Advisory

Forward looking statements or information - Certain statements contained in this document constitute forward looking statements or information (collectively, “forward looking statements”). These forward looking statements relate to future events or Husky’s future performance. The use of any of the words “could”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward looking statements and are based on Husky’s current belief or assumptions as to the outcome and timing of such future events, and in this document includes capital expenditure guidance, production volume guidance, Tucker production, Tucker production life, Sunrise production, Sunrise production timeline, Sunrise production life, South and East China Sea drilling plans and Madura construction and production expansion of the Lloydminster Upgrader and timing, ethanol demand in Canada and ethanol production. Actual future results may differ materially. Husky’s annual report to shareholders and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com and the EDGAR website www.sec.gov) describe the risks, uncertainties and other factors, such as drilling results, the timely receipt of regulatory approvals, changes in business plans and potential delays or changes in plans with respect to development projects or capital expenditures, that could influence actual results. Husky disclaims any intention or obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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Use of “boe” - Husky 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 well head.
Financial Highlights 2006 versus 2005

- Net earnings increase 36% to $2.7 billion
- Earnings per share increased to $6.43 from $4.72
- Return on equity increased from 29.2% to 31.8%
- Cash flow per share increased to $10.61 from $8.93
- Debt to capital employed ratio decreased to 14% from 20%
- Debt to cash flow ratio to 0.4 from 0.5
- Proved and probable reserves to 2,444 mmboe from 2,260 mmboe

Husky Energy Relative Performance

- Market value ~ $30 billion
- Enterprise value ~ $32 billion
- Quarterly dividend: $0.50 per share
- Special dividends:
  - 2007 - $0.50 per share
  - 2005 - $1.00 per share
  - 2004 - $0.54 per share
  - 2003 - $1.00 per share
- Over $2.6 billion in dividends paid since Aug/00
**Annual Financial Comparison ($ millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Cash Flow from Operations</th>
<th>Net Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>8,440</td>
<td>2,197</td>
<td>1,006</td>
</tr>
<tr>
<td>2005</td>
<td>10,245</td>
<td>3,785</td>
<td>2,003</td>
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<tr>
<td>2006</td>
<td>12,664</td>
<td>4,501</td>
<td>2,726</td>
</tr>
</tbody>
</table>

**Corporate Reserves**

- **Proved plus Probable reserve life index (2006):**
  - Light/Med Oil & NGL – 10.4 years
  - Heavy Oil – 7.4 years
  - Natural Gas – 10.3 years

- **Possible**
  - 3,022 mmboe

  - **Heavy Oil/Oil Sands**
    - 2,449 mmboe
  
  - **Light & Medium Oil & NGL’s**
    - 279 mmboe
  
  - **Natural Gas (6:1)**
    - 294 mmboe

- **Production replacement including dispositions & acquisitions:** 105%*

*Note: Western Canada includes Oil Sands*
## Capital Program

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Guidance 2007</th>
<th>Actual 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Canada</td>
<td>$1,840</td>
<td>$1,843</td>
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<tr>
<td>Oil Sands</td>
<td>330</td>
<td>245</td>
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<tr>
<td>East Coast</td>
<td>290</td>
<td>354</td>
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<tr>
<td>International</td>
<td>160</td>
<td>94</td>
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<tr>
<td></td>
<td><strong>2,620</strong></td>
<td><strong>2,536</strong></td>
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<tr>
<td><strong>Midstream</strong></td>
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<tr>
<td></td>
<td>380</td>
<td>252</td>
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<tr>
<td>Refined Products</td>
<td>140</td>
<td>276</td>
</tr>
<tr>
<td>Corporate</td>
<td>40</td>
<td>37</td>
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<tr>
<td></td>
<td><strong>$3,180</strong></td>
<td><strong>$3,101</strong></td>
</tr>
</tbody>
</table>

## Husky Energy Production Volumes

**Western Canada**
- 2005: 282 mboe/day
- 2006: 279 mboe/day
- 2007 Guidance: 305-330 mboe/day

**Canada’s East Coast**
- 2005: 17 mboe/day
- 2006: 69 mboe/day
- 2007: 92.96 mboe/day

**International**
- 2005: 200 mboe/day
- 2006: 10 mboe/day
- 2007 Guidance: 16-21 mboe/day

**Total Production**
- 2005: 315 mboe/day
- 2006: 360 mboe/day
- 2007 Guidance: 390 - 410 mboe/day
Husky Energy Inc.

Husky Oil Sands Portfolio

Tucker
- Completed in 2006, on-time, under-budget
- First production: Q4 2006
- Production: 30,000+ bbls/day
- 35-40 years of production

Sunrise
- Regulatory approval: Dec 2005
- Production: 200-300,000 bbls/day
- 40 years of production
- Upstream FEED to be complete by Q3 2007
- Downstream alternatives being evaluated

Caribou
- Application submitted for Phase I
- Conceptual planning continues
- Capacity: 10-30,000 bbls/day

Saleski
- Acquired an additional 84,320 acres in 2006
- Carbonate formation
- Pilot projects required

Husky can develop over 300,000 barrels per day of oil sands production within 10 years
White Rose Expansion

- Current production: 125,000 bbls/day (gross)
- 7th production well planned in first half of 2007
- Existing infrastructure in the South and West Extensions increases the economics of smaller satellite pools

South White Rose Extension
- Significant discovery at the North Amethyst K-15 delineation well
- Potential subsea tie-back to existing field from the F-04 and F-04Z wells
- Development Plan Amendment submitted for South Avalon Pool

West White Rose Extension
- Significant discovery at 0-28
- Further delineation required
- Evaluating potential development options

Jeanne d’Arc Basin Opportunities

Terra Nova
- Far East Block delineation: Q1 2007

West Bonne Bay
- Discovery at F-12 delineation and F-12Z side track well
- Further analysis required

Wildrose
- Exploration well planned in 2007

Natural Gas
- Possible reserves: 1.7 tcf
- Further evaluation required
South & East China Sea

- Seven exploration blocks
  - Working Interest 100%
  - Acreage: 30,000+ km²
- Block 04/35, 39/05 & Block 23/15
  - 2007 wells subject to rig availability
- Block 35/18 & Block 50/14
  - Located in the Ying Ge Hai Basin
  - Planned 1,000 km² of 3-D seismic

CNOOC has the option to participate in up to 51% of any future development

Liwan 3-1-1 Discovery

- Block 29/26
  - Liwan 3-1-1 contains a contingent resource of 4-6 tcf of natural gas
  - China’s largest offshore natural gas discovery
  - Planned 4,000 km² of 3-D seismic
  - Deep water rig secured for three-year term commencing early 2008
  - Drill & test 2-3 delineation wells
  - First production forecast 4-5 years after delineation program

- Block 29/06
  - Adjacent to Block 29/26
  - Plan to acquire 500 km² of seismic during 2007

CNOOC has the option to participate in up to 51% of any future development
Indonesia (100% W.I.)

- Madura BD gas field
  - Production estimate: 100 mmcf/day + 6,500 bbls/day condensate
  - Gas sales agreement & production sharing agreement under negotiation

- East Bawean II Blocks
  - 3-D seismic exploration activity planned in second half of 2007

Lloydminster Upgrader

Debottleneck
- Expand capacity from 77,000 to 82,000 bbls/day
- Turnaround Q2 2007

Upgrader Expansion
- Expand capacity from 82,000 to 150,000 bbls/day
- Position upgrader to market 30,000 bbls/day of ultra low sulphur diesel
- Detailed engineering anticipated to be complete by Q3 2007
Husky and Ethanol

- Pioneer in production & marketing of ethanol
- First plant built in 1981 at Minnedosa, Manitoba
- Marketed as: “Mother Nature’s Fuel”

Ethanol Demand in Canada

- Canadian ethanol demand is expected to quadruple to over 1 billion litres per year over the next ten years
  - Primary drivers are global energy, environmental and agricultural initiatives
  - Vehicle manufacturers approve a blend of up to 10% ethanol and 90% conventional gasoline

Western Canada Gasoline and Ethanol Demand
Lloydminster Ethanol Plant

- Official opening September 2006
- First ethanol shipments in October 2006
- Awarded NRCan funding
- Synergies with Husky's Lloydminster Upgrader
- Feedstock
  - 350,000 tonnes/year Canada Prairie Spring wheat
  - Total Alberta/Saskatchewan wheat market in excess of 19 million tonnes annually
- Products
  - 130 million litres per year of fuel grade ethanol
  - 130,000 tonnes/year Distillers Dried Grain with Solubles (DDGS), a high protein livestock feed supplement

Minnedosa Ethanol Plant

Manitoba Ethanol Mandate

- Legislation enacted Dec 4, 2003
- Effective Q3 2007
- Awarded NRCan funding
- Replaces existing 10 million litre per year Minnedosa plant

Feedstock

- 350,000 tonnes/year Canada Prairie Spring wheat
- Manitoba wheat production in excess of 4 million tonnes/year

Products

- 130 million litres/year fuel grade ethanol
- 130,000 tonnes/year Distillers Dried Grain with Solubles (DDGS)
Proposed Prince George Ethanol Plant

Preliminary Analysis
- Grain based plant similar to Lloydminster/Minnedosa
  - 150 million litre/year
  - Estimated capital cost $200 million
- Possible cellulosic ethanol plant
  - Commercial technology under review

Market Issues
- B.C. Government Programs
- Possibility of provincial tax incentives
- No provincial ethanol mandates

B.C. Ethanol Demand (litres/year)
- Provincial E10 program 460 million
- Husky E10 program 45 million
- Current Husky demand 15 million

Status
- Clarification of Federal regulation on biofuels
- Announcement anticipated in early 2007
- Monitor cellulosic technology development

Husky within Husky

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Timing</th>
<th>Impact to Husky</th>
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</thead>
<tbody>
<tr>
<td>Tucker</td>
<td>Oil Sands</td>
<td>Complete</td>
<td>30,000+ bbls/d</td>
</tr>
<tr>
<td>Ethanol Plant</td>
<td>Minnedosa</td>
<td>2007</td>
<td>130 million litres/yr</td>
</tr>
<tr>
<td>Madura</td>
<td>Indonesia</td>
<td>2009</td>
<td>100 mmcf/d + 6,500 bbls/d</td>
</tr>
<tr>
<td>South White Rose Extension</td>
<td>East Coast</td>
<td>2009</td>
<td>20,000 bbls/d (gross)</td>
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<tr>
<td>Caribou</td>
<td>Oil Sands</td>
<td>2010-11</td>
<td>10 – 30,000 bbls/d</td>
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<tr>
<td>Summit Creek</td>
<td>NWT</td>
<td>2010</td>
<td>Under evaluation</td>
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<tr>
<td>China Gas</td>
<td>South China Sea</td>
<td>2012</td>
<td>4 – 6 tcf</td>
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<td>Sunrise</td>
<td>Oil Sands</td>
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<td>200,000 bbls/d</td>
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<td>Upgrader Expansion</td>
<td>Lloydminster</td>
<td>2010-12</td>
<td>68,000 bbls/d increase</td>
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<td>White Rose Natural Gas</td>
<td>East Coast</td>
<td>2012-15</td>
<td>100-200 mmcf/d</td>
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</table>
Husky Energy Inc.

February 2007

www.huskyenergy.ca