

Canada-Nova Scotia Benefits Report 2019
Sable Offshore Energy Project

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Canada-Nova Scotia Benefits Report
2019

Submitted to the
Canada-Nova Scotia Offshore Petroleum Board

By
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Executive Summary

The 2019 Sable Offshore Energy Project (SOEP) Canada - Nova Scotia Benefits Report is submitted to the Canada Nova Scotia Offshore Petroleum Board (CNSOPB) by ExxonMobil Canada Properties (EMCP) as Operator. It is submitted in satisfaction of the requirements of the CNSOPB Benefits Plan Decision Report for the SOEP and includes information on the SOEP offshore and onshore activities for the reporting period of January 1, 2019 to December 31, 2019.

The 2019 SOEP related expenditures in Nova Scotia were \$145.0 million which represents 47.3% of the overall SOEP expenditures for the year. The cumulative SOEP expenditures in Nova Scotia since project sanction in 1998 is \$3,281.8 million or 41.2% of the overall project expenditures.

Expenditures during the year supported on-going operations and maintenance, decommissioning activities as well as initiatives in areas of community support, education and training, research and development, technology transfer and support for diversity and inclusion programs.

1.0 Introduction

The 2019 SOEP Canada-Nova Scotia Benefits Report, submitted to the CNSOPB by ExxonMobil Canada Properties (EMCP), the SOEP Operator, includes economic impact data arising from activities conducted in 2019. Cumulative data compiled since project sanction in 1998 is also included. The SOEP facilities included in the scope of this report are listed below.

Offshore	Onshore
<ul style="list-style-type: none"> – Thebaud Central Processing Platform – Venture Platform – North Triumph Platform – Alma Platform – South Venture Platform – Export and Inter-field Pipelines 	<ul style="list-style-type: none"> – Goldboro Gas Plant – Point Tupper Fractionation Plant – Interconnecting NGL Pipeline

Examples of services provided to the SOEP by the local supply community during 2019 are listed in Table 1 below. EMCP is committed to procuring the goods and services needed to support the SOEP facilities, on a competitive basis, from the local supply community.

Table 1 – Supply Community Services

Safety, Health and Environment	<ul style="list-style-type: none"> - Safety advisory services - Safety equipment - Safety training services - Environmental monitoring and testing services - Medical personnel and associated services - Weather monitoring and forecasting; sea state monitoring (waves and currents)
Operations and Well Services	<ul style="list-style-type: none"> - Aviation services - Supply vessels and marine crews - Catering personnel - Logistics and stevedoring - Staffing services - Laboratory testing and analysis - Equipment rentals and consumables
Maintenance	<ul style="list-style-type: none"> - Skilled Trades and services (welding, mechanical fabrication, electrical, instrumentation, insulation and general labour) - Painting and Fabric maintenance - Fabrication services - Maintenance materials and consumables - Valve and equipment services - Equipment and tool rentals - Scaffolding services
Engineering and Technical	<ul style="list-style-type: none"> - Technical support staff, engineering design and data analysis - Equipment inspection services - ROV inspection services and personnel - Certification of facility design, maintenance and integrity
Business Services	<ul style="list-style-type: none"> - Customs clearance, brokerage and warehousing - Staffing services - On-land transportation services - Office materials and support, courier and communication services

2.0 Project Update

Producing operations at the Sable Project ceased on December 31, 2018. The jack-up drilling rig Noble Regina Allen (NRA) conducted well plug and abandonment activities throughout the year, completing the program in December. The wells at the five Sable fields (Thebaud, Venture, North Triumph, Alma and South Venture) have now been successfully plugged. Each of the offshore production platforms and the onshore plants

have been prepared for removal. The hydrocarbon inventory has been removed from the interconnecting pipelines and they have been flushed.

The Operations Integrity Management System continued to be followed by EMCP at all Sable Project facilities. This system sets expectations and processes aimed at effectively managing safety, environment and overall facility integrity. This system, which has the active support and participation of the EMCP employees and contractors, has been instrumental in building and sustaining a safety culture. Safety performance at all SOEP facilities remained strong in 2019. There were no lost time incidents for employees or contractors during the year.

3.0 Economic Impact

The 2019 economic impact data for the Sable Project is provided below for the following metrics:

- **Project Expenditures**
 - Table 2

- **Project Employment**
 - Person hours of employment - Table 3
 - Residency of new hires - Table 4

Expenditures have been classified in one of three categories (Nova Scotia, Other Canadian or Foreign) based on the *Canadian General Standards Board (CGSB) Method*, which has been adopted by the CNSOPB for local benefits reporting purposes.

Person hours of work are categorized as 'Nova Scotia', 'Other Canadian' or 'Foreign' based on the residency of the person performing the work.

In compiling the economic impact data EMCP reviewed information provided by SOEP vendors, the scope of work for the vendor and the guidance available from the CGSB reporting guidelines. Data quality assurance methods used in the preparation of previous Benefits Reports were applied in the preparation this report.

Table 2 – SOEP Expenditures (2019 and Cumulative)

	2019 Expenditures		Cumulative (1998-2019)	
	(\$million)	% of Total	(\$million)	% of Total
Nova Scotia	145.0	47.3%	3,281.8	41.2%
Other Canadian	58.0	18.9%	1,456.0	18.3%
Foreign	103.5	33.8%	3,225.0	40.5%
Total	306.5	100%	7,961.1	100%

Table 3 – Person Hours of Employment (2019 and Cumulative)

	2019 Person Hours		Cumulative (1998-2019)	
	Thousands	% of Total	Millions	% of Total
Nova Scotia	826.4	71.0%	27.05	65.9%
Other Canadian	227.1	19.5%	4.35	10.6%
Foreign	110.1	9.5%	9.65	23.5%
Total	1,096.6	100%	40.96	100%

The Nova Scotia person hours of work conducted for SOEP activities during 2019 was 826,400 which represents 413 full-time equivalent positions.

Table 4 – Residency of New Hires

Year	Nova Scotia	Other Canadian	Foreign	Total
2019	24	16	0	40

Additional information on the following topics are provided in subsequent sections of this report:

- **Diversity and Inclusion (Section 4)**

- Traditionally Under-represented Groups - Table 5
- **Capacity Development (Sections 5 and 6)**
 - Cooperative Student Work Placements - Table 6
 - Training and Education Expenditures - Table 7
 - Research and Development – Table 8

4.0 Diversity and Inclusion

ExxonMobil Canada, the Sable Project owners and the project’s major contractors support the development of a diverse and inclusive workplace. The table below provides the 2019 data collected by EMCP and the SOEP contractors for individuals who self-identify as members of one or more of the four designated groups identified in employment equity legislation (Aboriginal Peoples, Visible minorities, Women and Persons with disabilities).

Table 5 – Traditionally Under-represented Groups

Year	Aboriginal Peoples	Visible Minorities	Women	Persons with Disabilities
2019	27	7	34	*

Note: Those categories in which the representation is five individuals or less are marked by an asterisk (*) to protect the privacy of individual respondents.

The data presented is based on voluntary self-identification data gathered through a confidential survey employee. The information is collected and recorded on employee files in the company's human resources database, accessible only by select designated HR staff.

During 2019 EMCP and the Sable Owners provided support sustainable initiatives related to training, capacity building, contracting and employment of disadvantaged individuals and groups. This approach provides support for opportunities and the removal of barriers beyond the scope of the SOEP and oil and gas industry. Examples include:

- Techsploration, a program aimed at school aged girls and young women that inspires and mentors them to pursue careers in science, trades and technology. In 2019 Techsploration reached 35,000 students in 40 schools across the province. The program extends into Mi’kamq communities including We’koqma’q M’kmaw School, Eskasoni Elementary and Middle School, Indian Brook School and Wagmatcook First Nation School.

- Sable owners continued to support the Mi'kmaq Regional Science Fair. This annual science fair provides an opportunity for Indigenous students learn about and present their research on a variety of scientific topics. The fair is divided into four categories for the students in Grades 3-4, 5-6, 7-9 and 10-12.
- ExxonMobil and Imperial Oil, Sable owners, are founding supporters of the Indigenous Women in Community Leadership program at the Coady Institute at Saint Francis Xavier University. The program has been offered at the Coady Institute since 2011. In 2019 the companies sponsored a special gathering of past program graduates. Approximately 100 First Nations, Métis and Inuit women from across Canada participated in this alumni celebration, and shared stories about their efforts to support development and social change in their organizations, communities and Nations.

5.0 Capacity Development

Capacity development includes oil and gas related training and education activities, supplier development and technology transfer. Information on initiatives carried out in these areas is provided below.

EMCP and the major Sable contractors have supported cooperative education and work placement programs for university and college students since 1998. During 2019 there were 12 four-month work terms completed. These work terms placed students at the EMCP Halifax office or with our major contractors in Nova Scotia. The total expenditures on the work term programs in 2019 was \$101,810 bringing the cumulative total to more than \$6.8 million since 1998.

The SOEP supply / standby vessel contractor, Secunda, continued to support cooperative cadet training programs offered through marine training institutions with six cadets participating at various times during the year.

The 2019 and historical program data is provided in Table 7 below.

Table 6 – Co-Op Work Placements

Year	Number of Placements	Cumulative Placements	Investment	Cumulative Investment
2019	12	698	\$101,810	\$6,872,828

Training programs were provided by EMCP and contractor companies throughout the year. The 2019 training related expenditures are provided in Table 8 below. The

cumulative training and education expenditures since project sanction in 1998 are more than \$55 million.

Table 7 – Training and Education Expenditures

Description of Training	Expenditures
Internal Training	\$20,970
Major Contractor Training	\$478,070
Co-op Programs	\$101,810
2019 Total	\$600,850

Cooperative education programs provide opportunities for capacity development and technology transfer. During 2019 the engineering students employed by EMCP and the major Sable Project contractors worked on various projects related to decommissioning activities. One example was the development of a surveillance program used to track the progress of pipeline de-inventorying and flushing activities. The student had the opportunity to learn about pipeline pigging devices, flushing methods and criteria. The information from the surveillance program was used to coordinate overall decommissioning planning for the onshore and offshore facilities.

Information regarding the decommissioning of the Sable Project and contracting opportunities was made available through the Sable Project website (www.soep.com). During the year, representatives of EMCP and the major contractors provided an update on decommissioning activities and potential contracting opportunities to attendees at the 2019 Superport Days in July, the Engineers Nova Scotia Annual General Meeting in September and the energy3 Conference in October.

6.0 Research and Development (R&D) Initiatives

EMCP and the Sable owners continued to support research and development (R&D) initiatives that support business and commercial development related to the oil and gas industry during 2019.

Examples of R&D initiatives include:

Solar Powered Navigation Aids for Offshore Platforms

This work commenced in 2018 and was completed in 2019. It involved the development five permanent solar powered navigation aid systems and one helicopter deployable back-up system that could be mobilized to the platform as a replacement for the permanent system, if needed.

The systems are used to advise marine traffic of the presence of a platform in the vicinity as well as assist navigators in staying clear and replaced the navigation aids previously installed on the platform. Each one consists of fully redundant solar panels and battery storage systems that operate navigation lights, a fog horn, sensors for both fog and low light, beacons, and a satellite transceiver to allow for remote monitoring of the system.

Pengrowth Nova Scotia Energy Scholarship Programs

The Pengrowth Nova Scotia Energy Scholarship Program provides Energy Scholarships and the Innovation Grants that support to high school and master's level university students in pursuing energy related studies at post-secondary institutions.

In 2019 eight high school graduates received university scholarships valued at as much as \$10,000 each, \$2,500 renewable over four years. Another eight received \$2,500 non-renewable scholarships at the Nova Scotia Community College. There were four recipients of the Innovation Grant which supports graduate level students further their studies at the master's level.

Sable Island Research

EMCP and the Sable owners continued to support a research study comprised of regular surveys and analysis to gather data on Sable Island beached birds. The research is aimed at monitoring and assessing trends in the number and rate of oiling observed in beached seabirds and has been conducted over a number of years.

These R&D initiatives resulted in expenditures of \$1.07 million during 2019. The cumulative R&D expenditures since project sanction in 1998 is more than \$34 million. Please refer to Table 9 below.

Table 8 – 2019 R&D Expenditures and Cumulative

Year	Expenditure	Cumulative (since Project sanction)
2019	\$1,074,800	\$34,245,107

7.0 Community Education and Participation

EMCP, the Sable owners, many of the Sable Project major contractors and their employees support the communities in which we live and work by donating time, talent

or money. This helps strengthen the many organizations that provide needed services or enhance the culture of the community. Some examples from 2019 are provided in the table below.

<i>Supporting the Community</i>	
United Way	Metro United Way and the United Way of Pictou County During 2019, Sable employees participated in a special fund raising auction of surplus equipment with all proceeds for the benefit of these United Way organizations.
CIBC Run for the Cure	ExxonMobil Canada staff, their families and friends support the CIBC Run for the Cure in Halifax
Guysborough and Eastern Nova Scotia Area Communities	<ul style="list-style-type: none"> - Chedabucto Community Centre - Guysborough Food Bank - Harbourview Community Centre - Antigonish Street Park Association - Canso & Area Minor Hockey Association - Chedabucto Place Performance Centre
Africville Heritage Trust	- Africville Museum
<i>Supporting Education</i>	
Mi'kmaq Regional Science Fair	Supports student learning in elementary through high school grades by participation in science fairs.
Strait Regional Science Fair	
ExxonMobil Canada bursary program	This program assists deserving high school graduates in communities where we operate by providing financial support for post-secondary education.
Skills Nova Scotia	A not-for-profit organization that provides Nova Scotian youth with opportunities to explore skilled trades and technologies through a range of programming, made possible by partnerships with industry, government, labour, and education.
Techsploration	A not-for-profit organization that provides young women from grades nine through twelve with opportunities to explore science, trades and technology occupations, while creating awareness about the critical role of work in their lives.

<i>Supporting the Arts</i>	
Stan Rogers Folk Festival	A 3-day music festival, held annually in Canso that honours the legacy of Stan Rogers, an artist that managed to influence a whole generation of performers.
Festival Antigonish	A place where Nova Scotia artists can create dynamic new works and gain valuable experience performing in works produced to the highest artistic and technical standards.
Mulgrave Road Theatre	A professional touring theatre that has enabled a wide audience to experience acclaimed works by some of Atlantic Canada's most respected playwrights.
Neptune Theatre	Atlantic Canada's largest professional theatre, Neptune's playbill includes a broad range of theatrical experience, and Neptune is host to a year-round theatre school for youth.

Appendix 1
Sable Project Person Hours 2019
EMCP and Major Contractors

	NS	OC	FOR	TOTAL
AMEC Black and MacDonald	238,431	0	0	238,431
ExxonMobil Canada	174,830	20,649	4,130	199,609
Helicopter Services	36,402	2,298	90	38,790
EM&I	25,210	1,569	1,417	28,195
Haliburton Group Canada	47,300	79,438	11,828	138,566
Heerema Marine Contractors	1,864	0	56,789	58,653
London Offshore Consultants	821	132	100	1,053
Noble Drilling	166,626	47,171	35,794	249,591
Secunda Canada	134,865	75,860	0	210,725
TOTAL	826,349	227,117	110,148	1,163,613

Legend:

NS – Nova Scotia

OC – Other Canadian

FOR – Foreign (Non-Canadian)