



WHITE ROSE DEVELOPMENT PROJECT

Canada-Newfoundland and Labrador Benefits Report

**For the Period
July 1 – September 30, 2005**

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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 September 30, 2005, 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 the Project for the period with the exception of Project expenditures, which are captured for the period February 1, 2002 to September 30, 2005.

2.0 SUMMARY OF PROJECT ACTIVITIES

This section provides progress information for major Project components during the period July 1 to September 30, 2005.

2.1 Project Overview

- The FPSO left the dock on August 16 and carried out a series of inclination tests before proceeding to the White Rose Field. It arrived on site on August 22 and the buoy was successfully pulled in on August 25.
- Marystown workforce was demobilized and only a small crew remain to facilitate handover of documentation and disposal of equipment and supplies.
- The diving vessel, Marianos and subsea construction vessel, Constructor finished work on the field and were demobilized in early September.
- All ten wells to first oil have been drilled and 8 completed.
- Commissioning of systems is ongoing and progressing on schedule
- The Rowan Gorilla VI completed the Lewis Hill Exploration well and moved to the White Rose Field on August 18 to commence delineation drilling.

2.2 Operations

- The SeaRose is currently operating with a POB of 110.
- CNLOPB audit of training was completed in July.
- Training and Competency requirements for First Oil/Water Injection have been identified, planned and underway.
- Onshore start-up support team is in place.
- Simulator refresher training for control room operators planned for off-shift rotations.

2.3 Miscellaneous

- Final reports from the three vendors for the natural gas study have been received and a detailed assessment of the results is planned for July/August.
- A gas development team was established and held their first regional MOU meeting. An independent technical review of the Pre-FEED gas studies has been initiated.

For the Quarter Ending June 30, 2005

- Meetings were held with the Vera Perlin Society and the Native Friendship Centre in August regarding potential employment and sponsorship opportunities.
- Husky participated in the MUN career fair held on October 3.

3.0 EMPLOYMENT SUMMARY

3.1 Employment by Residence Status

As at September 30, 2005, a total of 1426 management, engineering, technical, skilled trades, support and consultant employees of Husky and its contractors were employed directly on the White Rose Development Project. Of this total 1,017 or 71.3% were residents of Newfoundland and Labrador when hired, while another 228 or 15.9% were residents of other regions of Canada at the time of hire. Over 98.7% of positions for the White Rose project were located in Newfoundland and Labrador as at September 30, 2005.

Table 5.1: Participation of Newfoundland and Labrador, Canadian and Non-Canadian Residents in White Rose Activity by Location of Work As at September 30, 2005

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
TOTAL	851	166	1017	215	13	228	176	5	181	1426

3.2 Employment by Location (Person Hours)

From June 1 to September 30, 2005, Husky project management, major contractors and sub-contractors carried out a total of 1,046,808 person hours of work related to the White Rose Development Project. Approximately 96.1% of these person hours were worked in Newfoundland and Labrador.

Table 5.2: Summary of Person Hours Worked in Newfoundland & Labrador, Other Canadian, and Foreign Locations June 1 to Sept 30, 2005

Project Component	For the Quarter Ending Sept 30, 2005				Project to Date			
	Newfoundland & Labrador	Other Canadian	Foreign	Total	Newfoundland & Labrador	Other Canadian	Foreign	Total
Husky Project Management	116,465	15,553	13,423	145,441	900,801	46,676	49,433	996,910
FPSO Project Management ¹	60,888	0	440	61,328	479,970	10,849	91,305	582,124
FPSO Topsides ²	325,372	0	0	325,372	6,520,229	792,229	43,766	7,356,224
FPSO Hull ³	0	0	0	0	5,228	0	1,779,935	1,785,163
FPSO Turret ⁴	0	0	0	0	33,431	0	1,165,371	1,198,802
Subsea ⁵								
Subsea Production System	177,908	0	1,549	179,457	958,240	5,655	566,263	1,530,158
Glory Holes	0	0	0	0	136,325	0	29,702	166,027
Drilling	223,388	9,402	578	233,368	1,306,340	41,446	8,154	1,355,940
Logistics	101,787	12	43	101,842	562,272	203	210	562,685
TOTAL	1,005,808	24,967	16,033	1,046,808	10,902,835	897,058	3,734,139	15,534,032

4.0 PROJECT EXPENDITURE

For the period February 1, 2002 to September 30, 2005, project expenditures (as a percentage of total cost) were 40.1% Newfoundland and Labrador content, 13.1% Other Canadian, and 46.8% Foreign content.