



# Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT  
JULY 1 – SEPTEMBER 30, 2006

Table of Contents

<b>1.0</b>	<b>Introduction.....</b>	<b>2</b>
<b>2.0</b>	<b>Highlights for the Period.....</b>	<b>2</b>
<b>3.0</b>	<b>Employment Summary.....</b>	<b>3</b>
<b>4.0</b>	<b>Project Expenditure.....</b>	<b>3</b>
<b>5.0</b>	<b>Procurement Summary (Contracts &gt; \$250,000).....</b>	<b>4</b>
<b>6.0</b>	<b>Exploration.....</b>	<b>4</b>
<b>7.0</b>	<b>Photographs .....</b>	<b>5</b>

## **1.0 Introduction**

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending September 30, 2006, 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 was 38.2 % NL and 40.0 % Other Canadian.
- A total of 24.4 million barrels of oil were produced as of September 30, 2006 at an average production rate of 105,000 bbls/ day
- Total employment in relating to East Coast Operations exceeded 1175

### 3.0 Employment Summary

As of September 30, 2006, a total of 1179 people were employed on Husky's East Coast Operations. This includes people employed with Husky and its contractors. Of this total 910 or 77.2 % were residents of Newfoundland and Labrador when hired, while another 211 or 17.9% were residents of other regions of Canada at the time of hire. Over 98.8% of positions were located in Newfoundland and Labrador as at September 30, 2006 and 722 of these positions were in the offshore.

**Table 3.2 Employment Summary by Location, as of September 30, 2006**

Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
<b>TOTAL</b>	774	136	910	201	10	211	54	4	58	1179

### 4.0 Project Expenditure

For the period July 1, 2006 to September 30, 2006, project expenditures (as a percentage of total cost) were 38.2% Newfoundland and Labrador content, 40.0% Other Canadian and 21.8% Foreign content.

## **5.0 Procurement Summary (Contracts > \$250,000)**

There were no contracts greater than \$250,000 awarded during the second quarter of 2006. There were several extensions to existing contracts particularly in the area of drilling and completions.

## **6.0 Exploration**

During the third quarter of 2006 the Rowan Gorilla VI Jackup unit commenced drilling on Norsk Hydro's West Bonne Bay prospect. This well was completed on August 27, 2006 and a sidetrack F12-Z was drilled and completed on September 30. Results are under review.

The Western Geco vessel Regent arrived in St. John's in early July, 2006 and proceeded to complete a 750 km<sup>2</sup> seismic acquisition survey on EL 1067. Work then commenced on the Fortune SDLs 1011 and 1012 and was completed on August 16, 2006. Data from these surveys will be processed over the coming year.

## 7.0 Photographs



**Containers of scallop shells ready for placement in Placentia Bay as Part of Husky's Habitat Replacement Program**



**New Cameron Subsea Testing Facility in Donovan's Industrial Park**



**Rowan Gorilla VI and the Western Geco Seismic Vessel Neptune**