



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JANUARY 1 – MARCH 31, 2014

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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, 2014, 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 White Rose Project Employment Summary

As of March 31, 2014, a total of 1991 people were reported employed on Husky's White Rose Operations of which 780 were located offshore. This includes people employed with Husky and its contractors and includes North Amethyst, West White Rose Pilot Scheme and South White Rose Extension (SWRX). The increase in people associated with the White Rose project for this quarter can be attributed to employment at Port aux Basques and other areas related to structure fabrication and controls and flowline manufacturing for SWRX as well as additional personnel offshore related to ice management.

Of this total, 1727 or 87% were residents of Newfoundland and Labrador when hired, while another 144 or 7% were residents of other regions of Canada at the time of hire. The majority of these positions were located in Newfoundland and Labrador as of March 31, 2014. The number of females employed on White Rose operations was 309 or approximately 16% of the total workforce (Table 2.1).

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

Table 2.1 - Employment Summary by Location, as of March 31, 2014



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q1 2014

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
Newfoundland	62	3	65	0	0	0	0	0	0	62	3	65
Offshore	667	29	695	76	0	76	9	0	9	752	29	780
St. John's	710	257	967	57	9	66	40	1	41	807	267	1,074
UK	0	0	0	0	0	0	36	10	46	36	10	46
USA	0	0	0	2	0	2	24	0	24	26	0	26
Total	1,439	288	1,727	134	9	144	109	11	121	1,683	309	1,991

3.0 White Rose Extension Project Employment Summary

As of March 31, 2014, 670 people were reported employed on Husky's White Rose Extension Project, representing over 240,000 person hours. The number of females employed on the White Rose Extension Project was 123 or approximately 18 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.

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 3.1) and, overall, 63 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 3.1). 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 3.2 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 3.1). The head count shown in Table 3.2 is a snap shot of personnel who have charged hours to the project on March 31 and does not necessarily represent full time employees.

Table 3.1 Person Hours by Contractor – White Rose Extension Project Employment



Atlantic Region Contractor Stats

Hours By Contractor
Wellhead - Q1 2014

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	29,672	0	29,672	796	7,459	37,926
Dexter Construction	86,861	0	86,861	591	318	87,769
Husky	24,138	0	24,138	1,449	904	26,491
Stantec	92	0	92	0	0	92
Wood Group Mustang	12,591	0	12,591	0	77,910	90,501
Total	153,353	0	153,353	2,835	86,591	242,779

Table 3.2 Head Count by Contractor – White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor

Wellhead - Q1 2014

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.	33	17	50	9	5	14	82	16	98	124	38	162
Dexter Construction	87	17	104	58	7	65	25	2	27	170	26	196
Husky	49	18	67	10	1	11	14	0	14	73	19	92
Stantec	6	2	8	0	0	0	0	0	0	6	2	8
Wood Group Mustang	20	4	24	0	0	0	154	34	188	174	38	212
Total	195	58	253	77	13	90	275	52	327	547	123	670

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 3.3. The remaining positions are associated with engineering supported by administration, management, other professionals and technicians/technologists (Table 3.3).

Table 3.3 Summary by Occupation – White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Occupation


Wellhead - Q1 2014

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	16	16	1	2	3	1	6	7	2	24	26
Engineers	63	12	75	20	7	27	149	31	180	232	50	282
Management	9	3	12	14	3	17	50	2	52	73	8	81
Other Field Services	17	9	26	2	0	2	0	0	0	19	9	28
Professionals	19	8	27	3	0	3	6	0	6	28	8	36
Skilled Trades	60	1	61	31	0	31	8	0	8	99	1	100
Technicians & Technologists	27	9	36	6	1	7	61	13	74	94	23	117
Total	195	58	253	77	13	90	275	52	327	547	123	670

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

There were two new contracts greater than \$250,000 awarded during the first quarter of 2014. There were four contract extensions issued (Table 4.1).

Table 4.1 Summary of Contracts – New and Extended for Q1 2014

Husky East Coast Operations Procurement Summary		2014 Q1					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
Vessel Hire (Trinity Sea & Ryan Leet)	Secunda Canada LP	St. John's, NL	E	25%	50%	25%	100%
West Mira Rig Intake Software Control Systems Acceptance Testing	Kingston Systems LLC	Houston, TX	B			100%	100%
Contract Extensions							
Provision of PLS Application Service Provider Agreement	Bell Canada	St. John's	A	100%			100%
Provision of Technical Engineering Services	Maderra Engineering Inc.	St. John's	C	100%			100%
Provision of Accommodation Services	East Coast Catering Limited	St. John's	H	100%			100%
Freight Forwarding, Customs Clearance and Immigration	PF Collins	St. John's, NL	E	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 \$	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 \$					

5.0 Exploration

The Exploration spend for the first quarter of 2014 was approximately \$0.81 million, with a content breakdown of 67.41 percent Newfoundland & Labrador, 22.09 percent Other Canadian, and 10.50 percent Foreign. This equates to expenditures totaling approximately \$0.54 million, Newfoundland & Labrador, \$178 thousand Other Canadian, and \$85 thousand Foreign.

6.0 Photographs



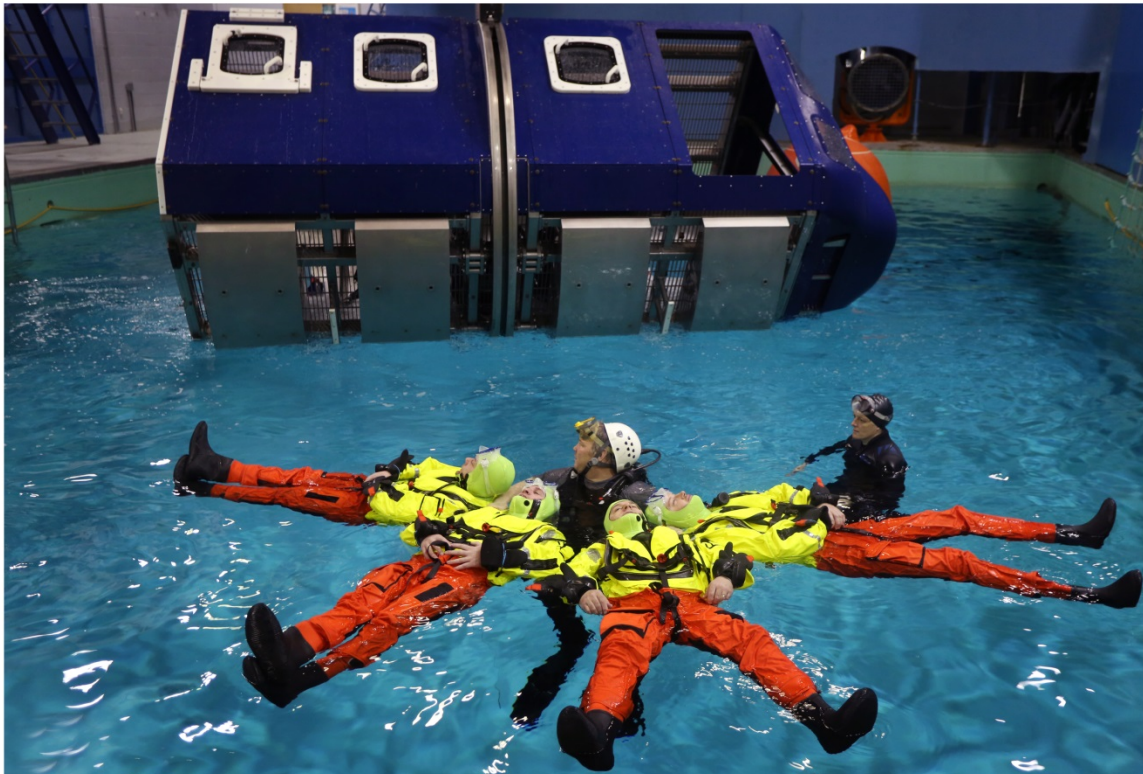
Junior Achievement – January 2014

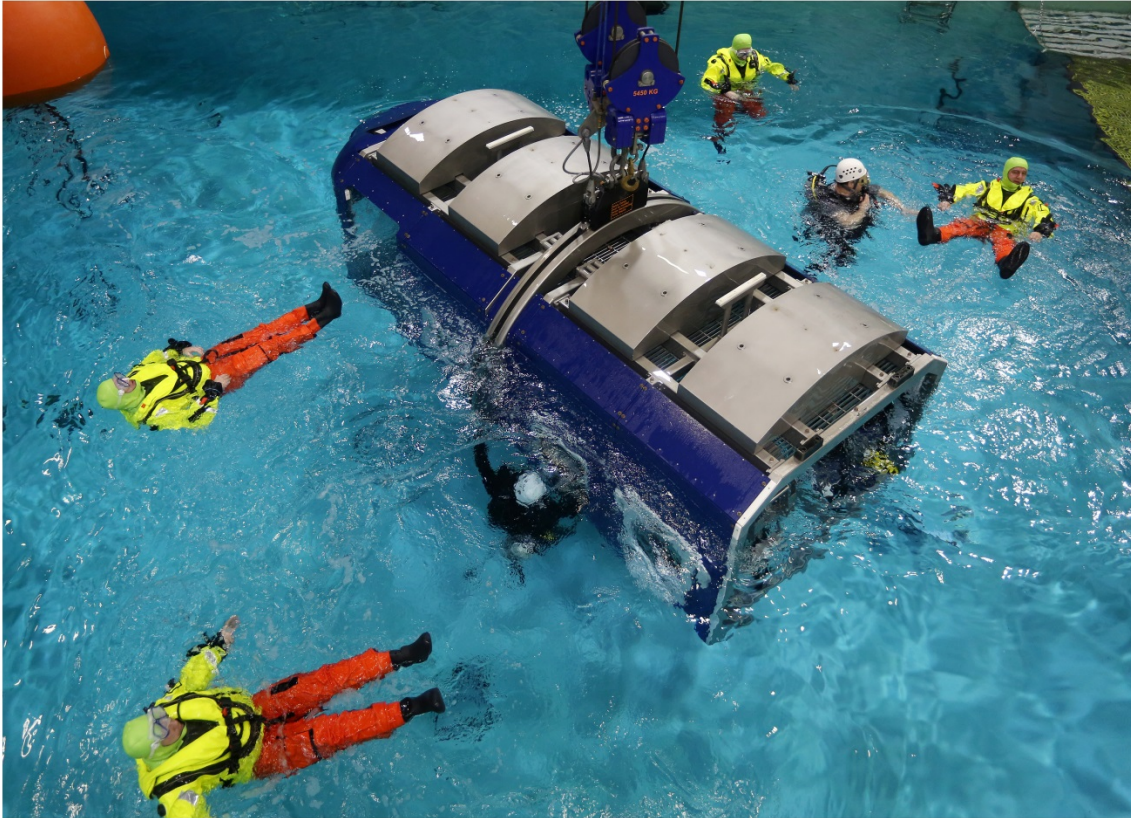


Energy Day – February 2014



West Mira Launch – February 2014





New Helicopter Suit Fit Testing – March 2014