



Canada-Newfoundland and Labrador Benefits

QUARTERLY REPORT
JULY 1 – SEPTEMBER 30, 2007

Table of Contents

1.0	Introduction.....	3
2.0	Highlights for the Period.....	3
3.0	Employment Summary.....	4
4.0	Project Expenditure.....	4
5.0	Exploration.....	4
6.0	Photographs	5

1.0 Introduction

The following represents Husky Energy's (Husky's) Canada-Newfoundland and Labrador Benefits Report for the quarter ending September 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 43.3% NL and 25.9% Other Canadian.
- A total of 9.95 million barrels of oil were produced during the period from July 1, 2007 to September 30, 2007 at an average production rate of 108,000 bbls/ day
- Total production from first oil up until September 30, 2007 is 66.96 million barrels
- Total employment in East Coast Operations was 1032 as of September 30, 2007
- The Vasco De Gama completed the North Amethyst glory hole in July, 2007
- John Lau presented the Coaker Heritage Foundation with a \$100,000 donation at a ceremony at the Rooms on Sept 28, 2007

3.0 Employment Summary

As of September 30, 2007, a total of 1032 people were employed on Husky's East Coast Operations. This includes people employed with Husky and its contractors. Of this total 888 or 86% were residents of Newfoundland and Labrador when hired, while another 78 or 7.6% were residents of other regions of Canada at the time of hire. All but 7 of these positions were located in Newfoundland and Labrador as at September 30, 2007. There were 621 of the people working in the offshore.

Table 3.1 Employment Summary by Location, as of September 30, 2007


Location	Newfoundland & Labrador			Other Canadian			Non-Canadian			Total Employment
	Male	Female	Sub-Total	Male	Female	Sub-Total	Male	Female	Sub-Total	
TOTAL	746	142	888	76	2	78	66	0	66	1032

4.0 Project Expenditure

For the period July 1, 2007 to September 30, 2007, project expenditures (as a percentage of total cost) were 43.3% Newfoundland and Labrador content, 25.9% Other Canadian and 30.8% Foreign content.

Procurement Summary (Contracts > \$250,000)

There were 2 contracts greater than \$250,000 awarded during the third quarter of 2007.

Husky East Coast Operations		2007 - Q3					
Procurement Summary							
Description	Vendor Name	Vendor Location	Range	NF	CDN	FOR	Total
Weather Forecasting and Oceanographic Services	Oceans Ltd	St. John's	A	100%	0%	0%	100%
Marine Fuel (3 year contract)	Petro Canada	St. John's	M	100%	0%	0%	100%
							0%
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 July 1, 2007 to September 30, 2007.

6.0 Photographs



**Husky Contributes \$100,000 to the Sir William Ford Coaker Heritage Foundation
September 28, 2007**



**Heather and John Lau Visit the SeaRose FPSO
September 26, 2007**



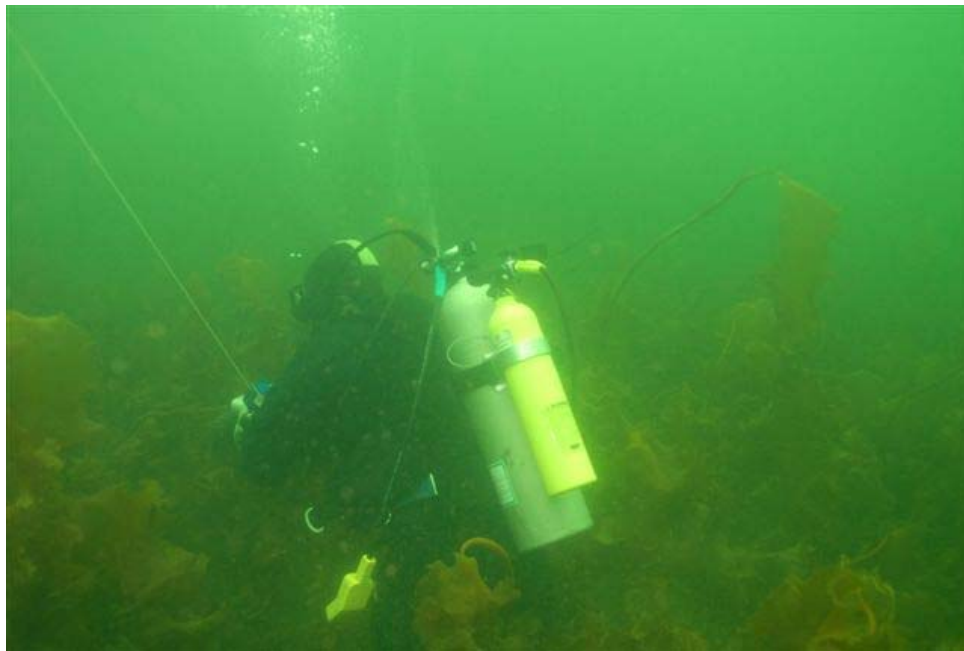
The Husky Team Raised over \$13,000 and was recognized as top corporate sponsor in the CIBC Run For the Cure – September 30, 2007



Husky is Presented with the AMVER Award By the Canadian Coast Guard



Change out of the Flare Tip during the Maintenance Turnaround onboard the SeaRose FPSO in July 2007



Survey of the Fish Habitat Compensation Area in North, Harbour Placentia Bay in August 2007



Electrical Technician George Oak (left) and Mechanical Technician Mark Frost (right) are featured in the PIHRC Career Profiles which will be Incorporated into the Province's School Curriculum