SOUTH WHITE ROSE EXTENSION

DEVELOPMENT PLAN

AMENDMENT APPLICATION

CANADA-NEWFOUNDLAND AND LABRADOR OFFSHORE PETROLEUM BOARD

DECISION REPORT 2007.02

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The Canada-Newfoundland and Labrador Offshore Petroleum Board (the Board) met on July 30, 2007 to consider the "Review of the White Rose Benefits Plan and its Application to the South White Rose Extension Tie-Back" and the "White Rose Development Plan Amendment – South White Rose Extension Tie-Back", as submitted by Husky Energy on September 29, 2006, as well as supplemental information submitted in December 2006. The Board was guided in its deliberation by a staff analysis of each document.

It was originally envisaged that South White Rose would proceed as a "stand-alone" tie-back to the Sea Rose FPSO via a separate drill center. However, subsequent to the original concept development, additional reserves were identified at North Amethyst and West White Rose. Planning is currently underway for the development of all three pools.

The Board has had a number of discussions with Husky Energy in respect of these potential developments, including discussions about addressing all of them in a single application. It was Husky's view, and Board staff concurred, that doing so could result in delays and it was agreed to process the original application. On this basis, the Board has concluded that the South White Rose Extension Tie-Back meets all the criteria for development, and the Board hereby approves the Development Plan Amendment, as submitted. The Board recognizes that other potential developments may precede White Rose South, and serves notice that, to the extent any proposed development leads to a change in the conditions described in the current submissions, the proposed development plan must describe that change and describe the mitigative actions to be taken.

The Board hereby approves the "White Rose Development Plan Amendment – South White Rose Extension Tie-Back", subject to the following condition:

Condition 2007-02.01

"The Proponent, no later than six months prior to commencing drilling operations at the South White Rose Extension drill center, shall submit, for the approval of the Chief Conservation Officer, an amended Environmental Effects Monitoring Program Design that considers drilling and production activities associated with the South White Rose Extension drill center.