

**Upstream**

	<b>Capital Expenditures<sup>1</sup></b>	<b>Production</b>
<b>Oil and Liquids</b>	<b>(\$ millions)</b>	<b>(mbbls/day)</b>
Lloyd & Tucker thermal <sup>2</sup>	600 - 630	103 - 105
Oil Sands thermal	90 - 100	20 - 22
Lloyd Non-Thermal	85 - 90	44 - 46
Atlantic Region light	320 - 335	35 - 37
W. Canada Light, medium, heavy & NGLs	60 - 65	19 - 20
Asia Pacific light & NGLs <sup>3</sup>		13 - 15
<b>Total Crude Oil and Liquids</b>	<b>1,155 - 1,220</b>	<b>234 - 245</b>
<b>Natural Gas</b>	<b>(\$ millions)</b>	<b>(mmcf/day)</b>
Canada	150 - 160	345 - 353
Asia Pacific Region	230 - 240	171 - 182
<b>Total Natural Gas</b>	<b>380 - 400</b>	<b>516 - 535</b>
	<b>(\$ millions)</b>	<b>(mboe/day)</b>
<b>Total Upstream</b>	<b>1,535 - 1,620</b>	<b>320 - 335</b>

<b>Downstream</b>	<b>Capital Expenditures</b>
	<b>(\$ millions)</b>
Canada downstream	325 - 350
US downstream	400 - 415
<b>Downstream Total</b>	<b>725 - 765</b>

<b>Corporate Costs</b>		<b>Operating Costs</b>	
Unallocated Capital (\$ millions)	200 - 250	<b>Upstream</b>	<b>(\$/bbl)</b>
Corporate Capital (\$ millions)	95 - 105	Lloyd and Tucker thermal <sup>4</sup>	9.25 - 10.25
<b>Total Capital Budget</b>	<b>2,555 - 2,740</b>	Atlantic Region light oil	17.00 - 19.00
			<b>(\$/mcf)</b>
Other Capital Items (\$ millions) <sup>5</sup>	350 - 400	Canadian Natural Gas	1.00 - 1.30
Corporate SG&A (\$ millions)	200 - 300	Asia Pacific Region Gas	1.10 - 1.40
<b>Sustaining Capital (\$ millions)</b>			<b>(\$/boe)</b>
Upstream	1,550 - 1,600	<b>Total Upstream Operating Costs</b>	<b>14.00 - 15.00</b>
Downstream	650 - 700		
<b>Total Sustaining Capital</b>	<b>2,200 - 2,300</b>	<b>Downstream<sup>6</sup></b>	<b>(\$/boe)</b>
<b>2017 Price Planning Assumptions</b>		Lloyd Upgrader	7.50 - 8.50
WTI, Cushing (\$US/bbl)	48.00	US Refineries	6.00 - 8.00
3-2-1 Chicago Crack (\$US/bbl)	16.00		
Natural Gas, AECO (\$Cdn/mcf)	2.50		
Exchange Rate (\$US/\$Cdn)	0.76		

1. Capital expenditures include Exploration capital in each respective business unit.

2. Lloyd and Tucker thermal capital expenditures includes Lloyd thermal heavy oil and Tucker Lake bitumen.

3. Asia Pacific Region oil &amp; NGLs operating costs and capital expenditures reflected in Asia Pacific natural gas.

4. Lloyd and Tucker thermal operating costs include energy and non-energy costs.

5. Includes ARO, capitalized interest and contribution payable.

6. Includes the impact of scheduled turnarounds in 2017.

## **Forward-Looking Statements and Information**

Certain statements in this document are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. The forward-looking statements contained in this document are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by 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”, “forecast”, “guidance”, “could”, “aim”, “vision”, “goals”, “objective”, “target”, “schedules” and “outlook”). In particular, forward-looking statements in this document include, but are not limited to, references to: capital expenditures and production guidance ranges for 2017 broken down by region, product type and business segment; and operating costs guidance ranges for 2017 broken down by business segment.

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

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Husky.

The Company’s Annual Information Form for the year ended December 31, 2015 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://www.sedar.com) and the EDGAR website [www.sec.gov](http://www.sec.gov)) describe risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference. In addition, the Company has made the 2017 price planning assumptions set out in the guidance chart.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable securities laws, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company’s course of action would depend upon its assessment of the future considering all information then available.

## **Non-GAAP Measures**

This document contains the term sustaining and maintenance capital, which is the additional capital that is required by the business to maintain production and operations at existing levels. This term does not have any standardized meaning and therefore should not be used to make comparisons to similar measures presented by other issuers. This measurement is not used to enhance the Company’s reported financial performance or position. There is no comparable measure to this non-GAAP measure in accordance with IFRS. This non-GAAP measure is considered to be useful as a complementary measure in assessing Husky’s financial performance, efficiency and liquidity.

## **Disclosure of Oil and Gas Information**

The Company uses the terms barrels of oil equivalent (“boe”), which is consistent with other oil and gas companies’ disclosures, and is calculated on an energy equivalence basis applicable at the burner tip whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. The term boe is used to express the sum of the total company products in one unit that can be used for comparisons. Readers are cautioned that the term boe may be misleading, particularly if used in isolation. This measure is used for consistency with other oil and gas companies and does not represent value equivalency at the wellhead.

## **Note to U.S. Readers**

All currency is expressed in Canadian dollars unless otherwise directed.