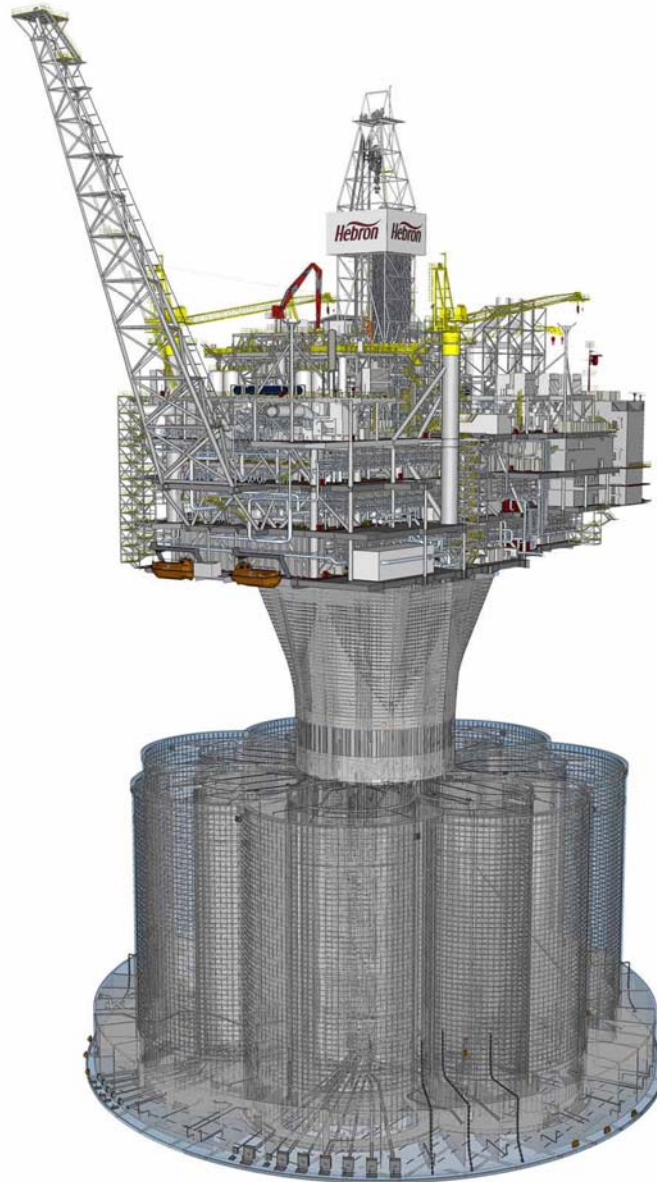




ExxonMobil Canada Properties



**Hebron Project Canada-Newfoundland and Labrador Benefits Report for
the Period April 1, 2016 to June 30, 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 April 1, 2016 to June 30, 2016 in the areas of employment, expenditures and other relevant areas.

2.0 Employment

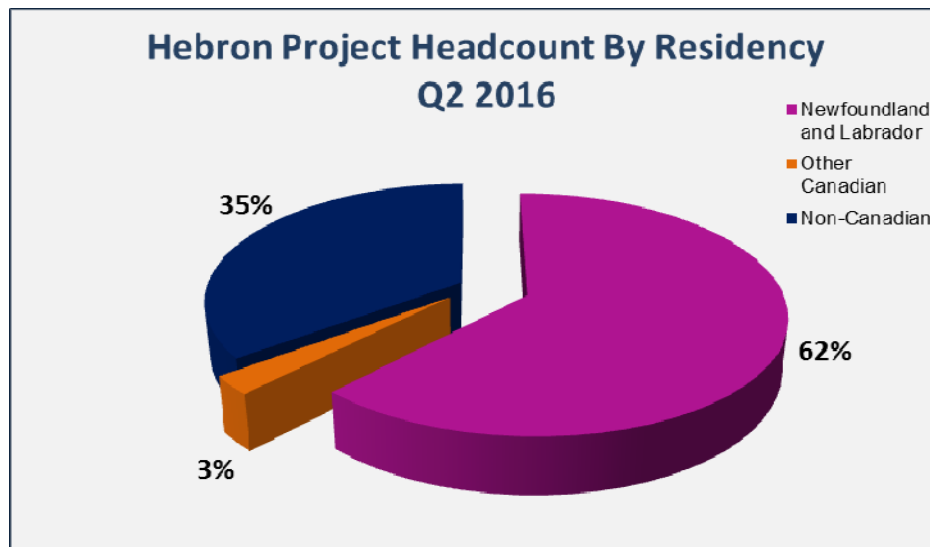
The total number of person hours worked on the Hebron Project during Q2 2016 was 3,398,267. The total number of people employed on the Hebron Project during Q2 2016 was 5,860 of which 3,644 (62%) were NL residents, 150 (3%) were Other Canadian and 2,066 (35%) were Non-Canadian based on Canadian General 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 5,860 employed on the project during Q2 2016, 3,282 were working at Bull Arm site.

Total Employment Summary Hebron Project Q2 2016			
Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents	Other Canadians	Non-Canadians
5,860	62%	3%	35%

Employment Summary by Location Hebron Project Q2 2016						
Location	Total Number of Persons					
	Residency Status			Gender		TOTAL
	NL	OC	NC	Male	Female	
Newfoundland and Labrador	3,632	123	428	3,656	527	4,183
Other Canada	-	17	-	15	2	17
Outside Canada	12	10	1,638	1,608	52	1,660
TOTAL	3,644	150	2,066	5,279	581	5,860

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 Q2 2016



Employment Summary by Discipline Hebron Project Q2 2016					
Discipline	Number of Persons				Total number of Persons
	Male	%	Female	%	
Management	287	92%	24	8%	311
Administration	16	15%	93	85%	109
Engineers	291	88%	40	12%	331
Technicians	696	96%	32	4%	728
Professionals	566	78%	159	22%	725
Skilled Trades	2,093	92%	182	8%	2,275
Labour	1,315	97%	44	3%	1,359
Students	15	68%	7	32%	22
Other	-	-	-	-	-
Total:	5,279	90%	581	10%	5,860

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 Q2 2016	
Activity/Component	Total Person Hours
Project Management Team	423,451
Gravity Based Structure	1,206,181
Topside	1,608,300
Offshore Loading System	160,335
Total (Q2 2016)	3,398,267
Total (Year to Date)	8,420,462
Project Cumulative	64,930,511

Note: Project management team hours include third party contractors in support of the project management team and operations start up 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 Q2 2016			
Reporting Period	Content		
	NL (%)	Other Canadian (%)	Non-Canadian (%)
Q2 2016	47%	4%	49%
Year to Date	49%	5%	46%
Project Cumulative	53%	7%	40%

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 April 1, 2016 to June 30, 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 Q2 2016		
Description	Contractor	Contractor Location (NL, OC, NC)
EMCP CONTRACTS		
Stand Alone Sand Control Screens, with and without External Shunts	Weatherford Canada Partnership	NL
Supply of Catering and Accommodations Services	East Coast Catering Ltd	NL
Supply of ROV Supply and Services	Oceaneering Canada Limited	NL
Supply of Loose Lifting Gear	Extreme East Rigging Services	NL
Supply of 12 Volt Absolyte and Sprinter Marine Batteries	DNOW Canada	NL
Crane Maintenance and Management	Liebherr Canada Ltd.	NL
Drilling Materials and Services	Varco Canada ULC	OC
SUBSEA7 CONTRACTS		
Provision of Swivel and Weld Neck Flanges	FAD (Flange Acciaio & Derivati Spa)	NC
Provision of Fusion Bond Epoxy Powder Coatings	Bredero Shaw FJS	NC
KKC CONTRACTS		
Supply of WROV and Engineering Support	DOF Subsea	NL
Rental of ClamShell Cutter Equipment and Supervisory Support	Innovator Industrial Services Inc.	OC/NL
Channel and Tow Route Survey	Fugro Geosurveys	NL
Rental for Topside Mating Winches	Ace Winches/NOSO	NC/NL
WORLEYPARSONS CONTRACTS		
In-Province Shuttle Service	Corporate Concierge Services Inc.	NL
Oil Spill Response Containers	Navenco Marine Inc.	OC
WOOD GROUP PSN CAHILL CONTRACTS		
HVAC Testing, Adjusting and Balancing	Dawe Enterprises Ltd	NL
Vibration and Alignment Analysis Services	Atlantic Controls Ltd	NL
FAGIOLI		
Surveyor Services	Intertek/Edwards & Associates	NC/NL

5.0 Other Interests

EMCP Supports Kids Eat Smart

EMCP sponsored the Kids Eat Smart Kitchen Party Gala which took place on April 30, 2016. Kids Eat Smart Foundation Newfoundland and Labrador is a registered charity that supports the education, health, and well-being of school age children in Newfoundland and Labrador through nutrition programs run by volunteers at schools and community centres. The funding helps Kids Eat Smart deliver breakfast programs to schools throughout NL.



Hebron Senior Project Manager, Geoff Parker, launches countdown to Kids Eat Smart Kitchen Party



ExxonMobil Canada HR and Diversity Advisor, Jane Ballegooyen (right), presents Hebron Inclusion Award to Jonathan Richler (centre), Steel Communications. Also pictured is Kelly White, COD-NL executive director.

Funding Given to Coalition of Persons with Disabilities

On June 16, 2016, EMCP sponsored the Media Award at the Coalition for Persons with Disabilities – NL (COD-NL) Inclusion Awards. COD-NL Advocates for persons with all types of disabilities and aims to eliminate barriers and create inclusion for all.

EMCP supports Neighbourhood of Friends Family Resource Centre

On June 23, EMCP made a donation of toys to the Neighbourhood of Friends Family Resource Centre. The Centre will use some of the toys at the centre and others were used as giveaways at its Family Day in July. The Neighbourhood of Friends Family Resource Centre is a non-profit, community-based organization. It offers a variety of age-appropriate, play-based programs for children aged 6 and under designed to promote child development and enhanced family relationships and interaction.



Dan Thompson, ExxonMobil's GBS Site Construction Manager, presenting toys to Louise Newell, Executive Director of Neighbourhood of Friends.



EMCP and WPF support female apprentices

On June 27, 2016, EMCP and WPF invited 15 electrical, instrumentation and pipefitting apprentices to tour Bull Arm. The day included tours of different modules, learning about hook-up and commissioning and careers on major projects.