



Canada-Newfoundland and Labrador Benefits Report  
For the Quarter Ending December 31, 2016

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Hibernia Management and Development Company Ltd.  
Canada – Newfoundland and Labrador Benefits  
Report  
October 1<sup>st</sup> – December 31<sup>st</sup>, 2016





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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.

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 December 31, 2016, a total of 1939 people were employed on Hibernia's operations, this includes the Hibernia Southern Extension (HSE) project, and 1075 were located offshore. This includes people employed with Hibernia and its contractors, of this 1656 or 85.4% were residents of Newfoundland and Labrador when hired, while another 187 or 9.7% 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, 2016. The number of females employed on Hibernia operations was 253 or approximately 13.0 % 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 (%)
1939	1656 (85.4%)	187 (9.7%)	96 (4.9%)

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	
<b>Onshore</b>	699	107	58	646	218	864
<b>Offshore</b>	957	80	38	1040	35	1075
<b>Total:</b>						<b>1939</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.



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**Table 2.3 – Employment Summary by Discipline**

Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
<b>Management</b>	218	11.2%	33	1.7%	251
<b>Administration</b>	40	2.1%	105	5.4%	145
<b>Engineers</b>	126	6.5%	17	0.9%	144
<b>Technicians</b>	293	15.1%	29	1.5%	322
<b>Professionals</b>	107	5.5%	27	1.4%	133
<b>Skilled Trades</b>	518	26.7%	13	0.7%	531
<b>Labor</b>	222	11.4%	15	0.8%	236
<b>Students</b>	9	0.6%	1	0.4%	10
<b>Other</b>	154	8.0%	13	0.7%	167
<b>TOTALS</b>	1686	87.0%	253	13.0%	
<b>Total:</b>					<b>1939</b>

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

Notes:

- 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*
- 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.



### Section 3.0 – Canadian-NL Content Estimates

The table below details actual 2016 expenditures for the fourth quarter, content is based on major contractors and other payments for the noted period.

	Content Based on Major Contractors/Other Payments Respectively					
	Hibernia Base			HSE Unit		
	NL (%)	OC (%)	For (%)	NL (%)	OC (%)	For (%)
Major Contracts	61%	14%	25%	58%	15%	27%
Other Payments	37%	42%	21%	66%	27%	7%

### Section 4.0 – Contracting and Procurement

For the period Oct. 01 to Dec. 31, 2016, Hibernia Management and Development Company Ltd. there were seven (7) new service contracts awarded having a value greater than \$250,000. There were no new material contracts awarded having a value greater than \$250,000.

**Table 4.1 – Contracting Activity**

Description	Contractor	Contractor Location (NL, Other Canada, Foreign)
<b><u>Service Contracts:</u></b>		
Offshore Medical Support Services	Atlantic Offshore Medical Services	St. John's, NL
Ice Reconnaissance Services	PAL Aerospace Ltd.	St. John's, NL
Technical Support Services	QuEST Global Engineering	USA/India
Weather Forecasting Services	AMEC Foster Wheeler	St. John's, NL



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Wellwork Services	Schlumberger Canada Ltd.	St. John's, NL
Cementing Services	Schlumberger Canada Ltd.	St. John's, NL
EPCM Services	Wood Group Canada Inc.	St. John's, NL

During the fourth quarter of 2016, 1,107 Purchase Orders (POs) were awarded with a total value of \$11,522,611.58. The table below summarizes the percentage of the total awarded value by location.

