



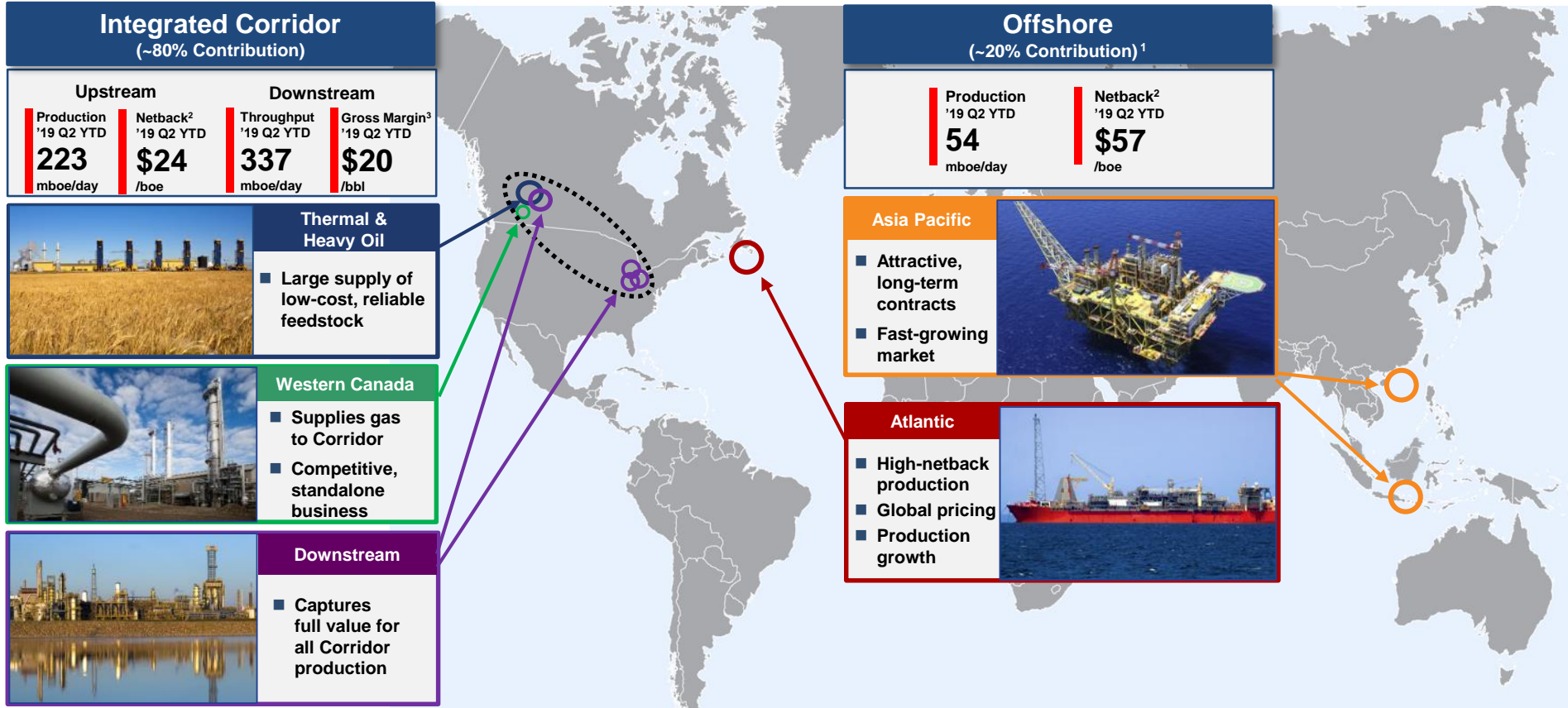
# Barclays CEO Energy-Power Conference

September 2019



# Competitively Advantaged Business Model

Integrated & Fixed-Price Businesses Drive Stable Cash Flow While Preserving Upside

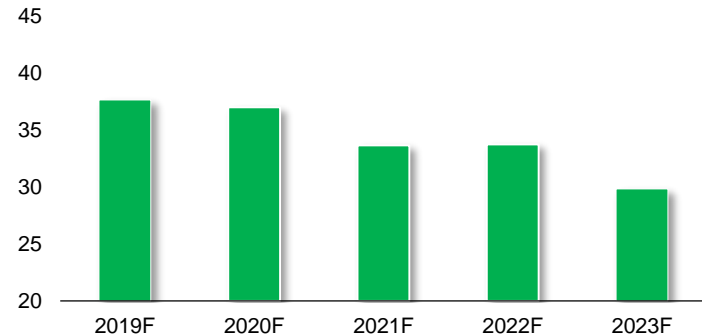


# Husky's Value Proposition

## Balanced Dividend and Margin Growth

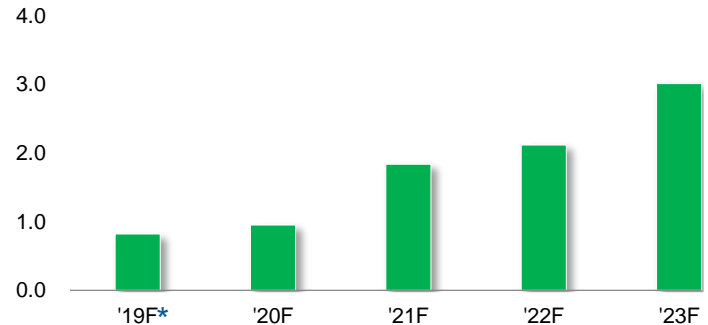
- Safe and reliable operations
- Production and throughput growth from a large inventory of higher margin projects = returns-focused growth
- Improving earnings and cash break-evens
- Strong growth in funds from operations and free cash flow
- Ability to increase cash returns to shareholders
- Strong balance sheet, integration and fixed-price gas sales in Asia provide resilience to volatile market conditions while preserving upside

Cash Flow Break-Even Price<sup>1</sup> (US/bbl WTI)



Free Cash Flow<sup>2</sup>

(FFO less capital expenditures)



# Focus On Safety And Reliability

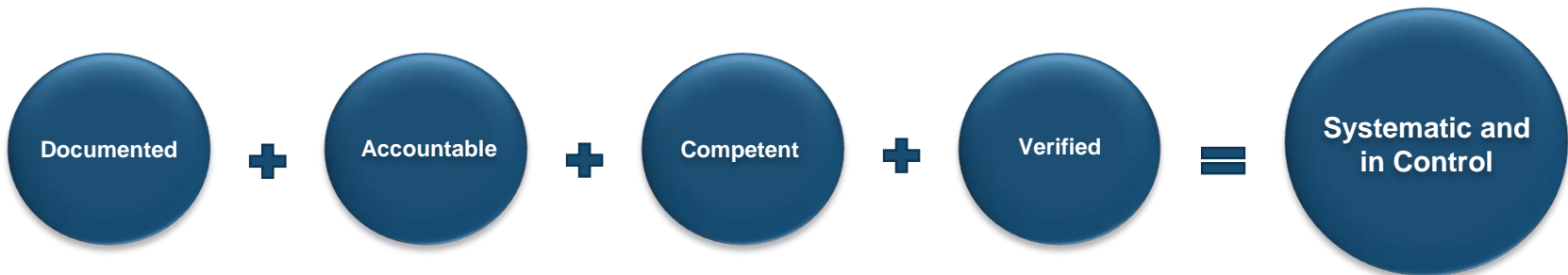
Driving Towards World-Class Performance

## 2019 Actions

- ✓ Appointed SVP of Safety & Operations Integrity; reports to CEO
- ✓ Aligned compensation more tightly to safety performance
- ✓ Engaged world-leading safety experts to review operations
- Continuing journey to becoming a High Reliability Organization

## Five Principles of a High Reliability Organization

- Knowledge & learning
- Standards & procedure compliance
- Questioning attitude
- Team backup
- Integrity



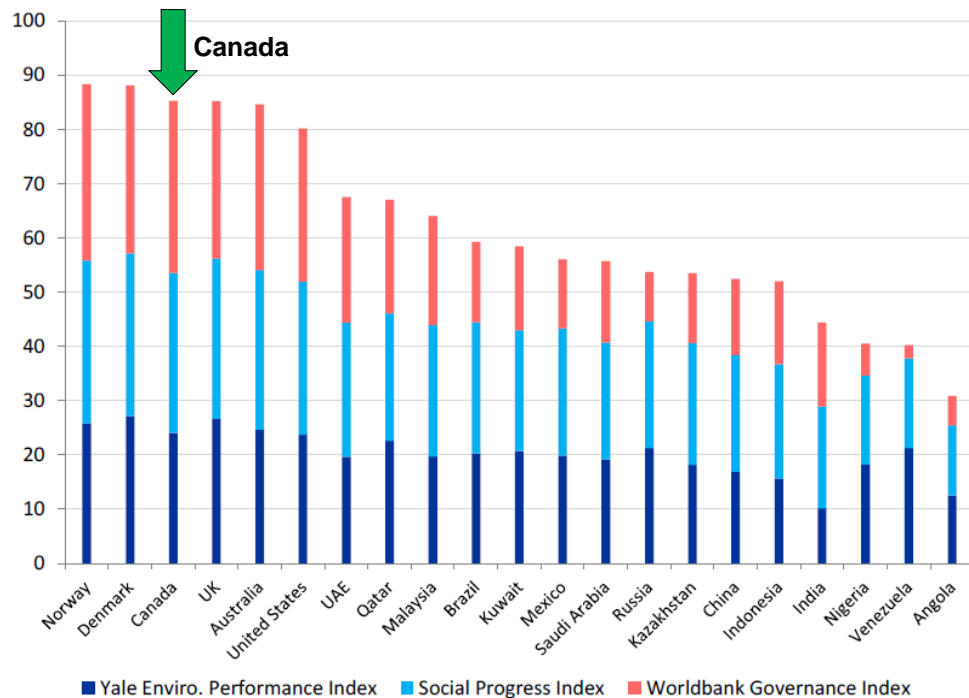
Leadership & HRO Principles

# Responsible Energy Production

## Leadership In ESG Performance

- Canada is a leader amongst major oil producing nations in terms of:
  - Environment performance
  - Social progress
  - Governance
- Husky adheres to the same high standards of performance when operating in other jurisdictions

### ESG Ratings by Major Oil-Producing Country



Source: BMO Capital Markets, Yale Environmental Performance Index (EPI); Social Progress Imperative; World Bank Worldwide Governance Indicators  
Notes: Equal weighting applied to all three indices

# Priority Topics

## ESG Performance & Reporting

Process Safety  
& Asset Integrity

Air Emissions Management,  
including GHGs

Water Use & Availability

Land Use & Reclamation

Business Ethics and  
Transparency



Business Resilience

Innovation & Advanced  
Technology

Talent Management  
& Culture of Inclusion

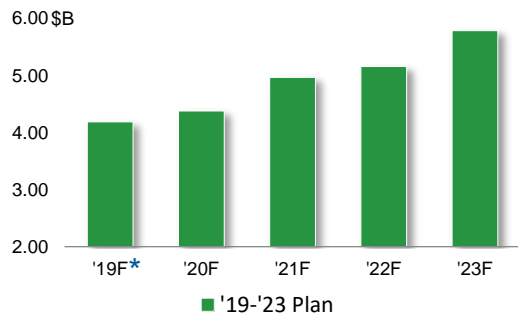
Community & Indigenous  
People's Engagement

# 2019 Five-Year Plan

## Striking the Right Balance

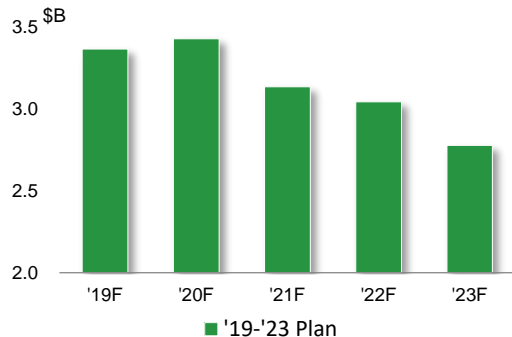
### Funds from Operations<sup>1,2</sup>

#### Cash Flow from Operating Activities



\* At Investor Day price deck

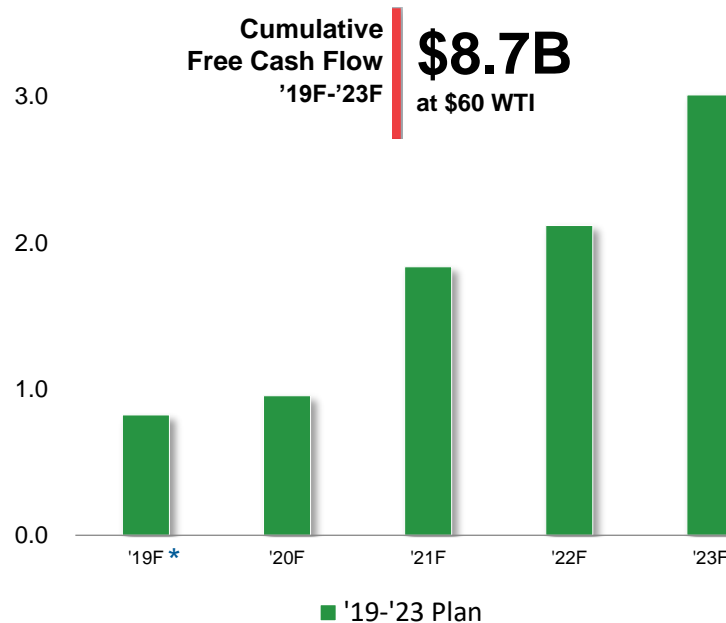
### Reduced Capital Expenditures<sup>3</sup>



### Free Cash Flow

(FFO less capital expenditures)

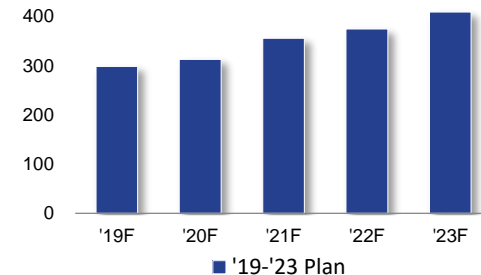
4.0 \$B



\* At Investor Day price deck

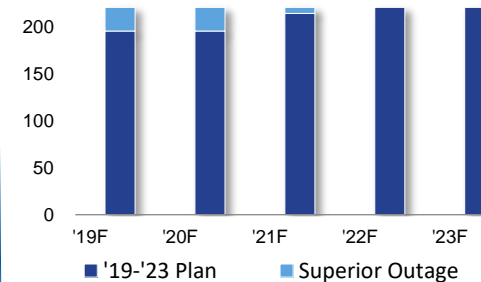
### Paced Production<sup>4</sup>

500 mboe/day



### Heavy Oil Processing Capacity

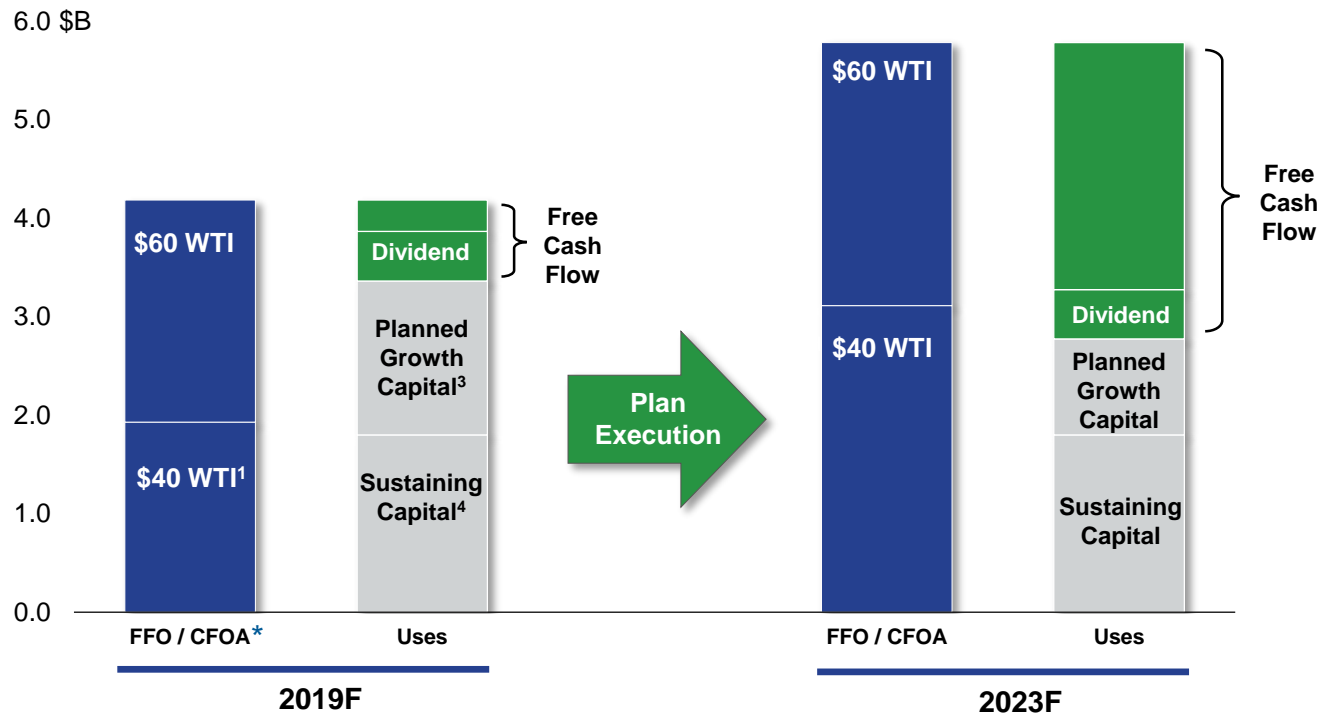
250 mboe/day



# Significant Margin Expansion Through Plan Execution

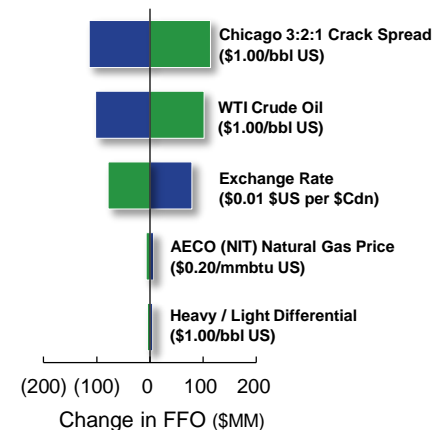
Robust Business at \$40 US WTI

Funds from Operations / Cash Flow From Operating Activities<sup>1</sup> (\$MM)



\* At Investor Day price deck

Cash Flow Sensitivity<sup>2</sup> (\$MM)



Base Case Assumptions      2019

Chicago 3:2:1 (US \$bbl)	<b>18.00</b> (16.00 '20-'23)
WTI (US \$/bbl)	<b>60.00</b> (60.00 '20-'23)
US/CAD exchange rate	<b>0.75</b> (0.75 '20-'23)

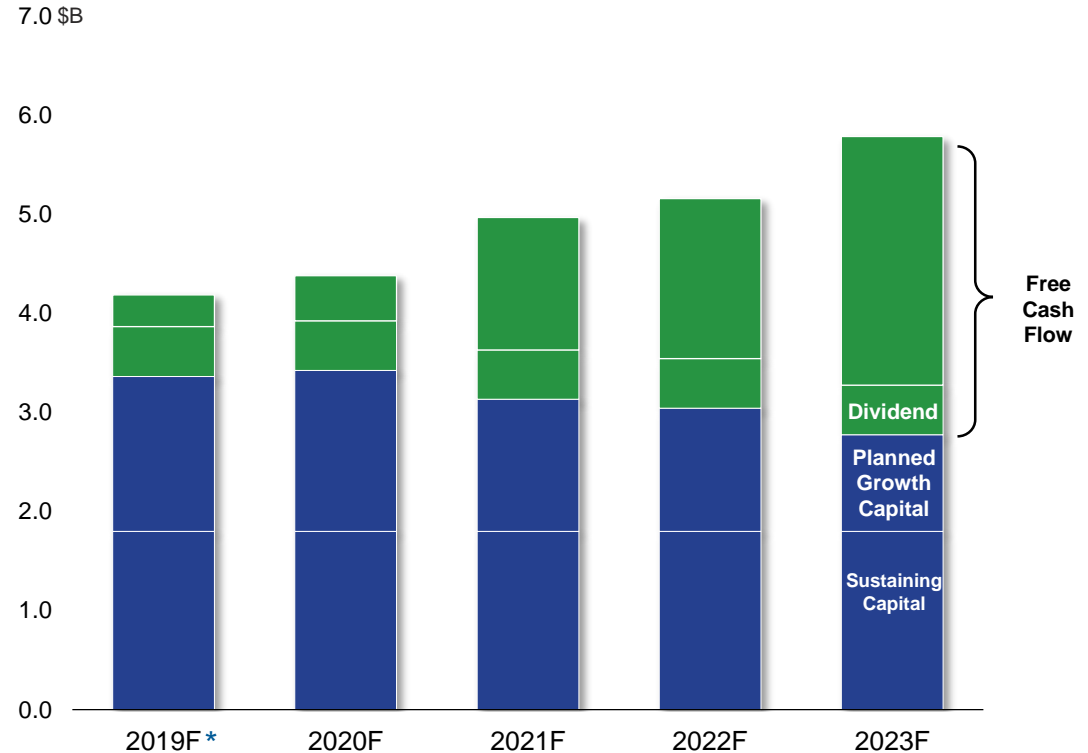


# Funding Priorities

2019-2023

1. Maintain balance sheet strength
2. Sustaining capital
3. Dividend
4. Growth capital
5. Allocate discretionary free cash flow
  - Bias towards shareholder returns

## Funds From Operations / Cash From Operating Activities



\* At Investor Day price deck

# Two Businesses

Each With Sustainable Competitive Advantages

## Integrated Corridor



## Offshore



# Supplying Low Cost, Reliable Feedstock

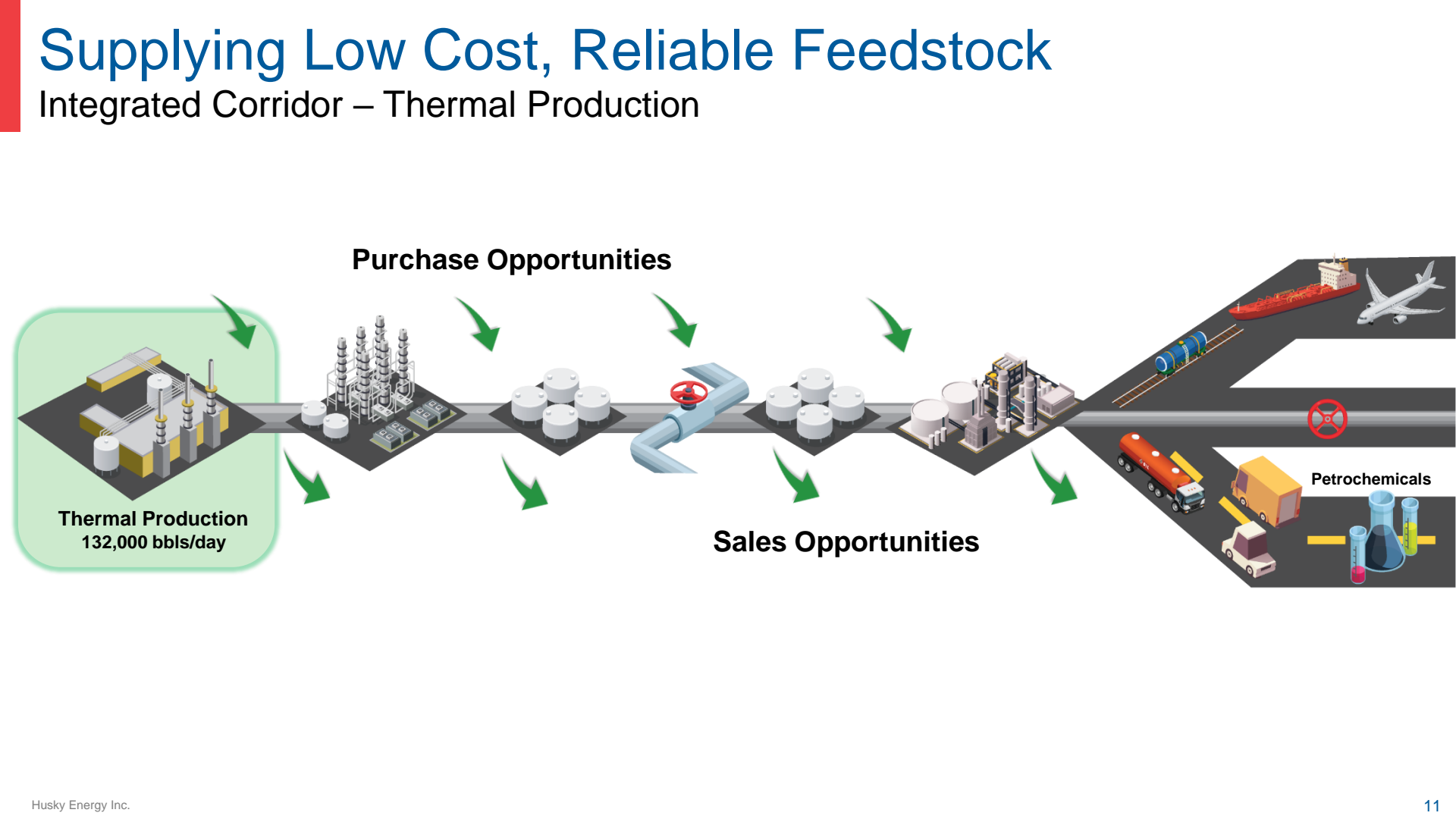
## Integrated Corridor – Thermal Production

**Purchase Opportunities**

**Thermal Production**  
132,000 bbls/day

**Sales Opportunities**

**Petrochemicals**



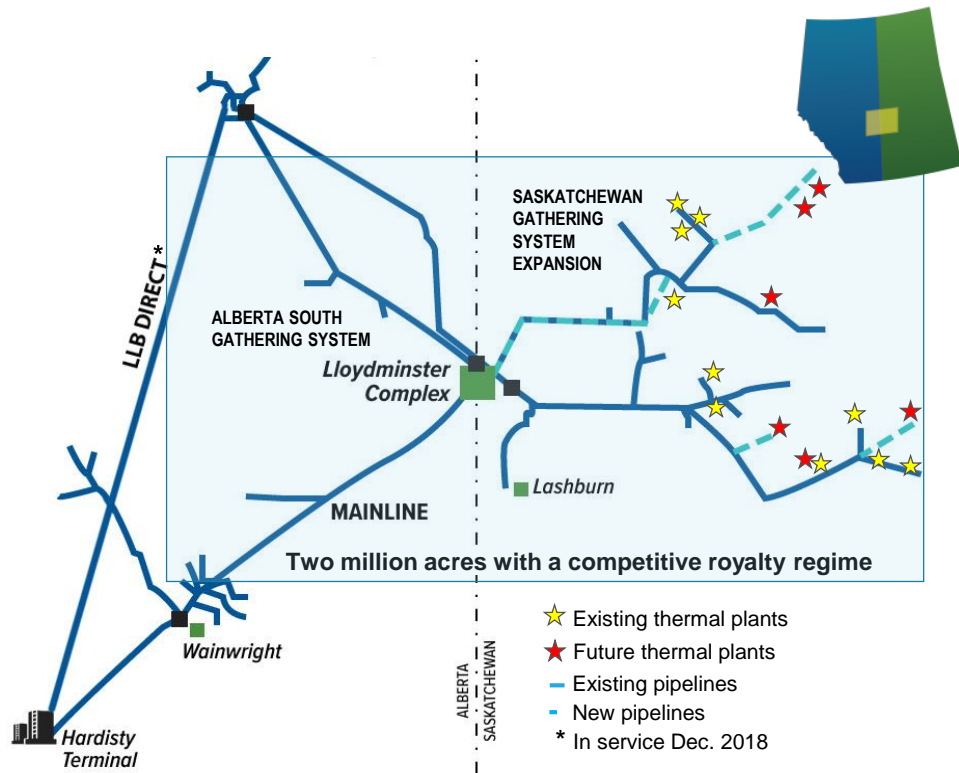
# Lloyd Thermals

## History Of Successful Project Execution And Capital Discipline

- Modular, scalable designs with standardized engineering and construction
- Not subject to government production quotas
- 10,000 bbls/day Dee Valley now on production
- Rush Lake 2 continues to perform above nameplate
- Project break-evens of \$30/bbl WTI

### Growth projects update:

- Paced development: Three projects every two years
- Focus on hub centralization and shared infrastructure
- Spruce Lake Central and Spruce Lake North on track for start-up in 2020, adding approximately 20,000 boe/day of capacity
- Expected '19 exit rate of +90,000 bbls/day; with 40,000 bbls/day capacity to be added by 2022



# Maximizing Full Value Chain Margin Capture

## Integrated Corridor

### Lloyd Thermals & Oil Sands

- Large portfolio of low cost projects
- Long-life assets with large resource
- Low and improving operating costs and sustaining capital costs

### Canadian & U.S. Downstream

- Tight physical integration
- 110,000 bbls/day processing capacity at the Lloyd upgrading & refining complex
- Refineries in key U.S. markets

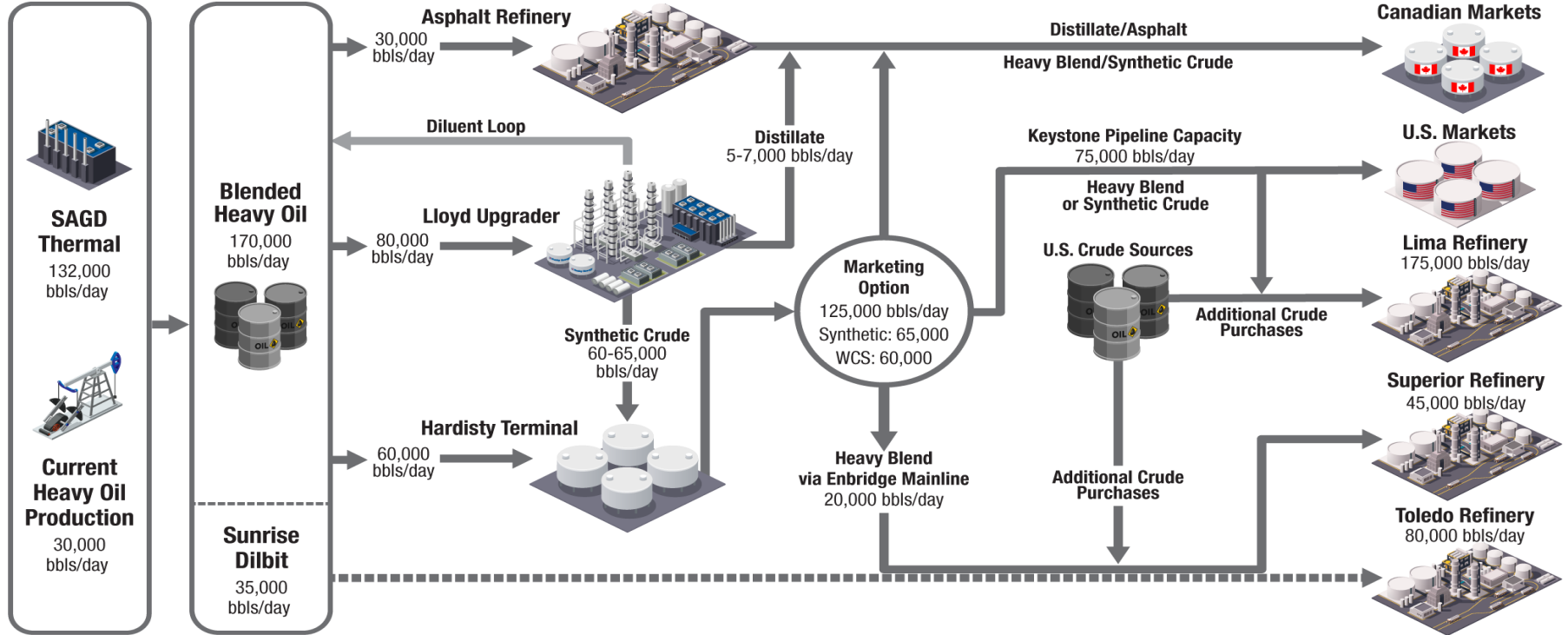
### Pipelines & Storage

- More than six million barrels of tank storage
- 75,000+ bbls/day long distance crude pipeline
- 160 million mcf/day long distance gas pipeline



# Manufacturing Process Maximizes Margins

## Integrated Corridor



Increasing Revenue

Reducing Costs

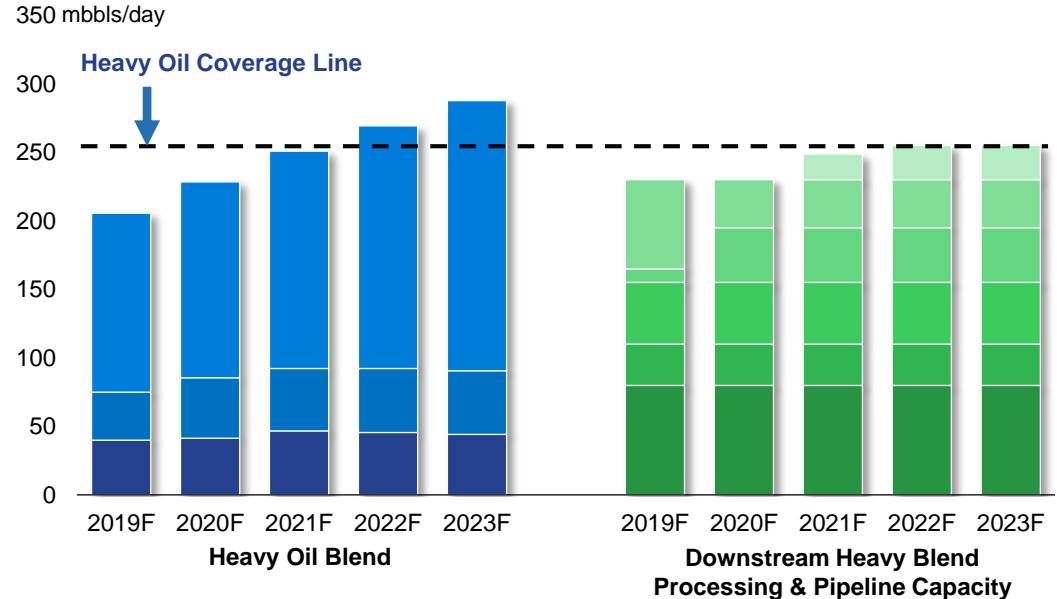
Improving Optionality

# Matching Heavy Processing To Upstream Production

## Integrated Corridor Removes Exposure To The Heavy-Light Differential

- Heavy oil bitumen blend matched to Downstream heavy processing and pipeline takeaway capacity through 2021
- Lima crude oil flexibility project
  - To add 30,000 bbls/day of heavy oil processing capacity by the end of 2019
- Return of Superior Refinery in 2021
- Future heavy oil outlet options:
  - Export pipeline access
  - Lloyd asphalt plant expansion
    - Additional 30,000 bbls/day

**Heavy Oil Blend vs. Downstream Processing & Pipeline Capacity**



- Conventional Heavy
- Sunrise Bitumen
- Lloyd / Tucker Bitumen
- Lloyd Upgrader
- Toledo Refinery
- Keystone Capacity
- Lloyd Asphalt Refinery
- Lima Refinery
- Superior Refinery

# Offshore Business

## Oil Price Torque Complemented By Fixed-Price Stability



### Atlantic

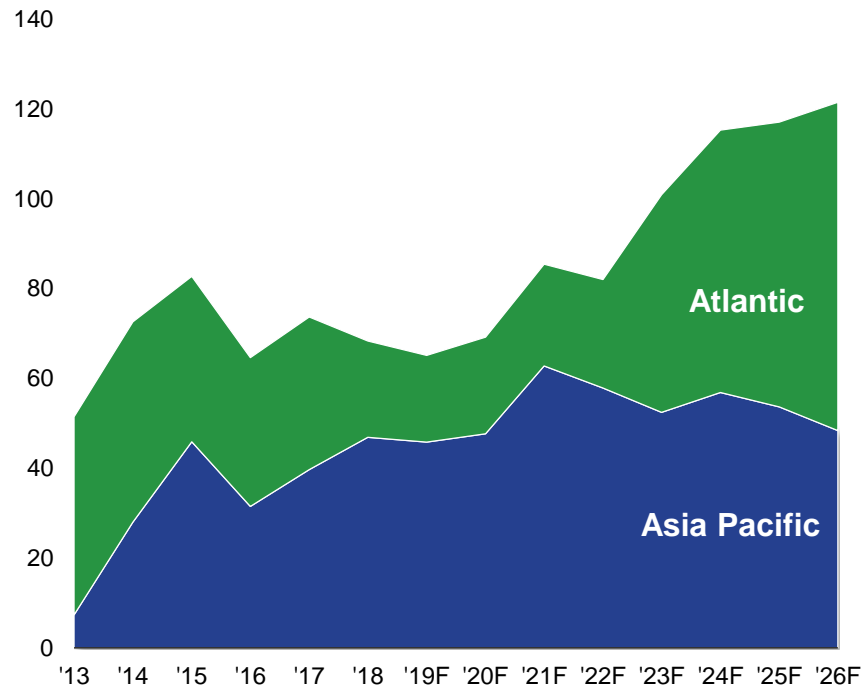
- Global oil pricing
- Direct access to tidewater
- Leveraging existing infrastructure
- Defined growth into next decade
- Exploration opportunities



### Asia Pacific

- Long-term contracts
- Netback of \$68.07 in Q2 '19
- Established partnerships
- Leveraging existing infrastructure
- Exploration opportunities

### Offshore Production





# Adding High-Netback Offshore Production

## Liuhua 29-1 and West White Rose Project

### Liuhua 29-1 Field (75% Husky W.I.)

- First gas around the end of 2020
- Gas sales agreement in place:
  - 15+ year contract term
  - ~\$9-10/mcf US floating price mechanism based on oil price planning assumptions post-2020 (tied to JCC)
- Uses existing subsea infrastructure

### West White Rose Project (68.875% Husky W.I.)

- Tow out and installation anticipated in 2022
- Low incremental operating costs due to tie-in opportunities with existing infrastructure



Liwan Platform



West White Rose

# Near-Term Milestones

## Consistent Project Execution and Delivery

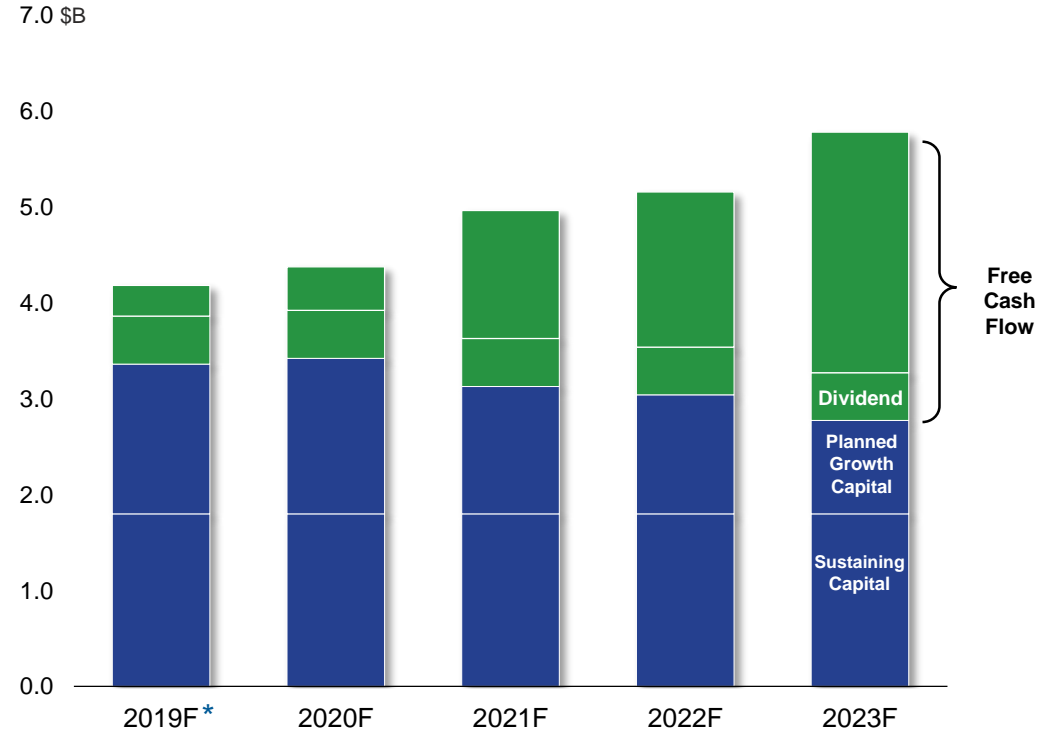
2019	Design Capacity (Husky W.I.)	Timing/ Completion	Status
Turnarounds			
Upstream		Q2 '19	✓ Completed
Downstream		Q2 '19	✓ Completed
White Rose infill production wells online	+6-8,000 boe/day	Q2 '19	✓ Completed
White Rose drill centres on full production		Q3 '19	✓ Completed
Dee Valley thermal project	10,000 bbls/day	Q3 '19	✓ Ramping up
Lima crude oil flexibility project	40,000 bbls/day	End of '19	In progress
Liuhua 29-1 initial pipeline laying		Q3 '19	In progress
Strategic review of Prince George Refinery & retail and commercial fuels business		'19	In progress
2020+	Design Capacity (Husky W.I. at peak)	Timing/ Completion	Status
Spruce Lake Central thermal project	10,000 bbls/day	2H of '20	In progress
Lloyd Upgrader capacity increase - Diesel debottleneck	80,000 → 81,500 bbls/day 6,000 → 9,800 bbls/day	'20	In progress
Spruce Lake North thermal project	10,000 bbls/day	End of '20	In progress
Liuhua 29-1 first production	45 mmcf/day gas 1,800 bbls/day liquids	End of '20	In progress
Spruce Lake East thermal project	10,000 bbls/day	End of '21	In progress
Superior Refinery onstream	45,000 bbls/day	'21	In progress
West White Rose Project first oil	52,500 bbls/day	'22	In progress

# Husky's Value Proposition

## Balanced Dividend and Margin Growth

- Safe and reliable operations
- Production and throughput growth from a large inventory of higher margin projects = returns-focused growth
- Improving earnings and cash break-evens
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- Strong balance sheet, integration and fixed-price gas sales in Asia provide resilience to volatile market conditions while preserving upside

### Funds From Operations / Cash From Operating Activities



\* At Investor Day deck price



# Appendix



# Price Planning Assumptions

## 2019 Five-Year Plan & Stress Case

<b>Benchmark Prices – 2019 Base Case (as presented at Husky's 2019 Investor Day)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
WTI (US \$/bbl)	60.00	60.00	60.00	60.00	60.00
Chicago 3:2:1 (US \$/bbl)	18.00	16.00	16.00	16.00	16.00
Heavy crude differential (US \$/bbl)	15.00	20.00	20.00	18.00	15.00
AECO (Cdn \$/mmbtu)	1.60	1.60	1.60	1.60	1.60
US/CAD exchange rate	0.75	0.75	0.75	0.75	0.75

<b>Benchmark Prices – \$40 Stress Case</b>	<b>'19-'23</b>
WTI (US \$/bbl)	40.00
Chicago 3:2:1 (US \$/bbl)	16.00
Heavy crude differential (US \$/bbl)	20.00
AECO (Cdn \$/mmbtu)	1.60
US/CAD exchange rate	0.75

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# Slide Notes & Advisories



# Slide Notes

## Slide 2

1. 'Offshore' production, operating costs, and netback include amounts related to the Husky-CNOOC Madura Ltd. joint venture, which is accounted for under the equity method for financial statement purposes.
2. Netback, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.
3. Gross Margin, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.

## Slide 3

1. Cash flow break-even, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.
2. Free cash flow, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.

## Slide 7

1. Forward looking financial information for the 2019 to 2023 plan in this presentation is calculated using the Benchmark Prices – 2019 Base Case Pricing Assumptions found in the Appendix, unless otherwise indicated.
2. Funds from operations ("FFO"), as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.
3. Capital spending (or capital expenditures), as referred to throughout this presentation, does not include capitalized interest or capital expenditures related to the Husky-CNOOC Madura Ltd. joint venture, which is accounted for under the equity method for financial statement purposes, or capital expenditures for the rebuild of the Superior Refinery, unless otherwise indicated.
4. Production, as referred to throughout this presentation, includes production related to the Husky-CNOOC Madura Ltd. joint venture, which is accounted for under the equity method for financial statement purposes unless otherwise indicated

## Slide 8

1. FFO and cash flow – operating activities forecasts at \$40 WTI for 2019 and 2023 are calculated using the Benchmark Prices – \$40 stress case pricing assumptions found in the Appendix.
2. Cash flow sensitivities calculated independently by adjusting one pricing variable at a time, based off the noted benchmark prices.
3. Growth capital, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.
4. Sustaining capital, as referred to throughout this presentation, is a non-GAAP measure. Please see *Advisories* for further detail.



## Forward-Looking Statements and Information

Certain statements in this presentation are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. The forward-looking statements contained in this presentation are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “is targeting”, “estimated”, “intend”, “plan”, “projection”, “could”, “aim”, “vision”, “goals”, “objective”, “target”, “schedules” and “outlook”). In particular, forward-looking statements in this presentation include, but are not limited to, references to:

- with respect to the business, operations and results of the Company generally: the Company’s general strategic plans and growth strategies and the results thereof; forecast cash flow break-even prices for 2019 to 2023; forecast FFO, cash flow from operating activities, free cash flow, capital expenditures, production and heavy oil processing capacity for 2019 to 2023; safety and operations integrity priorities; cash flow sensitivities, forecast FFO, cash flow from operating activities, growth capital and sustaining capital in 2019 and 2023 based on US\$40 WTI and US\$60 WTI; funding priorities for 2019 to 2023; forecast cumulative free cash flow for 2019 to 2023 and the allocation thereof; and the ability to increase shareholder returns;
- with respect to the Company’s Downstream operating segment: estimated processing capacity resulting from, and expected completion date of, the crude oil flexibility project at the Lima Refinery; expected timing for the Superior Refinery to come onstream; forecast heavy oil blend (in total and by product type) versus Downstream processing and pipeline capacity (in total and by facility) for 2019 to 2023; and the expected timing of, and capacity increase resulting from, the diesel debottleneck at the Lloyd Upgrader;
- with respect to the Company’s heavy oil and thermal developments in the Integrated Corridor: estimated production capacity and expected timing of start-up at the Spruce Lake Central, Spruce Lake North and Spruce Lake East thermal bitumen projects; planned pacing of construction of new thermal developments; project break-evens for Lloyd thermals; expected 2019 exit production rate; and capacity to be added by 2022;
- with respect to the Company’s Offshore business in the Atlantic region: estimated production for 2019 to 2026; expected timing of tow out, installation and first oil at the West White Rose Project; strategic plans and growth strategy for the Atlantic region; and expected benefits of the West White Rose Project once it is onstream; and
- with respect to the Company’s Offshore business in the Asia Pacific region: estimated production from 2019 to 2026; estimated production capacity and expected timing of start-up at Liuhua 29-1; and strategy plans and growth strategy for the Asia Pacific region.

Certain of the information in this presentation is “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding the Company’s reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

# Advisories

Although the Company believes that the expectations reflected by the forward-looking statements presented in this presentation are reasonable, the Company's forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Husky.

The Company's Annual Information Form for the year ended December 31, 2018 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://www.sedar.com) and the EDGAR website [www.sec.gov](http://www.sec.gov)) describe risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference.

New factors emerge from time to time and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon management's assessment of the future considering all information available to it at the relevant time. Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by applicable securities laws, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

## **Non-GAAP Measures**

This presentation contains certain terms which do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. None of these measures is used to enhance the Company's reported financial performance or position. With the exception of funds from operations and free cash flow, there are no comparable measures to these non-GAAP measures in accordance with IFRS. The following non-GAAP measures are considered to be useful as complementary measures in assessing Husky's financial performance, efficiency and liquidity:

- "Netback" is a common non-GAAP measure used in the oil and gas industry. This measure assists management and investors to evaluate the specific operating performance by product at the oil and gas lease level. Netback is calculated as realized price less royalties, operating costs and transportation costs on a per unit basis.
- "Gross margin" is a non-GAAP measure that is calculated as revenue net royalties less purchases of crude oil and product. This measure assists the Company's investors to evaluate the operating performance of the Integrated Corridor.

# Advisories

- “Cash flow break-even” reflects the estimated WTI oil price per barrel priced in US dollars required to generate funds flow from operations equal to the Company’s sustaining capital requirements and dividends paid to common shareholders in Canadian dollars over a 12-month period ending December 31. This assumption is based on holding several variables constant throughout the period, including: foreign exchange rate, light-heavy oil differentials, realized refining margins, forecast utilization of downstream facilities, estimated production levels, and other factors consistent with normal oil and gas company operations. Cash flow break-even is used to assess the impact of changes in WTI oil prices on the net earnings of the Company and could impact future investment decisions.
- “Free cash flow” or “FCF” is a non-GAAP measure 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 financial performance. FCF is presented to assist management and investors in analyzing operating performance by the business in the stated period. FCF equals funds from operations less capital expenditures.
- “Funds from operations” or “FFO” is a non-GAAP measure 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 financial performance. FFO is presented to assist management and investors in analyzing operating performance of the Company in the stated period. FFO equals cash flow – operating activities plus change in non-cash working capital.
- “Sustaining capital” is a non-GAAP measure that represents the capital that is required by the business to maintain production and operations at existing levels. This includes the cost to drill, complete, equip and tie-in wells to existing infrastructure and maintenance for Downstream assets. Sustaining capital does not have any standardized meaning and therefore should not be used to make comparisons to similar measures presented by other issuers.
- “Growth capital” is a non-GAAP measure that represents expenditures which incrementally increase cash flow or earnings potential of assets, expand the capacity of current operations or significantly extend the life of existing assets. This measure is used by the investment community to assess the extent of discretionary capital spending. For clarity, growth capital is equal to total capital less sustaining capital.

All currency is expressed in Canadian dollars unless otherwise directed.

## Disclosure of Oil and Gas Information

Unless otherwise indicated: (i) projected and historical production volumes provided are gross, which represents the total or the Company’s working interest share, as applicable, before deduction of royalties; (ii) all Husky working interest production volumes quoted are before deduction of royalties; and (iii) historical production volumes provided are for the year ended December 31, 2018.

The Company uses the term “barrels of oil equivalent” (or “boe”), which is consistent with other oil and gas companies’ disclosures, and is calculated on an energy equivalence basis applicable at the burner tip whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. The term boe is used to express the sum of the total company products in one unit that can be used for comparisons. Readers are cautioned that the term boe may be misleading, particularly if used in isolation. This measure is used for consistency with other oil and gas companies and does not represent value equivalency at the wellhead.