



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JULY 1 – SEPTEMBER 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 September 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 September 30, 2014, a total of 1961 people were reported employed on Husky's White Rose Operations of which 655 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, 1593 or 81% were residents of Newfoundland and Labrador when hired, while another 122 or 6% were residents of other regions of Canada at the time of hire. The lower percentage of NL residents indicated in this quarter is a result of the work related to installation of SWRX which saw several foreign installation vessels working in the White Rose field. The number of females employed on White Rose operations was 297 or approximately 15% of the total workforce (Table 2.1).

Employment for the White Rose Extension Project is reported separately in Section 3.0

Table 2.1 - Employment Summary by Location, as of September 30, 2014



Atlantic Region Contractor Stats
Head Count By Location
White Rose - Q3 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
Europe	0	0	0	0	0	0	103	9	112	103	9	112
Germany	0	0	0	0	0	0	1	0	1	1	0	1
Newfoundland	752	251	1,004	53	11	65	109	0	109	915	263	1,178
Offshore	564	25	589	55	0	55	11	0	11	630	25	655
UK	0	0	0	0	0	0	4	0	4	4	0	4
USA	0	0	0	0	0	0	10	0	10	10	0	10
Total	1,316	277	1,593	110	11	122	238	9	247	1,664	297	1,961

3.0 White Rose Extension Project Employment Summary

As of September 30, 2014, 785 people were reported employed on Husky's White Rose Extension Project, representing over 300,000 person hours. The number of females employed on the project was 159 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 and Arup Canada. Husky hours are related to project management and engineering design support.

Seventy-four 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, 62 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 - Q3 2014

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	33,769	0	33,769	953	11,078	45,800
Dexter Construction	110,719	0	110,719	3,993	551	115,262
Husky	31,617	0	31,617	746	2,514	34,877
Wood Group Mustang	12,444	0	12,444	0	94,106	106,550
Total	188,548	0	188,548	5,692	108,249	302,489

Table 3.2 Head Count by Contractor – White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor

Wellhead - Q3 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.	26	17	43	15	4	19	140	34	174	181	55	236
Dexter Construction	77	15	92	16	5	21	52	15	67	145	35	180
Husky	59	20	79	14	1	15	20	0	20	93	21	114
Wood Group Mustang	21	5	26	0	0	0	186	43	229	207	48	255
Total	183	57	240	45	10	55	398	92	490	626	159	785

It should be noted that while Table 3.2 indicates a high number of individuals working on the engineering of the 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 September 30 and does not necessarily represent full time employees.

Ongoing construction of the graving dock at Argentia 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 - Q3 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	0	17	17	1	2	3	1	6	7	2	25	27
Engineers	65	15	80	19	5	24	208	51	259	292	71	363
Management	10	3	13	6	2	8	59	8	67	75	13	88
Other Field Services	0	0	0	0	0	0	36	13	49	36	13	49
Professionals	22	8	30	10	0	10	5	0	5	37	8	45
Skilled Trades	68	4	72	3	0	3	4	0	4	75	4	79
Technicians & Technologists	18	10	28	6	1	7	85	14	99	109	25	134
Total	183	57	240	45	10	55	398	92	490	626	159	785

Note: In Q3 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 was one new contract greater than \$250,000 awarded during the third quarter of 2014. There were three contract extensions issued (Table 6.1).

Table 6.1 Summary of Contracts – New and Extended for Q3 2014

Husky East Coast Operations Procurement Summary		2014 Q3					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
Weather Forecasting and Observations	Oceans Limited	St. John's	C	100%			100%
Contract Extensions							
Subsea / Intervention Support Services	Technip Canada Ltd.	St. John's	I	100%			100%
Provision of Turbine Maintenance	Rolls-Royce Canada Ltd.	St. John's	L	100%			100%
Technical Support and Maintenance for FPSO Main and Auxiliary Engines	Wartsila Canada Inc.	St. John's	D	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 third quarter of 2014 was approximately \$1.02 million, with a content breakdown of 85.87 percent Newfoundland & Labrador, 12.03 percent Other Canadian, and 2.10 percent Foreign. This equates to expenditures totaling approximately \$875,000, Newfoundland & Labrador, \$123,000 Other Canadian, and \$21,000 Foreign.

6.0 Photographs



Load Out of SWRX Equipment – Port aux Basques, NL



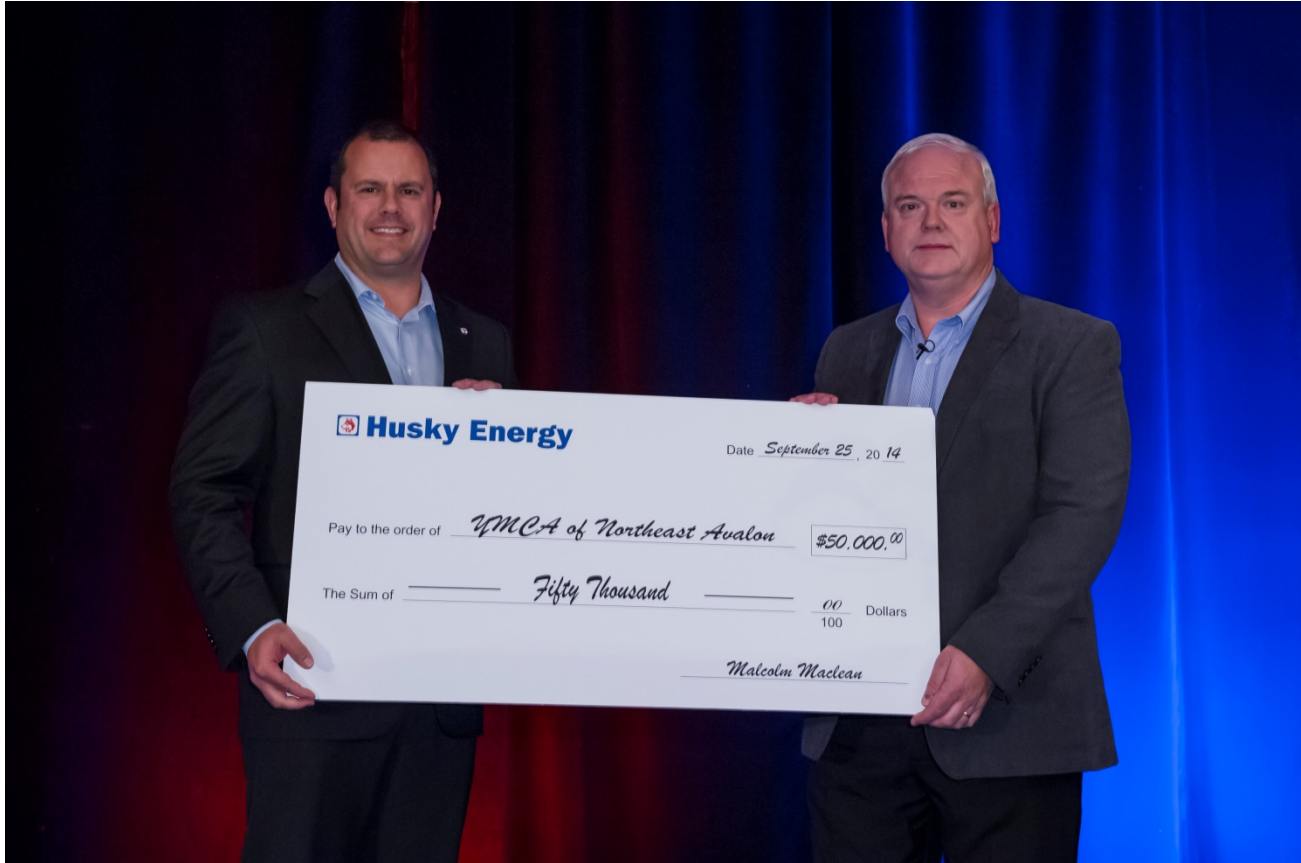
Preparation for Fit Testing of Wellservicer Lifeboat to SeaForce HRF



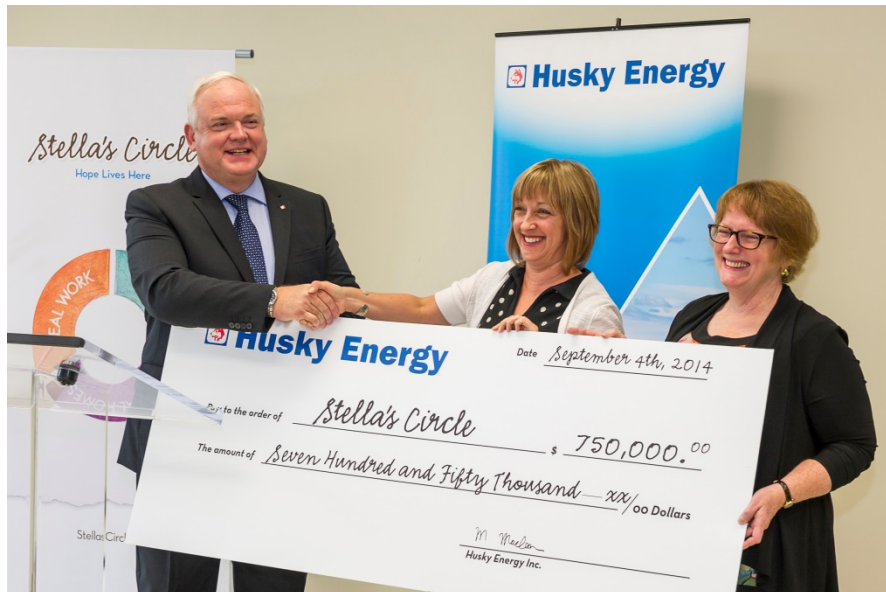
Deck of the Wellservicer



Husky Donation to Canadian Cancer Society – July 2014



Husky Donation to YMCA – September 2014



Husky Donation to Stella's Circle – September 2014