



Sable Offshore Energy Project

2008

Canada-Nova Scotia Benefits Report

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Executive Summary

The 2008 Sable Offshore Energy Project (SOEP) Canada Nova Scotia Benefits Report is hereby submitted to the Canada-Nova Scotia Offshore Petroleum Board.

The cumulative Nova Scotia expenditures through December 31, 2008 total \$2,066.6 million or 36.9% of total project expenditures. The cumulative Canadian content of the total project expenditures was 53.8% based on \$3,010.8 million expenditures to date.

During 2008, ExxonMobil Canada and the Sable Project owners continued to support initiatives aimed at developing and sustaining the natural gas industry in Nova Scotia. The 2008 expenditures in Nova Scotia amounted to \$106.0 million or 53.8% of the total project expenditures.

During 2008, significant investments were made in the areas of community education, research and development, training, technology transfer and support of diversity and inclusion programs. The Sable owners and major contractors invested more than \$1.4 million in training and educational initiatives. This brings the cumulative Project training and education expenditures to more than \$42.0 million.

Also during the year the Sable Project employed a total of 18 co-operative education students in technical and business disciplines. This brings the cumulative co-op placements to 549 students and represents expenditures of almost \$5.1 million since the initial commencement of this program in 1998.

1.0 Introduction

The 2008 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, 2008 to December 31, 2008, and has been prepared and submitted by ExxonMobil Canada Properties (ExxonMobil) as the Sable Project operator.

In preparing this report we encouraged our many vendors to share their experiences and successes as a result of their work on the Sable Project. We have included information on some of these vendors in the text of the report.

Hydrocarbon production operations for the Sable Project started in late 1999. From startup through 2006 both development and production activities were undertaken. The completion of the Compression Project during the fourth quarter of 2006 marked the conclusion of the development phase of the Sable Project.

2.0 Project Update

2.1 Operations

As of the end of 2008, the Sable Project began its eleventh year of continued support for initiatives aimed at developing and sustaining the natural gas industry in Nova Scotia. Operational highlights for the year 2008 are discussed below.

Workplace Safety, Health and Environment (SHE)

Strong safety, health and environmental performance continued at all Sable project facilities during 2008. Management systems and programs aimed at sustaining the well established safety culture continued to be applied for all aspects of the business operations. During the year there were no injuries to contractors or employees at any of the facilities or sites that resulted in time lost from work.

Contributing to this success are contractor safety workshops that are structured to communicate expectations and share lessons learned from events locally and globally. These workshops are held every six months and are well attended by the contracting community. In addition, the Marine Safety Council continued to play an important part in establishing the safety culture through regular council meetings. The Marine Safety Council helps to further demonstrate the fact that cooperation, shared expertise and shared experience can and does positively influence and enhance safety for those working on vessels offshore Atlantic Canada.

Production

In 2008 a jack-up drill rig was secured and materials were ordered for the Alma 4 well for which drilling is currently planned to proceed in 2009.

Internal inspections of two pipelines (the North Triumph to Thebaud pipeline and the onshore 8" Natural Gas Liquids pipeline) were completed in 2008. A subsea inspection of pipelines and structures was carried out in the summer and fall using a remote operated vehicle or ROV.

Two field-wide shutdowns (10 days total) were executed in 2008 to complete general maintenance and internal vessel inspections. These shutdowns were aligned with scheduled third-party pipeline outages to minimize overall disruptions in gas supply.

During 2008, additional logistics resources were employed for planning and completion of a maintenance campaign scheduled for the summer of 2009 coincident with scheduled drilling of a fourth well at the Alma platform.

2.2 Project Development

In 2008, no new project development work occurred. ExxonMobil continued with work started in 2007 on a coatings program for the Thebaud and Venture Platforms. Local coatings contractor Parker Aluma, through Amec Black and MacDonald, was awarded the contract for this work. Parker Aluma completed the majority of scheduled Thebaud work and Venture work to escape routes on the platforms. This was a successful and significant undertaking in view of local weather and work restrictions on this type of work offshore.



Figure 1 – Local Tradesmen working on Facilities

2.3 Offshore Support Services

The strength of the capacity and the level of support services offered by the Nova Scotia offshore supplier community continued to meet or exceed ExxonMobil's expectations in 2008. Nova Scotia's service providers, through continuous improvement, have grown into a sustainable offshore industry. The following are typical support services utilized by ExxonMobil's ongoing operations, both onshore and offshore:

- Aviation services,
- marine crews and supply vessels,
- diving and ROV personnel,
- catering personnel,
- medical personnel and services,
- local trades personnel (welding, mechanical, electrical, instrumentation, etc.),
- technical and inspection services,
- tools and equipment rentals,
- scaffolding services,
- insulation and painting,
- safety training services,

- warehousing and logistics / stevedoring,
- survey services,
- weather forecasting,
- safety equipment and environmental services,
- customs clearance and brokerage services, and
- on-land transportation services.

3.0 Economic Impacts

The Sable Project continued to have a significant positive impact on the economy of Nova Scotia during 2008. The expenditure breakdown that is provided below has been determined using the *Canada General Standards Board (CGSB)* method adopted by the Canada-Nova Scotia Offshore Petroleum Board for local benefits reporting. In addition to expenditures, three other indicators of economic impact (person hours, estimated headcount and new hires) are also reported.

3.1 Industrial Benefits Reporting

A third party audit of the industrial benefits reporting was completed in 2007. Adjustments were made to the 2006 and 2007 Nova Scotia expenditure component following this audit, based on the third party audit report. These adjustments did not result in a significant change to the cumulative project expenditures in Nova Scotia. The Tables presented in section 3.2 of this report include these adjustments.

In preparing the 2008 report ExxonMobil Canada reviewed the audit report, the information provided by the vendors, the scope of work for the vendor and the guidance available from the CGSB reporting guidelines.

3.2 Expenditures - Canada General Standards Board (CGSB) Method

The economic impact of expenditures for the Sable Project is identified in the following tables:

Table 1 – 2008 Expenditures (\$ millions)

	Nova Scotia	Other Canadian	Foreign	Total
Total Expenditures	106.0	43.6	47.5	197.1
% Content	53.8%	22.1%	24.1%	100%

Table 2 – Cumulative Expenditures (\$millions)

	Nova Scotia	Other Canadian	Foreign	Totals
Cumulative to December 31, 2008	2,066.6	944.2	2,586.5	5,598.3
Percent of Total	36.9%	16.9%	46.2%	100.0%

3.3 Employment

Person Hours

The 2008 total person hours for the Sable Project was 944,212. The Nova Scotia component of this total was 863,370, or 91.4%. This represents a full time equivalent (or FTE) level of 431 persons based upon 2000 hours per person per year. The person hours for 2008 are broken down as follows:

Nova Scotian	863.0 thousand person hours	(91.4%)
Other Canadian	79.5 thousand person hours	(8.4%)
Foreign	1.4 thousand person hours	(0.2%)

Details on cumulative person hours through December 31, 2008 are provided in the Table below. Please see Appendix 1 for a listing of 2008 labour hours by vendor.

Table 3 – Person Hours - Historical

(millions of Person Hours)				
Year Cumulative as of December 31	Nova Scotia	Other Canadian	Foreign	Totals
1998	2.70	1.00	2.91	6.61
% of Cumulative	40.85	15.13	44.02	100
1999	5.93	1.48	5.25	12.66
% of Cumulative	46.84	11.69	41.47	100
2000	8.39	1.74	5.36	15.49
% of Cumulative	54.16	11.23	34.6	100
2001	9.75	1.90	5.49	17.14
% of Cumulative	56.88	11.09	32.03	100
2002	10.73	2.19	6.04	18.96
% of Cumulative	56.59	11.55	31.86	100
2003	12.67	2.50	6.83	22.00
% of Cumulative	57.59	11.36	31.05	100
2004	14.30	2.71	7.46	24.47
% of Cumulative	58.44	11.07	30.49	100
2005	15.33	2.82	8.57	26.72
% of Cumulative	57.37	10.55	32.07	100
2006	16.70	3.00	9.18	28.88
% of Cumulative	57.83	10.39	31.79	100
2007	17.77	3.10	9.23	30.10
% of Cumulative	59.0	10.3	30.7	100
2008	18.63	3.18	9.23	31.04
% of Cumulative	60.1	10.2	29.7	100

Employment Headcount

The estimated Project employment headcount on December 31, 2008 was 363. The Table and Chart below includes those individuals working directly on the Sable Project and those working for major contractors on the specified reporting dates. Of the 363 people working on the Sable Project on December 31, 2008, 336 (92.6%) were working in Nova Scotia.

Table 4 – Estimated Year End Headcount

Year End	Activity in Nova Scotia	Activity in the Rest of Canada	Total Project Activity
2001	953	16	1,041
2002	900	38	1,150
2003	974	42	1,206
2004	1,082	40	1,413
2005	733	32	1,407
2006	697	33	893
2007	411	27	438
2008	336	22	363

Residency of New Hires / Secondees

The estimated total number of new hires or secondees reported for the Sable Project and its major contractors during 2008 was 97. The table below shows the historic distribution of the residency of new hires or secondees for the Sable Project.

Table 5 – Residency of New Hires

Quarter	Nova Scotia	Other Canadian	Foreign	Total
2001	400	105	115	620
2002	324	83	684	1091
2003	826	83	204	1113
2004	565	41	198	804
2005	268	28	330	626
2006	577	100	326	1003
2007	99	17	54	170
2008	89	8	0	97

3.4 Student Employment

Support for co-op and work placement programs continued through 2008. There were 18 placements at ExxonMobil and our contractors during the year that provided work opportunities for students of varied disciplines. Total co-op expenditures for the year were \$310,240.

Since 1998 the cumulative expenditure for the co-op student and / or work placement program is in excess of \$5 million. The total number of placements now stands at 549 with information on the cumulative expenditures provided in the table below.

Table 6 – Co-op Work Placements

Year	Number of Placements	Cumulative Placements	Investment	Cumulative Investment
1998	36	36	\$250,000	\$250,000
1999	61	97	\$325,263	\$575,263
2000	58	155	\$334,133	\$909,396
2001	71	226	\$608,394	\$1,517,790
2002	73	299	\$572,932	\$2,090,722
2003	90	389	\$706,539	\$2,797,261
2004	64	453	\$646,345	\$3,443,606
2005	11	464	\$592,985	\$4,036,590
2006	47	511	\$444,120	\$4,480,710
2007	20	531	\$286,387	\$4,767,097
2008	18	549	\$310,240	\$5,077,337

Co-op Placement Process

ExxonMobil follows a rigorous process for recruitment of coop students as described below

Timeframe	Activity
6 Months Prior to Term Start	A request for job postings is circulated internally to determine if there is need / appropriate work for coop students. In cases where there are, job postings are developed and submitted to HR.
4 Months Prior to Term Start	Job openings are posted online at www.exxonmobil.com/careers/canada and at the co-op student office. Job postings are typically open approximately 3 - 4 weeks.
3 Months Prior to Term Start	Resumes received are sorted by school, and interview candidates are chosen. Interviews are conducted on campus. Decisions are submitted to the school and job selection offers are presented to the students.

Engineering Co-op Project Work

During the year ExxonMobil employed 9 coop students in the Nova Scotia office. The students worked in the reservoir, facilities and SHE groups. Students worked with mentors and were challenged in technical areas and with hands on experience when possible. Co-op students completed work term reports for presentation to peers and ExxonMobil engineering staff. The 2008 engineering co-op student assignments included:

- Pressure cycle implications on the Natural Gas Liquids Pipeline
- Point Tupper truck loading expansion
- Pressure transient analysis of gas wells at South Venture
- Flare volume calculation tools for Sable facilities
- Improving and updating the production simulation model
- Calcium carbonate scaling in the closed drain system on the Venture platform

Several of the students were able to travel to some of the Sable facilities to assist in the project work and enhance their educational experience. Additionally, two students had the opportunity to travel to the Hibernia platform offshore Newfoundland as a part of their work experience.

Projects allow students to gain overall knowledge of engineering, economics, and project management and enhance overall knowledge of the oil and gas industry and engineering principles in general. Students are required to submit a technical report on their co-op term experience, to fulfill their educational requirements.

3.5 Market Development Fund

The Gas Market Development Fund was a ten year initiative established at the onset of the project and was comprised of a series of annual contributions made by the Sable owners. A total of \$20 million was contributed through 2008 with the goal of enhancing the availability of natural gas for use within the province by reducing the cost of natural gas consumption in Nova Scotia.

4.0 Diversity and Inclusion

Creating and maintaining an inclusive and diverse workforce has been a priority for ExxonMobil. During 2008, 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 Second Quarter of 2001 through the Fourth Quarter of 2008. The table summarizes data from ExxonMobil and our contractors.

Table 7 – Traditionally Underrepresented Groups

Year	Aboriginal Persons	Racially Visible Persons	Women	Persons with Physical/Mental Challenges
2001	32	46	405	14
2002	81	145	370	14
2003	23	77	390	24
2004	7	80	412	14
2005	8	49	332	6
2006	9	36	235	4
2007	5	13	83	4
2008	4	9	61	3

5.0 Capacity Development

During 2008, capacity development initiatives related to developing and supporting a viable and increasingly sustainable oil and gas industry in Nova Scotia continued to be undertaken. These initiatives have been divided into four core areas:

- Training and Education
- Technology Transfer
- Supplier Development
- Research and Development

5.1 Training and Education

During 2008, 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 2008 are summarized in the tables and chart below:

Table 8 – Training and Education Investments

(Including Co-op/Work Placement Programs, Community Training and Education Investments)	
Description of Training	2008 Total
Internal Training	\$110,857
Major Contractor Training	\$1,094,774
Co-op Programs	\$310,240
2008 Totals	\$1,515,871

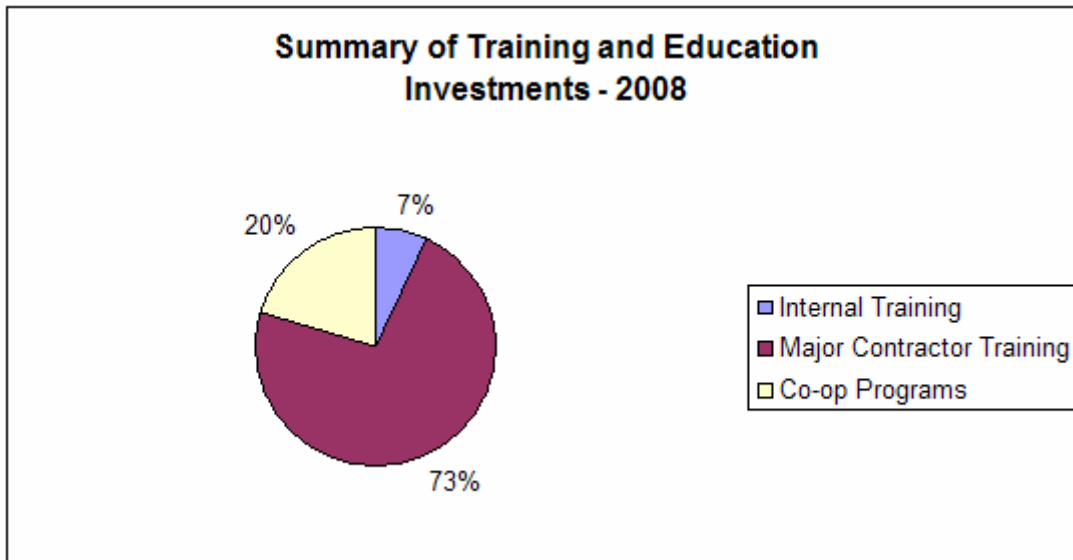


Figure 2 – 2008 Training Investments

In 2008, over \$1.4 million was spent on Training and Education. Cumulatively, in excess of \$42.4 million has been invested in Training and Education. The following table shows the history of training and education investments.

Table 9 – Training and Education Investments Historical

(Including Co-op/Work Placement Programs, Community Training and Education Investments)		
Year	Investment	Cumulative
1998	\$7,027,316	\$7,027,316
1999	\$5,635,294	\$12,662,610
2000	\$3,296,130	\$15,958,740
2001	\$5,440,177	\$21,398,917
2002	\$4,071,942	\$25,470,859
2003	\$3,881,650	\$29,352,509
2004	\$3,260,635	\$32,613,144
2005	\$3,047,550	\$35,660,694
2006	\$3,836,040	\$39,496,734
2007	\$1,405,177	\$40,901,911
2008	\$1,515,871	\$42,417,782

In addition to direct training and education activities undertaken by ExxonMobil and our major contractors, ExxonMobil and the Sable owners supported a number of other initiatives that assist and/or recognize the existing education and training infrastructure in Nova Scotia.

Techsploration

The goal of Techsploration is to increase the number of women working in science, trades, technical and technology related occupations by assisting young women from diverse backgrounds to explore a wide range of career options in these fields. The objectives of the program are to:

- introduce girls to in-demand science, trades, technical, and technology-related careers
- increase girls' knowledge of how to research a career
- demonstrate to girls the value of taking science, math, technology, and trades courses to keep all their career options open
- highlight the importance of career planning
- demonstrate how career choices affect one's future
- provide positive interactions with female role models working or training in science, trades, technical, and technology-related careers
- introduce girls to basic skills related to science, trades and technology work through hands-on activities
- encourage teachers to use female role models in career exploration and planning programs
- increase girls' knowledge of apprenticeship programs and other post-secondary training opportunities
- stimulate discussion about science, trades and technology careers for girls in school, at home, and in the community
- act as a catalyst for ongoing community partnerships between teachers, parents, female role models, training providers, educators, school boards, Aboriginal boards of education, businesses, unions, government, and associations

Over the past ten years, Techsploration has been supported by ExxonMobil Canada, other Sable Projects owners and some of the Sable project contractor / suppliers in the form of monetary support as well as mentors. The program has grown significantly from its original group of eight participating schools to twenty four schools throughout the province.

In participating schools, small groups of girls are assigned careers to research and role models to assist in their efforts. These Techsplorers have an opportunity to visit work sites and eventually to present their findings to the rest of the student body—boys and girls alike—in service of a broader goal to educate and break stereotypes. Techsplorers also have the opportunity to join participants from other schools in larger events that combine the experience of other schools, introducing them in the process to other role models, career options and a shared experience with other Techsplorers.

During 2008 ExxonMobil Canada and Imperial Oil contributed \$20,000 in funding to support Techsploration in Nova Scotia. More information on Techsploration is available at <http://www.techsploration.ca/>.

5.2 Technology Transfer and Local Supplier Capacity

Transfer of technology to the local supply community has occurred over the past ten years as the Sable project evolved through development and production. Historically, local engineering, consulting and construction related firms have been the principal beneficiaries of this transfer as these local firms have enhanced their in-house expertise and knowledge.

As the project matures through the production phase and as local firms gather more and more expertise, opportunities related to technology transfer can be expected to diminish. To date this technology transfer has had an estimated value in excess of \$31 million to the supply community. The discussion below highlights some of the key successes in the area of technology transfer and the associated development of local supplier capacity that were identified in 2008.

EM&I Jacques

EM&I Jacques, as the inspection contractor to ExxonMobil Canada in Nova Scotia, was tasked with assisting with the inspection program for the Sable offshore facilities. There was a shortage of local experience in implementing this type of project so EM&I Jacques called upon technical support through their global Alliance partners. Experienced engineers and site supervisors from UK, Australia and China were deployed to coach and train our local Nova Scotian Non Destructive testing and Rope Access Technicians.

EM&I Jacques deployed their in-house staff and recruited Nova Scotian and Canadian personnel providing the necessary training to ensure competency.

These personnel now form a core team which will increase local content on future projects and whose new skills can be used to support our Alliance's worldwide operations.

Advanced Project Management methodology was applied based on similar projects carried out for ExxonMobil in Houston and Africa. This knowledge sharing benefited the project by increasing efficiency and managing costs.

Engineering Services Summary

In 2008, required engineering and technical support services were primarily provided by Amec Black and MacDonald, Accent Engineering Consultants and Eastpoint Engineering.

Amec Black and MacDonald (ABM) - ABM continued as the Engineering, Procurement and Construction Management (EPCM) Contractor to ExxonMobil in 2008. ABM was responsible for the majority of engineering, procurement, construction and maintenance services for the Sable facilities. In 2008, this portion of the engineering work amounted to approximately 70, 000 personhours.

Accent Engineering - Accent Engineering provided the Engineering Design, Materials Procurement and Fabrication Management for the new accommodations structure at Thebaud.

EastPoint Engineering Ltd. - EastPoint Engineering Ltd of Halifax, Nova Scotia provided Special Engineering and Technical Services primarily to the ExxonMobil in house construction group. These services help support project implementation activities as well as project planning and coordination with other local vendors. Eastpoint Engineering personnel will form the front line management team for the planned 2009 Campaign.

Other local engineering support services provided to ExxonMobil included Mulgrave Engineering which provided vessel welding repairs at various facilities.

Construction and Maintenance Support Services

In addition to providing the EPCM work above, Amec Black & Macdonald (ABM) also coordinated and supplied the labour and subcontractor requirements for the work throughout 2008 on all offshore and onshore facilities. In 2008, this portion of the work amounted to 136,000 personhours for total labor.

It is noteworthy that the fabricators to ExxonMobil must develop the required welding procedure qualifications, welding procedure quality testing, welder qualification and testing to meet current material specifications, and must implement the work according to pre-approved procedures and project standards.

In 2008, major fabrication contractors employed in this work included:

Partners Construction - Partners Construction of Pictou provided onshore and offshore pipe fabrications, flow lines, vessel modifications, filters, strainers, etc. Partners also provided all labour and equipment for the 2008 shutdowns.

Marener Construction and RKO Steel Fabricators - Marener Construction and RKO Steel Fabricators provided fabricated structural steelwork for new and major structural repair projects onshore and offshore.

Parker Aluma - Parker Aluma provided labour and materials for all Sable facilities in the field of scaffolding, coatings and insulation. Parker Aluma was the contractor for all vessel cleaning and NORM containment. In 2008 ExxonMobil continued to develop a major coatings program for the Thebaud and Venture Platforms which carried out by Parker Aluma.

Hercules - Hercules was the supplier for materials and skilled labour to effect upgrades to all offshore cranes, also provide inspection services specific to offshore cranes, lifting equipment and pad eyes.

6.0 Research and Development Initiatives

Throughout 2008, ExxonMobil, its joint venture partners, and contractors continued to support research and development initiatives in Nova Scotia.

A research and development plan has been approved by the CNSOPB as per Condition 4 of the Benefits Plan Decision Report. Under this plan ExxonMobil and the Sable Owners have committed to research and development expenditures in Nova Scotia of at least \$300,000 per year and an aggregate of \$3,000,000 over the five year period of 2008 - 2012 inclusive.

In addition to the initiatives considered to be R & D under the terms of the five year plan, the Sable owners and the contracting community have historically supported broader R & D activities in Nova Scotia. During 2008 these R & D activities amounted to \$925,881, bringing the cumulative research and development expenditures by the owners and contractors to in excess of \$25.7 million since 1998.

Please see the table below for historic research and development initiatives reported. We have also included information on some of the activities undertaken in 2008 that are included in the 2008 total expenditure of \$925,881.

**Table 10 – Research and Development Initiatives
Historical**

Year	Investment	Cumulative
1995	\$121,500	\$121,500
1996	\$146,000	\$267,500
1997	\$3,888,373	\$4,155,873
1998	\$5,758,207	\$9,914,080
1999	\$2,813,428	\$12,727,508
2000	\$4,690,139	\$17,417,647
2001	\$2,564,786	\$19,982,433
2002	\$2,068,169	\$22,050,602
2003	\$666,385	\$22,716,987
2004	\$277,000	\$22,993,987
2005	\$628,127	\$23,622,114
2006	\$458,113	\$24,080,227
2007	\$782,333	\$24,862,560
2008	\$925,881	\$25,788,441

6.1 Petroleum Research Atlantic Canada (PRAC)

PRAC is a federally incorporated, public-private partnership, formed when members of industry, academia and government came together to find a way to build regional petroleum-related research and development capacity. PRAC, housed at Dalhousie University, is designed to be a centre of excellence in oil and gas research and education.

PRAC's objectives are:

- To raise awareness of petroleum-related R&D activities in Atlantic Canada

- To build capacity and scale in oil and gas R&D, thereby adding significant value to Atlantic Canada
- To act as a catalyst in establishing research priorities, leveraging opportunities and providing ongoing support to current research programs
- To provide a neutral forum for discussion that helps identify research opportunities for Atlantic Canada

As the oil and gas industry develops, there will be increased demand for Nova Scotians trained in oil and gas industry-related technology. PRAC is a valuable source of specially trained individuals. Through its research and in-house expertise, PRAC serves as a valued resource to industry. During 2008, ExxonMobil Canada, Shell Canada and Imperial Oil Limited, all Sable project owners, continued to provide funding for PRAC R&D initiatives.

6.2 Shell Campus Ambassador Program

Shell Canada, one of the Sable Project owners, has found a novel and practical way to assist Dalhousie Engineering and earth science undergraduate students. The Shell Experiential Learning Fund, or SELF, is part of a nationwide program, but is unique to Dalhousie University. The strategic funding program is linked with the Shell Campus Ambassador Program (CAP), a national initiative that will see \$12 million rolled out over the next six years to select universities, colleges, trade and technical institutions across Canada.

The Ambassador elements of the program provide opportunities for Shell Canada Limited (Shell) employees to engage with students through mentoring, project advisory roles, participation in field schools and other interactions. SELF focuses on experiential learning.

SELF has been utilized by the Earth Sciences Department of Dalhousie University in the purchase laboratory equipment such as:

- field seismic system which has been used to support student research projects as well as the Geophysics Field School;
- spectrometer for simulating well-log signatures at outcrop; and
- video projector and microscope to enhance the teaching of petrography and diagenesis.

The fund has supported graduate level students at the university working under the direction of professors and supports both specific research activities at the university and the development of programs that work toward the resolution of technical and / or scientific uncertainty as it relates to the oil and gas exploration and development.

Shell recognizes that to become professionals with hands-on skills, engineering and earth sciences students need to have opportunities for direct application of the principles they are learning. Students get this experience through special projects and research.

6.3 Pengrowth - Nova Scotia Energy Programs

Pengrowth - Nova Scotia Professors in Petroleum Financial Management

Two professors from the Sobey School of Business at Saint Mary's University will be taking a lead role in boosting the development of the province's oil and gas industry. Drs. Sean Cleary and Greg MacKinnon, both of whom are professors of Finance, Information Systems and Management Science, have been named Pengrowth Nova Scotia Professors in Petroleum Financial Management. They have received \$600,000 to carry out their work from 2008 to 2011 as researchers on a variety of petroleum related projects. The funding for the professorship has been provided by Pengrowth Energy and the Province of Nova Scotia.

Pengrowth-Nova Scotia Energy Scholarship and Innovation Grant Programs

The Pengrowth-Nova Scotia Energy Scholarship and Innovation Grant programs were established as a joint initiative of Pengrowth Corporation, one of the Sable Project owners, and the Nova Scotia government through contributions of \$2 million and \$1 million respectively.

Details on the programs are provided below.

Petroleum Innovation Grant

Up to four Pengrowth-Nova Scotia Petroleum Innovation Grants are rewarded each year. The research grants, valued at \$15,000 over two years, are awarded to Nova Scotia students pursuing energy-related studies at the Masters Degree level.

Scholarship Program

The program awards scholarships to Nova Scotia students pursuing undergraduate degrees, or college-level trades and technology programs at Nova Scotia Community College. The scholarships are awarded to students pursuing careers in the energy sector. At least 10 scholarships, valued at \$10,000 each (\$2,500 renewable over 4 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 visible minority. The program also offers at least 4 non-renewable \$2,500 scholarships for first-year students pursuing energy related trades and technology programs at the Nova Scotia Community College.

6.4 Imperial Oil Science Outreach Program

A \$200,000 investment from the Imperial Oil Foundation will allow - St. Francis Xavier University (StFX) to enhance and expand its science outreach program on campus and in schools throughout northeastern Nova Scotia. Imperial Oil announced at a news conference held Sept. 24, 2008 on the StFX campus that it will fund \$50,000 a year for the next four years through the Imperial Oil Science Outreach Program.

Imperial's investment will enable teachers to provide hands-on learning opportunities with confidence, and foster new real-world experiences for participating undergraduates at StFX who will themselves go on to become scientists and science educators. In-school outreach will include the use of science education kits for distribution to Nova Scotia elementary schools, as well as in-school presentations of science fundamentals by StFX faculty and senior students. On-campus outreach will consist of continuing and expanding StFX's existing X-Chem Outreach program of summer science camps for children, and the offering of upgrading and training for science teachers.

6.5 Study of Tropospheric Ozone 2008 on Sable Island



Figure 3 – Aerial View of Sable Island

The 2008 Study of Tropospheric Ozone on Sable Island was sponsored by the Sable owners. During April and June - July 2008 two intensive series of vertical profile ozone measurements were made at Sable Island and at 12 other Canadian locations in conjunction with the ARCTAS campaigns. Additional ozonesonde launches were conducted at sites in Alaska and the lower USA, and in Greenland. The organization of this transcontinental network was similar to that of the very successful 2004 and 2006 programs (IONS 2004 and IONS 2006), and used the acronym ARCIONS (*Arctic Intensive Ozonesonde Network Study*).

Objectives of the 2008 program included:

- Evaluation of the role of stratosphere / troposphere exchange in the spring build-up of tropospheric ozone.
- Study of boundary layer ozone depletions resulting from halogens released from sea salt deposited on Arctic sea ice.
- The contribution to the tropospheric ozone budget from boreal forest fires and the extent of fire emission influence on a trans-continental scale and beyond.

6.6 Habitat Conservation at St. Mary's River

In partnership with the province, local conservation groups and other sponsors, ExxonMobil Canada is supporting a successful campaign by the Nova Scotia Nature Trust to protect habitat and old growth forests on the shores of the storied St. Mary's River in eastern Nova Scotia. This spring, the Nature Trust acquired a 90 hectare property on the St. Mary's, in Guysborough. ExxonMobil contributed financially to the habitat conservation at St. Mary's River in Nova Scotia between 2006-2008.

The Hemlock Falls Conservation Lands protects pristine shoreline and outstanding old-growth forest on one of Nova Scotia's renowned salmon rivers. Hemlock Falls provides refuge for

Atlantic salmon, a species imperiled throughout its Atlantic range, wood turtles, a species-at-risk in Canada, and numerous rare floodplain plants.



Figure 4 - Hemlock and spruce forest



Figure 5 - Wood turtle

6.7 Protection of Sensitive Habitat on Aspotogan Peninsula

The Nature Conservancy of Canada (NCC) recently completed eco-regional planning, which identified the Scotian South Shore as one of the five best sites for habitat conservation anywhere in Nova Scotia. Within this area, Deep Cove, 50 kilometres from Halifax, was identified as a key site due to the presence of rare lichens and its importance in an ecological landscape context. ExxonMobil's contribution represented the largest by any private company and leveraged additional government, community and other private sector commitments to protect the Deep Cove properties,

6.8 Scholarships

Top students graduating from the seven high schools in Guysborough, Antigonish and Richmond counties are awarded bursaries each year from the Sable owners to help them with post-secondary education. A total of 20 bursaries were awarded under this program in 2008.

7.0 Community Education and Participation

ExxonMobil and its employees have a proud history of community involvement. Wherever we operate, we try to strengthen local communities by donating time, talent or money to many organizations that provide much-needed services or that contribute to the cultural fabric of our

communities. In Nova Scotia, 2008 was another busy year for community investment by ExxonMobil Canada and Sable as well as their employees. Here are some of the highlights

United Way

In Nova Scotia, employees contribute to the United Way through payroll deductions. The campaigns in 2008 were once again creative, fun and successful. ExxonMobil Canada provides a match for all employee payroll deductions as well as all of the funds raised during the office United Way campaign.

Junior Achievement

ExxonMobil provides funds and supports volunteers for the Junior Achievement program; “the Economics of Staying in School”, in Halifax. The program encourages junior high school students to reflect on the advantages of continuing their education to acquire the knowledge, attitudes and skills needed for long-term career success.

Discovery Centre

ExxonMobil has been a top sponsor of the Discovery Centre Science Gallery in Halifax for a number of years. This hands-on science learning experience entertains and educates more than 50,000 people annually. Look for the ExxonMobil Gallery the next time you visit.

Kiwanis

The Kiwanis Music Festivals provide a learning experience for thousands of young musicians in Nova Scotia.

Granville Green Outdoor Concert

Each summer, a series of outdoor concerts are held on Sundays in Port Hawkesbury, NS. These free concerts at the local waterfront are quite an attraction for locals and tourists and the series is sponsored by ExxonMobil Canada.

Festival Antigonish

Festival Antigonish attracts more than 10,000 people each summer and provides valuable work experience to local performers and crew. ExxonMobil has been a sponsor since the Sable project began.

Mulgrave Road Theatre

Through the support of ExxonMobil Canada, this theatre group has written and performed numerous plays based on stories from the Guysborough area.

Community Food Sharing Association/St. Mary’s & Guysborough Food banks

The Community Food Sharing food drive Hibernia initiated in 2002 is now an industry food drive, which ExxonMobil supports financially, and our employees volunteer for each winter. Similarly we continued to provide funds to both the St. Mary’s and Guysborough food banks in eastern Nova Scotia.

Neptune Theatre

ExxonMobil continues to support Neptune Theatre and in 2008 was the presenting sponsor of the musical The Producers. The company also sponsored a pre-concert reception for community stakeholders and theatre representatives. For the tenth year the company has supported Neptune’s Pre-Professional program for young people interested in further developing their performance skills. This program targets dance, movement, musical theatre and modern acting techniques.

Art Gallery of Nova Scotia

ExxonMobil sponsors a special gallery at the AGNS dedicated to the display and acquisition of work by First Nations artists, both traditional and contemporary. The gallery also hosts ongoing exhibits to promote awareness of this rich body of work, and to foster ongoing development of First Nation artists.

Symphony Nova Scotia and Phoenix Youth Programs

ExxonMobil is a supporter of the Adopt-a-Musician program, which connects musicians with students and teachers in Grades 4 and 5. The students then create and perform their own music at a final concert. In 2008, ExxonMobil was also a silver sponsor for the Nutcracker Luncheon. The seasonal luncheon raised \$45,000 for the youth programs at both the Symphony and at the Phoenix, which offers a range of services to homeless and at risk youth.

Stan Rogers Festival

ExxonMobil has been sponsoring the Stan Rogers Festival for the past 11 years. This world-class event transforms the Town of Canso, NS drawing thousands of visitors and boosting the local economy. ExxonMobil logos on banners throughout the Canada Day weekend event shows off our presence in Guysborough County.

Canadian Association of Petroleum Producers - Energy in Action

ExxonMobil employees and contractors planted trees at École LeMarchant St. Thomas School in Halifax, Nova Scotia as part of CAPP's Energy in Action environmental initiative. The event was sponsored by ExxonMobil.

Adsum Association for Women & Children

The Adsum Association for Women and Children operates three facilities that are dedicated to providing safe shelter, housing, services and support to female youth, women and children who are homeless or at risk of becoming homeless. ExxonMobil has provided \$10,000 to help Adsum provide safe shelter, nutritious meals, counseling, and support for its clients.

Theatre Nova Scotia

ExxonMobil is a funding partner of Theatre Nova Scotia's High School Drama festival – an intensive three-day theatre festival that brings high school students and teachers together from across the province. Between three and four hundred students showcase their works to a wide range of their peers, their families and members of the community at large.

The Child Safety Link

Child Safety Link advocates for policies that promote safety such as recent Booster Seat Regulations in Nova Scotia and New Brunswick. ExxonMobil has been a proud supporter of the Child Safety Link for many years, starting with funding of the Child Safety Link's Car Seat Safety Growth Chart, which is still one of its most requested resources and currently finding equal popularity in Ontario.

This year, ExxonMobil provided financial support to another invaluable program. The Children's Falls Prevention Strategy will look at reducing the number and severity of falls in children, especially as they relate to home and playground injuries. Every day, the IWK Health Centre treats seven fall-related injuries. For children under five, falling is the number one cause of their injuries. The Children's Falls Prevention Strategy will look at the frequency of falls per age group, the types of falls and, most importantly, how to prevent them.

ROV Competition

ExxonMobil supported the 2008 Regional ROV competition in May at NSCC's Akerley Campus. The team from Dalbrae Academy was the competition winner and earned the opportunity to attend an international event in San Diego.

Shell Canada Environmental Fund

The Shell Canada Environmental Fund supported eleven separate activities throughout the province in 2008 with a total contribution of almost \$45,000. These activities ranged from channel restoration and water quality initiatives through greenhouse gas emissions studies at the community level.

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Appendix 1

Sable Project Person Hours 2008

CONTRACTOR	NS	OC	FOR
ABB Inc.	3,127	50	0
ACCENT Engineering Consultants	17,340	84	0
AMEC Black & MacDonald	233,280	2,723	90
Atlantic Offshore Medical Services	39,934	246	0
Blue Water Agencies	6,136.00	0.00	0.00
CHC Helicopters	66,105	16,800	0
Cooper Cameron	2,441	0	0
Dominion Diving	13,224	0	0
EastPoint Engineering	19,914	0	0
ExxonMobil Canada	254,000	4,000	0
Fabcon Canada Ltd.	2,143	0	200
Facility Innovations Ltd.	9,668	230	0
Fugro Jacques	2,500	0	0
Goodall Rubber	3,365	615	591
Halliburton	0	24	0
Helly Hansen Ltd.	6,050	0	0
Import Tool	520	120	0
K&D Pratt	390	104	26
Land & Sea Instrumentation Ltd.	11,500	0	0
Lloyd's Register	371	1	484
Maxxam Analytics	908	0	0
Newalta Industrial Services	4,221	0	0
Oceans Ltd.	4,368	2,184	0
Offshore Logistics	29,400	0	0
Offshore Technical Services Ltd.	2,350	348	0
Schlumberger	7,436	336	0
Secunda Marine Services	120,884	50,208	0
Spectrol Energy Services	1,796	1,379	0

Appendix 3
2008 Research and Development Investment

Recipient	Program Description	Investor
Dalhousie Dept. of Earth Sciences / Faculty of Engineering	Shell Experimental Learning Fund (SELF)	Shell Canada
Petroleum Research Atlantic Canada (PRAC)	Petroleum Research Atlantic Canada (PRAC)	ExxonMobil Canada
Petroleum Research Atlantic Canada (PRAC)	Petroleum Research Atlantic Canada (PRAC)	Imperial Oil Ltd.
Petroleum Research Atlantic Canada (PRAC)	Petroleum Research Atlantic Canada (PRAC)	Shell Canada
St. Mary's University	The Pengrowth-Nova Scotia Professorship in Petroleum Financial Management	Pengrowth
Nova Scotia University Students	The Pengrowth-Nova Scotia Innovation Grant	Pengrowth
Nova Scotia Students	The Pengrowth - Nova Scotia Scholarships	Pengrowth
Nova Scotia High School Students	Student Bursaries	ExxonMobil Canada
St. Francis Xavier University	Imperial Oil Science Outreach Program	Imperial Oil Ltd.
ExxonMobil Canada	Bird Deterrent Systems for Satellite Platforms	ExxonMobil Canada
The Greenhorse Society	Study of Tropospheric Ozone - Sable Island	ExxonMobil Canada
Nova Scotia Nature Trust	Habitat Conservation at St. Mary's River	ExxonMobil Canada
Nature Conservancy of Canada (NCC)	Protection of Sensitive Habitat on Aspotogan Peninsula	ExxonMobil Canada