



Canada-Newfoundland and Labrador Benefits

Husky Energy Ref. No.: WR-ADM-RP-0048

QUARTERLY REPORT
April 1 – June 30, 2017

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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, 2017, 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 2017, a total of 1,153 people were reported employed on Husky's White Rose Operations, of which 515 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, helicopters and tankers.

Of the total personnel, 1,009 or 88 percent, were residents of Newfoundland and Labrador when hired, while another 102, or 9 percent, were residents of other regions of Canada at the time of hire. The number of females employed on White Rose operations was 197, or approximately 17 percent, of the total workforce (Table 2.1). Total head count recorded in Q2 (Table 2.2) has decreased by 164 due to adjustments in how full time equivalency was being calculated and reported by some contractors. Husky, during a review of the reporting process, identified that some contractors did not fully understand the correct process for calculation of head count over the span of a quarterly period. This report now reflects an improved accuracy of headcount in relation to the actual person hours expended by each contractor on the White Rose Project.

Employment for the West White Rose Project is reported separately in Section 3.0

Table 2.1 - Employment Summary by Location, as of June 30, 2017 – White Rose



Atlantic Region Contractor Stats

Head Count By Location

White Rose - Q2 2017

Location	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
Foreign	1	0	1	0	0	0	14	3	17	15	3	18
Newfoundland - Offshore	447	17	464	38	1	39	12	0	12	497	18	515
Newfoundland - Onshore	384	159	543	45	17	62	13	0	13	442	176	618
Other Canadian	1	0	1	1	0	1	0	0	0	2	0	2
Total	833	176	1,009	84	18	102	39	3	42	956	197	1,153

3.0 West White Rose Project Employment Summary

As of June 30, 2017, 306 people were reported employed on Husky's West White Rose Project (WWRP), representing approximately 140,000 person hours. Of those hours, 83,172 or 64 percent, occurred in Newfoundland and Labrador (Table 3.1). The number of females employed on the West White Rose Project was 69, or approximately 23 percent, of the total workforce (Table 3.2).

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

Table 3.1 Person Hours by Contractor, as of June 30, 2017 - West White Rose Project Employment



Atlantic Region Contractor Stats

Hours By Contractor

West White Rose Project - Q2 2017

Contractor	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Arup Canada Inc.	26,365	0	26,365	60	2,444	28,869
Edward Collins	603	0	603	0	0	603
Garda World	2,292	0	2,292	0	0	2,292
Husky	18,732	0	18,732	1,968	872	21,572
Pennecon	515	0	515	0	0	515
SNC Lavalin/ Dragados	6,732	0	6,732	0	0	6,732
WoodGroup	27,933	0	27,933	0	51,345	79,278
Total	83,172	0	83,172	2,028	54,661	139,861

Table 3.2 Head Count by Contractor and Residency, as of June 30, 2017 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Contractor

West White Rose Project - Q2 2017

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.	21	12	33	3	0	3	25	2	27	49	14	63
Edward Collins	3	0	3	0	0	0	0	0	0	3	0	3
Garda World	0	5	5	0	0	0	0	0	0	0	5	5
Husky	36	11	47	3	1	4	2	0	2	41	12	53
Pennecon	3	1	4	0	0	0	0	0	0	3	1	4
SNC Lavalin/ Dragados	9	3	12	1	0	1	0	0	0	10	3	13
WoodGroup	46	12	58	0	0	0	85	22	107	131	34	165
Total	118	44	162	7	1	8	112	24	136	237	69	306

Residents of NL comprised 53 percent of the West White Rose Project work force and two percent were residents of Canada (Table 3.2).

The majority of positions in Q2 2017 were associated with engineering supported by technicians and technologists, professionals and management (Table 3.3).

Table 3.3 Headcount by Occupation, as of June 30, 2017 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Occupation
West White Rose Project - Q2 2017

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	1	9	10	0	0	0	0	3	3	1	12	13
Engineers	59	12	71	4	1	5	59	11	70	122	24	146
Management	13	2	15	1	0	1	8	0	8	22	2	24
Other Field Services	2	5	7	0	0	0	0	0	0	2	5	7
Professionals	24	10	34	2	0	2	11	6	17	37	16	53
Skilled Trades	3	0	3	0	0	0	0	0	0	3	0	3
Technicians & Technologists	16	6	22	0	0	0	34	4	38	50	10	60
Total	118	44	162	7	1	8	112	24	136	237	69	306

Note: In Q2 2017, Husky employed 7 co-op students (3 female) on the West White Rose Project.

Table 3.4 Headcount by Location, as of June 30, 2017 - White Rose Extension Project



Atlantic Region Contractor Stats

Head Count By Location
West White Rose Project - Q2 2017


Location	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
Foreign	0	0	0	0	0	0	94	22	116	94	22	116
Newfoundland - Onshore	118	44	162	7	1	8	18	2	20	143	47	190
Other Canadian	0	0	0	0	0	0	0	0	0	0	0	0
Total	118	44	162	7	1	8	112	24	136	237	69	306

The head count shown in Table 3.4 is a snap shot of personnel who have charged hours to the project as of June 30, 2017 and does not necessarily represent full time employees.

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

There was one new contract awarded for the White Rose Project in Q2 2017 (Table 6.1). There were no new contracts awarded for the West White Rose Project in Q2 2017.

Table 6.1 Contracts Awarded for White Rose Project – Q2 2017

Husky East Coast Operations Procurement Summary			2017 Q2				
Description	Vendor Name	Vendor Location	Range	NL	CDN	FOR	Total
NEW CONTRACTS							
Ad-hoc support vessel requirement (Scotian Sea)	Secunda Canada LP	St. John's	C	67%	30%	3%	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 2017 was approximately \$33.04 million, with a content breakdown of 26.92 percent Newfoundland & Labrador, 26.24 percent Other Canadian, and 46.84 percent Foreign. This equates to expenditures totaling approximately \$8.89 million Newfoundland & Labrador, \$8.67 million Other Canadian, and \$15.47 million Foreign (Table 7.1).

The Exploration total to date spend is approximately \$500.80 million, with a content breakdown of 43.75 percent Newfoundland & Labrador, 40.20 percent Other Canadian, and 16.04 percent Foreign. This equates to expenditures totaling approximately \$219.11 million Newfoundland & Labrador, \$201.34 million Other Canadian, and \$80.35 million Foreign (Table 7.1).

6.0 Photographs



**Husky Energy Eastern Science and Technology Fair
– April 2017**



Science Fair finalists present their projects to Husky employees – May 2017



Husky employees gather for Earth Day – May 2017



Husky donates to Thrive GED program – May 2017



Husky makes donation to the Gathering Place during North American Occupational Safety and Health Week – May 2017



Co-op students participate in student mentoring program – June 2017