



Interim Supplemental Information *(unaudited)*
For the period ended December 31, 2013

Husky Energy Inc.

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1. Supplemental Financial Information

The following table shows Husky's net earnings by segment and includes corporate expenses.

	Three months ended							
	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
<i>(\$ millions, except where indicated)</i>	2013	2013	2013	2013	2012	2012	2012	2012
Gross revenues ⁽¹⁾	6,132	6,036	6,206	5,807	5,889	5,410	5,715	5,934
Net earnings by segment								
Upstream ⁽¹⁾	185	460	344	255	309	211	291	511
Downstream ⁽¹⁾	94	89	295	352	194	366	183	150
Corporate	(102)	(37)	(34)	(72)	(29)	(51)	(43)	(70)
Net earnings	177	512	605	535	474	526	431	591
Net earnings								
Per share – Basic <i>(\$/share)</i>	0.18	0.52	0.61	0.54	0.48	0.53	0.44	0.61
Per share – Diluted <i>(\$/share)</i>	0.18	0.52	0.59	0.54	0.48	0.53	0.43	0.60
Cash flow from operations ⁽²⁾	1,143	1,347	1,449	1,283	1,414	1,271	1,153	1,172
Per share – Basic <i>(\$/share)</i>	1.16	1.37	1.47	1.31	1.44	1.29	1.18	1.21
Per share – Diluted <i>(\$/share)</i>	1.16	1.37	1.47	1.30	1.44	1.29	1.17	1.20
Total assets ⁽³⁾	36,904	36,600	35,994	35,519	35,161	33,466	32,842	33,286
Cash and cash equivalents	1,097	1,607	1,770	1,895	2,025	2,265	2,074	2,671
Total long-term debt including current portion	4,119	4,011	4,088	3,979	3,918	3,887	4,004	4,346
Ratios ⁽⁴⁾								
Return on equity <i>(percent)</i> ⁽⁵⁾	9.3	10.9	11.1	10.4	10.9	10.7	11.0	13.1
Return on capital employed <i>(percent)</i> ⁽⁵⁾⁽⁶⁾	8.7	9.3	9.4	8.9	9.5	9.4	9.7	11.2
Debt to cash flow <i>(times)</i> ⁽⁵⁾	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Debt to capital employed <i>(percent)</i>	17.0	16.7	17.0	17.0	17.0	17.0	17.7	19.3

⁽¹⁾ Gross revenues and certain net earnings by segment for 2012 have been recast to reflect a change in the classification of certain trading transactions.

⁽²⁾ Cash flow from operations is a non-GAAP measure. Refer to section 6 for a reconciliation to the GAAP measure.

⁽³⁾ During the first quarter of 2013, the Company adopted IFRS 11, "Joint Arrangements" which required interest in a joint venture to be accounted for on an equity basis. Total assets presented in this interim supplemental information reflects the adoption of IFRS 11 from December 31, 2012 onwards.

⁽⁴⁾ The financial ratios constitute non-GAAP measures. Refer to section 6.

⁽⁵⁾ Calculated for the 12 months ended for the dates shown.

⁽⁶⁾ The calculation of return on capital employed for December 31, 2013 only was adjusted for the after-tax impairment charge of \$204 million related to Western Canada natural gas properties. Return on capital employed based on the calculation used in prior periods is 7.9% for December 31, 2013.

The following table is a summary of Husky's capital expenditures:

<i>Capital Expenditures Summary</i> ⁽¹⁾ (\$ millions)	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Upstream				
Exploration and Development				
Exploration				
Western Canada	80	79	353	238
Atlantic Region	55	(28)	201	13
Asia Pacific Region	14	5	21	22
	149	56	575	273
Development				
Western Canada	744	662	2,029	2,029
Oil Sands	111	220	552	658
Atlantic Region	34	91	437	400
Asia Pacific Region	215	213	633	725
	1,104	1,186	3,651	3,812
Acquisitions				
Western Canada	27	—	38	21
Total Exploration and Development	1,280	1,242	4,264	4,106
Infrastructure and Marketing	41	19	96	54
Total Upstream	1,321	1,261	4,360	4,160
Downstream				
Upgrading	43	17	205	47
Canadian Refined Products	32	33	109	97
U.S. Refining and Marketing	99	113	220	313
Total Downstream	174	163	534	457
Corporate	42	49	134	84
Total Company	1,537	1,473	5,028	4,701

⁽¹⁾ Excludes capitalized costs related to asset retirement obligations and capitalized interest incurred during the period.

2. Supplemental Upstream Operating Statistics

The following table summarizes Husky's netback analysis by product and area:

<i>Netback Analysis</i>	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Upstream⁽¹⁾				
Crude oil equivalent (\$/boe) ⁽²⁾				
Sales volume (mboe/day)	308.3	319.3	312.0	301.5
Price received (\$/boe)	58.55	57.77	61.96	57.16
Royalties (\$/boe)	7.58	6.45	7.59	6.29
Operating costs (\$/boe) ⁽³⁾	16.31	15.05	16.28	15.49
Offshore transportation (\$/boe) ⁽⁴⁾	0.37	0.28	0.37	0.24
Netback (\$/boe)	34.29	35.99	37.72	35.14
Depletion, depreciation and amortization (\$/boe)	27.91	20.81	22.09	19.20
Administrative expenses and other (\$/boe) ⁽³⁾	2.01	0.98	2.51	1.75
Earnings before taxes	4.37	14.20	13.12	14.19
Lloydminster Heavy Oil				
Thermal Oil				
Bitumen				
Sales volumes (mbbls/day)	35.6	37.4	37.4	26.3
Price received (\$/bbl)	56.16	57.10	63.36	61.03
Royalties (\$/bbl)	7.42	2.60	5.69	3.82
Operating costs (\$/boe) ⁽²⁾	9.98	9.03	9.90	10.34
Netback (\$/boe)	38.76	45.47	47.77	46.87
Non Thermal Oil				
Medium Oil				
Sales volumes (mbbls/day)	1.9	1.9	1.9	2.1
Price received (\$/bbl)	63.37	65.02	71.41	70.22
Royalties (\$/bbl)	5.55	4.19	4.90	5.13
Heavy Oil				
Sales volumes (mbbls/day)	59.7	58.9	58.6	61.1
Price received (\$/bbl)	57.04	58.09	64.26	62.35
Royalties (\$/bbl)	7.17	7.29	7.67	4.88
Natural Gas				
Sales volumes (mmcf/day)	19.2	22.9	19.6	25.4
Price received (\$/mcf)	2.68	2.90	2.89	2.25
Royalties (\$/mcf)	0.53	0.46	0.34	0.16
Non Thermal Oil Total ⁽²⁾				
Sales volumes (mboe/day)	64.8	64.6	63.8	67.4
Price received (\$/bbl)	55.21	55.89	62.07	59.53
Royalties (\$/boe)	6.92	6.93	7.30	4.64
Operating costs (\$/boe) ⁽³⁾	20.97	18.87	21.17	17.75
Netback (\$/boe)	27.32	30.09	33.60	37.14
Oil Sands				
Bitumen				
Total sales volumes (mbbls/day)	11.1	9.3	10.3	9.6
Price received (\$/bbl)	47.38	50.25	55.60	55.29
Royalties (\$/boe)	4.09	3.03	4.18	3.76
Operating costs (\$/boe) ⁽³⁾	21.84	27.73	21.44	21.61
Netback (\$/boe)	21.45	19.49	29.98	29.92

<i>Netback Analysis, continued</i>	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Western Canada Conventional				
Crude Oil				
Light Oil				
Sales volumes (<i>mbbls/day</i>)	20.8	23.3	20.5	21.3
Price received (<i>\$/bbl</i>)	81.67	76.88	88.27	80.98
Royalties (<i>\$/bbl</i>)	9.64	9.24	10.38	10.56
Medium Oil				
Sales volumes (<i>mbbls/day</i>)	21.5	21.3	21.3	22.0
Price received (<i>\$/bbl</i>)	68.27	67.78	74.56	71.63
Royalties (<i>\$/bbl</i>)	11.55	11.77	12.89	13.48
Heavy Oil				
Sales volumes (<i>mboe/day</i>)	16.2	17.1	15.9	15.8
Price received (<i>\$/bbl</i>)	54.58	57.26	60.41	60.21
Royalties (<i>\$/boe</i>)	9.58	9.77	10.12	10.55
Western Canada Crude Oil Total				
Total sales volumes (<i>mboe/day</i>)	58.5	61.7	57.7	59.1
Price received (<i>\$/bbl</i>)	69.24	68.29	75.54	71.96
Royalties (<i>\$/boe</i>)	10.33	10.26	11.23	11.64
Operating costs (<i>\$/boe</i>) ⁽³⁾	21.31	19.72	23.58	20.93
Netback (<i>\$/boe</i>)	37.60	38.31	40.73	39.39
Natural Gas & NGLs				
Natural Gas Liquids				
Sales volumes (<i>mbbls/day</i>)	9.4	8.6	9.2	8.8
Price received (<i>\$/bbl</i>)	71.22	60.01	70.34	66.92
Royalties (<i>\$/bbl</i>)	19.07	13.87	18.45	18.69
Natural Gas				
Sales volumes (<i>mmcf/day</i>)	484.6	500.8	493.1	528.6
Price received (<i>\$/mcf</i>) ⁽⁵⁾	3.32	3.27	3.20	2.61
Royalties (<i>\$/mcf</i>) ⁽⁵⁾⁽⁶⁾	(0.10)	0.06	(0.02)	(0.10)
Western Canada Natural Gas & NGLs Total ⁽²⁾				
Total sales volumes (<i>mmcf/day</i>)	541.0	552.4	548.3	581.4
Price received (<i>\$/mcf</i>)	4.22	3.90	4.05	3.39
Royalties (<i>\$/mcf</i>)	0.25	0.27	0.29	0.19
Operating costs (<i>\$/mcf</i>) ⁽³⁾	2.04	2.14	2.08	1.88
Netback (<i>\$/mcf</i>)	1.93	1.49	1.68	1.32
Atlantic Region				
Light Oil				
Sales volumes (<i>mbbls/day</i>)	40.8	45.7	44.1	33.8
Price received (<i>\$/bbl</i>)	117.87	108.88	114.60	115.78
Royalties (<i>\$/boe</i>)	15.98	11.15	14.65	12.36
Operating costs (<i>\$/boe</i>) ⁽³⁾	15.19	10.73	12.47	17.12
Transportation (<i>\$/boe</i>) ⁽⁴⁾	2.80	1.95	2.62	2.14
Netback (<i>\$/boe</i>)	83.90	85.05	84.86	84.16

<i>Netback Analysis, continued</i>	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Asia Pacific Region				
Light Oil & NGL ⁽²⁾				
Sales volumes (mboe/day)	7.3	8.5	7.3	8.4
Price received (\$/bbl)	110.17	104.25	107.95	113.01
Royalties (\$/boe)	26.19	22.96	26.23	26.89
Operating costs (\$/boe) ⁽³⁾	13.63	12.01	11.39	10.08
Netback (\$/boe)	70.35	69.28	70.33	76.04

⁽¹⁾ The Upstream netback includes results from Upstream Exploration and Production and excludes results from Upstream Infrastructure and Marketing.

⁽²⁾ Includes associated co-products converted to boe.

⁽³⁾ Operating costs exclude accretion, which is included in administrative expenses and other.

⁽⁴⁾ Offshore transportation costs shown separately from price received.

⁽⁵⁾ Includes sulphur sales revenues/royalties.

⁽⁶⁾ Alberta Gas Cost Allowance reported exclusively as gas royalties.

3. Supplemental Downstream Operating Statistics

<i>Upgrader and Refinery Throughput Summary</i>	Three months ended December 31,		Year ended December 31,	
	2013	2012	2013	2012
Selected operating data:				
Upgrader throughput (mbbls/day)	65.6	81.1	66.1	77.4
Prince George Refinery throughput (mbbls/day)	12.0	11.4	10.3	11.1
Lloydminster Refinery throughput (mbbls/day)	28.4	28.3	26.4	28.3
Lima Refinery throughput (mbbls/day)	151.8	155.9	149.4	150.0
BP-Husky Toledo Refinery throughput (mbbls/day)	66.3	58.1	65.0	60.6
Total Upgrader and Refinery throughput (mbbls/day)	324.1	334.8	317.2	327.4

4. Common Share Information

	Three months ended							
	Dec. 31 2013	Sept. 30 2013	June 30 2013	Mar. 31 2013	Dec. 31 2012	Sept. 30 2012	June 30 2012	Mar. 31 2012
Number of common shares outstanding, except where indicated (millions)								
Period end	983.4	983.3	983.1	982.7	982.2	982.0	973.7	965.8
Weighted average – basic	983.4	983.3	983.0	982.5	982.1	981.8	973.6	965.6
Weighted average – diluted	984.8	983.8	983.6	983.8	982.2	981.9	981.8	973.5
Share price – HSE: TSX (\$/share)								
High	33.85	30.68	31.51	32.34	29.50	27.18	25.86	26.99
Low	28.50	27.25	26.97	28.80	26.08	24.52	22.04	23.78
Close	33.70	29.62	28.02	29.16	29.40	26.42	25.45	25.38
Ordinary quarterly dividend per common share ⁽¹⁾	-	0.30	0.30	0.30	0.30	0.30	0.30	0.30

⁽¹⁾ Dividend for the fourth quarter of 2013 is expected to be declared by the Board of Directors following the February 11, 2014 board meeting.

5. Cautionary Note Required by National Instrument 51-101

The Company uses the term barrels of oil equivalent (“boe”) which is calculated on an energy equivalence basis whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. Readers are cautioned that the term boe may be misleading, particularly if used in isolation. This measure is primarily applicable at the burner tip and does not represent value equivalence at the wellhead.

6. Non-GAAP Measures

Husky uses measurements primarily based on IFRS and also on secondary non-GAAP measurements. The non-GAAP measurements included in this Interim Supplemental Information are: return on equity, return on capital employed, debt to cash flow, debt to capital employed and cash flow from operations. None of these measurements are used to enhance the Company’s reported financial performance or position. These are useful complementary measurements in assessing Husky’s financial performance, efficiency and liquidity. With the exception of cash flow from operations, there are no comparable measures in accordance with IFRS. The non-GAAP measurements do not have a standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other users. They are common in the reports of other companies but may differ by definition and application.

Return on equity is calculated as net earnings divided by the two-year average of shareholders’ equity. Return on capital employed is calculated as net earnings before impairment plus after-tax finance expense divided by the two-year average of long-term debt including long-term debt due within one year and total shareholders’ equity. The calculation of return on capital employed for December 31, 2013 was adjusted for the after-tax impairment charge of \$204 million related to Western Canada natural gas properties. Return on capital employed based on the calculation used in prior periods is 7.9% for December 31, 2013. Debt to cash flow is calculated as total long-term debt divided by cash flow from operations. Debt to capital employed is calculated as total long-term debt divided by total long-term debt and total shareholder’s equity.

This Interim Supplemental Information contains the term “cash flow from operations,” which should not be considered an alternative to, or more meaningful than “cash flow – operating activities” as determined in accordance with IFRS, as an indicator of Husky’s financial performance. Cash flow from operations is presented in Husky’s financial reports to assist management and investors in analyzing operating performance by business in the stated period. Cash flow from operations equals net earnings plus items not affecting cash which include accretion, depletion, depreciation, amortization and impairment, exploration and evaluation expenses, deferred income taxes, foreign exchange, stock-based compensation, gain or loss on sale of property, plant, and equipment and other non-cash items.

The following table shows the reconciliation of cash flow – operating activities to cash flow from operations and the related per share amounts for the periods noted:

(\$ millions)		Three months ended December 31,		Year ended December 31,	
		2013	2012	2013	2012
GAAP	Cash flow – operating activities	829	1,301	4,645	5,193
	Settlement of asset retirement obligations	50	38	142	123
	Income taxes paid	81	87	433	575
	Interest received	(5)	(10)	(19)	(34)
	Change in non-cash working capital	188	(2)	21	(847)
Non-GAAP	Cash flow from operations	1,143	1,414	5,222	5,010
	Cash flow from operations – basic	1.16	1.44	5.31	5.13
	Cash flow from operations – diluted	1.16	1.44	5.31	5.13