



Hibernia Management and Development Company Ltd.



**Canada-Newfoundland and Labrador Benefits Report for the Period
July 1, 2018 to September 30, 2018**



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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 3rd quarter.

Q3 2018 Canada-NL Content Estimates				
	NL	OC	NC	Total
Percentage (%)	60%	21%	19%	100%

3.0 EMPLOYMENT

For the period of July 1st to September 30th, a total of 1480 people were employed on Hibernia's operations, this includes the Hibernia Southern Extension (HSE) project, and 713 were located offshore. This includes people employed with Hibernia and its contractors, of this 91% were residents of Newfoundland and Labrador when hired, while another 5.8% were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as of September 30, 2018. The number of females employed on Hibernia operations was 15.3% of the total workforce.

Hibernia/HSE Staffing Residency Summary As of September 30, 2018 (Steady State and Transitional Roles)				
	Status (at time of hire)			
	No. Filled	NL	OC	NC
Offshore	713	674	29	10
Onshore	767	672	56	38
Totals	1480	1346	85	48
Percentage		91.0%	5.8%	3.2%



Employment Summary by Discipline Hibernia/HSE Project Q3 2018					
Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Management	155	84.2%	29	15.8%	184
Administration	39	31.4%	85	68.6%	124
Engineers	95	81.8%	21	18.2%	116
Technicians	277	90.6%	29	9.4%	306
Professionals	89	73.1%	33	26.9%	122
Skilled Trades	343	99.2%	3	0.8%	346
Labor	202	96.3%	8	3.7%	210
Students	17	61.1%	11	38.9%	28
Other	37	83.9%	7	16.1%	44
TOTALS	1254	84.7%	226	15.3%	1480

Notes:

- 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
 - Labor** 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

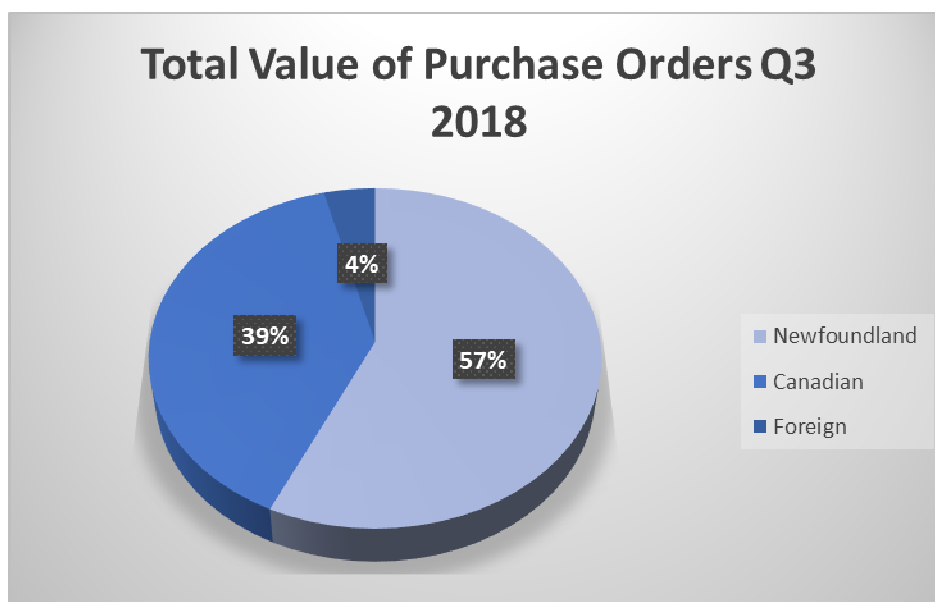


4.0 PROCUREMENT AND CONTRACTING

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 Q2 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 Q3 2018		
Description	Contractor	Contractor Location (NL, OC, NC)
NEW SERVICE CONTRACTS		
Project Planning Services Hibernia	Team Products and Services Inc.	NL
Supply of Architectural Support Services	Stantec Architectural Ltd.	NL
Immersion Suit and Life Jackets Maintenance and Repair	Nord Marine Services Ltd.	NL
Immersion Suit and Life Jackets Maintenance and Repair	Spartan Industrial Marine	NL
Subsea Engineering Support	Frontier Subsea	NL
SERVICE CONTRACT EXTENSIONS		
Provision of Hibernia Chemicals	Baker Hughes Canada Company	NL
General Platform Services	Crosbie Salamis Limited	NL

During the third quarter of 2018, 1,401 Purchase Orders (POs) were awarded with a total value of \$14,469,298.53. The table below summarizes the percentage of the total awarded value by location.





5.0 HIBERNIA PHOTOS



During Q3 2018, 216 team members underwent training in preparation for the 2018 Hibernia Turnaround.