



ExxonMobil Canada Properties



**Hebron Project Canada-Newfoundland and Labrador Benefits Report for the Period
October 1, 2018 to December 31, 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 October 1, 2018 to December 31, 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 Q4 2018 was 1152 of which 91.5% were NL residents, 5.5% were Other Canadian and 3% 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 December 31, 2018				
(Steady State and Transitional Roles)				
	Status (at time of hire)			
	No. Filled	NL	OC	NC
Offshore	553	525	24	4
Onshore	599	529	39	31
Totals	1152	1054	63	36
Percentage		91.5%	5.5%	3%

* 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 Q4 2018					
Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Management	107	84.1%	20	15.9%	127
Administration	19	25.1%	57	74.9%	75
Engineers	109	84.3%	20	15.7%	129
Technicians	168	90.7%	17	9.3%	186
Professionals	113	79.8%	29	20.2%	141
Skilled Trades	264	98.9%	3	1.1%	267
Labor	150	96.7%	5	3.3%	155
Students	6	71.6%	2	28.4%	9
Other	56	89.1%	7	10.9%	63
TOTALS	992	86.1%	160	13.9%	1152

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.

Q4 2018 Canada-NL Content Estimates				
	NL	OC	NC	Total
TOTAL	59%	14%	27%	100%

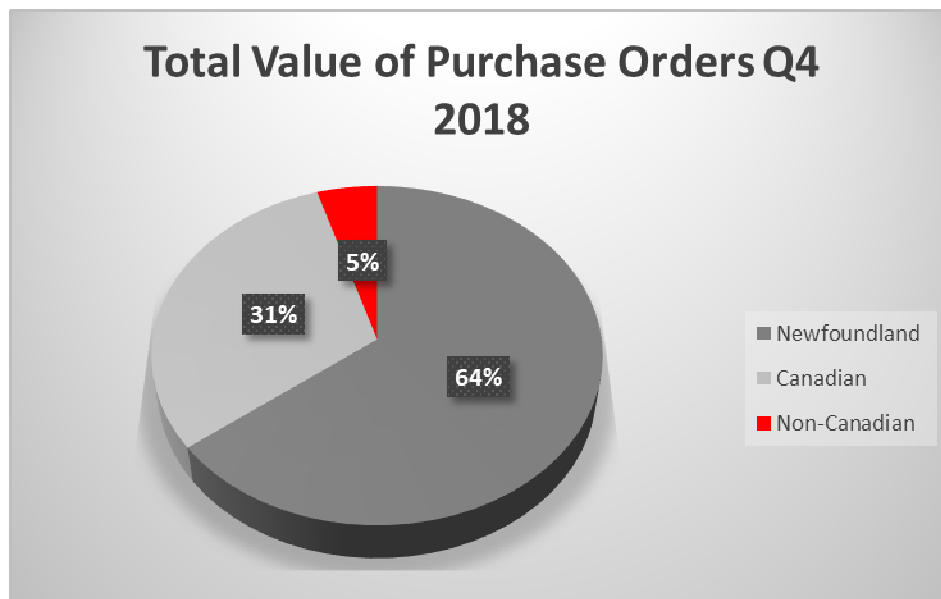
Note: NL Content decrease attributed to a decrease in overall expenditure for the quarter and an increase in spend for several contractors with higher Non-Canadian content.

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 Q4 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 Q4 2018		
Description	Contractor	Contractor Location (NL, OC, NC)
NEW SERVICE CONTRACTS		
Water Sampling	Avalon Laboratories Inc.	NL
Supply Of HVAC Primary and Secondary Filters	Dawe Enterprises	NL
Supply of Misc Electrical Consumables	McLoughlan Supplies Ltd.	NL
Supply of RFID Technology and Software Services	Focus Field Solutions Inc.	NL

During the fourth quarter of 2018, 1,198 Purchase Orders (POs) were awarded with a total value of \$81,931,560.13. The chart below summarizes the percentage of the total awarded value by location.



5.0 HEBRON PHOTOS



Hebron Project marked one year of production with a Day of Giving. On hand at the event were representatives from Hebron operator ExxonMobil Canada, co-venturers (Chevron Canada, Suncor Energy, Equinor Canada and Nalcor Energy – Oil and Gas), the Hebron Project Employers’ Association and 10 local charities: Janeway Foundation, Young Adults Cancer Canada, NL Hard of Hearing Association, Ronald McDonald House, Daffodil Place, Discovery Health Care Foundation, Juvenile Diabetes, Mazol Shriners, MS Newfoundland & Labrador, and Women in Resource Development.



Carman Mullins, ExxonMobil Canada President, presents a donation to the Dr. H. Bliss Murphy Cancer Centre on behalf of the Hebron Project Employers’ Association.



ExxonMobil Canada employees volunteering at the Gathering Place



Representatives from ExxonMobil Canada, Hebron Co-venturers and the Hebron Project Employers' Association present a donation to Kids Eat Smart Foundation NL

In November the Hebron Project marked one year since safely achieving first oil. To recognize the anniversary, Hebron made \$420,000 in donations to 10 local charities. On hand at the event were representatives from Hebron operator ExxonMobil Canada, co-venturers (Chevron Canada, Suncor Energy, Equinor Canada and Nalcor Energy – Oil and Gas), the Hebron Project Employers' Association and 10 local charities. Charities present at the event included the Janeway Foundation, Young Adults Cancer Canada, NL Hard of Hearing Association, Ronald McDonald House, Daffodil Place, Discovery Health Care Foundation, Juvenile Diabetes, Mazol Shriners, MS Newfoundland & Labrador, and Women in Resource Development

In addition to the above noted donations for Q4 2018, the Hebron Project also made the following donations:

- \$240,000 to Kids Eat Smart
- \$320,000 to The Gathering Place
- \$447,000 to the College of the North Atlantic for the Hebron Project Skilled Trades Apprenticeship Bursary Program for Women and Indigenous Students
- \$1.44M to the Dr. H. Bliss Murphy Cancer Care Foundation
- \$2.2M to the Johnson Geo Centre