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Hibernia Management and Development Company Ltd.



Canada-Newfoundland and Labrador Benefits Report for the Period January 1, 2018 to March 31, 2018

Submitted to:
Canada-Newfoundland and Labrador Offshore Petroleum Board
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1.0 INTRODUCTION

The Hibernia field is located on the northeastern Grand Banks, approximately 315 km south-southeast of St. John's, Newfoundland and Labrador. The field was discovered in 1979 by Chevron et al. when they drilled the Hibernia P-15 well.

On September 15, 1985, Mobil, on behalf of the Hibernia co-venturers, filed the Hibernia Benefits Plan and Hibernia Development Plan with the Federal and Provincial governments. The Hibernia Benefits Plan was approved by the C-NLOPB in June 1986. The Plan covers all phases of the Hibernia project from project development to abandonment. An Amendment was submitted in February 2010 and subsequently approved in September 2010 to address the Hibernia Southern Extension. This was the first amendment to Hibernia's Benefits Plan since the original was approved by the Board in Decision 86.01.

Several key principles of the Plan include:

- The provision for a local office where appropriate levels of decision-making are to take place;
- The requirement for full, fair and timely opportunities for Newfoundland and Canadian industry to participate in the supply of goods and services on a competitive basis;
- Utilizing, to the extent practical and cost effective, the principle of first consideration to Newfoundlanders and Labradorians and Canadians in procurement, contracting and employment policies for the project including the construction, development and operating phases;
- Engineering and construction work that can be performed in Newfoundland and Labrador shall be performed in Newfoundland and Labrador;
- Establishment of a Gender Equity and Diversity Program; and
- Expenditures shall be made for research and development to be carried out in the province and for education and training to be provided in the province.

Hibernia's commitments are monitored by the Canada-Newfoundland and Labrador Offshore Petroleum Board on a quarterly and annual basis.



2.0 EXPENDITURES AND CANADIAN-NL CONTENT ESTIMATES

The table below details actual 2018 expenditures for the 1st quarter. Content is based on major contractors and other payments for the noted period.

Q1 2018 Canada-NL Content Estimates Based on Major Contractors/Other Payments Respectively						
	Hibernia			HSE		
	NL	OC	NC	NL	OC	NC
Major Contractors	65%	17%	18%	64%	17%	19%
Other Payments	58%	37%	5%	25%	64%	11%
TOTAL	63%	23%	14%	54%	29%	17%

3.0 EMPLOYMENT

For the period of January 1st to March 31st, a total of 1339 people were employed on Hibernia's operations, this includes the Hibernia Southern Extension (HSE) project, and 729 were located offshore. This includes people employed with Hibernia and its contractors, of this 1215 or 91% were residents of Newfoundland and Labrador when hired, while another 81 or 6% were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as of March 31, 2018. The number of females employed on Hibernia operations was 202 or approximately 15% of the total workforce.

Total Employment Summary (including the Hibernia Southern Extension)			
Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents	Other Canadians	Non-Canadians
1339	1215	81	43
	91%	6%	3%

Notes:

1. Report total number of persons directly employed on the project at end of reporting period, including operator and contractor personnel.
2. Residency status to be reported as of time of hire, based on the following definitions:

Canadian: A person who was born in Canada and has not relinquished his/her Canadian citizenship; or, a person who has been granted Canadian citizenship; or a person who has been granted landed immigrant status

Newfoundland and Labrador Resident: A Canadian citizen or landed immigrant who meets the residency requirements of the Province as defined by *The Elections Act*, SNL 1992, CE-3.1



Employment Summary by Location & Gender						
Location	Residency Status			Gender		Total
	NL	OC	NC	Male	Female	
Onshore	659	35	10	454	181	681
Offshore	556	46	33	682	21	729
Total:						1339

**Total is the value of all personnel both male & female for Onshore & Offshore*

**The figures in this report may be subject to rounding differences*

Notes:

1. During production phase, report location by "Onshore", "Offshore" activity.
2. For residency status, provide breakdown by NL – Newfoundland and Labrador Resident;
OC – Other Canadian and NC – Non-Canadian.

Employment Summary by Discipline Hibernia/HSE Project Q1 2018					
Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Management	135	10.1%	28	2.1%	163
Administration	32	2.4%	72	5.4%	104
Engineers	93	7.0%	17	1.2%	110
Technicians	257	19.2%	21	1.6%	278
Professionals	98	7.4%	35	2.6%	133
Skilled Trades	293	21.9%	4	0.3%	297
Labor	177	13.3%	9	0.7%	186
Students	15	1.1%	10	0.7%	24
Other	36	2.7%	6	0.5%	42
TOTALS	1136	84.9%	203	15.1%	1339

Notes:

1. Disciplines are based on the following National Occupational Classification (NOC) Codes:
 - **Management** includes: Senior Managers as well as Middle and Other Managers
 - **Administration** includes: Administrative & Sr. Clerical Personnel as well as Clerical Personnel
 - **Engineers** includes: only those in that NOC code
 - **Technicians** includes: Semi-professionals & Technicians
 - **Professionals** includes: only those in that NOC code
 - **Skilled Trades** includes: Skilled Crafts & trades as well as Skilled Trades & Services
 - **Labour** includes: Semi-Skilled Manual Workers, Other Manual Workers as well as Intermediate Sales & Service
 - **Students** includes: any student enrolled at a recognized educational institution or accredited academic program and includes both graduate and undergraduate students, cadets or any other student
 - **Other** includes: positions that do not fit into any of the other disciplines



4.0 PROCUREMENT AND CONTRACTING

The table below provides a listing of new service contracts, services contract extensions, material contracts and material contract extensions with a value greater than \$250,000 awarded during Q1 2018. The table includes a description of the contract, name of the contractor and the contractor’s location at the time of award.

Contracting Activity Hibernia Project Q1 2018		
Description	Contractor	Contractor Location (NL, OC, NC)
NEW SERVICE CONTRACTS		
None		
SERVICE CONTRACT EXTENSIONS		
None		
MATERIAL CONTRACTS		
Supply of Galley and Laundry Equip and Spare Parts (contract that covers both Hibernia and Hebron)	Harold Snow Service Group	NL
MATERIAL CONTRACT EXTENSIONS		
None		

During the first quarter of 2018, 1,436 Purchase Orders (POs) were awarded with a total value of \$55,943,180.37. The table below summarizes the percentage of the total awarded value by location.

