



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JANUARY 1 – MARCH 31, 2007

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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, 2007, 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 East Coast Operations and includes activities of its major sub-contractors as well.

2.0 Highlights for the Period

- Overall Canada / Newfoundland content for the period including OPEX, CAPEX II and Exploration and Delineation costs was 44.6 % NL and 34.8 % Other Canadian.
- A total of 11.12 million barrels of oil were produced during the period from January 1, 2007 to March 31, 2007 at an average production rate of 123,650 bbls/ day
- Total production from first oil up until March 31, 2007 is 45.66 million barrels
- Total employment in East Coast Operations was 1027 as of March 31, 2007
- Husky was awarded the Employer of Distinction Award from the Newfoundland and Labrador Employment Council on January 31, 2007
- Hosted a group of high school students from Northern Labrador for presentations by Husky staff on oil and gas industry career opportunities on February 14 , 2007
- Participated in the PIHRC Educator's Forum in Grand Falls / Windsor on February 23, 2007
- Participated in a career fair and symposium for high school students in North West River, Labrador on March 3, 2007
- Participated in the Career Fair sponsored by the Association for New Canadians in March 14, 2007
- Fourth annual Diversity Workshop took place on March 15, 2007
- Exhibited at the National Educational Association for Disabled Students (NEADS) conference and exhibition on March 31, 2007

3.0 Employment Summary

As of March 31, 2007, a total of 1027 people were employed on Husky's East Coast Operations. This includes people employed with Husky and its contractors. Of this total 865 or 84.2% were residents of Newfoundland and Labrador when hired, while another 95 or 9.3% were residents of other regions of Canada at the time of hire. All but 2 of these positions were located in Newfoundland and Labrador as at March 31, 2007 and 623 of the positions were in the offshore.

Table 3.2 Employment Summary of Husky and Major Contractors - as of March 31, 2007


Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
TOTAL	723	142	865	90	5	95	67	0	67	1027

4.0 Project Expenditure

For the period January 1, 2007 to March 31, 2007, project expenditures (as a percentage of total cost) were 44.6% Newfoundland and Labrador content, 34.8% Other Canadian and 20.7% Foreign content.

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

There were 2 contracts greater than \$250,000 awarded during the first quarter of 2007.

Husky East Coast Operations Procurement Summary		2007 - Q1					
Description	Vendor Name	Vendor Location	NF	CDN	FOR	Total	
Rigid Spool Fabrication	Newdock, St. John's Dockyard Limited	St. John's	100%			100%	
2007 Dive Support	Pro-Dive Marine Services	St. John's	75%	25%	0%	100%	

6.0 Exploration

There were no exploration activities carried out during the period of January 1, 2007 to March 31, 2007.

7.0 Photographs



Husky Food Drive Volunteers – March 10, 2007



Northern Labrador High School students visit Husky's Office in February 2007



Husky Receives the Employer of Distinction Award from the Newfoundland and Labrador Employers Council on January 31, 2007