



Hibernia Management and Development Company Ltd.



**Canada-Newfoundland and Labrador Benefits Report for the Period
October 1, 2018 to December 31, 2018**



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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.

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.



2.0 EXPENDITURES AND CANADIAN-NL CONTENT ESTIMATES

The table below details actual 2018 expenditures for the 4th quarter.

Q4 2018 Canada-NL Content Estimates				
	NL	OC	NC	Total
Percentage (%)	65%	18%	17%	100%

3.0 EMPLOYMENT

The total number of people employed on Hibernia’s operations, including Hibernia Southern Extension (HSE) project, during Q4 2018 was 1355 of which 92% were NL residents, 6% were Other Canadian and 2% were Non-Canadian based on Canadian General Standards Board (CGSB) reporting guidelines and the C-NLOPB definition of residency (i.e. in compliance with the Newfoundland and Labrador Elections Act).

Hibernia/HSE Staffing Residency Summary As of December 31 2018 (Steady State and Transitional Roles)				
	Status (at time of hire)			
	No. Filled	NL	OC	NC
Offshore	691	653	29	10
Onshore	663	593	50	21
Totals	1355	1245	79	31
Percentage		91.9%	5.8%	2.3%

Notes:

1. Reported total number of persons directly employed on the project at end of reporting period, including operator and contractor personnel.
2. Residency status 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
3. Reported location by “Onshore”, “Offshore” activity



Employment Summary by Discipline Hibernia/HSE Project Q4 2018					
Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Management	136	83.6%	27	16.4%	162
Administration	27	28.0%	68	72.0%	95
Engineers	84	80.7%	20	19.3%	104
Technicians	244	91.3%	23	8.7%	267
Professionals	91	73.8%	32	26.2%	123
Skilled Trades	316	98.9%	4	1.1%	320
Labor	211	96.1%	8	3.9%	219
Students	6	68.9%	3	31.1%	9
Other	46	82.4%	10	17.6%	56
TOTALS	1160	85.6%	195	14.4%	1355

Notes:

- Disciplines are based on the following National Occupational Classification (NOC) Codes:
 - Management** includes: Senior Managers as well as Middle and 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 & Services
 - 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



4.0 PROCUREMENT AND CONTRACTING

The table below provides a listing of new service contracts, services contract extensions, material contracts and material contract extensions with a value greater than \$250,000 awarded during Q4 2018. The table includes a description of the contract, name of the contractor and the contractor's location at the time of award.

Contracting Activity Hibernia Project Q4 2018		
Description	Contractor	Contractor Location (NL, OC, NC)
NEW SERVICE CONTRACTS		
Water Sampling	Avalon Laboratories Inc.	NL
Supply Of HVAC Primary and Secondary Filters	Dawe Enterprises	NL
Supply of Misc Electrical Consumables	McLoughlan Supplies Ltd.	NL
Supply of RFID Technology and Software Services	Focus Field Solutions Inc	NL
General Platform Services	Crosbie Salamis Limited	NL
SERVICE CONTRACT EXTENSIONS		
Supply of Cut & Pull, Pipe Recovery and Fishing Services	Import Tool	NL

During the fourth quarter of 2018, 1,168 Purchase Orders (POs) were awarded with a total value of \$30,956,705.93. The table below summarizes the percentage of the total awarded value by location.

