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Executive Summary

To date, the Sable Project has resulted in over \$2.27 billion being invested into the Nova Scotia economy and over \$3.6 billion into the Canadian economy using the cash flow methodology.

The Sable Project continued to assist with development of the natural gas industry in Nova Scotia in 2004. Initiatives to aid in reaching this goal included investments in community education, research and development, training, technology transfer and continued support of diversity and inclusion programs.

Focus also continued on skills development in Nova Scotia during 2004 with over \$32.6 million invested in training and education cumulatively. These efforts included the training of Project employees for the startup of the South Venture facilities, training initiatives of major contractors, community training investments and co-op student programs. **Of particular note is the more than \$3.44 million that has been invested in 453 co-op/work placements related to the Sable Project since the Project began.**

1.0 Introduction

The **2004 Annual Canada-Nova Scotia Benefits Report** for the Sable Project is hereby submitted to the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) in accordance with the requirements under Section 2.6 and Condition #9 of the Sable Offshore Energy Project Canada-Nova Scotia Offshore Petroleum Board Benefits Plan Decision Report dated December 3, 1997 (for implementation effective December 30, 1997).

This report addresses Sable Project benefits activities for the period January 1, 2004 to December 31, 2004, and has been prepared and submitted by ExxonMobil Canada Properties (ExxonMobil) as the Sable Project operator.

This report summarizes the Q1, Q2 and Q3 2004 reports that were previously submitted to the CNSOPB, and includes data from Q4 2004 as well.

2.0 Operations/Tier II Development Update

2.1 Operations

Operations highlights during 2004 included:

- Drag Reducing Agents trial for the 26" pipeline complete, evaluating results.
- Completed a review of the Pressure Vessel Management Program by the Certifying Authority.
- Underwater surveys and inspections were carried out on all subsea pipelines. These surveys involved the use of remote operated vehicles (ROV's) and the associated support vessels and technical experts.
- Improvements to the Goldboro and Point Tupper process towers were carried out during the Third Quarter or Fourth Quarter of 2004.
- Completion of the 5-year renewal of the offshore Certificates of Fitness for the Tier I facilities.
- Initiation of the 2004 phase of the coatings repair work at Venture.
- SV-1 well on production as the facilities commenced operations.

2.2 Tier II Development

South Venture

- Declaration of Commercial Discovery approved and Production License issued by the CNSOPB.
- Fabrication of the South Venture Jacket was completed by Heerema Vlissingen in the Netherlands. The jacket and piles were barge transported across the Atlantic and installed at the site offshore Sable Island by Heerema Marine Contractors in May 2004, using the heavy lift vessel SSCV Hermod.
- Drilling of the first two South Venture production wells commenced.
- Halifax Shipyards completed the topsides fabrication at the Woodside site in Dartmouth. Topsides loadout onto the barge during the third quarter and the facilities were installed during the fourth quarter.
- Technip-CSO completed engineering, procurement and installation of the South Venture subsea pipeline. Concrete mattresses fabrication were completed by local firms for transport offshore. The diving support vessel, DSV Marianos, arrived in Halifax towards the end of June and mobilized equipment and diving personnel to begin the offshore pipeline and hot-tap installation activities.

- During the 4th quarter, several Nova Scotia contractors and service companies were involved with final preparation and installation activities for the new South Venture platform. Local services included helicopters, offshore support vessels, inspection and testing services, logistics support, technical services, marine services, vessel crewing, catering, etc.
- Offshore hook-up and commissioning was completed by GJ Cahill & Company Ltd. of Dartmouth. First Gas at South Venture was achieved in early December.

Compression

- At the end of 2004, detailed engineering and equipment and materials procurement for the Compression Project is nearing completion.
- Compression Project Management continued in Halifax at ExxonMobil and SaiWoo Contracting offices.
- Topsides Engineering by Aker Kvaerner and Procurement by DSME continued in Houston supported by Halifax. Engineering and Procurement for topsides equipment and materials packages was essentially completed. Delivery of equipment and materials and construction by Daewoo Shipbuilding & Engineering in Korea is scheduled to commence in 1Q05
- Engineering for the compression jacket was completed by the Saipem Halifax design team, with support locally and from Saipem, London. Jacket fabrication by Intermare Sarda, Italy and piles fabrication by SIF, the Netherlands is scheduled to commence in 1Q05.
- Engineering and Procurement for Offshore Transportation and Installations was progressed by Saipem, with contracts for offshore accommodations and transportation vessels still being finalized.
- Engineering for Thebaud/Goldboro Modifications was progressed by SNC Lavalin of Halifax.
- Accent Engineering of Halifax continued with engineering and procurement for Thebaud 'Cut-ins' work.

3.0 Canada-Nova Scotia Economic Impact

The Sable Project continued to have a significant positive impact on the Canadian economy, and in particular, the economy of Nova Scotia. Expenditures below will be shown using two methodologies, the *Canada General Standards Board Method* adopted by the Canada-Nova Scotia Offshore Petroleum Board and the *Cash Flow Method* used by many significant Nova Scotia industries (e.g. tourism, fishing) to illustrate the total "Flow of Cash" through the economy. In addition to expenditures, three other indicators of economic impact (person hours, headcount and new hires) are also reported.

3.1.1 Canada General Standards Board (CGSB) Method

For the Fourth Quarter of 2004, total project expenditures were \$171.3 million. These expenditures can be broken down as follows:

- Nova Scotian \$57.4 million (33.5%)
- Other Canadian \$14.3 million (8.3%)
- Foreign \$99.6 million (58.2%)

For the year 2004, total project expenditures were \$509 million. These expenditures can be broken down per the table below:

	Nova Scotia	Other Canadian	Foreign	Totals
2004 Expenditures	180.7	83.1	245.2	509.0
Percentage	35.5 %	16.3 %	48.2 %	100.0 %

Table 3.1.1
Historical Expenditures Pursuant to CGSB Methodology
(in \$ millions)

	Nova Scotia	Other Canadian	Foreign	Totals
Cumulative to December 31, 1998	218.0	166.5	596.7	981.2
Percentage of Total	22.2 %	17.0 %	60.8 %	100.0 %
Cumulative to December 31, 1999	623.1	282.8	1,145.2	2,051.1
Percentage of Total	30.4 %	13.8 %	55.8 %	100.0 %
Cumulative to December 31, 2000	795.2	385.1	1,234.7	2,415.0
Percentage of Total	32.9 %	16.0 %	51.1 %	100.0 %
Cumulative to December 31, 2001	965.4	445.7	1,334.5	2,745.6
Percentage of Total	35.2 %	16.2 %	48.6 %	100.0 %
Cumulative to December 31, 2002	1,142.1	546.3	1,497.1	3,185.5
Percentage of Total	35.9 %	17.1 %	47.0 %	100.0 %
Cumulative to December 31, 2003	1,351.7	648.4	1,729.4	3,729.5
Percentage of Total	36.2 %	17.4 %	46.4 %	100.0 %
First Quarter 2004	28.8	14.2	59.9	102.9
Percentage of Total	28.0 %	13.7 %	58.3 %	100.0 %
Cumulative to March 31, 2004	1,380.5	662.6	1,789.3	3,832.4
Percentage of Total	36.0 %	17.3 %	46.7 %	100.0 %
Second Quarter 2004	39.2	24.4	48.2	111.8
Percentage of Total	35.0 %	21.9 %	43.1 %	100.0 %
Cumulative to June 30, 2004	1,419.7	687.0	1,837.5	3,944.2
Percentage of Total	36.0 %	17.4 %	46.6 %	100.0 %
Third Quarter 2004	55.3	30.2	37.5	123.0
Percentage of Total	45.0 %	24.6 %	30.4 %	100.0 %
Cumulative to September 30, 2004	1,475.0	717.2	1,875.0	4,067.2
Percentage of Total	36.3 %	17.6 %	46.1 %	100.0 %
Fourth Quarter 2004	57.4	14.3	99.6	171.3
Percentage of Total	33.5 %	8.3 %	58.2 %	100.0 %
Cumulative to December 31, 2004	1,532.4	731.5	1,974.6	4,238.5
Percentage of Total	36.1 %	17.3 %	46.6 %	100.0 %

3.1.2 Cash Flow Methodology

Using the Cash Flow methodology, expenditures for the Fourth Quarter of 2004 can be broken down as follows:

- Nova Scotian \$97.0 million (56.6%)
- Other Canadian \$55.4 million (32.3%)
- Foreign \$1.8 million (11.1%)

For the year 2004, total project expenditures using the cash flow method can be broken down per the table below:

	Nova Scotia	Other Canadian	Foreign	Totals
2004 Expenditures	267.7	187.7	53.6	509.0
Percentage	52.6 %	36.8 %	10.6 %	100.0 %

Table 3.1.2
Historical Expenditures by Cash Flow Methodology
(in \$ millions)

	Nova Scotia	Other Canadian	Foreign	Totals
Cumulative to December 31, 1998	404.9	287.5	288.8	981.2
Percentage of Total	41.3 %	29.3 %	29.4 %	100.0 %
Cumulative to December 31, 1999	1,054.0	554.1	443.0	2,051.1
Percentage of Total	51.4 %	27.0 %	21.6 %	100.0 %
Cumulative to December 31, 2000	1,260.4	721.4	433.2	2,415.0
Percentage of Total	52.2 %	29.9 %	17.9 %	100.0 %
Cumulative to December 31, 2001	1,501.0	826.5	418.1	2,745.6
Percentage of Total	54.7 %	30.1 %	15.2 %	100.0 %
Cumulative to December 31, 2002	1,761.1	972.6	451.8	3,185.5
Percentage of Total	55.3 %	30.5 %	14.2 %	100.0 %
Cumulative to December 31, 2003	2,006.4	1,156.1	567.0	3,729.5
Percentage of Total	53.8 %	31.0 %	15.2 %	100.0 %
First Quarter 2004	67.1	22.9	12.9	102.9
Percentage of Total	65.2 %	22.2 %	12.6 %	100.0 %
Cumulative to March 31, 2004	2,073.5	1,179.0	579.9	3,832.4
Percentage of Total	54.1 %	30.8 %	15.1 %	100.0 %
Second Quarter 2004	50.9	41.3	19.6	111.8
Percentage of Total	45.5 %	36.9 %	17.6 %	100.0 %
Cumulative to June 30, 2004	2,124.4	1,220.3	599.5	3,944.2
Percentage of Total	53.9 %	30.9 %	15.2 %	100.0 %
Third Quarter 2004	52.7	68.1	2.2	123.0
Percentage of Total	42.8 %	55.4 %	1.8 %	100.0 %
Cumulative to September 30, 2004	2,177.1	1,288.4	601.7	4,067.2
Percentage of Total	53.5 %	31.7 %	14.8 %	100.0 %
Fourth Quarter 2004	97.0	55.4	18.9	171.3
Percentage of Total	56.6 %	32.3 %	11.1 %	100.0 %
Cumulative to December 31, 2004	2,274.1	1,343.8	620.6	4,238.5
Percentage of Total	53.7 %	31.7 %	14.6 %	100.0 %

3.2 Person Hours

Sable Project employment during the Fourth Quarter of 2004 totaled to approximately 430 thousand million person hours. These person hours are broken down as follows:

- Nova Scotian 260 thousand person hours (60.69%)
- Other Canadian 30 thousand person hours (7.29%)
- Foreign 140 thousand person hours (32.02%)

Details on cumulative person hours through December 31, 2004 are provided in Table 3.2 below. As well, please see Appendix 1 for a listing of 2004 labour hours by vendor.

Table 3.2
Historical Person Hours
(in millions of Person Hours)

	Nova Scotia	Other Canadian	Foreign	Totals
Cumulative to December 31, 1998	2.70	1.00	2.91	6.61
Percentage of Total	40.85 %	15.13 %	44.02 %	100.00 %
Cumulative to December 31, 1999	5.93	1.48	5.25	12.66
Percentage of Total	46.84 %	11.69 %	41.47 %	100.00 %
Cumulative to December 31, 2000	8.39	1.74	5.36	15.49
Percentage of Total	54.20 %	11.22 %	34.58 %	100.00 %
Cumulative to December 31, 2001	9.75	1.90	5.49	17.14
Percentage of Total	56.86 %	11.11 %	32.03 %	100.00 %
Cumulative to December 31, 2002	10.73	2.19	6.04	18.96
Percentage of Total	56.61 %	11.54 %	31.85 %	100.00 %
Cumulative to December 31, 2003	12.67	2.50	6.83	22.00
Percentage of Total	57.61 %	11.35 %	31.04 %	100.00 %
First Quarter 2004	0.34	0.03	0.13	0.50
Percentage of Total	68.28 %	5.09 %	26.63 %	100.00 %
Cumulative to March 31, 2004	13.01	2.53	6.96	22.50
Percentage of Total	57.84 %	11.22 %	30.94 %	100.00 %
Second Quarter 2004	0.68	0.10	0.23	1.01
Percentage of Total	67.47 %	10.06 %	22.47 %	100.00 %
Cumulative to June 30, 2004	13.69	2.63	7.19	23.51
Percentage of Total	58.25 %	11.17 %	30.58 %	100.00 %
Third Quarter 2004	0.35	0.05	0.13	0.53
Percentage of Total	64.54 %	10.25 %	25.21 %	100.00 %
Cumulative to September 30, 2004	14.04	2.68	7.32	24.04
Percentage of Total	58.41 %	11.15 %	30.44 %	100.00 %
Fourth Quarter 2004	0.26	0.03	0.14	0.43
Percentage of Total	60.69 %	7.29 %	32.02 %	100.00 %
Cumulative to December 31, 2004	14.30	2.71	7.46	24.47
Percentage of Total	58.42 %	11.08 %	30.50 %	100.00 %

3.3 Employment Headcount

The Project employment headcount on December 31, 2004 was 1174. Table 3.3 below includes those individuals working directly on the Sable Project and those working for major contractors on the specified reporting dates. Of the 1174 people working on the Sable Project on December 31, 2004, 909 (77.43%) were working in Nova Scotia.

Table 3.3
Employment Headcount - Historic

Month	Activity in Nova Scotia	Activity in the rest of Canada	Total Project Activity
March 31, 2001	1,084		1,311
June 30, 2001	1,047	21	1,097
September 28, 2001	1,032	15	1,076
December 31, 2001	649	11	681
March 29, 2002	602	14	719
June 28, 2002	904	17	1,049
September 30, 2002	1,175	44	1,543
December 31, 2002	917	78	1,290
March 31, 2003	906	34	1,162
June 30, 2003	1,159	64	1,418
September 30, 2003	742	35	976
December 31, 2003	1,088	33	1,269
March 31, 2004	1,017	41	1,397
June 30, 2004	1,427	37	1,840
September 30, 2004	975	39	1,239
December 31, 2004	909	43	1,174

3.4 Residency of New Hires / Secondees

The total number of New Hires/Secondees reported for the Sable Project and its major contractors during the Fourth Quarter of 2004 was 164. Table 3.4 below shows the historic distribution of the Residency of New Hires / Secondees for the Sable Project.

Table 3.4
Residency of New Hires / Secondees - Historic

Quarter	Nova Scotia	Other Canadian	Foreign	Total
First Quarter, 2001	150	10	29	189
Second Quarter, 2001	127	21	34	182
Third Quarter, 2001	83	41	38	162
Fourth Quarter, 2001	40	33	14	87
First Quarter, 2002	47	8	67	122
Second Quarter, 2002	85	19	158	262
Third Quarter, 2002	153	36	310	499
Fourth Quarter, 2002	39	20	149	208
First Quarter, 2003	91	20	103	214
Second Quarter, 2003	191	36	82	309
Third Quarter, 2003	416	15	12	443
Fourth Quarter, 2003	128	12	7	147
First Quarter, 2004	155	10	95	260
Second Quarter, 2004	124	17	49	190
Third Quarter, 2004	169	10	11	190
Fourth Quarter, 2004	117	4	43	164

4.0 Aiding in the Development of a Sustainable Industry in Nova Scotia

During the Fourth Quarter of 2004, initiatives related to developing and supporting a viable and increasingly sustainable gas industry in Nova Scotia continued to be undertaken. These initiatives have been divided into four core areas:

- Training and Education
- Technology Transfer
- Diversity and Inclusion
- Research and Development

Please note: Items in Section 4.0 may also be reported by ExxonMobil and affiliates in other reports.

4.1 Training and Education

During the Fourth Quarter of 2004, emphasis continued to be placed on relevant skill development in Nova Scotia related to the oil and gas industry. In addition to expenditures made on employee training, investments in community training and educational programs were also made.

Training and education investments for the Fourth Quarter of 2004 are summarized in Table 4.1.1 below.

Table 4.1.1
Summary of Training and Education Investments
Fourth Quarter, 2004

Description of Training	Investment
Internal Training	\$218,262
Major Contractor Training	\$273,713
Co-op Programs	\$134,990
Community Training and Education Investments	\$187,240
Total for the Fourth Quarter, 2004	\$814,205

Specific example of the community-based training ExxonMobil supported during 2004 included:

- **R.C.M.P. Drug Awareness Resistance Program** - This program, taught by uniformed Royal Canadian Mounted Police, teaches Grade 6 students the necessary information to make the best life choices and to stay away from drugs.
- **Junior Achievement** - ExxonMobil provided funds and volunteers for the Junior Achievement programs in Nova Scotia. Employees took over blackboards for the day and taught Grade 9 students the Economics of Staying in School.
- **Ethical Leadership Conference** - Sponsorship towards the Ethical Leadership Summit, a two-day summit with the aim of instilling an ethical culture in the regional business community.
- **Dalhousie's Ethics Case Competition** - Primary sponsorship in the only Canadian event with a primary focus on the subject of business ethics designed specifically for undergraduate business students.
- **Techsploration** - Support and funding for a program that encourages Grade 9 girls to consider careers in science and trades and technology.
- **Word on the Street** - Donations toward this book and magazine fair that promotes literacy.

In 2004, over \$3.26 million was spent on Training and Education. Cumulatively, in excess of \$32.6 million has been invested in Training and Education. The following table shows the history of training and education investments.

Table 4.1.2
Training and Education Investments - Historic
(Including Co-op/Work Placement Programs and Community Training and Education Investments)

Quarter / Year	Investment
1998	\$7,027,316
1999	\$5,635,294
2000	\$3,296,130
2001	\$5,440,177
2002	\$4,071,942
2003	\$3,881,650
First Quarter, 2004	\$727,974
Second Quarter, 2004	\$914,413
Third Quarter, 2004	\$804,043
Fourth Quarter, 2004	\$814,205
Cumulative to end of the Fourth Quarter, 2004	\$32,613,144

Co-op/Work Placements

Support for co-op and work placement programs continued through the Fourth Quarter of 2004. There were 12 co-op and work placement opportunities for students of varied disciplines. Total expenditures on co-op/work placements exceeded \$134 thousand in the Fourth Quarter. In 2004, over \$646 thousand was spent on 64 co-op/work placements for the year.

Cumulative expenditures for the 453 co-op/work placements are provided in Table 4.1.3 below. Further details on 2004 co-op and work placements are provided in Appendix 2.

Table 4.1.3
Co-op Work Placements - Historic

Quarter / Year	Number of Placements	Investment
1998	36	\$250,000
1999	61	\$325,263
2000	58	\$334,133
2001	71	\$608,394
2002	73	\$572,932
2003	90	\$706,539
First Quarter, 2004	13	\$151,869
Second Quarter, 2004	22	\$212,833
Third Quarter, 2004	17	\$146,653
Fourth Quarter, 2004	12	\$134,990
Cumulative to the end of the Fourth Quarter, 2004	453	\$3,443,606

4.2 Technology Transfer

During the Fourth Quarter of 2004, expenditures related to technology transfer totaled more than \$397 thousand. As in previous quarters of 2004, rig-related work made up a large portion of this transfer throughout the Fourth Quarter of 2004. In 2004, over \$4.67 million was spent on Technology Transfer. The cumulative expenditures related to technology transfer are provided in Table 4.2 below. Also, Appendix 3 details technology transfer throughout 2004.

Table 4.2
Technology Transfer Investments - Historic

Quarter / Year	Investment
1998	\$972,655
1999	\$391,967
2000	\$7,625,490
2001	\$4,662,600
2002	\$4,149,458
2003	\$7,076,230
First Quarter, 2004	\$736,834
Second Quarter, 2004	\$1,012,464
Third Quarter, 2004	\$2,525,646
Fourth Quarter, 2004	\$397,858
Cumulative to end of the Fourth Quarter, 2004	\$29,551,202

4.3 Diversity and Inclusion

Creating and maintaining an all inclusive and diverse workforce has been a priority for ExxonMobil. During the Fourth Quarter of 2004, and throughout the year, efforts continued to encourage representation of traditionally underrepresented groups, namely:

- Aboriginal Persons
- Racially Visible Persons
- Women
- Persons with Physical/Mental Challenges

ExxonMobil does not make assumptions about membership in a traditionally underrepresented group. Rather, ExxonMobil encourages "voluntary self-identification" which occurs when individuals identify themselves as members of a traditionally underrepresented group on an application/resume and/or proactively to their supervisor/organization, or through other voluntary means.

The following table provides a tally of individuals who identified themselves as a member of a traditionally underrepresented group during the period of the First Quarter of 2001 through the Fourth Quarter of 2004.

Table 4.3
Self-Identified Members of Traditionally Underrepresented Groups - Historic

Quarter	Aboriginal Persons	Racially Visible Persons	Women	Persons with Physical/Mental Challenges
First Quarter, 2001	10	6	83	5
Second Quarter, 2001	9	10	112	5
Third Quarter, 2001	8	12	99	2
Fourth Quarter, 2001	5	18	111	2
First Quarter, 2002	2	10	88	4
Second Quarter, 2002	5	7	85	4
Third Quarter, 2002	54	108	116	4
Fourth Quarter, 2002	20	20	81	2
First Quarter, 2003	13	20	90	4
Second Quarter, 2003	3	34	103	4
Third Quarter, 2003	4	14	104	4
Fourth Quarter, 2003	3	9	93	12
First Quarter, 2004	1	16	93	4
Second Quarter, 2004	1	17	109	3
Third Quarter, 2004	2	23	114	3
Fourth Quarter, 2005	3	24	96	4

4.4 Research and Development

During the Fourth Quarter of 2004, ExxonMobil, its partners, and contractors continued working on research and development initiatives.

The cumulative investment in research and development from the Sable Project is over \$22.9 million. Please see the table below for historic research and development investments. Also, Appendix 4 details research and development initiatives undertaken throughout 2004.

Table 4.4
Research & Development Investments - Historic

Quarter / Year	Investment
1995	\$121,500
1996	\$146,000
1997	\$3,888,373
1998	\$5,758,207
1999	\$2,813,428
2000	\$4,690,139
2001	\$2,564,786
2002	\$2,068,169
2003	\$666,385
First Quarter, 2004	\$120,500
Second & Third Quarter, 2004	\$81,500
Fourth Quarter, 2004	\$75,000
Cumulative to end of the Fourth Quarter, 2004	\$22,993,987

5.0 Community Education and Participation

During the Fourth Quarter of 2004, ExxonMobil (on behalf of the Sable Project owners) continued to be very active in the provision of financial support to charitable organizations in Nova Scotia which focus attention on community support, arts and culture, and social welfare. These programs target the Project's key geographical areas of Guysborough and Antigonish counties, the Strait area, and the Greater Halifax area.

For the Fourth Quarter of 2004, the Sable Project contributed over \$294 thousand* to a number of organizations across Nova Scotia.

**Please note: This number does not include investments made in community training and education. Please see Section 4.1 for community training and education investments.*

Organizations that ExxonMobil supported throughout 2004 included:

- ♦ SAERC High School Drama Club
- ♦ Canso Big Brothers/Sisters
- ♦ Port Hawkesbury Lions Club
- ♦ Scotia Days Festival
- ♦ Guysborough County Youth Opportunities Forum
- ♦ Guysborough Fish & Games Association
- ♦ Sherbrooke RCMP Bike Rodeo
- ♦ Sherbrooke Christmas

- ♦ Roy Feltmate Memorial ATV Rally
- ♦ Emergency Medical Care Sherbrooke
- ♦ Riverview Consolidated School Breakfast Program
- ♦ Canso Curling Club
- ♦ Guysborough County Regional Development Authority Business Builders
- ♦ Antigonish Handball Club
- ♦ Sherbrooke Show & Shine
- ♦ Sherbrooke Village Concert
- ♦ Mulgrave and Area Lakes Enhancement
- ♦ Guysborough Come Home Week
- Canso's 400th Anniversary and the Congres L'Acadie (Guysborough)

Details on further community investments is included in Appendix 5.

Appendix 1
Sable Project Person Hours
For 2004

Vendors	2004	2004	2004	2004
	Nova Scotia	Canada	Foreign	TOTAL
935817 Alberta Limited	820	0	0	820
ABB Inc.	3842	501	0	4343
Accent Engineering Consultants	76756	3028.5	334.5	80119
AEA Technology	0	0	74	74
AMEC E&C Services Limited	31565.5	535	1502	33602.5
Asco Canada Limited	1530	660	0	2190
Atlantic Eagle (Atlantic Towing)	3184	2124	0	5308
Atlantic Offshore Medical	16804	33	0	16837
Atlantic XL Inc.	2271	70	80	2421
Blue Water Agencies Limited	9667	0	0	9667
Brunell Energy Canada Inc.	10188	8121	3250	21559
Canadian Helicopters	39354	12259	0	51613
Cherbini Metal Works Ltd.	1252	0	0	1252
Cooper Cameron Corporation	9653	361	628	10642
Douglas Technologies	614.5	0	0	614.5
Emerson Process Management	0	1006	0	1006
F I Oilfield Services Canada Limited	11944	2226	0	14170
Fabco Industries Limited	880.7	0	0	880.7
Fabcon Canada Limited	16539.5	0	5057	21596.5
Facility Innovations	14585	97	0	14682
Fitzgerald, J.A. Consulting Services	1776	0	0	1776
Fleetway	142568	9308	2740	154616
Fugro Jacques Geosurveys Inc.	6254	2299.5	0	8553.5
G. J. Cahill & Company Limited	62860	9501	0	72361
George Leblanc Consulting Limited	2138	0	0	2138
Heerema Marine Contractors	9834	1563	154573	165970
Hughes Christensen	359	684	1	1044
Irving Shipbuilding	734227	71328	35365.5	840920.5
IWIS Limited	9058.5	0	0	9058.5
Kelly Services (Canada) Limited	5159.75	120	0	5279.75
KSLO	38273.5	5052	4764	48089.5
Lloyd's Register of Shipping	5190.3	154.5	10957.7	16302.5
London Offshore Consultants Ltd.	0	0	1960	1960
M.I. Drilling Fluids Canada	15322	3852	528	19702
Matrix Environmental	2666.25	0	0	2666.25
Oceaneering Canada Ltd.	742	360	0	1102
Offshore Logistics	16532	0	0	16532
Parker Brothers Contracting	23336.5	1074.5	4782	29193
PV Inspection	11	2	32	45
RTD Quality Services Inc.	3951.5	1643.5	44	5639
S & H Underwater	1	0	0	1
SaiWoo Contracting	64877	3333	347050	415260
Secunda Marine	134175	31746	0	165921
SGS Canada Inc.	7346	109.6	0	7455.6
Spectrol Group	7046.98	745.56	486.14	8278.68
Staffing Services International Inc.	6119.5	0	0	6119.5
Stewart McKelvey Stirling & Scales	253.4	0	0	253.4
Swaco Canada	14989	3000	1188	19177
Team Products and Services Limited	2152	0	0	2152
Technip Offshore Canada Limited	45339.7	30236.3	58954.5	134530.5
Thales Geosolutions Canada Limited	5799	4944	1224	11967
W. LaBrash Consulting Inc.	521.5	0	0	521.5
Weatherford	5324	1440	160	6924

Appendix 2

2004 Co-op and Work Placements

Discipline	Academic Institution and Location	Team
Commerce	Dalhousie University	ACCENT Engineering Consultants
Accounting	Nova Scotia Community College	ACCENT Engineering Consultants
Chemical Engineering	Dalhousie University	ACCENT Engineering Consultants
Commerce	Dalhousie University	ACCENT Engineering Consultants
Mechanical Engineering	Dalhousie University	ACCENT Engineering Consultants
Mechanical Engineering	Dalhousie University	ACCENT Engineering Consultants
Mechanical Engineering	Dalhousie University	ACCENT Engineering Consultants
Mechanical Engineering	Dalhousie University	ACCENT Engineering Consultants
Chemical Engineering	Dalhousie University	ACCENT Engineering Consultants
Electrical Engineering	Memorial University	ACCENT Engineering Consultants Inc.
Engineering	Dalhousie University	ACCENT Engineering Consultants Inc.
Engineering	Dalhousie University	ACCENT Engineering Consultants Inc.
Mechanical Engineering	Dalhousie University	ACCENT Engineering Consultants Inc.
Mechanical Engineering	Dalhousie University	ACCENT Engineering Consultants Inc.
Chemical Engineering	Dalhousie University	ACCENT Engineering Consultants Inc.
Commerce	Dalhousie University	ExxonMobil Canada
Commerce	Dalhousie University	ExxonMobil Canada
Commerce	Dalhousie University	ExxonMobil Canada
Commerce	Dalhousie University	ExxonMobil Canada
Commerce	Memorial University	ExxonMobil Canada
Commerce	Memorial University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
Engineering	Dalhousie University	ExxonMobil Canada
High School	Shad Valley Program	ExxonMobil Canada

Appendix 2 (cont'd)
2004 Co-op and Work Placements

Discipline	Academic Institution and Location	Team
Mechanical Engineering	Dalhousie University	ExxonMobil Canada
Chemical Engineering	Dalhousie University	ExxonMobil Canada
Chemical Engineering	Dalhousie University	ExxonMobil Canada
Commerce	Dalhousie University	ExxonMobil Canada
Commerce	Dalhousie University	ExxonMobil Canada
Electrical Engineering	Dalhousie University	ExxonMobil Canada
Mechanical Engineering	Dalhousie University	ExxonMobil Canada
Mechanical Engineering	Dalhousie University	ExxonMobil Canada
Mechanical Engineering	Dalhousie University	ExxonMobil Canada
Mechanical Engineering	Dalhousie University	ExxonMobil Canada
Mechanical Engineering	Dalhousie University	Import Tool Corporation
Mechanical Engineering	Dalhousie University	Import Tool Corporation
Engineering	Dalhousie University	Import Tool Corporation Ltd.
Engineering	Dalhousie University	Import Tool Corporation Ltd.
Engineering	Dalhousie University	Import Tool Corporation Ltd.
Engineering	Dalhousie University	Irving Shipbuilding Inc.
Mechanical Engineering	Dalhousie University	Irving Shipbuilding Inc.
Computer Science	Dalhousie University	Kvaerner SNC-Lavalin Offshore
Computer Science	Dalhousie University	Kvaerner SNC-Lavalin Offshore
Computer Science	Dalhousie University	Kvaerner SNC-Lavalin Offshore
Library Services	Mount St. Vincent University	Pitney Bowes Management Services
Business Administration	Nova Scotia Community College	SaiWoo Contracting
Mechanical Engineering	University College of Cape Breton	SGS Canada Inc.

Appendix 3 2004 Technology Transfer Investments

Team	Program Description
ACCENT Engineering Consultants Inc.	A multiphase transient/dynamic hydraulic simulation software program (OLGA) was used to predict piping line pressure losses, various flow parameters (i.e. velocity, flow regime, compositional tracking, etc.), and flow assurance issues. This technology was transferred from Houston to Nova Scotia.
ACCENT Engineering Consultants Inc. AMEC Black & MacDonald	Offshore Structural Modeling technology was transferred to Nova Scotia from Houston.
ExxonMobil Canada	Skills related to project management and controls, engineering systems and support maintenance and platform maintenance methodologies and best practices were transferred from the UK to Nova Scotia.
ExxonMobil Canada	A representative from Kenz Cranes traveled to the Alma platform for API annual survey and load test of the crane. Local employees of Bridgeport Wire Rope were trained to enable them to be capable of performing the survey in future years.
ExxonMobil Canada	Bridgeport Wire & Rope have been assisted by SeaTrax in completing the API Inspections on the Tier 1 Cranes. Three Bridgeport personnel attended a training course at the SeaTrax facility in Texas prior to the inspection. A SeaTrax technician participated in the first of four crane inspections to provide assistance and expertise.
ExxonMobil Canada ExxonMobil Canada	Impact Safety Tool (data collection and analysis) was transferred from Houston to Nova Scotia.
ExxonMobil Canada	Lokring training was given to several Amec Black & MacDonald employees as part of the Thebaud Heat Medium System Project. Specialist from Ontario provided the training and practice. A written test was given and employees were certified to install Lokring fittings.
Fabcon Canada Ltd.	Training and direct experience related to the South Venture Pipeline Hot-tap Installation were transferred to Nova Scotia from the US and the UK. Training included Hot-tap Technology Awareness, Training for Cold Water Hot-Tapping, Subsea Coating Removal, Subsea Maitresses and Pipe Spool Fabrication and Production Technology and PMT Training.
GlobalSantaFe Drilling Co. (Cda) Ltd.	Specialist instrumentation/controls and process engineering knowledge, as it relates to project engineering processes and procedures for large offshore projects were transferred from the UK to NS. The technology is being transferred through skills development of NS engineers, technologists and co-op students as a result of direct guidance and supervision provided by the UK engineers.
GlobalSantaFe Drilling Co. (Cda) Ltd.	A supervisory staff of 5 and a shorebase team of 3 were transferred from the UK to Nova Scotia for the continuous process of training rig personnel on state-of-the-art rig equipment and technologies. The offshore installation managers have been participating in the dissemination of technology through the training of two Nova Scotian barge engineers.
Irving Shipbuilding Inc. Irving Shipbuilding Inc.	One senior electrical engineer provided support and training on the maintenance of drilling systems and the operation of ancillary equipment. This senior electrician also provided hands-on training to Nova Scotian electrical technicians. These skills were transferred from the UK to Nova Scotia.
Irving Shipbuilding Inc.	Fabrication and module assembly methodology skills were transferred to Nova Scotia from the UK.
Irving Shipbuilding Inc.	Implementation and project management systems and controls skills as related to offshore projects were transferred from the UK to Nova Scotia.
Irving Shipbuilding Inc.	Knowledge of the implementation of project management systems and controls was transferred to Nova Scotia from the UK.
Irving Shipbuilding Inc.	Management expertise related to electrical and instrumentation installation to oil and gas standards was transferred to Nova Scotia from the UK.
Irving Shipbuilding Inc.	Mechanical completion tools and techniques from the UK were transferred to Nova Scotia.
Irving Shipbuilding Inc.	Safety management skills were transferred from the UK to Nova Scotia at both the supervisory and worker level.
Irving Shipbuilding Inc.	Senior employees transferred offshore construction management knowledge from the UK to supervisors and foremen in Nova Scotia.
Irving Shipbuilding Inc.	Skills related to PDMS, a 3D pipe design software, were transferred to Nova Scotia from the UK.
Irving Shipbuilding Inc.	Skills related to Review Reality, a companion software to PDMS, were transferred from the UK to Nova Scotia.
Irving Shipbuilding Inc.	Skills related to the delivery of an engineering system to support fabrication were transferred from the UK to Nova Scotia.
Irving Shipbuilding Inc.	Skills related to the management of piping fabrication and installation specific to the oil and gas industry were transferred to Nova Scotia from the UK.
Irving Shipbuilding Inc.	Skills related to the use of Completions Tool WinPCS were transferred from the UK to Nova Scotia.

Appendix 3 (cont'd)

2004 Technology Transfer Investments

Team	Program Description
Kvaerner SNC-Lavalin Offshore	Construction methods related to engineering management for SV Topsides were transferred from the UK to Nova Scotia.
Kvaerner SNC-Lavalin Offshore	Engineering management skills and control methods based on Aker Kvaerner expertise methods and systems were transferred to Nova Scotia from Norway.
Kvaerner SNC-Lavalin Offshore	General quality management skills related to project control and performance and accepted work practices were transferred to Nova Scotia from the UK.
Kvaerner SNC-Lavalin Offshore	Skills were transferred from Newfoundland to Nova Scotia related to document control processes and procedures.
RTD Quality Services Inc.	MicroSet Silicone Polymer Replication, a new method of replicating surface profiles during paint inspection, was transferred to Nova Scotia from the UK.
Technip Offshore Canada Ltd.	Installation methods and expertise related to the South Venture Pipeline Hot-tap Installation, Canada's first subsea hot tap, were transferred to Nova Scotia from the UK.
Technip Offshore Canada Ltd.	Knowledge and skills were transferred to Nova Scotia from Scotland and the UK through the training of weightcoat removal system operators.
Technip Offshore Canada Ltd.	New design of precast concrete forms resulted in skills being transferred from the UK to Nova Scotia.

Appendix 4

2004 Research and Development Investments

Recipient	Program Description	Investor
Dalhousie University	Applying Process Intensification Concepts to Diesel Desulphurization - This project's goal was to assess the efficiency of a novel, compact, highly-efficient, and cost-effective process intensification system for treating gasoline/diesel containing colloidal sulfur. Attention was focused on the sulfur conversion kinetics for a novel in-line mixer and the conventional mechanically agitated tanks (MAT) under the newly developed reaction conditions.	ExxonMobil Canada
Dalhousie University	Baffles & Barriers - Reservoir Heterogeneity & Characterization - Examination of the reservoir heterogeneity associated with fluvial estuarine depositional systems using reservoir analogs presented on 3-D quarry and outcrop exposures of the Pliocene fluvial-estuarine sediments in western Trinidad. This research will have impact for Imperial Oil interests at Cold Lake, Syncrude, SAG-D operations, and offshore Nova Scotia, particularly developments in the Cretaceous Missisauqua Formation.	ExxonMobil Canada
Dalhousie University	In-situ Removal of Hydrogen During Dehydrogenation Reactions - The primary objective of this project is to determine whether it is possible to continuously remove hydrogen during hydrogenation reactions using materials that are currently being developed as a hydrogen storage medium. If this "proof of concept" is established, the second objective is to ascertain whether these hydrogen storage materials can be combined with catalysts used for hydrogenation reactions.	ExxonMobil Canada
Dalhousie University	Level Sets & Fluid Flow Modeling - Investigation of state-of-the-art level-set methods for tracking fluid interfaces evolving from strongly coupled nonlinear partial differential equations used to mathematically model multi-phase flow through porous media and other fluid flows such as atmospheric, furnace and multi-phase pipe flows.	ExxonMobil Canada
ExxonMobil Canada	Adopting latest technology (Category 7) in "intelligent well" technology for applications related to South Venture 3.	ExxonMobil Canada
ExxonMobil Canada	Corrosion Rate Determination	ExxonMobil Canada
ExxonMobil Canada	Drag Reducing Agent	ExxonMobil Canada
NS Students	Bursaries	ExxonMobil Canada
Petroleum Research Atlantic Canada (PRAC)	Funding towards abstracts volume and conference accessories for GSAIConference.	Shell Canada

Appendix 5

2004 Community Investments

Organization	Description
United Way	As one of the biggest supporters of the United Way, ExxonMobil and its employees executed creative and successful fund raising events.
Metro Food Bank	ExxonMobil supported a golf tournament for fund raising in support of the Metro Food Bank.
Symphony Nova Scotia	ExxonMobil contributed funding to support the Adopt a Musician program, which pairs musicians with students and teachers in Grades 4 and 5.
Stan Rogers Festival	Sponsorship in support of the festival, which draws thousands of visitors and is a great boost to the local economy and pride.
Granville Green Outdoor Concert Series	ExxonMobil is a strong supporter of this series of outdoor concerts held each Saturday and Sunday in July and August at the waterfront bandstand in Port Hawkesbury, NS.
Adsum House	For the past several years, ExxonMobil has been supporting Adsum House, an emergency shelter for women and children in Halifax.
IWK Children's Hospital	Donations in support of funding earmarked for the Child Safety Link program, which promotes safety for children across the region, focussing on the main causes of admissions to the hospital's emergency department.
East Coast Ecosystems Research	Support towards this well-known whale research and conservation organization in Digby County.
Kiwanis Musical Festival	ExxonMobil has been supporting this musical competition and learning experience for young musicians across the province.
Neptune Theatre	Pre-professional program for young people who are interested in advancing their performance skills, focusing on areas such as dance movement, musical theatre and modern acting techniques.
Festival of Trees	Co-sponsor for the Cancer Society's Festival of Trees fundraiser.
Shakespeare by the Sea	Support helped keep the Bard's works alive in Halifax's Point Pleasant Park during the summer.
Mocean Dance	Support towards the Halifax-based dance company, Mocean Dance's tour of junior and high schools throughout Nova Scotia.
Festival Antigonish	ExxonMobil participates in an employment initiative program, which allows participants to gain valuable experience.
Discovery Centre	Sponsorship towards the science gallery where visitors enjoy a hands-on learning experience.
Joseph Howe School	Support towards literacy, arts and technology skills of Primary to Grade 6 students at the school by providing funding towards books, book bins, book racks and supplies for the reading club.