



# Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT  
OCTOBER 1 – DECEMBER 31, 2014

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**Table of Contents**

**1.0 Introduction..... 3**

**2.0 White Rose Project Employment Summary..... 3**

**3.0 White Rose Extension Project Employment Summary ..... 6**

**4.0 Expenditure Analysis ..... 8**

**5.0 Purchase Order Summary.....13**

**6.0 Procurement Summary (Contracts > \$250,000).....14**

**7.0 Exploration.....15**

**8.0 Photographs .....16**

## 1.0 Introduction

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending December 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 December 31, 2014, a total of 1,602 people were reported employed on Husky's White Rose Operations of which 665 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, 1446 or 90% were residents of Newfoundland and Labrador when hired, while another 113 or 7% were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 299 or approximately 19% 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 December 31, 2014**



### Atlantic Region Contractor Stats Head Count By Location White Rose - Q4 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	1	0	1	0	0	0	1	0	1
Newfoundland - Offshore	569	27	597	61	0	61	8	0	8	638	27	665
Newfoundland - Onshore	587	262	849	43	6	49	21	2	23	651	270	921
Nova Scotia	0	0	0	1	1	2	2	0	2	3	1	4
UK	0	0	0	0	0	0	2	0	2	2	0	2
USA	0	0	0	0	0	0	9	0	9	9	0	9
<b>Total</b>	<b>1,156</b>	<b>290</b>	<b>1,446</b>	<b>106</b>	<b>7</b>	<b>113</b>	<b>42</b>	<b>2</b>	<b>43</b>	<b>1,304</b>	<b>299</b>	<b>1,602</b>

**Table 2.2 - Employment Summary of Husky and Major Contractors – as of December 31, 2014 - White Rose**

## Atlantic Region Contractor Stats

## Head Count By Contractor

White Rose - Q4 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
A Harvey	17	4	21	0	0	0	0	0	0	17	4	21
Aker Solutions	59	37	96	0	0	0	2	0	2	61	37	98
ASCO Canada Limited	7	1	7	0	0	0	0	0	0	7	1	7
Atlantic Offshore Medical Services	3	2	5	0	0	0	0	0	0	3	2	5
Atlantic Towing	83	3	86	8	0	8	0	0	0	91	3	94
Atlantic XL	6	2	8	0	0	0	0	0	0	6	2	8
Baker Petrolite	1	1	2	1	0	1	0	0	0	2	1	3
Canship Ugland Ltd.	80	6	86	13	0	13	0	0	0	93	6	99
Cormorant Ltd.	4	1	5	1	0	1	0	0	0	5	1	6
Cougar	33	9	42	8	0	8	1	0	1	42	9	51
Crosbie Salmis	32	5	37	2	0	2	0	0	0	34	5	39
East Coast Catering	14	7	21	0	0	0	0	0	0	14	7	21
East Coast Tubulars	21	2	23	1	0	1	4	0	4	26	2	28
Enhanced Drilling	7	1	8	0	0	0	1	1	2	8	2	10
Expro Group Canada	5	1	6	1	0	1	0	0	0	6	1	7
FI Oilfield Services Canada ULC	8	0	8	1	0	1	0	0	0	9	0	9
Fugro Jacques GeoSurveys Inc	6	0	6	0	0	0	0	0	0	6	0	6
Halliburton	11	1	12	3	0	3	0	0	0	14	1	15
Hansen Protection Canada Limited	3	0	3	0	0	0	0	0	0	3	0	3
Husky	238	96	334	27	3	30	13	0	13	278	99	377
Import Tool	6	0	6	4	0	4	0	0	0	10	0	10
Maersk Seabase	56	4	60	1	0	1	0	0	0	57	4	61
MI Swaco	25	10	35	0	2	2	0	0	0	25	12	37
Newalta	6	1	7	0	0	0	0	0	0	6	1	7
Oceaneering Canada Ltd.	127	43	170	16	0	16	0	0	0	143	43	186
Oceaneering International Ltd.	0	0	0	0	0	0	8	0	8	8	0	8
Oceans Ltd	7	1	8	0	0	0	0	0	0	7	1	8
OneSubsea	30	3	33	0	0	0	0	0	0	30	3	33
Provincial Airlines	4	1	5	0	0	0	0	0	0	4	1	5
Schlumberger Services	35	8	43	1	0	2	3	1	4	39	9	48
Score	5	2	7	0	0	0	1	0	1	6	2	8
SGS Canada Inc.	2	0	2	0	1	1	0	0	0	2	1	3
Siemens	6	1	7	0	0	0	0	0	0	6	1	7
SNC Lavalin	1	0	1	0	0	0	0	0	0	1	0	1
Stantec	3	3	6	1	1	2	0	0	0	4	4	8
Technip	56	16	72	0	0	0	0	0	0	56	16	72
Trans Ocean	104	11	115	13	0	13	8	0	8	125	11	136
Weatherford	27	2	29	3	0	3	1	0	1	31	2	33
Workstrings Canada	20	4	24	0	0	0	0	0	0	20	4	24
<b>Total</b>	<b>1,156</b>	<b>290</b>	<b>1,446</b>	<b>106</b>	<b>7</b>	<b>113</b>	<b>42</b>	<b>2</b>	<b>43</b>	<b>1,304</b>	<b>299</b>	<b>1,602</b>

**Table 2.3 Employment Summary by Occupation – White Rose**

Atlantic Region Contractor Stats  
Head Count By Location and Occupation  
White Rose - Q4 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	15	69	84	0	5	5	0	0	0	15	74	89
Engineers	177	34	212	19	2	21	12	0	12	208	36	244
Management	111	68	178	7	0	7	8	1	8	126	68	194
Marine Crew	289	9	298	23	0	23	1	0	1	313	9	322
Other Field Services	123	8	131	8	0	8	0	0	0	131	8	139
Professionals	91	72	162	12	0	12	2	0	2	104	72	177
Skilled Trades	144	7	150	19	0	19	11	1	12	174	8	182
Technicians & Technologists	207	23	230	18	0	18	8	0	8	233	23	256
<b>Total</b>	<b>1,156</b>	<b>290</b>	<b>1,446</b>	<b>106</b>	<b>7</b>	<b>113</b>	<b>42</b>	<b>2</b>	<b>43</b>	<b>1,304</b>	<b>299</b>	<b>1,602</b>

**Note:** In Q4 2014, Husky employed 27 co-op students (9 female) on the White Rose project. The students are not included in the head count above because they finish the term prior to the December 31 close period for Q4 in the reporting system.

### 3.0 White Rose Extension Project Employment Summary

As of December 31, 2014, 769 people were reported employed on Husky's White Rose Extension Project, representing over 290,000 person hours. The number of females employed on the project was 138 or approximately 18 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-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 2.1) and, overall, 60 percent of person hours expended on the project occurred in Newfoundland and Labrador. The majority of detailed design for the topsides has taken place in the USA (see Mustang in Table 2.1). 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 3.1 Person Hours by Contractor – White Rose Extension Project Employment**



#### Atlantic Region Contractor Stats

Hours By Contractor  
Wellhead - Q4 2014

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	32,025	0	32,025	828	8,212	41,064
Dexter Construction	95,778	0	95,778	517	360	96,655
Husky	31,316	0	31,316	755	2,545	34,616
Wood Group Mustang	15,775	0	15,775	0	105,818	121,593
<b>Total</b>	<b>174,893</b>	<b>0</b>	<b>174,893</b>	<b>2,100</b>	<b>116,935</b>	<b>293,928</b>

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



**Atlantic Region Contractor Stats**

Head Count By Contractor  
Wellhead - Q4 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.	19	16	35	14	4	18	131	21	152	164	41	205
Dexter Construction	108	19	127	21	6	27	3	1	4	132	26	158
Husky	62	20	82	16	1	17	13	0	13	91	21	112
Wood Group Mustang	31	9	40	0	0	0	213	41	254	244	50	294
<b>Total</b>	<b>220</b>	<b>64</b>	<b>284</b>	<b>51</b>	<b>11</b>	<b>62</b>	<b>360</b>	<b>63</b>	<b>423</b>	<b>631</b>	<b>138</b>	<b>769</b>

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 December 31 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 - Q4 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	14	15	1	3	4	0	6	6	2	23	25
Engineers	68	15	83	21	6	27	210	33	243	299	54	353
Management	14	4	18	9	1	10	50	8	58	73	13	86
Other Field Services	19	12	31	0	0	0	0	0	0	19	12	31
Professionals	20	4	24	9	0	9	4	0	4	33	4	37
Skilled Trades	75	3	78	5	0	5	0	0	0	80	3	83
Technicians & Technologists	23	12	35	6	1	7	96	16	112	125	29	154
<b>Total</b>	<b>220</b>	<b>64</b>	<b>284</b>	<b>51</b>	<b>11</b>	<b>62</b>	<b>360</b>	<b>63</b>	<b>423</b>	<b>631</b>	<b>138</b>	<b>769</b>

Note: In Q4 2014, Husky employed 7 co-op students on the WREP.

## 4.0 Expenditure Analysis

This report summarizes the Q4 2014 data contained in the individual reports for the following work scopes: White Rose Project, North Amethyst Project, Exploration, West White Rose and White Rose Extension Project.

The combined spend for these work scopes for the fourth quarter of 2014 was approximately \$327.87 million, with a content breakdown of 56.92 percent Newfoundland & Labrador, 32.15 percent Other Canadian, and 10.93 percent Foreign. This equates to expenditures totaling approximately \$186.64 million Newfoundland & Labrador, \$105.40 million Other Canadian, and \$35.83 million Foreign (Table 4.1).

**Table 4.1 Expenditure Report Summary for Q4 2014**

Reporting Period Q4 2014	Total Being Reported (1)	Summary of Project Expenditures As a Percentage of Total Cost (2)				Summary of Project Expenditures Dollar Values (2)			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
White Rose Project	153,332,273	41.74%	53.37%	4.89%	100.00%	63,997,398	81,834,702	7,500,173	153,332,273
North Amethyst Project	60,602,138	56.61%	30.49%	12.90%	100.00%	34,307,658	18,475,801	7,818,679	60,602,138
Exploration	50,124	100.00%	0.00%	0.00%	100.00%	50,124	-	-	50,124
West White Rose	-	0%	0%	0%	100%	0	0	0	-
White Rose Extension Project	113,881,463	77.52%	4.47%	18.01%	100.00%	88,281,963	5,086,888	20,512,611	113,881,463
<b>Total for Q4 2014</b>	<b>327,865,997</b>	<b>56.92%</b>	<b>32.15%</b>	<b>10.93%</b>	<b>100.00%</b>	<b>186,637,143</b>	<b>105,397,391</b>	<b>35,831,463</b>	<b>327,865,997</b>

**Notes:**

**(1) Please note the following with respect to the expenditure totals being reported:**

- (a) These amounts include payments made to vendors.
- (b) These amounts include payments made to Husky direct employees (payroll).
- (c) These amounts do not include/reflect journal entries or system-generated accounting entries.
- (d) This report summarizes the Q4 2012 data contained in the individual reports for the following work scopes:
  - White Rose Project
  - North Amethyst Project
  - Exploration
  - West White Rose
  - White Rose Extension Project

**(2) Please note the following with respect to the content information being reported:**

- (a) A vendor content table has been created in our financial management system (SAP).
- (b) This table has been populated with NL, Other CDN, and FOR content percentages for vendors based on rules of thumb, historical content data obtained to date, and updates supplied by vendors.
- (c) An SAP report has been developed that assigns the content percentages from the table to all payment amounts made to specific vendors.
- (d) This report can then be summarized to obtain the total content percentages/dollar values for the reporting period.
- (e) Payroll costs for East Coast Husky direct employees are determined via detailed cost reports and recorded as 100% Newfoundland and Labrador content.



The combined total to date spend for these work scopes is approximately \$9.3 billion, with a content breakdown of 52.12 percent Newfoundland & Labrador, 20.97 percent Other Canadian, and 23.30 percent Foreign. This equates to expenditures totaling approximately \$4.86 billion Newfoundland & Labrador, \$1.96 billion Other Canadian, and \$2.51 billion Foreign (Table 4.2).

**Table 4.2 Expenditure Report Summary Total To Date**

Reporting Period Q4 2014	Total Being Reported (1)	Summary of Project Expenditures As a Percentage of Total Cost (2)				Summary of Project Expenditures Dollar Values (2)			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
White Rose Project	6,271,950,690	49.56%	19.59%	30.85%	100.00%	3,108,461,815	1,228,647,547	1,934,841,329	6,271,950,690
North Amethyst Project	1,751,572,412	56.79%	25.06%	18.16%	100.00%	994,656,037	438,873,532	318,042,843	1,751,572,412
Exploration	335,526,829	31.51%	54.08%	14.41%	100.00%	105,718,426	181,451,632	48,356,771	335,526,829
West White Rose	217,636,990	60.53%	23.99%	15.48%	100.00%	131,740,428	52,214,046	33,682,516	217,636,990
White Rose Extension Project	753,728,700	69.34%	7.36%	23.30%	100.00%	522,641,250	55,457,275	175,630,176	753,728,700
<b>Total to Date as at December 31, 2014</b>	<b>9,330,415,622</b>	<b>52.12%</b>	<b>20.97%</b>	<b>26.91%</b>	<b>100.00%</b>	<b>4,863,217,956</b>	<b>1,956,644,032</b>	<b>2,510,553,634</b>	<b>9,330,415,622</b>

**Notes:**

**(1) Please note the following with respect to the expenditure totals being reported:**

- (a) These amounts include payments made to vendors.
- (b) These amounts include payments made to Husky direct employees (payroll).
- (c) These amounts do not include/reflect journal entries or system-generated accounting entries.
- (d) This report summarizes the data contained in the individual reports for the following work scopes:
  - White Rose Project
  - North Amethyst Project
  - Exploration
  - West White Rose
  - White Rose Extension Project

**(2) Please note the following with respect to the content information being reported:**

- (a) A vendor content table has been created in our financial management system (SAP).
- (b) This table has been populated with NL, Other CDN, and FOR content percentages for vendors based on rules of thumb, historical content data obtained to date, and updates supplied by vendors.
- (c) An SAP report has been developed that assigns the content percentages from the table to all payment amounts made to specific vendors.
- (d) This report can then be summarized to obtain the total content percentages/dollar values for the reporting period.
- (e) Payroll costs for East Coast Husky direct employees are determined via detailed cost reports and recorded as 100% Newfoundland and Labrador content.

The White Rose Project spend for the fourth quarter of 2014 was approximately \$153.33 million, with a content breakdown of 41.74 percent Newfoundland & Labrador, 53.37 percent Other Canadian, and 4.89 percent Foreign. This equates to expenditures totaling approximately \$64 million Newfoundland & Labrador, \$81.83 million Other Canadian, and \$7.50 million Foreign (Table 4.3).

The White Rose Project total to date spend is approximately \$6.27 billion, with a content breakdown of 49.56 percent Newfoundland & Labrador, 19.59 percent Other Canadian, and 30.85 percent Foreign. This equates to expenditures totaling approximately \$3.11 billion Newfoundland & Labrador, \$1.23 billion Other Canadian, and \$1.93 billion Foreign (Table 4.3).

Table 4.3 White Rose Expenditure Report - Total to Date

Reporting Period	Total Being Reported (1)	Summary of Project Expenditures As a Percentage of Total Cost (2)				Summary of Project Expenditures Dollar Values (2)			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
		Total for 2003 (excl. CAPEX I)	25,757,608	44.44%	30.39%	25.16%	100.00%	11,447,941	7,828,534
Total for 2004 (excl. CAPEX I)	1,728,238	61.77%	21.86%	16.38%	100.00%	1,067,486	377,732	283,020	1,728,238
Total for 2005 (excl. CAPEX I)	93,321,468	48.21%	21.48%	30.31%	100.00%	44,987,890	20,044,594	28,288,984	93,321,468
CAPEX I Reconciliation to Q1 2006	2,034,978,548	40.09%	13.00%	46.90%	100.00%	815,827,094	264,647,419	954,504,034	2,034,978,548
Total for 2006 (excl. CAPEX I in Q1)	467,916,488	45.49%	22.60%	31.91%	100.00%	212,857,957	105,765,484	149,293,048	467,916,488
Total for 2007	475,883,460	48.04%	19.10%	32.85%	100.00%	228,633,598	90,899,614	156,350,248	475,883,460
Total for Q1 2008	119,501,589	46.44%	22.57%	31.00%	100.00%	55,493,541	26,966,295	37,041,753	119,501,589
Total for Q2 2008	124,446,410	43.53%	20.36%	36.11%	100.00%	54,171,518	25,334,053	44,940,839	124,446,410
Total for Q3 2008	175,803,130	34.99%	30.64%	34.37%	100.00%	61,508,950	53,872,897	60,421,283	175,803,130
Total for Q4 2008	201,177,670	45.02%	23.37%	31.62%	100.00%	90,563,110	47,010,187	63,604,372	201,177,670
Total for Q1 2009	160,200,235	46.41%	21.06%	32.53%	100.00%	74,350,489	33,740,934	52,108,813	160,200,235
Total for Q2 2009	115,565,646	46.29%	21.37%	32.34%	100.00%	53,492,396	24,699,850	37,373,401	115,565,646
Total for Q3 2009	179,799,074	67.55%	14.01%	18.44%	100.00%	121,448,775	25,188,775	33,161,524	179,799,074
Total for Q4 2009	89,141,508	59.41%	17.34%	23.25%	100.00%	52,961,361	15,452,729	20,727,418	89,141,508
Total for Q1 2010	40,883,359	68.98%	13.64%	17.39%	100.00%	28,199,382	5,575,849	7,108,128	40,883,359
Total for Q2 2010	84,123,319	61.57%	17.57%	20.86%	100.00%	51,794,265	14,779,829	17,549,224	84,123,319
Total for Q3 2010	83,015,573	69.94%	13.41%	16.65%	100.00%	58,059,898	11,129,436	13,826,239	83,015,573
Total for Q4 2010	75,259,562	67.08%	21.49%	11.43%	100.00%	50,481,887	16,176,492	8,601,183	75,259,562
Total for Q1 2011	53,509,292	72.18%	19.06%	8.76%	100.00%	38,621,269	10,200,476	4,687,547	53,509,292
Total for Q2 2011	63,764,120	74.78%	13.27%	11.95%	100.00%	47,681,970	8,461,600	7,620,549	63,764,120
Total for Q3 2011	62,535,809	73.89%	14.66%	11.45%	100.00%	46,208,509	9,169,074	7,158,226	62,535,809
Total for Q4 2011	61,878,462	73.62%	9.80%	16.58%	100.00%	45,553,404	6,065,271	10,259,787	61,878,462
Total for Q1 2012	85,839,696	68.44%	13.89%	17.67%	100.00%	58,749,104	11,920,120	15,170,472	85,839,696
Total for Q2 2012	119,977,391	64.27%	12.71%	23.02%	100.00%	77,106,803	15,247,710	27,622,879	119,977,391
Total for Q3 2012	157,022,750	55.63%	15.44%	28.93%	100.00%	87,354,595	24,247,864	45,420,292	157,022,750
Total for Q4 2012	159,209,128	56.24%	15.23%	28.53%	100.00%	89,540,972	24,247,864	45,420,292	159,209,128
Total for Q1 2013	76,910,689	67.40%	22.88%	9.72%	100.00%	51,837,385	17,594,808	7,478,497	76,910,689
Total for Q2 2013	68,104,666	70.64%	18.12%	11.24%	100.00%	48,109,287	12,343,706	7,651,673	68,104,666
Total for Q3 2013	65,303,772	74.14%	13.75%	12.11%	100.00%	48,415,571	8,980,127	7,908,074	65,303,772
Total for Q4 2013	109,331,414	55.01%	35.83%	9.15%	100.00%	60,146,009	39,178,409	10,006,996	109,331,414
Total for Q1 2014	145,943,461	63.17%	28.41%	8.42%	100.00%	92,189,939	41,465,027	12,288,495	145,943,461
Total for Q2 2014	143,316,778	52.95%	37.06%	9.99%	100.00%	75,886,621	53,117,297	14,312,859	143,316,778
Total for Q3 2014	197,468,105	55.56%	38.02%	6.42%	100.00%	109,715,441	75,082,789	12,669,875	197,468,105
Total for Q4 2014	153,332,273	41.74%	53.37%	4.89%	100.00%	63,997,398	81,834,702	7,500,173	153,332,273
<b>Total to Date as at December 31, 2014</b>	<b>6,271,950,690</b>	<b>49.56%</b>	<b>19.59%</b>	<b>30.85%</b>	<b>100.00%</b>	<b>3,108,461,815</b>	<b>1,228,647,547</b>	<b>1,934,841,329</b>	<b>6,271,950,690</b>

## Notes:

## (1) Please note the following with respect to the expenditure totals being reported:

- (a) These amounts include payments made to vendors.
- (b) These amounts include payments made to Husky direct employees (payroll).
- (c) These amounts do not include/reflect journal entries or system-generated accounting entries.
- (d) 2003 - 2004 expenditure breakdown for Well F-04/F-04Z as per SAP CJ74 Detailed Cost Report; multiplied by content noted in 2(f) below.
- (e) White Rose CAPEX I totals to March 31, 2006 as per CAPEX I Reconciliation file/notes submitted in Q1 2006. All subsequent CAPEX I costs analyzed in accordance with the guidelines listed on this report.
- (f) The White Rose Project Report includes the following work scopes/costs:
  - White Rose CAPEX I
  - White Rose CAPEX II
  - White Rose CAPEX II Long Lead Items
  - White Rose OPEX
  - White Rose Area Development and Research/Development
  - White Rose Satellite TieBacks
  - Some costs which partially relate to the North Amethyst Project but cannot easily be segregated (for this report) due to a complex general ledger structure
  - Some costs which partially relate to Exploration but cannot easily be segregated (for this report) due to a complex general ledger structure

## (2) Please note the following with respect to the content information being reported:

- (a) A vendor content table has been created in our financial management system (SAP).
- (b) This table has been populated with NL, Other CDN, and FOR content percentages for vendors based on rules of thumb, historical content data obtained to date, and updates supplied by vendors.
- (c) An SAP report has been developed that assigns the content percentages from the table to all payment amounts made to specific vendors.
- (d) This report can then be summarized to obtain the total content percentages/dollar values for the reporting period.
- (e) Payroll costs for East Coast Husky direct employees are determined via detailed cost reports and recorded as 100% Newfoundland and Labrador content.
- (f) 2003 - 2004 vendor content for Well F-04/F-04Z was manually entered based on information available at that time; multiplied by expenditures noted in 1(d) above.

The North Amethyst Project spend for the fourth quarter of 2014 was approximately \$60.60 million, with a content breakdown of 56.61 percent Newfoundland & Labrador, 30.49 percent Other Canadian, and 12.90 percent Foreign. This equates to expenditures totaling approximately \$34.31 million Newfoundland & Labrador, \$18.48 million Other Canadian, and \$7.82 million Foreign (Table 4.4).

The North Amethyst total to date spend is approximately \$1.75 billion, with a content breakdown of 56.79 percent Newfoundland & Labrador, 25.06 percent Other Canadian, and 18.16 percent Foreign. This equates to expenditures totaling approximately \$994.66 million Newfoundland & Labrador, \$438.87 million Other Canadian, and \$318.04 million Foreign (Table 4.4).

**Table 4.4 North Amethyst Expenditure Report Summary for Q4 2014**

Reporting Period	Total Being Reported (1)	Summary of Project Expenditures As a Percentage of Total Cost (2)				Summary of Project Expenditures Dollar Values (2)			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
Total for 2006	2,021,859	45.86%	23.24%	30.90%	100.00%	927,153	469,964	624,742	2,021,859
Total for 2007	56,605,157	28.61%	13.95%	57.44%	100.00%	16,194,754	7,897,725	32,512,678	56,605,157
Total for Q1 2008	54,029,422	74.05%	6.12%	19.83%	100.00%	40,009,818	3,305,737	10,713,867	54,029,422
Total for Q2 2008	20,828,487	68.85%	8.95%	22.20%	100.00%	14,340,658	1,864,015	4,623,813	20,828,487
Total for Q3 2008	74,307,862	66.86%	4.86%	28.27%	100.00%	49,685,187	3,614,956	21,007,719	74,307,862
Total for Q4 2008	96,250,350	65.20%	17.80%	17.00%	100.00%	62,752,414	17,134,984	16,362,953	96,250,350
Total for Q1 2009	84,386,194	75.45%	5.60%	18.95%	100.00%	63,670,707	4,725,426	15,990,060	84,386,194
Total for Q2 2009	123,624,086	59.05%	11.77%	29.18%	100.00%	73,003,338	14,548,880	36,071,868	123,624,086
Total for Q3 2009	77,946,098	70.04%	15.26%	14.70%	100.00%	54,594,199	11,892,987	11,458,912	77,946,098
Total for Q4 2009	117,044,263	52.79%	23.58%	23.63%	100.00%	61,786,895	27,600,370	27,656,999	117,044,263
Total for Q1 2010	47,792,046	57.84%	32.26%	9.90%	100.00%	27,644,814	15,416,644	4,730,588	47,792,046
Total for Q2 2010	100,839,703	67.51%	21.64%	10.85%	100.00%	68,077,870	21,818,235	10,943,598	100,839,703
Total for Q3 2010	91,775,452	55.86%	27.80%	16.34%	100.00%	51,262,660	25,512,682	15,000,110	91,775,452
Total for Q4 2010	74,872,596	50.73%	33.27%	15.99%	100.00%	37,984,759	24,912,846	11,974,990	74,872,596
Total for Q1 2011	65,041,704	68.02%	19.81%	12.17%	100.00%	44,238,639	12,885,075	7,917,990	65,041,704
Total for Q2 2011	74,316,416	53.33%	33.40%	13.28%	100.00%	39,631,361	24,818,802	9,866,253	74,316,416
Total for Q3 2011	34,758,734	44.59%	41.19%	14.22%	100.00%	15,497,694	14,318,327	4,942,712	34,758,734
Total for Q4 2011	26,258,237	42.64%	45.79%	11.57%	100.00%	11,195,990	12,024,556	3,037,691	26,258,237
Total for Q1 2012	35,254,960	61.92%	29.68%	8.39%	100.00%	21,831,592	10,465,242	2,958,127	35,254,960
Total for Q2 2012	18,400,287	28.01%	65.69%	6.29%	100.00%	5,154,647	12,087,686	1,157,954	18,400,287
Total for Q3 2012	60,894,173	52.14%	33.64%	14.22%	100.00%	31,750,633	20,485,629	8,657,910	60,894,173
Total for Q4 2012	56,077,501	51.95%	35.15%	12.89%	100.00%	29,134,218	19,712,439	7,230,843	56,077,501
Total for Q1 2013	46,985,743	41.56%	42.81%	15.63%	100.00%	19,528,573	20,113,329	7,343,842	46,985,743
Total for Q2 2013	48,295,847	57.41%	27.55%	15.05%	100.00%	27,725,465	13,304,050	7,266,333	48,295,847
Total for Q3 2013	53,919,426	59.28%	29.76%	10.96%	100.00%	31,963,404	16,047,580	5,908,443	53,919,426
Total for Q4 2013	42,214,109	46.30%	35.87%	17.83%	100.00%	19,545,824	15,143,016	7,525,270	42,214,109
Total for Q1 2014	48,934,935	28.55%	49.77%	21.69%	100.00%	13,969,319	24,352,878	10,612,739	48,934,935
Total for Q2 2014	25,836,313	57.19%	31.63%	11.18%	100.00%	14,775,051	8,171,828	2,889,435	25,836,313
Total for Q3 2014	31,458,313	39.64%	50.07%	10.29%	100.00%	12,470,744	15,751,843	3,235,726	31,458,313
Total for Q4 2014	60,602,138	56.61%	30.49%	12.90%	100.00%	34,307,658	18,475,801	7,818,679	60,602,138
<b>Total to Date as at December 31, 2014</b>	<b>1,751,572,412</b>	<b>56.79%</b>	<b>25.06%</b>	<b>18.16%</b>	<b>100.00%</b>	<b>994,656,037</b>	<b>438,873,532</b>	<b>318,042,843</b>	<b>1,751,572,412</b>

**Notes:**

**(1) Please note the following with respect to the expenditure totals being reported:**

- (a) These amounts include payments made to vendors.
- (b) These amounts include payments made to Husky direct employees (payroll).
- (c) These amounts do not include/reflect journal entries or system-generated accounting entries.
- (d) The North Amethyst Project Report includes the following work scopes/costs:
  - North Amethyst Project
  - North Amethyst FPSO Upgrade Light Project
  - North Amethyst FPSO Modifications
  - North Amethyst Drilling and Completions
  - North Amethyst Long Lead Items
  - North Amethyst Front End Engineering and Design (FEED)
  - 2007 North Amethyst Glory Hole
- (e) Some costs which partially relate to the North Amethyst Project, but cannot easily be segregated (for this report) due to a complex general ledger structure, have been included in the White Rose Project Report.

**(2) Please note the following with respect to the content information being reported:**

- (a) A vendor content table has been created in our financial management system (SAP).
- (b) This table has been populated with NL, Other CDN, and FOR content percentages for vendors based on rules of thumb, historical content data obtained to date, and updates supplied by vendors.
- (c) An SAP report has been developed that assigns the content percentages from the table to all payment amounts made to specific vendors.
- (d) This report can then be summarized to obtain the total content percentages/dollar values for the reporting period.
- (e) Payroll costs for East Coast Husky direct employees are determined via detailed cost reports and recorded as 100% Newfoundland and Labrador content.

There were no expenditures on the West White Rose Pilot Scheme Project in the fourth quarter of 2014.

The White Rose Extension Project spend for the fourth quarter of 2014 was approximately \$113.88 million, with a content breakdown of 77.52 percent Newfoundland & Labrador, 4.47 percent Other Canadian, and 18.01 percent Foreign. This equates to expenditures totaling approximately \$88.28 million Newfoundland & Labrador, \$5.09 million Other Canadian, and \$20.51 million Foreign (Table 4.5).

The White Rose Extension Project total to date spend is approximately \$753.73 million, with a content breakdown 69.34 percent Newfoundland & Labrador, 7.36 percent Other Canadian, and 18.01 percent Foreign. This equates to expenditures totaling approximately \$522.64 million Newfoundland & Labrador, \$55.46 million Other Canadian, and \$175.63 million Foreign (Table 4.5). Note that White Rose Extension Project expenditures include the Wellhead Platform Project and South White Rose Extension (SWRX).

**Table 4.5 White Rose Extension Report Summary for Q4 2014**

Reporting Period	Total Being Reported (1)	Summary of Project Expenditures As a Percentage of Total Cost (2)				Summary of Project Expenditures Dollar Values (2)			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
Total for September 1-30, 2012	516,801	0.00%	0.00%	100.00%	100.00%	-	-	516,801	516,801
Total for Q4 2012	59,724,936	37.73%	0.55%	61.71%	100.00%	22,535,845	330,579	36,858,512	59,724,936
Total for Q1 2013	35,635,718	79.62%	8.45%	11.93%	100.00%	28,373,136	3,010,612	4,251,970	35,635,718
Total for Q2 2013	86,395,576	71.89%	9.59%	18.52%	100.00%	62,112,764	8,286,652	15,996,160	86,395,576
Total for Q3 2013	106,836,601	79.27%	4.95%	15.77%	100.00%	84,693,823	5,292,293	16,850,484	106,836,601
Total for Q4 2013	153,834,288	67.17%	9.23%	23.60%	100.00%	103,331,284	14,201,734	36,301,271	153,834,288
Total for Q1 2014	83,403,788	62.83%	12.89%	24.27%	100.00%	52,405,694	10,751,961	20,246,132	83,403,788
Total for Q2 2014	57,566,054	69.98%	8.39%	21.63%	100.00%	40,282,100	4,832,644	12,451,310	57,566,054
Total for Q3 2014	55,933,476	72.63%	6.55%	20.82%	100.00%	40,624,642	3,663,912	11,644,923	55,933,476
Total for Q4 2014	113,881,463	77.52%	4.47%	18.01%	100.00%	88,281,963	5,086,888	20,512,611	113,881,463
<b>Total to Date as at December 31, 2014</b>	<b>753,728,700</b>	<b>69.34%</b>	<b>7.36%</b>	<b>23.30%</b>	<b>100.00%</b>	<b>522,641,250</b>	<b>55,457,275</b>	<b>175,630,176</b>	<b>753,728,700</b>

Please note the following with respect to the content information being reported:

- A vendor content table has been created in our financial management system (SAP).
- This table has been populated with NL, Other CDN, and FOR content percentages for vendors based on rules of thumb, historical content data obtained to date, and updates supplied by vendors.
- An SAP report has been developed that assigns the content percentages from the table to all payment amounts made to specific vendors.
- This report can then be summarized to obtain the total content percentages/dollar values for the reporting period.
- Payroll costs for East Coast Husky direct employees are determined via detailed cost reports and recorded as 100% Newfoundland and Labrador content.

## 5.0 Purchase Order Summary

A total of 2156 purchase orders were awarded during the fourth quarter of 2014. This total includes White Rose and White Rose Extension Project. Total dollar value was approximately \$350 million. Table 5.1 provides a summary by location.

**Table 5.1 Purchase Order Summary by Location**


<b>Purchase Orders Awarded in Q4 2014</b>				
	<b>NL Location</b>	<b>Other Canadian Location</b>	<b>Foreign Location</b>	<b>Total</b>
Total PO's Awarded	1588	396	172	2156
Total Dollar Value*	\$176,290,000	\$107,616,000	\$65,381,000	\$349,287,000

\*Figures have been rounded to nearest thousand

## 6.0 Procurement Summary (Contracts > \$250,000)

There were two new contracts greater than \$250,000 awarded during the fourth quarter of 2014. There were eight contract extensions issued (Table 6.1).

**Table 6.1 Summary of Contracts – New and Extended for Q4 2014**

Husky East Coast Operations Procurement Summary		2014 Q4					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
<b>NEW CONTRACTS</b>							
HPT Suits	DBC Marine Safety Systems Ltd.	Vancouver	E	35%	22%	44%	100%
Supply Vessel Services	Secunda Canada LP.	St. John's	C	67%	30%	3%	100%
<b>CONTRACT EXTENSIONS</b>							
Provision of Communications	Bell Aliant Regional Communications	NFLD	C	100%			100%
Provision of HVAC System Maintenance Services	Dawe Enterprises Ltd.	NFLD	B	100%			100%
Lab Analysis Services	Petroforma inc.	NL	A	100%			100%
Drilling Tools & Accessories	SES Canada ULC (Workstrings)	NL	I	69%		31%	100%
ROV Services	Oceaneering Canada	NL	H	82%		19%	100%
Inflow Control Devices/Stand Alone Screens	Schlumberger Canada Ltd.	NL	C	11%	39%	50%	100%
Oil and Water Tracer Systems	Resman AS	Norway	C			100%	100%
Provision of Hydraulic System Maintenance Services	Hyfodraulic Ltd.	NFLD	D	100%			100%
<b>Cost Range Code Legend</b>							
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 \$					

## 7.0 Exploration

The Exploration spend for the fourth quarter of 2014 was approximately \$5.0 million, with a content breakdown of 46.5 percent Newfoundland & Labrador, 6.84 percent Other Canadian, and 46.67 percent Foreign. This equates to expenditures totaling approximately \$2.34 million, Newfoundland & Labrador, \$343,000 Other Canadian, and \$2.34 million Foreign.

The Exploration total to date spend is approximately \$340.50 million, with a content breakdown of 31.72 percent Newfoundland & Labrador, 53.39 percent Other Canadian, and 14.89 percent Foreign. This equates to expenditures totaling approximately \$108.00 million Newfoundland & Labrador, \$181.79 million Other Canadian, and \$50.70 million Foreign (Table 7.1).

**Table 7.1 Exploration Expenditure – Total to Date as of End Q4 2014**

Reporting Period	Total Being Reported (1)	Summary of Project Expenditures As a Percentage of Total Cost (2)				Summary of Project Expenditures Dollar Values (2)			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
		Total for 2005	25,450,101	25.77%	57.15%	17.07%	100.00%	6,559,276	14,545,354
Total for 2006	74,560,267	23.64%	64.05%	12.31%	100.00%	17,625,769	47,754,855	9,179,644	74,560,267
Total for 2007	12,051,595	30.40%	58.57%	11.03%	100.00%	3,663,750	7,058,135	1,329,710	12,051,595
Total for Q1 2008	1,687,206	57.93%	21.64%	20.43%	100.00%	977,431	365,093	344,682	1,687,206
Total for Q2 2008	1,072,083	57.79%	24.38%	17.83%	100.00%	619,565	261,396	191,123	1,072,083
Total for Q3 2008	12,070,469	7.77%	90.26%	1.97%	100.00%	936,196	10,894,622	237,652	12,070,469
Total for Q4 2008	24,573,661	2.01%	97.79%	0.20%	100.00%	493,639	24,030,010	50,013	24,573,661
Total for Q1 2009	9,178,264	4.28%	93.80%	1.92%	100.00%	392,576	8,609,099	176,589	9,178,264
Total for Q2 2009	3,274,040	37.75%	54.21%	8.04%	100.00%	1,236,080	1,774,832	263,128	3,274,040
Total for Q3 2009	1,179,886	21.57%	48.76%	29.67%	100.00%	254,460	575,322	350,104	1,179,886
Total for Q4 2009	4,582,178	60.16%	18.18%	21.66%	100.00%	2,756,703	833,094	992,381	4,582,178
Total for Q1 2010	23,336,738	14.04%	9.85%	76.12%	100.00%	3,275,338	2,298,124	17,763,276	23,336,738
Total for Q2 2010	586,040	91.80%	8.15%	0.05%	100.00%	538,006	47,737	296	586,040
Total for Q3 2010	2,558,207	79.61%	18.58%	1.82%	100.00%	2,036,562	475,168	46,337	2,558,207
Total for Q4 2010	764,571	81.73%	20.04%	-1.77%	100.00%	624,920	153,195	(13,545)	764,571
Total for Q1 2011	1,623,275	86.69%	13.03%	0.27%	100.00%	1,407,268	211,568	4,439	1,623,275
Total for Q2 2011	1,018,588	50.32%	40.53%	9.15%	100.00%	512,597	412,834	93,157	1,018,588
Total for Q3 2011	1,331,191	94.74%	5.24%	0.02%	100.00%	1,261,222	69,724	245	1,331,191
Total for Q4 2011	784,839	87.62%	3.14%	9.24%	100.00%	687,684	24,618	72,537	784,839
Total for Q1 2012	1,012,587	67.12%	32.88%	0.00%	100.00%	679,655	332,932	-	1,012,587
Total for Q2 2012	2,460,937	59.07%	40.90%	0.02%	100.00%	1,453,786	1,006,600	551	2,460,937
Total for Q3 2012	10,749,005	17.81%	82.08%	0.11%	100.00%	1,914,924	8,822,560	11,522	10,749,005
Total for Q4 2012	24,124,371	30.01%	53.18%	16.81%	100.00%	7,240,517	12,828,543	4,055,310	24,124,371
Total for Q1 2013	63,111,031	53.91%	33.74%	12.35%	100.00%	34,020,007	21,296,528	7,794,497	63,111,031
Total for Q2 2013	16,792,117	51.28%	47.00%	1.71%	100.00%	8,611,720	7,893,045	287,352	16,792,117
Total for Q3 2013	9,639,409	11.39%	83.65%	4.96%	100.00%	1,098,231	8,063,268	477,910	9,639,409
Total for Q4 2013	1,251,696	78.20%	21.19%	0.60%	100.00%	978,886	265,292	7,518	1,251,696
Total for Q1 2014	805,855	67.41%	22.09%	10.50%	100.00%	543,244	178,000	84,610	805,855
Total for Q2 2014	2,827,717	84.57%	8.75%	6.67%	100.00%	2,391,443	247,529	188,745	2,827,717
Total for Q3 2014	1,018,781	85.87%	12.03%	2.10%	100.00%	874,829	122,535	21,416	1,018,781
Total for Q4 2014	5,020,565	46.50%	6.84%	46.67%	100.00%	2,334,455	343,255	2,342,856	5,020,565
<b>Total to Date as at December 31, 2014</b>	<b>340,497,271</b>	<b>31.72%</b>	<b>53.39%</b>	<b>14.89%</b>	<b>100.00%</b>	<b>108,002,757</b>	<b>181,794,887</b>	<b>50,699,627</b>	<b>340,497,271</b>

**Notes:**

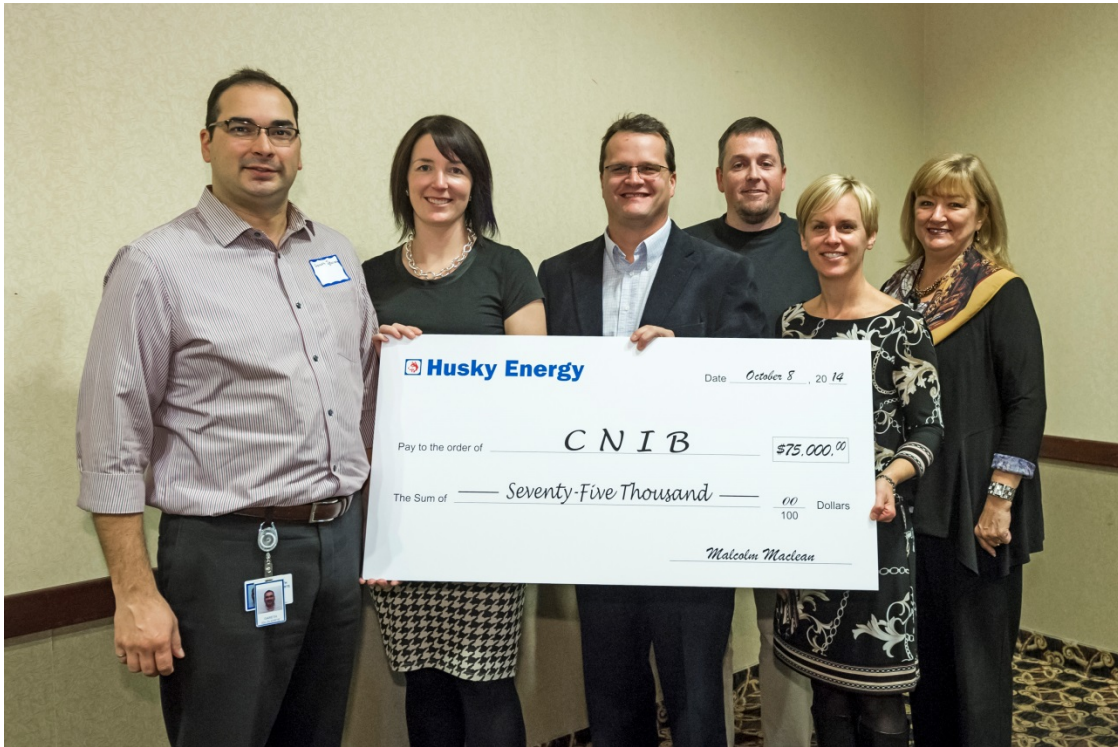
**(1) Please note the following with respect to the expenditure totals being reported:**

- (a) These amounts include payments made to vendors.
- (b) These amounts include payments made to Husky direct employees (payroll).
- (c) These amounts do not include/reflect journal entries or system-generated accounting entries.
- (d) The Exploration Report includes the following work scopes/costs:
  - 100% Husky Area Development and Research/Development
  - 100% Husky Subsurface Activities
  - East Coast Site Surveys
  - Seismic Project Management
  - Memorandum of Understanding (MOU) Jeanne d'Arc Basin Studies
  - Lewis Hill
  - West Bonne Bay
  - Fortune
  - Glenwood
  - Aster
- (e) Some costs which partially relate to Exploration, but cannot easily be segregated (for this report) due to a complex general ledger structure, have been included in the White Rose Project Report.

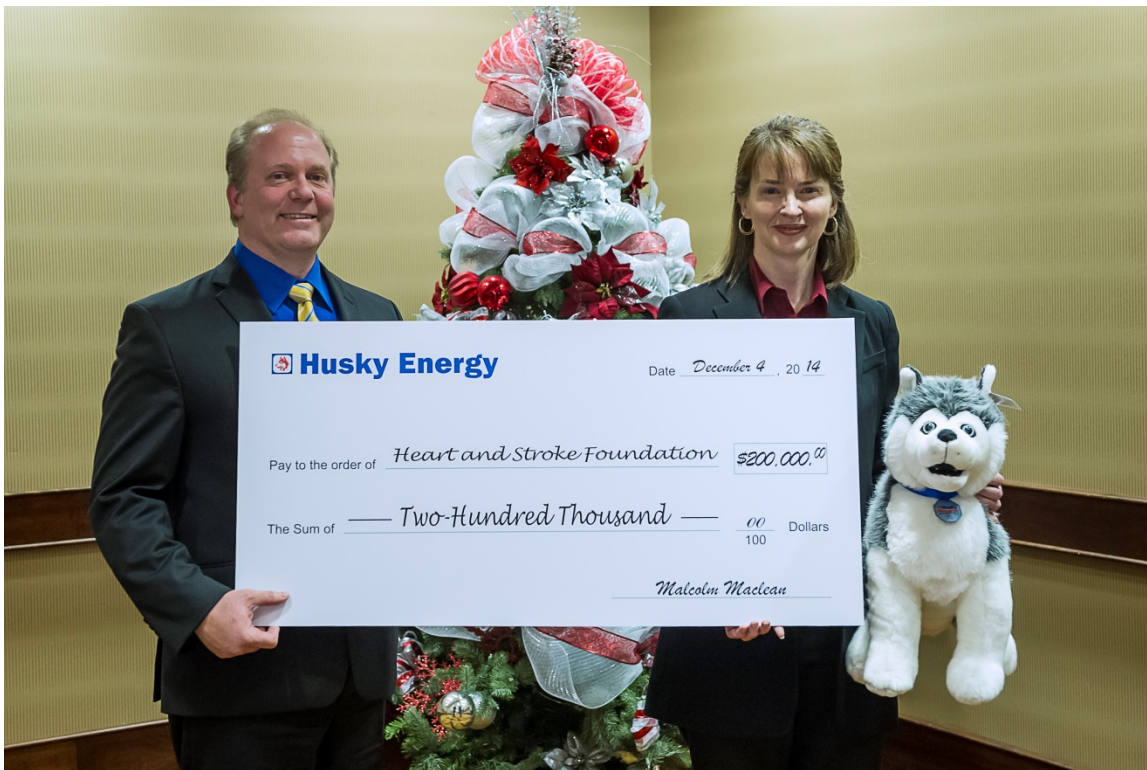
**(2) Please note the following with respect to the content information being reported:**

- (a) A vendor content table has been created in our financial management system (SAP).
- (b) This table has been populated with NL, Other CDN, and FOR content percentages for vendors based on rules of thumb, historical content data obtained to date, and updates supplied by vendors.
- (c) An SAP report has been developed that assigns the content percentages from the table to all payment amounts made to specific vendors.
- (d) This report can then be summarized to obtain the total content percentages/dollar values for the reporting period.
- (e) Payroll costs for East Coast Husky direct employees are determined via detailed cost reports and recorded as 100% Newfoundland and Labrador content.

## 8.0 Photographs



Husky Donation to CNIB – October 2014



Husky Donation to Heart and Stroke Foundation – December 2014





**Donations to Daffodil Place – December 2014**



**Husky Staff Support Blood Donor Clinic**



**Take your Kids to Work Day – November 2014**



**Husky Donates Computers to Eastern School District, Easter Seals, Daffodil Place**