



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
APRIL 1 – JUNE 30, 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 June 30, 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 June 30, 2014, a total of 1787 people were reported employed on Husky's White Rose Operations of which 604 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).

Of this total, 1610 or 90% were residents of Newfoundland and Labrador when hired, while another 109 or 6% 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 290 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 June 30, 2014



Atlantic Region Contractor Stats

Head Count By Location
White Rose - Q2 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
Alberta	0	0	0	2	0	2	0	0	0	2	0	2
Newfoundland	789	249	1,038	46	11	57	40	2	42	876	262	1,137
Nova Scotia	0	0	0	1	0	1	0	0	0	1	0	1
Offshore	529	21	550	45	1	46	8	0	8	582	22	604
UK	0	0	0	0	0	0	0	0	0	0	0	0
USA	18	4	22	2	0	2	17	2	19	37	6	43
Total	1,336	273	1,610	96	12	109	65	4	69	1,498	290	1,787

3.0 White Rose Extension Project Employment Summary

As of June 30, 2014, 717 people were reported employed on Husky's White Rose Extension Project, representing over 280,000 person hours. The number of females employed on the project was 142 or approximately 20 percent of the total workforce.

The majority of person hours expended on the project for this quarter were by Dexter Construction related to graving dock construction at Argentia as well as ongoing engineering design work by 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, 60 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.

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



Atlantic Region Contractor Stats

Hours By Contractor
Wellhead - Q2 2014

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	28,807	0	28,807	337	7,756	36,900
Dexter Construction	100,030	0	100,030	1,464	576	102,069
Husky	29,728	0	29,728	688	2,344	32,760
Stantec	114	0	114	6	0	120
Wood Group Mustang	12,211	0	12,211	0	100,599	112,810
Total	170,890	0	170,890	2,495	111,275	284,659

Table 3.2 Head Count by Contractor – White Rose Extension Project**Atlantic Region Contractor Stats**

Head Count By Contractor

Wellhead - Q2 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.	15	14	29	10	4	14	131	21	152	156	39	195
Dexter Construction	119	29	148	26	8	34	14	3	17	159	40	199
Husky	54	20	74	11	1	12	18	0	18	83	21	104
Stantec	0	3	3	0	0	0	1	0	1	1	3	4
Wood Group Mustang	22	6	28	0	0	0	154	33	187	176	39	215
Total	210	72	282	47	13	60	318	57	375	575	142	717

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 Location and Occupation

Wellhead - Q2 2014

All Locations


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	1	18	19	1	2	3	0	3	3	2	23	25
Engineers	57	14	71	20	5	25	191	35	226	268	54	322
Management	11	2	13	9	4	13	46	7	53	66	13	79
Other Field Services	31	11	42	0	0	0	0	0	0	31	11	42
Professionals	23	9	32	6	1	7	7	0	7	36	10	46
Skilled Trades	70	9	79	7	0	7	4	0	4	81	9	90
Technicians & Technologists	17	9	26	4	1	5	70	12	82	91	22	113
Total	210	72	282	47	13	60	318	57	375	575	142	717

Note: In Q2 2014, Husky employed 6 co-op students on the WREP. These students are included in the engineering and professionals categories above.

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

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

Table 4.1 Summary of Contracts – New and Extended for Q2 2014

Husky East Coast Operations Procurement Summary		Q2 2014						
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total	
NEW CONTRACTS								
Directional Drilling, MWD, LWD Services	Schlumberger Canada Limited	St. John's, NL	O	21%	31%	48%	100%	
Medical Services	Atlantic Offshore Medical Services	St. John's	F	95%	4%	1%	100%	
CONTRACT EXTENSIONS								
Ad-Hoc Marine Crew Support Services	Canship Uglund	St. John's	A	100%			100%	
Provision of PLS Application Service Provider Agreement	Bell Canada	Nova Scotia	A	100%			100%	
Vessel Services - Dispatcher	Maersk Supply Service Canada Limited	St. John's	J	70%	3%	27%	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 second quarter of 2014 was approximately \$2.83 million, with a content breakdown of 84.57 percent Newfoundland & Labrador, 8.75 percent Other Canadian, and 6.67 percent Foreign. This equates to expenditures totaling approximately \$2.39 million, Newfoundland & Labrador, \$247 thousand Other Canadian, and \$189 thousand Foreign

6.0 Photographs



Techsploration 2014



Husky staff participate in Tely Hike June 2014



Husky Energy Eastern Newfoundland Regional Science Fair – April 2014



Husky Personnel Participate in “The Pitch” Panel at NLOWE’s 2014 Conference



White Rose Extension Project Public Information Session in St. John's



White Rose Extension Project Public Information Session in Placentia