



Canada-Newfoundland and Labrador Benefits

Husky Energy Ref. No.: WR-ADM-RP-0055

QUARTERLY REPORT
April 1 – June 30, 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 June 30, 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 Q2 2018, a total of 1,181 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, 1,021 or 86 percent, were residents of Newfoundland and Labrador when hired, while another 88, or 7 percent, were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 183, 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 June 30, 2018 – White Rose



Atlantic Region Contractor Stats

Head Count By Location
White Rose - Q2 2018

Location	NL Male	NLFemale	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Foreign	1	1	2	0	0	0	29	7	36	30	8	38
Newfoundland - Offshore	494	15	509	43	0	43	7	0	7	544	15	559
Newfoundland - Onshore	367	143	510	43	15	58	12	2	14	422	160	582
Other Canadian	0	0	0	2	0	2	0	0	0	2	0	2
Total	862	159	1,021	88	15	103	48	9	57	998	183	1,181

Table 2.2 - Employment Summary of Husky and Major Contractors, as of June 30, 2018 - White Rose



Atlantic Region Contractor Stats

Head Count By Contractor
White Rose - Q2 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
A Harvey	13	2	15	0	0	0	0	0	0	13	2	15
Aker Solutions	32	11	43	0	0	0	2	0	2	34	11	45
ASCO Canada Limited	7	0	7	0	0	0	0	0	0	7	0	7
Atlantic Offshore Medical Services	9	4	13	0	0	0	0	0	0	9	4	13
Atlantic Towing	42	3	45	20	10	30	1	0	1	63	13	76
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	33	8	41	11	0	11	0	0	0	44	8	52
Crosbie Salamis	38	3	41	4	0	4	0	0	0	42	3	45
DBC Marine Services	2	2	4	0	0	0	0	0	0	2	2	4
DOF Subsea	66	5	71	6	0	6	3	0	3	75	5	80
East Coast Catering	15	5	20	0	0	0	0	0	0	15	5	20
East Coast Tubulars	14	1	15	1	0	1	3	0	3	18	1	19
Enhanced Drilling	5	0	5	0	0	0	0	0	0	5	0	5
Expro Group Canada	9	2	11	0	0	0	0	0	0	9	2	11
FI Oilfield Services Canada ULC	10	0	10	0	0	0	1	0	1	11	0	11
Fugro Jacques GeoSurveys Inc	10	3	13	1	0	1	0	0	0	11	3	14
Halliburton	3	0	3	0	0	0	0	0	0	3	0	3
Husky	229	85	314	24	4	28	5	1	6	258	90	348
Import Tool	2	0	2	1	0	1	0	0	0	3	0	3
Maersk Seabase	55	1	56	3	0	3	0	0	0	58	1	59
Oceaneering International Ltd.	0	0	0	0	0	0	5	2	7	5	2	7
Oceans Ltd	5	1	6	0	0	0	0	0	0	5	1	6
OneSubsea	31	4	35	0	0	0	19	5	24	50	9	59
Pennecon	2	0	2	0	0	0	0	0	0	2	0	2
Provincial Airlines	8	0	8	0	0	0	0	0	0	8	0	8
Schlumberger Services	39	7	46	6	1	7	4	1	5	49	9	58
Score	8	4	12	0	0	0	3	0	3	11	4	15
SGS Canada Inc.	0	0	0	0	0	0	0	0	0	0	0	0
Siemens	8	0	8	1	0	1	1	0	1	10	0	10
SNC Lavalin	4	0	4	0	0	0	0	0	0	4	0	4
Stantec	0	0	0	0	0	0	0	0	0	0	0	0
TechnipFMC	5	2	7	0	0	0	0	0	0	5	2	7
Teekay	39	1	40	0	0	0	0	0	0	39	1	40
Terrapure Environmental	5	1	6	0	0	0	0	0	0	5	1	6
Trans Ocean	113	5	118	10	0	10	1	0	1	124	5	129
Weatherford	0	0	0	0	0	0	0	0	0	0	0	0
Workstrings Canada	2	0	2	0	0	0	0	0	0	2	0	2
Total	867	161	1,028	88	15	103	48	9	57	1,003	185	1,188

*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 June 30, 2018 – White Rose**Atlantic Region Contractor Stats**

Head Count By Occupation

White Rose - Q2 2018

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	7	39	46	1	7	8	0	1	1	8	47	55
Engineers	80	27	107	11	3	14	18	2	20	109	32	141
Management	42	3	45	8	1	9	13	5	18	63	9	72
Marine Crew	201	7	208	12	0	12	0	0	0	213	7	220
Other Field Services	106	5	111	9	0	9	0	0	0	115	5	120
Professionals	133	59	192	24	4	28	1	0	1	158	63	221
Skilled Trades	114	2	116	12	0	12	4	0	4	130	2	132
Technicians & Technologists	184	19	203	11	0	11	12	1	13	207	20	227
Total	867	161	1,028	88	15	103	48	9	57	1,003	185	1,188

Note: In Q2 2018, Husky employed 37 co-op students (20 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 June 30, 2018, 1,141 people were reported employed on Husky's West White Rose Project (WWRP), representing 573,462 person hours. Of those hours, 469,131 or 82 percent, occurred in Newfoundland and Labrador (Table 3.1). The number of females employed on the West White Rose Project was 203, or approximately 18 percent, of the total workforce (Table 3.2).

The majority of person hours expended on the project for this quarter were by SDP; These hours represent final graving dock infrastructure installation and laying of rebar for the base slab pour. Hours reported by Wood 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. 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 June 30, 2018 - West White Rose Project Employment**Atlantic Region Contractor Stats**

Hours By Contractor

West White Rose Project - Q2 2018

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	25,752	0	25,752	0	150	25,902
Husky	31,648	0	31,648	3,205	272	35,125
Kiewit	81,399	0	81,399	0	0	81,399
Kvaerner	7,456	0	7,456	0	251	7,707
SDP	281,740	0	281,740	365	1,641	283,746
TechnipFMC	2,068	0	2,068	0	0	2,068
Wood	39,068	0	39,068	0	98,447	137,515
Total	469,131	0	469,131	3,570	100,761	573,462

Table 3.2 Head Count by Contractor and Residency, as of June 30, 2018 - White Rose Extension Project**Atlantic Region Contractor Stats**

Head Count By Contractor

West White Rose Project - Q2 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.	18	10	28	3	0	3	17	5	22	38	15	53
Husky	65	25	90	6	3	9	1	0	1	72	28	100
Kiewit	158	20	178	0	0	0	0	0	0	158	20	178
Kvaerner	9	2	11	0	0	0	1	0	1	10	2	12
SDP	426	82	508	5	1	6	16	0	16	447	83	530
TechnipFMC	4	0	4	0	0	0	0	0	0	4	0	4
Wood	62	13	75	0	0	0	147	42	189	209	55	264
Total	742	152	894	14	4	18	182	47	229	938	203	1,141

Residents of NL comprised 78 percent of the West White Rose Project work force and one percent were residents of Canada (Table 3.2).

The majority of positions in Q2 2018 were associated with skilled trades supported by engineers, technicians and technologists and professionals (Table 3.3).

Table 3.3 Headcount by Occupation, as of June 30, 2018 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Occupation
West White Rose Project - Q2 2018

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	10	19	29	0	0	0	0	5	5	10	24	34
Engineers	115	22	137	5	1	6	91	15	106	211	38	249
Management	69	9	78	5	0	5	12	0	12	86	9	95
Other Field Services	83	11	94	0	0	0	0	0	0	83	11	94
Professionals	66	36	102	4	3	7	8	7	15	78	46	124
Skilled Trades	347	37	384	0	0	0	2	0	2	349	37	386
Technicians & Technologists	52	18	70	0	0	0	69	20	89	121	38	159
Total	742	152	894	14	4	18	182	47	229	938	203	1,141

Note: In Q2 2018, Husky employed 8 co-op students (4 female) on the West White Rose Project.

Table 3.4 Headcount by Location, as of June 30, 2018 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Location
West White Rose Project - Q2 2018

Location	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
Foreign	0	0	0	0	0	0	154	43	197	154	43	197
Newfoundland - Onshore	742	152	894	14	3	17	28	4	32	784	159	943
Other Canadian	0	0	0	0	1	1	0	0	0	0	1	1
Total	742	152	894	14	4	18	182	47	229	938	203	1,141

The head count shown in Table 3.4 is a snap shot of personnel who have charged hours to the project as of June 30, 2018 and does not necessarily represent full time employees.

Table 3.5 outlines the percentage of women working on the WWRP as of June 30, 2018, against the targets in the project Diversity Plan.

The total workforce of the WWRP for this quarter is 1,141. 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 – 253 (79 female)
- Engineers – 249 (38 female)
- Technicians and technologists – 159 (38 female)

- Skilled trades – 386 (37 female)
- Other field services – 94 (11 female) – see Other category in Table 3.5

Table 3.5 Women Working on WWRP Compared to Project Targets

Total Workforce: 1,141				
Category	NOC Code	Occupations	Target (% of total workforce)	Actual (% of total workforce)
Managers and other Professionals			30	31.2
Engineers	2131	Civil Engineers	20	21.6
	0211	Engineering Managers	15	15.3
	2133	Electrical and Electronics Engineers		
	2132	Mechanical Engineers		
	2134	Chemical Engineers		
	2141	Industrial and Manufacturing Engineers		
	2144	Geological Engineers		
	2145	Petroleum Engineers		
	2147	Computer Engineers (Except Software Engineers and Designers)		
2151	Architects			
Technicians and Technologists	2231	Civil Engineering Technologists and Technicians	20	23.9
	2251	Architectural Technologists and Technicians		
Foreperson	7205	General Foreperson and Foreperson for the following categories: Bricklayers and Allied Crafts - Concrete Finisher, Laborers - Trades Helpers (Formwork, Concrete, Slip, Accessway)	5	0
	7302	General Foreperson and Foreperson for the following categories: Plant Operators (Crane Operator, Heavy Equipment Operator, Construction Equipment Operators [Stressing, Slip])		
	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 and Journey Person)	7521	Journey Person and Apprentices for the following categories: Plant Operators (Heavy Equipment Operator, Construction Equipment Operators [Stressing, Slip])	15	0

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	7271	Journey Person and Apprentices for the following categories: Carpenters and Joiners - Scaffolder, Carpenter (Formwork, Stopends, Accessway)	12	16.7
	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	6
	7611	Journey Person for the following categories: Laborers - Trades Helpers (Formwork, Concrete, Slip, Accessway)	20	13.7
Other*	6541	Security guards	0	4.7
	3413	First aid attendants		


*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 been achieved this quarter. The target set for female technicians and technologists' working on the project has been exceeded by approximately 4 percent. The target for civil engineers has been exceeded by 1.6 percent, while other engineering was exceeded by a fraction of a percent. The target for forepersons or journey persons laborers have not been reached, however, targets for journey person carpenters, joiners, along with plumbers/pipefitters have been exceeded for Q2 2018.

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

There were no contracts >250,000 awarded for the West White Rose Project for Q2, 2018.

Table 6.1 Contracts Awarded for the White Rose Project – Q2 2018

Husky East Coast Operations		2018 Q2					
Procurement Summary							
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
WWRP Solids Control	Schlumberger Canada Limited	St. John's, NL	K	45%	17%	38%	100%
Laboratory Services	Avalon Laboratories	St. John's, NL	B	95%	5%	0%	100%
BOP Tethering System	Kongsberg Maritime	Houston, Texas	H	35%	0%	65%	100%
Laboratory Commodities	Mikan Scientific	St. John's, NL	A	100%	0%	0%	100%
Laboratory Commodities	Enviromed Analytical	St. John's, NL	A	100%	0%	0%	100%
3rd Party Cold Eyes Review	Pilko & Associates	Houston, Texas	B	0%	0%	100%	100%
EA Services	Stantec Environmental	St. John's, NL	B	70%	30%	0%	100%
Offshore Cooler Equipment	Maynard Reece	Dartmouth, Nova Scotia	C	0%	0%	100%	100%
Contract Extensions							
MODU Drilling Fluids	Schlumberger (MI Swaco)	St. John's, NL	I	9%	47%	44%	100%
MODU ROV Equipment and Services	DOF Subsea	St. John's, NL	G	79%	0%	21%	100%
MODU Lower String Completions	Halliburton Energy Services	St. John's, NL	H	27%	38%	35%	100%
MODU Lower String Completions	Schlumberger Canada Limited	St. John's, NL	B	10%	10%	80%	100%
MODU Cementing Services	Schlumberger Canada Limited	St. John's, NL	I	9%	19%	72%	100%
MODU Well Tractor Equipment	Welltec	St. John's, NL	D	8%	79%	13%	100%
MODU Tubular Running Services	FI Canada	St. John's, NL	F	68%	2%	30%	100%
MODU Cuttings Conveyance Services	Enhanced Drilling	St. John's, NL	F	80%	0%	20%	100%
MODU Swell Packers	TAM International	St. John's, NL	B	30%	45%	25%	100%
MODU Tubing Conveyed Perforating	Schlumberger Canada Limited	St. John's, NL	F	21%	9%	70%	100%
MODU Mud Logging Services	Schlumberger Canada Limited	St. John's, NL	C	67%	7%	26%	100%
MODU Well Bore Cleanout Services	Halliburton Energy Services	St. John's, NL	C	33%	28%	39%	100%
MODU Landing String Services	Expro Group Canada	St. John's, NL	F	47%	0%	53%	100%
MODU Well Test Services	Expro Group Canada	St. John's, NL	E	40%	0%	60%	100%
MODU Solids Control	Schlumberger (MI Swaco)	St. John's, NL	F	29%	9%	62%	100%
MODU Slickline Services	Halliburton Energy Services	St. John's, NL	E	31%	49%	20%	100%
MODU Inflow Control Device/Stand Alone Screens	Schlumberger	St. John's, NL	B	44%	20%	36%	100%
Certifying Authority	DNV Canada Limited	St. John's, NL	F	70%	0%	30%	100%
Inspection Services	SNC Atlantic Inspection Services	St. John's, NL	E	89%	9%	2%	100%
Subsea Equipment Storage and Maintenance	OneSubsea	St. John's, NL	M	73%	2%	25%	100%
Valve Supply and Management	Score Valves	St. John's, NL	H	94%	2%	4%	100%
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 well referenced in the Q1 2018 Benefits Report (WR-ADM-RP-0052) is captured under costs allocated to White Rose Extension Expenditures captured in Table 4.6.

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).

6.0 Photographs



Husky sponsors the Eastern NL Science and Technology Fair – April 2018



Husky representatives travel to Laval High School in Placentia, NL, for the WRDC Techsploration program – April 2018



Husky was a proud event sponsor of the Newfoundland and Labrador Regional MATE 2018 Remotely Operated Vehicle (ROV) Competition– May 2018



Husky sponsors a visit to MacDonald Drive Junior High from Earth Rangers to inspire children about the importance of biodiversity and conservation – June 2018