Husky Oil Operations Limited (Husky), operator of the White Rose oilfield, and Petro-Canada, joint owner of the field, announced that they have today filed the Development Application (DA) for the White Rose oilfield development with the Canada–Newfoundland Offshore Petroleum Board (C-NOPB).

The Development Application comprises five volumes and a project summary: Vol. 1 - Canada-Newfoundland Benefits Plan; Vol. 2 - Development Plan; Vol. 3 - Environmental Impact Statement; Vol. 4 - Socio-Economic Impact Statement; Vol. 5 - Preliminary Safety Plan and Concept Safety Analysis, and DA Summary (see attached backgrounder).

“Filing of the Application will allow us to complete the front-end engineering design (FEED) and costing work now underway,” said James Blair, Husky’s Senior Vice President and Chief Operating Officer. “The objective of the FEED is to meet the design, cost, and contracting requirements we have established to allow a decision regarding the project go-ahead.”

In the Application, Husky is proposing to develop the White Rose oilfield with a floating production and storage (FPSO) system. “The FPSO is a safe and reliable production facility with a proven track record in other harsh environments around the world. It is the cost-effective and economically viable method to develop the oilfield,” said Will Roach, Husky’s General Manager, East Coast Development. Major components of the FPSO and related systems are currently on tender. “Confirmation that development costs are within the economic framework of the project and internationally competitive is a central part of moving the project forward,” explained Roach.

Copies of the Application will be available at the Husky St. John’s office, 8th floor, Scotia Centre, Water Street, St. John’s or by calling (709) 724-7244 or toll free at 1-877-724-7244. The DA Summary is available on the Husky White Rose Web site (address: www.huskywhiterose.com).

The Development Application and Comprehensive Study (submitted October 10, 2000) for the White Rose oilfield development address both the C-NOPB’s Development Application Guidelines and the environmental assessment requirements outlined in the Canadian Environmental Assessment Act (CEAA). The process was initiated in March 2000 when Husky submitted a project description to the C-NOPB for the White Rose oilfield development. Regulatory requirements are important to the project design, and must be considered before project sanction can be considered.
Husky is a significant player in the East Coast oil and gas industry. Including ownership in White Rose and Terra Nova, Husky has interests in 13 significant discovery areas in the Jeanne D'Arc Basin and 7 exploration licenses on the Grand Banks.

Husky Oil Operations Limited is a wholly owned subsidiary of Husky Energy Inc. Husky Energy is a Canadian-based integrated energy and energy-related company headquartered in Calgary, Alberta. Husky Energy is publicly traded on the Toronto Stock Exchange under the symbol HSE.

(Backgrounder attached)
WHITE ROSE DEVELOPMENT APPLICATION BACKGROUNDER

The Development Application and Comprehensive Study are required under the Canada-Newfoundland Offshore Petroleum Board (C-NOPB) legislation and the Canadian Environmental Assessment Act (CEAA).

DA Summary

The DA Summary provides an overview of the five volumes in the Application and sets the framework for the proposed development.

Vol 1. Canada–Newfoundland Benefits Plan

It documents the opportunity for the employment of Canadians, and in particular, residents of Newfoundland and Labrador during the White Rose project and the participation of Canadian and Newfoundland and Labrador businesses in the provision of goods and services for the project.

The plan has five main sections:

- **Approach to Benefits.** It provides a background to the requirements for a Canada–Newfoundland Benefits Plan and describes Husky Oil’s general approach to benefits in terms of philosophy, beliefs, guiding principles and overall benefits process.
- **Policies and Procedures.** It describes Husky Oil’s policies and procedures with respect to project management, supplier development, procurement and contracting, employment, training, and research and development. It also discusses monitoring and reporting, which are critical to measuring the effectiveness of the Plan.
- **Development and Production Scenarios.** It describes the potential approach to the various work components: hull fabrication, topsides module fabrication and assembly, on-shore/at-shore hook up, offshore installation, production drilling, subsea fabrication and installation, and operations and production.
- **Procurement Requirements.** It describes preliminary goods and services requirements for the White Rose project, including fabrication and construction services, bulk materials, equipment, and support services. It describes how Husky Oil is committed to maximizing the opportunity for industrial benefits associated with the White Rose project for Newfoundland and Labrador, and for Canada, on an internationally competitive basis. It details how the White Rose project will contribute to building a competitive and sustainable oil and gas industry in the province.
- **Labour Requirements.** It describes the labour requirements for different components of the project. A commitment to maximizing the opportunity for local work force capacity on a competitive basis is also addressed.

Vol 2. Development Plan

This volume contains a comprehensive review of Husky’s approach to the White Rose Significant Discovery Area including a description of the reservoir engineering requirements, the field’s geology, and an overview of the reservoir’s make up and characteristics including a description of the oil and gas in place. This volume also takes an in-depth look at the proposed development option, FPSO, as well as the alternative systems considered. It documents the reasons for the selection including the construction and installation of the facility, and operation and maintenance requirements.

This volume describes the environmental setting for the project and assesses the potential effects of the activities and facilities on key Valued Environmental Components (VEC) including commercial fish species and habitat, seabirds, marine mammals and sea turtles. An extensive environmental effects assessment was conducted which also identified mitigative measures proposed to reduce environmental impacts. An Environmental Effects Monitoring and Management System will be implemented to minimize impacts, verify the environmental predictions and to ensure the mitigative measures are working as intended.


This volume discusses the socio-economic effects of the project. It focuses on three main areas that reflect the primary concerns of the public: business and employment; community and physical infrastructure and services; and fisheries. A key observation arising from this assessment is that the development of the White Rose oilfield will continue to contribute to the diversification of the provincial economy.

Vol 5. Concept Safety Analysis and Safety Plan

The preliminary Safety Plan identifies key components to demonstrate that the safety of personnel throughout all stages of the project is paramount to Husky. It addresses all activities associated with the project from design, construction, and production to decommissioning and abandonment. This volume also includes a Concept Safety Analysis (CSA) that focuses on the statistical assessment of risks associated with developing the field for personnel and the environment. The company will continually work towards reducing the risks wherever possible using proven technologies and practices. Based on this, the Plan will be continually revised as the Project moves forward.