Husky Energy



Canada-Newfoundland and Labrador Benefits

Husky Energy Ref. No.: WR-ADM-RP-0056

QUARTERLY REPORT July 1 – September 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 September 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 Q3 2018, a total of 1,187 people were reported employed on Husky's White Rose Operations, of which 558 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, 998 or 84 percent, were residents of Newfoundland and Labrador when hired, while another 111, or 9 percent, were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 186, or approximately 16 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 September 30, 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	0	0	0	0	0	0	25	5	30	25	5	30
Newfoundland - Offshore	486	17	503	41	0	41	12	2	14	539	19	558
Newfoundland - Onshore	357	136	493	52	17	69	26	8	34	435	161	596
Other Canadian	1	1	2	1	0	1	0	0	0	2	1	3
Total	844	154	998	94	17	111	63	15	78	1,001	186	1,187

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



Atlantic Region Contractor Stats

Head Count By Contractor White Rose - Q3 2018

				Other	Other	Other			- 1	
Contractor	NL Male	NL Female	NL Subtotal	Canadian Male	Canadian Female	Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
A Harvey	12	2	14	0	0	0	0	0	0	12	2	14
Aker Solutions	36	10	46	0	0	0	3	0	3	39	10	49
ASCO Canada Limited	7	0	7	0	0	0	0	0	0	7	0	7
Atlantic Offshore Medical					_		_	_	_			
Services	10	4	14	0	0	0	0	0	0	10	4	14
Atlantic Towing	35	3	38	19	9	28	1	0	1	55	12	67
Atlantic XL	1	0	1	0	0	0	0	0	0	1	0	1
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	9	42	13	0	13	0	0	0	46	9	55
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	69	4	73	6	0	6	3	0	3	78	4	82
East Coast Catering	14	5	19	0	0	0	0	0	0	14	5	19
East Coast Tubulars	12	2	14	0	0	0	4	0	4	16	2	18
Enhanced Drilling	5	0	5	0	0	0	0	0	0	5	0	5
Expro Group Canada	14	2	16	1	0	1	6	1	7	21	3	24
FI Oilfield Services Canada ULC	10	0	10	0	0	0	0	0	0	10	0	10
Fugro Jacques GeoSurveys Inc	6	3	9	0	0	0	0	0	0	6	3	9
Halliburton	7	1	8	1	0	1	0	0	0	8	1	9
Husky	214	80	294	31	7	38	18	7	25	263	94	357
Import Tool	1	0	1	1	0	1	0	0	0	2	0	2
Maersk Seabase	38	1	39	2	0	2	0	0	0	40	1	41
Oceaneering International												
Ltd.	0	0	0	0	0	0	5	1	6	5	1	6
Oceans Ltd	4	0	4	0	0	0	0	0	0	4	0	4
OneSubsea	29	2	31	0	0	0	14	4	18	43	6	49
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	54	8	62	6	1	7	7	2	9	67	11	78
Score	6	3	9	0	0	0	1	0	1	7	3	10
SGS Canada Inc.	0	0	0	0	0	0	0	0	0	0	0	0
Siemens	10	1	11	0	0	0	0	0	0	10	1	11
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	9	1	10	0	0	0	0	0	0	9	1	10
Teekay	36	0	36	0	0	0	0	0	0	36	0	36
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	1	0	1	0	0	0	0	0	0	1	0	1
Total	844	154	998	94	17	111	63	15	78	1,001	186	1,187

^{*}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 September 30, 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	7	37	44	1	6	7	0	1	1	8	44	52
Engineers	103	25	128	14	3	17	21	2	23	138	30	168
Management	48	7	55	10	1	11	14	4	18	72	12	84
Marine Crew	173	5	178	10	0	10	0	0	0	183	5	188
Other Field Services	111	8	119	9	0	9	0	0	0	120	8	128
Professionals	114	54	168	28	7	35	8	6	14	150	67	217
Skilled Trades	120	2	122	11	0	11	4	0	4	135	2	137
Technicians & Technologists	168	16	184	11	0	11	16	2	18	195	18	213
Total	844	154	998	94	17	111	63	15	78	1,001	186	1,187

Note: In Q3 2018, Husky employed 36 co-op students (21 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 September 30, 2018, 1,772 people were reported employed on Husky's West White Rose Project (WWRP), representing 998,978 person hours. Of those hours, 880,462 or 88 percent, occurred in Newfoundland and Labrador (Table 3.1). The number of females employed on the West White Rose Project was 297, or approximately 17 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 completion of the base slab construction. 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 September 30, 2018 - West White Rose Project Employment



Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	44,610	0	44,610	7	7,478	52,095
Husky	30,155	0	30,155	2,917	472	33,544
Kiewit	87,036	0	87,036	0	0	87,036
Kvaerner	4,181	0	4,181	0	915	5,096
SDP	674,085	0	674,085	373	2,182	676,640
TechnipFMC	5,196	0	5,196	0	0	5,196
Wood	35,199	0	35,199	0	104,172	139,371
Total	880,462	0	880,462	3,297	115,219	998,978

Table 3.2 Head Count by Contractor and Residency, as of September 30, 2018 - White Rose Extension Project



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.	30	17	47	4	0	4	32	6	38	66	23	89
Husky	67	22	89	6	3	9	2	1	3	75	26	101
Kiewit	194	25	219	0	0	0	0	0	0	194	25	219
Kvaerner	9	2	11	0	0	0	1	0	1	10	2	12
SDP	884	159	1,043	6	3	9	18	0	18	908	162	1,070
TechnipFMC	9	2	11	0	0	0	1	0	1	10	2	12
Wood	57	12	69	0	0	0	155	45	200	212	57	269
Total	1,250	239	1,489	16	6	22	209	52	261	1,475	297	1,772

Residents of NL comprised 84 percent of the West White Rose Project work force and one percent were residents of Canada (Table 3.2).

The majority of positions in Q3 2018 were associated with skilled trades supported by engineers, other field services and technicians and technologists (Table 3.3).

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



Atlantic Region Contractor Stats

Head Count By Occupation West White Rose Project - Q3 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	8	23	31	0	0	0	0	5	5	8	28	36
Engineers	140	31	171	6	2	8	105	16	121	251	49	300
Management	110	17	127	6	2	8	11	0	11	127	19	146
Other Field Services	214	33	247	0	0	0	0	0	0	214	33	247
Professionals	66	45	111	3	2	5	9	7	16	78	54	132
Skilled Trades	632	67	699	0	0	0	2	0	2	634	67	701
Technicians & Technologists	80	23	103	1	0	1	82	24	106	163	47	210
Total	1,250	239	1,489	16	6	22	209	52	261	1,475	297	1,772

Note: In Q3 2018, Husky employed 9 co-op students (4 female) on the West White Rose Project.

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



Atlantic Region Contractor Stats

Head Count By Location West White Rose Project - Q3 2018

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	174	46	220	174	46	220
Newfoundland - Onshore	1,250	239	1,489	16	4	20	35	6	41	1,250	249	1,550
Other Canadian	0	0	0	0	2	2	0	0	0	0	2	2
Total	1,250	239	1,489	16	6	22	209	52	261	1,475	297	1,772

The head count shown in Table 3.4 is a snap shot of personnel who have charged hours to the project as of September30, 2018 and does not necessarily represent full time employees.

Table 3.5 outlines the percentage of women working on the WWRP as of September30, 2018, against the targets in the project Diversity Plan.

The total workforce of the WWRP for this quarter is 1,772. 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 278 (73 female)
- Engineers 300 (49 female)

- Technicians and technologists 210 (47 female)
- Skilled trades 701 (67 female)
- Other field services 247 (33 female) see Other category in Table 3.5

Table 3.5 Women Working on WWRP Compared to Project Targets

Total Workfo	rce: 1,7	72		
Category	NOC Code	Occupations	Target (% of total workforce)	Actual (% of total workforce)
Managers and other Professionals			30	56.87
	2131	Civil Engineers	20	13.77
	0211	Engineering Managers		
	2133	Electrical and Electronics Engineers		
	2132	Mechanical Engineers		
	2134	Chemical Engineers		
Engineers	2141	Industrial and Manufacturing Engineers	15	16.66
	2144	Geological Engineers		
	2145	Petroleum Engineers	_	
	2147	Computer Engineers (Except Software Engineers and Designers)		
	2151	Architects		
Technicians	2231	Civil Engineering Technologists and Technicians	20	25.63
and Technologists	2251	Architectural Technologists and Technicians	20	23.03
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	1.38
	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	7.52

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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	9.40
	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	11.29
	7611	Journey Person for the following categories: Laborers - Trades Helpers (Formwork, Concrete, Slip, Accessway)	20	16.67
	6541	Security guards		
Other*	3413	First aid attendants	0	40.97

^{*}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 6 percent. The target for civil engineers was not met this quarter, while other engineering was exceeded by approximately 2 percent. The target for forepersons or journey persons laborers have not been reached, however, targets for plumbers/pipefitters and ironworkers have been exceeded for Q3 2018.

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

There were no contracts >250,000 awarded for the West White Rose Project for Q3, 2018.

Table 6.1 Contracts Awarded for the White Rose Project - Q3 2018

Husky East Coast Operations Procurement Summary	2018	Q2	Hus	sky	En	er	gy
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
WWRP Solids Control	Schlumberger Canada Limited	St. John's, NL	К	45%	17%	38%	100%
Laboratory Services	Avalon Laboratories	St. John's, NL	В	95%	5%	0%	1009
BOP Tethering System	Kongsberg Maritime	Houston, Texas	Н	35%	0%	65%	1009
Laboratory Commodities	Mikan Scientific	St. John's, NL	Α	100%	0%	0%	100%
Laboratory Commodities	Enviromed Analytical	St. John's, NL	Α	100%	0%	0%	1009
3rd Party Cold Eyes Review	Pilko & Associates	Houston, Texas	В	0%	0%	100%	100%
EA Services	Stantec Environmental	St. John's, NL	В	70%	30%	0%	1009
Offshore Cooler Equipment	Maynard Reece	Dartmouth, Nova Scotia	С	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	Н	27%	38%	35%	100%
MODU Lower String Completions	Schlumberger Canada Limited	St. John's, NL	В	10%	10%	80%	100%
MODU Cementing Services	Schlumberger Canada Limited	St. John's, NL	T.	9%	19%	72%	100%
MODU Well Tractor Equioment	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 Serivces	Enhanced Drilling	St. John's, NL	F	80%	0%	20%	1009
MODU Swell Packers	TAM International	St. John's, NL	В	30%	45%	25%	1009
MODU Tubing Conveyed Perforating	Schlumberger Canada Limited	St. John's, NL	F	21%	9%	70%	1009
MODU Mud Logging Services	Schlumberger Canada Limited	St. John's, NL	С	67%	7%	26%	1009
MODU Well Bore Cleanout Services	Halliburton Energy Services	St. John's, NL	С	33%	28%	39%	1009
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	Е	40%	0%	60%	1009
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	Е	31%	49%	20%	100%
MODU Inflow Cotrol Device/Stand Alone Screens	Schlumberger	St. John's, NL	В	44%	20%	36%	1009
Certifying Authority	DNV Canada Limited	St. John's, NL	F	70%	0%	30%	100%
Inspection Services	SNC Atlantic Inspection Services	St. John's, NL	Е	89%	9%	2%	1009
Subsea Equipment Storage and Maintenance	OneSubsea	St. John's, NL	М	73%	2%	25%	100%
Valve Supply and Management	Score Valves	St. John's, NL	Н	94%	2%	4%	100%
A = 250,001 - 500,000 \$	E = 2,000,001 - 3,000,000 \$	I = 10,000,001 - 15,000,000 \$		M = 50,0	00,001 -	75,000	,000 \$
B = 500,001 - 1,000,000 \$	F = 3,000,001 - 5,000,000 \$	J = 15,000,001 - 20,000,000 \$		N = 75,0			
C = 1,000,001 - 1,500,000 \$	G = 5,000,001 - 7,500,000 \$	K = 20,000,001 - 30,000,000 \$		O = Over	-		
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 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 donates \$50,000 to the community building project for the St. John's Farmer's Market
- July 2018



Husky coordinates Cougar tour for ThriveNL students, ages 10-17, - July 2018



Husky sponsors the St. John's Ambulance Therapy Dog program to support mental health in the workplace

– August 2018



Husky contributes funds to help support the Eating Disorder Foundation of NL EFFT program

– August 2018