Heavy Oil / Oil Sands – Downstream Integration

Strategic Focus

- Minimize risk and volatility to earnings and cash flow
- Integrate the refining and upgrading assets so as to hedge against the light / heavy differential
- Provide a known destination for product
- Downstream involvement / expertise improves operating flexibility

Accomplishments

- Lloydminster Upgrader expanded to 82,000 bbls/day total capacity (includes 5,000 bbls/day of low sulphur diesel)
- Acquired Toledo (50% W.I.) to be reconfigured to process Phase 1 Sunrise bitumen
- Study completed to reposition Lima to process heavy oil / options being evaluated

Integration maximizes the value of Husky Heavy Oil and Oil Sands
Downstream - Asset Profile

**Canadian Refined Products**
- Lloydminster Upgrader (82,000 bbls/day)
- Lloydminster Asphalt Refinery (28,900 bbls/day)
- Prince George Refinery (12,000 bbls/day)
- Lloydminster Ethanol Plant (130 million litres/year)
- Minnedosa Ethanol Plant (130 million litres/year)
- Retail

**US Refined Products**
- Lima Refinery (160,000 bbls/day)
- Toledo Refinery (50% WI) (130,000 bbls/day)

Quoted numbers represent effective capacities as at June 30, 2011.

An integrated link to the market

**Lloydminster Upgrader – An Overview**
- Converts heavy oil to a high-quality, low-sulphur synthetic oil
- Key link between heavy oil production and conventional oil markets
- Feedstock Source - heavy oil deposits in North Eastern Alberta (Cold Lake) and Western Saskatchewan along with bitumen from Tucker Oil Sands Project
- First synthetic crude oil barrel shipped July 1992
- Shipped over 450 million barrels of product as of June 30, 2011
Lloydminster Upgrader – Process Summary

Feedstocks
- Heavy Oil Blend
- Refinery Tops
- Refinery kerosene distillate

Products
- Synthetic Crude Blend
- Petroleum Coke
- Sulphur
- Diluent
- Low Sulphur Diesel

Markets
- Refinery feedstock
- Fuel
- Fertilizer
- Sulphuric Acid
- Heavy Oil blend component
- Off Road Diesel

Lloydminster Asphalt Refinery – An Overview

- Refines and markets paving and industrial asphalt products throughout North America
- Asphalt processing and marketing plays an important role in adding value to our heavy oil crude production
- Largest producer of asphalt in Western Canada (28,900 bbls/day)
- Recognized for its wide range of high quality asphalt products
- Original refinery operational in 1947
- Upgraded and expanded in 1983
- ISO 9001 : 2008 certified

(1) Capacity as at June 30, 2011.
### Lloydminster Asphalt Refinery – Process Summary

**Feedstocks**
- Lloydminster Blended Crude

**Products**
- Straight Run Gasoline (diluent)
- Kerosene distillate
- Gas Oil Sales
- Tops to the Upgrader
- Asphalt

**Markets**
- Heavy Oil Blended Component
- Husky Upgrader
- Oil field & Other
- Husky Upgrader
- Paving Industry

---

### USA Refinery Locations – 2010

- United States has 138 refineries
- Total maximum refining capacity is 17.5 million bbls/day
- 62 are operating at less than 75,000 bbls per day (equates to 12% of total U.S. refining capacity)

Source: U.S. Energy Information Administration (EIA) as of December 31, 2010

Legend:
- Large: Over 75,000 B/D
- Small: Under 75,000 B/D
- Husky refinery locations
Lima Refinery – An Overview

- Acquired in 2007 to support integrated downstream business strategy
- World-scale, PADD II facility processing 160,000 bbls/day\(^1\)
- Produces ~2 billion gallons of refined petroleum products annually, including ~25% of the gasoline consumed in the State of Ohio

\(^1\) Capacity as at June 30, 2011

Lima Refinery – Process Summary

**Feedstocks**
- Light, sweet Crude Oil

**Products**
- Gasoline
- Diesel Fuel
- Jet Fuel
- Residual Fuels
- Petrochemical Feedstocks

**Markets**
- Transportation Market
- Commercial Airlines
- Industrial / commercial end-users
Toledo Refinery - Upgrade for Sunrise Bitumen

- March 2008, Husky and BP enter a transaction to create an integrated North American oil sands business
- Transaction comprises 50/50 partnerships to develop the Sunrise Energy Project and operate the Toledo Refinery
- 130,000 bbls/day facility located in PADD II
- In 2010, announced the sanction of the Continuous Catalyst Reformer Project
- Pre-engineering work has been completed for Phase 1 Sunrise bitumen

(1) Effective capacity as at June 30, 2011

Downstream – Summary

- Top quality refining and upgrading assets
- Provide a natural hedge against light/heavy differentials and a destination for products
- Long standing history of operating in the Lloydminster area
- Well located in key markets (PADD II)
- Supports upstream growth strategy in Oil Sands
Advisories

Forward Looking Statements

Certain statements in this presentation are forward looking statements or information within the meaning of applicable securities legislation (collectively “forward-looking statements”). Any 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”) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks, uncertainties and other factors some of which are beyond the Company’s control and difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

In particular, forward-looking statements in this presentation include, but are not limited to: the strategic focus of Husky’s downstream operations; potential repositioning of the Lima refinery to process heavy crude; reconfiguration of the Toledo refinery to process bitumen; implementation of the Continuous Catalyst Reformer Project.

Although the Company believes that the expectations reflected by the forward-looking statements 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. In addition, information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources.

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**Midstream Profile**

**COMMODITY MARKETING**
- Manages 3x Husky’s total production
  - Third party supply
  - Asset optimization
  - Supply trading

**INFRASTRUCTURE ASSETS AND LOGISTICS**
- Resource to market
- Largest non-regulated terminal at Hardisty (handles 25% of all Canadian oil exports)
- Supply to Canadian retail network

**REFINED PRODUCTS MARKETING**
- Marketing of gasoline, jet fuel, diesel, asphalt, residuals, lubricants, emulsions, road products

An integrated link to the market

---

**Commodity Marketing: Market Access**

Commodity Marketing: Market Access

- Natural Gas
- Crude Oil
- Sulphur

Broad and Diverse
Lloydminster Asset Value Chain

Pipelines
- 2,000 km of crude oil pipelines
- 475,000 barrels/day blend
- Keystone pipeline agreement to export Canadian crude to Midwest or US Gulf Coast

Terminals
- Lloydminster and Hardisty
- 3.25 million barrels total storage capacity

Lloydminster Assets
- 82,000 barrels/day\(^2\) total capacity
- Asphalt Refinery (28,900 bbls/day)\(^3\) - Largest in Canada

(1) Quoted numbers represent capacities as at June 30, 2011.

Bringing Husky’s Resources to Markets

Husky Downstream

Field Crude Production

Heavy Oil Production

Third Party Purchases

Lloydminster Assets

Asphalt Refinery

Lloydminster Upgrader

Heavier Crude

Diluent

Distillate

Asphalt Residues / ULSD

Synthetic Crude

Diesel Sulphur Coke

Heavy Crude

Market

Additional pipeline connections

Pipeline Transportation

3rd Party Business

Terminal Services

Crude and Product Flows
Lloydminster Asset Value Chain

2005: $70 sweet crude & wide differential
- Upstream heavy crude netback = $70/bbl – $31/bbl = $39/bbl
- HLU Margin = $31/bbl – $9/bbl = $22/bbl
- Total Husky benefit = $66/bbl

2009: $70 sweet crude & narrow differential
- Upstream heavy crude netback = $70/bbl – $13/bbl = $57/bbl
- HLU Margin = $13/bbl – $8/bbl = $5/bbl
- Total Husky benefit = $62/bbl

Husky portfolio - a natural hedge for Heavy Crude

Midstream Assets, U.S. Refining and Marketing

CDN Downstream Assets
- Upgrader (82,000 bbls/d)1
- Refinery (28,900 bbls/d)1

U.S. Downstream Assets
- Lima Refinery (160,000 bbls/d)1
- Toledo Refinery (50% WI) (130,000 bbls/d)1

Midstream Assets
- 2,000 km of crude oil pipelines
- 475,000 barrels / day blend
- Sunrise midstream solution
- Keystone pipeline agreement
- Gas storage facilities
- Power cogeneration

Numerous crude takeaway options

1) Quoted numbers represent effective capacities as at June 30, 2011.
Midstream Summary

- Capturing full value for heavy oil and oil sands through a focused integrated value chain
- Solid infrastructure position
- Natural hedge for heavy oil production
- Full slate of midstream assets

Advisories

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In particular, forward-looking statements in this presentation include, but are not limited to: the location and routes of pipelines proposed by third parties.

Although the Company believes that the expectations reflected by the forward-looking statements 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. In addition, information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources.

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Lloydminster and Tucker Facilities Tour – Heavy Oil
Rob Peabody, COO / Ed Connolly, VP Heavy Oil
September 28, 2011

Strategic Building Blocks

Near-term 0 – 2 years
Mid-term 3 – 5 years
Long-term 5+ years

Upstream
Acquisitions SE Asia • Oil Sands Oil Sands • Atlantic Region
Regenerate the Western Canada and Heavy Oil foundation
Value acceleration

Midstream / Downstream
Support heavy oil and oil sands production • Prudent reinvestment
A Large and Unique Asset Position

- 2.1 million acres
- > 1,000 people

**Infrastructure**
- Key to strong competitive position
  - **Upstream**
    - 6,000 wells
    - Logistics
    - 26 oil plants
  - **Midstream**
    - Upgrader
    - Hardisty Terminal
    - Pipeline Infrastructure
  - **Downstream**
    - Refineries

Lloydminster Heavy Oil Reservoirs
Heavy Oil Strategy

- Continue Primary Production
  - Deploy horizontal technology
- Expand Thermal Production
- Develop and apply emerging recovery technologies

Targeting 7%
Targeting 8%
Remaining
Produced
Known Technology
Emerging Technologies

Application of New Technology to Develop Resource

Near Term – Continue Primary Production

- Continue economic CHOPS Development
  - Drill approximately 240 wells next year
  - High Volume Lift
    - 5,000 bbls/d – water handling infrastructure

- Horizontal wells to exploit thinner reservoirs
  - Current production 4,000 bbls/d
  - Planned 2011 exit 5,000 bbls/d
  - Drill 100-150 wells/year
Anticipate increasing from 20,000 to 50,000 bbls/d at comparable netbacks.

**Cold Solvent EOR: Cyclic Solvent Injection (CSI)**

- CO₂ & light hydrocarbon, physical chemistry
- Using wormholes (created by CHOPS) to access the reservoir
- 2 mechanisms
  - Reservoir energy
  - Viscosity reduction
Cost Reduction Initiatives

WiMAX

Capital Efficiency/ Project Execution

Trucking

Drilling Rigs

Heavy Oil – Summary

- Significant land and resource base
- Strong infrastructure position
- Industry leader - long history of technology driven development
- Strong technical team - deep knowledge of enhanced oil recovery
- Sustained production and cash flow

Core asset with proven performance
Advisories

Forward Looking Statements

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In particular, forward-looking statements in this presentation include, but are not limited to: the Company’s near-, mid- and long-term strategic plans in its upstream, midstream and downstream business units; the Company’s heavy oil strategies; elements and implementation of the Company’s near-term plan to continue primary production, including planned 2011 well production and drilling plans; in 2011 and future years, the Company’s anticipated production to 2015, anticipated timing of first oil and daily production volumes from the Paradise Hill Field and anticipated increase in daily production volumes resulting from thermal development, implementation of cost reduction initiatives, and implementation of cold solvent enhanced oil recovery.

Although the Company believes that the expectations reflected by the forward-looking statements 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. In addition, information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources.

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Unless otherwise stated, reserve and resource estimates in this presentation have an effective date of December 31, 2010. Unless otherwise noted, historical production numbers given represent Husky’s share.

Lloydminster and Tucker Facilities Tour – Bolney Celtic Field Brief
Paul Zorgdrager, GM Lloydminster Production Operations
September 29, 2011
Bolney / Celtic Thermal Tour

April 28, 2011

Pikes Peak
Cyclic Process

Step 1: Steam Injection

- Cold Oil
- Heated Oil

Step 2: Soak

Step 3: Production

Bolney/Celtic
SAGD (Steam Assisted Gravity Drainage)

Thermal Plant Process

Raw Water
N.Sask River

Fuel Gas
(TransGas)

Steam
to Injectors

Gas
Recovered

Emulsion from
Producers

Oil to Sales

Water to
Disposal Wells

Boiler
Feed Water

Steam
GENERATION
UNIT

PRODUCTION
TREATMENT
UNIT

RAW WATER
TREATMENT
UNIT
Lloydminster and Tucker Facilities Tour – Tucker Brief

John Duckett, Manager, Tucker Thermal
September 29, 2011

Tucker South View

Lease Area: 15.75 sections

Development Area: 3.5 sections
Project Overview

- Clearwater Reservoir
- 0.3 billion bbls 3P\(^1\) reserves at December 31, 2010
- 5 MM bbls produced to date
- 10° API Bitumen
- Integrated with Husky Pipeline and Upgrader
- First Production November 29, 2006

1) 3P = Proved + Probable + Possible reserves as at December 31, 2010, breakdown provided on slide 44

Reservoir Properties

- Average Exploitable Pay Thickness 29 m
- Average Bottom Water Thickness 8 m
- Porosity 33%
- Bitumen Saturation 59%
- Horizontal Permeability 1,500 – 3,000 mD
- Vertical Permeability 400 – 1,600 mD
- Reservoir Temperature 16 °C
- Reservoir Pressure 3,435 kPa
- Viscosity 900,000 cp
- Oil Gravity 10 °API
- Asphaltene Content Mass 5%

<table>
<thead>
<tr>
<th>Category</th>
<th>PIIP (Discovered)</th>
<th>Proved</th>
<th>Probable</th>
<th>Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tucker (100% Husky)</td>
<td>1,270</td>
<td>62</td>
<td>103</td>
<td>122</td>
</tr>
</tbody>
</table>

PIIP = Petroleum Initially In Place
1) As of December 31, 2010
2) All numbers are millions of barrels
What went wrong at Tucker?

<table>
<thead>
<tr>
<th>Incorrect Assumptions</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steam Oil Ratio (SOR) assumed to be 3</td>
<td>Ore quality supports SOR of 5 to 6</td>
</tr>
<tr>
<td>90,000 bbls/d steam assumed to produce 30,000 bbls/d</td>
<td>At SOR of 5 to 6, current facilities capable to produce 15,000 to 18,000 bbls/d bitumen</td>
</tr>
<tr>
<td>Well rates assumed to produce 1,000 bbls/d each (drilled 30 with 2 spares → 30,000 bbls/d)</td>
<td>Actual realized rates 300 – 400 bbls/d per well</td>
</tr>
<tr>
<td>Expectation of rapid reservoir response</td>
<td>Slow/delayed response</td>
</tr>
<tr>
<td>Reservoir will perform like McMurray formation</td>
<td>Clearwater less porous/permeable</td>
</tr>
</tbody>
</table>

Lessons Learned To-Date

- **Well Placement**
  - Too low in formation

- **Well Drilling**
  - Need better directional control
  - Need better cement

- **Well completions**
  - Dual tubing strings
  - Slotted liners in injectors
  - Wire wrapped screens in producers (avoid plugging)

- **Well Start-up**
  - Too hard
  - Too fast

- **Reservoir Operating Strategy**
  - Pressure choice limited because of aquifer
  - Very low “sub-cool”
Production History

Tucker Project Summary

- Problems identified/rectified/clear path forward
- Cash flow and earnings positive in current environment
- Knowledge transfer from Tucker experience strengthens Sunrise Energy Project
Disclosure of Oil and Gas Reserves and Other Oil and Gas Information

Unless otherwise stated, reserves and resources estimates in this presentation have an effective date of December 31, 2010. Unless otherwise noted, historical production numbers given represent Husky’s share.

The Company has disclosed possible reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the quantities actually recovered will equal or exceed the sum of the proved plus probable plus possible reserves. There is at least a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

The Company has disclosed discovered petroleum initially-in-place. Discovered petroleum initially-in-place is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for these volumes of discovered petroleum initially-in-place at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

The estimates of reserves for individual properties in this presentation may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation. The Company has disclosed its total reserves in Canada in its 2010 Annual Information Form dated February 28, 2011 which reserves disclosure is incorporated by reference herein.

All currency is expressed in Canadian dollars unless otherwise noted.

Note to U.S. Readers

The Company reports its reserves and resources information in accordance with Canadian practices and specifically in accordance with National Instrument 51-101, “Standards of Disclosure for Oil and Gas Disclosure,” adopted by the Canadian securities regulators. Because the Company is permitted to prepare its reserves and resources information in accordance with Canadian disclosure requirements, it uses certain terms in this presentation, such as “discovered petroleum initially-in-place”, that U.S. oil and gas companies generally do not include or are prohibited from including in their filings with the SEC.
Oil Sands Strategy

- Commercialize strong resource position
- Focus on in-situ oil sands projects
- Employ established industry best practices and technologies
- Prudent approach to investment and project risk management
  - Use of gated project execution approach
  - Contracting strategies to drive cost certainty
- Capture and apply learnings from other SAGD projects

Oil Sands Portfolio

<table>
<thead>
<tr>
<th>Property</th>
<th>Status</th>
<th>Discovered PnP(^1,2) (billion bbls)</th>
<th>3P Reserves(^1,2) (billion bbls)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunrise</td>
<td>Development</td>
<td>4.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Tucker</td>
<td>Producing</td>
<td>1.3</td>
<td>0.3</td>
</tr>
<tr>
<td>McMullen</td>
<td>Producing Pilot</td>
<td>4.4</td>
<td>0</td>
</tr>
<tr>
<td>Caribou</td>
<td>Potential Development</td>
<td>3.2</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>Potential Development</td>
<td>2.1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>15.6</strong></td>
<td><strong>2.1</strong></td>
</tr>
<tr>
<td>Saleski</td>
<td>Evaluation</td>
<td>32.2</td>
<td>Carbonate</td>
</tr>
</tbody>
</table>

\(^1\) As of December 31, 2010. Husky’s interest in the bitumen is 100% unless otherwise noted
\(^2\) See advisories on slides 12 and 13
The Sunrise Energy Project

- World-class oil sands project utilizing established technologies
- In-situ SAGD development
- 50/50 joint venture with BP
- Regulatory approvals in place for initial phases up to 200,000 bbls/day
- Phase I (60,000 bbls/d gross) sanctioned and key contracts in place
- Drilling and construction underway
- Estimated cost of $2.5 billion for Phase I

Sunrise – Phase I Project Milestones

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Timeframe</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project fully sanctioned</td>
<td>YE 2010</td>
<td>Completed</td>
</tr>
<tr>
<td>Drilling – spud first horizontal well</td>
<td>Q1 2011</td>
<td>Commenced</td>
</tr>
<tr>
<td>Major construction start</td>
<td>Mid 2011</td>
<td>Commenced</td>
</tr>
<tr>
<td>Drilling complete</td>
<td>2nd Half 2012</td>
<td>On track</td>
</tr>
<tr>
<td>Commence commissioning</td>
<td>2nd Half 2013</td>
<td>Planning underway</td>
</tr>
<tr>
<td>First steam</td>
<td>Q4 2013</td>
<td>Planning underway</td>
</tr>
<tr>
<td>Initial production</td>
<td>2014</td>
<td></td>
</tr>
</tbody>
</table>
Sunrise Phase I - Estimated Cost Structure

Program Area

- Commissioning & Start-up/Owner’s Cost
- Escalation & Contingency
- Facilities
- Site Wide Services
- Drilling & Completion

$2.5 billion estimate
Cost Control Attributes

- Lump sum contracts

- Maximize offsite work
  - Minimize labor constraint

- Early engineering with a focus on construction execution
  - Proven technology

- Leverage strong relationships with key suppliers due to Husky’s activity level
  - Amongst the most active drillers in Western Canada

Drilling Curve
Oil Sands Summary

- Strong resource position to deliver mid and long-term production growth
- Sunrise is a world-class asset using established technologies
- An integrated solution to remove volatility
- Contracting strategy enhances cost certainty
- Comprehensive execution methodology and risk management framework to control risks
Disclosure of Oil and Gas Reserves and Other Oil and Gas Information

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Oil Sands 3P reserves are disclosed in this presentation (slide 3). This represents the following split for 3P reserves: Sunrise - Proved reserves = 120.0 MMbbl, Probable reserves = 891.4 MMbbl, Possible reserves = 842.5; Tucker - Proved reserves = 61.9 MMbbl, Probable reserves = 103.2 MMbbl, Possible reserves = 121.9 MMbbl.

The estimates of reserves for individual properties in this presentation may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation. The Company has disclosed its total reserves in Canada in its 2010 Annual Information Form dated February 28, 2011 which reserves disclosure is incorporated by reference herein.

All currency is expressed in Canadian dollars unless otherwise noted.

Note to U.S. Readers

The Company reports its reserves and resources information in accordance with Canadian practices and specifically in accordance with National Instrument 51-101, ”Standards of Disclosure for Oil and Gas Disclosure” adopted by the Canadian securities regulators. Because the Company is permitted to prepare its reserves and resources information in accordance with Canadian disclosure requirements, it uses certain terms in this presentation, such as “discovered petroleum initially-in-place”, that U.S. oil and gas companies generally do not include or are prohibited from including in their filings with the SEC.