



ExxonMobil Canada Properties



**Hebron Project Canada-Newfoundland and Labrador Benefits Report for the Period
April 1, 2018 to June 30, 2018**

Revised September 19, 2018

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1.0 INTRODUCTION

Hebron is an offshore oil field estimated to produce more than 700 million barrels of recoverable resources. The field was 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 93 metres.

The Hebron co-venturers are: ExxonMobil Canada Properties (EMCP), Chevron Canada Limited, Suncor Energy Inc. through the Hebron Petro-Canada Partnership, Equinor 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;
- 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;
- 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;
- 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, 2018 to June 30, 2018 in the areas of expenditures, contracting and procurement, employment, research and development, and diversity.

2.0 EMPLOYMENT

The total number of people employed on the Hebron Project during Q2 2018 was 1121 of which 92% were NL residents, 4% were Other Canadian and 4% 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).

Hebron Staffing Residency Summary				
As of June 30, 2018				
(Steady State and Transitional Roles)				
	Status (at time of hire)			
	No. Filled	NL	OC	NC
Offshore	554	530	20	5
Onshore	567	497	25	45
Totals	1121	1027	44	50
Percentage		92%	4%	4%

* NL = Newfoundland & Labrador, OC = Other Canadian, NC = Non-Canadian

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 Hebron Project Q2 2018					
Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Administration	16	23.4%	54	76.6%	70
Engineers	102	84.9%	18	15.1%	120
Labor	173	94.4%	10	5.6%	183
Management	102	82.2%	22	17.8%	124
Other	45	91.2%	4	8.8%	49
Professionals	117	81.2%	27	18.8%	143
Skilled Trades	223	98.9%	2	1.1%	226
Students	12	71.2%	5	28.8%	17
Technicians	172	91.2%	17	8.8%	189
TOTALS	962	85.8%	159	14.2%	1121

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

3.0 CANADIAN-NL CONTENT ESTIMATES

The table below details the estimated Canada-NL content of actual expenditures during the quarter.

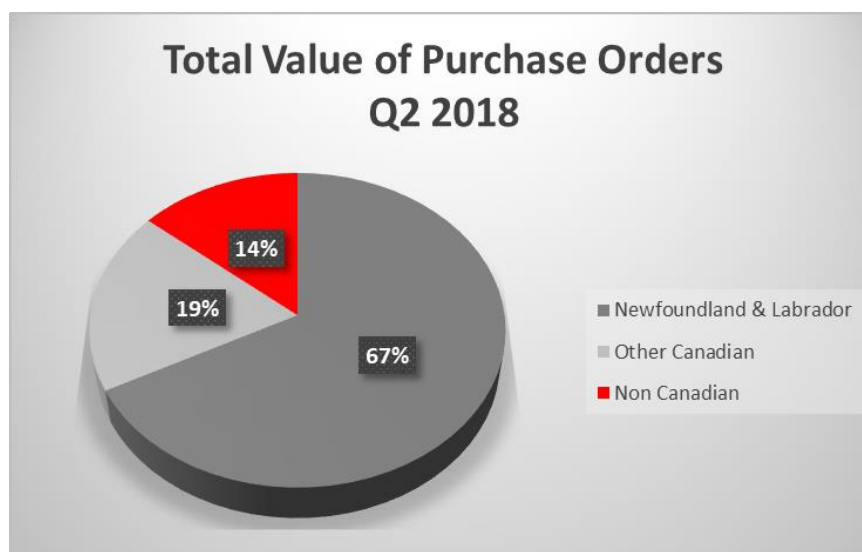
Q2 2018 Canada-NL Content Estimates				
	NL	OC	NC	Total
Percentage (%)	60%	13%	27%	100%

4.0 CONTRACTING AND PROCUREMENT

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 Q2 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 Q2 2018		
Description	Contractor	Contractor Location (NL, OC, NC)
NEW SERVICE CONTRACTS		
Marine Surveys and Inspections	Canadian Global Maritime	NL
Supply of Maintenance, Repair, Hydraulics, and Fabrication Services for Hebron and Hibernia	Hyflodraulic Limited	NL
Supply of Technical Safety and Risk Engineering Services	RiverRock Consulting Inc.	NL
Marine Surveys and Inspections	Canadian Global Maritime	NL
Bird Monitoring Services	LGL Limited	NL
SERVICE CONTRACT EXTENSIONS		
Provision of vessel support services, Hebron	Atlantic Towing Ltd	NL
MATERIAL CONTRACTS		
None		
MATERIAL CONTRACT EXTENSIONS		
Supply of OEM Rapp Bomek Hy Duty Door Spares	K & D Pratt Ltd	NL

During the second quarter of 2018, 1,080 Purchase Orders (POs) were awarded with a total value of \$17,131,836.59. The chart below summarizes the percentage of the total awarded value by location.



5.0 HEBRON PHOTOS



Carman Mullins, President of EMCP, spoke at the 2018 NOIA Oil and Gas Conference in June 2018

Kristina Ennis, Benefits and R&D Analyst, at the Coalition for Persons with Disabilities NL 2018 Inclusion Awards presenting the Hebron sponsored Inclusion Award – Excellence in Disability Media Coverage to CBC’s Ramona Deering & Jen White for the Access Denied series.





EMCP employees and contractors from the Hebron team presented seven papers about the Hebron Project at the Offshore Technology Conference in Houston, Texas in May 2018. The session reached capacity and required an overflow room to accommodate the large audience.