# Husky Energy



Canada-Newfoundland and Labrador Benefits

Husky Energy Ref. No.: WR-ADM-RP-0052

QUARTERLY REPORT January 1 – March 31, 2018

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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, 2018, 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 also includes activities of its major sub-contractors.

#### 2.0 White Rose Project Employment Summary

In Q1 2018, a total of 1,144 people were reported employed on Husky's White Rose Operations, of which 559 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 *Henry Goodrich*, *SeaRose FPSO*, support vessels, helicopters and tankers.

Of the total personnel, 999 or 87 percent, were residents of Newfoundland and Labrador when hired, while another 94, or 8 percent, were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 172, or approximately 15 percent, of the total workforce (Table 2.1).

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

Table 2.1 - Employment Summary by Location, as of March 31, 2018 - White Rose



Location	NL Male	NLFemale	NL Subtotal	Other Canadian Male		Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Foreign	1	1	2	0	0	0	28	5	33	29	6	35
Newfoundland - Offshore	496	16	512	40	0	40	6	1	7	542	17	559
Newfoundland - Onshore	349	136	485	40	12	52	10	1	11	399	149	548
Other Canadian	0	0	0	2	0	2	0	0	0	2	0	2
Total	846	153	999	82	12	94	44	7	51	972	172	1,144

Table 2.2 - Employment Summary of Husky and Major Contractors, as of March 31, 2018 - White Rose



# Atlantic Region Contractor Stats

Head Count By Contractor White Rose - Q1 2018

			NL	Other Canadian	Other Canadian	Other Canadian	Foreign	Foreign	Foreign	Male	Female	
Contractor	NL Male	NL Female		Male	Female	Subtotal	Male	Female		Subtotal		Total
A Harvey	14	3	17	0	0	0	0	0	0	14	3	17
Aker Solutions	26	11	37	0	0	0	1	0	1	27	11	38
ASCO Canada Limited	7	0	7	0	0	0	0	0	0	7	0	7
Atlantic Offshore Medical Services	8	4	12	0	0	0	0	0	0	8	4	12
Atlantic Towing	31	2	33	17	9	26	1	0	1	49	11	60
Atlantic XL	0	0	0	0	0	0	0	0	0	0	0	0
Baker Hughes	3	0	3	0	0	0	0	0	0	3	0	3
Cormorant Ltd.	1	1	2	0	0	0	0	0	0	1	1	2
Cougar	31	8	39	8	0	8	0	0	0	39	8	47
Crosbie Salamis	39	3	42	4	0	4	0	0	0	43	3	46
DBC Marine Services	2	2	4	0	0	0	0	0	0	2	2	4
DOF Subsea	57	4	61	4	0	4	3	0	3	64	4	68
East Coast Catering	18	3	21	0	0	0	0	0	0	18	3	21
East Coast Tubulars	16	2	18	2	0	2	8	0	8	26	2	28
Enhanced Drilling	3	0	3	0	0	0	0	0	0	3	0	3
Expro Group Canada	7	1	8	0	0	0	0	0	0	7	1	8
FI Oilfield Services Canada ULC	8	0	8	3	0	3	0	0	0	11	0	11
Fugro Jacques GeoSurveys Inc	7	2	9	0	0	0	0	0	0	7	2	9
Halliburton	5	0	5	0	0	0	0	0	0	5	0	5
Husky	228	78	306	23	3	26	3	0	3	254	81	335
Import Tool	1	0	1	1	0	1	0	0	0	2	0	2
Maersk Seabase	46	1	47	1	0	1	0	0	0	47	1	48
Oceaneering International Ltd.	0	0	0	0	0	0	4	1	5	4	1	5
Oceans Ltd	5	1	6	0	0	0	0	0	0	5	1	6
OneSubsea	30	4	34	0	0	0	16	4	20	46	8	54
Pennecon	2	0	2	0	0	0	0	0	0	2	0	2
Provincial Airlines	2	1	3	0	0	0	0	0	0	2	1	3
Schlumberger Services	50	7	57	7	0	7	6	2	8	63	9	72
Score	4	4	8	0	0	0	1	0	1	5	4	9
SGS Canada Inc.	0	0	0	0	0	0	0	0	0	0	0	0
Siemens	9	0	9	0	0	0	0	0	0	9	0	9
SNC Lavalin	5	0	5	0	0	0	0	0	0	5	0	5
Stantec	0	0	0	0	0	0	0	0	0	0	0	0
TechnipFMC	4	2	6	0	0	0	0	0	0	4	2	6
Teekay	58	3	61	1	0	1	0	0	0	59	3	62
Terrapure Environmental	4	1	5	0	0	0	0	0	0	4	1	5
Trans Ocean	112	5	117	11	0	11	1	0	1	124	5	129
Weatherford	1	0	1	0	0	0	0	0	0	1	0	1
Workstrings Canada	2	0	2	0	0	0	0	0	0	2	0	2
Total	846	153	999	82	12	94	44	7	51	972	172	1,144

<sup>\*</sup>Note: Contractors showing "0" headcount, have reported hours for Husky work scopes, however do not meet the requirements for Full Time Equivalents and are therefore reporting a fraction of a full person.

Table 2.3 Employment Summary by Occupation, as of March 31, 2018 – White Rose



Occupation	NL Male	NL Female	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Administration & Clerical	6	41	47	1	5	6	0	0	0	7	46	53
Engineers	81	28	109	10	2	12	14	3	17	105	33	138
Management	42	5	47	9	1	10	12	4	16	63	10	73
Marine Crew	191	4	195	8	0	8	0	0	0	199	4	203
Other Field Services	109	5	114	8	0	8	0	0	0	117	5	122
Professionals	134	51	185	24	4	28	1	0	1	159	55	214
Skilled Trades	115	2	117	12	0	12	8	0	8	135	2	137
Technicians & Technologists	168	17	185	10	0	10	9	0	9	187	17	204
Total	846	153	999	82	12	94	44	7	51	972	172	1,144

**Note:** In Q1 2018, Husky employed 28 co-op students (19 female) on the White Rose project. The students are not included in the head count above because they started and ended their term outside of the reporting system period.

#### 3.0 West White Rose Project Employment Summary

As of March 31, 2018, 779 people were reported employed on Husky's West White Rose Project (WWRP), representing 370,673 person hours. Of those hours, 275,239 or 74 percent, occurred in Newfoundland and Labrador (Table 3.1). The number of females employed on the West White Rose Project was 158, or approximately 20 percent, of the total workforce (Table 3.2).

The majority of person hours expended on the project for this quarter were by Wood; These hours are related to topsides engineering and procurement of topsides equipment. Hours reported by Husky Energy are related to project management. Arup Canada Inc. hours were for continued CGS engineering design work. The hours reported by SDP represent continuing CGS constructability reviews and the start of early works at the Argentia graving dock to prepare the site for CGS construction beginning this year. Similarly, the hours reported by Kiewit reflect construction of living quarters in Marystown. Kvaerner hours were for engineering, analysis and planning related to marine operations. TechnipFMC hours relate to engineering of the subsea tie-back system.

Table 3.1 Person Hours by Contractor, as of March 31, 2018 - West White Rose Project Employment



#### Atlantic Region Contractor Stats

Hours By Contractor

West White Rose Project - Q1 2018

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	30,387	0	30,387	0	1,038	31,425
Husky	26,991	0	26,991	2,938	0	29,929
Kiewit	54,065	0	54,065	0	0	54,065
Kvaerner	4,191	0	4,191	0	433	4,624
SDP	113,514	0	113,514	2,005	1,817	117,336
TechnipFMC	4,721	0	4,721	0	0	4,721
Wood	41,370	0	41,370	0	87,203	128,573
Total	275,239	0	275,239	4,943	90,491	370,673

Table 3.2 Head Count by Contractor and Residency, as of March 31, 2018 - White Rose Extension Project



#### Atlantic Region Contractor Stats

Head Count By Contractor West White Rose Project - Q1 2018

Contractor	NL Male	NL Female	NL 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	4	0	4	23	5	28	51	19	70
Husky	54	22	76	5	3	8	0	0	0	59	25	84
Kiewit	112	15	127	0	0	0	0	0	0	112	15	127
Kvaerner	8	2	10	0	0	0	1	0	1	9	2	11
SDP	165	45	210	5	2	7	11	0	11	181	47	228
TechnipFMC	8	2	10	0	0	0	0	0	0	8	2	10
Wood	65	14	79	0	0	0	136	34	170	201	48	249
Total	436	114	550	14	5	19	171	39	210	621	158	779

Residents of NL comprised 71 percent of the West White Rose Project work force and two percent were residents of Canada (Table 3.2).

The majority of positions in Q1 2018 were associated with engineering supported by skilled trades, technicians and technologists and professionals (Table 3.3).

Table 3.3 Headcount by Occupation, as of March 31, 2018 - White Rose Extension Project



Occupation	NL Male	NL Female	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Administration & Clerical	6	18	24	0	0	0	0	2	2	6	20	26
Engineers	104	25	129	8	3	11	89	17	106	201	45	246
Management	55	9	64	4	0	4	8	0	8	67	9	76
Other Field Services	41	3	44	0	0	0	0	0	0	41	3	44
Professionals	55	30	85	2	2	4	8	7	15	65	39	104
Skilled Trades	132	15	147	0	0	0	2	0	2	134	15	149
Technicians & Technologists	43	14	57	0	0	0	64	13	77	107	27	134
Total	436	114	550	14	5	19	171	39	210	621	158	779

Note: In Q1 2018, Husky employed 9 co-op students (4 female) on the West White Rose Project.

Table 3.4 Headcount by Location, as of March 31, 2018 - White Rose Extension Project



Location	NL Male	NLFemale	NL Subtotal	Other Canadian Male		Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Foreign	0	0	0	0	0	0	147	35	182	147	35	182
Newfoundland - Onshore	436	114	550	12	3	15	24	4	28	471	121	593
Other Canadian	0	0	0	2	2	4	0	0	0	2	2	4
Total	436	114	550	14	5	19	171	39	210	621	158	779

The head count shown in Table 3.4 is a snap shot of personnel who have charged hours to the project as of March 31, 2018 and does not necessarily represent full time employees.

Table 3.5 outlines the percentage of women working on the WWRP as of March 31, 2018, against the targets in the project Diversity Plan.

The total workforce of the WWRP for this quarter is 779. The percent of the workforce in each category is used to calculate the actual percent of the female workforce against the target. This information is shown in Table 3.3. Specifically,

- Managers and other professionals 180 (48 female)
- Engineers 246 (45 female)

- Technicians and technologists 134 (27 female)
- Skilled trades 149 (15 female)
- Other field services 44 (3 female) see Other category in Table 3.5

**Table 3.5 Women Working on WWRP Compared to Project Targets** 

Total Workfo	orce: 779	)		
Category	NOC Code	Occupations	Target (% of total workforce)	Actual (% of total workforce)
Managers and other Professionals			30	26.7
	2131	Civil Engineers	20	25.1
	0211	Engineering Managers		
	2133	Electrical and Electronics Engineers		
	2132	Mechanical Engineers		
	2134	Chemical Engineers		
Engineers	2141	Industrial and Manufacturing Engineers	15	18.2
	2144	Geological Engineers	15	10.2
	2145	Petroleum Engineers		
	2147	Computer Engineers (Except Software Engineers and Designers)		
	2151	Architects		
Technicians	2231	Civil Engineering Technologists and Technicians	20	00.0
and Technologists	2251	Architectural Technologists and Technicians	20	20.2
Foreperson	7205	General Foreperson and Foreperson for the following categories: Bricklayers and Allied Crafts - Concrete Finisher, Laborers - Trades Helpers (Formwork, Concrete, Slip, Accessway)		
	7302	General Foreperson and Foreperson for the following categories: Plant Operators (Crane Operator, Heavy Equipment Operator, Construction Equipment Operators [Stressing, Slip])	5	0
	7201	Ironworkers - Rodperson General Foreperson and Foreperson, Structural General Foreperson and Foreperson		
	7204	General Foreperson and Foreperson for the following categories: Carpenters and Joiners - Scaffolder, Carpenter (Formwork, Stopends, Accessway)		
Trades (Apprentice	7521	Journey Person and Apprentices for the following categories: Plant Operators	15	0

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and Journey Person)		(Heavy Equipment Operator, Construction Equipment Operators [Stressing, Slip])			
	7271	Journey Person and Apprentices for the following categories: Carpenters and Joiners - Scaffolder, Carpenter (Formwork, Stopends, Accessway)	12	10.34	
	7252	Plumbers and Pipefitters - Pipefitters Journey Person and Apprentices			
	7236	Ironworkers - Rodperson Journey Person and Apprentices, Structural Journey Person and Apprentices and Journey person (shop)	5	5.5	
	7611	Journey Person for the following categories: Laborers - Trades Helpers (Formwork, Concrete, Slip, Accessway)	20	13.5	
	6541	Security guards			
Other*	3413	First aid attendants	0	6.8	

<sup>\*</sup>Note that there were no targets for these employment categories but they are being reported as they constitute non-traditional employment for women.

The target set for managers and other professionals has not yet been achieved. The target set for female technicians and technologists' working on the project has been exceeded by a fraction of a percentage. The target for civil engineers has been exceeded by 5.1 percent, while Other engineering was exceeded by 3.2 percent. The target for forepersons, journeyperson carpenters and joiners and journeyperson laborers and trades helpers were not reached in Q1 2018. However, targets for plumbers/pipefitters and ironworkers have been exceeded by 0.5 percent. Hiring of the majority of trade persons will not take place until Q2 2018.

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

There were no contracts >250,000 awarded for the West White Rose Project for Q1, 2018.

Table 6.1 Contracts Awarded for the White Rose Project – Q1 2018

		0040.04					
Husky East Coast Operation	S	2018 Q1	Hus	sky	Fr	P	σv
Procurement Summary							<b>6</b> J
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
Offshore Supply Vessel (Adhoc) - Atlantic Osprey	Atlantic Towing Limited	St. John's, NL	С	62%	31%	7%	100%
Offshore Supply Vessel (Adhoc) - Maersk Detector	Maersk Supply Service Canada	St. John's, NL	С	90%	5%	5%	100%
Printed Circuit Heat Exchangers	Heatric UK	Poole, UK	С	0%	0%	100%	100%
Quick Disconnect Connector Replacement	MIB Italiana	Casalserugo, Italy	Е	0%	0%	100%	100%
Environmental Effects Monitoring	Stantec Environmental	St. John's, NL	С	75%	20%	5%	100%
Offshore Laboratory Services	Avalon Laboratories	St. John's, NL	В	95%	5%	0%	100%
Contract Extensions							
Offshore Engineering Services	Aker Solutions	St. John's, NL	N	95%	5%	1%	100%
MODU Henry Goodrich	Transocean Canada Drilling Services	St. John's, NL	М	50%	10%	40%	100%
A = 250,001 - 500,000 \$	E = 2,000,001 - 3,000,000 \$	I = 10,000,001 - 15,000,000 \$	•	M = 50,0	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 = 75,00	00,001 - 1	00,000,0	100 \$
C = 1,000,001 - 1,500,000 \$	G = 5,000,001 - 7,500,000 \$	K = 20,000,001 - 30,000,000 \$		O = Ove	r 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

Husky began drilling an exploration well in March 2018. These expenditures will be captured in the Q2 2018 report.

The Exploration total to date spend is approximately \$502.11 million, with a content breakdown of 43.75 percent Newfoundland & Labrador, 40.14 percent Other Canadian, and 16.11 percent Foreign. This equates to expenditures totaling approximately \$219.70 million Newfoundland & Labrador, \$201.55 million Other Canadian, and \$80.87 million Foreign (Table 7.1).

## 8.0 Photographs



Husky employees volunteer with Junior Achievement at St. Kevin's High School – January 2018



Husky donates \$15,000 to the Jimmy Pratt outreach centre breakfast program – February 2018



Husky employees raised \$25,500 for the Husky Has Heart campaign

– the funds were split amongst the Canadian Mental Health

Association of NL, Kids Eat Smart, and the Single Parent

Association of NL– February 2018



Attendees at Husky's annual Diversity Forum wear pink in support of Anti-Bullying Day – February 2018



Husky employees attend Oil and Gas week - March 2018



Husky's Women's Leadership Network hosts a mentorship program for work term students – March 2018