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Executive Summary

To date, the Sable Project has resulted in over \$1.65 billion being invested into the Nova Scotia economy and over \$2.43 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 2005. 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 2005 with over \$35.6 million invested in training and education cumulatively. These efforts included the development, by the Nova Scotia Community College, of training courses specific to the startup, operation and maintenance of the compression platform. Training continued with our major contractors as did investments in community training and co-op student programs. **Of particular note is the more than \$4.03 million that has been invested in 500 co-op/work placements related to the Sable Project since the Project began.**

1.0 Introduction

The **2005 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, 2005 to December 31, 2005, and has been prepared and submitted by ExxonMobil Canada Properties (ExxonMobil) as the Sable Project operator.

This report summarizes the Q1, Q2 and Q3 2005 reports that were previously submitted to the CNSOPB, and includes data from Q4 2005 as well.

2.0 Operations/Tier II Development Update

2.1 Operations

Operations highlights during 2005 included:

- Additional South Venture wells were brought into production during 2005, thereby increasing overall production from this field.
- Upgrades to the Thebaud, Venture and North Triumph cranes were carried out.
- Drilling of the Venture V-7 well was completed and the well was brought online.
- Modifications to the Thebaud platform, necessary for the pending installation of compression, were started.

2.2 Tier II Development

Compression Platform

The Halifax based ExxonMobil and SaiWoo Contracting Project Teams continued to provide ongoing functional support to the Project Site Teams at the Compression Project fabrication facilities in (for Jacket and Piles Fabrication) and (for Topsides and Bridge Fabrication).

The status of SaiWoo Contracting work packages (WP's) as of year-end is as follows:

WP01 - Topsides & Bridge

Topsides fabrication Okpo, Korea is progressing very well. All deck are in place and installation of major equipment complete. Focus of site activity on installation of piping, valves, cable pulling and E&I outfitting, misc. painting, etc.

WP02 - Jacket

Jacket and piles fabrication in Sardinia, Italy is over 70% complete (ahead of schedule). Jacket assembly activities are progressing well with a major milestone of Jacket upending of leg pairs completed in early December. Fabrication of grillage / seafastings complete. Mud mats plate cutting complete with assembly in progress Pile fabrication at SIF (Netherlands) close to 90% complete.

WP03 - Modifications to Existing Facilities on Thebaud (Brownfield Works)

Amec Black & MacDonald (ABM) of Halifax/Dartmouth has subcontracted fabrication of the main works to Aecon Fabco in Dartmouth. Offshore installation works have commenced with scaffolding activities and habitat preparation.

WP04 - Transportation & Installation

Engineering and procurement activities have progressed significantly. Selection of the offshore transportation vessels for topsides and jacket is complete. Selection of the offshore accommodation vessel to support brownfield works on Thebaud is complete. WP04 is currently in the process of evaluating options for offshore logistics and services.

WP05 - Hook-up and Commissioning

Progressive onshore commissioning of topsides equipment and systems commenced in Q405. SaiWoo has selected G.J. Cahill as its Offshore HUC sub-contractor for 2006. The procurement process for subcontract support services required in Halifax in 2006 is continuing.

Cut-ins on Thebaud

Accent Engineering of Halifax are in the final stages of engineering and procurement activities. Onshore pipe spool fabrication is being completed by Aecon-Fabco facilities in Dartmouth and Partners Construction in Pictou. Operations contractor, Amec Black & MacDonald, have commenced offshore installations on the Thebaud Platform. Overall offshore installations 34% complete, with final works targeted Q106.

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 the *Canada General Standards Board Method* adopted by the Canada-Nova Scotia Offshore Petroleum Board. In addition to expenditures, three other indicators of economic impact (person hours, headcount and new hires) are also reported.

3.1 Canada General Standards Board (CGSB) Method

For the Fourth Quarter of 2005, total project expenditures were \$112.1 million. These expenditures can be broken down as follows:

- Nova Scotian \$35.3 million (31.5%)
- Other Canadian \$10.0 million (9.0%)
- Foreign \$66.8 million (59.5%)

For the year 2005, total project expenditures were \$373.7 million. These expenditures can be broken down as follows:

- Nova Scotian \$126.1 million (33.7%)
- Other Canadian \$ 46.9 million (12.6%)
- Foreign \$200.7 million (53.7%)

Details on cumulative expenditures through December 31, 2005 are provided in Table 3.1.

Table 3.1
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 %
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 %
First Quarter 2005	24.4	7.0	40.5	71.9
Percentage of Total	33.9 %	9.8 %	56.3 %	100.0 %
Cumulative to March 31, 2005	1,556.8	738.5	2,015.1	4,310.4
Percentage of Total	36.1 %	17.1 %	46.7 %	100.0 %
Second Quarter 2005	32.2	14.9	59.2	106.3
Percentage of Total	30.3 %	14.0 %	55.7 %	100.0 %
Cumulative to June 30, 2005	1,589.0	753.4	2,074.3	4,416.7
Percentage of Total	36.0 %	17.0 %	47.0 %	100.0 %
Third Quarter 2005	34.2	14.9	34.2	83.3
Percentage of Total	41.1 %	17.9 %	41.0 %	100.0 %
Cumulative to September 30, 2005	1,623.2	768.3	2,108.5	4,500.0
Percentage of Total	36.1 %	17.1 %	46.8 %	100.0 %
Fourth Quarter 2005	35.3	10.0	66.8	112.1
Percentage of Total	31.5 %	9.0 %	59.5 %	100.0 %
Cumulative to December 31, 2005	1,658.5	778.3	2,175.3	4,612.1
Percentage of Total	36.0 %	16.9 %	47.1 %	100.0 %

3.2 Person Hours

Sable Project employment during the Fourth Quarter of 2005 totaled to approximately 710 thousand person hours. These person hours are broken down as follows:

- Nova Scotian 240 thousand person hours (33.37%)
- Other Canadian 40 thousand person hours (5.87%)
- Foreign 430 thousand person hours (60.76%)

Details on cumulative person hours through December 31, 2005 are provided in Table 3.2. As well, please see Appendix 1 for a listing of 2005 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 %
Cumulative to December 31, 2004	14.30	2.71	7.46	24.47
Percentage of Total	58.42 %	11.08 %	30.50 %	100.00 %
First Quarter 2005	0.24	0.02	0.13	0.39
Percentage of Total	61.54 %	5.13 %	33.33 %	100.00 %
Cumulative to March 31, 2005	14.54	2.73	7.59	24.86
Percentage of Total	58.49 %	10.98 %	30.53 %	100.00 %
Second Quarter 2005	0.25	0.03	0.22	0.50
Percentage of Total	49.68 %	6.73 %	43.59 %	100.00 %
Cumulative to June 30, 2005	14.79	2.76	7.81	25.36
Percentage of Total	58.31 %	10.90 %	30.79 %	100.00 %
Third Quarter 2005	0.30	0.02	0.33	0.65
Percentage of Total	46.16 %	2.48 %	51.36 %	100.00 %
Cumulative to September 30, 2005	15.09	2.78	8.14	26.01
Percentage of Total	58.01 %	10.69 %	31.30 %	100.00 %
Fourth Quarter 2005	0.24	0.04	0.43	0.71
Percentage of Total	33.37 %	5.87 %	60.76 %	100.00 %
Cumulative to December 31, 2005	15.33	2.82	8.57	26.72
Percentage of Total	57.36 %	10.56 %	32.08 %	100.00 %

3.3 Employment Headcount

The Project employment headcount on December 31, 2005 was 1589. 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 1589 people working on the Sable Project on December 31, 2005, 740 (46.6%) 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
March 31, 2005	800	32	1,086
June 30, 2005	706	34	1,440
September 30, 2005	687	30	1,511
December 31, 2005	740	30	1,589

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 2005 was 196. 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
First Quarter, 2005	52	2	46	100
Second Quarter, 2005	69	2	92	163
Third Quarter, 2005	80	5	82	167
Fourth Quarter, 2005	67	19	110	196

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

During the Fourth Quarter of 2005, 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 2005, 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 2005 are summarized in Table 4.1.1 below.

Table 4.1.1
Summary of Training and Education Investments
Fourth Quarter, 2005

Description of Training	Investment
Internal Training	\$352,908
Major Contractor Training	\$439,202
Co-op Programs	\$110,195
Community Training and Education Investments	\$96,000
Total for the Fourth Quarter, 2005	\$998,306

The internal training for Q4 2005 includes expenditures with the Nova Scotia Community College on the development of training programs for the startup, operation and maintenance of the compression platform. This training will be ongoing in 2006, leading up to the startup planned for Q3-4 2006.

In 2005, over \$3.04 million was spent on Training and Education. Cumulatively, in excess of \$35.6 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
2004	\$3,260,635
First Quarter, 2005	\$560,826
Second Quarter, 2005	\$722,934
Third Quarter, 2005	\$765,485
Fourth Quarter, 2005	\$998,306
Total, 2005	\$3,047,550
Cumulative to end of the Fourth Quarter, 2005	\$35,660,694

Co-op/Work Placements

Support for co-op and work placement programs continued through the Fourth Quarter of 2005. There were 8 co-op and work placement opportunities for students of varied disciplines. Total expenditures on co-op/work placements exceeded \$110 thousand in the Fourth Quarter. In 2005, over \$592 thousand was spent on 47 co-op/work placements for the year.

Cumulative expenditures for the 500 co-op/work placements are provided in Table 4.1.3 below. Further details on 2005 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
2004	64	\$646,345
First Quarter, 2005	11	\$125,405
Second Quarter, 2005	16	\$182,838
Third Quarter, 2005	12	\$174,547
Fourth Quarter, 2005	8	\$110,195
Total, 2005	47	\$592,985
Cumulative to the end of the Fourth Quarter, 2005	500	\$4,036,590

4.2 Technology Transfer

During the Fourth Quarter of 2005, expenditures related to technology transfer totaled more than \$189 thousand. As in previous quarters of 2005, rig-related work made up a large portion of this transfer throughout the Fourth Quarter of 2005. In 2005, over \$1 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 2005.

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
2004	\$4,672,802
First Quarter, 2005	\$327,021
Second Quarter, 2005	\$281,333
Third Quarter, 2005	\$217,831
Fourth Quarter, 2005	\$189,169
Total, 2005	\$1,015,354
Cumulative to end of the Fourth Quarter, 2005	\$30,566,556

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 2005, 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 2005.

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, 2004	3	24	96	4
First Quarter, 2005	2	14	88	4
Second Quarter, 2005	2	16	94	1
Third Quarter, 2005	2	10	86	0
Fourth Quarter, 2005	2	9	64	1

4.4-1 Research and Development

Throughout 2005, ExxonMobil, its partners, and contractors continued working on research and development initiatives. During the Fourth Quarter of 2005, over \$18 thousand was spent on research and development initiatives. In 2005, in excess of \$628 thousand was spent on research and development initiatives.

The cumulative investment in research and development from the Sable Project is over \$23.6 million. Please see the table below for historic research and development investments. Also, Appendix 4 details research and development initiatives undertaken throughout 2005.

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
2004	\$277,000
First Quarter, 2005	\$600,927
Third Quarter, 2005	\$8,600
Fourth Quarter, 2005	\$18,600
Total, 2005	\$628,127
Cumulative to end of the Fourth Quarter, 2005	\$23,622,114

4.4-2 The Pengrowth-Nova Scotia Energy Scholarship Program

The Pengrowth-Nova Scotia Energy Scholarship Program is an initiative supported by Pengrowth Energy, a Sable Project owner company, in conjunction with the Nova Scotia Department of Energy. This program assists young students interested in pursuing a career in the energy sector to take the university or community college program necessary for meeting their career objectives in the energy sector.

"Scholarships are offered to students entering university or community college after completing Grade 12 at a Nova Scotia high school. At least 10 scholarships, valued at \$10,000 each (\$2,500 renewable over four years), are awarded annually to students pursuing energy-related studies at a university. One additional university scholarship is designated each year for a member of a First Nation or a visible minority.

The program also offers at least four non-renewable \$2,500 scholarships for first-year students pursuing energy-related trades and technology programs at the Nova Scotia Community College. The program also includes research grants for students pursuing studies at the master's degree level. As many as four grants, worth up to \$15,000 each, are awarded every year to graduate students conducting eligible research." (Source: Website, Department of Energy: <http://www.gov.ns.ca/energy/AbsPage.aspx?id=1285&siteid=1&lang=1>)

In 2005, \$110,000* was awarded to fourteen students in Nova Scotia to assist them in pursuing their careers in the energy sector.

For further information on this program, please see article in the back of this report.

***Note:** This expenditure has not been included in the Research & Development expenditure totals for 2005, reported in Table 4.4.

5.0 Community Education, Participation and Support

During 2005, 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 2005, the Sable Project contributed over \$617 thousand* to a number of organizations across Nova Scotia. During 2005, the Sable Project contributed over \$795 thousand* to a number of organizations throughout 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.*

2005 Community Involvement Highlights

Improving the communities where we live and work is a core value at ExxonMobil. But we could not do it without the support of our employees. Whether it's by enthusiastically supporting a United Way campaign, pulling together a rally to raise money for tsunami relief efforts or helping out with the various programs involving school children, our employees throw themselves into the job. And that makes us all proud.

In the past year, ExxonMobil Canada and the Sable owners supported numerous local charities and organizations in Nova Scotia.

The following matrix summarizes the 2005 community investment initiatives, and the ways in which each affected the community.

Table 5.1 - 2005 Community Investment Matrix

Initiative	Community Development & Support	Training & Education	Environmental Enhancement	Cultural Support	Underrepresented Communities
United Way	X	X			X
Queen Elizabeth II Hospital	X				
Feed Nova Scotia	X				X
Scotia Festival of Music	X			X	
Stan Rogers Festival	X			X	
Junior Achievement	X	X			
Dalhousie Ethics Case Competition	X	X			

Initiative	Community Development & Support	Training & Education	Environmental Enhancement	Cultural Support	Underrepresented Communities
Granville Green Outdoor Concert Series	X			X	
Scholarships	X	X			
Techsploration		X			X
Adsum House	X				X
Sable Island Preservation Trust	X	X	X		
Kiwanis Musical Festival	X			X	
Neptune Theatre	X			X	
Mocean Dance	X	X		X	
Festival Antigonish	X			X	
Discovery Centre	X	X	X		
Joseph Howe School	X	X		X	X
Mulgrave Road Theatre	X			X	
Nova Scotia Nature Trust	X	X	X		
Sherbrooke Village Hands on History School Program	X	X	X	X	
Symphony Nova Scotia	X			X	
Red Cross	X	X			X

The following section provides further details on these community investments listed in the table above:

United Way

During our 2005 United Way campaign, donations and efforts of employees were matched by the company resulting in a contribution to the United Way of Halifax Region of \$145,000. Almost half the money raised came from personal donations by about 130 employees through payroll deduction and support for fun-filled campaign events. This makes our employees some of the most generous in the region.

Queen Elizabeth II Hospital

Health care and emergency health care are important to everyone, but also have a direct link to our business where despite tireless efforts to stay safe, injuries can still happen. That's why ExxonMobil Canada is donating \$150,000 to the Queen Elizabeth II Hospital's *Working Miracles* capital campaign in Halifax. The donation will be directed to the development of a new state-of-the-art trauma resuscitation room that incorporates the latest design, ergonomics and equipment to deal with the most critically ill patients in the Maritimes.

Feed Nova Scotia

In Nova Scotia, we continued our tradition of annual support for Feed Nova Scotia, formerly known as the Metro Food Bank, with a \$15,000 donation. Sable and ExxonMobil Canada have donated more than \$150,000 to the Food Bank since the project began.

Scotia Festival of Music

With the help of a \$10,000 donation from Scotia Festival of Music featured performances by cellist Denie Djokic with the Super Nova Quartet as well as performances by flutist Patricia Creighton and oboist Suzanne Lemieux.

Stan Rogers Festival

If you're ever looking for something to do on Canada Day weekend, consider the Stan Rogers Festival. This world-class event transforms the Town of Canso, NS, and has been sponsored by the Sable owners since its inception. The festival draws thousands of visitors and is a great boost to the local economy and pride.

Junior Achievement

ExxonMobil provides funds and volunteers for the Junior Achievement programs in Nova Scotia. Employees take to the blackboards for a day and teach Grade 9 students the Economics of Staying in School program. This is a well-structured training program that everyone should try once, if for no other reason than to better appreciate what our teachers and children experience every day.

Dalhousie Ethics Case Competition

ExxonMobil has been the primary sponsor of the first three years of the Dalhousie Business Ethics Case Competition. Although only in its third year of existence, the competition is already the largest of its kind, and the only Canadian event with a primary focus on business ethics designed specifically for undergraduate business students. ExxonMobil provided \$10,000 in sponsoring funding in 2005 and also helped out with the event itself. Three employees from our Controllers group helped out as judges and represented ExxonMobil's strength in business ethics.

Granville Green Outdoor Concert Series

ExxonMobil is a strong supporter of Granville Green, a series of free outdoor concerts held each Sunday in July and August at the waterfront bandstand in Port Hawkesbury, NS.

Scholarships

ExxonMobil provides scholarships to students attending the Engineering faculty at Dalhousie University and the Sable owners support a bursary program in the Strait Area of Nova Scotia where scholarships are provided annually to 20 students graduating from high schools in Guysborough, Antigonish and Richmond counties.

Techsploration

The Sable project was instrumental in introducing Techsploration, a program to encourage Grade 9 girls to consider careers in science and trades and technology, to Nova Scotia. In addition to providing \$40,000 for the program in 2005, we provided mentors to work with the young women in the program to serve as role models.

Adsum House

ExxonMobil has been supporting Adsum House, an emergency shelter for women and children in Halifax, for the past several years, first by supporting their fund-raising golf tournament and more recently by sponsoring the highly successful Adsum Flavour food and wine show, which featured chefs from some of Halifax's finest restaurants.

Sable Island Preservation Trust

The Sable project owners donated \$20,000 to the Sable island Preservation Trust, a non-profit organization that works to ensure the long-term conservation of Sable Island. Their objectives are to support ongoing activities in the categories of operations, conservation and research.

Kiwanis Musical Festival

The Sable project has been the principle sponsor of the Kiwanis Music Festival in Nova Scotia for many years. A \$5,000 donation in 2005 went a long way toward supporting this musical competition and learning experience for thousands of young musicians from across the province.

Neptune Theatre

ExxonMobil was presenting sponsor for the hugely successful run of the hit musical, *Chicago*, at Neptune in 2005. In addition, we have continued our seven-year support for Neptune's Pre-Professional program for young people who are interested in advancing their performance skills. This program focuses on areas such as dance and movement, musical theatre and modern acting techniques.

Mocean Dance

This Halifax-based dance company is recognized as one of Canada's outstanding emerging dance companies and supports artistic education through a tour of Nova Scotia schools, which is possible as a result of a \$10,000 sponsorship from ExxonMobil.

Festival Antigonish

More than 10,000 people take in Festival Antigonish each summer. The Sable project funds an employment initiative program, which allows participants to gain valuable experience.

Discovery Centre

ExxonMobil and the Sable project provide \$25,000 in annual funding to the Discovery Centre science gallery in Halifax. More than 50,000 people visit the centre each year and enjoy a hands-on science learning experience, some of them in the ExxonMobil Room.

Joseph Howe School

A \$10,000 donation to Halifax's Joseph Howe School supports the literacy, arts and technology skills of the Primary to Grade 6 students at the school. In 2005 a computer room was built and 20 computers were provided for students to use. In addition ExxonMobil has been able to use our partnership with other organizations in the city, such as Neptune Theatre and Symphony Nova Scotia, to further enrich the lives of the students.

Mulgrave Road Theatre

A \$5,000 donation in 2005 made it possible for Mulgrave Road Theatre to produce new Canadian plays based primarily on stories inspired from the Guysborough area, where the Sable gas plant is located.

Nova Scotia Nature Trust

This is a non-government charitable land conservation organization whose mission is to protect significant natural areas on private land. The Sable project is providing \$30,000 for a conservation project involving the St. Mary's River.

Sherbrooke Village Hands on History School Program

Sable is providing \$12,000 for Sherbrooke Village's Hands on History program. The funding will enable a school in the local area near the Sable gas plant to spend a couple of days at the historic village, experiencing life in the past.

Symphony Nova Scotia

Sable provides \$15,000 for the Adopt a Musician program, which pairs musicians with students and teachers in Grades 4 and 5. Throughout the year they create and perform their own music and perform at a final concert.

Red Cross

In 2005 our employees and the company provided thousands to the Red Cross for their tsunami fund raising campaign. In addition, the Sable project provided \$10,000 to the Red Cross to support the programs and services the organization offers in Nova Scotia with an emphasis on safety, education and community service.

Other organizations that have received our support throughout 2005 include:

Initiative	Community Development & Support	Training & Education	Environmental Enhancement	Cultural Support	Underrepresented Communities
Abilities Foundation	X	X			X
Alzheimer Society of Nova Scotia	X	X			X
Atlantic Geoscience Society		X	X		
Atlantic Institute for Market Studies	X	X			
Autism Society of Nova Scotia	X	X			X
Bedford Playtime Association	X			X	
Big Brothers Big Sisters of Greater Halifax	X	X			X
Canadian Association of Petroleum Producers Energy in Action program		X			
Canadian Progress Club	X	X			X
Certified Management Accountants of Nova Scotia		X			
Clean Nova Scotia	X		X		
Dartmouth Mariners Midget AAA Baseball	X				
Dalhousie Faculty of Management marketing competition		X			

Initiative	Community Development & Support	Training & Education	Environmental Enhancement	Cultural Support	Underrepresented Communities
Dalhousie Mechanical Engineering ROV project		X			
Feeding Others of Dartmouth	X				X
Greater Halifax Partnership	X	X			
Guysborough Come Home Week	X			X	
Guysborough County Heritage Association	X	X		X	
Guysborough Food Bank	X				X
Hammonds Plains Volunteer Fire Department	X				
Legal Information Society of Nova Scotia	X	X			
Offshore Onshore Technologies Association of Nova Scotia	X				
Metropolitan Immigration Settlement Association	X	X		X	X
Queen Elizabeth High School	X	X			
Sherbrooke Village Concert	X			X	
St. Mary's Food Bank	X				
YMCA/YWCA of Pictou County	X	X		X	

Appendix 1

Sable Project Person Hours for Fourth Quarter, 2005

Vendors	2005	2005	2005
	Nova Scotia	Canada	Foreign
ABB Inc.	1,373	177	0
Accent Engineering Consultants	51,158	991	8,439
AMEC Black & MacDonald	60,204	4,350	354
AMEC E&C Services Limited	84,782	3,993	667
Atlantic Eagle (Atlantic Towing)	380	300	0
Atlantic Offshore Medical	23,179	170	0
Blue Water Agencies Limited	7,738	0	0
Brunell Energy Canada Inc.	21,553	1,099	3,437
Canadian Helicopters	62,599	18,567	0
CL Consultants	4,437	3,093	1,344
ExxonMobil	68,000	2,000	26,000
F I Oilfield Services Canada Limited	17,810	0	0
Fabcon Canada Limited	14,619	0	4,303
Facility Innovations	12,516	140	0
Fitzgerald, J.A. Consulting Services	1,804	0	0
Fleetway	10,743	643	2,036
Fugro Jacques Geosurveys Inc.	1,616	157	0
G. J. Cahill & Company Limited	14,369	1,237	0
George Leblanc Consulting Limited	2,460	0	0
GlobalSantaFe Drilling Co. (Cda) Ltd.	176,772	2,376	9,692
Haliburton Energy Services	5,470	1,292	0
Helly Hansen Canada	1,979	0	0
Hughes Christensen	295	745	180
Import Tool Corporation	10,176	2,288	336
Iron Mountain	29	0	0
IWIS Limited	1,364	0	0
Jacques Whitford Environmental	86	34	0
Kelly Services (Canada) Limited	1,904	120	0
KSLO	1,606	0	192
Lloyd's Register of Shipping	2,488	0	13,546
London Offshore Consultants Ltd.	0	0	1,431
M.I. Drilling Fluids Canada	15,167	1,440	0
Maersk Company Nova Scotia Limited	26,159	10,304	27
Matrix Environmental	5,281	0	0
Maxxam Analytics	603	0	0
Nova Communications	310	0	0
Nova Scotia Community College	6,320	0	0
NSB Offshore	4,619	0	0
Oceaneering Canada Ltd.	7,776	4,248	408
Offshore Logistics	20,797	0	0
PV Inspection	2	0	0
R-F Ironworks Limited	1,326	0	0
RTD Quality Services Inc.	904	106	1
SaiWoo Contracting	60,325	1,127	1,036,056
Schlumberger of Canada	6,613	510	0
Secunda Marine	185,469	46,020	0
Spectrol Group	1,487	74	0
Staffing Services International Inc.	4,238	0	0
Stewart McKelvey Stirling & Scales	191	1	0
Swaco Canada	13,382	1,650	0
Team Products and Services Limited	1,882	0	0
W. LaBrash Consulting Inc.	2,558	0	0
Weatherford	804	0	0

Appendix 2

2005 Co-op and Work Placements

Discipline		Academic Institution and Location	Team
Business Administration		NSCC	ACCENT Engineering Consultants Incorporated
Engineering		Dalhousie University	ACCENT Engineering Consultants Incorporated
Engineering		Dalhousie University	ACCENT Engineering Consultants Incorporated
Industrial Engineering		Dalhousie University	ACCENT Engineering Consultants Incorporated
Bachelor of Science		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Commerce		Dalhousie University	ExxonMobil Canada
Engineering		Dalhousie University	ExxonMobil Canada
Engineering		Dalhousie University	ExxonMobil Canada
Engineering		Dalhousie University	ExxonMobil Canada
Engineering		Dalhousie University	ExxonMobil Canada
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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 Student		Shad Valley Program	ExxonMobil Canada

Appendix 2 (cont'd)

2005 Co-op and Work Placements

Discipline	Academic Institution and Location	Team
Engineering	Dalhousie University	Import Tool
Engineering	Dalhousie University	Import Tool
Engineering	Dalhousie University	Import Tool Corporation Ltd.
Engineering	Dalhousie University	Import Tool Corporation Ltd.
Engineering	Dalhousie University	Saiwoo Contracting
Engineering	Dalhousie University	Saiwoo Contracting
Mechanical	Dalhousie University	SaiWoo Contracting
Metallurgy	Dalhousie University	SaiWoo Contracting
Engineering	Dalhousie University	Secunda Marine
Navigation	Nautical Institute	Secunda Marine

Appendix 3

2005 Technology Transfer Investments

Team	Program Description
AMEC Black & MacDonald	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	Within Coil Tubing Operations training and expertise was transferred regarding equipment and execution.
Fabcon Canada Limited	There was a transfer of technology from Specialist Personnel on the Sable Project to local engineering staff in process simulation, instrumentation and control activities.
GlobalSantaFe Drilling Co. (Cda) Ltd.	A supervisory staff of 4 and a shorebase team of 1 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 continued to participate in the dissemination of technology through the training of two Nova Scotian barge engineers. During this quarter, one non-Canadian Senior Electrician left Nova Scotia and was replaced by a Nova Scotian. This resulted in a milestone for the Galaxy II, with all electrical and mechanical maintenance personnel now Nova Scotian.
Nova Scotia Community College	A new training software, Review, was purchased from Aveva Inc., located in Houston. A company representative traveled to Nova Scotia to train two employees on the software. This software will be used as a major virtual training tool within in the compression platform training.

Appendix 4

2005 Research and Development Investments

Recipient	Program Description	Investor
Atlantic Offshore Medical Services	Development of competency assurance program for offshore occupational health nurses.	Atlantic Offshore Medical Services
ExxonMobil Canada	Thebaud Motion Monitoring Project: Data collected from this program is used to characterize the motions observed from the Thebaud Platform. This includes the identification of platform fundamental modes and natural frequencies (surge, sway, yaw and heave), and the comparison of recorded motion amplitude/frequency occurrences against design expectations. This also includes the identification of possible motion characteristics that would indicate significant nonlinear response event or modal interaction.	ExxonMobil Canada
Nova Scotia High School Students	Bursaries were awarded to 21 Nova Scotia High School students.	ExxonMobil Canada
Helly Hansen Canada Ltd.	Ongoing research on the E-352 survival suit.	Helly Hansen Canada Ltd.
Nova Scotia Community College	Nova Scotia Community College Trades & Technology Fund Donation	Nova Scotia Community College

Developing Leaders in Energy



Congratulations to the winners of the Pengrowth-Nova Scotia Energy Scholarship

Fourteen Nova Scotia students have been chosen to receive the Pengrowth-Nova Scotia Energy Scholarship. Ten receive university scholarships worth as much as \$10,000 each, \$2,500 renewable over four years, based on a combination of extracurricular activities and academic performance. Four receive \$2,500 non-renewable scholarships at the Nova Scotia Community College.



Nicholas Allen
Prince Andrew
High School,
Dartmouth,
*BEng Dalhousie
University*



Martin MacInnis
Riverview High
School,
Sydney River,
*B.Sc. University of
Cape Breton*



James Proudfoot
North Nova
Education Centre,
New Glasgow,
*BBA Acadia
University*



Troy Hatt
Liverpool
Regional High
School,
Milton,
*Electrical -
Construction and
Industrial NSCC*



Erica Blackburn
JL Isley High
School,
Beechville,
*BBA St. F.X.
University*



Jacob Matz
Yarmouth
Consolidated,
Yarmouth,
*B.Sc. Dalhousie
University*



Devin Walsh
Northumberland
Regional High
School,
Eureka,
*BEng Western
University*



Rachel Palmeter
Horton High
School,
East Grand Pre,
*Electronic
Engineering
Technology NSCC*



Damian Daniels
Prince Andrew
High School,
Dartmouth,
*BEng Dalhousie
University*



Kelly Moores
Central Kings
High School,
Coldbrook,
*B.Sc. Acadia
University*



Jamin Church
Forest Heights
Community
School,
Mahone Bay,
*Mechanical
Engineering
Technology NSCC*



**Stephen
Sampson**
Richmond
Academy,
St. Peter's,
*Power
Engineering NSCC*



**Alycia
MacDonald**
Dr. John Gillis
Regional,
Antigonish,
*B.Sc. St. F.X.
University*



Kelly Poirier
Sir John A.
MacDonald,
Timberlea,
*B.Sc. St. Mary's
University*

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