



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JULY 1 – SEPTEMBER 30, 2013

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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, 2013, 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, White Rose Extension Project, South White Rose Extension and Exploration has a content breakdown of 70.43% Newfoundland & Labrador, 16.33% Other Canadian, and 13.23% Foreign.

3.0 White Rose Project Employment Summary

As of September 30, 2013, a total of 1982 people were reported employed on Husky's White Rose Operations of which 1069 were located offshore. This includes people employed with Husky and its contractors and includes North Amethyst and the West White Rose Pilot Scheme which were previously reported separately, as well as South White Rose Extension. The increase in offshore personnel as of September 30, 2013 reflects two MODUs operating offshore for Husky (GSF Grand Banks and Henry Goodrich).

Of this total 1823 or 92% were residents of Newfoundland and Labrador when hired, while another 112 or 5.6% were residents of other regions of Canada at the time of hire. The majority (99%) of these positions were located in Newfoundland and Labrador as of September 30, 2013. The number of females employed on White Rose operations was 291 or approximately 14.7% of the total workforce (Table 3.1).

Employment for the White Rose Extension Project is reported separately in Section 4.0

Table 3.1 - Employment Summary by Location, as of September 30, 2013



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q3 2013

Location	Newfoundland Male	Newfoundland Female	Newfoundland Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Alberta	0	0	0	0	0	0	0	0	0	0	0	0
Europe	9	0	9	0	0	0	0	0	0	9	0	9
Nova Scotia	2	1	2	0	0	0	0	0	0	2	1	2
Offshore	943	41	984	62	1	63	22	0	22	1,027	41	1,069
St. John's	585	242	827	43	6	50	23	1	25	652	249	901
Total	1,540	283	1,823	106	7	112	45	1	46	1,690	291	1,982

4.0 White Rose Extension Project Employment Summary

As of September 30, 2013, 282 people were reported employed on Husky's White Rose Extension Project. The majority of person hours expended on the White Rose Extension Project for this quarter were by Arup Canada Inc. (graving dock and CGS) and Wood Group/Mustang (topsides) for engineering design. Husky hours are related to project management and engineering design support and Stantec hours were related to support in preparation of regulatory documents.

Seventy-eight percent of the person hours related to detailed engineering of the graving dock and CGS took place in Newfoundland and Labrador in this quarter (see Arup in Table 4.1). It should be noted that while Table 4.2 indicates a high number of individuals working on the detailed engineering of the graving dock and CGS internationally, the majority of the person hours expended are being done by the personnel situated in Newfoundland and Labrador (Table 4.1). The head count shown in Table 4.2 is a snap shot of personnel who have charged hours to the project on September 30th and does not necessarily represent full time employees.

The majority of detailed design for the topsides is taking place in the USA (see Mustang in Table 4.1). The Newfoundland and Labrador person hours associated with the topsides scope represents procurement management and some components of the detailed engineering for the topsides.

Table 4.1 Person Hours by Contractor – White Rose Extension Project Employment



Atlantic Region Contractor Stats

Hours By Contractor
Wellhead - Q3 2013

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	19,847	0	19,847	365	5,580	25,792
Husky	12,395	0	12,395	456	703	13,554
Stantec	77	0	77	0	15	91
Wood Group Mustang	10,637	0	10,637	0	33,026	43,663
Total	42,956	0	42,956	821	39,324	83,100

Table 4.2 Head Count by Contractor – White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor
Wellhead - Q3 2013

Contractor	Newfoundland Male	Newfoundland Female	Newfoundland Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Arup Canada Inc.	16	12	28	9	6	15	45	9	54	70	27	97
Husky	19	8	27	0	1	1	2	0	2	21	9	30
Stantec	0	3	3	0	0	0	0	0	0	0	3	3
Wood Group Mustang	38	2	40	0	0	0	93	19	112	131	21	152
Total	73	25	98	9	7	16	140	28	168	222	60	282

At this stage of project development, the majority of positions associated with the White Rose Extension Project are engineering-related supported by management, other professionals and technicians/technologists (Table 4.3).

Table 4.3 Summary by Occupation – White Rose Extension Project



Atlantic Region Contractor Stats


Head Count By Occupation
Wellhead - Q3 2013

Occupation	Newfoundland Male	Newfoundland Female	Newfoundland Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Administration & Clerical	0	8	8	0	2	2	1	5	6	1	15	16
Engineers	39	10	49	4	4	8	98	16	114	141	30	171
Management	17	1	18	3	1	4	7	1	8	27	3	30
Professionals	1	2	3	0	0	0	0	0	0	1	2	3
Students	5	1	6	0	0	0	0	0	0	5	1	6
Technicians & Technologists	11	3	14	2	0	2	34	6	40	47	9	56
Total	73	25	98	9	7	16	140	28	168	222	60	282

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

There were 3 new contracts greater than \$250,000 awarded during the third quarter of 2013. There were 9 contract extensions issued (Table 7.1).

Table 7.1 Summary of Contracts – New and Extended for Q3 2013

Husky East Coast Operations Procurement Summary		2013 Q3																					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total																
New Contracts																							
Graving Dock Construction	Dexter	Bedford, Nova Scotia	M	60%	30%	10%	100%																
Detailed Engineering Design (associated with Graving Dock, CGS & Marine)	ARUP	Toronto, Ont.	M	80%	10%	10%	100%																
Detailed Engineering Design (associated with Topsides)	Mustang Engineering	Houston, TX	N	20%	0%	80%	100%																
Contract Extensions																							
Helicopter Services Contract extension	Cougar Helicopters	St. John's	L																				
Maersk Dispatcher extension	Maersk	St. John's	I																				
Subsea Equipment Storage and Maintenance	OneSubsea Canada ULC (formerly Cameron Canada)	Mount Pearl	M	73%	2%	25%	100%																
Technical Support for Fire Water Pump Motors	Cummins Eastern Canada LP	Mount Pearl	B	100%	0%	0%	100%																
Provision of Fabrication Services	Bowring Engineering Services	Paradise	A	100%	0%	0%	100%																
Technical Support and Maintenance for FPSO Main and Auxiliary Engines	Wartsila Canada Incorporated	Mount Pearl	A	0%	100%	0%	100%																
Provision of Training Services	Bentley Nevada Canada Co.	Toronto, ON	A	0%	100%	0%	100%																
Maintenance Services of Lifeboats on SeaRose FPSO	Harding Safety Canada	Langley, BC	E	100%	0%	0%	100%																
Provision of Training Services	Fisheries and Marine Institute of Memorial University of Newfoundland	St. John's	B	0%	100%	0%	100%																
<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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6.0 Exploration

The Exploration spend for the third quarter of 2013 was approximately \$9.64 million, with a content breakdown of 11.39% Newfoundland & Labrador, 83.65% Other Canadian, and 4.96% Foreign. Expenditures are related to exploration drilling and preparation for future exploration drilling activities.

7.0 Photographs



Official Opening of the Husky Energy Gallery at The Rooms – July 2013



Placentia Bay Industrial Showcase – September 2013



Husky's Day with the WISE students – September 2013