Canada-Newfoundland and Labrador

Benefits

QUARTERLY REPORT
APRIL 1 – JUNE 30, 2008
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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, 2008, 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 Husky’s East Coast operations which includes the White Rose Project, North Amethyst Project, and Exploration was 47.2% NL and 18.7% Other Canadian.

- A total of 9.36 million barrels of oil were produced during the period from April 1, 2008 to June 30, 2008 at an average production rate of 102,800 bbls/day.

- Total production from first oil up until June 30, 2008 is 95.1 million barrels.

- Total employment for White Rose Operations was 1037 as of June 30, 2008.

- Husky donated $750,000 towards the construction of Easter Seals House.

3.0 Employment Summary

As of June 30, 2008, a total of 1037 people were employed on Husky’s East Coast Operations. This includes people employed with Husky and its contractors. Of this total, 937 or 90.3% were residents of Newfoundland and Labrador when hired, while another 68 or 6.5% were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as at June 30, 2008. There were 541 people working in the offshore.

Table 3.1 Employment Summary by Location, as of June 30, 2008

<table>
<thead>
<tr>
<th>Location</th>
<th>Newfoundland &amp; Labrador</th>
<th>Other Canadian</th>
<th>Non-Canadian</th>
<th>Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Sub-Total</td>
<td>Male</td>
</tr>
<tr>
<td>TOTAL</td>
<td>769</td>
<td>165</td>
<td>934</td>
<td>69</td>
</tr>
</tbody>
</table>
4.0 SeaRose Tieback Project

Engineering and procurement activities continued to progress on the SeaRose Tieback Project during the second quarter of 2008. A total of 321 people were employed on the project as of the end of June 2008. Person hours for the period totaled approximately 113,000 bringing the total to date to over 240,000. Over $14 million was expended on the North Amethyst project for the period April 1 to June 30, 2008.

The Temporary Guide Bases (TGBs) for North Amethyst are near completion at Orphan Industries with installation planned for July 2008. The Permanent Guide Bases (PGBs) are also near completion at New Dock. Manufacturing has commenced at Cameron facilities in Celle, Germany, Leeds, England and Malaysia for subsea trees and control system components. Manufacturing has also commenced at Technip facilities in LaTrait, France for flowlines and NewCastle, England for the umbilical.

A contract for North Amethyst subsea structures was awarded to North Eastern Constructors Ltd (NECL) and fabrication has commenced at Metal World, a sub-contractor to NECL.

Table 4.1 SeaRose Tieback Project Employment Summary as of June 30, 2008

<table>
<thead>
<tr>
<th>Location</th>
<th>Newfoundland &amp; Labrador</th>
<th>Other Canadian</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male Female Sub-Total</td>
<td>Male Female Sub-Total</td>
<td>Male Female Sub-Total</td>
<td>Male Female Sub-Total</td>
</tr>
<tr>
<td>TOTAL HEADCOUNT</td>
<td>237 50 287</td>
<td>9 0 9</td>
<td>25 0 25</td>
<td>271 50 321</td>
</tr>
</tbody>
</table>
5.0 Procurement Summary (Contracts > $250,000)

There were 6 contracts greater than $250,000 awarded during the second quarter of 2008.

### Husky East Coast Operations Procurement Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Vendor Name</th>
<th>Vendor Location</th>
<th>Range</th>
<th>NF</th>
<th>CDN</th>
<th>FOR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter of Vessel Atlantic Kingfisher</td>
<td>Atlantic Towing Limited</td>
<td>Halifax, NS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43,000,000 L 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,715,144 K 0%</td>
</tr>
<tr>
<td>Charter of Vessel Maersk Gabarus</td>
<td>Maersk Supply Services Canada Ltd.</td>
<td>St. John's, NL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27,000,000 K 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13,094,712 I 0%</td>
</tr>
<tr>
<td>Charter of Vessel Maersk Detector</td>
<td>Maersk Supply Services Canada Ltd.</td>
<td>St. John's, NL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19,000,000 J 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,712,400 H 0%</td>
</tr>
<tr>
<td>Lower String Completions</td>
<td>Schlumberger (24%) Halliburton (76%)</td>
<td>St. John's</td>
<td>K</td>
<td>23%</td>
<td>18%</td>
<td>59%</td>
<td>100%</td>
</tr>
<tr>
<td>Cementing Unit &amp; Equip Services</td>
<td>Schlumberger Canada Ltd</td>
<td>St. John's</td>
<td>H</td>
<td>16%</td>
<td>49%</td>
<td>35%</td>
<td>100%</td>
</tr>
<tr>
<td>Fabrication of Subsea Equipment</td>
<td>North Eastern Contractors Limited</td>
<td>St. John's/ Bull Arm</td>
<td>K</td>
<td>80%</td>
<td>13%</td>
<td>7%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Cost Range Code Legend

- **A**: 250,001 - 500,000 $  
- **B**: 500,001 - 1,000,000 $  
- **C**: 1,000,001 - 1,500,000 $  
- **D**: 1,500,001 - 2,000,000 $  
- **E**: 2,000,001 - 3,000,000 $  
- **F**: 3,000,001 - 5,000,000 $  
- **G**: 5,000,001 - 7,500,000 $  
- **H**: 7,500,001 - 10,000,000 $  
- **I**: 10,000,001 - 15,000,000 $  
- **J**: 15,000,001 - 20,000,000 $  
- **K**: 20,000,001 - 30,000,000 $  
- **L**: 30,000,001 - 50,000,000 $  
- **M**: 50,000,001 - 75,000,000 $  
- **N**: 75,000,001 - 100,000,000 $  
- **O**: Over 100,000,000 $  

6.0 Exploration

Husky is participating with StatoilHydro in a joint seismic program scheduled for the summer of 2008. CGG Veritas has been contracted to carry out a major survey of lands held by StatoilHydro, the Terra Nova Field and White Rose. Husky expects to take possession of the Veritas Vantage in early July, 2008.

7.0 Photographs
Testing a Temporary Guide Base (TGB) for North Amethyst at Orphan Industries

Temporary Guide Base (TGB) in Cameron Test Facility in Donavans
Machining of one of the Permanent Guide Bases for North Amethyst at NewDock

New Pipe Cutting Equipment at CPSI / NECL
Wet Test of a TGB

TGB with PGB and Subsea Tree at Cameron – St. John’s
CGG Veritas Seismic Source Vessel Kondor in Port at St. John’s, June 4, 2008

CGG Veritas Seismic Vessel Vantage in St. John’s, May, 2008
Husky Donates 750,000 towards the construction of Easter Seals House

Husky Employees Participate in Energy in Action Day
Husky employees participate in Techsploration Presentations at CONA

Glomar Grand Banks in Marystown – April 2008
Iceberg under tow at White Rose Field – April 2008