Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-251-2018)

On November 23, 2018, the Department of Natural Resources received your request for access to the following records/information:

Any and all correspondences between Department officials (Minister, Deputy Minister, and Assistant Deputy Minister, Director of Communications, and Executive Assistant) and Nalcor in last four months which relate to the Bull Arm fabrication site. (May be some overlap with recent request (File # NR-206-2018) Also, and all correspondences between those same Department officials and elected officials or town councils of the communities of Sunnyside, Come by Chance, Arnold’s Cove, or Southern Harbour for same time frame. Also, any briefing notes related to Bull Arm fabrication site. Any correspondences between Department officials (Minister, Deputy Minister, and Assistant Deputy Minister, Director of Communications, and Executive Assistant) and Pennecon, DFB Driver, or CSBC.

On November 27, 2018, we discussed this file and you advised the 4 month date range was for the entire request.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached. We have only included the first instance of each attachment, for your convenience.

We are providing access to the most information possible but have made redactions in accordance with Sections 22(1)(a), 29(1)(a), 30(1)(a), 35(1)(d), 35 (1)(f) and 35(1)(g) of ATIPPA, 2015 as follows:

P.O. Box 8700, St. John's, NL, Canada A1B 4J6 t 709.729-1466
22. (1) (a) The head of a public body may refuse to disclose a record or part of a record that is published and is available to the public whether without cost or for purchase;

29. (1) (a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

30. (1) (a) The head of a public body may refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a public body;

35. (1) (d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1) (f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

35. (1) (g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body.

Please note the following records are publically available:

Attachment titled “Bull Arm Head Lease” Dated Monday, July 23, 2018, through Crown Lands: CrownLandsInfo@gov.nl.ca


We have made full page redactions to the following records under the sections listed above:
Binder 1 Emails pages 2-9 and 30-37
Binder 3 PPT pages 3, 9, 15, 33, 34, 39, 43, 57 and 58
Binder 4 BN pages 6, 7 and 13

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide access to the requested information. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the
Commissioner. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P.O. Box 13004, Stn. A  
St. John’s, NL A1B 3V8

Telephone: (709) 729-6309  
Toll-Free: 1-877-729-6309  
Facsimile: (709) 729-6500

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes  
ATIPP Coordinator
Binder 1 Emails
Randy,

S. 30 (1) (a)

Doug,

From: JDrummond@nalcenergy.com [mailto:JDrummond@nalcenergy.com]
Sent: Friday, July 20, 2018 4:01 PM
To: Trask, Doug
Cc: JKeating@nalcenergy.com
Subject: Nalcor-BAF/DFB Term Sheet - BAF-TS-DFB-01 Rev 02 - CONFIDENTIAL

Hi Doug,

Please see the attached draft term sheet for lease of Bull Arm to DFB Driver, for your review.

Jim will likely be following up with you but feel free to reach if you have any questions.

Cheers
Jonathan

---

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Sent from my BlackBerry 10 smartphone on the Bell network.

From: JDrummond@nalcorenergy.com
Sent: Monday, July 23, 2018 1:02 PM
To: Trask, Doug
Cc: JKeating@nalcorenergy.com; McIntosh, Gordon
Subject: Re: [External] RE: Nalcor-BAF/DFB Term Sheet - BAF-TS-DFB-01 Rev 02 - CONFIDENTIAL

Thanks Doug,

In case it helps sort things out on your end I've attached the Head Lease (including amendments etc). In one amendment, made Feb 26, 1998 (page 27 of the attached), Bull Arm Site Corp was given the following power:

"The Lessee shall have the power to sublet the demised lands or waterlots or buildings or structures thereon and any part thereof without the prior consent of the Minister. The Lessee shall however notify the Minister in writing of any sublease."

As I do not see that power being rescinded in future amendments, it would have been transferred to Nalcor Energy upon assignment of the Head Lease to us.

Cheers

Jonathan

Jonathan Drummond  
Mgr Bull Arm Operations  
Bull Arm Fabrication  
Nalcor Energy - Bull Arm Fabrication  
t: 709 737-1398  
c: 709 690-1464  
e: jdrummond@nalcorenergy.com  
v: nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Hi Doug,

Please see the attached draft term sheet for lease of Bull Arm to DFB Driver, for your review. Jim will likely be following up with you but feel free to reach if you have any questions.

Cheers
Jonathan

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
t. 709 737-1398  c. 709 690-1464
e. jdrummond@nalcorenergy.com
w. nalcorenergy.com

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I can brief the Minister on the other Bull Arm options when she returns on Wednesday.

Doug

From: JDrummond@nalcorenergy.com [mailto:JDrummond@nalcorenergy.com]
Sent: Monday, August 13, 2018 12:00 PM
To: Trask, Doug
Cc: JKeating@nalcorenergy.com
Subject: BAF RFP Recommendation - DNR - Aug 13 2018

Hi Doug,

See attached. Please note that in regards to the Pennecon opportunity

Cheers
Jonathan

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Doug,

See attached boundary graphics. Here are the details:

1) The first outlines the boundary, however I cannot confirm that the boundary shown is the true legal boundary.
2) The second is the legal boundary as included in the Head Lease.
3) The third is the picture of the area for which Pennecon received a permit
4) This is the full referral related to the permit.

From comparing points of reference in the legal boundary to the first attachment I feel confident that the permitted area is within the Bull Arm lease.

If you have any questions please let me know.

Jonathan
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
REFERRAL LETTER

File Number: 71112336
Permit Number: 139148
Referred: 19-Apr-2018

May 3, 2018

I have been directed by the Honourable Minister of Natural Resources to submit to you for your concurrence or otherwise, the following application:

Applicant: Pennecon Limited
Quarry Location: Adjacent to Bull Arm Fabrication Facility
Quarry Materials: Rook
Area of site: 1.62
NTS map sheet: 01N/13
Electoral District: Placentia West - Bellevue

The site is shown on the attached map. To minimize delay in the processing of this application, we request that any objections be forwarded within 2 weeks of the date of this letter.

May 18, 2018

If no reply is received by May 3, 2018 your concurrence will be assumed.

Would you kindly complete your reply below and return it to this division. Please attach additional sheets if necessary.

Gerald Kennedy
Manager, Quarry Materials

This application is:

Approved.

Approved subject to the stipulations below.

Not approved, reasons given below.

Comments:

Signed by: ____________________________

Works, Services and Transportation -
Clarenville
Historic Resources
Government Service Centre - Clarenville
Water Resources Division - St. John’s
Crown Lands - St. John’s
Inland Fish & Wildlife, Department of
Environment and Climate Change

Forestry - Unit 1 - Paddys Pond
Dept of Municipal & Prov Affairs - Prov.
Planning
Nalcor Energy- Bull Arm Fabrication
Dept of Natural Resources, Andrea
Devereaux
Development and Tourism - St. John’s
QUARRY PERMIT APPLICATION

I/We Pennecon Limited

Address: 1309 Topsail Road, Paradise, NL

Postal Code: A1B 3N4

Hereby apply for a quarry permit for 1.62 hectares to expire December 31st, 2018 under the terms and conditions of the Quarry Materials Act, 1998, SNL 1998.

QUARRY HISTORY:
Have you had permits for this site previously? □ YES ☑ NO
If Yes, please list the permit or file numbers associated with that site: N/A

Are you applying for a permit to the same area you held under permit last year? □ YES ☑ NO
If yes, please complete ONLY the following section.

QUARRY PERMIT RE-APPLICATION SECTION

File Number: ____________________ Previous Permit Number: ____________________

I certify that there are no changes or modifications to the size, boundaries or location of the existing quarry permit area or to the method of removal or processing planned at the location.

NOTE: If there are any changes to the size of the quarry, the method of removal or processing, a new application MUST be completed for the site.

Date: ____________________ Name: ____________________
Signature: ____________________ Position: ____________________

CONTRACT INFORMATION:
Complete this section if the quarry material is required for a specific contract.

Agency Awarding Contract: ____________________ Phone No.: ____________________

Address: ____________________ Tender Closing Date: ____________________
Contract No.: ____________________ Anticipated Completion Date: ____________________
Anticipated Starting Date: ____________________

Amount of material required:
Class A: ____________________ Class B: ____________________
Asphalt aggregate: ____________________ Other (please specify): ____________________

Have you been awarded the contract? □ YES ☑ NO

LAND OWNERSHIP:
Ownership of the land, best of your knowledge: ☑ CROWN □ PRIVATE
If private, complete the following and attach a letter from the owner authorizing you to occupy the property for the purpose of removing quarry material; confirmation of the title and ownership must be included.

Name of property owner: Nalcor Energy - Bull Arm Fabrication Inc. (land held by a Crown Lease)
Address of property owner: 500 Columbus Drive, St. John's, NL A1B 0C8

Form of Title:
Crown Grant: Yes Date Issued: _______ Volume: _______ Folio: _______
Crown Lease: Yes Date Issued: _______ Number: 95755
Other (specify): Document Number 10000000
QUARRY INFORMATION:

For the purpose of removing:
- [ ] Sand
- [ ] Gravel
- [X] Rock
- [ ] Borrow material
- [ ] Horticulture peat
- [ ] Stockpiled material
- [ ] Other (please specify)

The quarry operation will involve:
- [X] drilling and blasting
- [ ] Ripping
- [X] Crushing
- [X] Screening
- [ ] Washing
- [ ] Use of settling ponds
- [ ] Pit run removal
- [ ] Asphalt batch plant
- [ ] Concrete batch plant
- [ ] Other (please specify)

NOTE:
Topsoil removal is NOT permitted

Proposed end use of material:
Location of end use material:

SITE PREPARATION:

At the time of application, the site being applied for must be clearly marked on the ground with a company sign and flagging to mark the corners and to outline the area.

Located adjacent to a logging road

Is the site visible from nearby highways or main roads?  [ ] YES  [X] NO
Is there existing access to the quarry site (e.g., road, trail)?  [X] YES  [ ] NO

Describe the type of vegetation cover over the area to be quarried (e.g., forest, scrub, barren, etc.):
Mixed birch, spruce and alder growth with barren areas containing exposed bedrock.

Describe marking, if any in addition to the above required markings:

LAND USE INFORMATION:

- [ ] YES  [X] NO
  Is the site being applied for an existing quarry?  If yes, what are the dimensions of the quarry?
  Width:  Length:  Average face heights:

- [ ] YES  [X] NO
  Are there any structures (e.g., house, fence, pole line) within the boundaries of the quarry site?
  If yes, describe the structures & give distances from the site:

- [ ] YES  [X] NO
  Are there any brooks, rivers, ponds or streams within the boundaries of the quarry site?
  If yes, specify type of water body:

- [ ] YES  [X] NO
  Are there any brooks, rivers, ponds or streams within 200 metres of the boundaries of the quarry site?
  If yes, specify type of water body and give distances from the site:
  Adjacent to Big Mosquito Cove, Bull Arm, Atlantic Ocean

- [X] YES  [ ] NO
  Is there any land being used within a 300 metre radius of the boundaries of the quarry site?
  If yes, describe the land and give distances to the site:
  Bull Arm Fabrication Facility

LOCATIONAL INFORMATION:

Describe the location of the proposed quarry with reference to the UTM grid (NAD 1927) on a 1:50,000 topographic map. Description must include NTS map sheet, UTM zone and the co-ordinates. List co-ordinates of each corner in the spaces provided below. Additional coordinates may be listed on an additional sheet and attached to this application.

A digital quarry permit boundary file has been provided in UTM NAD83 Zone 21 NTS MAP SHEET (e.g., 01N/10): 1N13 UTM ZONE: •19 •20 •21 •22

APPROX CENTRE (NAD 27): 284200mE 5298600mN

See accompanying spreadsheet for corner post utm's.

Describe the location of the proposed quarry with reference to nearby prominent landmarks (road intersections, bridges, etc.) to nearest tenth of a kilometre: The quarry site is adjacent to the Bull Arm Fabrication facility.
SKETCH OF QUARRY SITE

In the space below, draw a sketch showing the following:
- the boundaries and distance between corners of the site being applied for,
- outline of existing quarry (if one exists),
- distances of all features within the quarry site,
- all features within a 300 metre radius of the boundaries of the quarry site, including all features listed in the “Land Use Information” section of this application.
- the proposed access to the site and the distance the quarry site is set back from the highways or main roads.
- the location of where the UTM co-ordinates were taken.

Sketch map may be a detailed survey of the area of the permit; location of the permit on a detailed cadastral or forest inventory map; a detailed aerial photograph or a Google Earth image.

Completed by consulting company SEM on behalf of Pennecon Limited

I certify that the information contained in this application is correct.

Name: Brad Dyke, P.Geo.
Signature: [Signature]
Position: SEM Geoscience Services Manager
Date: Mar. 9, 2018

Phone No. (Business): 709 754 0499 Ext. 216
Fax No.: 709 754 1445
Email address: brad.dyke@sem ltd.ca

Reviewed & Approved by
Mr. Rod Mercer of
Pennecon Limited
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Hello Gerald:

Below is correspondence with Nalcor where they indicate the application area is Crown Land and that Nalcor has previously engaged DNR about this application.

Please advise if you need anything further.

Regards,

Brad

From: JDrummond@nalcorenergy.com [mailto:JDrummond@nalcorenergy.com]
Sent: Thursday, March 08, 2018 1:45 PM
To: Mercer, Rod
Subject: Re: FW: Bull Arm QP App - For Review

Rod,

I assume this was submitted but just wanted to confirm I was fine with the application content. With that in mind, and I appreciate that the application doesn't really allow for this nuance, but the land itself that the quarry will be on is Crown Land, held by Nalcor-BAF through a Crown Lease. The lease number 95765 is noted in the application and the application references that the quarry is on the Bull Arm site several times, so I don't think it will be a concern, plus we've engaged with DNR on this application so they should be i the know, but I did want to raise it as technically it is not Private Land.

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
t. 709 737-1398 c. 709 690-1464
e. JDrummond@nalcorenergy.com
w. nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

From: Quarries [mailto:Quarries@gov.nl.ca]
Sent: Tuesday, March 13, 2018 10:02 AM
To: Brad Dyke; Quarries
Hi Brad,

This site is located on a Crown Title issued to Nalcor. Has Pennecon obtained written approval from Nalcor to occupy the property? I don’t recall seeing anything.

Thanks,
Gerald

---

From: Brad Dyke [mailto:brad.dyke@semld.ca]
Sent: Friday, March 09, 2018 8:43 AM
To: Quaries
Cc: Sheppard, Kevin; Kennedy, Gerald; Devereaux, Andrea; Rod Mercer (rmercerc@pennecon.com)
Subject: Pennecon - Bull Arm Quarry Permit Application

Hello:

Please find attached a 1.62ha quarry permit application and digital files. The application is in the Bull Arm Fabrication Area of Great Mosquito Cove.

A cheque in the amount of $294.40 will be forwarded to:

Department of Natural Resources
Natural Resources Building
50 Elizabeth Avenue
P.O. Box 8700
St. John's, NL
A1B 4J6

Attn: Mr. Gerald Kennedy
Manager, Quarry Materials
3rd Floor

Regards,

Brad

Brad Dyke, P.Geo.
Geoscience Services Manager
Email: brad.dyke@semld.ca | Web: www.semld.ca

---

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Hi Doug,

S. 35 (1) (d) S. 35 (1) (f) S. 35 (1) (g)

Please see attached terms to be used to [REDACTED] These have been discussed informally with Pennecon but not provided formally.

Additionally I have attached the Draft Heads of Terms that was included in the RFP Data Room back in October, as noted in the the bidding terms letter the heads of terms from the RFP provides guidance towards the expected contractual language.

If you have any questions please let me know.

Cheers
Jonathan

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
t. 709-737-1398 c. 709-690-3464
e. jdrummond@nalcorenergy.com
w. nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
August 17, 2018

Mr. Rod Mercer
1309 Topsail Road
P.O. Box 8274 Station A
St. John’s, NL
A1B 3N4

RE: Bidding Terms for Bull Arm Site Use

Mr. Mercer:

Further to your request regarding terms for utilizing a portion of the Bull Arm Fabrication Site (the ‘Leased Premises’) for the Nalcor Energy – Bull Arm Fabrication Inc. (Nalcor-BAF) continues to support Pennecon in utilizing the Leased Premises. As such, please see the following terms for the purpose of providing guidance on expected terms, when bidding the Project.

- Any lease agreement shall be in all respects a triple net lease (NNN – “carefree”) in favour of Nalcor-BAF;
- The Leased Premises would be occupied by Pennecon only for the purposes of carrying out work in relation to the Project. Pennecon would also have access to the Site roadway as needed to access the Leased Premises. The estimated delineation of the Leased Premises can be found in Diagram 1.;
- In order to maximize use of the Bull Arm Fabrication Site (the ‘Site’), Pennecon will not be granted exclusive access to the Leased Premises and Nalcor-BAF may require flexibility in terms of a “shared multi user” scenario;
- The Project work at the Leased Premises must be completed, including remediation, by August 31st, 2019;
- All quarried materials to be used only for the Project;
- Site management services, may or may not include, at Nalcor-BAF’s discretion, water treatment and distribution; security (including federal port security); distribution of electricity; snow clearing; fire services; UHF radio system availability; and sewer collection and treatment, and shall be payable by Pennecon to Nalcor-BAF or alternate tenant, but in all instances Nalcor-BAF shall be fully reimbursed for the services it provides. The division of costs and who pays shall be negotiated between Pennecon, Nalcor-BAF and any alternate tenant. For bidding purposes, if the Pennecon portion of site management costs was equal to the estimated area of the Leased Premises as a portion of total site area (including utility factors), the Pennecon portion of site management costs are estimated in
excess of [redacted] based on Nalcor-BAFs 2018 site management costs. Site management costs may not be inclusive of all services expected by Pennecon and shall be recalculated annually;

- The quarry area developed as part of the Project is to be left in a condition as determined by Nalcor-BAF, but in general, the area should be designed to maximize usable space and employ proper sloping, benching and erosion prevention techniques. Beyond sloped areas, the remainder of the land is to be left in a condition similar to that of adjacent developed land, including but not limited to, at the same elevation, capped with same material and well graded with adequate drainage. For clarity, the quarry should be left such that the transition between it and existing infrastructure is seamless;

- Blasting is only to be conducted with Nalcor - BAF pre-approval, which may be provided conditionally. Conditions of blasting may relate to any facet of the planned activity. A third party blasting plan is to be completed and submitted to Nalcor-BAF at least four weeks ahead of any planned blast. Nalcor-BAF may require additional insurance for blasting activities;

- Nalcor-BAF provides no warranty as to fitness and certification of the Leased Premises or equipment thereon, it is available “as is where is”;

- Pennecon is to return facilities and equipment to at least the condition it was found upon commencement of occupancy;

- Pennecon is to conduct a Phase I Environmental Site Assessment on the Lease Premises, and shall ensure that any identified environmental damage is repaired or remediated before occupancy ends;

- Should Nalcor-BAF provide notice of termination in accordance with the provisions of the Lease, including in the event that Nalcor-BAF’s lease with the Province is terminated, Nalcor-BAF has entered into a Lease that does not allow for co-tenancy with Pennecon by an alternate tenant or Pennecon has breached a term of the Lease, Pennecon shall be subject to penalty, injunctive relief and all equitable remedies in the event of overholding;

- Neither Nalcor-BAF nor Her Majesty the Queen in Right of Newfoundland and Labrador, shall be liable for any personal injury or death of the employees or agents of Pennecon, or of any third party; for damages to any property howsoever caused; for injuries, damages or losses arising from loss of business, loss of profits or other losses as a result of interruption to operations; and

- Pennecon shall indemnify and hold harmless Nalcor-BAF and Her Majesty in Right of Newfoundland and Labrador (the “Crown”) for any and all losses or claims, including legal fees, howsoever caused, and including any claims or losses made by any third party against Nalcor-BAF or the Crown

The terms contained within this letter are valid until November 30th, 2018, and are subject to amendment by Nalcor-BAF should circumstances change, at our discretion.

This letter is provided for information purposes only and is not legally binding. Potential future negotiation of a lease may be materially different. It is anticipated that
additional terms as contained within the Heads of Terms document included in the RFP Data Room may form the basis of the detailed contractual language for the lease. These terms may result in additional costs to Pennecon.

We would like to thank-you for your continued interest in utilizing the Bull Arm Fabrication Site.

Regards,

Jonathan Drummond
Operations Manager
Nalcor Energy – Bull Arm Fabrication

Diagram 1 – Approximate location of Leased Premises (in Yellow)
Doug,

S.35.1d  S.35.1f  S.35.1g

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
t. 709 737-1398  c. 709 690-1464
e. jdrummond@nalcorenergy.com
w. nalcorenergy.com

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Hi Doug,

See contacts below.

Canadian Supply Base
Ian LaPointe
506.343.7527
ilapointe@CanadianSupplyBase.com

DFB Driver
Sean Power
709.726.6820
spower@dfbarnes.com

Pennecon
Rod Mercer
709.782.3404
rmercer@pennecon.com

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
T: 709 737-1398  C: 709 690-1464
e: jdrummond@nalcorenergy.com
w: nalcorenergy.com

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Jonathan,

The Minister, Gordon and I met with Chris Gosse, President, LSPU (I.L.A.) Local 1953 in St. John's recently where he mentioned the longshoreman's interest in work at Bull Arm, so we agreed to provide contacts for those with an interest in case they wanted to
follow-up.

Can you provide the name, telephone and email for those companies referenced above?

Thanks!

Doug

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Sent from my iPhone

Begin forwarded message:

From: "Trask, Doug" <DougTrask@gov.nl.ca>
Date: September 26, 2018 at 11:27:03 AM ADT
To: "McIntosh, Gordon" <GordonMcIntosh@gov.nl.ca>
Subject: Bull Arm discussion

I will defer to you as you may have other insights, but I have suggested to Jon
Drummond they need to document the proposed model for Bull Arm going forward
(rational, operating model, financial and labour considerations, etc.)
Please find attached the presentation to be given today. I will bring 6 colour copies.

Regards

Jim

Jim Keating
Executive Vice President
Corporate Services and Offshore Development
T 709-737-1239    F 709-737-1782
E jimkeating@nalcenergy.com
W nalcenergy.com
Attached.

Jim Keating
Executive Vice President
Offshore Development and Corporate Services

Begin forwarded message:

From: "Jonathan Drummond" <JDrummond@nalcenergy.com>
Date: October 29, 2018 at 2:36:14 PM NDT
To: "Jim Keating" <JKeating@nalcenergy.com>
Cc: "Leona Barrington" <LeonaBarrington@nalcenergy.com>, "Matthew Walsh" <MatthewWalsh@nalcenergy.com>, "Todd Newhook" <ToddNewhook@nalcenergy.com>, "Susan Ryan" <SusanRyan@nalcenergy.com>
Subject: Fw: [External] Bull Arm Lease

Jim,

Please see attached letter for you from DFB requesting the finalization of a lease agreement for Bull Arm due to recommendation of award by Seadrill (St. John’s office) for the West Aquarius Rig Stacking contract.

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy – Bull Arm Fabrication
t. 709 737-1398 c. 709 690-1464
v. jdrummond@nalcenergy.com
w. nalcenergy.com
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

--- Forwarded by Jonathan Drummond/NLHydro on 10/29/2018 02:29 PM ---

From: Geoff Moyse <gmoyse@dfbarnes.com>
To: "JDrummond@nalcorenergy.com" <JDrummond@nalcorenergy.com>
Cc: Sean Power <spower@dfbarnes.com>
Date: 10/29/2018 02:12 PM
Subject: [External] Bull Arm Lease

Hi Jonathan

Please see attached letter.

Thanks
Geoff

(See attached file: Status of Lease Agreement.pdf)
October 29, 2018

Nalcor Energy
Columbus Drive
St. John’s, NL

Attention: Jim Keating, Executive Vice President

Jim:

As you may be aware, DF Barnes has been recommended by Seadrill’s St. John’s offices for a contract directly with Seadrill for the Warm Stack and Thruster Change Out of the West Aquarius. One of the provisions of the execution of this scope would for it to be performed at the Bull Arm Fabrication Site Topsides Quay.

The main scopes to be performed are as follows:

1. Warm Stack;
2. The change out of 8 thrusters (which will require the utilization of the Module Hall);
3. A complete underwater DNV hull inspection and cleaning.
4. Various other multi-disciplined scopes that will be determined once the rig is quayside

Could you please respond by Wednesday, October 31, as to when we can meet to close out the negotiations and sign an agreement.
Best Regards

Sean Power
VP Business Development
See below.

Jim

Jim Keating
Executive Vice President
Offshore Development and Corporate Services

Begin forwarded message:

From: "Sean Power" <spower@dfbarnes.com>
Date: October 17, 2018 at 7:28:56 AM NDT
To: "Jim Keating (JKeating@nalcorenergy.com)" <JKeating@nalcorenergy.com>
Subject: [External] FW: Follow up

Jim,
FYI.
Sean

From: Sean Power
Sent: October-17-18 7:28 AM
To: [redacted] S.35.1.d S.35.1.f S.35.1.g
Subject: Follow up

S.29.1.a S.35.1.d S.35.1.f S.35.1.g
Best Regards,
Sean

SEAN POWER
VP Business Development

e: spower@dfbarnes.com
t: 709.728.8820
c:
DFBARNES.com
Good morning,

Can you give me a quick call to discuss the media inquiry below...

Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy
L: 709 737-4244 C: 709 699-8035
E: LeonaBarrington@nalcorenergy.com
W: nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

--- Forwarded by Leona Barrington@NLHydro on 11/13/2018 08:51 AM ---

From: Mark Squibb <mark.squibb@thepacket.ca>
To: "leona.barrington@nalcorenergy.com" <leona.barrington@nalcorenergy.com>
Data: 11/12/2018 01:37 PM
Subject: [External] Pennecon

Hi Leona,

I just had some questions about Nalcor’s discussions with Pennecon.

I’m looking at an email from Aug. 17 intended for Mr. Rod Mercer outlining bidding terms for Pennecon regarding the Bull Arm Site.

It seems that those terms are valid until the end of November.

I’m wondering if that bid has indeed been submitted to Nalcor, and whether it has been accepted yet or not. When did discussions between Nalcor and Pennecon begin?

I’m also wondering about the quarry permit issued on May 18. Has Pennecon work for the site already been approved? Or did the quarry permit need to be approved before the site could be leased?

Also, it seems like a quarry lease will not be required due to the duration of the project.

You can reach me at [Redacted]

Thanks!

Mark Squibb
Multimedia reporter
In a meeting...will call you shortly to discuss.

Sent from my iPhone

Begin forwarded message:

From: "Alex Bill" <alex@allnewfoundlandlabrador.com>
Date: November 13, 2018 at 10:47:37 AM NST
To: "Leona Barrington" <LeonaBarrington@nalcorenergy.com>
Subject: [External] Bull Arm

Hi Leona,

Hope you had a nice long weekend. I did, including a good tip that JV Driver/DF Barnes has some good news it’s getting ready to announce. I expect that’s Bull Arm, and am trying to track down the rest now.

Can Nalcor confirm if it has an agreement in place with JV Driver/DF Barnes and/or Canadian Supply Base? And if so, what the the details are (years, conditions (moving out for a megaproject?), lease amount, etc).

I saw Jim over the weekend but it didn’t seem like the right place to talk shop.

Thanks,

Alex Bill
Chief Reporter
allnewfoundlandlabrador.com
709-722-1127
FYI

Sent from my iPhone

Begin forwarded message:

From: "Leona Barrington" <LeonaBarrington@nalcorenergy.com>
Date: November 14, 2018 at 3:05:26 PM NST
To: "Mark Squibb" <mark.squibb@thepacket.ca>
Subject: Re: [External] Another quick Bull Arm inquiry

Hi Mark,

The Pennecon opportunity was being considered outside of the RFP process as it was short-term in nature and was dependent on Pennecon’s success in obtaining the contract award from the third party vendor. As mentioned yesterday you’ll have to contact Pennecon re: details on the contract they were hoping to secure. They have not approached in an effort to formalize a MOU or lease agreement.

The RFP decision remains pending and talks continue with both DFB and CSBC.

Thanks!
Leona
Good day,

Just had a couple more quick inquiries regarding the Bull Arm Site.

Nalcor currently in discussions with any other company regarding leasing of the Bull Arm site other than Pennecon?

Will the next step be the formal MOU (Memorandum of Understanding) for review by Pennecon? If so, when will expect to have that MOU ready?

Is it Nalcor’s and department’s to have the Bull Arm lease agreement completed by the end of 2018, or at least as the end of the government’s fiscal year - March 30, 2019?

Thanks!

Mark Squibb
Multimedia reporter
A member of the Saltwire Network

P 709-466-2243
M [Redacted]
E mark.squibb@thepacket.ca

8B Thompson Street
Clareville, N.L.
A5A 1Y9

BE ESSENTIAL.
Hi Doug,

I believe Leona followed up directly with Diana on this matter.

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
p. 709 737-1398  c. 709 690-1464
e. jdrummond@nalcorenergy.com
w. nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Please advise on below re. BAF site opportunity status – what can be stated publicly.

Doug

From: Quinton, Diana
Sent: Wednesday, November 14, 2018 11:07 AM
To: Canning, Perry; Trask, Doug
Subject: Quarry inquiry

Hi Perry and Doug:

Kevin Sheppard received questions from a reporter in Clarenville regarding a permit application by Pennecon to an area adjacent to the Bull Arm site.

The reporter asked:

My understand is that Pennecon applied for the permit March 9. That permit was issued by Natural Resources on May 18. Is this correct?

Will this work hinge on Pennecon getting a lease on the Bull Arm site (which I believe is currently in the works) or is it separate?
Can we please discuss?

Thanks,
Diana

From: Sheppard, Kevin
Sent: Wednesday, November 14, 2018 10:16 AM
To: Quinton, Diana
Cc: Kennedy, Gerald; Devereaux, Andrea; Rideout, Jessica
Subject: FW: Quarry inquiry

Proposed response – please review.

Hi Mark:

I can confirm that the dates specified below are correct.

In terms of obtaining a quarry lease for the site, the Quarry Materials Act (the Act) indicates that the minister may issue a quarry lease where:

• there is a demonstrated long-term need for quarry materials (Section 8(2)(a)).

Section 8(9) of the Act provides criteria under which the minister may require a permit holder to apply for a quarry lease:

• in order to better manage a quarry material resource;
• where the amount of quarry activity carried out or proposed, in the opinion of the minister, warrants operation under a lease;
• where the quarry activity occurs or is proposed to occur throughout the year or part of a year for 4 or more consecutive years;
• where a lease would mitigate a conflict with other land uses; or
• where a lease would ensure the rehabilitation of a quarry site or proposed site.

Although a quarry lease may be applied for at the outset, it is normal practice for an individual or company to hold a quarry permit for one or more years and then be required to apply for a quarry lease in accordance with the criteria under Section 8(9) of the Act.

If you require more information, please contact me.

Thank you....

From: Mark Squibb [mailto:mark.squibb@thepacket.ca]
Sent: Tuesday, November 13, 2018 3:44 PM
To: Sheppard, Kevin
Subject: Quarry inquiry

Hey,

Mark Squibb from The Packet here in Clarenville.
Just a quick inquiry regarding a permit application by Pennecon to an area adjacent to the Bull Arm site.

My understand is that Pennecon applied for the permit March 9.

That permit was issued by Natural Resources on May 18.

Is this correct?

Will this work hinge on Pennecon getting a lease on the Bull Arm site (which I believe is currently in the works) or is it separate?

Thanks!

Mark Squibb
Multimedia reporter
A member of the Saltwire Network

P 709-466-2243
E mark.squibb@thepacket.ca

88 Thompson Street
Clarenville, N.L.
A5A 1Y9

BE ESSENTIAL.

"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender."
Sounds good – that confirms my understanding.

Doug

Leona followed up with the reporter. She said:

The Pennecon opportunity was being considered outside of the RFP process as it was short-term in nature and was dependent on Pennecon’s success in obtaining the contract award from the third party vendor. You’ll have to contact Pennecon re: details on the contract they were hoping to secure. They have not approached in an effort to formalize a MOU or lease agreement.

The RFP decision remains pending and talks continue with both DFB and CSBC.

Hi Doug,

I believe Leona followed up directly with Diana on this matter.

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
p. 709 737-1398  c. 709 690-1464
e. jdrummond@nalcorenergy.com
w. nalcorenergy.com

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- where the quarry activity occurs or is proposed to occur throughout the year or part of a year for 4 or more consecutive years;
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If you require more information, please contact me.

Thank you....

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Mark Squibb
Multimedia reporter
A member of the Saltwire Network

P 709-466-2243
M
E mark.squibb@thepacket.ca

8B Thompson Street
Clareville, N.L.
A5A 1Y9

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See below.

Sent from my iPad

Begin forwarded message:

**From:** "Jonathan Drummond" <JDrummond@nalcorenergy.com>
**Date:** November 15, 2018 at 12:47:58 PM NST
**Cc:** "Matthew Walsh" <Matthew.Walsh@nalcorenergy.com>, "Jim Keating" <JKeating@nalcorenergy.com>, "Leona Barrington" <LeonaBarrington@nalcorenergy.com>
**Subject:** Fw: [External] BAF Term Sheet

Hi folks,

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
t. 709 737-1398 c. 709 690-1464
e. jdrummond@nalcorenergy.com
w. nalcorenergy.com

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— Forwarded by Jonathan Drummond/NLHydro on 11/15/2018 12:43 PM ——

**From:** Geoff Moyse <gmoyle@edtfarmes.com>
**To:** "JDrummond@nalcorenergy.com" <JDrummond@nalcorenergy.com>
**Cc:** Sean Power <spower@edtfarmes.com>, Jason Fudge <jfudge@edtfarmes.com>
**Date:** 11/15/2018 10:53 AM
**Subject:** [External] BAF Term Sheet
Hi Jonathan

Further to your discussion with Sean Power yesterday,

Thanks
Geoff

GEOFF MOYSE
Contracts Manager
gmoyse@dfbarnes.com
gmoyse@dfbgroup.ca
P: 709.726.6820
DFBARNES.com
Please see attached and advise.

From: LeonaBarrington@nalcorenergy.com [mailto:LeonaBarrington@nalcorenergy.com]
Sent: Friday, November 16, 2018 3:37 PM
To: Quinton, Diana
Subject: DRAFT News Release

Hey there,

Attached is the draft news release on the West Aquarius contract. Give me a call to discuss...

Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy

t: 709 737-4244  c: 709 699-8035
e: LeonaBarrington@nalcorenergy.com
w: nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
November 19, 2018, Bull Arm, NL – Local contractor DF Barnes Services Limited has successfully been awarded a contract by Seadrill that will bring the ultra-deepwater semi-submersible drilling rig, West Aquarius, to the Bull Arm Fabrication Site.

Nalcor Energy–Bull Arm Fabrication has signed a short-term agreement with the contractor that will see work begin at Site in December and continue into Spring 2019. The work scope includes warm stacking, thruster changeouts as well as hull inspection and cleaning. This scope of work could be expanded as the rig further prepares for planned drilling activity taking place in the waters off Newfoundland in 2019.

“Newfoundland and Labrador is on the verge of a new era in frontier oil exploration and development and Bull Arm is Atlantic Canada’s largest fabrication yard with a history of supporting that oil and gas activity,” said Jim Keating, Executive Vice President, Offshore Development and Corporate Services. “We’re happy to welcome the West Aquarius back to the province and look forward to these exploration programs further building our knowledge surrounding the full resource potential of our province.”

The Bull Arm Fabrication site spans over 6,300 acres and has fully integrated and comprehensive infrastructure to support simultaneous fabrication and assembly in its three key project areas: Fabrication Yard; Marine Facility; and Deepwater Site. Work on the West Aquarius will take place within the Fabrication Yard and associated pier.

-30-

Media Contact:
Leona Barrington
Nalcor Energy-Oil and Gas and Bull Arm Fabrication
t: 709.737.4244
c: 709.699.8035
e: leonabarrington@nalcorenergy.com
From: Quinton, Diana
Sent: Friday, November 16, 2018 3:42 PM
To: Coady, Siobhan; McIntosh, Gordon; Trask, Doug
Cc: White, Keith S
Subject: DRAFT News Release: West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

Please see attached and advise.

From: LeonaBarrington@nalcenergy.com [mailto:LeonaBarrington@nalcenergy.com]
Sent: Friday, November 16, 2018 3:37 PM
To: Quinton, Diana
Subject: DRAFT News Release

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Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy
Tel: 709 737-4244 · Fax: 709 699-8035
Email: LeonaBarrington@nalcenergy.com
Website: nalcenergy.com

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DRAFT #1

West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

November 19, 2018, Bull Arm, NL – Local contractor DF Barnes Services Limited has successfully been awarded a contract by Seadrill that will bring the ultra-deepwater semi-submersible drilling rig, West Aquarius, to the Bull Arm Fabrication site.

Nalcor Energy-Bull Arm Fabrication has signed a short-term agreement with DF Barnes that will see work begin at site in December and continue into Spring 2019. The work scope includes warm stacking, thruster changeouts as well as hull inspection and cleaning. This scope of work could be expanded as the rig further prepares for planned drilling activity taking place in the waters off Newfoundland in 2019.

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*Add reference to status of the RFP process

-30-

Media Contact:
Leona Barrington
Nalcor Energy-Oil and Gas and Bull Arm Fabrication
t: 709.737.4244
c: 709.699.8035
e: leonabarrington@nalcorenergy.com
From: McIntosh, Gordon
To: Quinton, Diana
Subject: RE: DRAFT News Release: West Aquarius Drill Rig Coming to Bull Arm Fabrication Site
Date: Friday, November 16, 2018 4:00:04 PM

Diana, At first view it appears to be [redacted].

Regards
Gordon

---

From: Quinton, Diana
Sent: Friday, November 16, 2018 3:42 PM
To: Coady, Siobhan <SiobhanCoady@gov.nl.ca>; McIntosh, Gordon <GordonMcIntosh@gov.nl.ca>; Trask, Doug <DougTrask@gov.nl.ca>
Cc: White, Keith S <KeithWhite@gov.nl.ca>
Subject: DRAFT News Release: West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

Please see attached and advise.

---

From: LeonaBarrington@nalcorenergy.com [mailto:LeonaBarrington@nalcorenergy.com]
Sent: Friday, November 16, 2018 3:37 PM
To: Quinton, Diana
Subject: DRAFT News Release

Hey there,

Attached is the draft news release on the West Aquarius contract. Give me a call to discuss...

---

Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy
t. 709 737-4244  c. 709 699-8035
e. LeonaBarrington@nalcorenergy.com
w. nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Thanks Jim

Sent from my iPhone

On Nov 16, 2018, at 6:54 PM, "JKeating@nalcorenergy.com" <JKeating@nalcorenergy.com> wrote:

We have asked Sean to address these points in a formal request.

Jim

Sent from my iPad

On Nov 16, 2018, at 1:55 PM, McIntosh, Gordon <GordonMcIntosh@gov.nl.ca> wrote:

Regards
Gordon
Sent from my iPhone

On Nov 15, 2018, at 8:50 PM, "JKeating@nalcorenergy.com" <JKeating@nalcorenergy.com> wrote:

See below.

Sent from my iPad

Begin forwarded message:

From: "Jonathan Drummond"
<JDrummond@nalcorenergy.com>
Date: November 15, 2018 at 12:47:58 PM
NST
Cc: "Matthew Walsh"
(MatthewWalsh@nalcorenergy.com), "Jim Keating" <JKeating@nalcorenergy.com>, "Leona Barrington"
Hi folks,

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
l: 709 737-1398 c: 709 690-1464
c: jdrummond@nalcorenergy.com
w: nalcorenergy.com

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----- Forwarded by Jonathan Drummond/NLHydro on 11/15/2018 12:43 PM -----

From: Geoff Moyse <gmoyse@dbarnes.com>
To: "JDrummond@nalcorenergy.com"
"JDrummond@nalcorenergy.com"
Cc: Sean Power <spower@dbarnes.com>, Jason Fudge <jfudge@dbarnes.com>
Date: 11/15/2018 10:53 AM
Subject: [External] BAF Term Sheet

Hi Jonathan
Thanks
Geoff

GEOFF MOYSE
Contracts Manager
pmoyse@clbarnes.com
pmoyse@clbgroupr.ca
T: 709.728.6820
C: 647.595.6220
O: clbarnes.com

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Attached is the revised release. We plan to issue at 3 p.m.

Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy
t: 709 737-4244 c: 709 699-8035
e: LeonaBarrington@nalcorenergy.com
w: nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Hi Leona:

Attached are suggestions from Doug.

Could we see a new version once completed?

Thanks,
Diana

From: LeonaBarrington@nalcorenergy.com [mailto:LeonaBarrington@nalcorenergy.com]
Sent: Friday, November 16, 2018 3:37 PM
To: Quinton, Diana
Subject: DRAFT News Release

Hey there,

Attached is the draft news release on the West Aquarius contract. Give me a call to discuss...
You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

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DRAFT #2

West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

November 19, 2018, Bull Arm, NL – Local contractor DF Barnes has successfully been awarded a contract by Seadrill that will bring the ultra-deepwater semi-submersible drilling rig, West Aquarius, to the Bull Arm Fabrication Site.

Nalcor Energy-Bull Arm Fabrication has signed a short-term agreement for the Fabrication Yard with DF Barnes that will see work begin at Site in December and continue into Spring 2019. The work scope includes warm stacking, thruster changeouts as well as hull inspection and cleaning. This scope of work could be expanded as the rig further prepares for planned drilling activity taking place in the waters off Newfoundland in 2019.

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The Bull Arm Fabrication site spans over 6,300 acres and has fully integrated and comprehensive infrastructure to support simultaneous fabrication and assembly in its three key project areas: Fabrication Yard; Marine Facility; and Deepwater Site. Work on the West Aquarius will take place within the Fabrication Yard and associated pier.

Separate from this short-term agreement with DF Barnes, a Request for Proposal process is ongoing as part of Nalcor’s planning for the future use of the Site. A decision is pending as discussions continue with two proponents – DFB Driver (parent company of DF Barnes) and Canadian Supply Base Company in an effort to maximize site utilization.

-30-

Media Contact:
Leona Barrington
Nalcor Energy-Oil and Gas and Bull Arm Fabrication
t: 709.737.4244
c: 709.699.8035
e: leonabarrington@nalcorenergy.com
Hi Diana and Doug,

For your information, attached is some background information on the DFB Agreement.

Leona Barrington  
Sr. Communication Advisor  
Corp. Comm. & Shareholder Rel.  
Nalcor Energy  
709 737-4244  709 639-8035  
LeonaBarrington@nalcorenergy.com  
nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Background
DFB/Seadrill contract

Work Scope
- Rig Warm Stacking (Warm stacking can generally be defined as a rig docked but continues to run in a similar state as if it were operating offshore)
- Eight Thruster Change outs
- Complete underwater hull inspection and cleaning
- Peak Employment of 20-25 persons (not including rig staff)

Termsheet Highlights
- Term: duration of Seadrill contract [redacted]
- Lease covers only the Fabrication Yard portion of the Site. Other potential tenants can access remaining site areas.
- DFB paying a percentage of total contract value and other building usage fees as needed resulting in approximately [redacted] in revenue to Bull Arm. That figure could increase based on work scope additions. S. 35 (1) (d) 35 (1) (g)
- DFB will be responsible for any cost increases to BAF operating costs such as water, sewer, electricity.
- DFB will pay all costs related to maintenance and operations with in the leased area and are responsible for execution of preventative maintenance within the Fabrication Yard i.e. oiling and lubing of equipment etc.
From: LeonaBarrington@nalcorenergy.com [mailto:LeonaBarrington@nalcorenergy.com]
Sent: Monday, November 19, 2018 3:42 PM
To: Quinton, Diana; White, Keith S
Subject: News Release: West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

Just issued.

Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy
t. 709 737-4244 c. 709 699-8035
e. LeonaBarrington@nalcorenergy.com
w. nalcorenergy.com

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----- Forwarded by Leona Barrington/NLHydro on 11/19/2018 03:41 PM -----

From: Leona Barrington/NLHydro
To: Leona Barrington/NLHydro@NLHYDRO
Date: 11/19/2018 03:39 PM
Subject: News Release: West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

West Aquarius Drill Rig Coming to Bull Arm Fabrication Site

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“Newfoundland and Labrador is on the verge of a new era in frontier oil exploration and
development and Bull Arm is Atlantic Canada’s largest fabrication yard with a history of supporting oil and gas opportunities,” said Jim Keating, Executive Vice President, Offshore Development and Corporate Services. “We’re happy to welcome the West Aquarius back to the province and look forward to these exploration programs further building our knowledge surrounding the full resource potential of our province.”

The Bull Arm Fabrication Site spans over 6,300 acres and has fully integrated and comprehensive infrastructure to support simultaneous fabrication and assembly in its three key project areas: Fabrication Yard; Marine Facility; and Deepwater Site. Work on the West Aquarius will take place within the Fabrication Yard and associated pier. Separate from this short-term agreement with DF Barnes, a Request for Proposal process is ongoing as part of Nalcor’s planning for the future use of the Site. A decision is pending as discussions continue with two proponents – DF Barnes and Canadian Supply Base Company in an effort to maximize site utilization.

-30-

Leona Barrington
Sr. Communication Advisor
Corp. Comm. & Shareholder Rel.
Nalcor Energy
t. 709 737-4244 c. 709 699-8035
p. LeonaBarrington@nalcorenergy.com
w. nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
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Media Contact:
Leona Barrington
Nalcor Energy-Oil and Gas and Bull Arm Fabrication
t: 709.737.4244
c: 709.699.8035
e: leonabarrington@nalcorenergy.com
It's DF Barnes' contract, so best to direct them that way.

Let me know of you need anything else.

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Hi Leona –

Receiving emails from people + MHAs asking where to direct people looking for employment @ Bull Arm site. Thoughts as to where to send them?

Thanks,

Keith

KEITH WHITE | Executive Assistant to the Minister of Natural Resources & Deputy Government House Leader
7th Floor, Natural Resources Building
50 Elizabeth Ave | P.O. Box 8700
St. John's, NL A1B 4J6
T: (709) 729-4746 | F: (709) 729-0059 | E: keithwhite@gov.nl.ca

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Hi Doug,

Please see latest version of RFP Recommendation Deck. This is updated based on latest meeting with DNR and contractual updates for DF Barnes (i.e. Seadrill) and Pennecon.

Please review and provide commentary as needed.

Cheers

Jonathan Drummond
Mgr Bull Arm Operations
Bull Arm Fabrication
Nalcor Energy - Bull Arm Fabrication
+ 709 737-1398  -  709 690-1464
E  jdrummond@nalcorenergy.com
W  nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Thanks so much Jonathan!! Really appreciate it.

Nena

From:  JDrummond@nalcorenergy.com <JDrummond@nalcorenergy.com>
Sent:  Wednesday, November 21, 2018 2:36 PM
To:  Abundo, Nena <NenaAbundo@gov.nl.ca>
Subject:  Re: [External] DFB Driver announcement

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Operations Manager
Nalcor Energy - Bull Arm Fabrication
(t) 737-1398 (c) 690-1464
(e) jdrummond@nalcorenergy.com
(w) nalcorenergy.com

On Nov 21, 2018, at 2:17 PM, Abundo, Nena <NenaAbundo@gov.nl.ca> wrote:
Jonathan,

Do you have a copy of the press release re the DFB Driver lease that you could please share?

Thanks,
Nena

Nena Abundo
Director, Economics and Benefits
Department of Natural Resources
Government of Newfoundland and Labrador
50 Elizabeth Avenue
P.O. Box 6700, St. John’s, NL A1B 4S6
(t) 709-729-1958 (c) 709-725-0862
nena.abundo@gov.nl.ca

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Note this is the updated version we will use for our analysis.

Doug

Sent from my iPhone

Begin forwarded message:

From: "I.Drummond@nalcenergy.com" <I.Drummond@nalcenergy.com>
To: "Trask, Doug" <DougTrask@gov.nl.ca>
Cc: "J.Keating@nalcenergy.com" <J.Keating@nalcenergy.com>, "Abundo, Nena"<NenaAbundo@gov.nl.ca>
Subject: RE: [External] DFB Driver announcement

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From: "Abundo, Nena" <NenaAbundo@gov.nl.ca>
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Date: 11/21/2016 02:35 PM
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59 Elizabeth Avenue
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Background
As part of its long term strategy, and in order to quantify potential post-Hebron opportunities for Bull Arm, Nalcor-BAF issued a Expression of Interest (EOI) followed by a Request for Proposals (RFP) in late 2017.

Background and Current Status:
- Nalcor-BAF received four submissions that were in-line with the conceptual ideas proposed through the EOI process.
- RFP submissions were analyzed, and two proponents Canadian Supply Base Company (CSB) and DFB Driver (DFB) were selected to enter into negotiations. Negotiations began February 20\textsuperscript{th} 2018.
- Through its submission, Nalcor-BAF
- General proposal details for CSB and DFB are:

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# Starting Positions

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Strategic Considerations

- Term

- Operating Costs
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Thank You
Bull Arm RFP Recommendation
Department of Natural Resources
October 19, 2018
Background – RFP Submissions

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# Background - Negotiations

The following is the starting negotiating positions by both Parties and Nalcor-BAF

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Recommendation

- Through extended negotiations the two main proponents (DFB Driver and CSBC) have

- We will also continue to evaluate and facilitate other short term contract opportunities as they arise
Core Principles

- Maximize site utilization for the ultimate benefit of province by...
  - Supporting growth of the province’s oil/industrial sector.
  - Ensure availability to host large scale projects.
  - Ensure a viable and competitive fabrication centre.

- Through...
  - Open and transparent site use terms.
  - Commercial mechanisms that motivate partners.
  - Asset integrity of site facilities and infrastructure for the long term.
  - Safety excellence and environmental stewardship.
  - Nalcor-BAF to retain ultimate in control of tenants and use.
Key Considerations - Common

- Head Lease – Set to expire on March 2022.
- Proponents’ interest in long term lease.
- Province of Newfoundland and Labrador’s Advance 2030 initiatives.
- Potential results of future development of frontier areas of the offshore.
Key Considerations –

BULL ARM FABRICATION

nalcor energy
Recommendation
Key Considerations
Recommendation
Recommendation

S. 29 (1) (a)
S. 35 (1) (d)
S. 35 (1) (f)
35 (1) (g)
The Life of Field Service Centre (LFSC) is a community of co-located supply and service activities, and construction and fabrication activities to support the energy sector. The companies are underpinned by the infrastructure and facilities to allow efficient and effective flow of materials and information to offshore assets. The LFSC model is optimized to reduce waste and non-value adding steps. Stronger collaborations exist among the community to create an environment that stimulates investments in targeted areas for R&D, innovation, and technology development. It’s a one-stop shop for oil and gas operators.

**Potential benefits of the LFSC:**

- Improved integrated logistics
- Joint incentives and accountabilities
- Higher improvement / innovation rate
- Reduced Transaction Costs
- Closer relationships; collaborative strategy development
- Resource sharing
- Knowledge spillover / transfer; R&D hubs
- Better information and decision making
- Higher levels of productivity
- Increased competitiveness
- Fertile environment for new alliances

**DUSAVIK SUPPLY BASE**

- 365,000 m² (Area and Quays)
- 50,000 m² (Buildings)
- Approx. 270 NorSea Employees
- Approx. 2500+ Total Employment
  (with business address at the base)
Strategic Analysis
Additional Opportunities
Additional Opportunities
Recommendation

- We recommend to conclude the RFP process by:
  - This recommendation...
    - maintains the three year window specified by the RFP;
    - provides BAF necessary time to further examine the best long term use of Bull Arm in keeping with Vision 2030;
    - Allows capture any near term opportunities;
    - Reduces and/or eliminates costs.
    - Maintains Bull Arm’s optimal position
Next Steps

- Should recommendations be approved...
  - Immediate contact with all parties
  - Development of communications plan
Thank You
Background Slides
Bull Arm RFP Recommendation
Department of Natural Resources
November 21, 2018
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S.29.1.a  S.35.1.d  S.35.1.f  S.35.1.g
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Background Slides
Information Note
Department of Natural Resources

Title: DFB Driver Opportunity to Utilize the Bull Arm Fabrication Site

Issue: DFB Driver has written a letter to Nalcor Energy with an urgent request to finalize an agreement to lease a portion of the Bull Arm Fabrication Site to avail of a short-term contract opportunity with Seadrill.

Background and Current Status:
- Bull Arm is Atlantic Canada’s largest fabrication site and has hosted large component/module construction/fabrication for all four of Newfoundland and Labrador’s offshore developments (i.e., Hibernia, Terra Nova, White Rose and Hebron).

- Site development began in 1990 to support the construction of the Hibernia project. In 1992, the Province entered into a lease agreement with Hibernia Management & Development Company Ltd. (HMDC) for crown lands and water lots within Bull Arm for use in the construction of the gravity-base structure for the Hibernia oil field. In 1998, the lease was assigned from HMDC to Bull Arm Site Corporation (BASC), a provincial crown corporation. In 2009, Nalcor Energy-Bull Arm Fabrication Inc. (Nalcor-BAF) assumed the lease of the Bull Arm site from BASC.

- The Province owns the land on which Bull Arm is located, which is currently leased to Nalcor-BAF until March 30, 2022.

- Nalcor-BAF subleased the site to ExxonMobil Canada Properties (Exxon) from 2011 through to completion of the Hebron development. In early 2017, Nalcor-BAF issued an Expression of Interest (EOI) to lease the Bull Arm site for future use, followed by a Request For Proposals (RFP) issued late 2017. A final decision has not yet been made with respect to the RFP.

Analysis:
- On October 29, 2018, DFB Driver (DFB) wrote to Nalcor Energy to advise that they have been recommended by the St. John’s Seadrill office to be awarded the contract for the Warm Stack and Thruster Change Out of the West Aquarius, [REDACTED]. One of the contract provisions is that the work will be performed at the Bull Arm fabrication site topsides quay. DFB anticipates the contract for this work to be awarded by Friday, November 2, 2018.

- DFB has stated that to be able to accept the Seadrill contract and ensure the rig comes to Bull Arm, a site lease between DFB and Nalcor-BAF is required. As such, DFB is requesting a lease agreement with Nalcor-BAF be put in place immediately.

- In advance of this opportunity, DFB negotiated a labour agreement [REDACTED]
• Given the immediate opportunity for DFB, Nalcor-BAF is recommending the establishment of a specific, short-term lease with DFB for the identified 119-day Seadrill contract opportunity. The area covered by the lease is included as Attachment A.

• The terms of the lease have not been finalized with DFB, but it will be for a specific timeframe tied to the contract opportunity.

• According to Nalcor-BAF, proceeding with this specific opportunity is recommended. Further information on the potential long-term use of the site and conclusion of the RFP process will be provided for further consideration.

• Establishing the lease agreement with DFB in the very near term would allow them to avail of the contract award offered by Seadrill.

Action Being Taken:
• It is expected that Nalcor-BAF will notify DFB of their decision to establish a short-term lease with DFB for the Bull Arm site as requested by October 31, 2018.

Prepared/Approved by: A. Philpott/N. Abundo/D. Trask

October 31, 2018
Attachment A
Proposed Area Covered by DFB Lease Agreement
Title: Future of the Bull Arm Fabrication Site

Issue: To provide information regarding the conclusion of the Nalcor-BAF RFP process for the future use of the Bull Arm Site.

Background and Current Status:
- Bull Arm is Atlantic Canada's largest fabrication site and has hosted large component/module construction/fabrication for all four of Newfoundland and Labrador's offshore developments (Hibernia, Terra Nova, White Rose and Hebron).

- Site development began in 1990 to support the construction of the Hibernia Project. In 1992, the Province entered into a lease agreement with Hibernia Management & Development Company Ltd. (HMDC) for crown lands and water lots within Bull Arm for use in the construction of the gravity-base structure for the Hibernia oil field. In 1998, the lease was assigned from HMDC to Bull Arm Site Corporation (BASC), a provincial crown corporation. In 2009, Nalcor Energy-Bull Arm Fabrication Inc. (Nalcor-BAF) assumed the lease of the Bull Arm site from BASC.

- The Province owns the land on which Bull Arm is located, which is currently leased to Nalcor-BAF until March 30, 2022.

- Nalcor-BAF subleased the site to ExxonMobil Canada Properties (Exxon) from 2011 through to completion of the Hebron development. In early 2017, Nalcor-BAF issued an Expression of Interest (EOI) to lease the Bull Arm site for future use, followed by a Request For Proposals (RFP) issued late 2017. A final decision has not yet been made with respect to the RFP.

Analysis:
- Nalcor-BAF received four submissions that were in-line with the conceptual ideas proposed through the EOI/RFP process from:

- The RFP submissions were analyzed and two proponents; Canadian Supply Base Company (CSBC) and DFB Driver (DFB) were selected to enter into negotiations.

- Nalcor-BAF will also establish a specific, short-term lease with DFB for a 119-day Seadrill contract opportunity to undertake the Warm
Stack and Thruster Change Out of the West Aquarius.

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Action being taken:
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Prepared/Approved by: A. Philpott/N. Abundo
Ministerial Approval:

11.01.2018
Meeting Note
Department of Natural Resources
Trades NL
November 23, 2018, 10:00 a.m.
Minister’s Boardroom

Attendees:
NR:
- Minister Siobhan Coady
- Gordon McIntosh, Deputy Minister
- Nena Abundo, Director, Economics and Benefits

Trades NL:
- John Leonard, President
- Darin King, Executive Director

Purpose of Meeting:
- Trades NL has requested a meeting with the Minister to discuss the Bull Arm Fabrication Site RFP, the Bay du Nord Project, and the Oil and Gas Industry Development Council.

Background:
- Trades NL represents more than 20,000 trades workers and 16 building construction unions in Newfoundland and Labrador including: Boilermakers Local 203; Bricklayers Local 1631; Carpenters Local 579; Elevator Constructors Local 125; Hotel & Restaurant Workers Local 779; IBEW Local 1620; IBEW Local 2330; Insulators Local 137; Iron Workers Local 764; Labourers Local 1208; Millwrights Local 1009; Operating Engineers Local 904; Painters & Allied Trades Local 1984; Sheet Metal Workers Local 512; United Association of Plumbers and Pipefitters Local 740; Teamsters Local 855.

Agenda Item #1 – Bull Arm Site RFP
- Bull Arm is Atlantic Canada’s largest fabrication site and has hosted large component/module construction/fabrication for all four of Newfoundland and Labrador’s offshore developments (Hibernia, Terra Nova, White Rose and Hebron).

- The Province owns the land on which Bull Arm is located, which is currently leased to Nalcor-BAF until March 30, 2022.

- The site was leased to ExxonMobil Canada Properties (Exxon) from 2011 through to completion of the Hebron development. In early 2017, Nalcor-BAF issued an Expression of Interest (EOI) to lease the Bull Arm site for future use, followed by a Request For Proposals (RFP) issued late 2017. A final decision has not yet been made with respect to the formal conclusion of the RFP.

Analysis:
- Trades NL has participated in every resource development project in the Province and was the lead on much of the mega-project work at Bull Arm. They have stated that the Bull Arm RFP provides an opportunity to develop partnerships for the provision of a qualified labour force for future work at the site.

- Nalcor-BAF received four relevant submissions through the EOI/RFP process and two proponents; Canadian Supply Base Company (CSBC) and DFB Driver (DFB) were selected to enter into negotiations.
Nalcor-BAF has also established a short-term lease with DFB for an estimated 119-day contract with Seadrill to undertake the Warm Stack and Thruster Change Out of the West Aquarius.

Potential Speaking Points:
- A decision regarding the final outcome of the Bull Arm RFP is pending as discussions continue with two proponents – DFB Driver and Canadian Supply Base Company in an effort to maximize site utilization.

What is the view of Trades NL regarding the best outcome for utilization of the site?
Agenda item #2 – Bay du Nord Project (BDN)

- On July 26, 2018, Premier Ball announced a Framework Agreement had been reached with Equinor on the Bay Du Nord Project. Discovered in 2013, the Bay du Nord Project is expected to be sanctioned in 2020, with first oil expected in 2025. With reserves of nearly 300 million barrels of oil, Bay du Nord is the first remote, deep water project in the Province’s offshore (500 kilometres from shore and approximately 1,200 metres deep).

- The project is expected to offer significant new employment opportunities during the engineering, development and operations phases including:
  - Estimated in-province employment of 22.3 million person hours life-of-field (11,000 person years/ 84% of total project employment) including:
    - 4M hours in pre-development and development phases, including 1.7M hours of engineering, project management and procurement work
      - At least 90% of project management in-province, not less than 320,000 person hours
      - At least 90% of procurement management in-province, not less than 280,000 person hours
      - At least 51% of pre-development and development engineering in-province, not less than 1.1 million person hours, with a focus on subsea engineering
    - 5.2 million person hours for drilling and completions
      - At least 90% of engineering and execution of drilling and completions in-province
    - 1.1 million person hours for Baccalieu subsea tieback
    - 12 million person hours for operations (substantially all onshore and offshore operations phase employment), including engineering, maintenance, logistics, R&D and support functions.

- Fabrication opportunities associated with the project include:
  - In-province fabrication of 5,000 metric tonnes within a competitive bid framework (4,600 MT BdN/400 MT Baccalieu subsea tie-back subject to the tieback proceeding).
  - New Newfoundland and Labrador fabrication capabilities include a multi-million dollar investment in a large-scale steel roller to be used to manufacture suction anchors for moorings and is applicable to future subsea tiebacks, global work, etc.
    - International fabrication of the hull, turret, flowlines, umbilicals

- NR will be working with Equinor on finalizing the Benefits Agreement for BDN which will include the employment; fabrication and other benefits commitments outlined in the Framework Agreement. The Agreement is expected to be concluded in 2019.

Analysis:

- Historically, employment opportunities for skilled trade workers, represented by trades unions, have been during the construction phase of a development project. Therefore, fabrication opportunities associated with BDN will be important to Trades NL member unions.
Potential Speaking Points:

- The Bay du Nord Project will provide significant employment opportunities for the Province’s skilled trades workers during the development phase.

- The 5000 MT fabrication commitment is a floor, not a cap, which means there may be additional tonnage fabricated in the Province.

- Newfoundland and Labrador’s skilled trades workforce will play a significant role in the future of the Province’s oil and gas industry and an open and continued dialogue with the Trades NL is important to ensure that maximum benefits are achieved.

- The Province is committed to maximizing benefits to the people of the Province from our natural resources projects.

Agenda Item #3 – Oil and Gas Industry Development Council

- On February 19, 2018, the Province released The Way Forward – on oil and gas, entitled “Advance 2030: A Plan for Growth in the Newfoundland and Labrador Oil and Gas Industry” (Advance 2030) which aims to position the Province globally as a preferred location for oil and gas development. The Oil and Gas Industry Development Council, established in 2017 and chaired by the Minister of Natural Resources, played a key role in developing Advance 2030.

- Advance 2030 was developed through a collaborative process and engaged a wide range of stakeholder perspectives. Furthermore, a Principle of Advance 2030 commits that “Governments, business, labour, and other stakeholders will work together to achieve results, reduce regulatory burden, and enhance supply and service capabilities.” As such, an Advance 2030 Implementation Committee (the Committee) has been established with representation from the Provincial and Federal Government, Industry, the supply and service sector, and the C-NLOPB.

- The Committee will oversee the implementation of actions identified in Advance 2030 and report back to the Oil and Gas Industry Development Council on outcomes.

Analysis:

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• An immediate priority area of Advance 2030 is the “Workforce of Tomorrow” which outlines that “the jobs of the future will require employers, labour, education and training institutions, and government to work collaboratively to develop new skills and competencies.” Actions under this priority area include:
  o Identify, and communicate current and future oil and gas workforce education and training requirements to support an evolving industry;
  o Work with post-secondary institutions to align training and development programs that target priority areas: and
  o Develop a jobs strategy focusing on labour market needs, a knowledge based economy, skills development, recruitment and retention, and workforce stability and transferability across sectors.

• Implementing these actions will require the Committee to collaborate with applicable stakeholders including Trades NL.

Potential Speaking Points:
• Trade NL has been an important stakeholder in the development of Advance 2030.

• The Industry Council has established an Implementation Committee for Advance 2030. Continued collaboration and dialogue with stakeholders, such as Trades NL, will be vital to support implementation of Advance 2030 and address the challenges and growth opportunities for the oil and gas supply and service sector.

Prepared/Approved by: A. Philpott/ N.Abundo/D. Trask
Ministerial Approval: November 21, 2018