



Canada-Newfoundland and Labrador Benefits

Husky Energy Ref. No.: WR-ADM-RP-0040

QUARTERLY REPORT
April 1 – June 30, 2016

Table of Contents

1.0	Introduction	3
2.0	White Rose Project Employment Summary	3
3.0	White Rose Extension Project Employment Summary	4
4.0	Procurement Summary (Contracts > \$250,000)	6
5.0	Exploration	6
6.0	Photographs	7

1.0 Introduction

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending June 30, 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 Q2 2016, a total of 1,244 people were reported employed on Husky's White Rose Operations, of which 323 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 and tankers. The increase in personnel in Q2 2016 reflects staffing related to the startup of drilling operations on the *Henry Goodrich* as well as increased support vessel activity for ice management.

Of the total personnel, 1,126, or 91 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 217, or approximately 17 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 June 30, 2016 – White Rose



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q2 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
Foreign	0	0	0	0	0	0	10	1	11	10	1	11
Newfoundland - Offshore	295	6	301	21	0	21	1	0	1	317	6	323
Newfoundland - Onshore	630	192	822	48	14	62	18	0	18	696	206	902
Other Canadian	1	2	3	3	2	5	0	0	0	4	4	8
Total	926	200	1,126	72	16	88	29	1	30	1,027	217	1,244

3.0 White Rose Extension Project Employment Summary

As of June 30, 2016, 133 people were reported employed on Husky's White Rose Extension Project, representing approximately 35,500 person hours. The number of females employed on White Rose Extension Project operations was 29, or approximately 22 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 seven percent of person hours expended on the project occurred in Newfoundland and Labrador.

Table 3.1 Person Hours by Contractor, as of June 30, 2016 - White Rose Extension Project Employment



Atlantic Region Contractor Stats

Hours By Contractor

WREP - Q2 2016

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	12,561	0	12,561	83	2,731	15,375
Edward Collins	53	0	53	0	0	53
Garda World	2,292	0	2,292	0	0	2,292
Husky	11,134	1,534	12,668	1,838	0	14,506
Pennecon	662	336	998	0	0	998
SNC Lavalin/ Dragados	1,041	0	1,041	0	0	1,041
Wood Group Mustang	1,248	0	1,248	0	0	1,248
Total	28,991	1,870	30,861	1,921	2,731	35,513

Table 3.2 Head Count by Contractor and Residency, as of June 30, 2016 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor

WREP - Q2 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.	15	10	25	4	1	5	27	1	28	46	12	58
Edward Collins	3	0	3	0	0	0	0	0	0	3	0	3
Garda World	1	4	5	0	0	0	0	0	0	1	4	5
Husky	33	4	37	3	0	3	0	0	0	36	4	40
Pennecon	11	6	17	0	0	0	0	0	0	11	6	17
SNC Lavalin/ Dragados	2	0	2	0	0	0	0	0	0	2	0	2
Wood Group Mustang	5	3	8	0	0	0	0	0	0	5	3	8
Total	70	27	97	7	1	8	27	1	28	104	29	133

Residents of NL comprised of 73 percent of the White Rose Extension Project work force, a 3 percent increase from last quarter; and residents of Canada comprised six percent of the work force (Table 3.2).

The majority of positions in Q2 2016 were associated with engineering supported by administration, management and professionals (Table 3.3).

Table 3.3 Summary by Occupation and Location of Work, as of June 30, 2016 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Location and Occupation


WREP - Q2 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	10	10	0	0	0	0	0	0	0	10	10
Engineers	26	9	35	6	1	7	20	1	21	52	11	63
Management	6	2	8	1	0	1	6	0	6	13	2	15
Other Field Services	4	3	7	0	0	0	0	0	0	4	3	7
Professionals	18	1	19	0	0	0	0	0	0	18	1	19
Skilled Trades	7	2	9	0	0	0	0	0	0	7	2	9
Technicians & Technologists	9	0	9	0	0	0	1	0	1	10	0	10
Total	70	27	97	7	1	8	27	1	28	104	29	133

Note: In Q2 2016, Husky employed 3 co-op students (2 female) on the WREP.

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

Husky East Coast Operations Procurement Summary			2016 Q2					
Description	Vendor Name	Vendor Location	Range	NL	CDN	FOR	Total	
NEW CONTRACTS								
Well Testing Equipment and Services	EXPRO Group Canada Ltd.	St. John's	E	17%	0%	83%	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 second quarter of 2016 was approximately \$8,000, with a content breakdown of 96.63 percent Newfoundland & Labrador, 3.36 percent Other Canadian, and 0 percent Foreign. This equates to expenditures totaling approximately \$7,700 Newfoundland & Labrador, \$300 Other Canadian, and \$0 Foreign (Table 7.1).

The Exploration total to date spend is approximately \$440.52 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



The Techsploration Program tours Husky facilities – April 2016



Husky Energy Eastern Science and Technology Fair – April 2016



Easter Seals presents Husky with a Plaque of Appreciation– June 2016



One of the largest and most advanced subsea construction vessels in the world, the *North Sea Giant*, arrives in Bay Bulls to support the 2016 *SeaRose* Turnaround – June 2016