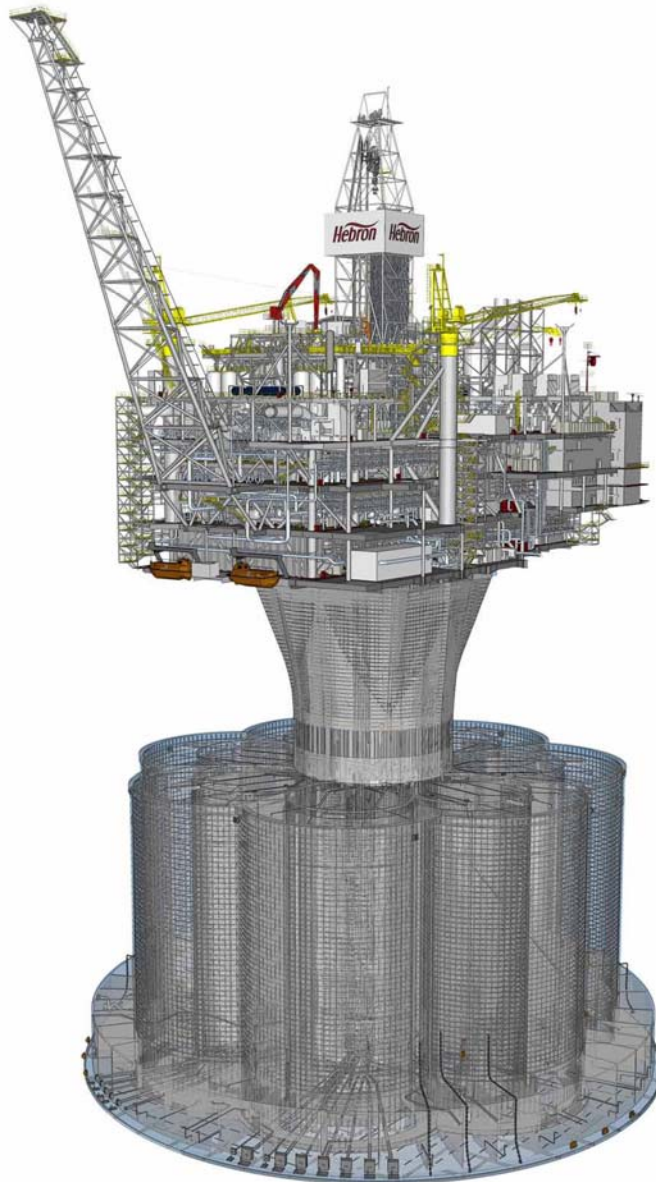




ExxonMobil Canada Properties



**Hebron Project Canada-Newfoundland and Labrador Benefits Report  
for the Period April 1, 2014 to June 30, 2014**

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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 from the White Rose project. The water depth at Hebron is approximately 92 metres.

The Hebron co-venturers are: ExxonMobil Canada Properties (EMCP) (36%), Chevron Resources Limited (26.7%), Suncor Energy Inc. through the Hebron Petro-Canada Partnership (22.7%), Statoil Canada Ltd. (9.7%) and Nalcor Energy (4.9%). 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 April 1, 2014 to June 30, 2014 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 Q2 2014 was 4,527,091. The total number of people employed on the Hebron project as at June 30, 2014 was 8,113 of which 5,127 (63%) were NL residents, 431 (5%) were Other Canadians and 2,555 (32%) were Non-Canadians 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 8,113 employed on the project, 3,587 are working at Bull Arm site.

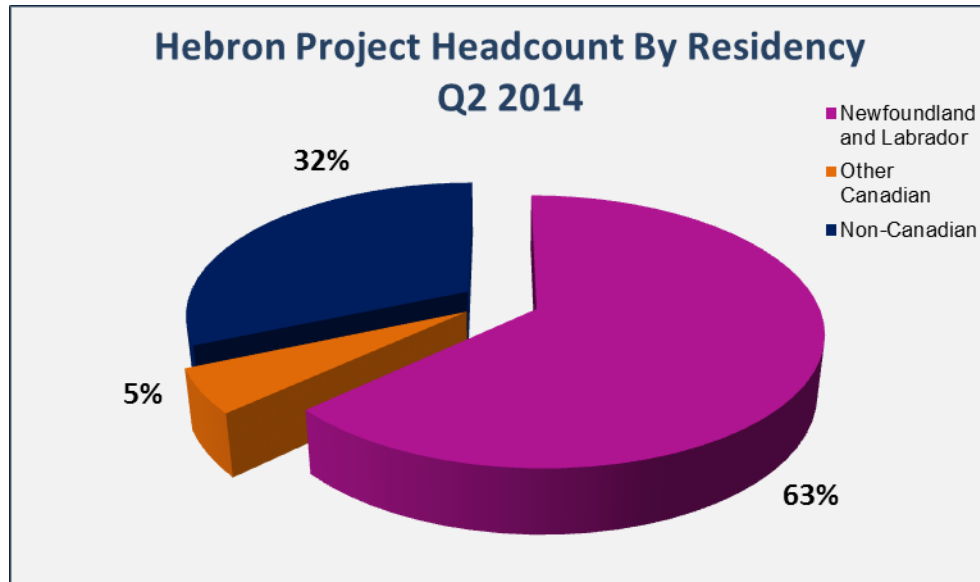
Total Employment Summary Hebron Project Q2 2014			
Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents (%)	Other Canadians (%)	Non-Canadians (%)
8113	63%	5%	32%

Notes:

1. Report includes total 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% (at least 80 hours per month) during Q2 2014



Employment Summary by Location Hebron Project Q2 2014						
Location	Total Number of Persons					
	Residency Status			Gender		TOTAL
	NL	OC	NC	Male	Female	
Newfoundland and Labrador	5116	335	352	5141	662	5803
Other Canada	2	86	6	87	7	94
Outside Canada	9	10	2197	2069	147	2216
TOTAL	5127	431	2555	7297	816	8113

Notes:

1. 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

Note: Project management team hours include third party contractors in support of the project management team.

Employment Summary by Discipline Hebron Project Q2 2014					
Discipline	Number of Persons				Total number of Persons
	Male	%	Female	%	
Management	386	94%	26	6%	412
Administration	39	20%	157	80%	196
Engineers	790	88%	109	12%	899
Technicians	477	89%	60	11%	537
Professionals	426	66%	217	34%	643
Skilled Trades	3079	95%	174	5%	3253
Labour	2064	97%	58	3%	2122
Students	36	71%	15	29%	51
Other	-	-	-	-	-
<b>Total:</b>	<b>7297</b>	<b>90%</b>	<b>816</b>	<b>10%</b>	<b>8113</b>

Person Hour Summary Report Hebron Project Q2 2014	
Activity/Component	Total Person Hours
Project Management Team	147,779
Gravity Based Structure	2,085,438
Topsides	2,275,788
Offshore Loading System	18,086
<b>Total (Q2 2014)</b>	<b>4,527,091</b>
<b>Total (Year to Date)</b>	<b>7,842,891</b>
<b>Project Cumulative</b>	<b>24,587,368</b>

### 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 Q2 2014			
Reporting Period	Content		
	NL (%)	Other Canadian (%)	Non-Canadian (%)
Q2 2014	53%	6%	41%
Year to Date	52%	8%	40%
Project Cumulative	50%	9%	41%

### 4.0 Contracting and Procurement

Please see table below for listing of new contracts awarded with a value greater than \$250,000 during the reporting period April 1, 2014 to June 30, 2014. 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 Q2 2014		
Description	Contractor	Contractor Location (NL, OC, NC)
<b>EMCP CONTRACTS</b>		
No EMCP contracts awarded during Q2 2014		
<b>KKC CONTRACTS</b>		
Marine Outfitting Facility - Flotilla Barge Outfitting (W09)	Heddle Marine Services (NL) Inc.	NL
Strainers for Temporary FW & SW Pumps	Vermeer Press Technology B.V.	NC
Shotcrete Services	Horseshoe Hill Construction Inc.	NL
Fabrication of Structural Steel Items Deck Assembly - EL50m and EL71m Decks	Pennecon Energy Ltd.	NL
Iron Ore for Solid Ballast	LKAB Minerals Inc. (formerly Minelco AB)	NC
Fly Ash for Solid Ballast	Tamarack Resources Inc.	OC
Transport of Solid Ballast Material	Phoenix Bulk Carriers (US) LLC	NC
Heavy Lift Vessel (HLV)	Boskalis Offshore Marine Contracting BV	NC
Tent-like Structures for DWS Muster Stations	Sprung Instant Structures	OC
Prefabrication of Carbon Steel Conductor Guide Frame Subcomponents	Sunny Corner Enterprises Inc. (awarded with SC761P)	OC
Supply of Barges (DWS) Supply of Tugs (DWS)	McKeil NL Ltd.	NL
Supply of Barges (DWS) Supply of Tugs (DWS)	Atlantic Towing Ltd.	NL
Supply of Barges (DWS) Supply of Tugs (DWS)	Miller Shipping Ltd. & Travaux Maritimes Ocean Inc.	NL
Washcar Rental/Purchase	Encanex	OC
<b>WP CONTRACTS</b>		
NEAL: Loose Furniture	Superior Office Interiors	NL
NEAL: Walk-in Cooler and Freezer	Young's Ice	NL
KOS: DES & DSM Foundations	Magna Contracting	NL
KOS: Bolt Ups	Fastenal	NL
KOS: Electrical Enclosures	Harris and Rome	NL



## 5.0 Other Interests

### Hebron Provides Funding to Kids Eat Smart Foundation

The Hebron Project promoted healthy learning in Newfoundland and Labrador schools through a donation of \$10,000 to Kids Eat Smart Foundation.



Geoff Parker, Hebron Senior Project Manager, speaking at the Kids Eat Smart 2014 Gala



Ashley Turner of Hebron (right) presenting Business Inclusion Award to Rhonda Pearson (left) of Scotiabank

### Hebron Sponsors Business Inclusion Award

The Hebron Project sponsored the Coalition of Persons with Disabilities – NL Business Inclusion Award. Ashley Turner presented the award on behalf of Hebron. Scotiabank was the recipient of the award.