



Hibernia Management and Development Company Ltd.
Canada – Newfoundland and Labrador Benefits
Quarterly Report
October 1 – December 31, 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 December 31, 2012, a total of 1618 people were employed on Hibernia's operations, this includes the Hibernia Southern Extension (HSE) project, of which 718 were located offshore. This includes people employed with Hibernia and its contractors. Of the 1618, 87% were residents of Newfoundland and Labrador when hired, while another 79 or 5 % 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, 2012. The number of females employed on Hibernia operations was 267 or approximately 16.5% 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 (%)
1618	1413 (87%)	79 (5%)	126 (8%)

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	738	48	114	652	248	900
Offshore	675	31	12	699	19	718
Total:						1618*

**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	200	12.4 %	60	3.7 %	260
Administration	21	1.3 %	78	4.8 %	99
Engineers	215	13.4 %	59	3.6 %	274
Technicians	115	7.1 %	36	2.2 %	151
Professionals	96	5.9 %	21	1.3 %	117
Skilled Trades	365	22.6 %	5	0.3 %	370
Labour	163	10.0 %	4	0.2 %	167
Students	16	1 %	3	0.2 %	19
Other	150	9.2 %	11	0.7 %	161
TOTALS	1341	82.9 %	277	17.1 %	1618
Total:					1618

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 – Hibernia Southern Extension Person Hour Summary Report Q4 – 2012

Project Management, Administration, and Engineering	9365.60	113, 991.51
Topsides Fabrication and Integration	24694.91	
Pipeline, Umbilical, Installation	20750	
Subsea Systems	58949	
Offshore Construction (EDC)	232	
Total (quarter 4):		113, 991.51

Notes:

1. Report by major component (structure, facility, module fabrication and integration, mechanical outfitting, offshore loading system, etc)

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 (%)
53	29	18	60	4	36
43	51	6	68	18	14



Section 4.0 – Contracting and Procurement

For the period October 01 to December 31, 2012, Hibernia Management and Development Company Ltd. awarded one (1) new materials contract and extended thirteen (13) service contracts having a value greater than \$250,000.

Table 4.1 – Contracting Activity

Description	Contractor	Contractor Location (NL, Other Canada, Foreign)
Production Chemicals and Related Services (Services)	Baker Hughes Canada Company	St. John's, NL & Halifax NS
Provision of Onshore/Offshore Repairs and Maintenance (Services)	Newfoundland Service Alliance	St. John's, NL
Provision of Offshore Temporary Labour (Services)	Newfoundland Service Alliance	St. John's, NL
Well Intervention Supervisor (Services)	A.F. Consultancy Ltd	St. John's, NL
Provision of Liner Hangers and Completion Equip. and Tools (Services)	Import Tool Corp Ltd.	St. John's, NL
Provision of Slickline Services (Services)	Halliburton Can	St. John's, NL
Provision of Integrated Well Services (Services)	Schlumberger Canada	St. John's, NL
Provision of Gyroscopic Services (Services)	Scientific Drilling International (Canada) Inc.	St. John's, NL
Provision of Gas Lift Mandrels, Valves and Related Services	Schlumberger Canada Ltd	St. John's, NL
Provision of Drilling Fluids and Solids Control (Services)	M-I Drilling Fluids Canada Inc	St. John's, NL
Provision of Cuttings Reinjection Services	M-I Drilling Fluids	St. John's, NL
Provision of Annular Safety Valves and Related Services	Halliburton Group Canada Inc	St. John's, NL
Downhole Tractor Services	Welltec Canada Inc	Calgary, Ab
Misc. Electrical Consumables (Material)	McLoughlan Supplies Ltd	St. John's, NL



During the fourth quarter of 2012, 1031 Purchase Orders (POs) were awarded with a total value of \$3.7 million. The table below summarizes the percentage of the total awarded value by location.

Figure 4.1 - Purchase Orders

