G				0%																
Drill Pipe Rentals and Crossovers	Workstrings Canada	St. John's	F				0%																
Lower String Completions Equipment and Services	Halliburton Group Canada	St. John's	J				0%																
Lower String Completions Equipment and Services	Schlumberger Canada Limited	St. John's	I				0%																
Slickline Equipment and Services	Halliburton Group Canada	St. John's	F				0%																
Upper String Completions Equipment and Services	Schlumberger Canada Limited	St. John's	J				0%																
Inflow Control Device/Stand Alone Screens	Schlumberger Canada Limited	St. John's	G				0%																
Tracer Marking System	Resman AS	Norway	A				0%																
Perforating Equipment and Services	Schlumberger Canada Limited	St. John's	H				0%																
<table border="0"> <tr> <td>A = 250,001 - 500,000 \$</td> <td>E = 2,000,001 - 3,000,000 \$</td> <td>I = 10,000,001 - 15,000,000 \$</td> <td>M = 50,000,001 - 75,000,000 \$</td> </tr> <tr> <td>B = 500,001 - 1,000,000 \$</td> <td>F = 3,000,001 - 5,000,000 \$</td> <td>J = 15,000,001 - 20,000,000 \$</td> <td>N = 75,000,001 - 100,000,000 \$</td> </tr> <tr> <td>C = 1,000,001 - 1,500,000 \$</td> <td>G = 5,000,001 - 7,500,000 \$</td> <td>K = 20,000,001 - 30,000,000 \$</td> <td>O = Over 100,000,001 \$</td> </tr> <tr> <td>D = 1,500,001 - 2,000,000 \$</td> <td>H = 7,500,001 - 10,000,000 \$</td> <td>L = 30,000,001 - 50,000,000 \$</td> <td></td> </tr> </table>								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 \$	
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D = 1,500,001 - 2,000,000 \$	H = 7,500,001 - 10,000,000 \$	L = 30,000,001 - 50,000,000 \$																					

\* Note: Currently information on percentage content has not been consistently recorded for contract extensions. However, the information would have been provided when the original contract was identified. In subsequent reporting periods, this information will be provided for contract extensions.

## **7.0 Exploration**

The Exploration spend for the first quarter of 2011 was approximately \$1.62 million, with a content breakdown of 87% Newfoundland & Labrador. This is attributed to various subsurface studies and ongoing work in support of identifying future drilling targets.



## 8.0 Photographs



Energy Day at the Johnson Geo Centre March 2011





**Junior Achievement Program at St. Kevin's, Goulds February 2011**



**Oil & Gas Week Food Drive February 2011**