



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JANUARY 1 – MARCH 31, 2015

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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, 2015, 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

In Q1 2015, a total of 1935 people were reported employed on Husky's White Rose Operations of which 790 were located offshore. The total employment number includes people employed with Husky and its contractors and includes North Amethyst and South White Rose Extension (SWRX). The offshore number for this reporting period includes personnel from two drilling rigs (*Henry Goodrich* and *GSF Grand Banks*) and the *SeaRose FPSO*. The overall increase in personnel for Q1 2015 reflects the period when Husky was operating both the Henry Goodrich and the GSF Grand Banks (see Transocean in Table 2.2) as well as increased marine activities related to ice management (see Atlantic Towing and Maersk in Table 2.2).

Of this total, 1742 or 90% were residents of Newfoundland and Labrador when hired, while another 140 or 7% were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 286 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 March 31, 2015



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q1 2015

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	4	0	4	0	0	0	4	0	4
Newfoundland - Offshore	677	32	709	68	0	68	13	0	13	758	32	790
Newfoundland - Onshore	787	245	1,033	59	6	66	25	1	26	871	253	1,124
Nova Scotia	0	0	0	1	1	2	0	0	0	1	1	2
USA	0	0	0	0	0	0	15	0	15	15	0	15
Total	1,464	277	1,742	132	7	140	52	1	53	1,649	286	1,935

3.0 White Rose Extension Project Employment Summary

In December 2014 Husky notified stakeholders that it was deferring the final investment decision on West White Rose in order to identify further cost efficiencies with the proposed WHP and to review alternate development concepts including subsea.

As of March 31, 2015, 347 people were reported employed on Husky's White Rose Extension Project, representing over 130,000 person hours. The decline in employment for this period is the result of project deferral and the subsequent winding down of some activities. The number of females employed on the project was 81 or approximately 23 percent of the total workforce.

The majority of person hours expended on the project for this quarter were by Dexter Construction related to completion of the graving dock at Argentia as well as continued CGS engineering design work by Arup Canada and the wrap up period of topsides engineering design work by Wood Group/Mustang. Husky hours are related to project management and engineering design support.

Eighty-three percent of the person hours related to detailed engineering of the CGS took place in Newfoundland and Labrador in this quarter (see Arup in Table 3.1) and, overall, 80 percent of person hours expended on the project occurred in Newfoundland and Labrador.

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



Atlantic Region Contractor Stats

Hours By Contractor
Wellhead - Q1 2015

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	29,364	0	29,364	430	5,402	35,196
Dexter Construction	44,960	0	44,960	425	0	45,385
Husky	26,010	0	26,010	690	1,679	28,379
SNC Lavalin/ Dragados	20	0	20	6	0	26
Wood Group Mustang	5,455	0	5,455	0	16,732	22,187
Total	105,809	0	105,809	1,551	23,813	131,173

Table 3.2 Head Count by Contractor – White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor

Wellhead - Q1 2015

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.	24	14	38	9	4	13	55	12	67	88	30	118
Dexter Construction	38	8	46	13	8	21	0	0	0	51	16	67
Husky	59	19	78	15	1	16	10	0	10	84	20	104
SNC Lavalin/ Dragados	10	2	12	5	0	5	0	0	0	15	2	17
Wood Group Mustang	11	3	14	0	0	0	17	10	27	28	13	41
Total	142	46	188	42	13	55	82	22	104	266	81	347

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 March 31 and does not necessarily represent full time employees.

The majority of positions in Q1 2015 were 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 - Q1 2015

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	12	13	1	3	4	0	1	1	2	16	18
Engineers	54	14	68	20	6	26	62	13	75	136	33	169
Management	16	3	19	8	1	9	14	4	18	38	8	46
Other Field Services	18	7	25	0	0	0	0	0	0	18	7	25
Professionals	19	4	23	6	2	8	2	0	2	27	6	33
Skilled Trades	12	0	12	0	0	0	0	0	0	12	0	12
Technicians & Technologists	22	6	28	7	1	8	4	4	8	33	11	44
Total	142	46	188	42	13	55	82	22	104	266	81	347

Note: In Q1 2015, Husky employed 6 co-op students on the WREP (3 females).

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

There were no new contracts or contract extensions greater than \$250,000 awarded during the first quarter of 2015.

5.0 Exploration

The Exploration spend for the first quarter of 2015 was approximately \$73.40 million, with a content breakdown of 94.6 percent Newfoundland & Labrador, 5.16 percent Other Canadian, and 0.24 percent Foreign. This equates to expenditures totaling approximately \$69.43 million, Newfoundland & Labrador, \$3.79 million Other Canadian, and \$176,000 Foreign

6.0 Photographs



Junior Achievement – January 2015



Energy Day 2015



Tour of Cougar Helicopters – Techsploration – March 2015



Tour of Husky Offices – Techsploration – March 2015



Completed Graving Dock at Argientia



Husky Staff Support Fundraising for the Offshore Workers Memorial Fund