



Interim Supplemental Information *(unaudited)*
For the period ended December 31, 2014

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 2014	Sept. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sept. 30 2013	Jun. 30 2013	Mar. 31 2013
<i>(\$ millions, except where indicated)</i>								
Gross revenues	5,875	6,690	6,614	5,943	6,132	6,036	6,206	5,807
Net earnings (loss) by segment								
Upstream	(346)	460	570	422	185	460	344	255
Downstream	(166)	117	153	259	94	89	295	352
Corporate	(91)	(6)	(95)	(19)	(102)	(37)	(34)	(72)
Net earnings	(603)	571	628	662	177	512	605	535
Net earnings								
Per share – Basic (\$/share)	(0.62)	0.58	0.63	0.67	0.18	0.52	0.61	0.54
Per share – Diluted (\$/share)	(0.65)	0.52	0.63	0.66	0.18	0.52	0.59	0.54
Cash flow from operations ⁽¹⁾	1,145	1,341	1,504	1,536	1,143	1,347	1,449	1,283
Per share – Basic (\$/share)	1.16	1.36	1.53	1.56	1.16	1.37	1.47	1.31
Per share – Diluted (\$/share)	1.16	1.36	1.52	1.56	1.16	1.37	1.47	1.30
Total assets ⁽²⁾	38,848	39,050	37,653	38,677	36,904	36,600	35,994	35,519
Cash and cash equivalents	1,267	893	48	1,518	1,097	1,607	1,770	1,895
Total debt ⁽⁶⁾	5,292	4,877	4,113	5,068	4,119	4,011	4,088	3,979
Ratios ⁽³⁾								
Return on equity (percent) ⁽⁴⁾	6.2	9.9	9.7	9.8	9.3	10.9	11.1	10.4
Return on capital employed (percent) ⁽⁴⁾⁽⁵⁾	7.7	8.4	8.3	8.0	8.7	9.3	9.4	8.9
Debt to cash flow (times) ⁽⁴⁾	1.0	0.9	0.7	0.9	0.8	0.7	0.8	0.8
Debt to capital employed (percent)	20.5	18.7	16.5	19.8	17.0	16.7	17.0	17.0

⁽¹⁾ Cash flow from operations is a non-GAAP measure. Refer to section 6 for a reconciliation to the GAAP measure.

⁽²⁾ 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 March 31, 2013 onwards.

⁽³⁾ The financial ratios constitute non-GAAP measures. Refer to section 6.

⁽⁴⁾ Calculated for the 12 months ended for the dates shown.

⁽⁵⁾ Return on capital employed for the years ended December 31, 2014 and December 31, 2013 was adjusted for after-tax impairment charges on property, plant and equipment of \$622 and \$204 million respectively. Return on capital employed including impairment charges was 5.3% and 7.9% respectively for the years ended December 31, 2014 and December 31, 2013.

⁽⁶⁾ Total debt includes long-term debt, long-term debt due within one year and commercial paper.

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,	
	2014	2013	2014	2013
Upstream				
Exploration and Development				
Exploration				
Western Canada	37	80	209	353
Oil Sands	—	—	5	—
Atlantic Region	62	55	96	201
Asia Pacific Region	5	14	16	21
	104	149	326	575
Development				
Western Canada	559	744	2,074	2,029
Oil Sands	225	111	708	552
Atlantic Region	205	34	650	437
Asia Pacific Region	12	215	380	633
	1,001	1,104	3,812	3,651
Acquisitions				
Western Canada	31	27	51	38
Total Exploration and Development	1,136	1,280	4,189	4,264
Infrastructure and Marketing	98	41	211	96
Total Upstream	1,234	1,321	4,400	4,360
Downstream				
Upgrading	14	43	50	205
Canadian Refined Products	31	32	86	109
U.S. Refining and Marketing	118	99	374	220
Total Downstream	163	174	510	534
Corporate	22	42	113	134
Total Company	1,419	1,537	5,023	5,028

⁽¹⁾ Excluding 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 operating netback analysis by product and area:

<i>Operating Netback Analysis</i> ⁽¹⁾	Three months ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Upstream⁽¹⁾				
Crude oil equivalent (\$/boe) ⁽²⁾				
Sales volume (mboe/day)	359.6	308.3	340.1	312.0
Price received (\$/boe)	55.53	58.55	67.38	61.96
Royalties (\$/boe)	5.35	7.58	8.30	7.59
Operating costs (\$/boe) ⁽³⁾	15.07	16.31	16.12	16.28
Offshore transportation (\$/boe) ⁽⁴⁾	0.27	0.37	0.33	0.37
Operating netback (\$/boe)	34.84	34.29	42.63	37.72
Depletion, depreciation, amortization and impairment (\$/boe)	46.89	27.91	27.63	22.09
Administrative expenses and other (\$/boe) ⁽³⁾	3.51	2.01	3.30	2.51
Earnings (loss) before taxes	(15.56)	4.37	11.70	13.12
Lloydminster Heavy Oil				
Thermal Oil				
Bitumen				
Sales volumes (mbbls/day)	45.1	35.6	43.8	37.4
Price received (\$/bbl)	58.99	56.16	71.64	63.36
Royalties (\$/bbl)	5.80	7.42	6.50	5.69
Operating costs (\$/boe) ⁽³⁾	9.46	9.98	10.78	9.90
Operating netback (\$/boe)	43.73	38.76	54.36	47.77
Non Thermal Oil				
Medium Oil				
Sales volumes (mbbls/day)	2.0	1.9	1.8	1.9
Price received (\$/bbl)	64.49	63.37	76.83	71.41
Royalties (\$/bbl)	6.60	5.55	5.88	4.90
Heavy Oil				
Sales volumes (mbbls/day)	61.7	59.7	61.8	58.6
Price received (\$/bbl)	59.19	57.04	72.53	64.26
Royalties (\$/bbl)	7.41	7.17	8.40	7.67
Natural Gas				
Sales volumes (mmcf/day)	16.4	19.2	17.7	19.6
Price received (\$/mcf)	3.52	2.68	4.01	2.89
Royalties (\$/mcf)	0.25	0.53	0.53	0.34
Non Thermal Oil Total ⁽²⁾				
Sales volumes (mboe/day)	66.4	64.8	66.6	63.8
Price received (\$/bbl)	57.79	55.21	70.50	62.07
Royalties (\$/boe)	7.14	6.92	8.10	7.30
Operating costs (\$/boe) ⁽³⁾	20.11	20.97	21.14	21.17
Operating netback (\$/boe)	30.54	27.32	41.26	33.60
Oil Sands				
Bitumen				
Total sales volumes (mbbls/day)	10.6	11.1	10.8	10.3
Price received (\$/bbl)	54.83	47.38	66.24	55.60
Royalties (\$/boe)	3.63	4.09	5.50	4.18
Operating costs (\$/boe) ⁽³⁾	23.45	21.84	22.49	21.44
Operating netback (\$/boe)	27.75	21.45	38.25	29.98

<i>Operating Netback Analysis, continued</i>	Three months ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Western Canada Conventional				
Crude Oil				
Light Oil				
Sales volumes (<i>mbbls/day</i>)	21.0	20.8	20.3	20.5
Price received (<i>\$/bbl</i>)	72.15	81.67	89.65	88.27
Royalties (<i>\$/bbl</i>)	8.13	9.64	11.67	10.38
Medium Oil				
Sales volumes (<i>mbbls/day</i>)	17.7	21.5	19.7	21.3
Price received (<i>\$/bbl</i>)	64.61	68.27	81.04	74.56
Royalties (<i>\$/bbl</i>)	12.61	11.55	14.24	12.89
Heavy Oil				
Sales volumes (<i>mboe/day</i>)	15.8	16.2	15.0	15.9
Price received (<i>\$/bbl</i>)	57.18	54.58	68.90	60.41
Royalties (<i>\$/boe</i>)	8.58	9.58	11.37	10.12
Western Canada Crude Oil Total				
Total sales volumes (<i>mboe/day</i>)	54.5	58.5	55.0	57.7
Price received (<i>\$/bbl</i>)	65.36	69.24	80.92	75.54
Royalties (<i>\$/boe</i>)	9.72	10.33	12.51	11.23
Operating costs (<i>\$/boe</i>) ⁽³⁾	23.80	21.31	25.75	23.58
Operating netback (<i>\$/boe</i>)	31.84	37.60	42.66	40.73
Natural Gas & NGLs				
Natural Gas Liquids				
Sales volumes (<i>mbbls/day</i>)	10.2	9.4	9.8	9.2
Price received (<i>\$/bbl</i>)	50.27	71.22	67.85	70.34
Royalties (<i>\$/bbl</i>)	10.75	19.07	15.13	18.45
Natural Gas				
Sales volumes (<i>mmcf/day</i>)	504.9	484.6	489.1	493.1
Price received (<i>\$/mcf</i>) ⁽⁵⁾	4.00	3.32	4.42	3.20
Royalties (<i>\$/mcf</i>) ⁽⁵⁾⁽⁶⁾	0.11	(0.10)	0.20	(0.02)
Western Canada Natural Gas & NGLs Total ⁽²⁾				
Total sales volumes (<i>mmcf/day</i>)	566.1	541.0	547.9	548.3
Price received (<i>\$/mcf</i>)	4.47	4.22	5.16	4.05
Royalties (<i>\$/mcf</i>)	0.28	0.25	0.45	0.29
Operating costs (<i>\$/mcf</i>) ⁽³⁾	2.03	2.04	2.03	2.08
Operating netback (<i>\$/mcf</i>)	2.16	1.93	2.68	1.68
Atlantic Region				
Light Oil				
Sales volumes (<i>mbbls/day</i>)	43.4	40.8	44.6	44.1
Price received (<i>\$/bbl</i>)	77.49	117.87	107.50	114.60
Royalties (<i>\$/boe</i>)	6.17	15.98	18.43	14.65
Operating costs (<i>\$/boe</i>) ⁽³⁾	13.55	15.19	13.38	12.47
Transportation (<i>\$/boe</i>) ⁽⁴⁾	2.27	2.80	2.49	2.62
Operating netback (<i>\$/boe</i>)	55.50	83.90	73.20	84.86

<i>Operating Netback Analysis, continued</i>	Three months ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Asia Pacific Region				
Light Oil & NGL ⁽²⁾				
Sales volumes (mboe/day)	15.2	7.3	9.0	7.3
Price received (\$/bbl)	69.43	110.17	90.14	107.95
Royalties (\$/boe)	4.13	26.19	12.04	26.23
Natural Gas				
Sales volumes (mmcf/day)	180.2	—	114.2	—
Price received (\$/mcf)	13.18	—	13.03	—
Royalties (\$/mcf)	0.69	—	0.64	—
Asia Pacific Light Oil, NGL & Natural Gas Total ⁽²⁾				
Total sales volumes (mboe/day)	45.2	7.3	28.0	7.3
Price received (\$/boe)	75.83	110.17	82.02	107.95
Royalties (\$/boe)	4.11	26.19	6.47	26.23
Operating costs (\$/boe) ⁽³⁾	7.67	13.63	8.06	11.39
Operating netback (\$/boe)	64.05	70.35	67.49	70.33

⁽¹⁾ The operating netback includes results from Upstream Exploration and Production and excludes results from Upstream Infrastructure and Marketing. Operating netback is a non-GAAP measure. Refer to section 6.

⁽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,	
	2014	2013	2014	2013
Selected operating data:				
Upgrader throughput (mbbls/day)	76.3	65.6	72.7	66.1
Prince George Refinery throughput (mbbls/day)	11.7	12.0	11.7	10.3
Lloydminster Refinery throughput (mbbls/day)	29.0	28.4	28.8	26.4
Lima Refinery throughput (mbbls/day)	162.8	151.8	141.6	149.4
BP-Husky Toledo Refinery throughput (mbbls/day)	63.8	66.3	63.2	65.0
Total Upgrader and Refinery throughput (mbbls/day)	343.6	324.1	318.0	317.2

4. Common Share Information

	Three months ended							
	Dec. 31 2014	Sept. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sept. 30 2013	Jun. 30 2013	Mar. 31 2013
Number of common shares outstanding, except where indicated (millions)								
Period end	983.7	983.6	983.5	983.5	983.4	983.3	983.1	982.7
Weighted average – basic	983.7	983.6	983.5	983.5	983.4	983.3	983.0	982.5
Weighted average – diluted	983.7	985.4	987.7	985.7	984.8	983.8	983.6	983.8
Share price – HSE: TSX (\$/share)								
High	30.74	34.83	37.31	34.28	33.85	30.68	31.51	32.34
Low	21.39	30.55	33.24	31.70	28.50	27.25	26.97	28.80
Close	27.50	30.74	34.46	33.16	33.70	29.62	28.02	29.16
Ordinary quarterly dividend per common share ⁽¹⁾	-	0.30	0.30	0.30	0.30	0.30	0.30	0.30

⁽¹⁾ Dividends for the fourth quarter of 2014 are expected to be declared by the Board of Directors at the February 11th, 2015 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

The Company 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 the Company’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 total debt and total shareholders’ equity. The calculation of return on capital employed for December 31, 2014 and December 31, 2013 was adjusted for after-tax impairment charges on property, plant and equipment of \$622 million and \$204 million respectively. Return on capital employed based on the calculation used in prior periods is 5.3% and 7.9% for December 31, 2014 and December 31, 2013 respectively. Debt to cash flow is calculated as total debt divided by cash flow from operations. Debt to capital employed is calculated as total debt divided by capital employed.

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 the Company’s financial performance. Cash flow from operations is presented in the Company’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 Dec. 31,		Year ended Dec. 31,	
		2014	2013	2014	2013
GAAP	Cash flow – operating activities	1,584	829	5,585	4,645
	Settlement of asset retirement obligations	54	50	167	142
	Income taxes paid	135	81	661	433
	Interest received	(1)	(5)	(7)	(19)
	Change in non-cash working capital	(627)	188	(871)	21
Non-GAAP	Cash flow from operations	1,145	1,143	5,535	5,222
	Cash flow from operations – basic	1.16	1.16	5.63	5.31
	Cash flow from operations – diluted	1.16	1.16	5.62	5.31

Operating netback is a common non-GAAP metric used in the oil and gas industry. This measurement assists management and investors to evaluate the specific operating performance by product at the oil and gas lease level. The operating netback was determined as realized price less royalties, operating costs and transportation on a per unit basis.