

## **WHITE ROSE EXPANSION PROJECT FRAMEWORK SECOND AMENDING AGREEMENT**

**THIS SECOND AMENDING AGREEMENT** made at St. John's, in the Province of Newfoundland and Labrador, on this 26<sup>th</sup> day of May, 2017.

**BETWEEN:**

**HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR** as represented by the Minister of Natural Resources ("the Province")

-and-

**NALCOR ENERGY – OIL AND GAS INC.** ("Nalcor Oil")

-and-

**HUSKY OIL OPERATIONS LIMITED** ("Husky")

-and-

**SUNCOR ENERGY INC.**, as successor to Petro-Canada ("Suncor")

**WHEREAS** the Parties entered into the White Rose Expansion Project Framework Agreement dated the 14th day of December, 2007 (the "Agreement"); and

**WHEREAS** Exhibit "K" to the Agreement sets out the Benefit Terms for the Growth Project for the White Rose offshore development; and

**WHEREAS** the Parties negotiated Exhibit "K" based on the assumption that the Growth Project would be developed as a sub-sea development; and

**WHEREAS** the Parties negotiated an amendment to the terms of Exhibit "K" of the Agreement as set out in the White Rose Project Framework Agreement Amending Agreement executed on October 10, 2013 (the "First Amending Agreement") for the development of the West White Rose Extension (which forms a portion of the Growth Project) based on a Wellhead Platform Project; and

**WHEREAS** the Parties have agreed that Exhibit "K" to the Agreement and the First Amending Agreement shall, insofar as each pertains to the Wellhead Platform Project, be amended as set out below.

**NOW THEREFORE THIS SECOND AMENDING AGREEMENT WITNESSES** that in consideration of the mutual covenants expressed the Parties agree as follows:

### **1. Interpretation**

Capitalized words not defined in this Second Amending Agreement shall have the meaning ascribed thereto in the Agreement or the First Amending Agreement. In addition, the following term shall have the following meaning:

“Facilities Service Block” means the two floor module below the accommodation modules, containing the central control room, local electrical and instrument rooms, and ancillary systems.

### **2. First Amending Agreement Paragraph 1(b)**

The First Amending Agreement is hereby amended by deleting Paragraph 1(b) and replacing it with the following:

“[NOT USED]”

### **3. First Amending Agreement Schedule “C”**

The First Amending Agreement is hereby amended by deleting Schedule “C” and replacing it with the schedule attached hereto labeled Schedule “C”.

### **4. Exhibit “K” Paragraph 6A**

- (a) Exhibit “K” to the Agreement is hereby amended by deleting the first bullet in Paragraph 6A (which paragraph was added pursuant to the First Amending Agreement) and replacing it with the following:

“The Graving Dock work (as conceptually represented in Schedule “C”), including: civil construction; and fabrication; and assembly; and installation and commissioning; and the infrastructure and temporary works to support construction of the Graving Dock; and detailed engineering; and project and construction management.”

- (b) Exhibit “K” to the Agreement is hereby amended by deleting the phrase “as well as not less than 75% of the detailed engineering of the accommodation module” from the end of the third bullet in Paragraph 6A (which paragraph was added pursuant to the First Amending Agreement) and replacing it with the following:

“as well as not less than 95% of the detailed engineering of the accommodation modules and Facilities Service Block.”

### **5. Exhibit “K” Paragraph 6J**

Exhibit “K” to the Agreement is hereby amended by deleting Paragraph 6J (which paragraph was added to the Agreement pursuant to the First Amending Agreement) and replacing it with the following:

“The WHP Proponents acknowledge that neither the First Amending Agreement nor this Second Amending Agreement creates any ownership or liability for the Graving Dock upon the Province.”

#### **6. Exhibit “K” Paragraph 6L-M**

As of the execution date of this Second Amending Agreement, Exhibit “K” to the Agreement is further amended by inserting after Paragraph 6K (which paragraph was added to the Agreement pursuant to the First Amending Agreement) the following:

“6L. Creation of the “Innovation and Business Development Fund”

There shall be a fund created entitled the “Innovation and Business Development Fund”. The Province shall be the sole administrator of the fund, and shall have unfettered discretion to make investments from the fund.

The WHP Proponents shall make annual six million dollar (\$6 million) contributions to the fund for a period of ten years, commencing on January 1, 2018. The Province agrees that, upon payment, these contribution amounts shall qualify as and be classified as eligible capital costs for the WHP Proponents, for the purpose of calculating royalty payable under the *Royalty Regulations, 2003*.

- 6M. Further to Paragraph 6I, in accordance with the approved White Rose Canada-Newfoundland and Labrador Benefits Plan Amendment (June 2014), Husky commits to holding supplier development information sessions during the Wellhead Platform Project to provide the local business community with an opportunity to learn about procurement opportunities. Husky’s main sub-contractors will also be involved in similar activities, including advertising of all procurement opportunities on a timely basis. Where possible, Husky will identify areas where there may be a potential for technology transfer and work with the local business community, governments and educational institutions to explore and develop these opportunities.”

#### **7. Sanction of Wellhead Platform Project**

This Second Amending Agreement shall terminate and be of no force and effect if (a) Project Sanction of the Wellhead Platform Project does not occur within forty five (45) days of the date of execution of this Second Amending Agreement, and (b) the Province does not receive written notification of Project Sanction of the Wellhead Platform Project within fifty (50) days of the date of execution of this Second Amending Agreement.


#### **8. Agreement Otherwise Affirmed**

This Second Amending Agreement only applies to the Wellhead Platform Project and in all other respects the Agreement and the First Amending Agreement are hereby affirmed and ratified by the Parties.

**9. Counterpart Execution**

This Second Amending Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF each of the parties to this Second Amending Agreement have caused this agreement to be executed by their officers or representatives duly authorized in that behalf on the date first above written.

<b>HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR</b>  Represented by:  Signature: _____ Name: <u>Sibhan Cassidy</u> Title: <u>Minister Natural Resources</u>	<b>NALCOR ENERGY – OIL AND GAS INC.</b>  Represented by:  Signature: _____ Name: _____ Title: _____
<b>HUSKY OIL OPERATIONS LIMITED</b>  Represented by:  Signature: _____ Name: _____ Title: _____	<b>SUNCOR ENERGY INC.</b>  Represented by:  Signature: _____ Name: _____ Title: _____





**9. Counterpart Execution**

This Second Amending Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF each of the parties to this Second Amending Agreement have caused this agreement to be executed by their officers or representatives duly authorized in that behalf on the date first above written.

<b>HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR</b>  Represented by:  Signature: _____  Name: _____  Title: _____	<b>NALCOR ENERGY – OIL AND GAS INC.</b>  Represented by:  Signature: _____  Name: _____  Title: _____
<b>HUSKY OIL OPERATIONS LIMITED</b>  Represented by:  Signature: <u>M Maclean</u>  Name: <u>M MACLEAN</u>  Title: <u>SVP, ATLANTIC REGION</u>	<b>SUNCOR ENERGY INC.</b>  Represented by:  Signature: _____  Name: _____  Title: _____



**Schedule "C" – Graving Dock**

