



Hibernia Management and Development Company Ltd.  
Canada – Newfoundland and Labrador Benefits  
Report  
January 1 – December 31, 2017





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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 sub sequentially 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.

The overall 2017 expenditures for HMDC including the HSE Project totaled \$702.7 million. This is a decrease of \$390.3 million from the previous year due to HSE project completion of subsea equipment installation and drilling from the West Aquarius MODU.

## **Section 2.0 – Employment**

As of December 31, 2017, a total of 1410 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 1285 or 91.1% were residents of Newfoundland and Labrador when hired, while another 83 or 5.9% 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, 2017. The number of females employed on Hibernia operations was 212 or approximately 15.1 % of the total workforce.



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**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 (%)
1410	1285 (91.1%)	83 (5.9%)	42 (3%)

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	
<b>Onshore</b>	607	44	29	489	192	681
<b>Offshore</b>	678	38	13	709	20	729
<b>Total:</b>						<b>1410</b>

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

Notes:

- During production phase, report location by "Onshore", "Offshore" activity.
- 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	%	
<b>Management</b>	152	10.8%	29	2.0%	181
<b>Administration</b>	33	2.3%	87	6.2%	120
<b>Engineers</b>	71	5.0%	14	1.0%	85
<b>Technicians</b>	253	17.9%	22	1.6%	275
<b>Professionals</b>	90	6.4%	31	2.2%	121
<b>Skilled Trades</b>	367	26.0%	9	0.6%	376
<b>Labor</b>	194	13.8%	9	0.6%	203
<b>Students</b>	8	0.6%	6	0.4%	14



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<b>Other</b>	30	2.1%	6	0.4%	36
<b>TOTALS</b>	1198	84.9%	212	15.1%	
<b>Total:</b>					<b>1410</b>

*\*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*
  - **Labour** 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- 2017**

Category	Persons Hours	Total
<b>Project Management, Administration, and Engineering</b>	0	<b>275797</b>
<b>Drilling</b>	226538	
<b>Onshore/Offshore shipping and transport</b>	16835	
<b>Subsea Systems</b>	32424	
<b>Total (year-end):</b>		<b>275797</b>
<b>Project Final:</b>		<b>3805530</b>



### Section 3.0 – Canadian-NL Content Estimates

The table below details actual 2017 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 Contractors	66%	15%	19%	65%	15%	20%
Other Payments	62%	29%	9%	10%	83%	8%

### Section 4.0 – Contracting and Procurement

In 2017, nine (9) new service contracts each having a value of greater than \$250,000 were awarded, which are as follows:

1. Atlantic Hose & Fittings Ltd. – Hose Management –Mt. Pearl, NL
2. Maersk Supply Service Canada. – 30 day Agreement Supply Vessel Support –St. John’s, NL
3. Alcatel Submarine Networks – Fibre Optic Maintenance Services for Hibernia – France
4. IKM Measurement Services Ltd. (UK). – Supply of Metering and Measurement Services for Hibernia –Aberdeen, Scotland
5. Bell Express Vu L.P – Supply of Satellite Services –Montreal, Que.
6. Heatric Div of Meggitt (UK) Limited – PCHE Repair Services – London UK
7. Core Laboratories – Fluid Sampling & Analysis – Calgary, AB
8. Hydril (GE) – Supply of BOP Spares & Services – Calgary, AB
9. Palfinger – Lifeboat Inspection and Certification – Surrey, BC

In addition, there were three (3) new material contracts awarded having a value greater than \$250,000.

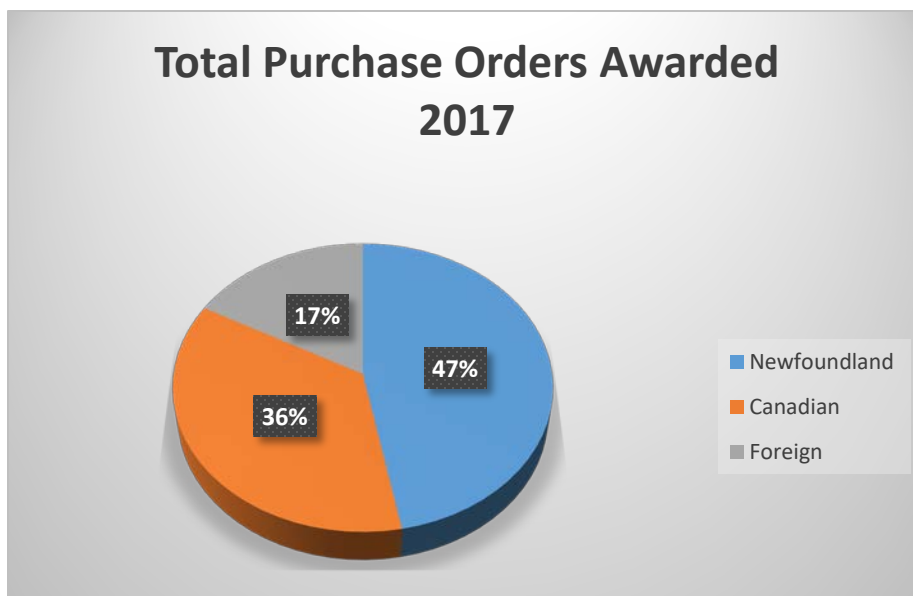
1. Industrial Scientific (through distributor Acklands St. John’s). – Rental/Lease of Personal Gas Detectors – Alberta, Ca.
2. Wajax Power – Supply of MTU OEM Engine Spares – Mt. Pearl, NL
3. Wajax Industrial Components. – Supply of Misc Drilling Spares/Consumables – Mt. Pearl, NL.



**2017 Purchase Order Analysis**

Since the commencement of producing operations in 1997, approximately \$341 million in Purchase Orders (POs) have been awarded directly by HMDC, constituting over 69,091 POs. Of this amount, 4943 POs were awarded in 2017 with a total value of \$38 million.

Illustrated below is the total value by geographic location.





## **Section 5.0 – Training**

During 2017, approximately \$415,000 was spent on HMDC personnel training in the province. Training courses completed in the province by HMDC personnel during 2017 include:

- AC Pro Relay Training
- Arc Flash Training
- Authorized Gas Tester
- Basic Survival Training/Recurrent
- Coxswain/Recurrent
- Confined Space Entry
- CPR Training
- First Aid Training (various levels)
- Fall Protection
- Fire Extinguisher Training
- H2S Alive
- High Angle Rescue Training
- HMDC Online Orientation Training Modules
- Intelatrac Training
- Marine Facility Security Officer
- Occupational Health and Safety Committee Training
- Offshore Fire Team Training/Recurrent
- Offshore Survival Induction
- Personnel Development
- Radio Operator Course
- Transportation of Dangerous Goods
- Well Control
- Work Management System Training





HMDC continues to help develop students for future careers in the oil industry through the co-operative education programs offered by local training institutions with obtaining support through 34 work terms (in various disciplines) in 2017.

In total, these placements resulted in an estimated 136 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
- College of the North Atlantic

### **Section 6.0 – Research and Development (R&D)**

Listed below are some of the key research and development (including education and training) activities related to the Hibernia Project. Details of the project expenditures made to meet the R&D/E&T requirements are provided in the Annual R&D Expenditure Report to the C-NLOPB.

- Metocean Data Gathering
- Dynamic Positioning in Ice JIP
- Environmental Genomics Phase I
- Let's Talk Science
- Girl Quest - Expanding Opportunities for Outreach
- Women in Science in Engineering Student Summer Employment Program
- STEM Education Program at Manuels River Hibernia Interpretation Centre
- Ocean Learning Partnership: STEM Teachers Education – Hibernia Teaching Fellowships



### **Section 7.0 – Education & Training Capacity and Infrastructure Activities**

Contributions to Education & Training programs are as follows:

- Support to Memorial University’s Girl Quest Summer Camp (\$52,000) funding the participation of high school girls in summer science and engineering work placements
- Support to Let’s Talk Science (\$1.07M), Manuels River Interpretation Centre (\$160,000), Marine Institute ROV Competition (\$20,000) and MUN School of Music (\$25,000).
- Representatives of Hibernia have actively engaged in outreach activities throughout 2017, acting as mentors, volunteers, participants and/or speakers with Junior Achievement, WRDC’s Techsploration program, WISE, Oil & Gas week events



## **Section 8.0 – Community Involvement**

HMDC employees have a history of community involvement and try to strengthen local communities by donating time, talent and funding to many organizations that provide services or contribute to the cultural fabric of the province. Some of the highlights of the 2017 activities include:

The Environmental Genomics Application facility:



*Jennifer Walck announced HMDC's commitment of \$4.4 million to establish the Centre for Environmental Genomics Applications facility in St. John's. Operated by eDNAtec Inc., the 3,500 sq. ft. facility will combine a dynamic research and development (R&D) environment with cutting edge technologies. The facility will pursue a research program that will help educate and train various stakeholders and individuals, as well as develop new methodologies for the application of environmental genomics in environmental assessment. To establish the Centre for Environmental Genomics Applications facility in St. John's, HMDC committed to providing \$4.4 million in funding, the Government of Canada through ACOA's Atlantic Innovation Fund is providing approximately \$3 million and RDC is providing \$750,000.*



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### Training for STEM educators for ocean sciences:



Hibernia contributed \$141,000 in 2017 for training of STEM educators to bolster teaching of ocean sciences in K-12 school system

*Starting in fall 2017, the Oceans Learning Partnership (OLP) piloted a new field placement program for undergraduate students at Memorial University's Faculty of Education who plan to major in or teach science, technology, engineering, math (STEM) subjects in grades K-12.*

*Fellowships, funded by Hibernia Management and Development Company Ltd. (HMDC), are based on 12-week, 72-hour field placements at one of OLP's partner sites: Ocean Sciences Centre (Logy Bay), Johnson GEO CENTRE (St. John's), Manuels River Hibernia Interpretation Centre (Conception Bay South), Bonne Bay Marine Station (Norris Point) and Labrador Institute Research Station (North West River). The Oceans Learning Partnership offers a suite of dynamic, hands-on field experiences designed to engage NL youth in discovering the ocean at their doorstep.*

### The Launch of Stream Table initiative at Manuels River Hibernia Interpretation Centre:



*The table enables interpreters to demonstrate how running water erodes, transports and deposits sediment. They can use small culverts to demonstrate human influence on water flow, bank failures, conservation, waste water and the environment. It allows them to show directly how one of the fundamental geological processes works, and will become integral to some of the school classes as well as enabling the Centre to demonstrate this process to the general visitor. Currently, the Centre's education staff is developing a Grade 7 Unit to be taught at the Stream Table, that is Newfoundland and Labrador Curriculum linked. The Stream Table aids in reinforcing one of the Centre's mandates – learning and educating through fun.*



Hibernia also sponsored the Ride for Dad, Girl Guest, Let’s Talk Science, Marine Institute ROV completion, MUN School of Music, WISE and Junior Achievement.

## **Section 9.0 – Diversity**

It is the ongoing responsibility of Hibernia Management and Development Company (HMDC) to oversee the implementation and execution of the Hibernia Project Diversity Plan to meet its regulatory and contractual requirements. HMDC’s approach to achieving success in diversity is a long-term view, and focuses on sustainability following implementation. The report below includes results from HMDC’s workforce self-identification survey and initiatives completed in 2017.

Representation of Designate Groups				
Employment Categories	Women	Aboriginal Peoples	Visible Minorities	Persons with Disabilities
	2017	2017	2017	2017
Managers and Supervisors	29%	1%	4%	0%
Professional and Technical	33%	4%	8%	1%
Administrative	53%	2%	1%	3%
Skilled Crafts and Trades	6%	2%	2%	0%
Sales and Service	9%	6%	1%	3%
Manual Workers	3%	1%	1%	1%

### **Representation**

- Representation numbers indicate a percentage of the total project workforce, including HMDC employees, contractor agency employees, main contractors and subcontractors
- With the exception of gender, all representation results reflect responses to the self-identification survey. Individuals have the right to decline self-identification and as a result, not all representation may be captured.
- In 2017, self-identification survey results include new contractors awarded in 2016. HMDC’s contractual expectations of diversity and contractors successful implementation of diversity plans have led to increased representation across all designated groups.



## Implementation

- Total compounded community investment of approximately \$2.3 million
  - 2017 saw focused investment in high economic, employment and social impact programs; including Women in Science and Engineering Summer Student Employment Program, Memorial University's Girl Quest Summer Camp, Big Brothers, Big Sisters, and more.
- Collaborative recruitment and selection efforts
  - In 2017, HMDC and its contractors worked with community organizations to attract and recruit diverse candidates from around the province.
- Promotion of inclusive and supportive work environment
  - 2017 saw continued initiatives aimed at supporting inclusion and wellness of employees on the Hibernia project
- Continuous improvement of monitoring and stewarding initiatives
  - In 2017, HMDC continued to onboard new contractors including reviewing contractor's diversity plans, supporting hiring and climate survey initiatives.