

SUPPLEMENTAL FINANCIAL AND OPERATING INFORMATION

Segmented Financial Information

(\$ millions)	Upstream				Downstream	
	Exploration and Production		Infrastructure and Marketing		Upgrading	
	2012	2011	2012	2011	2012	2011
Year ended December 31						
Gross revenues	6,547	7,519	2,420	1,987	2,191	2,217
Royalties	(693)	(1,125)	–	–	–	–
Marketing – Other	–	–	387	90	–	–
Revenues, net of royalties	5,854	6,394	2,807	2,077	2,191	2,217
Expenses						
Purchase of crude oil and products	73	99	2,258	1,818	1,636	1,628
Production and Operating expenses	1,840	1,714	49	43	150	146
Selling, general and administrative expenses	178	153	21	17	3	3
Depletion, depreciation, amortization and impairment	2,121	2,018	22	24	102	164
Exploration and evaluation expenses	350	470	–	–	–	–
Other – net	(105)	(261)	–	1	(17)	67
Total Expenses	4,457	4,193	2,350	1,903	1,874	2,008
Earnings from Operating Activities	1,397	2,201	457	174	317	209
Net Foreign exchange gains/(loses)	–	–	–	–	–	–
Finance Income	5	4	–	–	–	–
Finance Expenses	(78)	(68)	–	–	(11)	(7)
Net Financial Items	(73)	(64)	–	–	(11)	(7)
Earnings (loss) before income tax	1,324	2,137	457	174	306	202
Current income taxes	134	41	171	64	31	(2)
Deferred income taxes	211	515	(55)	(20)	49	54
Total income tax provision	345	556	116	44	80	52
Net earnings (loss)	979	1,581	341	130	226	150
Total assets						
As at December 31	22,753	20,141	1,506	1,509	1,242	1,316

⁽¹⁾ Eliminations relate to sales and operating revenues between segments recorded at transfer prices based on current market prices, and to unrealized intersegment net earnings in inventories.

Downstream				Corporate and Eliminations ⁽⁷⁾		Total	
Canadian Refined Products	U.S. Refining and Marketing						
2012	2011	2012	2011	2012	2011	2012	2011
3,848	3,877	10,038	9,752	(2,303)	(2,360)	22,741	22,992
-	-	-	-	-	-	(693)	(1,125)
-	-	-	-	-	-	387	90
3,848	3,877	10,038	9,752	(2,303)	(2,360)	22,435	21,957
3,208	3,265	8,724	8,453	(2,303)	(2,360)	13,596	12,903
184	182	385	391	4	-	2,612	2,476
58	49	13	12	178	194	451	428
83	80	212	195	40	38	2,580	2,519
-	-	-	-	-	-	350	470
(2)	-	4	-	(3)	-	(123)	(193)
3,531	3,576	9,338	9,051	(2,084)	(2,128)	19,466	18,603
317	301	700	701	(219)	(232)	2,969	3,354
-	-	-	-	14	10	14	10
-	-	-	-	88	82	93	86
(6)	(6)	(5)	(4)	(140)	(225)	(240)	(310)
(6)	(6)	(5)	(4)	(38)	(133)	(133)	(214)
311	295	695	697	(257)	(365)	2,836	3,140
89	25	(1)	76	112	150	536	354
(9)	50	258	178	(176)	(215)	278	562
80	75	257	254	(64)	(65)	814	916
231	220	438	443	(193)	(300)	2,022	2,224
1,646	1,632	5,326	5,476	2,667	2,352	35,140	32,426

Segmented Financial Information

(\$ millions)	Upstream			Midstream			Downstream		
	Exploration and Production			Infrastructure and Marketing			Upgrading		
	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾
Year ended December 31									
Gross revenues	5,744	5,313	9,932	7,002	6,984	13,544	1,570	1,572	2,435
Royalties	(978)	(861)	(2,043)	–	–	–	–	–	–
Revenues, net of royalties	4,766	4,452	7,889	7,002	6,984	13,544	1,570	1,572	2,435
Expenses									
Purchases of crude oil and products ⁽²⁾	1,403	1,425	1,561	6,684	6,655	13,177	1,439	1,461	2,053
Selling, general and administrative expenses	152	70	66	22	14	15	–	–	–
Depletion, depreciation, amortization and impairment	1,521	1,397	1,505	43	36	31	74	34	31
Exploration and evaluation expenses	438	–	–	–	–	–	–	–	–
Other – net	1	–	–	34	–	–	(41)	–	–
Net financial items	40	–	–	–	–	–	9	–	–
	3,555	2,892	3,132	6,783	6,705	13,223	1,481	1,495	2,084
Earnings (loss) before income taxes	1,211	1,560	4,757	219	279	321	89	77	351
Current income taxes (recoveries)	(23)	909	585	62	101	126	1	111	84
Future income taxes (reductions)	373	(462)	795	(3)	(22)	(29)	25	(88)	21
Net earnings (loss)	861	1,113	3,377	160	200	224	63	54	246
Total assets									
As at December 31	17,354	16,338	15,653	1,325	1,712	1,486	1,987	1,427	1,322

⁽¹⁾ Results are reported in accordance with previous Canadian GAAP and have not been restated for the change in presentation of the former Midstream segment.

⁽²⁾ Purchases of crude oil and products includes purchases of crude oil, products, production and operating expenses.

⁽³⁾ Eliminations relate to sales and operating revenues between segments recorded at transfer prices based on current market prices, and to unrealized intersegment net earnings in inventories.

Downstream						Corporate and Eliminations ⁽³⁾			Total		
Canadian Refined Products			U.S. Refining and Marketing								
2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾
2,975	2,495	3,564	7,107	5,349	7,802	(6,313)	(5,778)	(10,533)	18,085	15,935	26,744
-	-	-	-	-	-	-	-	-	(978)	(861)	(2,043)
2,975	2,495	3,564	7,107	5,349	7,802	(6,313)	(5,778)	(10,533)	17,107	15,074	24,701
2,679	2,174	3,308	6,935	4,955	8,278	(6,251)	(5,821)	(10,757)	12,889	10,849	17,620
49	30	32	7	2	2	61	158	177	291	274	292
88	93	81	191	194	154	75	51	30	1,992	1,805	1,832
-	-	-	-	-	-	-	-	-	438	-	-
(2)	-	-	-	-	-	(7)	-	-	(15)	-	-
2	-	-	6	3	3	238	186	(191)	295	189	(188)
2,816	2,297	3,421	7,139	5,154	8,437	(5,884)	(5,426)	(10,741)	15,890	13,117	19,556
159	198	143	(32)	195	(635)	(429)	(352)	208	1,217	1,957	5,145
56	38	28	-	3	(24)	92	100	102	188	1,262	901
(14)	19	11	(12)	68	(208)	(287)	(236)	(97)	82	(721)	493
117	141	104	(20)	124	(403)	(234)	(216)	203	947	1,416	3,751
1,517	1,430	1,375	5,092	4,771	5,380	775	617	1,270	28,050	26,295	26,486

Selected Ten-year Financial and Operating Summary

(\$ millions, except where indicated)

	2012	2011	2010	2009 ⁽¹⁾	2008 ⁽¹⁾	2007 ⁽¹⁾	2006 ⁽¹⁾	2005 ⁽¹⁾	2004 ⁽¹⁾	2003 ⁽¹⁾
Financial Highlights										
Gross Revenues ⁽²⁾	23,128	23,082	18,085	15,935	26,744	16,583	13,478	11,085	9,151	8,242
Net earnings	2,022	2,224	947	1,416	3,751	3,201	2,734	1,996	1,001	1,374
Earnings per share										
Basic	2.06	2.40	1.11	1.67	4.42	3.77	3.21	2.35	1.18	1.64
Diluted	2.06	2.34	1.05	1.67	4.42	3.77	3.21	2.35	1.18	1.63
Expenditures on PP&E ⁽³⁾	4,701	4,618	3,571	2,797	4,108	2,974	3,201	3,099	2,379	1,902
Total debt	3,918	3,911	4,187	3,229	1,957	2,814	1,611	1,886	2,204	2,094
Debt to capital employed (percent) ⁽⁴⁾	17	18	22	18	12	19	14	20	26	27
Corporate reinvestment ratio (percent) ⁽⁴⁾	106	98	134	111	66	86	71	80	112	92
Return on capital employed (percent) ⁽⁴⁾	9.5	11.8	6.4	9.1	25.1	25.6	27.1	22.7	13.0	18.9
Return on equity (percent) ⁽⁴⁾	10.9	13.8	6.7	9.8	28.9	30.1	31.9	29.2	17.0	26.5
Upstream										
Daily production, before royalties										
Light crude oil & NGL (mbbls/day)	72.3	87.6	80.4	89.1	122.9	138.7	111.0	64.6	66.2	71.6
Medium crude oil (mbbls/day)	24.1	24.5	25.4	25.4	26.9	27.1	28.5	31.1	35.0	39.2
Heavy crude oil (mbbls/day)	76.9	74.5	74.5	78.6	84.3	86.5	88.5	88.0	90.2	85.1
Bitumen (mbbls/day)	35.9	24.7	22.3	23.1	22.7	20.4	19.6	18.0	18.7	14.8
	209.2	211.3	202.6	216.2	256.8	272.7	247.6	201.7	210.1	210.7
Natural gas (mmcf/day)	554	607	507	542	594	623	672	680	689	611
Total production (mboe/day)	301.5	312.5	287.1	306.5	355.9	376.6	359.7	315.0	325.0	312.5
Total proved reserves, before royalties (mmbae) ⁽⁵⁾	1,192	1,172	1,081	933	896	1,014	1,004	985	791	887
Downstream										
Upgrading										
Synthetic crude oil sales (mbbls/day)	60.4	55.3	54.1	61.8	58.7	53.1	62.5	57.5	53.7	63.6
Upgrading differential (\$/bbl)	22.34	27.34	14.52	11.89	28.77	30.73	26.16	30.70	17.79	12.88
Canadian Refined Products										
Light oil products sales (million litres/day)	9.5	9.5	8.2	7.6	7.9	8.7	8.7	8.9	8.4	8.2
Asphalt products sales (mbbls/day)	26.2	25.3	24.1	22.6	24.0	21.8	23.4	22.5	22.8	22.0
Refinery throughput										
Prince George refinery (mbbls/day)	11.1	10.6	10.0	10.3	10.1	10.5	9.0	9.7	9.8	10.3
Lloydminster refinery (mbbls/day)	28.3	28.1	27.8	24.1	26.1	25.3	27.1	25.5	25.3	25.7
Refinery utilization (percent) ⁽⁶⁾	96	92	92	86	91	90	90	101	100	103
U.S. Refining and Marketing										
Refinery throughput										
Lima Refinery (mbbls/day)	150.0	144.3	136.6	114.6	136.6	143.8	–	–	–	–
Toledo Refinery (mbbls/day)	60.6	63.9	64.4	64.9	60.6	–	–	–	–	–
Refining Margin (U.S. \$/bbl crude throughput)	17.51	17.60	7.29	11.37	(0.86)	12.42	–	–	–	–

⁽¹⁾ Results are reported in accordance with previous Canadian GAAP. Certain reclassifications have been made to conform with current presentation.

⁽²⁾ Results reported for 2010 and previous years have not been adjusted for the change in presentation of the former Midstream.

⁽³⁾ Excludes capitalized costs related to asset retirement obligations and capitalized interest incurred during the period.

⁽⁴⁾ The financial ratios constitute non-GAAP measures. Refer to Section 11.3 of the Management's Discussion and Analysis for disclosures on non-GAAP measures.

⁽⁵⁾ Total proved reserves, before royalties for 2012 and 2011 were prepared in accordance with the Canadian Securities Administrators' National Instrument 51-101, "Standards of Disclosure for Oil and Gas Activities." Years including 2009 and prior were prepared in accordance with the rules of the United States Securities and Exchange Commission guidelines and the United States Financial Accounting Standards Board. Refer to Section 7.3 of the Management's Discussion and Analysis for a discussion.

⁽⁶⁾ Refinery utilization averages Prince George and Lloydminster utilization percentages.

Upstream Operating Information

	2012	2011	2010 ⁽⁴⁾	2009 ⁽⁴⁾	2008 ⁽⁴⁾
Daily Production, before royalties					
Light crude oil & NGL (mmbbls/day)	72.3	87.6	80.4	89.1	122.9
Medium crude oil (mmbbls/day)	24.1	24.5	25.4	25.4	26.9
Heavy crude oil (mmbbls/day)	76.9	74.5	74.5	78.6	84.3
Bitumen (mmbbls/day)	35.9	24.7	22.3	23.1	22.7
	209.2	211.3	202.6	216.2	256.8
Natural gas (mmcf/day)	554	607.0	506.8	541.7	594.4
Total production (mboe/day)	301.5	312.5	287.1	306.5	355.9
Average sales prices					
Light crude oil & NGL (\$/bbl)	99.22	104.06	76.90	62.70	97.28
Medium crude oil (\$/bbl)	71.51	76.59	64.92	56.37	81.79
Heavy crude oil (\$/bbl)	61.91	68.13	58.91	52.54	71.98
Bitumen (\$/bbl)	59.49	65.75	57.84	51.90	70.24
Natural gas (\$/mcf)	2.60	3.89	3.86	3.83	7.94
Operating costs (\$/bbl)	15.49	14.01	13.35	11.82	10.93
Operating netbacks ⁽¹⁾⁽⁵⁾					
Light crude oil ⁽²⁾	66.13	70.86	47.58	37.54	65.03
Medium crude oil ⁽²⁾	38.22	42.41	36.88	32.08	50.40
Heavy crude oil ⁽²⁾	38.31	41.72	34.51	31.58	47.22
Bitumen (\$/boe) ⁽²⁾	42.32	39.34	28.96	28.46	36.89
Natural gas (\$/mcfge) ⁽³⁾	0.77	1.96	1.93	2.08	5.02

⁽¹⁾ Operating netbacks are Husky's average prices less royalties and operating costs on a per unit basis.

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

⁽³⁾ Includes associated co-products converted to mcfge.

⁽⁴⁾ Results are reported in accordance with previous Canadian GAAP. Results prior to 2011 have not been adjusted for the reclassification of the Midstream operating segment.

⁽⁵⁾ The Upstream netback includes results from Upstream Exploration and Production and excludes results from Upstream Infrastructure and Marketing.

Western Canada and Oil Sands Wells Drilled ⁽¹⁾

		2012		2011		2010		2009		2008	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Exploration	Oil	47	30	50	40	60	51	18	9	80	70
	Gas	19	12	24	24	37	31	37	22	102	79
	Dry	–	–	3	3	8	8	7	6	27	23
		66	42	77	67	105	90	62	37	209	172
Development	Oil	775	715	880	765	815	722	315	278	685	578
	Gas	23	17	57	42	73	53	122	61	435	270
	Dry	5	4	4	4	10	9	7	7	36	36
		803	736	941	811	898	784	444	346	1,156	884
		869	778	1,018	878	1,003	874	506	383	1,365	1,056
Success Ratio (Percent)		99	99	99	99	98	98	97	97	95	94

⁽¹⁾ Excludes service/stratigraphic test wells for evaluation purposes. All activity was horizontal except Slater River N.W.T. vertical wells.

Supplemental Upstream Operating Statistics

The following table summarizes Husky's netback analysis by product and area. During the first quarter of 2012, the Company completed an evaluation of activities of the Midstream segment as a service provider to the Upstream or Downstream operations. As a result, and consistent with the Company's strategic view of its integrated business, the previously reported Midstream segment activities are aligned and reported within the Company's core exploration and production, or in upgrading and refining businesses. The netback analysis has been revised to align with the change in segment presentation and 2011 has been restated to reflect the current presentation.

Netback Analysis

	2012	2011	2010 ⁽⁸⁾
Total Upstream ⁽⁷⁾			
Crude oil equivalent (\$/boe) ⁽²⁾			
Sales volume (mboe/day)	301.5	312.5	287.1
Price received (\$/boe)	57.16	64.17	54.25
Royalties (\$/boe)	6.29	9.86	9.33
Operating costs (\$/boe) ⁽³⁾	15.49	14.01	13.55
Offshore transportation (\$/boe) ⁽⁴⁾	0.24	0.26	0.25
Netback (\$/boe)	35.14	40.04	31.32
Depletion, depreciation and amortization (\$/boe)	19.20	17.69	14.52
Administration expenses and other (\$/boe) ⁽³⁾	1.75	1.34	0.48
Earnings before taxes	14.19	21.01	16.32
Lloydminster Heavy Oil			
Thermal Oil			
Bitumen			
Sales volumes (mbbls/day)	26.3	17.4	18.3
Price received (\$/bbl)	61.03	67.43	58.34
Royalties (\$/bbl)	3.82	10.78	9.84
Operating costs (\$/bbl) ⁽³⁾	10.34	14.59	14.15
Netback (\$/bbl)	46.87	42.06	34.35
Non Thermal Oil			
Medium Oil			
Sales volumes (mbbls/day)	2.1	2.3	2.3
Price received (\$/bbl)	70.22	75.19	65.49
Royalties (\$/bbl)	5.13	5.10	4.64
Heavy Oil			
Sales volumes (mbbls/day)	61.1	60.3	59.8
Price received (\$/bbl)	62.35	68.44	58.70
Royalties (\$/bbl) ⁽⁵⁾	4.88	7.81	7.50
Natural Gas			
Sales volumes (mmcf/day)	25.4	29.3	34.4
Price received (\$/mcf)	2.25	3.44	3.74
Royalties (\$/mcf)	0.16	0.27	0.31
Non Thermal Oil Total ⁽²⁾			
Sales volumes (boe/day)	67.4	67.5	67.8
Price received (\$/boe)	59.53	65.20	55.86
Royalties (\$/boe)	4.64	7.27	6.93
Operating costs (\$/boe) ⁽³⁾	17.75	17.34	16.07
Netback (\$/boe)	37.14	40.59	32.86

Netback Analysis (continued)	2012	2011	2010
Oil Sands			
Bitumen			
Total sales volumes (<i>mbbls/day</i>)	9.6	7.3	4.0
Price received (<i>\$/boe</i>)	55.29	61.77	55.56
Royalties (<i>\$/boe</i>)	3.76	3.75	2.46
Operating costs (<i>\$/boe</i>) ⁽³⁾	21.61	25.13	48.75
Netback (<i>\$/bbl</i>)	29.92	32.89	4.35
Western Canada Conventional			
Crude Oil			
Light Oil			
Sales volumes (<i>mbbls/day</i>)	21.3	16.5	15.0
Price received (<i>\$/bbl</i>)	80.98	88.23	74.02
Royalties (<i>\$/bbl</i>)	10.56	14.61	12.57
Medium Oil			
Sales volumes (<i>mbbls/day</i>)	22.0	22.2	23.1
Price received (<i>\$/bbl</i>)	71.63	76.73	64.87
Royalties (<i>\$/bbl</i>)	13.48	15.05	12.28
Heavy Oil			
Sales volumes (<i>mbbls/day</i>)	15.8	14.2	14.7
Price received (<i>\$/bbl</i>)	60.21	66.81	59.76
Royalties (<i>\$/bbl</i>)	10.55	13.16	13.21
Western Canada Crude Oil Total			
Total sales volumes (<i>boe/day</i>)	59.0	53.0	52.8
Price received (<i>\$/boe</i>)	71.96	77.66	66.05
Royalties (<i>\$/boe</i>)	11.64	14.41	12.70
Operating costs (<i>\$/boe</i>) ⁽³⁾	20.93	21.69	16.79
Netback (<i>\$/bbl</i>)	39.39	41.56	36.56
Natural Gas & NGLs			
Natural Gas Liquids			
Sales volumes (<i>mbbls/day</i>)	8.8	8.3	8.0
Price received (<i>\$/bbl</i>)	66.92	75.62	52.13
Royalties (<i>\$/bbl</i>)	18.69	21.87	18.07
Natural Gas			
Sales volumes (<i>mmcf/day</i>)	528.6	577.7	472.4
Price received (<i>\$/mcf</i>) ⁽⁶⁾	2.61	3.91	3.93
Royalties (<i>\$/mcf</i>) ⁽⁶⁾⁽⁷⁾	(0.10)	0.18	0.22
Western Canada Natural Gas & NGLs Total ⁽²⁾			
Total sales volumes (<i>mmcf/day</i>)	581.8	627.4	520.4
Price received (<i>\$/mcf</i>)	3.39	4.60	4.37
Royalties (<i>\$/mcf</i>)	0.19	0.46	0.48
Operating costs (<i>\$/mcf</i>) ⁽³⁾	1.88	1.71	1.70
Netback (<i>\$/bbl</i>)	1.32	2.43	2.19

Netback Analysis (continued)

	2012	2011	2010
Atlantic Region			
Light Oil			
Sales volumes (mbbls/day)	33.8	54.3	46.7
Price received (\$/boe)	115.78	112.21	82.16
Royalties (\$/boe)	12.36	19.36	19.25
Operating costs (\$/boe) ⁽³⁾	17.12	8.76	10.33
Transportation (\$/boe) ⁽⁴⁾	2.14	1.50	1.55
Netback (\$/boe)	84.16	82.59	51.03
Asia Pacific Region			
Light Oil & NGL ⁽²⁾			
Sales volumes (mboe/day)	8.4	8.5	10.7
Price received (\$/boe)	113.01	110.54	83.38
Royalties (\$/boe)	26.89	32.75	19.11
Operating costs (\$/boe) ⁽³⁾	10.08	8.17	6.06
Netback (\$/boe)	76.04	69.62	58.21

⁽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 administration expenses and other.

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

⁽⁵⁾ The year ended December 31, 2012 royalties includes a royalty credit adjustment received during the second quarter.

⁽⁶⁾ Includes sulphur sales revenues/royalties.

⁽⁷⁾ Alberta Gas Cost Allowance reported exclusively as gas royalties.

⁽⁸⁾ Results are reported in accordance with previous Canadian GAAP. Results prior to 2011 have not been adjusted for the reclassification of the Midstream operating segment.