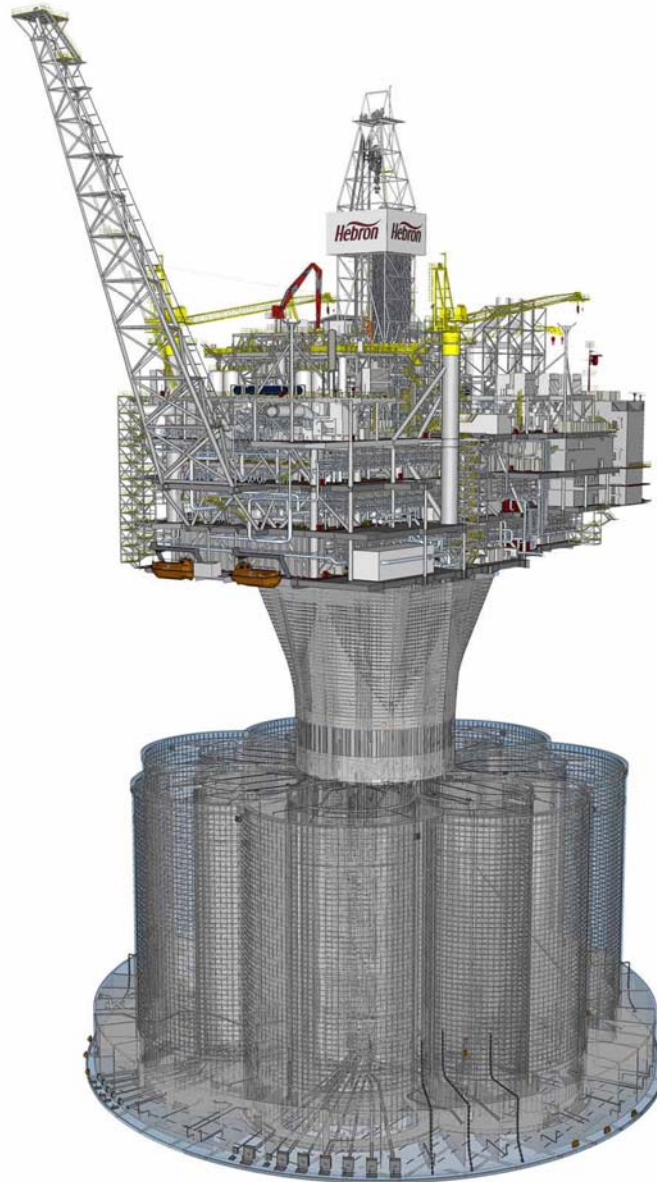




# ExxonMobil Canada Properties



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

## 2.0 Employment

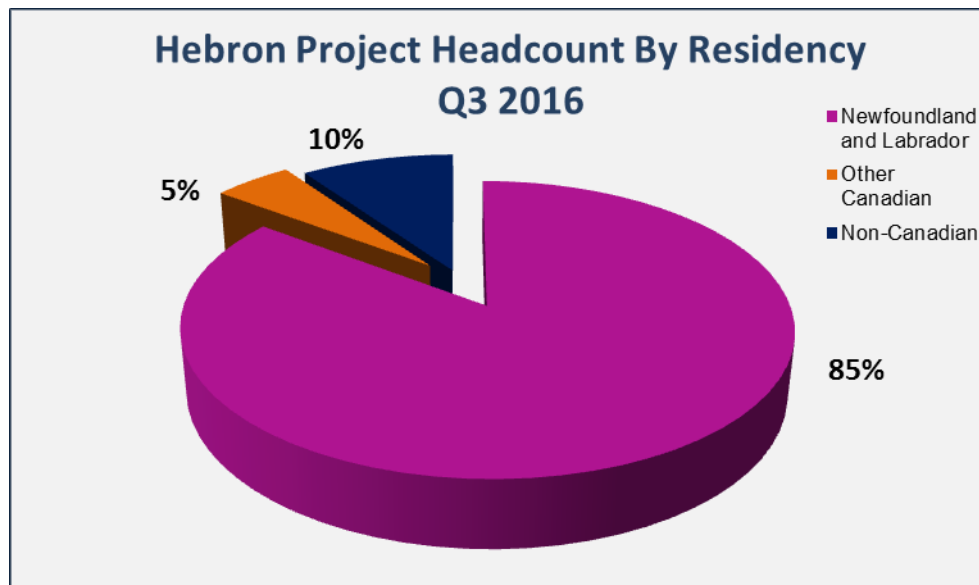
The total number of person hours worked on the Hebron Project during Q3 2016 was 2,208,513. The total number of people employed on the Hebron Project during Q3 2016 was 3,782 of which 3,224 (85%) were NL residents, 190 (5%) were Other Canadian and 368 (10%) were Non-Canadian based on Canadian General 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 3,782 employed on the project during Q3 2016, 2,963 were working at Bull Arm site.

Total Employment Summary Hebron Project Q3 2016			
Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents	Other Canadians	Non-Canadians
3,782	85%	5%	10%

Employment Summary by Location Hebron Project Q3 2016						
Location	Total Number of Persons					
	Residency Status			Gender		TOTAL
	NL	OC	NC	Male	Female	
Newfoundland and Labrador	3,216	166	285	3,191	476	3,667
Other Canada	-	21	1	20	2	22
Outside Canada	8	3	82	82	11	93
<b>TOTAL</b>	<b>3,224</b>	<b>190</b>	<b>368</b>	<b>3,293</b>	<b>489</b>	<b>3,782</b>

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 Q3 2016



Employment Summary by Discipline Hebron Project Q3 2016					
Discipline	Number of Persons				Total number of Persons
	Male	%	Female	%	
Management	275	94%	17	6%	292
Administration	10	14%	63	86%	73
Engineers	219	88%	30	12%	249
Technicians	407	94%	25	6%	432
Professionals	388	72%	151	28%	539
Skilled Trades	1,646	90%	173	10%	1,819
Labour	334	93%	25	7%	359
Students	14	74%	5	26%	19
Other	-	-	-	-	-
<b>Total:</b>	<b>3,293</b>	<b>87%</b>	<b>489</b>	<b>13%</b>	<b>3,782</b>

## 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

Person Hour Summary Report HEBRON PROJECT Q3 2016	
Activity/Component	Total Person Hours
<b>Project Management Team</b>	268,785
<b>Gravity Based Structure</b>	1,049,077
<b>Topsides</b>	849,009
<b>Offshore Loading System</b>	41,642
<b>Total (Q3 2016)</b>	<b>2,208,513</b>
<b>Total (Year to Date)</b>	<b>10,628,975</b>
<b>Project Cumulative</b>	<b>67,139,024</b>

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 Q3 2016			
Reporting Period	Content		
	NL	Other Canadian	Non-Canadian
<b>Q3 2016</b>	46%	4%	50%
<b>Year to Date</b>	47%	5%	48%
<b>Project Cumulative</b>	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 July 1, 2016 to September 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 Q3 2016		
Description	Contractor	Contractor Location (NL, OC, NC)
<b>EMCP CONTRACTS</b>		
Supply of Boat Loading Hoses and End Connections	Beattie Industrial Ltd,	NL
Provision of Oilfield Chemicals and Supplies	Nalco Champion	OC
Replacement of Flare Tips, Sable, Hibernia & Hebron	Vertech Offshore AS	NC
Medium Voltage Switchgear, MCC's and ECMS (Electrical Control and Management System) Service and Repair	Powell Industries	NC
<b>KKC CONTRACTS</b>		
Navigation Services (Mating and Tow-to-Field)	Fugro Geosurveys	NL

## 5.0 Other Interests

### EMCP Supports Wreckhouse International Jazz and Blues Festival

EMCP was a Gold Sponsor of the Wreckhouse International Jazz and Blues Festival that took place from September 22 - 26, 2016 at various locations in St. John's. The goal of the festival is to foster an appreciation of creative music in NL.



Geoff Parker, Hebron Senior Project Manager, hosting  
Wreckhouse International Jazz and Blues Festival