

Husky Energy



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT JANUARY 1 – MARCH 31, 2012

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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, 2012, 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 65.91% Newfoundland & Labrador, 18.81% Other Canadian, and 15.287% Foreign.

3.0 White Rose Employment Summary

As of March 31, 2012, a total of 869 people were reported employed on Husky's White Rose Operations of which 385 were located offshore. This includes people employed with Husky and its contractors. Of this total 802 or 92% were residents of Newfoundland and Labrador when hired, while another 54 or 6.2% were residents of other regions of Canada at the time of hire. All but four of these positions were located in Newfoundland and Labrador as at March 31, 2012. The number of females employed on White Rose operations was 173 or approximately 20% of the total workforce (Table 3.1).

| | | Employment by Location for: White Rose March(2012) | | | | | | | | |
|---------------|----------------------------|---|------------|------|----------------|----------|------|----------|-------------------|-----|
| Location | Newfoundland & Labrador | | | | Other Canadian | | | Non-Cana | Total Employement | |
| | Male | Female | Sub-Total | Male | Female | Sub-Tota | Male | Female | Sub-Total | |
| Dartmouth, NS | 0 | 0 | 0 | 2 | 2 | 4 | 0 | 0 | 0 | 4 |
| Offshore | 348 | 13 | <u>361</u> | 23 | 0 | 23 | 2 | 0 | 2 | 385 |
| St. John's | 290 | 151 | 441 | 21 | 6 | 27 | 11 | 1 | 12 | 480 |
| TOTAL | 638 | 164 | 802 | 46 | 8 | 54 | 12 | 1 | 13 | 869 |

 Table 3.1 - Employment Summary by Location, as of March 31, 2012

4.0 North Amethyst Tieback Project

Activity on the North Amethyst project was limited in the first quarter of 2012 due to the fact that there was no drilling of development wells during the quarter. Person hours for the period totaled approximately 1,180 (Table 4.1) bringing the total to date to over 2.5 million. These hours represent onshore work related to planning for continued future development wells in North Amethyst. There is no headcount for this period because the headcount is recorded at the end of the quarter and there was no activity recorded for North Amethyst in the month of March. The person hours identified for the quarter were recorded in January and February.

Table 4.1 North Amethyst Person Hour Summary (Husky and Major Contractors)Q1 2012

| | Person Hours By Contractor By ProjectPeriod From:1/1/2012Period To:3/31/2012 |
|-------------------------|--|
| Project: North Amethyst | |
| Name | Total |
| AKCS Offshore Partner | 1,180 |
| Total Person Hours: | 1,180 |

5.0 West White Rose Pilot Scheme

During Q1, the E18-11 water injection well was completed. A total of 186 people were employed on the project as of the end of March 31, 2012. Person hours for the period totaled approximately 42,175.

Table 5.1 West Pilot Scheme Employment Summary by Discipline Q1 2012

| | Employment Summary by Discipline (Major Contractors): | | | | | | | West White Rose March(2012) | | | |
|----------------------------|---|--------|-----------|----------------|--------|----------|-----------|--------------------------------|-----------|-----|--|
| Newfoundland & Labrador | | | | Other Canadian | | | Non-Canad | Total Employement | | | |
| Occupation | Male | Female | Sub-Total | Male | Female | Sub-Tota | Male | Female | Sub-Total | | |
| Administration & Clerical | 0 | 7 | 7 | 0 | 0 | 0 | 1 | 0 | 1 | 8 | |
| Engineers | 18 | 1 | 19 | 4 | 0 | 4 | 0 | 0 | 0 | 23 | |
| Management | 10 | 7 | 17 | 0 | 0 | 0 | 4 | 0 | 4 | 21 | |
| Marine Crew | 16 | 0 | 16 | 2 | 0 | 2 | 2 | 0 | 2 | 20 | |
| Other Field Services | 45 | 2 | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 47 | |
| Professionals | 0 | 0 | 0 | 0 | 0 | 0 | D | 0 | 0 | 0 | |
| Skilled Trades | 51 | 1 | 52 | 7 | 0 | 7 | 3 | 0 | 3 | 62 | |
| Technicians & Technolog | 6 | 0 | 6 | 0 | 0 | 0 | O | 0 | 0 | 6 | |
| TOTAL | 146 | 17 | 163 | 13 | 0 | 13 | 10 | 0 | 10 | 186 | |

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

One new contract greater than \$250,000 was awarded during the first quarter of 2012 (Table 8.1). There were no contract extensions issued.

| Husky East Coast Operations | | 2012 Q1 👩 | Hus | skv | Er | 101 | σv |
|--|-------------------------------|--------------------------------|-------|---------|----------|-----------|------------|
| Procurement Summary | | | IIU | JNY | | | 6 J |
| Description | Vendor Name | Vendor Location | Range | NF | CDN | FOR | Total |
| | | | | | | | |
| Provision of Dry Dock services for Husky Off-Station | Harland & Wolff | Belfast, Ireland | J | | | 100% | 100 |
| Program | | | | | | | |
| 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 | . 75.0 | 00.000.9 |
| B = 500,001 - 1,000,000 \$ | F = 3,000,001 - 5,000,000 \$ | J = 15,000,001 - 20,000,000 \$ | | N = 75, | | | |
| C = 1,000,001 - 1,500,000 \$ | G = 5,000,001 - 7,500,000 \$ | K = 20,000,001 - 30,000,000 \$ | | 0 = 0v | er 100,0 | 00,001 \$ | 5 |
| D = 1,500,001 - 2,000,000 \$ | H = 7,500,001 - 10,000,000 \$ | L = 30,000,001 - 50,000,000 \$ | i i i | | | | |

7.0 Exploration

The Exploration spend for the first quarter of 2012 was approximately \$1.01 million, with a content breakdown of 67.00% Newfoundland & Labrador, 33.00% Other Canadian, and 0.00% Foreign. This activity is attributed to various subsurface studies and ongoing work in support of identifying future drilling targets.

8.0 Photographs



Energy Day Students Tour Cameron Facility – February 2012



New Lifeboats Installed on GSF Grand Banks at Halifax Shipyard – February 2012



Husky Staff Participate in Junior Achievement Program – February 2012