



Hibernia Management and Development Company Ltd.
Canada – Newfoundland and Labrador Benefits
Report
January 1 – December 31, 2015





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Section 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.

2015 represented a year of growth and implementation, the Hibernia Southern Extension Project added significant benefit to the local economy. This is evident in the increase to the staffing numbers and the amount of expenditures issued. The overall 2015 expenditures for HMDC including the HSE Project totaled \$1162.9 million. This is an increase of \$72 million from the previous year. Expenditures were made in the areas of supply and services, community education, research and development, training, and diversity.

Section 2.0 – Employment

As of December 31, 2015, a total of 2460 people were employed on Hibernia’s operations, this includes the Hibernia Southern Extension (HSE) project, and 1413 were located offshore. This includes people employed with Hibernia and its contractors, of this 2016 or 82% were residents of Newfoundland and Labrador when hired, while another 223 or 9% were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as of December 31, 2015. The number of females employed on Hibernia operations was 351 or approximately 14.3 % of the total workforce.

Table 2.1 – Total Employment Summary including the Hibernia Southern Extension

Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents (%)	Other Canadians (%)	Non-Canadians (%)
2460	2016 (82%)	223 (9%)	221 (9%)

Notes:

- Report total number of persons directly employed on the project at end of reporting period, including operator and contractor personnel.
- 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

Table 2.2 – Employment Summary by Location

Location	Total Number of Persons					Total
	Residency Status			Gender		
	NL	OC	NC	Male	Female	
Onshore	877	107	63	752	295	1047
Offshore	1139	116	158	1357	56	1413
Total:						2460

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

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.

Table 2.3 – Employment Summary by Discipline

Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Management	251	10.2%	38	1.5%	289
Administration	50	2.0%	136	5.5%	186
Engineers	152	6.2%	23	0.9%	175
Technicians	399	16.2%	49	2.0%	448
Professionals	174	7.1%	51	2.1%	225
Skilled Trades	452	18.4%	25	1.0%	477
Labor	374	15.2%	7	0.3%	381
Students	8	0.3%	5	0.2%	13
Other	249	10.1%	17	0.7%	266
TOTALS	2109	85.7%	351	14.3%	
Total:					2460

Percentages taken from total number of employed personnel both male and female

Notes:

1. Disciplines are based on the following National Occupational Classification (NOC) Codes:
 - **Management** includes: *Senior Managers* as well as *Middle & 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 & Service*
 - **Labor** includes: *Semi-Skilled Manual Workers, Other Manual Workers* as well as *Intermediate Sales & Service*
2. **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.
3. **Other** includes: positions that do not fit into any of the other disciplines.



**Table 2.4– Development Phase Person Hour Summary Report
HSE- 2015**

Category	Persons Hours	Total
Project Management, Administration, and Engineering	18434	1213650
Drilling	784695	
Onshore/Offshore shipping and transport	302361	
Topsides Fabrication and Integration	1074	
Pipeline, Umbilical, Installation	43677	
Subsea Systems	63409	
	Total (year-end):	1213650
	Project Cumulative:	2501861

Section 3.0 – Canadian-NL Content Estimates

The table below details actual 2015 expenditures, content is based on major contractors and other payments for the noted period.

	Content Based on Major Contractors/Other Payments Respectively					
	HMDC			HSE		
	NL (%)	OC (%)	For (%)	NL (%)	OC (%)	For (%)
Major Contracts	57%	12%	31%	25%	14%	61%
Other Payments	37%	46%	17%	67%	25%	8%



Section 4.0 – Contracting and Procurement

Twenty-One (21) new services contracts each having a value of greater than \$250,000 were awarded during 2015.

1. AMEC Foster Wheeler Environment - Environmental Consulting Services, Offshore Environmental Effects Monitoring and Reporting – St. John's, NL.
2. Newalta Corporation - Waste Management Services- Foxtrap, NL
3. TAM International – Casing Circulating Tools, Inflatable Bridges and Related Services – St. John's, NL
4. Fugro GeoSurveys – R & D – St. John's, NL.
5. Madera Engineering - R & D – St. John's, NL.
6. Rutter Inc. – R & D – St. John's, NL.
7. Baker Hughes – Produced Water Piping Cleaning – St. John's, NL.
8. P.F. Collins – Freight Forwarding, Customs Clearance and Related Services – St. John's, NL.
9. General Electric Canada & GE Packaged Power – After Market Parts, Services and Repairs for LM2500 Gas Turbines – Houston, TX.
10. Killick Group Inc. – 3rd Party Inspection/Surveillance Services – St. John's, NL.
11. Archer (BCH) Canada – Supply and Servicing of BOP Cleanout Tools Hibernia Platform and West Aquarius – St. John's, NL.
12. Geotech Services Inc. – Core Storage and Sampling Services – St. John's, NL
13. Workstrings Canada – Drilling Rental Tools HMDC – Mt. Pearl, NL.
14. KCA Deutag Drilling Canada Inc. (RDS Engineering div) – Provision of Engineering, Procurement, Construction and Construction Management Support– St. John's, NL.
15. Lloyds Register North America Inc – Certifying Authority Services – St. John's NL.
16. Technical Rope & Rescue – Confined Space & Structured Rope Rescue Training – St. John's, NL.
17. Atlantic Inspection Services Inc. – Drill Pipe Inspections, Repair, Handling, Storage etc. – St. John's, NL.
18. A Harvey & Co. Ltd. – Shorebase Services – St. John's, NL
19. Schlumberger Canada Ltd. – Gas Lift Mandrels, Valves and Associated Equip. – St. John's, NL.
20. FI Oilfield Services Canada ULC – Casing and Tubing Running Services – Paradise, NL
21. Frontier Subsea Inc. – Open Water Lubricator Valve and Services - St. John's, NL.

Twenty-One (21) service contract extensions having a value greater than \$250,000 were awarded in 2015.

1. Geotech Services Inc. – - Core Storage, DCM Analysis and Routine Sample Services– St. John's, NI
2. Hyflodraulic Limited– Mechanical Maintenance/Support Services– Mt. Pearl, NL.
3. GE Oil and Gas (Vetco Gray) - Wellheads and Xmas Trees– St. John's, NL



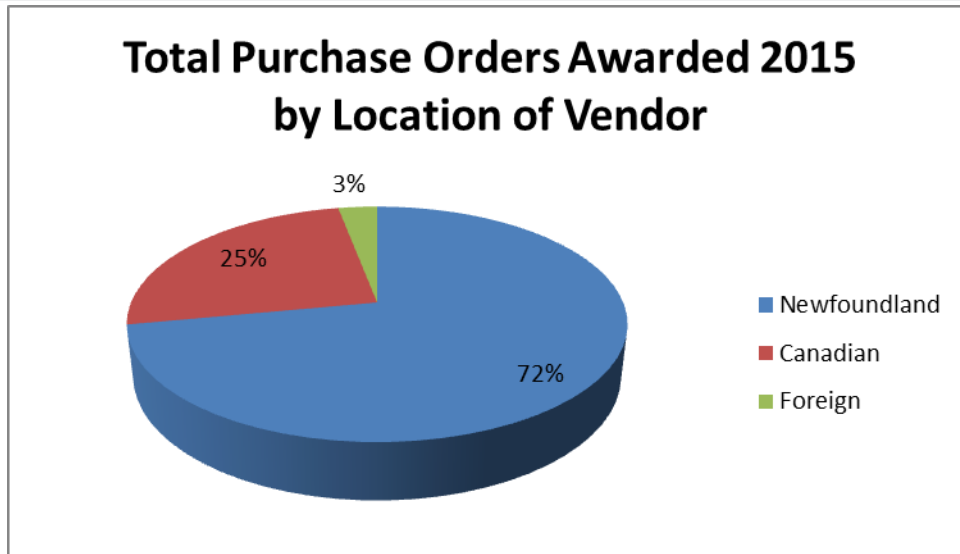
4. Weatherford Canada - Drilling Rentals and Fishing Services— St. John's, NL
5. Oceaneering Canada Limited - ROV Supply and Services – Mt. Pearl, NL.
6. MI SWACO/Schlumberger – Shaker Screens – St. John's, NL
7. Newfoundland Service Alliance (NSA) – Provision of Offshore Temporary Labour – St. John's, NL
8. Schlumberger MI-SWACO – Cuttings Reinjection – St. John's, NL.
9. Schlumberger MI-SWACO – Drilling Fluids and Solids Control – St. John's, NL.
10. A Harvey – Provision of Shorebase Services – St. John's, NL.
11. AGR Drilling Services Canada Inc. – Subsea Drill Cuttings Management Systems, West Aquarius – St. John's, NL.
12. UTEC Survey Canada Ltd. – Supply of Rig Positioning Services for Eastern Canada Subsea Projects West Aquarius – St. John's, NL.
13. Schlumberger Canada Ltd. – HSE Supply of TRSCSSV, West Aquarius – St. John's, NL.
14. Crosbie Salamis Limited – Fabric Maintenance - St. John's, NL.
15. Secunda Canada LP – Provision of Supply Vessel Avalon Sea – St. John's, NL.
16. Crosbie Salamis Limited – Platform Common User Services (Fabric Maintenance) -- St. John's, NL.
17. Newfoundland Service Alliance (NSA) – Onshore/Offshore Repairs—St. John's, NL
18. Vertech Offshore AS- HP and LP Flare Maintenance – Norway
19. Spectrol Energy Services Inc. --Inspection Services – St. John's, NL
20. Seadrill Canada Ltd. - Provision of Semi- Submersible Drilling Unit West Aquarius for Hibernia Southern Extension – St. John's, NL.
21. Fisheries and Marine Institute of Memorial University of Newfoundland - Offshore Safety and Survival Training – St. John's, NL

Three (3) new material contracts were awarded having a value greater than \$250,000 in 2015.

1. Beattie Industrial – Boat Loading Hoses Hibernia – Paradise, NL
2. EMCO Supply – Supply of Bettis, Farris and Tecklok Spares/Parts – Paradise, NL
3. Acklands Grainger – Supply of PPE for the Hibernia Platform – St. John's, NL

Purchase Order Analysis

Since the commencement of producing operations in 1997, approximately \$279 million in Purchase Orders (POs) have been awarded directly by HMDC, constituting over 60,070 POs, of this amount, 4,235 POs were awarded in 2015 with a total value of \$24 million. Illustrated below is the total value by geographic location.



Section 5.0 – Training

During 2015, HMDC spent approximately \$590,000 on training for HMDC personnel in the Province. The training expenditures reported are limited to payments to in-Province training providers, most notably the Marine Institute. Payroll and Transportation costs associated with training are excluded from the reported expenditures.

Local educational and training facilities continue to play a key role in Hibernia’s training plans. Institutions such as Memorial University of Newfoundland, Marine Institute and College of the North Atlantic, are valuable training providers to Hibernia. A large percentage of Hibernia’s regulatory and safety training requirements can be met by these institutions. Hibernia continues to work with these local institutions and other private sector training providers to ensure that effective curriculums for use in the oil and gas industry were developed and maintained to meet training requirements.

Training courses completed in the Province by HMDC personnel during 2015 include:

- Auditor Training
- Authorized Gas Tester
- Basic Survival Training/Recurrent
- Coxswain/Recurrent
- Computer Skills Training
- Confined Space Training
- CPR Training
- CRSP Prep Course
- Defensive Driving



- First Aid Training (various levels)
- Fall Protection
- Fatigue Management
- H2S Alive
- HAZWOP
- High Angle Rescue/Recurrent
- HMDC Online Orientation
- Occupational Health and Safety Committee Training
- Offshore Fire Team Training/Recurrent/Lead
- Offshore Survival Induction
- Well Control

HMDC continues to help develop students for future careers in the oil industry through the Co-operative Education programs offered by local training institutions. In 2015, 24 work terms were provided to students from various disciplines. In total, these placements resulted in an estimated 96 person-months of employment through four month work-terms. These Co-operative Education students were recruited from the following educational institutions:

- Memorial University of Newfoundland – Faculties of Engineering and Business Administration (22 students)
- College of the North Atlantic (2 students)

Section 6.0 – Research and Development (R&D)

Below is a partial summary of 2015 Research & Development (including Education & Training) activities related to the Hibernia Project. Complete details of the expenditures made to meet the R&D/E&T Expenditure requirements are provided in the Annual R&D Expenditure Report to the C-NLOPB.

- Dynamic Monitoring of Shallow-Water Wells
- Ice Management for Emergency Evacuation of GBS Project
- Multiband Synthetic Aperture Radar
- Improved Metocean Support for Offshore Operations
- Wave Impact Study
- Subsea Sentry System
- Dynamic Positioning in Ice
- NMR to Detect Oil in and under Ice
- Marine Dredge Disposal
- Ice Radar Enhancement
- Drift and Divergence of Ice Floes
- Personal Locator Beacon – Prototype Testing
- Environmental Genomics Centre of Excellence Scoping Study



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- Oil Spill Response Centre of Excellence Feasibility Study
 - The Study of Attraction of Leach's Storm Petrels to Flares
 - MATES ROV competition (RANGER and SCOUT class)

Section 7.0 – Education & Training Capacity and Infrastructure Activities

Contributions to Education & Training programs were also made as part of HMDC's Diversity Plan:

- Support to Memorial University's Girl Quest Summer Camp
- Support to WRDC Scholarships for summer jobs (\$95,000) and the WISE Summer program, and funding the participation of high school girls in summer science and engineering work placements
- Representatives of Hibernia have actively engaged in outreach activities throughout 2015, acting as mentors, volunteers, participants and/or speakers with Junior Achievement, WRDC's Techsploration program, WISE, Oil & Gas week events and Energy Day events

Section 8.0 – Community Involvement

Hibernia Management and Development Company Ltd. supported a number of key community events throughout the year. Its employees have a history of community involvement and try to strengthen local communities by donating time, talent and money to many organizations that provide services or contribute to the cultural fabric of the province. Some of the highlights of the 2015 activities include the Newfoundland Symphony Orchestra and Ride for Dad.



The Hibernia Management and Development Company Ltd. (HMDC) supported the 2015 Ride for Dad in Newfoundland and Labrador with a \$10,000 donation. The goal of the Ride For Dad campaign is to raise funds to save men’s lives by supporting prostate cancer research and raising public awareness of the disease. Attending the cheque presentation were Lloyd Hussey, Avalon MRFD Co-cha; Caelie Conroy, Avalon MRFD Co-Chair; Jamie Long, president of HMDC; Margot Bruce-O’Connell, Public & Government Affairs Manager, HMDC and Dana Chaffey, Maintenance Technical Supervisor, HMDC and Avalon MRFD Executive Committee

Section 9.0 – Diversity

Representation

- Representation numbers indicate a percentage of the total Project workforce, including ExxonMobil employees, HMDC employees, contractor agency employees and main contractors.
- Generally there were positive trends in representation across groups. 14 of the 24 employment categories saw improvement or maintained their gains in the actual number of individuals representing of designated groups in 2015.
- Some of the areas in which numbers decreased actually represent promotions or development opportunities that moved individuals into different job categories within the project.

Employment Categories	Women	Aboriginal Peoples	Persons with Disabilities	Visible Minorities
Management and Supervisory	16%	1%	1%	6%
Professional and Technical	20%	2%	1%	5%
Administrative	77%	4%	2%	1%
Skilled Crafts and Trade	3%	1%	1%	2%
Sales and Service	17%	0%	0%	4%
Manual Labour	2%	1%	0%	2%



Implementation

- An additional ~\$300,000 was invested in Diversity-related outreach in 2015
- When compounded with initial diversity investments from 2010/2011 this totals over \$2.5 million on external outreach alone
- Funding has been distributed through multiple organizations throughout the province, representing all designated groups
- Regular consultation and discussion with stakeholders has continued
- Recruitment efforts have engaged local organizations in an effort to outreach to the broadest possible base of potential candidates
- A comprehensive supplier diversity program is in place to support ongoing efforts to increase opportunities for diverse businesses in Newfoundland and Labrador