



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
OCTOBER 1 – DECEMBER 31, 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 December 31, 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 60.03% Newfoundland & Labrador, 22.42% Other Canadian, and 17.55% Foreign.

3.0 White Rose Project Employment Summary

As of December 31, 2013, a total of 1480 people were reported employed on Husky's White Rose Operations of which 689 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 decrease in offshore personnel compared to September 30, 2013 numbers is the result of only one MODU operating offshore for Husky (Henry Goodrich). The GSF Grand Banks is currently undergoing maintenance in a shipyard.

Of this total, 1310 or 89% were residents of Newfoundland and Labrador when hired, while another 107 or 7% 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 December 31, 2013. The number of females employed on White Rose operations was 250 or approximately 17% 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 December 31, 2013



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q4 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
Nova Scotia	0	0	0	0	0	0	0	0	0	0	0	0
Offshore	572	26	598	65	2	67	24	0	24	661	28	689
Ontario	2	1	3	0	0	0	0	0	0	2	1	3
St. John's	491	217	708	36	4	40	37	1	38	564	222	787
USA	1	0	1	0	0	0	1	0	1	2	0	2
Total	1,067	243	1,310	101	6	107	62	1	63	1,229	250	1,480

4.0 White Rose Extension Project Employment Summary

As of December 31, 2013, 486 people were reported employed on Husky's White Rose Extension Project, representing over 139,000 person hours. The number of females employed on the White Rose Extension Project was 93 or approximately 19 percent of the total workforce.

The majority of person hours expended on the White Rose Extension Project for this quarter were by Dexter Construction related to graving dock construction at Argentia as well as ongoing engineering design work by Arup Canada Inc. and Wood Group/Mustang. Husky hours are related to project management and engineering design support and Stantec hours were related to support in preparation of regulatory documents.

Eighty 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) and, overall, 52 percent of person hours expended on the project occurred in Newfoundland and Labrador. 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. Once construction of the CGS begins at Argentia the majority of person hours for the project will be executed in Newfoundland and Labrador.

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 December 31st and does not necessarily represent full time employees.

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



Atlantic Region Contractor Stats

Hours By Contractor
Wellhead - Q4 2013

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	24,079	0	24,079	247	5,575	29,901
Dexter Construction	18,025	0	18,025	2,476	2,684	23,184
Husky	19,175	0	19,175	1,147	1,620	21,942
Stantec	41	0	41	0	0	41
Wood Group Mustang	11,175	0	11,175	0	53,512	64,687
Total	72,494	0	72,494	3,870	63,391	139,755

Table 4.2 Head Count by Contractor – White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor

Wellhead - Q4 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.	19	10	29	8	5	13	51	12	63	78	27	105
Dexter Construction	60	12	72	20	5	25	14	1	15	94	18	112
Husky	40	14	54	10	1	11	8	0	8	58	15	73
Stantec	0	3	3	0	0	0	0	0	0	0	3	3
Wood Group Mustang	20	4	24	0	0	0	143	26	169	163	30	193
Total	139	43	182	38	11	49	216	39	255	393	93	486

Construction of the graving dock at Argentia commenced in Q4 2013. This activity is reflected in the number of skilled trades, other field services and technicians/technologist reported in Table 4.3. The remaining positions are associated with engineering 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 - Q4 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	13	13	1	1	2	1	7	8	2	21	23
Engineers	45	12	57	15	5	20	121	21	142	181	38	219
Management	9	1	10	8	4	12	39	3	42	56	8	64
Other Field Services	14	5	19	1	0	1	0	0	0	15	5	20
Professionals	12	6	18	2	0	2	3	0	3	17	6	23
Skilled Trades	39	1	40	9	0	9	4	0	4	52	1	53
Technicians & Technologists	20	5	25	2	1	3	48	8	56	70	14	84
Total	139	43	182	38	11	49	216	39	255	393	93	486

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

There were 8 new contracts greater than \$250,000 awarded during the fourth quarter of 2013. There were 19 contract extensions issued (Table 7.1).

Table 7.1 Summary of Contracts – New and Extended for Q4 2013

Husky East Coast Operations Procurement Summary		2013 Q4					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
Wireline Equipment and Services	Schlumberger Canada Limited	St. John's	K	10%	63%	27%	100%
Rig Positioning and Offshore Surveying	Fugro GeoSurveys	St. John's	J	60%	5%	35%	100%
Tubular Running Equipment and Services	FI Oilfield Services Canada	Mount Pearl	I	41%	26%	33%	100%
Fishing Equipment and Services	Weatherford Canada Partnership	Paradise	K	80%	13%	8%	100%
ROV Services (West Mira)	Subsea 7	St. John's	M	74%	11%	15%	100%
Slickline Equipment and Services	Halliburton Energy Services	Mount Pearl	G	53%	23%	24%	100%
Cuttings Conveyance (GSFGB/HGR)	AGR Drilling Services Canada Limited	Paradise	C	60%	0%	40%	100%
Cementing Services (West Mira)	Halliburton Energy Services	Mount Pearl	H	54%	28%	18%	100%
Contract Extensions							
Drilling Fluids, Equipment and Services	MI Swaco	St. John's	L	41%	41%	18%	100%
Solids Control	MI Swaco	St. John's	I	41%	41%	18%	100%
Lower String Completions	Schlumberger Canada Limited	St. John's	C	17%	37%	46%	100%
Lower String Completions	Halliburton Energy Services	Mount Pearl	H	29%	15%	56%	100%
Upper String Completions	Schlumberger Canada Limited	St. John's	K	21%	47%	32%	100%
Perforating Equipment and Services	Schlumberger Canada Limited	St. John's	G	22%	42%	36%	100%
Inflow Control Devices/Stand Alone Screens	Schlumberger Canada Limited	St. John's	B	17%	35%	48%	100%
Coring Equipment and Services	Baker Hughes Canada Company	Mount Pearl	B	60%	35%	5%	100%
Tubulars/Crossover Rentals	Workstrings Canada	Mount Pearl	B	85%	0%	15%	100%
Liner Hanger Equipment and Services	Import Tool	Mount Pearl	C	52%	32%	16%	100%
Well Test Services	EXPRO Group Canada	Mount Pearl	K	90%	3%	7%	100%
Freight Forward, customs and immigration services	PF Collins	St. John's	E	100%			100%
Tanker Services - Jasmine Knutsen	Knutsen AS	Norway	K		25%	75%	100%
Helicopter Services (passenger)	Cougar Helicopters	St. John's	L	15%	65%	20%	100%
Integrity Manuals Services	Marine Technical Limits	Aberdeen, UK	B			100%	
Technical Support for Fire Water Pump Motors	Cummins Eastern Canada LP	Mt. Pearl, NL	C	100%			
Technical Support and Maintenance for FPSO Main And Auxiliary Engines	Wartsila Canada Inc.	Mt. Pearl, NL	A	100%			
Field Support for Proximitor Module 3500 Series Machinery and General Equipment Repairs	Bentley Nevada Canada Co.	Toronto, Ont.	A		100%		100%
Training Services	Fisheries and Marine Institute of Memorial University of Newfoundland	St. John's, NL	B	100%			100%
Cost Range Code Legend							
A = 250,001 - 500,000 \$	E = 2,000,001 - 3,000,000 \$	I = 10,000,001 - 15,000,000 \$	L = 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 \$	O = 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 \$					
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 Exploration spend for the fourth quarter of 2013 was approximately \$1.25 million, with a content breakdown of 78.20% Newfoundland & Labrador, 21.19% Other Canadian, and 0.60% Foreign. This equates to expenditures totaling approximately \$0.98 million, Newfoundland & Labrador, \$265 thousand Other Canadian, and \$7 thousand Foreign.

7.0 Photographs



The Gathering Place – October 2013



Signing of the WREP Framework Amending Agreement – October 2013



Thrive – October 2013



Husky Diversity Forum – November 2013



Take Our Kids To Work Day – November 2013



WREP Supplier Information Session – Placentia November 2013



VBCM Happy Tree – December 2013