Aherne: Good afternoon, everyone. Thank you for joining us today to discuss our 2010 first quarter results. With me today are Mr. John Lau, President and Chief Executive Officer; Alister Cowan, Chief Financial Officer; Rob Peabody, Chief Operating Officer, Operations and Refining; and Terrance Kutryk, Vice President of Midstream and Refined Products.

In today’s call, John will discuss Husky’s financial results and give an overview of the operational highlights. Terrance Kutryk will provide an update on the Midstream and Downstream divisions. John will then conclude, at which time we will open the call up for questions, starting with analysts, followed by the media.

Please note that today’s comments contain forward-looking information. Actual results may differ materially from expected results because of various risk factors and assumptions that are described in our quarterly release and in our annual filings, which are available on SEDAR, EDGAR and our website.

I’ll now turn the call over to John.
Lau: Thank you, Patrick, and good afternoon to everyone.

Results in the first quarter of 2010 reflected a stronger commodity price environment, although partially offset by a stronger Canadian dollar and lower product margins in Downstream.

Cash flow from operations was up 58 percent to $895 million or $1.05 per share, from $565 million or $0.67 per share in the same quarter of 2009.

Earnings were $345 million or $0.41 per share, up from $328 million or $0.39 per share in Q1 of 2009. Sales and operating revenues were $4.47 billion, compared with $3.65 billion in the first quarter of 2009.

Husky’s production in the first quarter averaged 296 thousand barrels of oil equivalent per day, compared with 2009 first-quarter production of 342 thousand barrels of oil equivalent per day. This is up from 292 thousand barrels of oil equivalent per day in the prior quarter.

Total crude oil and natural gas liquids production was 209 thousand barrels of oil per day in the quarter, compared to 250 thousand
barrels per day in the first quarter of 2009 and up from 203 thousand barrels per day in the fourth quarter of 2009.

Liquids production in the first quarter was lower compared to the same quarter in 2009, mainly due to peak production rate decline from the White Rose field. Total production levels at the White Rose field will ramp up when the North Amethyst satellite begins production in the second quarter of 2010.

Average natural gas production was 524 million cubic feet per day, down from 551 million cubic feet per day in the first quarter of 2009. Natural gas production is tracking within guidance, however some production may be shut in later this year if gas prices weaken further.

The company remains in a strong financial position. Total debt at March 31, 2010, net of cash and cash equivalents, was $3.34 billion. Debt to cash flow and debt to capital employed ratios at March 31, 2010, were 1.4 times and 21 percent respectively on a trailing 12 month basis.

We are pleased to advise that Husky’s Board of Directors has approved a quarterly dividend of $0.30 per share, payable on July 2, 2010, to shareholders of record on May 21, 2010.
During the first quarter, Husky made significant progress on several mega projects, in line with our medium and long-term growth plan.

On the East Coast of Canada, drilling, completion and tie-in operations resumed for the North Amethyst project. The first well is being completed and is expected to be on production in the second quarter. Production will ramp up as additional wells are drilled and brought on stream, reaching gross peak rates of 37,000 barrels per day in 2011, 25,000 barrels per day Husky’s share.

During the quarter, Husky and its partners extended the agreement with for the GSF Grand Banks offshore drilling rig. This will enable Husky to continue the development of the White Rose and adjacent oil fields through January 2013.

In February, Husky and its partner were granted a Significant Discovery Licence for the Mizzen discovery in the Flemish Pass Basin.

In China, the Overall Development Plan for the Liwan 3-1 field is being finalized, with expected submission to partner and regulatory authorities later this year. Gas marketing arrangements are in
progress, with agreements targeted for completion in time for project sanction later in 2010.

Block 29/26 in the South China Sea continues to show excellent exploration potential. In February, Husky announced another significant discovery with the Liuhua 29-1-1 exploration well. Currently, an appraisal well is being drilled to delineate the new discovery. The new field will be tied into the planned infrastructure for the Liwan 3-1 field.

At the Sunrise Oil Sands Project in northern Alberta, major contracts have been tendered for the Phase One project plant and field facilities. Construction work continues on the East Athabasca highway and with plant site preparation. A decision on project sanction is expected by the end of the year, with first oil in 2014.

In the first quarter, three additional well pairs were drilled at the Tucker Oil Sands Project. Steaming is expected by the third quarter with production by year end.

In Western Canada, Husky continued to build its position in a number of gas resource plays and now holds more than 946,000 net acres around established assets in the Alberta foothills and northeast British Columbia.
Terrance will now talk about the Midstream and Downstream divisions.

Kutryk: Thanks, John.

Husky’s midstream business operated at a high level in the quarter. Upgrader throughput averaged 82,100 barrels per day and operating costs were $1.11 per barrel lower than in Q1 of 2009. However, earnings were down as a result of upgrading differentials that were $4.20 per barrel lower than in the same period of 2009. The Upgrader is scheduled for a 60-day turnaround in the third quarter of this year to undergo maintenance and enhancements.

Husky’s downstream operations performed well in the first quarter of 2010 compared to the same period in the prior year. Total U.S. and Canadian refinery throughput was 246,400 barrels per day compared with 236,600 barrels per day in 2009. Financial results were impacted by lower product margins as a result of lower market crack spreads.

In the first quarter, Husky moved forward to integrate its 98 retail locations in southern Ontario. Re-branding is underway and the first
station was opened in early April. The remaining locations will be brought into the Husky network over the coming months.

I will now pass the call back to John for his concluding remarks.

Lau: Thanks Terrance.

Husky produced solid financial performance in the first quarter of 2010 while making good progress on its strategic projects.

Husky has exciting major projects, including the Liwan discovery in the South China Sea, the Sunrise Oil Sands Project in Alberta and White Rose and its satellite developments on the East Coast of Canada. The Company also has an extensive portfolio of heavy oil, light oil and natural gas assets in Western Canada.

Husky enters the decade positioned to create shareholder value with a strong core asset base and plans to grow in the near, medium and long term.

In February, the Board of Directors announced my intention to step down as the President and Chief Executive Officer of Husky Energy. I am firmly committed to managing Husky until a successor has been appointed, and to ensure an orderly transition.
Back to you, Patrick.

Aherne:  Thank you John. That concludes the formal part of the call. We would be pleased to answer any questions you might have. I will now turn it back to the conference operator.

**Question and Answer Period**

Aherne:  Thank you for your participation in our conference call today. If you have any additional questions or comments, please do not hesitate to follow up with me offline.