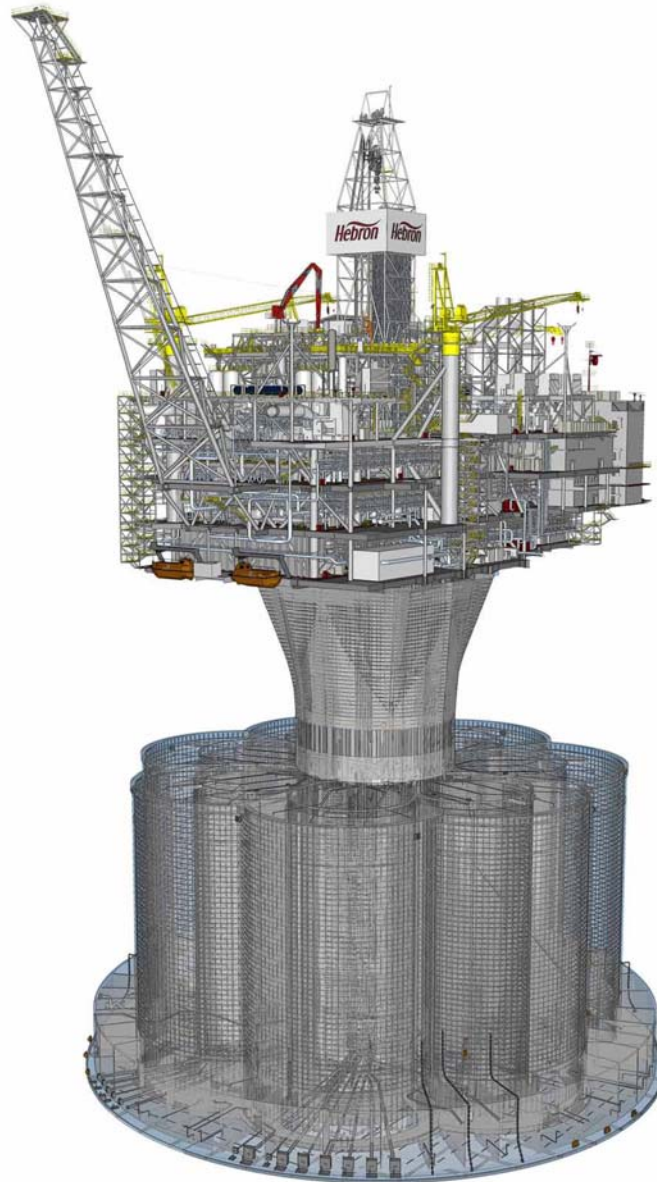




ExxonMobil Canada Properties



**Hebron Project Canada-Newfoundland and Labrador Benefits Report for
the Period January 1, 2016 to March 31, 2016**

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1.0 Introduction

Hebron is a heavy oil field estimated to produce more than 700 million barrels of recoverable resources. The field was first discovered in 1980 and is located offshore Newfoundland and Labrador in the Jeanne d'Arc Basin 350 kilometres southeast of St. John's, the capital of Newfoundland and Labrador. It is approximately 9 kilometres north of the Terra Nova project, 32 kilometres southeast of the Hibernia project, and 46 kilometres southwest of the White Rose project. The water depth at Hebron is approximately 92 metres.

The Hebron co-venturers are: ExxonMobil Canada Properties (EMCP), Chevron Resources Limited, Suncor Energy Inc. through the Hebron Petro-Canada Partnership, Statoil Canada Ltd. and Nalcor Energy – Oil and Gas Inc. EMCP is the operator of the Hebron Project.

During May 2011, EMCP, on behalf of the Hebron co-venturers, filed the Hebron Benefits Plan with the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB). The Hebron Benefits Plan was conditionally approved on May 31, 2012 and covers the construction and operations phases of the project.

Five key principles of the Benefits Plan include:

- Meeting local benefits commitments while maintaining the highest levels of safety, environmental performance, efficiency and integrity of our operations;
- Selecting contractors and suppliers that will work diligently with us to deliver benefits to the people of the Province;
- Promoting the development of local skills and industry capacity that leaves a lasting legacy for the communities in which we operate and for the Province;
- Delivering execution certainty so that Hebron delivers best-in-class return on investment to stakeholders, including the Province of Newfoundland and Labrador; and
- Working collaboratively with industry, government, academic and training institutions, community and other stakeholder groups for the effective delivery of benefits.

As outlined in section 45 of the Atlantic Accord Acts, specific provisions of the Hebron Benefits Plan include a plan for:

- The employment of Canadians and, in particular, members of the labour force of the Province of Newfoundland and Labrador;
- Providing manufacturers, consultants, contractors and suppliers and service companies in the Province, and other parts of Canada, with full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referenced in the Benefits Plan;
- Providing first consideration to services provided from within the Province and to goods manufactured in the Province, where those services and goods are competitive in terms of fair market price, quality and delivery;
- Consistent with the Canadian Charter of Rights and Freedoms, providing individuals resident in the Province with first consideration for training and employment in the work program for which the Benefits Plan was submitted;

- The establishment of an office in the Province where appropriate levels of decision-making are to take place; and
- Expenditures for R&D, including education and training, to be carried out in the Province.

This report summarizes the Hebron Project activities for the period of January 1, 2016 to March 31, 2016 in the areas of employment, expenditures and other relevant areas.

2.0 Employment

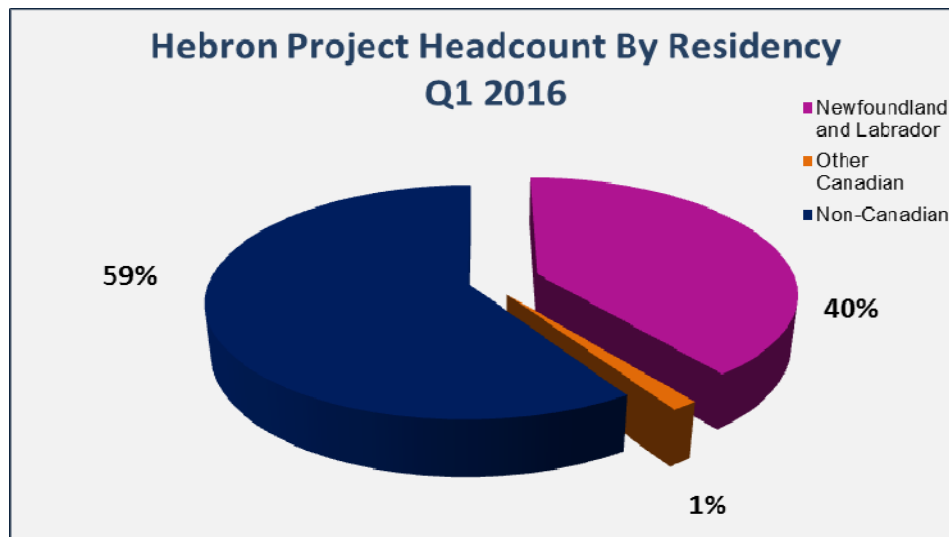
The total number of person hours worked on the Hebron Project during Q1 2016 was 5,022,195. The total number of people employed on the Hebron Project during Q1 2016 was 8,662 of which 3,425 (40%) were NL residents, 125 (1%) were Other Canadian and 5,112 (59%) were Non-Canadian based on Canadian General Standards Board (CGSB) reporting guidelines and the C-NLOPB definition of residency (i.e. in compliance with the Newfoundland and Labrador Elections Act). Of the 8,662 employed on the project during Q1 2016, 3,015 were working at Bull Arm site.

Total Employment Summary Hebron Project Q1 2016			
Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents	Other Canadians	Non-Canadians
8,662	40%	1%	59%

Employment Summary by Location Hebron Project Q1 2016						
Location	Total Number of Persons					
	Residency Status			Gender		TOTAL
	NL	OC	NC	Male	Female	
Newfoundland and Labrador	3,410	103	163	3,153	523	3,676
Other Canada	-	10	1	7	4	11
Outside Canada	15	12	4,948	4,919	56	4,975
TOTAL	3,425	125	5,112	8,079	583	8,662

Notes:

1. Report includes reported number of persons directly employed on the project, including operator and contractor personnel
2. Residency status is reported as of the time of hire, based on the following definitions:
 - Canadian Citizen:**
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. (At point of hire)
3. Headcount includes persons that have worked 50% of their time (at least 80 hours per month) during Q1 2016



Employment Summary by Discipline Hebron Project Q1 2016					
Discipline	Number of Persons				Total number of Persons
	Male	%	Female	%	
Management	266	94%	18	6%	284
Administration	14	13%	92	87%	106
Engineers	318	88%	45	12%	363
Technicians	591	95%	33	5%	624
Professionals	550	77%	165	23%	715
Skilled Trades	1,757	91%	177	9%	1,934
Labour	4,560	99%	44	1%	4,604
Students	23	72%	9	28%	32
Other	-	-	-	-	-
Total:	8,079	93%	583	7%	8,662

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
 - Labour** 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
- Employment numbers reported by Hyundai Heavy Industries (HHI) in Korea do not break out skilled trades and service. Therefore, all skilled trades and service for HHI are included in the labour headcount.

Person Hour Summary Report HEBRON PROJECT Q1 2016	
Activity/Component	Total Person Hours
Project Management Team	328,879
Gravity Based Structure	823,191
Topside	3,816,796
Offshore Loading System	53,329
Total (Q1 2016)	5,022,195
Total (Year to Date)	5,022,195
Project Cumulative	61,532,244

Note: Project management team hours include third party contractors in support of the project management team and operations readiness group hours. Person hours and headcount are updated as more recent information becomes available. Reports may be subject to change.

3.0 Canada-NL Content Estimates

The table below details the estimated Canada-NL content of actual expenditures during the quarter, year to date and cumulatively for the Hebron Project.

Canadian-NL Content Estimates Hebron Project Q1 2016			
Reporting Period	Content		
	NL (%)	Other Canadian (%)	Non-Canadian (%)
Q1 2016	49%	5%	46%
Year to Date	49%	5%	46%
Project Cumulative	54%	7%	39%

Note: NL content percentage decreased due to decreased work activity in Marystown and increased work activity in Korea

4.0 Contracting and Procurement

The table below provides a listing of contract awards with a value greater than \$250,000 during the reporting period of January 1, 2016 to March 31, 2016. The table includes a description of the contract, name of the contractor and the contractor's location at time of award.

Contracting Activity Hebron Project Q1 2016		
Description	Contractor	Contractor Location (NL, OC, NC)
EMCP CONTRACTS		
Emergency Management Services	Emergency Management Advisors Inc.	NL
Supply of Mud Logging Services	Schlumberger Canada Limited	NL
Supply of Laboratory Oil Analysis Services	Wear Check	OC
Drilling and Completions Fluids	Schlumberger Canada Ltd	NL
Cuttings Re-Injection Services and Drilling Drains Services	Schlumberger Canada Ltd	NL
Completion Equipment and Associated Services	Halliburton Group Canada	NL
Completion Equipment and Associated Services	Schlumberger Canada	NL
Open Hole Isolation Packer	Weatherford Canada Partnership	NL
Supply of Directional Drilling and Measurement Services	Schlumberger Canada Limited	NL
SUBSEA 7 CONTRACTS		
Provision of Logistics, Marine Agency and Immigration Services	PF Collins International	NL
KCA DEUTAG CONTRACTS		
Drill Pipe	NOV Grant Prideco	NC
EAST COAST TUBULARS CONTRACTS		
OCTG - 7" x 35# L8013Cr Tubing	Sumitomo	NC
Transportation of OCTG - 7" x 35# L8013Cr Tubing	DHL	NC
KKC CONTRACTS		
Winch Supply for Topside Mating Operations	ACE Winches & NOSO	NC
WORLEYPARSONS CONTRACTS		
Bearing Pads	Hanna Rubber	NC
WOOD GROUP PSN CAHILL CONTRACTS		
Provision of PSV/FSV Re-certification, Leak Testing & Flange Management and Bolt Tensioning & Torqueing	PSV/FSV Re-certification: NewValve Services	NL
	Leak Testing & Flange Management: EnerMech Canada Ltd.	NL
Supply of Drilling Tubular Material	East Coast Tubulars & Workstrings Canada	NL
Provision of Valve Services	NewValve Services & Consulting Inc.	NL
Provision of Crane Testing Services	Axess Baffin Inc.	NL
Provision of Pre-Site Access Assessment Services	Surehire & Fit for Work	NL
Supply of Thermal Insulation and Associated Material	Atlantic Marine Services Crosbie Group Ltd.	NL
Provision of Industrial Specialty Coatings and Associated Services	Aluma Systems Inc.	NL

5.0 Other Interests



Rebecca Coffey, Project Engineer, Hebron Project, presenting cheque to Peter Hackett, Principal, Riverside Elementary

Funding Given to Riverside Elementary Technology and Engineering Club

During March, Rebecca Coffey, Project Engineer on the HebronTopsides Project, presented a cheque for \$8,000 to Peter Hackett, Principal of Riverside Elementary in Clarendville. The funding was used to purchase Lego robotic kits, which will be used by the newly named Hebron Technology & Engineering Club.

EMCP Supports Children’s Charities

The annual Hebron Cup hockey tournament was held on January 24, 2016. Donations from the Hebron Project and staff went to Reason for the Rink children’s charities.

