



**Hibernia Management and Development Company Ltd.
Canada – Newfoundland and Labrador Benefits
Quarterly Report
July 1- September 30, 2012**





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Section 1.0 – Introduction

The Hibernia Field is located on the northeastern Grand Banks, approximately 315 km east-southeast of St. John's, Newfoundland and Labrador in about 80 meters of water. 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 partners, 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.

Section 2.0 – Employment

As of September 30, 2012, a total of 1661 people were employed on Hibernia's operations, this includes the Hibernia Southern Extension (HSE) project, of which 807 were located offshore. This includes people employed with Hibernia and its contractors. Of this 1413 or 84 % were residents of Newfoundland and Labrador when hired, while another 96 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 at September 30, 2012. The number of females employed on Hibernia operations was 261 or approximately 16 % 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 (%)
1661	1413 (84.3 %)	96 (6.1 %)	151 (9.6 %)

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



Table 2.2 – Employment Summary by Location

Location	Total Number of Persons					Total
	Residency Status			Gender		
	NL	OC	NC	Male	Female	
Onshore	605	58	108	609	245	854
Offshore	725	39	43	791	16	807
Total:						1661

**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	197	11.8 %	57	3.4 %	254
Administration	29	1.7 %	66	3.9 %	95
Engineers	193	11.6 %	64	3.8 %	257
Technicians	115	6.9 %	19	1.1 %	134
Professionals	94	5.6 %	26	1.5 %	120
Skilled Trades	428	25.7 %	9	0.5 %	437
Labour	166	9.9 %	5	0.3 %	171
Students	20	1.2%	3	0.1 %	23
Other	158	9.5 %	12	0.7 %	170
TOTALS	1400	83.9 %	261	15.3 %	1661
Total:					1661

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 3.4 – Development Phase Person Hour Summary Report
Hibernia Southern Extension (HSE)
(3Q, 2012)**

Category	Persons Hours	Total
Project Management, Administration, and Engineering	10812	103181
Topsides Fabrication and Integration	9455	
Pipeline, Umbilical, Installation	14206	
Subsea Systems	38865	
Offshore Construction (EDC)	29843	
Total (quarter):		103,181

Section 3.0 – Canadian-NL Content Estimates

The table below details actual 2012 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 (%)
54	31	15	19	8	73
65	30	4	78	14	8



Section 4.0 – Contracting and Procurement

For the period July 1 to September 30, 2012, Hibernia Management and Development Company Ltd. awarded five new services contracts and 3 materials contracts having a value greater than \$250,000.

Table 4.1 – Contracting Activity

Description	Contractor	Contractor Location (NL, Other Canada, Foreign)
Public Affairs Support Services	MT & L Public Relations Ltd.	St. John's, NL
Vessels for Hibernia Southern Extension Work	Maersk Supply Service Eastern Canada Ltd.	St. John's, NL
Atlantic Kestrel Limited Partnership	Atlantic Kestrel Limited Partnership	St. John's, NL
HSE Cementing Unit and Support Services	Schlumberger Canada Ltd.	St. John's, NL
HSE Remote Operated Vehicles (ROVs) and Support Services	Oceaneering Canada Ltd.	St. John's, NL
Bulk Boating Loading/Unloading Hoses	Stellar Industrial	Mt. Pearl, NL
Galley and Laundry Equipment Spare Parts	Big Erics	St. John's, NL
Mobil Jet II Turbine Oil	Bluewater Newfoundland Ltd.	St. John's, NL

During the third quarter of 2012, 973 Purchase Orders (POs) were awarded with a total value of \$3.2 million. The table below summarizes the percentage of the total awarded value by location.

Figure 4.1 - Purchase Orders

