



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
OCTOBER 1 – DECEMBER 31, 2012

Table of Contents

1.0	Introduction.....	3
2.0	Highlights for the Period.....	3
3.0	White Rose Project Employment Summary.....	3
4.0	White Rose Extension Project Employment Summary.....	5
5.0	Procurement Summary (Contracts > \$250,000).....	6
6.0	Exploration.....	7
7.0	Photographs	8

1.0 Introduction

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending December 31, 2012, 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 includes activities of its major sub-contractors as well.

2.0 Highlights for the Period

- Overall Canada / Newfoundland content for Husky's operations, which includes the White Rose Project, North Amethyst Project, West Pilot Scheme, White Rose Extension Project, South White Rose Extension and Exploration has a content breakdown of 49.85% Newfoundland & Labrador, 18.98% Other Canadian, and 31.17% Foreign.
- Husky has signed a five-year contract for the new Seadrill drilling rig *West Mira*, due to arrive in 2015.
- Husky has extended the contract for the Transocean drilling rig *GSF Grand Banks* until 2015.

3.0 White Rose Project Employment Summary

As of December 31, 2012, a total of 1597 people were reported employed on Husky's White Rose Operations of which 783 were located offshore. This includes people employed with Husky and its contractors and includes North Amethyst and the West White Rose Pilot Scheme which were previously reported separately, as well as South White Rose Extension.

Of this total 1420 or 89% were residents of Newfoundland and Labrador when hired, while another 99 or 6% were residents of other regions of Canada at the time of hire. The majority (98%) of these positions were located in Newfoundland and Labrador as of December 31, 2012. The number of females employed on White Rose operations was 260 or approximately 16% of the total workforce (Table 3.1).

Table 3.1 - Employment Summary by Location, as of December 31, 2012



Employment by Location for: **White Rose**
December(2012)

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Germany	0	0	0	0	0	0	6	1	8	8
Houston	0	0	0	0	0	0	11	2	12	12
Leeds, UK	0	0	0	0	0	0	5	1	6	6
Offshore	695	20	715	51	1	52	16	0	16	783
St. John's	479	226	705	40	6	46	35	3	38	789
TOTAL	1,174	246	1,420	92	7	99	72	7	79	1,597

4.0 White Rose Extension Project Employment Summary

Note that for this quarterly report, Husky hours related to the White Rose Extension Project are included in the White Rose project reporting in Table 3.1. Husky hours expended on the White Rose Extension Project will be reported separately in the report for Q1 2013.

As of December 31, 2012, 113 people were reported employed on Husky's White Rose Extension Project. As noted above, this number only includes people employed with Husky's PreFEED/FEED contractor, Arup Canada.

Of this total 48 or 42% were residents of Newfoundland and Labrador when hired, while another 16 or 14% were residents of other regions of Canada at the time of hire. The majority (74%) of these positions were located in Newfoundland and Labrador as of December 31, 2012 (Table 4.1).

Table 4.1 Employment by Location – White Rose Extension Project




Employment by Location for: **White Rose Extension Project**
December(2012)

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Tota	Male	Female	Sub-Total	
Houston	0	0	0	0	0	0	22	0	22	22
Malaysia	0	0	0	0	0	0	0	0	0	0
Ontario	0	0	0	7	0	7	0	0	0	7
St. John's	41	7	48	7	2	9	24	3	27	84
TOTAL	41	7	48	14	2	16	46	3	49	113

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

There were four new contracts greater than \$250,000 awarded during the fourth quarter of 2012. There were also 6 contract extensions issued (Table 5.1).

Table 5.1 Summary of Contracts – New and Extended for Q4 2012

Husky East Coast Operations Procurement Summary		2012 Q4					
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
New Contracts							
Fabric Maintenance Services	Crosbie Salmis Ltd.	St. John's	G	92%	5%	3%	100%
Inspection Services	SNC-Lavalin Inc.	St. John's	B	90%	10%	0%	100%
MODU West Mira	Seadrill Deepwater Contracting Ltd.	Houston	O	*	*	*	0%
Mudlogging Equipment and Services	Weatherford Surface Logging Systems	St. John's	F	53%	12%	35%	100%
Contract Extensions							
Telecommunications Services	Atlantic XL	St. John's	B	100%	0%	0%	100%
Independent Verification Services	Det Norske Veritas	St. John's	E	70%	5%	25%	100%
Safety Consulting Services	Atkins Ltd.	Aberdeen, UK	A	0%	0%	100%	100%
Offshore Technical Support and Training	Cetco Oilfield Services Company	New Orleans, USA	B	5%	0%	95%	100%
MODU GSF Grand Banks	Transocean Drilling Services Canada Ltd.	St. John's	O	93%	2%	5%	100%
Cementing Equipment and Services	Schlumberger Canada Ltd.	St. John's	G	60%	15%	25%	100%
Cost Range Code Legend							
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 \$					
* Seadrill have not yet provided a local benefits breakdown as it needs to establish its local office and infrastructure for the rig.							

6.0 Exploration

The Exploration spend for the fourth quarter of 2012 was approximately \$24.12 million, with a content breakdown of 30.01% Newfoundland & Labrador, 53.18% Other Canadian, and 16.81% Foreign. This activity is attributed to exploration drilling activities and ongoing work related to identifying future drilling targets.

7.0 Photographs



Husky Contractor Safety Forum – December 2012



Husky Diversity Forum – November 2012



Husky Diversity Forum – November 2012



Chief Mise'l Joe of Miawpukek First Nation speaking at Husky Diversity Forum – November 2012



VOCM Happy Tree – December 2012



Donation to Single Parents Association of NL – December 2012