



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
APRIL 1 – JUNE 30, 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 June 30, 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, Exploration, Delineation and White Rose Area Development costs was 50.2% NL and 29.1% Other Canadian
- A total of 11.3 million barrels of oil were produced during the period from April 1, 2007 to June 30, 2007 at an average production rate of 125,000 bbls/ day
- Total production from first oil up until June 30, 2007 is 57 million barrels
- Total employment in East Coast Operations was 1093 as of June 30, 2007
- Husky contributed another \$500,000 in support of the Oil and Gas Chair at Memorial University
- The Vice President of East Coast Operations presented a paper at the PRAC R&D Forum held in St. John's on May 9, 2007
- Representatives of Husky attended a seminar/workshop on the Economic Benefits of Oil and Gas Industry in NL sponsored by the Harris Institute on May 16, 2007
- Husky was a corporate sponsor for the 2007 Junior Achievement Business Awards Ceremony on May 31, 2007

3.0 Employment Summary

As of June 30, 2007, a total of 1093 people were employed on Husky's East Coast Operations. This includes people employed with Husky and its contractors. Of this total 941 or 86.1% were residents of Newfoundland and Labrador when hired, while another 91 or 8.3% 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 June 30, 2007 and 540 of the positions were in the offshore.

Table 3.2 Employment Summary by Location, as of June 30, 2007


Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
TOTAL	796	145	941	88	3	91	61	0	61	1093

4.0 Project Expenditure

For the period April 1, 2007 to July 31, 2007, project expenditures (as a percentage of total cost) were 50.2% Newfoundland and Labrador content, 29.1% Other Canadian and 20.7% Foreign content.

Procurement Summary (Contracts > \$250,000)

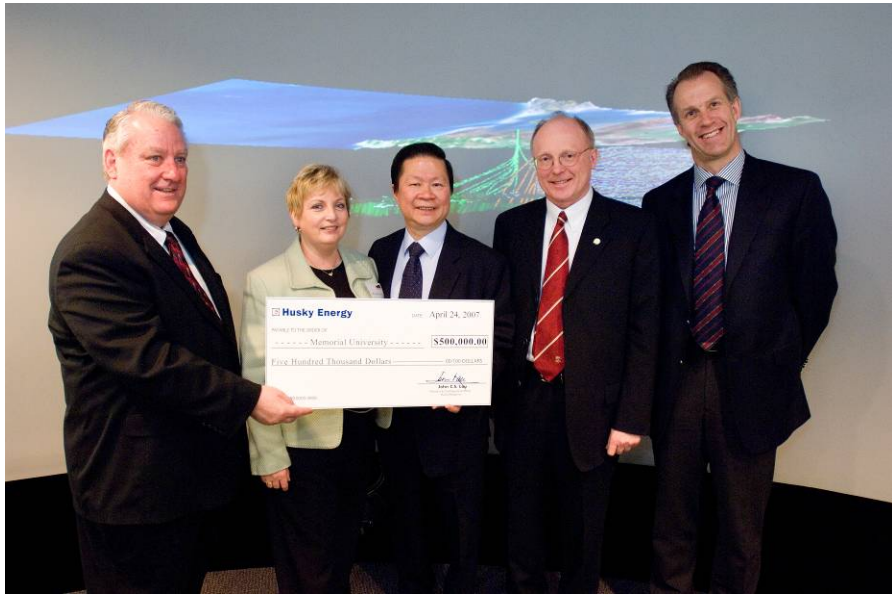
There were 3 contracts greater than \$250,000 awarded during the second quarter of 2007.

Husky East Coast Operations		2007 - Q2					
Procurement Summary							
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
Flare Tip Replacement	VerTech	Norway	C	0%	0%	100%	100%
Helicopter Survival Suits	Helly Hansen Canada	St. John's	C	47%	33%	20%	100%
Anchor Handling Tug Support Vessel	Atlantic Towing	St. John's	I	100%	0%	0%	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 \$					

5.0 Exploration

There were no major exploration activities carried out during the period of April 1, 2007 to June 30, 2007.

6.0 Photographs



Husky Contributes \$500,000 to the Oil and Gas Chair at Memorial University

April 24, 2007



Vasco da Gama at Pier 17



Techsporation Class Visit Husky's Sub-surface office in May 2007



Presentation of the Royal Newfoundland Regiment Colours to John Lau



**Husky Staff Plant Trees at St. Andrews School during Energy in Action Week
Sponsored by CAPP**



Diving Support Vessel Osprey With SeaRose in Background