



Canada-Newfoundland and Labrador Benefits

Husky Energy Ref. No.: WR-ADM-RP-0038

QUARTERLY REPORT
JANUARY 1 – MARCH 31, 2016

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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, 2016, 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 2016, a total of 1,049 people were reported employed on Husky's White Rose Operations, of which 305 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 GSF Grand Banks and the SeaRose FPSO.

Of the total personnel, 957, or 91 percent, were residents of Newfoundland and Labrador when hired, while another 61, or 6 percent, were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 206, or approximately 20 percent, 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, 2016 – White Rose



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q1 2016

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
Europe	2	0	2	1	0	1	1	0	1	4	0	4
Newfoundland - Offshore	274	9	283	21	0	21	1	0	1	296	9	305
Newfoundland - Onshore	483	187	670	32	6	38	17	0	17	532	193	725
Nova Scotia	1	1	2	0	1	1	0	0	0	1	2	3
USA	0	0	0	0	0	0	10	2	12	10	2	12
Total	760	197	957	54	7	61	29	2	31	843	206	1,049

3.0 White Rose Extension Project Employment Summary

As of March 31, 2016, 110 people were reported employed on Husky's White Rose Extension Project, representing approximately 22,000 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 White Rose Extension Project operations was 30, or approximately 27 percent, of the total workforce (Table 3.2).

The majority of person hours expended on the project for this quarter were by Arup Canada Inc. for continued CGS engineering design work. Husky hours are related to project management and engineering design support. Hours reported by Edward Collins, Garda World and Pennecon represent graving dock maintenance activities. The hours reported by SNC/Dragados represent CGS constructability reviews with Arup.

Eighty-four 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, 89 percent of person hours expended on the project occurred in Newfoundland and Labrador.

Table 3.1 Person Hours by Contractor, as of March 31, 2016 - White Rose Extension Project Employment



Atlantic Region Contractor Stats

Hours By Contractor
WREP - Q1 2016

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	12,483	0	12,483	66	2,235	14,784
Edward Collins	110	0	110	0	0	110
Garda World	2,316	0	2,316	0	0	2,316
Husky	1,391	0	1,391	87	103	1,581
Pennecon	611	111	722	0	0	722
SNC Lavalin/ Dragados	230	0	230	0	0	230
Wood Group Mustang	2,308	0	2,308	0	0	2,308
Total	19,449	111	19,560	153	2,338	22,051

Table 3.2 Head Count by Contractor and Residency, as of March 31, 2016 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor
WREP - Q1 2016

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	11	29	6	0	6	23	4	27	47	15	62
Edward Collins	5	0	5	0	0	0	0	0	0	5	0	5
Garda World	0	5	5	0	0	0	0	0	0	0	5	5
Husky	3	0	3	0	0	0	0	0	0	3	0	3
Pennecon	11	6	17	0	0	0	0	0	0	11	6	17
SNC Lavalin/ Dragados	3	0	3	0	0	0	0	0	0	3	0	3
Wood Group Mustang	11	4	15	0	0	0	0	0	0	11	4	15
Total	51	26	77	6	0	6	23	4	27	80	30	110

Residents of NL comprised of 70 percent of the White Rose Extension Project work force, a 1 percent increase from last quarter; and residents of Canada comprised five percent of the work force (Table 3.2).

The majority of positions in Q1 2016 were associated with engineering supported by administration, management, skilled trades and technicians/technologists (Table 3.3).

Table 3.3 Summary by Occupation and Location of Work, as of March 31, 2016 - White Rose Extension Project



Atlantic Region Contractor Stats


Head Count By Location and Occupation
WREP - Q1 2016

All Locations

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	0	11	11	0	0	0	0	0	0	0	11	11
Engineers	20	7	27	4	0	4	17	2	19	41	9	50
Management	8	1	9	2	0	2	5	2	7	15	3	18
Other Field Services	1	4	5	0	0	0	0	0	0	1	4	5
Professionals	3	0	3	0	0	0	0	0	0	3	0	3
Skilled Trades	9	2	11	0	0	0	0	0	0	9	2	11
Technicians & Technologists	10	1	11	0	0	0	1	0	1	11	1	12
Total	51	26	77	6	0	6	23	4	27	80	30	110

Note: In Q1 2016, Husky employed 3 co-op students on the WREP.

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

Husky East Coast Operations Procurement Summary			2016 Q1					
Description	Vendor Name	Vendor Location	Range	NL	CDN	FOR	Total	
NEW CONTRACTS								
Landing String Equipment and Services	EXPRO Group Canada Ltd.	St. John's	I	17%	0%	83%	100%	
ROV Services	DOF Subsea Canada Corp.	St. John's, NL	J	67%		33%	100%	
Mud Logging Equipment and Services	Schlumberger Canada Ltd.	St. John's, NL	E	58%	26%	16%	100%	
MODU Henry Goodrich	Transocean Canada Drilling Services	St. John's	O	93%	2%	5%	100%	
Offshore Technical Support Services	IKM Testing	St. John's	B	100%	0%	0%	100%	
Offshore Technical Support Services	Score (Canada) Ltd.	Paradise	D	13%	64%	23%	100%	
Supply Vessel Services - Atlantic Osprey	Atlantic Towing	St. John's	I	91%	9%	0%	100%	
Supply Vessel Services - Atlantic Hawk	Atlantic Towing	St. John's	K	91%	9%	0%	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 spend for the first quarter of 2016 was approximately \$165 Thousand, with a content breakdown of 35.10 percent Newfoundland & Labrador, 25.63 percent Other Canadian, and 39.27 percent Foreign. This equates to expenditures totaling approximately \$58,000 Newfoundland & Labrador, \$42,000 Other Canadian, and \$65,000 Foreign (Table 7.1).

The Exploration total to date spend is approximately \$440.51 million, with a content breakdown of 45.95 percent Newfoundland & Labrador, 42.36 percent Other Canadian, and 11.69 percent Foreign. This equates to expenditures totaling approximately \$202.42 million Newfoundland & Labrador, \$186.59 million Other Canadian, and \$51.51 million Foreign (Table 7.1).

6.0 Photographs



Husky staff provide mentorship in the Junior Achievement Program

– January, 2016



**Husky staff volunteer at the Jimmy Pratt Breakfast Program
- February 2016**



Husky's Jim Smith speaks to teachers, guidance counsellors and school administrators at the Petroleum Industry Human Resource Committee's Educator's Forum in Gander – March 2016



Husky staff participate in the Offshore Workers Memorial Fund Hockey Tournament – March 2016