HUSKY ENERGY INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2004

March 16, 2005

ANNUAL INFORMATION FORM

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Unless otherwise indicated, all financial information is in accordance with accounting principles generally accepted in Canada. Unless otherwise indicated, gross reserves or gross production are reserves or production attributable to Husky's interest prior to deduction of royalties; net reserves or net production are reserves or production net of such royalties. Gross or net production reported refers to sales volume, unless otherwise indicated. Natural gas volumes are converted to a boe basis using the ratio of six mcf of natural gas to one bbl of oil and natural gas liquids. Unless otherwise indicated, oil and gas commodity prices are quoted after the effect of hedging gains and losses. Natural gas volumes are stated at the official temperature and pressure basis of the area in which the reserves are located. The calculation of barrels of oil equivalent (boe) and thousands of cubic feet equivalent (mcfge) are based on a conversion rate of six thousand cubic feet to one barrel of oil.

Boes or mcfges may be misleading, particularly if used in isolation. A Boe conversion ratio of six mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

EXCHANGE RATE INFORMATION

Except where otherwise indicated, all dollar amounts stated in this Annual Information Form are Canadian dollars. The following table discloses various indicators of the Canadian/United States rate of exchange or the cost of a U.S. dollar in Canadian currency for the three years indicated.

Year Ended December 31	***2004***	*2003*	*2002*
Year end	1.203	1.292	1.580
Low	1.178	1.292	1.519
High	1.397	1.575	1.605
Average	1.302	1.386	1.570

Notes:
(1) The exchange rates were as quoted by the Federal Reserve Bank of New York for the noon buying rate.
(2) The high, low and average rates were either quoted or calculated as of the last day of the relevant month.

DISCLOSURE OF EXEMPTION UNDER NATIONAL INSTRUMENT 51-101

Husky believes that comparability of its disclosures with those required in its major capital market, the United States, is important to many of the investors and prospective investors in its securities. Accordingly, we applied for and were granted an exemption by the Canadian securities regulators under the provisions of National Instrument 51-101 "Standards of Disclosures for Oil and Gas Activities" ("NI 51-101"). The exemption, under Section 8.4 of the Companion Policy to NI 51-101, permits us to substitute disclosures required by and consistent with those of the Securities and Exchange Commission ("SEC") and the Financial Accounting Standards Board ("FASB") in the United States in place of much of the disclosure expected by NI 51-101. In accordance with the exemption, proved oil and gas reserves data and certain other disclosures with respect to our oil and gas activities in this Annual Information Form are presented in accordance with the following requirements:

- The FASB Statement No. 69 "Disclosure about Oil and Gas Producing Activities – an amendment of FASB Statements No.'s 19, 25, 33 and 39" ("FAS 69");
- FASB Current Text Section Oi5, "Oil and Gas Producing Activities" paragraph .103, .106, .107, .108, .112, .160 through .167 and .174 through .184 and .401 through .408;
- SEC Industry Guide 2;
- SEC Item 102 of regulation S-K (17 CFR 229.102);
- SEC Item 302(b) of Regulation S-K (17 CFR 229.302(b)); and
- The definitions and disclosures required by SEC Regulation S-X (CFR 210.4-10).

Proved oil and gas reserves information and other disclosures about oil and gas activities in this Annual Information Form following SEC requirements may differ from corresponding information otherwise required by NI 51-101. Proved reserves disclosed in this Annual Information Form are in accordance with the SEC definitions.

NI 51-101 specifies that proved reserves be determined in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGEH") definitions. There were no material differences between the oil and gas reserves determined using the SEC definitions and the COGEH definitions. In addition, NI 51-101 requires the inclusion of probable reserves and their associated future net revenue. The SEC does not normally permit the disclosure of probable reserves in documents filed with them.

The SEC requires the evaluation of oil and gas reserves to be based on prices, costs, fiscal regimes and other economic and operating conditions in effect at the time the evaluation is made ("constant prices"). NI 51-101 also requires the evaluation of oil and gas reserves on this basis but also requires an evaluation of oil and gas reserves to be based on a forecast of economic

conditions. In establishing the constant prices for bitumen NI 51-101 provides for a different interpretation of the phrase "price will be the posted price of oil and the spot price of gas, after historical adjustments for transportation, gravity and other factors". On January 20, 2005 the Canadian Securities Administrators issued Staff Notice 51-315 "Guidance Regarding the Determination of Constant Prices for Bitumen Reserves under National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities". This guidance stipulates that for establishing the constant prices for bitumen companies should use the posted price for WTI and apply the average annual adjustment for transportation, gravity and other factors that create the difference in price between WTI and bitumen. This method was developed primarily in response to the fluctuations in bitumen prices that, for various reasons, tend to experience the lowest prices at the end of the calendar year. Under the FASB/SEC rules the determination of constant price for bitumen does not permit the use of annual average differentials between WTI and bitumen. These rules require the differentials prevailing on the last day of the period to be used to calculate the constant price. As a result on December 31, 2004 the price for bitumen as established under the FASB/SEC formula was lower than the price established under NI 51-101. There is no difference in determining the constant prices for crude oil classified as heavy oil, 10 to 20 degrees API, under NI 51-101 and FASB/SEC although heavy oil experiences the same pricing patterns as bitumen.

NI 51-101 prescribes a relatively comprehensive set of disclosures in respect of oil and gas reserves and other disclosures about oil and gas activities. In comparison, the SEC prescribes a minimum set of disclosures and advises not to approach the SEC rules and regulations as merely a blank form but encourages registrants to provide such additional information that is necessary to further an investor's understanding of the registrant's business.

Husky believes that its reserves evaluators are qualified and that it has a well established reserves evaluation process that is at least as rigorous as would be the case were we to rely upon independent reserves evaluators. Husky has adopted written evaluation practices and procedures using the COGE Handbook modified to the extent necessary to reflect the definitions and standards under U.S. disclosure requirements.

CORPORATE STRUCTURE

Husky Energy Inc.

Husky Energy Inc. ("Husky Energy") was incorporated under the *Business Corporations Act* (Alberta) on June 21, 2000. From the date of its incorporation until August 25, 2000, Husky Energy did not carry on any business. On August 25, 2000, Husky Energy was a party to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement") pursuant to which Husky Oil Limited ("Husky Oil"), Husky Oil Operations Limited (a subsidiary of Husky Oil) and Renaissance Energy Ltd. ("Renaissance") were amalgamated under the *Business Corporations Act* (Alberta) and continued as one corporation under the name "Husky Oil Operations Limited" ("HOOL") and the securityholders of Renaissance and Husky Oil exchanged their securities for securities of Husky Energy. Under the Arrangement, Husky Energy acquired 100 percent of the common shares of HOOL.

Husky Energy has its registered office and its head and principal office at 707 – 8th Avenue S.W., P.O. Box 6525, Station D, Calgary, Alberta, T2P 3G7.

In this Annual Information Form the term "Husky," "we," "our," "us," and "the Company," means Husky Energy and its subsidiaries and partnership interests on a consolidated basis including information with respect to predecessor corporations.

Intercorporate Relationships

The principal subsidiaries of Husky and place of incorporation, continuance or place of organization, as the case may be, are as follows. All of the following companies are directly or indirectly 100 percent owned.

Name	*Jurisdiction*
Subsidiaries of Husky Energy Inc.	
Husky Oil Operations Limited	Nova Scotia
Subsidiaries of Husky Oil Operations Limited	
Husky Oil Limited	Nova Scotia
Husky Energy Marketing Inc.	Alberta
Husky (U.S.A.) Inc.	Delaware
HOI Resources Co.	Nova Scotia
Husky Energy International Sulphur Corporation	Alberta
Canterra Resources Canada Ltd. (formerly 147212 Canada Ltd.)	Canada
Subsidiaries of Husky (U.S.A.) Inc.	
Husky Gas Marketing Inc.	Delaware
Subsidiaries of HOI Resources Co.	
Husky Energy International Corporation	Canada
Subsidiaries of Husky Energy International Corporation	
Husky Oil China Ltd.	Alberta
Husky Oil (Madura) Ltd.	Alberta
Husky Oil Overseas Ltd.	Alberta

GENERAL DEVELOPMENT OF HUSKY

Three Year History

In January 2002, the Terra Nova development project commenced production. This project was the first Grand Banks field to be developed with a floating production, storage and offloading system. We have a 12.51 percent working interest in the Terra Nova oil field.

In June 2002, Husky issued U.S. $400 million of 6.25% senior notes due June 15, 2012. The notes were sold at a discount price of 99.545% per note to yield 6.312%. The notes were issued under a U.S. $1 billion base shelf prospectus dated June 6, 2002. The proceeds were used to repay existing bank indebtedness and for general corporate purposes.

On July 7, 2002, the Wenchang oil fields, 13-1 and 13-2, produced first oil. These oil fields produce light crude oil similar to the benchmark Minas blend from two production platforms into a floating production, storage and offloading vessel stationed between the two fields. We have a 40 percent interest in the Wenchang oil fields.

In September 2002, Husky signed contracts with the China National Offshore Oil Corporation ("CNOOC") for two exploration blocks in the South China Sea. The 23/15 block comprises 1,327 square kilometres and the 23/20 block comprises 1,543 square kilometres. The contracts require one well to be drilled on each block within three years. CNOOC has the right to participate up to a 51 percent interest in any subsequent development.

In November 2002, we announced a significant discovery of natural gas at Shackleton, Saskatchewan. The Company announced that development of the Shackleton area could add 250 bcf to proved reserves within two to three years. Husky held more than 400 sections of land comprising 300,000 acres in this area in 2002.

In December 2002, Husky signed a contract with CNOOC for the 40/30 exploration block in the South China Sea. The block comprises approximately 6,704 square kilometres and the contract requires one well to be drilled within three years. CNOOC has the right to participate up to a 51 percent interest in any subsequent development.

In December 2002, Husky swapped, with its co-venturer, its working interest in the mining portion of its Kearl oil sands property for its co-venturer's interest in the in-situ portion of the property. As a result Husky now holds 100% working interest in 57,600 acres of lands with in-situ potential. Husky's property has been named "Sunrise."

Effective October 1, 2003, Husky purchased all of the outstanding common shares of Marathon Canada Limited ("Marathon") and the Western Canadian assets of Marathon International Petroleum Canada, Ltd. The total purchase price was U.S.$588 million. In a separate concurrent transaction Husky sold certain of the Marathon properties to another unrelated company for total proceeds of U.S.$320 million. The properties retained by Husky are located throughout western Alberta and northeastern British Columbia. The acquisition added approximately 39.8 mmboe of gross proved reserves, of which 75% was natural gas, and 729,000 acres of undeveloped lands in Alberta, British Columbia and the Northwest Territories.

In November 2003, Husky announced that it had signed a contract with CNOOC for the 04/35 exploration block in the East China Sea. The block comprises 4,835 square kilometres and requires one well to be drilled within the first three years of the contract. CNOOC has the right to participate up to a 51 percent interest in any subsequent development.

In November 2003, we established a securitization program to sell, on a revolving basis, up to $250 million of its accounts receivable to a third party. The agreement includes a program fee based on Canadian commercial paper rates.

On June 18, 2004 Husky issued U.S. $300 million of 6.15 percent notes due June 15, 2019. The notes were priced to yield 6.194 percent and are redeemable at the option of the Company at any time subject to a make-whole provision. The notes are unsecured and unsubordinated and rank equally with all its other unsecured and unsubordinated indebtedness.

In August 2004 Husky filed a base shelf prospectus that permits issue of up to U.S. $1 billion of debt securities or the equivalent in other currencies during the 25 months that the prospectus is in effect.

Effective July 15, 2004, Husky acquired Temple Exploration Inc. for a cash purchase of $101.5 million plus the assumption of $13.5 million working capital deficit. The acquisition added 21.1 bcf of natural gas and 1.4 million barrels of natural gas liquids to proved reserves as well as undeveloped land.

On August 16, 2004 we signed a production sharing agreement with the CNOOC for the 3,900 square kilometre 29/26 block in the South China Sea. The agreement requires us to drill one exploration well with the option to drill two additional exploration wells before 2011. CNOOC has the right to participate in subsequent development up to 51 percent.

On October 26, 2004 we announced an agreement to acquire our co-venturer's interest in the Madura Strait production sharing agreement in Indonesia. Husky now holds a 100 percent interest in the 2,794 square kilometre exploration block, which contains two discoveries with commercial quantities of recoverable natural gas and natural gas liquids.

In November 2004, Husky acquired three exploration licenses in the Jeanne d'Arc Basin offshore Newfoundland and Labrador. We acquired a 50 percent working interest in 225,100 acres, a 100 percent working interest in 128,800 acres and a 100 percent working interest in 208,200 acres. All three parcels are near Husky's White Rose oil field currently under development.

Business Environment Trends

There are a number of trends that are developing, which may have both long and short-term effects on the oil and gas industry in Canada. Conventional production of crude oil in the Western Canada Sedimentary Basin ("WCSB") has been in decline since 2000 and will, according to industry forecasts (1), continue to decline. Since 2000 increased crude oil production from the WCSB has come from mining and in-situ production of bitumen and heavy crude oils. Non-conventional production of crude oil is forecast (1) to increase overall crude oil production from the WCSB beyond current production levels. Natural gas discoveries in the WCSB have, in the past few years, been made in smaller reservoirs. Natural gas exploration efforts in the WCSB are focused on the traditionally less accessible areas in the overthrust belt along the eastern slope of the Rocky Mountains, in the Northwest Territories, offshore the east coast of Canada, smaller shallow gas deposits and coal bed methane.

(1) "Canadian Crude Oil Production and Supply forecast", July 2004, Canadian Association of Petroleum Producers "Oil Sands Technology Roadmap", January 30, 2004, Alberta Chamber of Resources.

The trend of volatile commodity prices continues and it is expected will continue. Natural gas prices are sensitive to regional supply/demand imbalances, regional industrial activity levels, weather patterns and access to cheaper sources of energy. Oil prices are clearly dependent on the world economy and stable supply. As a result of numerous supply disruptions and increased demand from China and India, oil prices have remained higher than OPEC's U.S. $22.00-$28.00 per bbl price band for more than one year. On January 30, 2005 OPEC announced it was temporarily suspending its price band subject to further consideration.

DESCRIPTION OF HUSKY'S BUSINESS

General

Husky is a publicly held integrated energy and energy related company headquartered in Calgary, Alberta. Our operations include the exploration for and development of crude oil and natural gas properties, as well as the production, purchase, transportation, storage and marketing of crude oil, natural gas, natural gas liquids, sulphur and petroleum coke, and the upgrading and refining of crude oil and marketing of refined petroleum products, including gasoline, diesel, alternative fuels and asphalt products.

Upstream Operations

Husky's portfolio of assets includes properties that produce light (30° API and lighter), medium (between 20° and 30° API) and heavy (below 20° and above 10° API) gravity crude oil, NGL, natural gas and sulphur. As operator of the majority of its properties Husky exercises a high degree of control in its upstream operations. We have production, gathering and processing facilities throughout the WCSB. In the Lloydminster heavy oil prone area Husky has a well established position with concentrated landholdings, production, gathering and processing facilities, as well as heavy crude oil pipeline, upgrading and refining facilities.

At December 31, 2004, we were the operator of properties which accounted for approximately 87 percent of our total gross production in Western Canada. Our undeveloped landholdings in the WCSB totalled 6.7 million net acres or 54 percent of total net land holdings at December 31, 2004.

In the foothills deep basin areas in Alberta, we operate the Ram River gas plant and have interests in properties that supply this plant including: Blackstone, Ricinus, Limestone, Clearwater, Benjamin, Brown Creek and Stolberg. We also have an interest in the Caroline gas plant and field. Further north we have interests in the Valhalla and Wapiti crude oil and natural gas fields near Grand Prairie and properties in the Galloway, Ansell and Edson area. In northeastern British Columbia, we hold natural gas interests in the Sikanni and Federal area as well as Boundary Lake.

In the plains region of northwest Alberta, we operate the Rainbow Lake Plant, miscible floods and properties in surrounding areas. We have interests in the Peace River Arch, Boyer, Sloat Creek, Marten Hills, Cherpeta and Simons Lake areas. In the east central region of Alberta, we have property holdings east of Calgary and around Red Deer and Edmonton including major properties at Hussar and Provost.

In southern Alberta and Saskatchewan we have extensive property holdings around Taber, Brooks, Jenner and Suffield in southern Alberta and throughout southwest Saskatchewan at Shackleton/Lacadena, Cantaur, Fosterton and Carnduff.

We have extensive experience in development, production, transportation and upgrading of heavy crude oil. We also have experience in enhanced recovery of crude oil and horizontal drilling, as well as in natural gas exploration in the deep basin, foothills and along the eastern slopes of the Canadian Rocky Mountains, also known as the overthrust belt.

On the east coast of Canada we hold a 12.51 percent working interest in the Terra Nova oil field, which began producing light crude oil in January 2002, and a 72.5 percent working interest in the White Rose oil field, which was sanctioned by the co-venturers in March 2002 and is currently under development. First oil from the White Rose oil field is currently expected by the end of 2005 or early 2006. We also hold interests in several exploration and significant discovery licenses in the Jeanne d'Arc Basin and the South Whale Basin.

We hold a 40 percent working interest in the Wenchang oil fields located offshore in the South China Sea. Production at the Wenchang oil fields began in July 2002. We also hold interests in five exploration blocks in the South China Sea with an aggregate areal extent of approximately 17,800 square kilometres and one exploration block in the East China Sea of approximately 4,800 square kilometres.

Husky also holds an interest in a natural gas and liquids production sharing contract located in the Madura strait offshore Java, Indonesia.

Midstream Operations

Husky's midstream operations include upgrading of heavy crude oil feedstock into synthetic crude oil, pipeline transportation and processing of heavy crude oil, storage of crude oil, diluent and natural gas, and cogeneration of electrical and thermal energy, and marketing of Husky's and third party produced crude oil, natural gas, natural gas liquids, sulphur and petroleum coke.

Refined Products

Husky's refined products operations include refining of heavy and light crude oil, marketing of refined petroleum products, including asphalt and alternate fuels, and processing of grain primarily for ethanol production. Husky sells and distributes transportation fuels including ethanol blended fuels through independently operated Husky and Mohawk branded petroleum outlets, including service stations, truck stops and bulk distribution facilities located from the west coast of Canada to the eastern border of Ontario, some of which include 24 hour restaurants, convenience stores, service bays, car washes, fast food sales, bank machines and propane sales.

Social and Environmental Policy

Husky's environmental policy requires regular environmental audits to be conducted at its sites and facilities. Husky has established procedures designed to anticipate and minimize adverse effects of its operations on the environment and for continued compliance with environmental legislation and minimize future and current costs. Husky's policies apply equally to employees, subsidiaries and contractors.

Risk Factors

The following factors should be considered in evaluating Husky:

Adequacy of crude oil and natural gas prices

Husky's results of operations and financial condition are dependent on the prices received for its crude oil and natural gas production.

Prices for crude oil are based on world supply and demand. Supply and demand can be affected by a number of factors including, but not limited to, actions taken by the OPEC and their adherence to agreed production quotas, non-OPEC crude oil supply, social conditions in oil producing countries, the occurrence of natural disasters, general and specific economic conditions, prevailing weather patterns and the availability of alternate sources of energy.

Husky's natural gas production is located entirely in Western Canada and is, therefore, subject to North American market forces. North American natural gas supply and demand is affected by a number of factors including, but not limited to, the amount of natural gas available to specific market areas either from the well head or from storage facilities, prevailing weather patterns, the price of crude oil, the U.S. and Canadian economies, the occurrence of natural disasters and pipeline restrictions.

Demand for Husky's other products and services and the cost of required inputs

Husky's results of operations and financial condition are dependent on the price of refinery feedstock, the price of energy, the demand for refined petroleum products and electrical power and the ability of Husky to recover the increased cost of these inputs from the customer. Husky is also dependent on the demand for Husky's pipeline and processing capacity.

Husky's ability to replace reserves

Husky's future cash flow and cost of capital are dependent on its ability to replace its proved oil and gas reserves in a cost effective manner. Without economic reserve additions through exploration and development or acquisition Husky's production and, therefore, cash flow will decline. Without adequate proved reserves Husky's ability to fund development and other capital expenditures with external sources of funds is diminished.

Competition

The energy industry is highly competitive. Husky competes with others to acquire additional prospective lands, to retain drilling capacity and field operating and construction services, to attract and retain experienced skilled management and oil and gas professionals, to obtain sufficient pipeline and other transportation capacity and to gain access to and retain adequate markets for Husky's products and services. Husky's competitors comprise all types of energy companies, some of which have greater resources.

Environmental risks

All phases of the oil and natural gas business are subject to environmental regulation pursuant to a variety of federal, provincial and municipal laws and regulations, as well as international conventions (collectively, "environmental legislation").

Environmental legislation imposes, among other things, restrictions, liabilities, and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances to the environment. Environmental legislation also requires that wells, facilities and other properties associated with Husky's operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, certain types of operations, including exploration and development projects and significant changes to certain existing projects, may require the submission and approval of environmental impact assessments. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties and liability for clean-up costs and damages. Husky cannot be certain that the costs of complying with environmental legislation in the future will not have a material adverse effect on Husky's financial condition and results of operations.

Husky anticipates that changes in environmental legislation may require, among other things, reductions in emissions from its operations and result in increased capital expenditures. Further changes in environmental legislation could occur, which may result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on Husky's financial condition and results of operations.

In 1994, the United Nations' Framework Convention on Climate Change came into force and three years later led to the Kyoto Protocol, which requires the reduction of greenhouse gas emissions. On December 16, 2002, Canada ratified the Kyoto Protocol. This initiative may require Husky to significantly reduce emissions at its operations of green house gases such as carbon dioxide, which may increase capital expenditures. Details regarding the implementation of the Kyoto Protocol remain unclear.

Uncertainty of oil and gas proved reserves estimates

There are numerous uncertainties inherent in estimating quantities of oil and natural gas reserves, including many factors beyond Husky's control. The reserves information included in and incorporated by reference in this Annual Information Form are Husky's estimates. In general, estimates of economically recoverable oil and natural gas reserves and the estimated future net cash flow therefrom are based on a number of variables in effect as of date on which the reserves estimates were determined, such as geological and engineering estimates which have inherent uncertainties, the actual effects of regulation by governmental agencies and the actual future commodity prices and operating costs, all of which may vary considerably from those in effect at the date the reserves were determined. The estimated quantities of reserves expected to be recovered are uncertain and the classification of reserves as proved is only an attempt to define the degree of certainty involved. For these reasons, estimates of economically recoverable oil and natural gas attributable to a particular group of properties, the classification of such reserves

as proved and the resultant future net cash flow therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. Husky's actual production, revenues, taxes and development, abandonment, and operating expenditures with respect to its estimated oil and natural gas reserves may vary from such estimates, and such variances could be material.

Estimates with respect to reserves that may be developed and produced in the future (proved developed reserves) are often based on volumetric calculations and upon analogy to similar types of reservoirs, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history may result in variations in the estimated reserves, which may be material.

Upstream Operations – Disclosures for Oil and Gas Activities

Production

	2004					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *(mbbls/day)*						
Light crude oil and NGL	66.2	32.7	13.7	46.4	19.7	0.1
Medium crude oil	35.0	35.0	–	35.0	–	
Heavy crude oil	108.9	108.9	–	108.9	–	
Total gross	210.1	176.6	13.7	190.3	19.7	0.1
Total net	183.9	153.0	13.2	166.2	17.6	0.1
Natural Gas *(mmcf/day)*						
Gross	689.2	689.2	–	689.2	–	–
Net	524.0	524.0	–	524.0	–	–

	2003					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *(mbbls/day)*						
Light crude oil and NGL	71.6	32.2	16.8	49.0	22.4	0.2
Medium crude oil	39.2	39.2	–	39.2	–	
Heavy crude oil	99.9	99.9	–	99.9	–	
Total gross	210.7	171.3	16.8	188.1	22.4	0.2
Total net	186.8	149.5	16.7	166.2	20.4	0.2
Natural Gas *(mmcf/day)*						
Gross	610.6	610.6	–	610.6	–	–
Net	473.7	473.7	–	473.7	–	–

Production *(continued)*

	2002					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *(mbbls/day)*						
Light crude oil and NGL	65.4	39.8	13.2	53.0	12.2	0.2
Medium crude oil	44.8	44.8	–	44.8	–	–
Heavy crude oil	95.1	95.1	–	95.1	–	–
Total gross	205.3	179.7	13.2	192.9	12.2	0.2
Total net	179.3	154.8	12.8	167.6	11.5	0.2
Natural Gas *(mmcf/day)*						
Gross	569.2	569.2	–	569.2	–	–
Net	426.6	426.6	–	426.6	–	–

Notes:

(1) Light crude oil includes crude oil that is lighter than 30° API, medium crude oil is between 20° and 30°API gravity and heavy crude oil includes crude oil that is lower than 20° API and lighter than 10° API gravity in the Lloydminster area.

(2) Gross volumes are Husky's lessor royalty, overriding royalty and working interest share of production before deduction of royalties. Net volumes are Husky's gross volumes, less royalties.

Revenue

	2004					
($ millions)	*Total*	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil						
Light crude oil and NGL	967	474	148	622	343	2
Medium crude oil	462	462	–	462	–	–
Heavy crude oil	757	757	–	757	–	–
Total gross	2,186	1,693	148	1,841	343	2
Total net	1,824	1,375	139	1,514	308	2
Natural Gas						
Gross	1,596	1,596	–	1,596	–	–
Net	1,248	1,248	–	1,248	–	–
Processing	48	48	–	48	–	–

	2003					
($ millions)	*Total*	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil						
Light crude oil and NGL	879	300	238	538	338	3
Medium crude oil	556	556	–	556	–	–
Heavy crude oil	943	943	–	943	–	–
Total gross	2,378	1,799	238	2,037	338	3
Total net	2,082	1,539	233	1,772	307	3
Natural Gas						
Gross	1,346	1,346	–	1,346	–	–
Net	1,058	1,058	–	1,058	–	–
Processing	46	46	–	46	–	–

Revenue *(continued)*

	2003					
($ millions)	*Total*	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil						
Light crude oil and NGL	866	494	171	665	198	3
Medium crude oil	496	496	–	496	–	–
Heavy crude oil	924	924	–	924	–	–
Total gross	2,286	1,914	171	2,085	198	3
Total net	1,974	1,616	169	1,785	186	3
Natural Gas						
Gross	801	801	–	801	–	–
Net	653	653	–	653	–	–
Processing	38	38	–	38	–	–

Note:

(1) Light crude oil includes crude oil that is lighter than 30° API, medium crude oil is between 20° and 30° API gravity and heavy crude oil includes crude oil that is lower than 20° API and lighter than 10° API gravity in the Lloydminster area.

Sales Prices

	2004					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *($/bbl)*						
Light crude oil and NGL	48.34	49.35	47.87	49.64	47.66	57.88
Medium crude oil	36.13	36.13	–	36.13	–	–
Heavy crude oil	28.66	28.66	–	28.66	–	–
Total crude oil and NGL (before hedging)	36.07	33.85	47.87	34.90	47.66	57.88
Total crude oil and NGL (after hedging)	28.43	26.19	29.45	26.42	47.66	57.88
Natural Gas *($/mcf)*						
Before hedging	6.25	6.25	–	6.25	–	–
After hedging	6.24	6.24	–	6.24	–	–

	2003					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *($/bbl)*						
Light crude oil and NGL	39.53	38.28	38.91	38.49	41.45	40.44
Medium crude oil	31.42	31.42	–	31.42	–	–
Heavy crude oil	25.87	25.87	–	25.87	–	–
Total crude oil and NGL (before hedging)	31.54	29.48	38.91	30.32	41.45	40.44
Total crude oil and NGL (after hedging)	30.93	28.96	36.96	29.67	41.45	40.44
Natural Gas *($/mcf)*						
Before hedging	5.86	5.86	–	5.86	–	–
After hedging	5.94	5.94	–	5.94	–	–

Sales Prices (continued)

	2002					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *($/bbl)*						
Light crude oil and NGL	36.17	33.86	35.47	34.26	44.36	40.37
Medium crude oil	30.16	30.16	–	30.16	–	–
Heavy crude oil	26.60	26.60	–	26.60	–	–
Total crude oil and NGL (before hedging)	30.47	29.14	35.47	29.57	44.36	40.37
Total crude oil and NGL (after hedging)	30.50	29.17	35.47	29.61	44.36	40.37
Natural Gas *($/mcf)*						
Before hedging	3.83	3.83	–	3.83	–	–
After hedging	3.83	3.83	–	3.83	–	–

Note:

(1) Light crude oil includes crude oil that is lighter than 30° API, medium crude oil is between 20° and 30° API gravity and heavy crude oil includes crude oil that is lower than 20° API and lighter than 10° API gravity in the Lloydminster area.

Capital Expenditures

	2004						
($ millions)	*Total*	*Western Canada*	*East Coast/ Frontier*	*Canada*	*China*	*Indonesia*	*Libya*
Property acquisition [1]	116	54	–	54	–	62	–
Exploration	313	271	24	295	18	–	–
Development	1,728	1,208	515	1,723	5	–	–

	2003						
($ millions)	*Total*	*Western Canada*	*East Coast/ Frontier*	*Canada*	*China*	*Indonesia*	*Libya*
Property acquisitions [2]	76	76	–	76	–	–	–
Exploration	324	274	24	298	26	–	–
Development	1,378	845	533	1,378	–	–	–

	2002						
($ millions)	*Total*	*Western Canada*	*East Coast/ Frontier*	*Canada*	*China*	*Indonesia*	*Libya*
Property acquisitions [3]	108	108	–	108	–	–	–
Exploration	266	216	41	257	9	–	–
Development	1,202	709	417	1,136	66	–	–

Notes:

(1) Does not include the acquisition of Temple Exploration Inc.

(2) Does not include the acquisition of Marathon Canada Limited.

(3) Does not include the acquisition of Titanium Oil & Gas Ltd. and Avid Oil & Gas Ltd.

Oil and Gas Netbacks [1]

	2004					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *($/bbl)*						
Light crude oil						
Sales revenue	46.95	46.12	47.87	46.63	47.66	57.88
Royalties	5.71	7.76	1.80	6.03	4.91	–
Operating costs	5.82	8.94	3.28	7.29	2.16	16.47
Netback before hedging	35.42	29.42	42.79	33.31	40.59	41.41
Netback after hedging	28.33	22.78	24.37	23.24	40.59	41.41
Medium crude oil						
Sales revenue	36.20	36.20	–	36.20	–	–
Royalties	6.10	6.10	–	6.10	–	–
Operating costs	10.07	10.07	–	10.07	–	–
Netback before hedging	20.03	20.03	–	20.03	–	–
Netback after hedging	20.03	20.03	–	20.03	–	–
Heavy crude oil						
Sales revenue	28.73	28.73	–	28.73	–	–
Royalties	3.38	3.38	–	3.38	–	–
Operating costs	9.33	9.33	–	9.33	–	–
Netback before hedging	16.02	16.02	–	16.02	–	–
Netback after hedging	6.45	6.45	–	6.45	–	–
Total crude oil						
Sales revenue	35.72	33.48	42.87	34.50	47.66	57.88
Royalties	4.58	4.75	1.80	4.54	4.91	–
Operating costs	8.36	9.41	3.28	8.97	2.16	16.47
Netback before hedging	22.78	19.32	42.79	20.99	40.59	41.41
Netback after hedging	15.64	12.25	24.37	13.11	40.59	41.41
Natural Gas *($/mcf)*						
Sales revenue	6.25	6.25	–	6.25	–	–
Royalties	1.44	1.44	–	1.44	–	–
Operating costs	0.89	0.89	–	0.89	–	–
Netback before hedging	3.92	3.92	–	3.92	–	–
Netback after hedging	3.91	3.91	–	3.91	–	–

Note:

(1) Netbacks reflect the results of operations for leases classified as oil or natural gas. Co-products, such as natural gas produced at an oil property or natural gas liquids produced at a natural gas property, have been converted to equivalent units of oil or natural gas depending on the lease product classification.

Oil and Gas Netbacks *(1) (continued)*

	2003					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *($/bbl)*						
Light crude oil						
Sales revenue	40.17	39.91	38.91	39.55	41.45	40.44
Royalties	4.55	7.28	0.81	4.93	3.80	–
Operating costs	5.41	9.27	3.16	7.05	1.94	15.43
Netback before hedging	30.21	23.36	34.94	27.57	35.71	25.01
Netback after hedging	29.49	22.80	32.99	26.50	35.71	25.01
Medium crude oil						
Sales revenue	31.57	31.57	–	31.57	–	–
Royalties	5.28	5.28	–	5.28	–	–
Operating costs	9.53	9.53	–	9.53	–	–
Netback before hedging	16.76	16.76	–	16.76	–	–
Netback after hedging	14.97	14.97	–	14.97	–	–
Heavy crude oil						
Sales revenue	25.98	25.98	–	25.98	–	–
Royalties	2.76	2.76	–	2.76	–	–
Operating costs	9.09	9.09	–	9.09	–	–
Netback before hedging	14.13	14.13	–	14.13	–	–
Netback after hedging	14.13	14.13	–	14.13	–	–
Total crude oil						
Sales revenue	31.70	29.52	38.91	30.53	41.45	40.44
Royalties	3.83	4.14	0.81	3.84	3.80	–
Operating costs	7.97	9.23	3.16	8.68	1.94	15.43
Netback before hedging	19.90	16.15	34.94	18.01	35.71	25.01
Netback after hedging	19.32	15.63	32.99	17.36	35.71	25.01
Natural Gas *($/mcf)*						
Sales revenue	5.79	5.79	–	5.79	–	–
Royalties	1.29	1.29	–	1.29	–	–
Operating costs	0.79	0.79	–	0.79	–	–
Netback before hedging	3.71	3.71	–	3.71	–	–
Netback after hedging	3.79	3.79	–	3.79	–	–

Note:

(1) Netbacks reflect the results of operations for leases classified as oil or natural gas. Co-products, such as natural gas produced at an oil property or natural gas liquids produced at a natural gas property, have been converted to equivalent units of oil or natural gas depending on the lease product classification.

Oil and Gas Netbacks *(1) (continued)*

	2002					
	Total	*Western Canada*	*East Coast*	*Canada*	*China*	*Libya*
Crude Oil *($/bbl)*						
Light crude oil						
Sales revenue	36.22	33.66	35.47	34.15	44.36	40.37
Royalties	3.25	4.55	0.36	3.41	2.65	–
Operating costs	7.33	10.46	3.62	8.60	2.15	13.13
Netback before hedging	25.64	18.65	31.49	22.14	39.56	27.24
Netback after hedging	25.74	18.82	31.49	22.26	39.56	27.24
Medium crude oil						
Sales revenue	29.92	29.92	–	29.92	–	–
Royalties	5.59	5.59	–	5.59	–	–
Operating costs	7.19	7.19	–	7.19	–	–
Netback before hedging	17.14	17.14	–	17.14	–	–
Netback after hedging	17.33	17.33	–	17.33	–	–
Heavy crude oil						
Sales revenue	26.48	26.48	–	26.48	–	–
Royalties	3.45	3.45	–	3.45	–	–
Operating costs	7.18	7.18	–	7.18	–	–
Netback before hedging	15.85	15.85	–	15.85	–	–
Netback after hedging	15.85	15.85	–	15.85	–	–
Total crude oil						
Sales revenue	30.19	28.81	35.47	29.26	44.36	40.37
Royalties	3.87	4.22	0.36	3.96	2.65	–
Operating costs	7.23	7.84	3.62	7.54	2.15	13.13
Netback before hedging	19.09	16.75	31.49	17.76	39.56	27.24
Netback after hedging	19.16	16.83	31.49	17.84	39.56	27.24
Natural Gas *($/mcf)*						
Sales revenue	3.97	3.97	–	3.97	–	–
Royalties	0.81	0.81	–	0.81	–	–
Operating costs	0.70	0.70	–	0.70	–	–
Netback before hedging	2.46	2.46	–	2.46	–	–
Netback after hedging	2.46	2.46	–	2.46	–	–

Note:

(1) Netbacks reflect the results of operations for leases classified as oil or natural gas. Co-products, such as natural gas produced at an oil property or natural gas liquids produced at a natural gas property, have been converted to equivalent units of oil or natural gas depending on the lease product classification.

Producing Wells

	Oil Wells		Natural Gas Wells		Total	
	Gross (1)(2)	*Net (1)*	*Gross (1)(2)*	*Net (1)*	*Gross (1)(2)*	*Net (1)*
Canada						
Alberta	5,087	3,501	6,232	3,368	11,319	6,869
Saskatchewan	4,976	3,676	940	673	5,916	4,349
British Columbia	226	78	133	66	359	144
Manitoba	27	1	–	–	27	1
Newfoundland	12	2	–	–	12	2
	10,328	7,258	7,305	4,107	17,633	11,365
International						
China	21	8	–	–	21	8
Libya	2	1	–	–	2	1
	23	9	–	–	23	9
As at December 31, 2004	10,351	7,267	7,305	4,107	17,656	11,376
Canada						
Alberta	5,098	3,410	5,660	2,877	10,758	6,287
Saskatchewan	4,835	3,596	675	422	5,510	4,018
British Columbia	211	63	111	48	322	111
Manitoba	2	1	–	–	2	1
Newfoundland	8	1	–	–	8	1
	10,154	7,071	6,446	3,347	16,600	10,418
International						
China	21	8	–	–	21	8
Libya	2	1	–	–	2	1
	23	9	–	–	23	9
As at December 31, 2003	10,177	7,080	6,446	3,347	16,623	10,427

Notes:

(1) The number of gross wells is the total number of wells in which Husky owns a working interest. The number of net wells is the sum of the fractional interests owned in the gross wells. Producing wells were producing or capable of producing at December 31.

(2) 2004 includes 482 gross, 411 net oil wells and 538 gross, 337 net natural gas wells and 2003 includes 271 gross, 241 net oil wells and 424 gross, 207 net natural gas wells which were completed in two or more formations and from which the production is not commingled. For the purposes of this table, multiple completions are counted as single wells. Where one of the completions in a given well is an oil completion, the well is classified as an oil well.

Landholdings

Developed Landholdings

(thousands of acres)	*Developed Acreage* Gross	Net
As at December 31, 2004		
Western Canada		
Alberta	3,200	2,687
Saskatchewan	567	506
British Columbia	186	110
Manitoba	–	–
	3,953	3,303
Northwest Territories and Arctic	7	1
Eastern Canada	35	4
Total Canada	3,995	3,308
China	17	7
Libya	7	2
	4,019	3,317
As at December 31, 2003		
Western Canada		
Alberta	3,208	2,684
Saskatchewan	550	485
British Columbia	161	92
Manitoba	1	1
	3,920	3,262
Eastern Canada	35	4
Total Canada	3,955	3,266
China	17	7
Libya	7	2
	3,979	3,275

Undeveloped Landholdings

(thousands of acres)	*Developed Acreage* Gross	Net
As at December 31, 2004		
Western Canada		
Alberta	4,983	4,449
Saskatchewan	1,831	1,669
British Columbia	787	544
Manitoba	7	7
	7,608	6,669
Northwest Territories and Arctic	924	254
Eastern Canada	3,154	2,104
Total Canada	11,686	9,027
International	6,280	3,429
	17,966	12,456
As at December 31, 2003		
Western Canada		
Alberta	5,508	4,852
Saskatchewan	2,057	1,911
British Columbia	713	491
Manitoba	9	8
	8,287	7,262
Northwest Territories and Arctic	527	184
Eastern Canada	2,414	2,104
Total Canada	11,228	9,550
International	4,464	2,066
	15,692	11,616

Drilling Activity

	Year ended December 31					
	2004		*2003*		*2002*	
	Gross	*Net*	*Gross*	*Net*	*Gross*	*Net*
Western Canada Drilling						
Exploration						
Oil	45	39	12	11	21	20
Gas	234	180	147	124	139	131
Dry	34	33	22	21	15	14
	313	252	181	156	175	165
Development						
Oil	552	499	520	490	497	453
Gas	807	740	540	518	485	453
Dry	57	53	60	57	58	55
	1,416	1,292	1,120	1,065	1,040	961
	1,729	1,544	1,301	1,221	1,215	1,126

Present Activities

	Exploratory		*Development*	
Wells Drilling (1)	*Gross*	*Net*	*Gross*	*Net*
Western Canada	11	8.6	29	26.9
East Coast	–	–	1	0.1
China	–	–	–	–
	11	8.6	30	27.0

Note:
(1) Denotes wells that were drilling at December 31, 2004.

Reserves Data and Other Oil and Gas Information

Husky's oil and gas reserves as of December 31, 2004 are based on constant prices and costs as prepared internally by Husky's engineers. Husky uses a formalized process for determining, approving and booking reserves. This process provides for all reserves evaluation to be done on a consistent basis using established definitions and guidelines. Approval of any significant reserve additions and changes requires review by an internal panel of qualified technical experts.

Audit of Oil and Gas Reserves

McDaniel & Associates Consultants Ltd., an independent firm of oil and gas reserves evaluation engineers, was engaged to conduct an audit of Husky's crude oil, natural gas and natural gas products reserves. McDaniel & Associates Consultants Ltd. issued an audit opinion stating that Husky's internally generated proved and probable reserves and net present values are, in aggregate, reasonable, and have been prepared in accordance with generally accepted oil and gas engineering and evaluation practices in the United States and as set out in the COGEH.

Oil and Gas Reserves Data

The following table presents in summary Husky's proved developed reserves, proved undeveloped reserves and associated future net cash flows as at December 31, 2004. Future revenues, based on constant prices and costs, are presented net of royalties. Estimated future net revenues based on constant prices and costs assume continuation of year end economic conditions including market demand and government policy, which are subject to uncertainty and may differ materially in the future. It should not be assumed that the discounted value of estimated future net reserves is representative of the fair market value of the reserves.

Proved Reserves

	Crude Oil & NGL [1]		Natural Gas [1]		Before Tax [1][4]	
	Gross [2]	Net [2]	Gross [2]	Net [2]	0%	10%
	(mmbbls)		(bcf)		($ millions)	
Proved developed [3]	362	317	1,745	1,436	11,891	7,114
Proved undeveloped [3][5]	67	58	424	352	2,268	1,184
Proved total [3]	429	375	2,169	1,788	14,159	8,298
Heavy oil price revision [6]	120	112	3	3		
	549	487	2,172	1,791		

Notes:

(1) Husky applied for and was granted an exemption from National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" to provide oil and gas reserves disclosures in accordance with the U.S. Securities and Exchange Commission guidelines and the U.S. Financial Accounting Standards Board disclosure standards. The information disclosed may differ from information prepared in accordance with National Instrument 51-101. Husky's internally generated oil and gas reserves data was audited by an independent firm of consulting engineers.

(2) Gross reserves are Husky's lessor royalty, overriding royalty and working interest share of reserves, before deduction of royalties. Net reserves are gross reserves, less royalties.

(3) These reserve categories have the same meanings as those set out in SEC Regulation S-X.

(4) The discounted future net cash flows at December 31, 2004 were based on the year-end spot NYMEX natural gas price of U.S. $6.02/mmbtu and on a spot WTI crude oil price of U.S. $43.36/bbl.

(5) Estimated future capital expenditures required to gain access to proved undeveloped reserves as at December 31, 2004 and 2003 were as follows:

	As at December 31, 2004						
	Total	2005	2006	2007	2008	2009	Thereafter
	($ millions undiscounted)						
Western Canada	651	218	210	107	34	13	69
Eastern Canada	352	390	19	9	11	4	(81)
	1,003	608	229	116	45	17	(12)

	As at December 31, 2003						
	Total	2005	2006	2007	2008	2009	Thereafter
Western Canada	697	282	201	76	40	24	74
Eastern Canada	14	12					2
	711	294	201	76	40	24	76

(6) On December 31, 2004, the date our oil and gas reserves were evaluated, the calculated price of Lloydminster heavy crude oil was $12.27 per barrel. In accordance with SEC regulation, reserves that were not economic at that price were required to be subtracted as a negative revision from proved reserves until prices increase sufficiently to return those reserves to economic status. For further discussion refer to Management's Discussion and Analysis for the year ended December 31, 2004.

Reconciliation of Proved Reserves

	Canada					*International*		*Total*	
	Western Canada				*East Coast*				
	Light Crude Oil & NGL	*Medium Crude Oil*	*Heavy Crude Oil*	*Natural Gas*	*Light Crude Oil*	*Light Crude Oil*	*Natural Gas*	*Crude Oil & NGL*	*Natural Gas*
	(mmbbls)	*(mmbbls)*	*(mmbbls)*	*(bcf)*	*(mmbbls)*	*(mmbbls)*	*(mmbbls)*	*(mmbbls)*	*(bcf)*
Proved reserves, before royalties [(1)]									
Proved reserves at									
December 31, 2001	182	128	232	1,823	17	40	143	599	1,966
Revision of previous estimate	(4)	9	7	(37)				12	(37)
Purchase of reserves in place			5	6				5	6
Sales of reserves in place	(2)	(14)		(19)				(16)	(19)
Discoveries and extensions	4	1	18	382	8			31	382
Improved recovery	1			5	11	1		13	5
Production	(15)	(16)	(35)	(208)	(5)	(4)		(75)	(208)
Proved reserves at									
December 31, 2002	166	108	227	1,952	31	37	143	569	2,095
Revision of previous estimate	5	1	6	(132)	1	(5)	(143)	8	(275)
Purchase of reserves in place	9		3	184				12	184
Sales of reserves in place	(1)	(3)	(1)	(23)				(5)	(23)
Discoveries and extensions	5	2	29	300				36	300
Improved recovery	1			1				1	1
Production	(12)	(14)	(37)	(223)	(6)	(8)		(77)	(223)
Proved reserves at									
December 31, 2003	173	94	227	2,059	26	24		544	2,059
Revision of previous estimate	1	1	(114)	(23)	(1)	3		(110)	(23)
Purchase of reserves in place	1			23				1	23
Sales of reserves in place			(1)	(14)				(1)	(14)
Discoveries and extensions	7	2	32	372	24			65	372
Improved recovery	1	2	1	4	3			7	4
Production	(12)	(13)	(40)	(252)	(5)	(7)		(77)	(252)
Proved reserves at									
December 31, 2004	171	86	105	2,169	47	20		429	2,169

Note:

(1) Proved reserves are the estimated quantities of crude oil, natural gas and NGL which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Reserves and Production by Principal Area

Crude Oil and NGL [1]

	Proved Reserves (mmbbls)	*Production (mbbls/day)*
Canada		
Western Canada		
British Columbia and Foothills		
Alberta and BC Plains area	31.0	6.6
Foothills Deep Gas area	23.7	6.6
Ram River and Kaybob areas	7.0	2.0
Northwest Alberta Plains		
Rainbow Lake area	83.8	7.7
Peace River Arch area	10.4	4.2
East Central Alberta		
Provost area	23.6	8.2
North area	2.3	0.6
South area	6.5	2.7
Southern Alberta and Saskatchewan		
South Alberta area	20.0	11.2
South Saskatchewan area	72.6	17.4
Lloydminster Area		
Primary production	80.5	81.0
Thermal production	–	18.8
Other	0.8	9.6
	362.2	176.6
East Coast Canada		
Terra Nova	23.6	13.7
White Rose	23.5	–
	409.3	190.3
China		
Wenchang	19.4	19.7
Libya		
Shatirah	0.4	0.1
	429.1	210.1

Note:

(1) Gross crude oil and NGL reserves as at December 31, 2004 and average 2004 daily gross production of crude oil and NGL.

Natural Gas [1]

	Proved Reserves	*Production*
	(bcf)	*(mmcf/day)*
Western Canada		
British Columbia and Foothills		
Alberta and BC Plains area	181.5	46.9
Foothills Deep Gas area	291.4	94.8
Ram River and Kaybob areas	271.8	84.0
Northwest Alberta Plains		
Rainbow Lake area	373.3	50.7
Peace River Arch	56.4	29.0
Northern Alberta area	269.7	97.4
East Central Alberta		
Provost area	63.7	16.8
North area	148.6	54.0
South area	184.6	55.0
Southern Alberta and Saskatchewan		
South Alberta area	61.7	32.4
South Saskatchewan area	182.9	62.0
Lloydminster Area	75.0	58.0
Other	8.1	8.2
	2,168.7	689.2

Note:
(1) Gross natural gas reserves as at December 31, 2004 and average 2004 daily gross production of natural gas.

Probable Oil and Gas Reserves [1]

	Crude Oil & NGL				*Natural Gas*			
Probable	*Western Canada*	*East Coast*	*Intn'l*	*Total*	*Western Canada*	*Intn'l*	*Total*	*BOE*
		(mmbbls)				*(bcf)*		*(mmboe)*
2004	192.3 [2]	155.6	12.7	360.6	388.2	166.6	554.8	453.1
2003	246.1	182.2	7.0	435.3	381.3	66.5	447.8	509.9
2002	246.4	201.6	4.2	452.2	383.9	18.9	402.8	519.3

Notes:
(1) The probable reserves presented have been prepared, using constant prices and costs, in accordance with NI 51-101.
(2) Probable bitumen reserves were based on constant prices calculated in accordance with the Canadian Securities Administrators Staff Notice 51-315 "Guidance Regarding the Determination of Constant Prices for Bitumen Reserves under National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (the "Staff Notice"). Bitumen reserves at December 31, 2004 remain classified as probable reserves because the pricing formula in the Staff Notice results in an economically viable price as at that date whereas 37 mmbbls of heavy oil reserves were subtracted from probable reserves due to low December 31, 2004 heavy oil prices under the constant pricing calculation applicable to heavy oil, which differed from the bitumen calculation. See "Disclosure of Exemption under National Instrument 51-101" for further discussion.
(3) Bitumen probable reserves are included under the caption Western Canada.
(4) The SEC generally permits oil and gas registrants to disclose only reserves that meet the standards for proved reserves. Due to the higher uncertainty associated with probable reserves, disclosure or reference to probable reserves does not meet the standards for the inclusion in a document filed with the SEC. The disclosure of probable reserves is included herein in accordance with certain undertakings made in an exemption order granted to Husky pursuant to Part 8 of the Companion Policy to NI 51-101.

Disclosure about Oil and Gas Producing Activities – Statement of Financial Accounting Standards No. 69

The following disclosures have been prepared in accordance with FASB Statement No. 69 "Disclosures about Oil and Gas Producing Activities" ("FAS 69"):

Oil and Gas Reserves

Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

Proved undeveloped reserves are reserves that are expected to be recovered from known accumulations where a significant expenditure is required.

Canadian provincial royalties are determined based on a graduated percentage scale, which varies with prices and production volumes. Canadian reserves, as presented on a net basis, assume prices and royalty rates in existence at the time the estimates were made, and our estimate of future production volumes. Future fluctuations in prices, production rates, or changes in political or regulatory environments could cause our share of future production from Canadian reserves to be materially different from that presented.

Subsequent to December 31, 2004, no major discovery or other favourable or adverse event is believed to have caused a material change in the estimates of proved or proved developed reserves as of that date.

Results of Operations for Producing Activities [(1)(2)]

	Canada			*International*			*Total*		
	2004	*2003*	*2002*	***2004***	*2003*	*2002*	***2004***	*2003*	*2002*
	($ millions except per boe amounts)								
Oil and gas production revenue	2,866	2,917	2,541	310	310	190	3,176	3,227	2,731
Operating costs									
Lease operating expenses	874	794	676	17	17	10	891	811	686
Production taxes	56	41	66	–	–	–	56	41	66
Asset retirement obligation accretion	23	18	14	–	–	–	23	18	14
	953	853	756	17	17	10	970	870	766
Depreciation, depletion and amortization	1,018	852	784	59	66	38	1,077	918	822
Earnings before taxes	895	1,212	1,001	234	227	142	1,129	1,439	1,143
Income tax	349	491	363	92	91	59	441	582	422
Results of operations	546	721	638	142	136	83	688	857	721
Amortization rate per boe	9.11	8.05	7.47	8.19	8.00	8.33	9.06	8.04	7.50

Notes:

(1) The costs in this schedule exclude corporate overhead, interest expense and other operating costs, which are not directly related to producing activities.

(2) Under U.S. GAAP, the depreciation, depletion and amortization for Canadian producing activities for 2004 amounted to $981 million (2003 – $772 million; 2002 – $727 million). Asset retirement obligation accretion under U.S. GAAP for 2002 is nil. Income taxes for Canadian producing activities under U.S. GAAP for 2004 amounted to $364 million (2003 – $523 million; 2002 – $393 million).

Costs Incurred in Oil and Gas Property Acquisition, Exploration and Development Activities[1]

	Canada	*International*	*Total*
		($ millions)	
2004			
Property acquisition			
Proved [2]	101	–	101
Unproved [3]	91	62	153
Exploration	295	18	313
Development	1,648	5	1,653
Capitalized interest	75	–	75
	2,210	85	2,295
Less: Proved acquisitions	101	–	101
Capitalized interest	75	–	75
Finding and development costs	2,034	85	2,119
Less: Actual asset retirement Expenditures	26	–	26
Plus: Asset retirement Obligations incurred	90	(1)	89
Total costs incurred	2,098	84	2,182
2003			
Property acquisition			
Proved [4]	541	–	541
Unproved [5]	106	–	106
Exploration	298	26	324
Development	1,326	–	1,326
Capitalized interest	52	–	52
	2,323	26	2,349
Less: Proved acquisitions	541	–	541
Capitalized interest	52	–	52
Finding and development costs	1,730	26	1,756
Less: Actual asset retirement Expenditures	25	–	25
Plus: Asset retirement Obligations incurred	101	2	103
Total costs incurred	1,806	28	1,834

Costs Incurred [1] *(continued)*

	Canada	International	Total
		($ millions)	
2002			
Property acquisition			
Proved	20		20
Unproved	88		88
Exploration	257	9	266
Development	1,110	66	1,176
Capitalized interest	26	–	26
	1,501	75	1,576
Less: Proved acquisitions	20	–	20
Capitalized interest	26	–	26
Finding and development costs	1,455	75	1,530
Less: Actual asset retirement			
Expenditures	18	–	18
Plus: Asset retirement			
Obligations incurred	33	1	34
Total costs incurred	1,470	76	1,546

Notes:
(1) Costs incurred includes actual retirement expenditures
(2) Property acquisition costs related to corporate acquisitions for proved properties were $98 million
(3) Property acquisition costs related to corporate acquisitions for unproved properties were $40 million
(4) Property acquisition costs related to corporate acquisitions for proved properties were $517 million
(5) Property acquisition costs related to corporate acquisitions for unproved properties were $54 million

Acquisition costs include costs incurred to purchase, lease, or otherwise acquire oil and gas properties.

Exploration costs include the costs of geological and geophysical activity, retaining undeveloped properties and drilling and equipping exploration wells.

Development costs include the costs of drilling and equipping development wells and facilities to extract, treat and gather and store oil and gas.

Exploration and development costs include administrative costs and depreciation of support equipment directly associated with these activities.

The following table sets forth a summary of oil and gas property costs not being amortized at December 31, 2004, by the year in which the costs were incurred:

Withheld Costs

	Total	*2004*	*2003*	*2002*	*Prior to 2002*
			($ millions)		
Property acquisitions					
Canada	328	–	56	26	246
International	75	62	–	–	3
	403	62	56	26	259
Exploration					
Canada	475	249	61	39	126
International	35	13	16	6	–
	510	262	77	45	126
Development					
Canada	1,324	487	466	371	–
International	18	1	1	–	16
	1,342	488	467	371	16
Capitalized interest					
Canada	273	75	52	26	120
	2,528	887	652	468	521

Capitalized Costs Relating to Oil and Gas Producing Activities

	Canada	*International*	*Total*
		($ millions)	
2004			
Proved properties	13,289	452	13,741
Asset retirement obligation costs	314	6	320
Unproved properties	2,399	129	2,528
	16,002	587	16,589
Accumulated DD&A	5,722	311	6,033
Net Capitalized Costs [(1)]	10,280	276	10,556
2003			
Proved properties	11,794	442	12,236
Asset retirement obligation costs	223	7	230
Unproved properties	1,814	54	1,868
	13,831	503	14,334
Accumulated DD&A	4,718	252	4,970
Net Capitalized Costs [(1)]	9,113	251	9,364

Capitalized Costs (continued)

	Canada	*International*	*Total*
		($ millions)	
2002			
Proved properties	10,217	432	10,649
Asset retirement obligation costs	122	5	127
Unproved properties	1,318	37	1,355
	11,657	474	12,131
Accumulated DD&A	3,968	186	4,154
Net Capitalized Costs [1]	7,689	288	7,977

Note:

(1) The net capitalized costs for Canadian oil & gas exploration, development and producing activities under U.S. GAAP for 2004 was $9,721 million (2003 – $8,518 million, 2002 – $7,014 million). The net capitalized costs for International property oil & gas exploration, development and producing activities under U.S. GAAP for 2004 was $274 million (2003 – $249 million, 2002 – $286 million). Please refer to note 20 to the Consolidated Financial Statements.

Oil and Gas Reserve Information

In Canada, our proved crude oil, natural gas liquids, natural gas and sulphur reserves are located in the provinces of Alberta, Saskatchewan and British Columbia, and offshore the East Coast. Our international proved reserves are located in China and Libya.

Reserves

	Canada			*International*		*Total*		
	Crude Oil & NGL	*Natural Gas*	*Sulphur*	*Crude Oil & NGL*	*Natural Gas*	*Crude Oil & NGL*	*Natural Gas*	*Sulphur*
	(mmbbls)	*(bcf)*	*(mmlt)*	*(mmbbls)*	*(bcf)*	*(mmbbls)*	*(bcf)*	*(mmlt)*
Net proved developed and undeveloped reserves, after royalties [(1)(2)(3)(4)]								
End of year 2001	503.0	1,558.6	4.7	36.8	115.2	539.8	1,673.8	4.7
Revisions	–	14.7	0.3	(0.8)	(14.3)	(0.8)	0.4	0.3
Purchases	4.2	5.4	–	–	–	4.2	5.4	–
Sales	(14.5)	(16.6)	–	–	–	(14.5)	(16.6)	–
Improved recovery	10.3	3.0	–	–	–	10.3	3.0	–
Discoveries and extensions	26.9	202.4	–	1.1	–	28.0	202.4	–
Production	(61.8)	(155.7)	(0.4)	(4.3)	–	(66.1)	(155.7)	(0.4)
End of year 2002	468.1	1,611.8	4.6	32.8	100.9	500.9	1,712.7	4.6
Revisions	18.4	(88.9)	0.1	(2.8)	(100.9)	15.6	(189.8)	0.1
Purchases	9.2	146.2	–	–	–	9.2	146.2	–
Sales	(4.2)	(15.9)	(0.1)	–	–	(4.2)	(15.9)	(0.1)
Improved recovery	1.2	0.5	–	–	–	1.2	0.5	–
Discoveries and extensions	31.4	245.1	0.1	–	–	31.4	245.1	0.1
Production	(61.1)	(182.2)	(0.5)	(7.5)	–	(68.6)	(182.2)	(0.5)
End of year 2003	463.0	1,716.6	4.2	22.5	–	485.5	1,716.6	4.2
Revisions	(105.4)	(55.1)	(0.4)	2.3	–	(103.1)	(55.1)	(0.4)
Purchases	1.0	17.3	–	–	–	1.0	17.3	–
Sales	(0.7)	(11.6)	–	–	–	(0.7)	(11.6)	–
Improved recovery	5.9	3.4	–	–	–	5.9	3.4	–
Discoveries and extensions	54.7	308.7	0.1	–	–	54.7	308.7	0.1
Production	(61.5)	(191.6)	(0.6)	(6.5)	–	(68.0)	(191.6)	(0.6)
End of year 2004	357.0	1,787.7	3.3	18.3	–	375.3	1,787.7	3.3
Net proved developed reserves, after royalties [(1)(2)(3)(4)]								
End of year 2001	378.1	1,342.2	4.6	0.6	–	378.7	1,342.2	4.6
End of year 2002	360.9	1,272.8	3.7	28.2	–	389.1	1,272.8	3.7
End of year 2003	372.0	1,422.9	3.8	22.5	–	394.5	1,422.9	3.8
End of year 2004	298.5	1,436.0	3.3	18.3	–	316.8	1,436.0	3.3

Notes:

(1) Net reserves are the Company's lessor royalty, overriding royalty and working interest share of the gross remaining reserves, after deduction of any crown, freehold and overriding royalties. Such royalties are subject to change by legislation or regulation and can also vary depending on production rates, selling prices and timing of initial production.

(2) Reserves are the estimated quantities of crude oil, natural gas and related substances anticipated from geological and engineering data to be recoverable from known accumulations from a given date forward, by known technology, under existing operating conditions and prices in effect at year end.

(3) Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

(4) Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Proved undeveloped reserves are reserves that are expected to be recovered from known accumulations where a significant expenditure is required.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following information has been developed utilizing procedures prescribed by FAS 69 and based on crude oil and natural gas reserve and production volumes estimated by our engineering staff. It may be useful for certain comparison purposes, but should not be solely relied upon in evaluating Husky or its performance. Further, information contained in the following table should not be considered as representative of realistic assessments of future cash flows, nor should the standardized measure of discounted future net cash flows be viewed as representative of the current value of Husky's reserves.

The future cash flows presented below are based on sales prices, cost rates, and statutory income tax rates in existence as of the date of the projections. It is expected that material revisions to some estimates of crude oil and natural gas reserves may occur in the future, development and production of the reserves may occur in periods other than those assumed, and actual prices realized and costs incurred may vary significantly from those used.

Management does not rely upon the following information in making investment and operating decisions. Such decisions are based upon a wide range of factors, including estimates of probable as well as proved reserves, and varying price and cost assumptions considered more representative of a range of possible economic conditions that may be anticipated.

The computation of the standardized measure of discounted future net cash flows relating to proved oil and gas reserves at December 31, 2004 was based on the NYMEX year-end natural gas spot price of U.S. $6.02/mmbtu (2003 – U.S. $5.96/mmbtu; 2002 – U.S. $4.60/mmbtu) and on crude oil prices computed with reference to the year-end WTI price of U.S. $43.36/bbl (2003 – U.S. $32.5/bbl; 2002 – U.S. $31.21/bbl). The price of WTI in Canadian dollars was lower December 31, 2003 than at December 31, 2002 as a result of the Cdn./U.S. dollar exchange rate, which was $1.29 at December 31, 2003 compared with $1.58 at December 31, 2002.

Standardized Measure

	Canada (1)			*International (1)*			*Total (1)*		
	2004	*2003*	*2002*	***2004***	*2003*	*2002*	***2004***	*2003*	*2002*
					($ millions)				
Future cash inflows	22,681	24,003	25,830	979	928	2,719	23,660	24,931	28,549
Future costs									
Future production and development costs	9,353	8,645	7,239	148	146	502	9,501	8,791	7,741
Future income taxes	4,871	5,696	7,278	266	247	860	5,137	5,943	8,138
Future net cash flows	8,457	9,662	11,313	565	535	1,357	9,022	10,197	12,670
Deduct 10 percent annual discount factor	3,712	4,242	4,966	105	117	518	3,817	4,359	5,484
Standardized measure of discounted future net cash flows	4,745	5,420	6,347	460	418	839	5,205	5,838	7,186

Note:

(1) The schedules above are calculated using year-end prices, costs, statutory income tax rates and existing proved oil and gas reserves. The value of exploration properties and probable reserves, future exploration costs, future changes in oil and gas prices and in production and development costs are excluded.

Changes in Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

	Canada [1]			*International* [1]			*Total* [1]		
	2004	*2003*	*2002*	***2004***	*2003*	*2002*	***2004***	*2003*	*2002*
					($ millions)				
Present value at January 1	5,420	6,347	2,354	418	839	438	5,838	7,186	2,792
Sales and transfers, net of production costs	(1,952)	(2,097)	(1,802)	(294)	(293)	(179)	(2,246)	(2,390)	(1,981)
Net change in sales and transfer prices, net of development and production costs	555	(1,379)	7,752	197	(376)	732	752	(1,755)	8,484
Extensions, discoveries and improved recovery, net of related costs	958	541	676	–	–	40	958	541	716
Revisions of quantity estimates	(1,318)	76	(30)	85	(97)	(28)	(1,233)	(21)	(58)
Accretion of discount	877	1,055	390	61	130	59	938	1,185	449
Sale of reserves in place	(20)	(47)	(189)	–	–	–	(20)	(47)	(189)
Purchase of reserves in place	45	304	45	–	–	–	45	304	45
Changes in timing of future net cash flows and other	(233)	(237)	(191)	17	(49)	80	(216)	(286)	(111)
Net change in income taxes	413	857	(2,658)	(24)	264	(303)	389	1,121	(2,961)
Present value at December 31	4,745	5,420	6,347	460	418	839	5,205	5,838	7,186

Note:

(1) The schedules above are calculated using year-end prices, costs, statutory income tax rates and existing proved oil and gas reserves. The value of exploration properties and probable reserves, future exploration costs, future changes in oil and gas prices and in production and development costs are excluded.

INDEPENDENT ENGINEER'S AUDIT OPINION

January 17, 2005

Husky Energy Inc.
707 – 8th Avenue S.W.
Calgary, Alberta
T2P 3G7

Gentlemen:

Pursuant to Husky's request we have conducted an audit of the reserves estimates and the respective present worth value of these reserves of Husky Energy Inc., as at December 31, 2004. The Company's detailed reserves information was provided to us for this audit. Our responsibility is to express an independent opinion on the reserves and respective present worth value estimates, in aggregate, based on our audit tests and procedures.

We conducted our audit in accordance with Canadian generally accepted standards as described in the Canadian Oil and Gas Evaluation Handbook (COGEH) and auditing standards generally accepted in the United States of America. Those standards require that we review and assess the policies, procedures, documentation and guidelines of the Company with respect to the estimation, review and approval of Husky's reserves information. An audit includes examining, on a test basis, to confirm that there is adherence on the part of Husky's internal reserve evaluators and other employees to the reserves management and administration policies and procedures established by the Company. An audit also includes conducting reserves evaluation on sufficient number of Company properties as considered necessary to express an opinion.

Based on the results of our audit, it is our opinion that Husky's internally generated proved and probable reserves and net present values based on forecast and constant price assumptions are, in aggregate, reasonable and have been prepared in accordance with generally accepted oil and gas engineering and evaluation practices in the United States and as set out in the Canadian Oil and Gas Evaluation Handbook.

Sincerely,

McDaniel & Associates Consultants Ltd.

/s/ B. H. EMSLIE

B. H. Emslie, P. Eng.
Senior Vice President

REPORT ON RESERVES DATA BY QUALIFIED RESERVES EVALUATOR

To the Board of Directors of
HUSKY ENERGY INC. (the "Company"):

1. Our staff has evaluated the Company's oil and gas reserves data as at December 31, 2004. The reserves data consist of the following:
   (a) proved oil and gas reserve quantities estimated as at December 31, 2004 using constant prices and costs; and
   (b) the related standardized measure of discounted future net cash flows.
2. The oil and gas reserves data are the responsibility of the Company's management. As the Corporate Representatives our responsibility is to certify that the reserves data has been properly calculated in accordance with generally accepted procedures for the estimation of reserves data.
3. We carried out our evaluation in accordance with generally accepted procedures for the estimation of oil and gas reserves data and standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGEH") with the necessary modifications to reflect definitions and standards under the applicable U.S. Financial Accounting Standards Board standards (the "FASB Standards" and the legal requirements of the U.S. Securities and Exchange Commission ("SEC Requirements"). Our internal reserves evaluators are not independent of the Company, within the meaning of the term "independent" under those standards.
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the oil and gas reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGEH as modified or replaced by the FASB Standards and SEC Requirements.
5. The following sets forth the estimated standardized measure of discounted future net cash flows (before deducting income taxes) attributed to proved oil and gas reserve quantities, estimated using constant prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2004:
   Location of Reserves

	Discounted Future Net Cash Flows (after income taxes, 10% discount rate)
Canada	4,745
China	447
Libya	13
	5,205

   We have filed the Company's disclosures in accordance with Financial Accounting Standards Board Statement No. 69 reserve disclosure concurrently with this form.
6. In our opinion, the oil and gas reserves data evaluated by us have, in all material respects, been determined in accordance with principles and definitions presented in the COGEH as modified or replaced by the FASB Standards and SEC Requirements.
7. We have no responsibility to update our evaluation for events and circumstances occurring after the date of this report.
8. Oil and gas reserves are estimates only, and not exact quantities. In addition, the oil and gas reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

/s/ PRESTON KRAFT

Preston Kraft P.Eng
Manager of Reservoir Engineering
Calgary, Alberta
January 17, 2005

/s/ LARRY BELL

Larry Bell
Vice President, Exploration & Production Services
Calgary, Alberta
January 17, 2005

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of Husky Energy Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes oil and gas reserves data, which consist of the following:

(1) proved oil and gas reserve quantities estimated as at December 31, 2004 using constant prices and costs; and

(2) the related standardized measure of discounted future net cash flows.

Our oil and gas reserves evaluation process involves applying generally accepted procedures for the estimation of oil and gas reserves data for the purposes of complying with the legal requirements of the U.S. Securities and Exchange Commission ("SEC") and the applicable provisions of the U.S. Financial Accounting Standards Board Statement of Financial Accounting Standards No. 69 (collectively, the "Oil and Gas Reserves Data Process"). Our Manager of Reservoir Engineering and Vice President, Exploration & Production Services, who are employees of the Company, have evaluated the Company's oil and gas reserves data and certified that the Reserves Data Process has been followed. The Report on Reserves Data of the Manager of Reservoir Engineering and Vice President, Exploration & Production Services will be filed with securities regulatory authorities concurrently with this report.

The Audit Committee of the Board of Directors has:

(a) reviewed the Company's procedures for providing information to the internal and external qualified oil and gas reserves evaluators;

(b) met with the internal and, if applicable, external qualified oil and gas reserves evaluator(s) to determine whether any restrictions placed by management affect the ability of the internal qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves data with management and the internal qualified oil and gas reserves evaluators.

The Audit Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Audit Committee, approved:

(a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information;

(b) the filing of the Report on Reserves Data of the Manager of Reservoir Engineering and Vice President, Exploration & Production Services; and

(c) the content and filing of this report.

Husky sought and was granted by the Canadian Securities Administrators an exemption from the requirement under National Instrument 51-101 *"Standards of Disclosure for Oil and Gas Disclosure"* to involve independent qualified oil and gas reserves evaluators or auditors. Notwithstanding this exemption, we involve independent qualified reserve auditors as part of our corporate governance practices. Their involvement helps assure that our internal oil and gas reserves estimates are materially correct.

In our view, the reliability of the internally generated oil and gas reserves data is not materially different than would be afforded by our involving independent qualified reserves evaluators to evaluate and review the reserves data. A portion of our oil and gas reserves data is international in nature. Husky is an SEC registrant and therefore our reserves data is developed in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as modified or replaced by the applicable U.S. Financial Accounting Standards Board standards and the legal requirements of the SEC. Our procedures, records and controls relating to the accumulation of source data and preparation of reserves data by our internal reserves evaluation staff have been

established, refined and documented over many years. Our internal reserves evaluation staff includes 129 individuals, including support staff, of whom 46 individuals are qualified reserves evaluators as defined in the Canadian Oil and Gas Evaluation Handbook, with an average of 10 years of relevant experience in evaluating reserves. Our internal reserves evaluation management personnel includes 23 individuals with an average of 12 years of relevant experience in evaluating oil and gas and managing the evaluation process.

Reserves data are estimates only, and are not exact quantities. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

/s/ John C. S. Lau — March 16, 2005

John C. S. Lau
President & Chief Executive Officer

/s/ Neil D. McGee — March 16, 2005

Neil D. McGee
Vice President & Chief Financial Officer

/s/ R. Donald Fullerton — March 16, 2005

R. Donald Fullerton
Director

/s/ Wayne E. Shaw — March 16, 2005

Wayne E. Shaw
Director

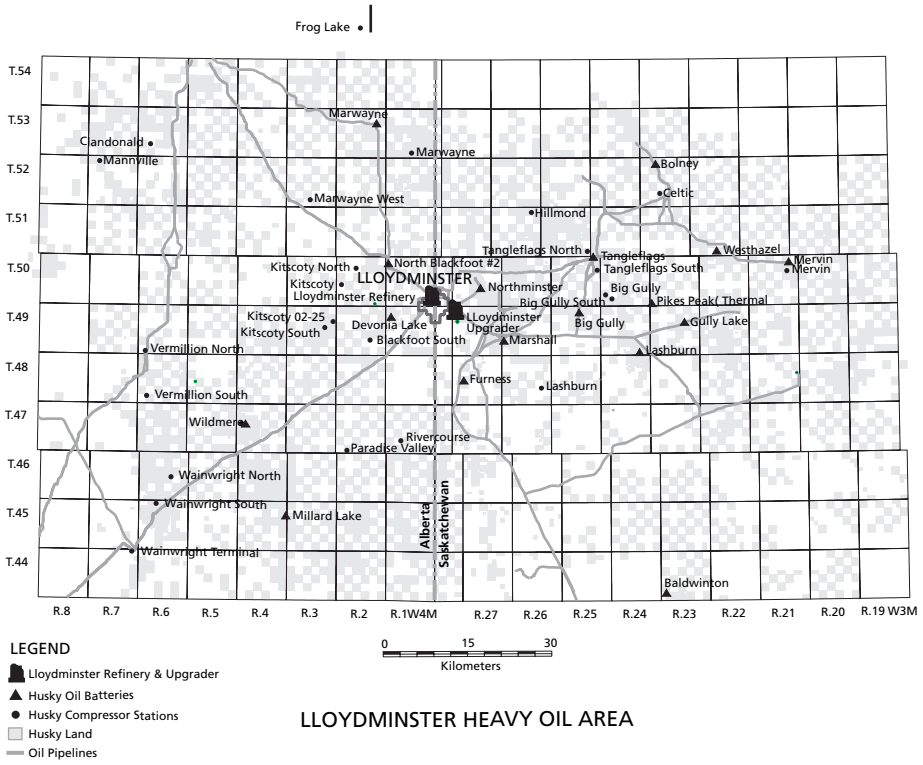
Description of Major Properties and Facilities

Husky's portfolio of assets includes properties that produce light (30° API and lighter), medium (between 20° and 30° API) and heavy (below 20° and above 10° API) gravity crude oil, NGL, natural gas and sulphur.

Lloydminster Heavy Oil and Gas

Husky's heavy oil assets are concentrated in a large producing area covering more than 14,800 square kilometres in the Lloydminster area in the Canadian provinces of Saskatchewan and Alberta. Approximately 85 percent of Husky's proved reserves in the region are contained in the heavy crude oil producing fields of Pikes Peak, Edam, Tangleflags, Celtic, Bolney, Westhazel, Big Gully, Hillmond, Mervin, Marwayne, Lashburn, Baldwinton and Rush Lake, and in the medium gravity crude oil producing fields of Wildmere and Wainwright. These fields contain accumulations of heavy crude oil at relatively shallow depths. We maintain a land position of approximately 1.6 million net acres in the Lloydminster area, of which approximately three-quarters is undeveloped.

We currently produce from oil and gas wells ranging in depth from 450 to 650 metres and hold a 100 percent working interest in the majority of these wells. We produce heavy oil from the Lloydminster area using a variety of techniques, including standard primary production methods, as well as steam injection, horizontal well technology and steam assisted gravity drainage ("SAGD"). We have increased primary production from the area through cold production techniques which utilize progressive cavity pumps capable of simultaneous production of sand and heavy oil from unconsolidated formations. Our gross heavy and medium crude oil production from the area totalled 99.7 mbbls/day in 2004. Of the total production, 77.3 mbbls/day was primary production of heavy crude oil, 18.8 mbbls/day was production from our thermal operations at Pikes Peak (cyclic steam), Bolney/Celtic (SAGD) and the Lashburn pilot (SAGD), which was started in 2004 and 3.7 mbbls/day was from the medium gravity waterflooded fields in the Wainwright and Wildmere areas. We believe that the future growth from this area will be driven by primary heavy oil production and new thermal projects.



LLOYDMINSTER HEAVY OIL AREA

In the Lloydminster area we own and operate 16 oil treating facilities, all of which are tied into our heavy oil pipeline systems. These pipeline systems transport heavy crude oil from the field locations to our Lloydminster asphalt refinery, to the Husky Lloydminster Upgrader and to the Enbridge Pipeline and Express Pipeline systems at Hardisty, Alberta. During 2004, we completed construction of a facility at Landrose, Saskatchewan with an output capacity of 11.3 mbbls/day.

We are focused on increasing our heavy oil production and believe that our undeveloped land position in the Lloydminster area, coupled with the application of improved technologies, a reduced cost structure and increased upgrading capacity, will provide strong growth opportunities for heavy oil production.

We also produce natural gas from numerous small shallow natural gas pools in the Lloydminster area (approximately 76 bcf of proved reserves). Our total gross natural gas production from the area during 2004 was 57.9 mmcf/day.

Northwest Alberta Plains

Rainbow Lake Area

Rainbow Lake, located approximately 700 kilometres northwest of Edmonton, Alberta, is the site of our largest light oil production operation in Western Canada. Husky operates a number of crude oil pools in the Rainbow basin, with an average working interest of 54 percent. Our production in this area is derived from more than 50 oil and gas pools extending over 1,300 square kilometres.

We use secondary and tertiary oil recovery methods extensively in the Rainbow Lake area. These methods include injecting water, natural gas and NGL into the oil reservoirs to enhance crude oil recovery. The use of tertiary recovery programs, such as the miscible flood used at Rainbow Lake, has increased the estimated amount of recoverable crude oil-in-place from 50 to 70 percent of the original crude oil-in-place in certain pools. As a consequence of implementing these natural gas and NGL re-injection programs, historically only small volumes of gas and NGL have been marketed from the Rainbow Lake area prior to 2002. In 2003, we initiated the recovery of natural gas from several pools. NGL recovery is forecast to begin in the 2008-2010 timeframe and is expected to generate revenues as the crude oil production from the pools is completed. We use horizontal drilling techniques, including the re-entry of existing wellbores, to maintain the level of crude oil production and to increase recovery rates. We plan to continue exploration efforts to supplement our development initiatives in the Rainbow Lake area. Husky's gross production from this area averaged 7.2 mbbls/day of light crude oil and NGL and 33.0 mmcf/day of natural gas during 2004.

We hold a 50 percent interest in, and operate, the Rainbow Lake processing plant. The processing design rate capacity of the plant is 69 mbbls/day of crude oil and water and 230 mmcf/day of raw gas. The extraction design capacity is 17 mbbls/day of NGL.

We hold an interest in two significant non-operated properties in the Rainbow area. They include the Ekwan/Sierra property in northeastern British Columbia and the Bistcho/Cameron Hills property straddling the Alberta and Northwest Territories border. Our gross production from these properties currently averages 11.4 mmcf/day of natural gas and 118 bbls/day of liquid hydrocarbons. We also hold a working interest in the EnCana Sierra gas plant and the Paramount Bistcho gas plant. We are active in both these areas with development and exploration drilling. In these two areas we hold in excess of 200,000 acres of undeveloped land.

Peace River Arch Area

The Peace River Arch area of northern Alberta, which includes the Slave Lake, Sawn Lake, Red Earth, Lubicon, Nipisi, Utikuma and other properties, has been a major light oil producing area located approximately 370 kilometres northwest of Edmonton. We operate and hold an average 80 percent working interest in several properties in this area. Over the last three years, we have maintained net production from properties in this area, at approximately 4.1 mbbls/day of crude oil, through acquisitions, step-out drilling and waterflood optimization. The average working interest in these lands is 80 percent. Infrastructure includes a 100 percent working interest in a 30 mmcf/day sour gas plant and three oil batteries. Husky plans to continue development drilling and waterflood optimization for both crude oil and natural gas targets in this area.

Boyer Area

The Boyer area of Alberta is approximately 600 kilometres northwest of Edmonton, Alberta. We are the operator and hold close to 100 percent working interest in our properties. The area holds shallow Bluesky gas reservoirs that are characterized as low deliverability and low decline that are being developed with a drilling density of three wells per section. We intend to continue to develop this area by drilling undeveloped sections, infill drilling, land acquisitions and step out exploration. Gross production from this area in 2004 averaged 33.0 mmcf/day of natural gas.

Sloat Creek Area

The Sloat Creek or Chinchaga area of Alberta is located close to the British Columbia border approximately 570 kilometres northwest of Edmonton, Alberta. We are the operator and hold an approximate 95 percent working interest in our properties. Natural gas is produced from the Bluesky, DeBolt, Elkton and Shunda zones that lie an average of approximately 1,030 metres deep and the Slave Point zone at an average depth of 1,800 metres. We intend to continue to develop this area with infill, step-out and exploratory drilling so that existing pools can be optimized and new pools can be placed on production.

We own a 30 mmcf/day high pressure booster compression plant that feeds a third party operated sour gas plant and are 50 percent owner in a 12 mmcf/day low pressure booster that feeds a 40 percent owned sweet gas processing facility operated by a third party. Gross production from this area averaged 6.6 mmcf/day of natural gas in 2004.

Marten Hills/Muskwa Area

The Marten Hills and Muskwa areas of Alberta are located 212 kilometres northwest of Edmonton, Alberta. Natural gas is produced from the Clearwater, Colony, McMurray and Wabiskaw zones that lie at an average depth of 600 metres. We operate our properties in this area and intend to continue to develop this area with infill, step-out and exploratory drilling so that existing pools can be optimized and new pools can be placed on production.

We own a 100 percent interest in a series of nine sales gas compressor stations (compressors at sales points) and a number of field booster stations, a 95 percent interest in a compressor station at Rock Island, a 37.5 percent interest in a third party operated facility at Peerless and a 3 percent interest in the third party operated Marten Hills unit. Gross production from this area averaged 34.9 mmcf/day of natural gas in 2004.

Cherpeta and Saleski Areas

The Cherpeta area of Alberta is located 230 kilometres north of Edmonton, Alberta and the Saleski area is located approximately 140 kilometres further north from Cherpeta. Natural gas is produced at Cherpeta from the Nisku, Clearwater, Colony, McMurray and Wabiskaw zones that lie at an average depth of 600 metres. The Grosmont zone that lies between 450 and 500 metres characterizes the Saleski area. We operate our properties in this area and intend to continue to develop this area with infill, step-out and exploratory drilling so that existing pools can be optimized and new pools can be placed on production.

We hold working interests ranging from 60 to 95 percent in the Cherpeta area and 49 percent in the Saleski area and operate a series of sales compressor stations, gas plants and sales pipeline. Gross production from these areas averaged 35.6 mmcf/day of natural gas in 2004.

Simons Lake Area

The Simons Lake area of Alberta is located 386 kilometres northwest of Edmonton, Alberta. Natural gas is produced from the Bluesky, DeBolt, Elkton and Shunda zones that lie at an average depth of 600 metres.

We hold 100 percent working interest in a 10 mmcf/day sour gas processing facility and 34 percent working interest in a high pressure booster station operated by a third party that feeds a separate third party owned sour gas processing facility. Gross production from this area averaged 3.7 mmcf/day of natural gas in 2004.

Northeast British Columbia and Alberta Foothills

Ram River Area

The Ram River area is located in west central Alberta and includes the large Blackstone, Ricinus and Clearwater/ Limestone natural gas fields.

The Blackstone field is the most prolific of these fields and contains four high deliverability natural gas wells, capable of combined raw gas production of 80 mmcf/day. We hold a 34 percent interest in two unitized wells, a 24 percent and a 50 percent interest, respectively, in two non-unit wells, and act as the contract operator of the Blackstone wells. Production from these wells is processed at the Ram River gas plant.

We hold an average 72 percent interest in, and are the operator of, the Ram River sour gas plant and related processing facilities. The Ram River plant has the capacity to process 622 mmcf/day of sour gas, resulting in sales gas capacity of 525 mmcf/day. The plant also has the capacity to produce in excess of 2.8 mlt/day of sulphur from raw gas. During 2004, the plant operated at approximately 86 percent of its design rate capacity. The Ram River plant processes in excess of 10 percent of our total gross natural gas production, which includes an average of 50 mmcf/day of our gross production from the Blackstone, Brown Creek, Cordel and Stolberg fields and an average of 18.5 mmcf/day of our gross production from Ricinus and Clearwater/Limestone and Benjamin fields, in addition to processing third-party volumes. In addition, gross production from the Ferrier area, which is processed at another gas plant, averaged 4.4 mmcf/day of natural gas bringing our total gross production of natural gas from the Ram River area to 71 mmcf/day in 2004.

Our sour gas pipeline network supports the Ram River plant. We operate a network of 845 kilometres of sour gas pipelines in the Ram River area and hold a 30 percent interest in 684 kilometres of this pipeline system. The sour gas processed at the Ram River plant is produced from 18 sour gas fields located as far as 145 kilometres from the Ram River plant.

We believe that the Ram River plant and the extensive infrastructure of gathering pipelines, transmission systems and rail lines, which support the plant, represents a strategic base for the natural gas exploration and development planned by us in this part of the foothills region. In addition, this region is an active exploration and production area for other producers and provides additional opportunities for generating revenue by processing third party natural gas.

Kaybob Area

The Kaybob area consists of land located in the Fox Creek area of Alberta. The Kaybob area consists of four main areas. The Kaybob South Beaverhill Lake Unit 1 (35.6 percent working interest), Kaybob South Triassic Unit 1 (40.5 percent working interest), Kaybob South Triassic Unit 2 (26.8 percent working interest), and non-unit lands (various working interests from gross overriding royalty to 100 percent working interest).

The majority of the gas is gathered and processed through the Kaybob South Amalgamated Gas Plants 1 and 2. We have a 17.8 percent working interest in the sour portion and a 20.4 percent working interest in the sweet gas portion of the plant. We also have various working interests in sweet gas gathering and compression facilities in the area. Our gross production from the area was 635 bbls/day of oil, 400 bbls/day of NGL and 13 mmcf/day of natural gas during 2004.

Boundary Lake Area

We hold a 50 percent working interest in the Boundary Lake Gas Unit and a 34 percent and 19 percent interest in the Boundary Lake oil unit 1 and 2, respectively, in northeast British Columbia. Our natural gas production from this area is derived from five Belloy sour gas pools, and is processed at the nearby Boundary Lake processing plant. Our gross production from this area was 12.0 mmcf/day of natural gas and 1.7 mbbls/day crude oil and NGL from the Boundary Lake units during 2004.

Valhalla and Wapiti Area

We hold a 30 percent interest in three Valhalla oil units, a 100 percent interest in the Valhalla non-unit waterflood wells and a 100 percent interest in the Wapiti property. Production is primarily from the Doe Creek and Cardium zones and consists of light crude oil, NGL and natural gas. Our gross production from these properties averaged 3.7 mbbls/day of crude oil and NGL and 5.0 mmcf/day of natural gas in 2004.

Kakwa Area

We hold an average 60 percent working interest in oil and gas processing facilities and associated oil and gas gathering systems in the Kakwa area. Our gross production from this area was 9.5 mmcf/day of natural gas, 425 bbls/day NGL and 385 bbls/day of oil in 2004. The 2004 acquisition of Temple Exploration Inc. provided us with an average 50 percent interest in properties with gross production of 5.2 mmcf/day and 160 bbls/day of NGL in the vicinity of our Kakwa plant.

Caroline Area

We hold an 11 percent working interest in the 32,000 acre Caroline natural gas field located approximately 97 kilometres northwest of Calgary. The field has a high proportion of NGL and as a result the economics of this field are enhanced.

We also hold an 11 percent interest in the Caroline sour gas processing facility. The plant is presently running at a license limit of 113 percent of design capacity and is processing approximately 124 mmcf/day of total plant sales gas and 39 mbbls/day of NGL. The plant and liquid acceleration gas recycle plant were at 50 percent capacity in 2004 which resulted in Husky gross production of 3.8 mbbls/day NGL and 12.2 mmcf/day natural gas in 2004.

Edson Area

We hold an average 85 percent working interest in two gas processing facilities and associated gas gathering systems in the Edson area. We operate these properties that had average gross production of 34.0 mmcf/day of natural gas and 1.6 mbbls/day of NGL in 2004.

Sikanni Area

We hold interests in properties in the Sikanni and Federal areas of northeast British Columbia, which averaged gross production of 13.5 mmcf/day of natural gas from four wells in 2004. The production flows through Husky owned gathering systems for processing at third party plants at Sikanni and McMahon.

Graham Area

We hold a 40 percent working interest in lands in the Graham area of northeastern British Columbia. Our gross production from this area averaged 9.7 mmcf/day gross natural gas sales in 2004. Production from the property is from one Halfway and seven Baldonnel pools. We also hold an interest in two 1,500 horsepower compressor stations and the non-operated Cypress gas plant. Plant capacity is 45 mmcf/day and the plant is currently operating at full capacity. We hold a 33.2 percent interest in the gas treating unit, 28.2 percent interest in the amine unit and 28 percent interest in the sulphur unit.

East Central Alberta

Athabasca Area

The Athabasca area extends approximately 175 kilometres north of Edmonton and from the Alberta-Saskatchewan border in the east to the Alberta foothills in the west. The area target is predominantly shallow gas, ranging from 455 to 910 metres, in the multi-zone Paleozoic Mannville. The main producing areas are Athabasca, Craigend and Cold Lake. We operate 31 facilities with a pipeline system and an average working interest of 90 percent in the producing wells. We intend to continue to develop this area with infill, stepout and exploratory wells to optimize recovery and develop new pools in order to keep the facilities operating at capacity. Our gross production from this area averaged 54.1 mmcf/day of natural gas and 606 bbls/day of crude oil in 2004.

Red Deer and Hussar Area

The core of the Red Deer and Hussar area is between Calgary, Drumheller and Sylvan Lake. We operate 18 facilities with gas gathering systems in this area. Our gross production from this area averaged 55.2 mmcf/day of natural gas and crude oil and NGL of 2.7 mbbls/day in 2004. We intend to continue to develop the natural gas potential of this area with infill, stepout and exploratory wells to optimize gas recovery and develop new pools in order to operate the facilities at capacity. In 2003 Husky participated in a coal bed methane pilot project. In 2004, we commenced commercial operations based on the successful results of the pilot project. This project was producing 8.0 mmcf/day from 60 wells by the end of 2004. In 2005 we expect to drill in excess of 250 development wells with our co-venturer.

Provost Area

The centre of the Provost area is approximately 240 kilometres southeast of Edmonton. It is predominantly a medium crude oil area that averaged gross production of 17.5 mbbls/day of crude oil and 16.8 mmcf/day of natural gas in 2004. We intend to selectively drill lower risk oil locations and focus on managing operating costs and improving oil recovery, as well as increasing our focus on natural gas exploration and development. In 2005, we intend to continue to develop several of our 2003 and 2004 natural gas discoveries. There is significant competition in the area for land as well as infrastructure. We have a large land position and maintain close to a 100 percent working interest in most of our facilities.

Southern Alberta and Southern Saskatchewan

As of December 31, 2004, we held 225,000 net developed acres and 850,000 undeveloped acres in Southern Saskatchewan and 279,000 net developed acres and 189,000 net undeveloped acres in Southern Alberta. We also have a small landholding in Manitoba.

Southern Saskatchewan Area

We are a prominent operator in southern Saskatchewan primarily producing medium gravity crude oil, with some natural gas and light crude oil. Gross production from this area averaged 17.3 mbbls/day of crude oil and 62.0 mmcf/day of natural gas during 2004.

We operate 31 oil batteries and six gas facilities in the Southern Saskatchewan area. The oil pools in this area are exploited using pressure maintenance and waterflood recovery operations.

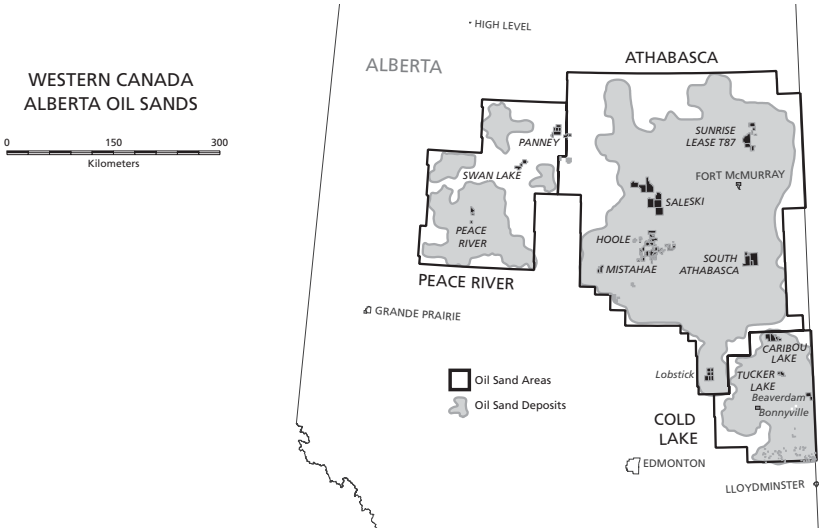
At the Shackleton/Lacadena Milk River shallow gas project, 92 wells were drilled and two new gas facilities were built in 2004. The project was producing at a rate of 48 mmcf/day at December 31, 2004 from a total of 253 wells. In 2005, we plan to drill between 65 and 100 additional stepout and infill wells.

Southern Alberta Area

Taber, Brooks and Jenner/Suffield are our three core areas in southern Alberta. We operate 28 oil facilities and three natural gas facilities with an average working interest of 95 percent. Oil production is mainly medium gravity crude with the majority of reserves being supported by waterfloods or active aquifers. Natural gas production is from a mixture of deep and shallow formations. At Taber, we operate an alkaline-polymer flood to increase recovery from the Cretaceous Mannville reservoir. Our gross production from this area averaged 11.2 mbbls/day of crude oil and 32.4 mmcf/day of natural gas during 2004.

At Queenstown, we intend to complete over 100 wells in 2005 that were drilled in late 2004. We plan to drill another 50 wells in this area in 2005.

Western Canada



Athabasca, Cold Lake and Peace River
Oil Sands

Husky currently holds interests in 433,610 acres in the bitumen prone areas of Athabasca, Cold Lake and Peace River. Recent improvements in fiscal regimes for these types of projects, together with lower costs from technological advances have enhanced their commercial viability.

In addition to interests in the 353,930 net acres in the Cold Lake and Athabasca regions in northeastern Alberta, Husky holds an interest in 79,680 net acres in the Peace River region of northern Alberta.

Tucker

In May of 2004 we received approval from the Alberta Energy and Utilities Board to develop the Tucker insitu oilsands project. Tucker is located 30 kilometres northwest of Cold Lake, Alberta. The Tucker project will utilize SAGD technology and will have a design rate capacity of 30 mbbls/day. Construction commenced in late 2004 and we expect to commission the facility in late 2006 with production to commence three to six months thereafter.

Sunrise

The Sunrise insitu oil sands project is located in the Athabasca region of Alberta. Stratigraphic delineation drilling over the last three years has confirmed a large recoverable resource base. Additional stratigraphic test wells will be drilled in 2005. In the third quarter of 2004 a commercial project application was submitted to the Alberta Energy and Utilities Board and Alberta Environment. Current plans envision four 50 mbbls/day phases. Front end engineering is expected to be conducted in 2005.

Caribou

Our Caribou oil sands lands are located in the Cold Lake Air Weapons Range and comprise 35,840 acres. Pilot testing was conducted in the early 1990s with encouraging results. Further stratigraphic drilling is planned for 2005.

Saleski

Our largest bitumen deposit is located approximately 120 kilometres west of Fort McMurray, Alberta. Currently, there is no bitumen production in this area. In 2005 we will begin reviewing the geological and reservoir characteristics of this property.

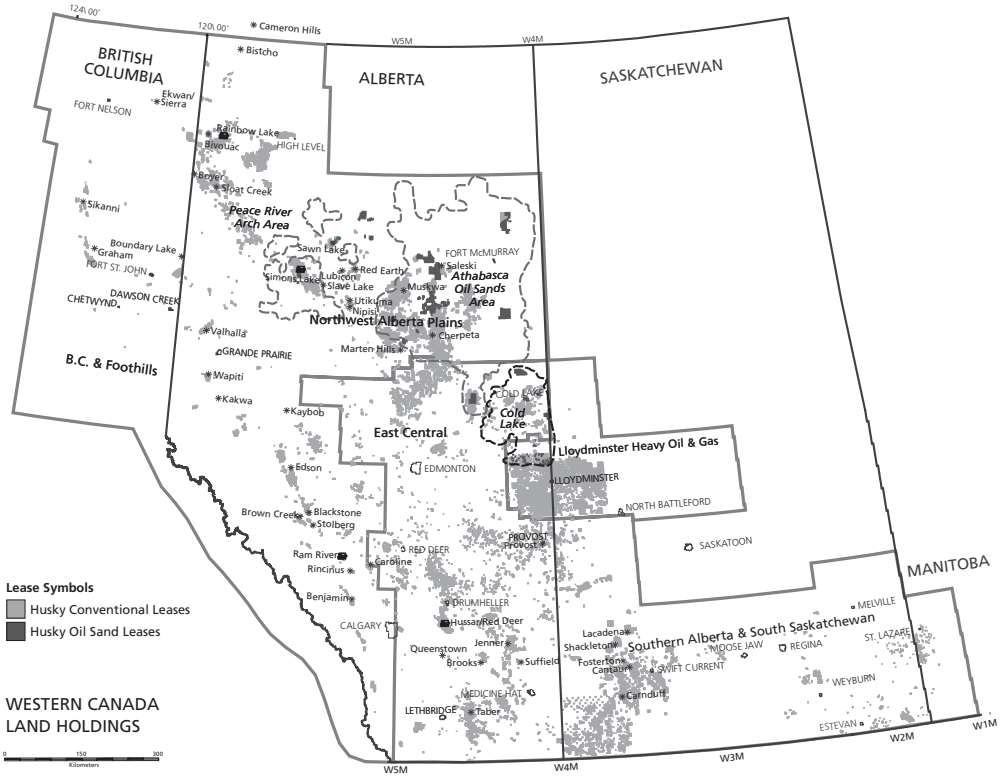
General Location Name	Oil Sands Area	Gross Acres	Net Acres	Husky Operator
South Athabasca – overriding royalty	Athabasca	35,601	–	No
South Athabasca	Athabasca	22,032	11,016	Yes
Sunrise – In situ (1)	Athabasca	64,034	64,034	Yes
Misthae (Drowned, Martin Hills W. & Spur)	Athabasca	28,160	28,160	Yes
Saleski	Athabasca	154,880	154,880	Yes
Hoole – overriding royalty	Athabasca	47,040	–	No
Beaverdam	Cold Lake	11,520	11,520	Yes
Caribou (2)	Cold Lake	35,840	35,840	Yes
Lobstick	Cold Lake	37,120	37,120	Yes
Tucker (3)	Cold Lake	11,360	11,360	Yes
Panny (Senex & Welstead)	Peace River	47,360	47,360	Yes
Peace River (Cadotte Lake)	Peace River	11,840	11,840	Yes
Sawn Lake (Loon)	Peace River	20,480	20,480	Yes
		527,267	433,610	

Notes:

(1) Included in the gross and net amounts are an additional 6,400 acres of petroleum and natural gas rights held as protection acreage for gas over bitumen issues. In 2003, the Alberta regulatory authority issued General Bulletin GB 2003-28 that required natural gas wells within certain bitumen prone areas to be shut-in. The production of natural gas where natural gas reservoirs were believed to be in pressure contact with bitumen reserves was deemed to present an unacceptable risk to future in-situ bitumen production. Sunrise was formerly named Kearl.

(2) Husky also has the exclusive right to acquire an additional 65,280 acres in the Caribou area.

(3) Included in the gross and net amounts are an additional 1,280 acres of petroleum and natural gas rights held as protection acreage for gas over bitumen issues.



Offshore East Coast – Canada

Husky's offshore East Coast exploration and development program is focused in the Jeanne d'Arc Basin on the Grand Banks offshore the coast of Newfoundland and Labrador, which contains the Hibernia, Terra Nova and White Rose oil fields. We hold ownership interests in the Terra Nova and White Rose oil fields as well as in a number of smaller fields in the central part of the basin. We presently hold working interests ranging from 5.33 to 90 percent in 15 Significant Discovery License ("SDL") areas in the Jeanne d'Arc Basin. We are also the operator of nine exploration licenses ("EL") on the Grand Banks and two in the South Whale Basin. In 2004, we acquired 3 ELs. Licenses 1089 and 1090 cover 354,000 square acres between the White Rose SDLs and our EL over the Northern Jeanne d'Arc Basin. We operate both 1089 and 1090 licenses, holding a 100% interest in EL1090 and a 50% interest in EL1089. Husky also holds a 100% interest in EL1091, which flanks the eastern margin of the White Rose field. We believe that our geotechnical expertise, drilling experience and extensive database with respect to offshore the East Coast of Canada provide a strong foundation for future exploration and development. We also believe that there is exploration potential in the area, and that our position off the East Coast of Canada will provide growth opportunities for light crude oil production in the medium to long term.

We will continue technical evaluation of our East Coast exploration acreage. In 2005, we plan to acquire 3D seismic over several license areas in the Northern Jeanne d'Arc Basin. Depending on drilling rig availability, we also plan to drill one exploration type stratigraphic test well on the EL1059 in the South Whale Basin in 2005.

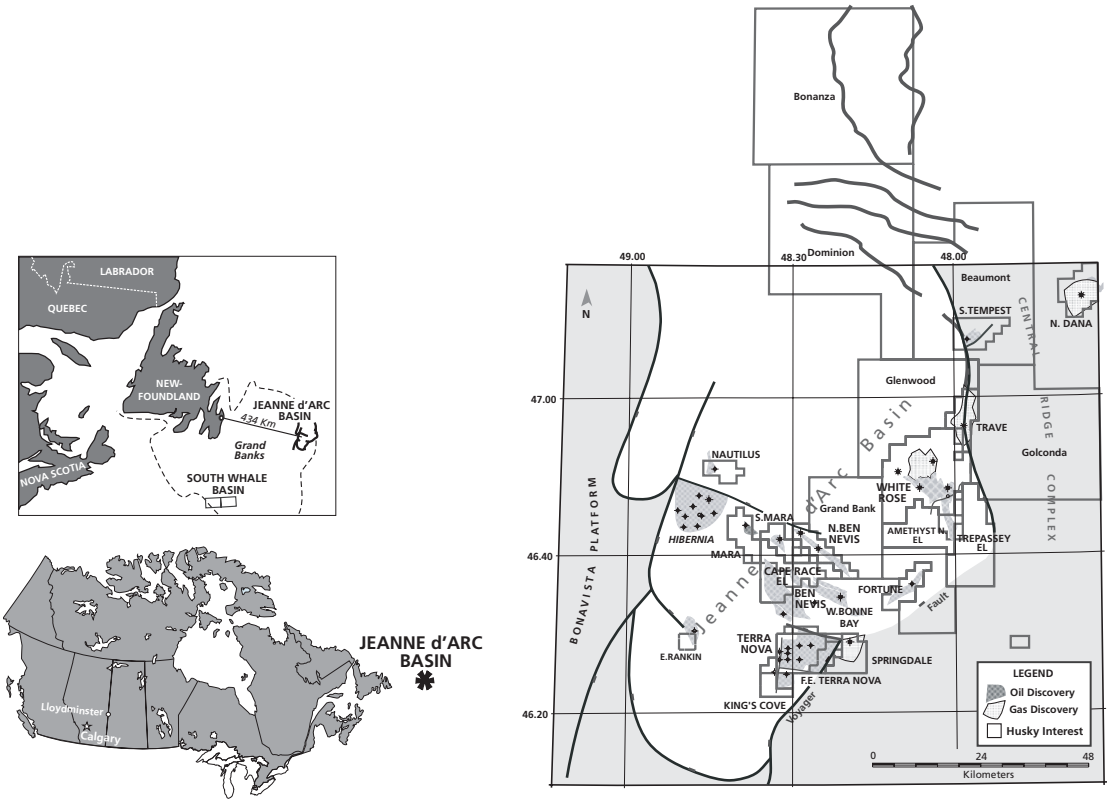
Terra Nova Oil Field

The Terra Nova oil field is located approximately 350 kilometres southeast of St. John's, Newfoundland and Labrador, 35 kilometres southeast of the Hibernia oil field, in 91 to 100 metres of water. The Terra Nova oil field is divided into three distinct areas, known as the Graben, the East Flank and the Far East. Our current pooled interest in the Terra Nova field is 12.51%. This interest is subject to change, pending re-determination once the field has been further delineated. Production at Terra Nova commenced in January 2002. Our gross production from Terra Nova averaged approximately 10.5 mbbls/day in the fourth quarter of 2004. Husky's gross share of production from Terra Nova was 5.0 mmbbls in 2004.

As at December 31, 2004, there were ten development wells drilled in the Graben area, six producing wells and four injection wells. In the East Flank area there were ten development wells including six production wells and four injection wells. Drilling operations are expected to continue based on a 36 well depletion plan for the Graben and East Flank areas. Subject to regulatory approval, the operator plans to commence production from a portion of the Far East area in 2005 through the use of extended reach wells drilled from the East Flank sub sea template. Drilling additional delineation wells in the Far East area is a high priority for us and we continue to promote locations to be considered as part of the 2005 drilling program. As at December 31, 2004, we had booked 15.6 mmbbls of gross light crude oil in the proved developed category and 8.0 mmbbls of proved undeveloped. These reserves are estimated to be capable of being produced using primary and secondary (waterflood and gasflood) production techniques.

White Rose Oil Field

The White Rose oil field, which is operated by us, is located 354 kilometres off the coast of Newfoundland and Labrador approximately 48 kilometres east of the Hibernia oil field on the eastern section of the Jeanne d'Arc basin. Husky's interest in the White Rose oil field is 72.5%.



Early in 2004, the SeaRose FPSO (floating production storage and offloading vessel) sailed into Marystown, Newfoundland and Labrador following a naming ceremony and 14,000 nautical mile journey from South Korea. At Marystown construction of the topsides modules continued. On July 31, 2004 the White Rose project passed a critical juncture in its development when the final topsides module was lifted from quayside at the fabrication facility in Marystown, onboard the FPSO. A total of 17 modules (a combined weight of approximately 12,000 metric tons) were successfully installed onto the hull. The remainder of the topsides hookup and commissioning work is being carried out in preparation for sailaway during the third quarter of 2005. At that time, the SeaRose FPSO will depart Marystown for the White Rose field and begin preparations for start of production later in 2005 or early in 2006.

At the White Rose field, the FPSO mooring system, including the riser buoy, was successfully installed. Upon the arrival of the SeaRose FPSO, the riser buoy will be pulled into the turret, providing the anchor point for the FPSO. Development drilling activity at the field is on schedule with six wells drilled as at the end of 2004, including one production well, one gas injection well and four water injection wells. All well results were as predicted, or better. The first production well was tested, with flow rates of 25-35 mbbls/day, the first gas injection well flowed at 60 mmcf/day and the first water injection well tested at an injection rate of 47 mbbls/day.

In 2004, we commenced studies to evaluate the viability of producing and transporting natural gas from White Rose, and solicited expressions of interest from contractors and engineering firms to assess the key technical, economic and regulatory issues critical to a safe and reliable natural gas development on the Grand Banks, as well as the capital and operating costs of such a development. The solicitation will result in three pre-front end engineering and design studies.

International

Our international exploration and development program is focused on Southeast Asia. In China, we have a 40 percent interest in one producing oil field and interests in six exploration blocks. The bulk of these interests are in the South China Sea where Husky recently added the deep-water block 29-26, to our South China Sea interests. In Indonesia, we have a 100 percent interest in the Madura block.

South China Sea

Wenchang

The Wenchang oil field is located in the western Pearl River Mouth Basin, approximately 300 kilometres south of Hong Kong and 135 kilometres east of Hainan Island. We hold a 40 percent working interest in the oil fields, which commenced production in July 2002. The Wenchang 13-1 and 13-2 oil fields are producing from 21 wells in 100 metres of water into a floating production, storage and offloading vessel stationed between fixed platforms located in the fields. The blended crude oil from the two fields averages approximately 35° API, similar to the benchmark Minas blend. At December 31, 2004, our proved reserves at Wenchang were 19.4 mmbbls of crude oil. Our gross production averaged 19.7 mbbls/day during 2004.

Block 39/05

We executed a production sharing contract with China National Offshore Oil Corporation ("CNOOC") for the 5,700 square kilometres 39-05 Exploration Block surrounding the Wenchang fields with a commencement date of October 1, 2001. CNOOC has the right to participate in development of any discoveries up to a 51 percent working interest. In January 2003, the Qionghai 18-1-3 exploration type stratigraphic well on the block was plugged and abandoned without testing and in February 2003, the Wenchang 8-1-1 exploration type stratigraphic well was plugged and abandoned without testing. In 2004, we relinquished 25 percent of Block 39-05. Husky is evaluating the geological information for the remainder of this block and expects to begin exploration work in late 2005 or early 2006.

Blocks 23/15 and 23/20

We executed production sharing contracts with CNOOC for the 23-15 and 23-20 exploration blocks with a commencement date of December 1, 2002. Both contract areas are located in the South China Sea north of Hainan, within 80 kilometres of the Weizhan oil fields. The 23-15 block is 1,327 square kilometres and the 23-20 block is 1,543 square kilometres. The work program requires Husky to drill a single exploration well on each block within three years. CNOOC has the right to participate in development of any discoveries up to a 51 percent working interest. In 2003, we completed a 1,000 square kilometre 3-D seismic survey shot over a portion of block 23-15. We have completed our technical evaluation and expect to fulfil our Phase I drilling obligations on both blocks in 2005.

Block 29/26

We executed a production sharing contract with CNOOC for the 29-26 exploration block with a commencement date of October 1, 2004. The block is located in the South China Sea approximately 300 kilometres south east of Hong Kong and 65 kilometres south east of the Panyu gas discovery. The block covers an area of 3,965 square kilometres. The production sharing contract requires the drilling of one exploration well within three years and has a minimum work commitment of U.S. $8 million. CNOOC has the right to participate in development of any discoveries up to a 51% working interest. We are currently conducting a geological evaluation of the block and are working toward drilling an exploration well.

Block 40/30

We executed a production sharing contract with CNOOC for the 40-30 exploration block with a commencement date of February 1, 2003. The block is located in the South China Sea approximately 100 kilometres south of the Wenchang 13-1 and 13-2 oil fields. The block covers an area of 6,704 square kilometres. The production sharing contract requires the drilling of one exploration well within three years and has a minimum work commitment of U.S. $10 million. CNOOC has the right to participate in development of any discoveries up to a 51 percent working interest. We fulfilled our Phase I obligations of the petroleum contract with the drilling of ChangChang ("CC") 12-1-1. The CC 12-1-1 is the deepest-water well in the South China Sea to date. The CC12-1-1 well was plugged and abandoned without testing. We expect to complete the geological re-evaluation of the block with information gained from CC12-1-1 well.

East China Sea

Block 04/35

We executed a production sharing contract with CNOOC for the 04-35 exploration block with a commencement date of December 1, 2003. The block is located in the East China Sea approximately 350 kilometres east of the city of Shanghai and covers an area of 4,835 square kilometres. The production sharing contract requires the drilling of a single exploration well in the first exploration phase to a depth of 2,500 metres within three years and a minimum work commitment of U.S. $3 million. Technical evaluations of the hydrocarbon potential are complete and we expect to fulfill our first phase commitments early in 2006. CNOOC has the right to participate in development of any discoveries up to a 51 percent working interest.

Madura Strait, Indonesia

We have a 100 percent interest in a production sharing contract ("PSC"), which provides for various cost and production sharing arrangements, relating to a 2,794 square kilometre block in the Madura Strait offshore Java, Indonesia. Ten exploration and appraisal wells have been drilled in the block, resulting in discoveries of two natural gas fields. The Indonesian state oil company granted commercial status and approved a plan of development for one of these fields in order to supply natural gas to a proposed independent power plant near Pasuruan, East Java. Construction of the power plant did not proceed due to economic issues that occurred in Indonesia shortly after the natural gas sales contract was signed. In 2003 the natural gas sales contract was cancelled with the approval of the Indonesian authorities. In January 2003, we signed a memorandum of understanding to begin discussions intended to finalize a new natural gas sales contract for the Madura production. In 2005, we expect to complete negotiation of the gas sales contract, and submit a revised Plan of Development to the Indonesian regulatory authority for approval.

Shatirah, Libya

Husky has an interest in a small crude oil production operation in the Shatirah field, onshore Libya.

Distribution of Oil and Gas Production

Crude Oil and NGL

Husky provides heavy crude oil feedstock to its upgrader and its asphalt refinery, which are located at Lloydminster. The combined dry crude feedstock requirements of the upgrader and asphalt refinery are equal to approximately 75 percent of Husky's heavy crude oil production from the Lloydminster area. Husky also markets heavy crude oil production directly to refiners located in the mid-west and eastern United States and Canada. Husky markets its light and synthetic crude oil production to third party refiners in Canada, the United States and Asia. Natural gas liquids are sold to local petrochemical end users, retail and wholesale distributors and to refiners in North America.

Husky markets third party volumes of light crude oil, heavy crude oil and NGL in addition to its own production.

Natural Gas

The following table shows the distribution of Husky's gross average daily natural gas production for the years indicated:

	Years ended December 31,		
	2004	*2003*	*2002*
		(mmcf/day)	
Sales to end users			
United States	407	382	375
Canada	187	156	115
	594	538	490
Sales to aggregators	34	43	49
Internal use [(1)]	61	30	30
	689	611	569

Note:
(1) Husky consumes natural gas for fuel at several of its facilities.

We also market third party natural gas production in addition to our own production.

Delivery Commitments

The following table shows the future commitments to deliver natural gas from our reserves in Western Canada. Our proved developed reserves of natural gas in Western Canada are more than adequate to meet future delivery commitments.

	Fixed Price		*Market Price*
	Bcf	*$/mmbtu*	*Bcf*
2005	25.5	3.67	47.1
2006	25.5	3.83	44.8
2007	20.0	4.47	39.7
2008	20.0	4.71	16.9
2009	20.0	4.96	4.9
2010	20.0	5.23	0.5
2011	20.0	5.28	–
2012	20.0	5.32	–
2013	20.0	5.37	–
2014	6.2	3.74	–

Midstream Operations

Overview

The midstream operations include:

- Upgrading – the upgrading of heavy crude oil feedstock into synthetic crude oil;
- Infrastructure – pipeline transportation and processing of heavy crude oil, storage of crude oil, diluent and natural gas, extraction of NGL from natural gas, cogeneration of electrical and thermal energy; and
- Marketing – the purchase and marketing of Husky's and other producers' crude oil, natural gas, NGL, sulphur, petroleum coke and electrical power.

Upgrading Operations

Husky owns and operates the Husky Lloydminster Upgrader, which is a heavy oil upgrading facility located in Lloydminster, Saskatchewan.

The Husky Lloydminster Upgrader is designed to process blended heavy crude oil feedstock into high quality, low sulphur synthetic crude oil. Synthetic crude oil is used as feedstock for the refining of premium transportation fuels in Canada and the United States. In addition, the Husky Lloydminster Upgrader recovers the diluent, which facilitates pipeline transportation of heavy crude oil, and returns it to field to be reused.

The Husky Lloydminster Upgrader provides heavy crude oil access to a new market, which we believe has facilitated, and will continue to stimulate heavy oil production in the area. The market for heavy crude oil previously was either as feedstock for asphalt production or it was sold as blended heavy crude oil for feedstock for specific refineries designed to process or upgrade heavier crude oils. The Husky Lloydminster Upgrader was commissioned in 1992 with an original design capacity of 46 mbbls/day of synthetic crude oil. Actual production has ranged considerably higher than the original design rate capacity as a result of throughput modifications and improved reliability. The upgrader's current rated capacity exceeds 61 mbbls/day of synthetic crude oil. Production at the upgrader averaged 55.2 mbbls/day of synthetic crude oil and 9.4 mbbls/day of diluent in 2004 compared

with 61.6 mbbls/day of synthetic crude oil and 10.9 mbbls/day of diluent in 2003. Throughput at the upgrader in 2004 was lower than 2003 due to unplanned outages for repairs during 2004. In addition to synthetic crude oil and diluent, the Husky Lloydminster Upgrader also produced, as by-products of its upgrading operations, approximately 311 lt/day of sulphur and 396 lt/day of petroleum coke during 2004. These products are sold in local and international markets. The profitability of our upgrading operations is primarily dependent upon the differential between the price of synthetic crude oil and the price of heavy crude oil.

The upgrader is currently undergoing a number of debottleneck projects. These projects, upon completion in late 2006, are expected to increase upgrading capacity to 82 mbbls/day of synthetic crude oil and diluent.

Infrastructure and Marketing

Heavy Oil Pipeline Systems and Processing Facilities

Husky has been involved in the gathering, transporting and storage of heavy crude oil in the Lloydminster area since the early 1960s. Our crude oil pipeline systems include approximately 2,050 kilometres of pipeline and are capable of transporting in excess of 575 mbbls/day of blended heavy crude oil, diluent and synthetic crude oil. The pipeline systems transport blended heavy crude oil to Lloydminster, accessing markets through the Husky Lloydminster Upgrader and our asphalt refinery in Lloydminster. Blended heavy crude oil from the field and synthetic crude oil from the upgrading operations are moved south to Hardisty, Alberta to a connection of the Enbridge Pipeline system and the Express Pipeline system. The crude oil is transported to eastern and southern markets on these pipelines. Our crude oil pipeline systems also have feeder pipeline interconnections with the Cold Lake Partnership Pipeline, the Enbridge Athabasca Pipeline and the Talisman Chauvin Pipeline.

The following table shows the average daily pipeline throughput for the periods indicated:

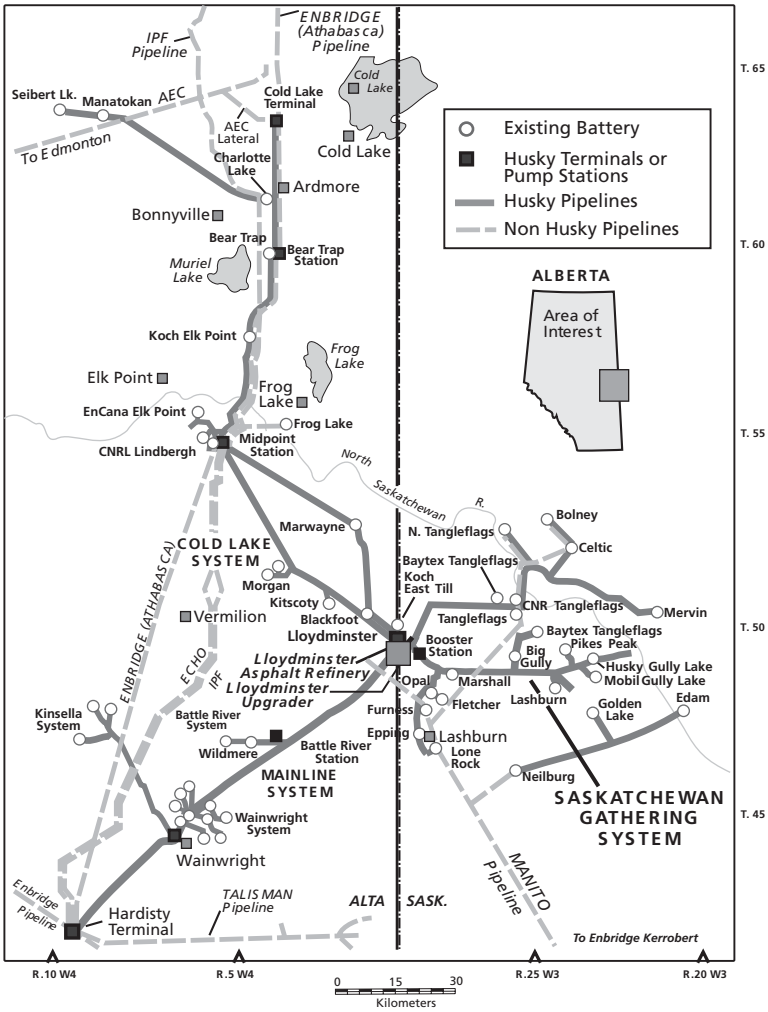
	Years ended December 31,		
	2004	*2003*	*2002*
		(mbbls/day)	
Combined pipeline throughput	492	484	457

In recent years Husky has expanded and expects to further expand its heavy crude pipeline systems to capitalize on anticipated increases in heavy oil production from the Lloydminster and Cold Lake areas.

We consider the expansion and optimization of our pipeline systems in the Lloydminster area to be necessary to further our own development objectives in the area. As a result of recent expansion of mainline pipeline systems in the area, competition for throughput volumes has increased.

We operate 16 heavy crude oil processing facilities located throughout the Lloydminster area. These facilities process Husky's and other producers' raw heavy crude oil from the field by removing sand, water and other impurities to produce clean dry heavy crude oil. The heavy crude oil is then blended with a diluent to meet pipeline specifications for transportation.

Heavy Oil Pipeline Systems



Cogeneration

Husky has a 50 percent interest in a 215 MW natural gas fired cogeneration facility at the site of the Husky Lloydminster Upgrader. The plant was commissioned in December 1999. Electricity produced at the facility is being sold to Saskatchewan Power Corporation under a 25 year power purchase agreement effective in 1999. Thermal energy (steam) is sold to the Husky Lloydminster Upgrader.

Husky has a 50 percent interest in a 90 MW natural gas fired cogeneration facility adjacent to Husky's Rainbow Lake processing plant. The cogeneration plant produces electricity for the Alberta Power Pool and thermal energy (steam) for the Rainbow Lake processing plant. It provides power directly to the Alberta Power Pool under an agreement with the Alberta Transmission Administrator to provide additional electricity generating capacity and system stability for northwestern Alberta. The power plant has the capability of being expanded to approximately 110 MW in total. Husky is the operator of the facility.

Natural Gas Storage Facilities

Husky has been operating a natural gas storage facility at Hussar, Alberta since April 2000. The facility has a working storage capacity of 17 bcf of natural gas. Husky is continuing to evaluate additional storage opportunities within Western Canada.

Commodity Marketing

Husky is a marketer of both its own and third party production of crude oil, synthetic crude oil, NGL, natural gas and sulphur. We also market petroleum coke, a by-product from the Lloydminster upgrader. We supply feedstock to our upgrader and asphalt refinery from our own and third party heavy oil production sourced from the Lloydminster and Cold Lake areas. We also sell blended heavy crude oil directly to refiners based in the United States and Canada. Our extensive infrastructure in the Lloydminster area supports its heavy crude oil refining and marketing operations.

We market light and medium crude oil and NGL sourced from our own production and third party production. Light crude oil is acquired for processing by third party refiners at Edmonton, Alberta and by our refinery at Prince George, British Columbia. We market the synthetic crude oil produced at our upgrader in Lloydminster to refiners in Canada and the United States.

We market natural gas sourced from our own production and third party production. We are currently committed to gas sales contracts with third parties, which in aggregate do not exceed amounts forecast to be deliverable from our reserves. Our contracts are with customers located in eastern Canada/northeastern United States (28 percent), mid-west United States (23 percent), Western Canada (46 percent) and west coast United States (3 percent). The natural gas volumes sales contracted are primarily at market prices (90 percent). The terms of the contracts remaining at December 31, 2004 are up to one year (72 percent), one year to five years (20 percent) and over five years (8 percent). Husky has acquired rights to firm pipeline capacity to transport the natural gas to most of these markets.

We have developed our commodity marketing operations to include the acquisition of third party volumes in order to increase volumes and enhance the value of our midstream assets. We plan to expand our marketing operations by continuing to increase marketing activities. We believe that this increase will generate synergies with the marketing of our own production volumes and the optimization of our assets.

Refined Products

Overview

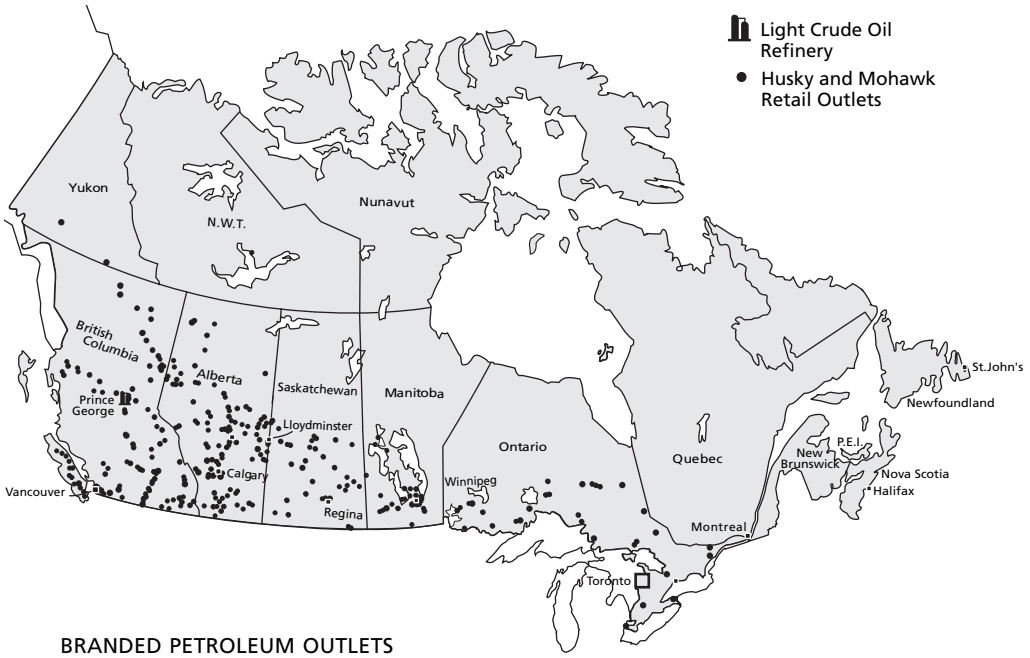
Husky's refined products operations include refining and retail, commercial and wholesale marketing of refined petroleum products. Our retail network provides a platform for substantial non-fuel related businesses.

Light oil refined products are produced at our refinery at Prince George, British Columbia and are also acquired from third party refiners and marketed through Husky and Mohawk branded retail and commercial petroleum outlets and through direct marketing to third party dealers and end users. Asphalt and residual products are produced at Husky's asphalt refinery at Lloydminster and are marketed directly or through Husky's 8 emulsion plants, four of which are also asphalt terminals located throughout Western Canada.

Branded Petroleum Product Outlets and Commercial Distribution

Distribution

As of December 31, 2004, there were 531 independently operated Husky and Mohawk branded petroleum product outlets. These petroleum product outlets include service stations, travel centres and bulk distribution facilities located from Vancouver Island on the West Coast of Canada to the eastern border of Ontario. The travel centre network is strategically located on major highways and serves the retail market and commercial transporters 24 hours per day, 365 a year with quality products and full service Husky House restaurants. At most locations, the travel centre network also features the proprietary "Route Commander" cardlock system that enables commercial users to purchase products using a card system that will electronically process transactions and provide detailed billing, sales tax and other information. A variety of full and self serve retail locations under the Mohawk and Husky brand names serve urban and rural markets, while Husky and Mohawk bulk distributors offer direct sales to commercial and farm markets in Western Canada.



BRANDED PETROLEUM OUTLETS

Independent retailers or agents operate all Husky and Mohawk branded petroleum product outlets. Branded outlets feature varying services such as 24 hour service, convenience stores, service bays, car washes, Husky House full service family style restaurants, proprietary and co-branded quick serve restaurants, bank machines and alternate fuels such as propane and compressed natural gas. In addition to conventional gasolines, ethanol blended fuels branded as "Mother Nature's Fuel" and additive enhanced "Diesel Max" are offered in all markets together with Chevron lubricants. Husky supplies refined petroleum products to its branded independent retailers on an exclusive basis and provides financial and other assistance for location improvements, marketing support and related services. Husky's brands are promoted through the Husky Snowstars Program, various national and university athletic sponsorships as well as advertising designed to reach both national and regional audiences.

The following table shows the number of Husky and Mohawk branded petroleum outlets by class of trade and by province as of December 31, 2004:

	British Columbia & Yukon	*Alberta*	*Sask.*	*Manitoba*	*Ontario*	*Total*	*2003 Total*
Retail Outlets							
Travel Centres	9	8	4	2	13	36	37
Full Serve	12	17	3	3	2	37	46
Full/Self Serve	17	24	6	10	2	59	48
Self Serve	19	11	1	1	2	34	35
Bulk Distributor	1	7	4	1	1	14	14
Card/Key Locks	2	6	–	–	2	10	7
	60	73	18	17	22	190	187
Leased							
Travel Centres	1	–	–	–	–	1	1
Full Serve	3	12	5	4	–	24	30
Full/Self Serve	13	23	4	6	–	46	44
Self Serve	31	20	–	1	–	52	47
Bulk Distributor	3	–	–	–	–	3	3
Card/Key Locks	4	1	–	3	1	9	8
	55	56	9	14	1	135	133
Independent Retailers							
Travel Centres	1	1	–	–	4	6	6
Full Serve	24	21	9	16	7	77	84
Full/Self Serve	18	3	5	1	1	28	40
Self Serve	31	46	3	3	2	85	89
Bulk Distributor	2	4	1	–	–	7	7
Card/Key Locks	–	1	–	–	2	3	4
	76	76	18	20	16	206	230
Total							
Travel Centres	11	9	4	2	17	43	44
Full Serve	39	50	17	23	9	138	160
Full/Self Serve	48	50	15	17	3	133	132
Self Serve	81	77	4	5	4	171	171
Bulk Distributor	6	11	5	1	1	24	24
Card/Key Locks	6	8	–	3	5	22	19
	191	205	45	51	39	531	550
Cardlocks (1)	24	18	4	6	22	74	72
Convenience Stores (1)	179	185	40	47	33	484	507
Restaurants	11	12	4	2	16	45	41

Note:
(1) All of these are located at branded petroleum outlets.

We also market refined petroleum products directly to various commercial markets, including independent dealers, national rail companies and major industrial and commercial customers in Western Canada and the northwestern United States.

The following table shows our average daily sales volumes of light refined petroleum products for the periods indicated:

	Years ended December 31,		
	2004	*2003*	*2002*
		(mbbls/day)	
Gasoline	28.3	28.5	26.3
Diesel fuel	23.9	22.1	20.7
Liquefied petroleum gas	1.1	1.2	1.3
	53.3	51.8	48.3

Our strategy in respect of our petroleum product outlets includes continuing to increase profits and sales through the strategic location of new outlets, the enhancement of ancillary non-fuel income streams, the modernization, automation and upgrading of existing petroleum product outlets, expanding customer loyalty programs and the sale of non-core locations. We also plan to continue to enter into strategic alliances with third parties to sell various consumer products at Husky and Mohawk branded petroleum outlets in order to generate revenue and increase demand for other products and services provided at those outlets. We are pursuing acquisitions and joint venture opportunities to further enhance our existing distribution network.

Supply

Prince George Refinery. Husky owns and operates a refinery at Prince George, British Columbia, which has capacity to refine more than 10,000 bbls/day of light crude oil into a full range of refined petroleum products. The crude oil feedstock for the Prince George refinery is produced primarily in northeastern British Columbia by other producers and delivered to our refinery by pipeline. We are pursuing acquisitions and trading opportunities to further enhance our existing refining capacity. We are currently upgrading the refinery to meet new Federal regulations governing sulphur content in fuel.

Other Supply Arrangements. In addition to the refined petroleum products supplied by the Prince George refinery, Husky has established processing arrangements with major refiners. Processing arrangements allow us to participate in industry refining margins. Primarily Husky crude oil production and some third party purchased crude oil is delivered to major refiners, who process the crude oil into refined products, which are then marketed by us through our retail networks and to our wholesale customers. During 2004, these refiners processed an average of approximately 35.9 mbbls/day of crude oil for us, yielding approximately 33.6 mbbls/day of refined petroleum products. During 2004, we also purchased approximately 9.1 mbbls/day of refined petroleum products from refiners and acquired approximately 5.9 mbbls/day of refined petroleum products pursuant to exchange agreements with third party refiners.

Ethanol Plants. Husky owns an ethanol plant at Minnedosa, Manitoba that produces nine million litres per year of fuel ethanol and one million litres per year of industrial alcohol. We are planning to expand our current capacity to 130 million litres per year of ethanol production at the Minnedosa plant. Ethanol is produced primarily from wheat and other grains. It is an oxygenate, which when added to gasoline, promotes fuel combustion, raises octane levels and inhibits water from freezing in fuel lines. The ethanol blended gasoline (Mother Nature's Fuel) has received federal government recognition for its low combustion emissions. We are currently constructing another ethanol plant at Lloydminster Saskatchewan that will have the capacity to produce 130 million litres per year. Ethanol-blended gasoline is now available at all Husky and Mohawk retail outlets. We also supply E85 (85 percent ethanol content blended gasoline) to some Federal Government fleet vehicles across Western Canada.

Asphalt Products

We have been in the paving and specialty asphalt business for over 50 years. We supply asphalt products to customers across Western Canada and the northwestern and midwestern United States. We have a significant market share for paving asphalt, emulsified asphalt and asphalt products sold in Western Canada. Most of the asphalt sold is used for paving and other industrial purposes. Our Pounder Emulsions division manufactures modified and conventional road application emulsion products. Additional

non-asphalt based road maintenance products are marketed and distributed through the Western Road Management division of Husky. Demand for higher quality asphalt products has allowed us to increase sales into the United States and Eastern Canada, with products occasionally being shipped as far away as Texas, Florida and New Brunswick. In 2004, 51 percent of our asphalt production was exported to the United States. We plan to continue our efforts to improve our asphalt business by increasing modified asphalt production capacity to produce better products at a lower cost. We are also studying the feasibility of expanding production and distribution capacity.

Husky's asphalt distribution network consists of four emulsion/asphalt terminals located at Kamloops, British Columbia; Lethbridge, Alberta; Yorkton, Saskatchewan; and Winnipeg, Manitoba and four emulsion plants located at Edmonton, Alberta; Watson Lake, Yukon; Lloydminster and Saskatoon, Saskatchewan. Husky also utilizes an independently operated terminal at Langley, British Columbia.

All of our asphalt requirements are supplied by our Lloydminster, Alberta asphalt refinery. The refinery was commissioned in 1983, replacing a Husky facility that had been operating since 1947. The refinery was designed specifically to produce asphalt from heavy crude oil at a rate of 25 mbbls/day. The crude oil feedstock for the Lloydminster refinery is supplied through Husky's pipeline systems from the supply of heavy crude oil in the region, including Husky's heavy crude oil.

The following table shows our average daily sales volumes of products produced at the Lloydminster refinery, for the years indicated:

	Years ended December 31,		
	2004	*2003*	*2002*
		(mbbls/day)	
Asphalt	14.0	12.9	12.7
Residual and other	8.5	9.1	8.1
	22.5	22.0	20.8

Refinery throughput averaged 25.4 mbbls/day of blended heavy crude oil feedstock during 2004. Due to the seasonal demand for asphalt products the refinery historically has operated at full capacity only during the normal paving season in Canada and the northern United States. We have implemented various plans to increase refinery throughput during the other months of the year, such as producing low sulphur diesel, entering into custom processing arrangements and developing other U.S. and international markets for asphalt products.

Human Resources

The number of employees in each business segment was as follows:

	December 31,	
	2004	*2003*
Upstream	1,822	1,753
Midstream	347	326
Refined Products	358	349
Corporate and business support	505	471
	3,032	2,899

DIVIDENDS

The following table shows the aggregate amount of the cash dividends declared per common share of the Company and accrued in each of its last three years ended December 31:

	2004	*2003*	*2002*
Cash dividends declared per common share	$ 1.00	$ 1.38	$ 0.36

Dividend Policy and Restrictions

The Board of Directors of Husky have established a dividend policy that pays quarterly dividends. From August 2000 to July 2003, Husky has paid a quarterly dividend of $0.09 ($0.36 annually) per common share. From August 2003 to July 2004, Husky paid $0.10 ($0.40 annually) per common share. This policy was reviewed by the Board in April 2004 and the quarterly dividend was increased to $0.12 ($0.48 annually) per common share. The Board has declared special cash dividends in the amount of $1.00 per common share in July, 2003 and $0.54 per common share in November, 2004. Husky's dividend policy will continue to be reviewed and there can be no assurance that further dividends will be declared. The declaration and payment of dividends will be at the discretion of the Board, which will consider earnings, capital requirements and financial condition of Husky, the satisfaction of the applicable solvency test in Husky's governing corporate statute, the *Business Corporations Act* (Alberta), and other relevant factors.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Husky is authorized to issue an unlimited number of common shares. Holders of common shares are entitled to one vote per share at meetings of shareholders of Husky, to receive such dividends as declared by the Board of Directors on the common shares and to receive pro-rata the remaining property and assets of Husky upon its dissolution or winding up, subject to any rights having priority over the common shares.

Preferred Shares

Husky is authorized to issue an unlimited number of preferred shares. Holders of preferred shares shall not be entitled to vote at meetings of Husky, are entitled to receive such dividends as and when declared by the Board of Directors in priority to common shares and shall be entitled to receive pro-rata in priority to holders of common shares the remaining property and assets of Husky upon its dissolution or winding up. There are no preferred shares currently outstanding.

Credit Ratings Summary

	Rating	*Last Review*	*Last Rating Change*
Moody's:			
Outlook	Stable	July 27, 2004	–
Senior Unsecured Debt	Baa2	July 27, 2004	April 25, 2001
U.S. Senior Secured Bonds	Baa2	June 4, 2003	April 25, 2001
Capital Securities	Ba1	July 27, 2004	April 25, 2001
Standard and Poor's:			
Outlook	Positive	June 8, 2004	October 3, 2002
Senior Unsecured Debt	BBB	June 8, 2004	–
U.S. Senior Secured Bonds	BBB	June 8, 2004	–
Capital Securities	BB+	June 8, 2004	–
Dominion Bond Rating Service:			
Trend	Stable	May 1, 2003	–
Senior Unsecured Debt	BBB (high)	May 1, 2003	
Capital Securities	BBB	May 1, 2003	–
Fitch:			
Outlook	Stable	June 8, 2004	–
Senior Unsecured Debt	BBB+	June 8, 2004	–
U.S. Senior Secured Bonds	A-	June 8, 2004	–
Capital Securities	BBB-	June 8, 2004	–

Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities. The credit ratings accorded to Husky's securities by the rating agencies are not recommendations to purchase, hold or sell the securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. Any rating may not remain in effect for any given period of time or may be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant.

Moody's

Moody's credit rating system ranges from Aaa (highest) to C (lowest). Debt securities rated within the Baa category are considered medium grade debts; they are neither highly protected nor poorly secured. Interest payments and principal security appears to be adequate at the time of the rating however they are subject to potential adverse circumstances over time. As a result these debt securities possess some speculative characteristics. The addition of a 1, 2 or 3 modifier indicates an additional relative standing within the general rating classification. The addition of the modifier 1 indicates the debt is positioned in the top one third of the general rating classification, 2 indicates the mid one third and 3 indicates the bottom one third.

Standard and Poor's

Standard and Poor's credit rating system ranges from AAA (highest) to D (lowest). Debt securities rated within the BBB category are considered to possess adequate protection parameters. However, they could potentially change subject to adverse economic conditions or other circumstances that may result in reduced capacity of the debtor to continue to meet principal and interest payments. As a result these debt securities possess some speculative characteristics. The addition of the modifier + or – indicates the debt is positioned above (+) or below (–) the mid range of the general category.

Dominion Bond Rating Service

Dominion Bond rating Service's credit rating system ranges from AAA (highest) to D (lowest). Debt securities rated within the BBB category are considered to be of adequate credit quality. Protection of interest and principal is considered acceptable, but the debtor is susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the debtor and its rated debt. The addition of the high or low modifier denotes that the rating is either above or below the mid range or the general rating category.

Fitch

Fitch's credit rating system ranges from AAA (highest) to D (lowest). Debt securities rated within the BBB category indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances or in economic conditions are more likely to impair this capacity. The addition of the modifier + or – indicates the debt is positioned above (+) or below (–) the mid range of the general category. The A category denotes that the debtor's capacity with regard to the rated debt is strong rather than adequate.

MARKET FOR SECURITIES

Husky's common shares are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "HSE".

The following table discloses the trading price range and volume of Husky's common shares traded on the Toronto Stock Exchange during Husky's financial year ended December 31, 2004:

	High	*Low*	*Volume (000's)*
January	24.99	22.74	6,757
February	25.55	22.73	6,754
March	28.04	25.50	9,313
April	28.30	25.10	8,118
May	27.90	24.45	7,221
June	26.50	23.74	11,315
July	29.25	25.42	12,552
August	29.35	26.81	11,114
September	31.15	27.65	11,407
October	33.57	30.59	11,638
November	35.65	30.05	13,323
December	34.49	30.90	12,457

DIRECTORS AND OFFICERS

The following are the names and municipalities of residence of the directors and officers of Husky, their positions and offices with Husky and their principal occupations during the past five years. The directors shall hold office until the next annual meeting of Husky shareholders or until their respective successors have been duly elected or appointed.

Name and Municipality of Residence	*Office or Position*	*Director Since*	*Principal Occupation During Past 5 Years*
Li, Victor T.K Hong Kong	Co-Chairman and Director	August 25, 2000	Managing Director of Cheung Kong (Holdings) Limited (an investment holding and project management company) since 1999 and Deputy Chairman since 1994. Mr. Li has also been Deputy Chairman of Hutchison Whampoa Limited (an investment holding company) since 1999 and Executive Director since 1995. Mr. Li has been a Director and Chairman of CK Life Sciences Int'l., (Holdings) Inc. (a biotechnology company) since 2002 and has held the following positions for more than five years: a Director and Chairman of Cheung Kong Infrastructure Holdings Limited (an infrastructure development company), an Executive Director of Hongkong Electric Holdings Limited (a holding company). Mr. Li is also a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr. Li is a member of the Standing Committee of the 10th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China and he is also a member of the Commission on Strategic Development and the Economic and Employment Council of the Hong Kong Special Administrative Region. Mr. Li holds a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Structural Engineering.
Fok, Canning K.N Hong Kong	Co-Chairman and Director	August 25, 2000	Group Managing Director of Hutchison Whampoa Limited since 1993 and Executive Director since 1984. Mr. Fok has been a Director and Chairman of Hutchison Telecommunications International Limited (an investment holding company) since 2004 and of Hutchison Global Communications Holdings Limited (formerly Vanda Systems & Communications Holdings Limited) (an investment holdings company) since 2003. Mr. Fok has held the following positions for more than five years: a Director, and since 2002 Chairman of Hutchison Harbour Ring Limited (an investment holding company), a Director and Chairman of Hutchison Telecommunications (Australia) Limited (a telecommunications company), Partner Communications Company Ltd. (a telecommunications company), Deputy Chairman and a Director of Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited. Mr. Fok is also a director of Cheung Kong (Holdings) Limited and Hutchison Whampoa Finance (CI) Limited (a finance company). Mr. Fok is also a Non-Executive Director of Hanny Holdings Limited and Panvas Gas Holdings Limited. Mr. Fok was a director of VoiceStream Wireless Corporation from 1998 – 2001. Mr. Fok holds a Bachelor of Arts degree and is a member of the Australian Institute of Chartered Accountants.

Name and Municipality of Residence	*Office or Position*	*Director Since*	*Principal Occupation During Past 5 Years*
Fullerton, R. Donald Toronto, Ontario Canada	Director	May 1, 2003	Corporate Director. Mr. Fullerton has been a Director of George Weston Limited (a holding company) since 1991, Asia Satellite Telecommunications Holdings Limited since 1996 and Partner Communications Ltd. since 2003. Mr. Fullerton was a director of CIBC from 1974 until he retired in February 2004. Mr. Fullerton was also a director of Hollinger Inc. from 1992 to 2003, of Westcoast Energy Inc. from 1993 to 2003 and of IBM Canada Ltd. from 1982 to 2001.
Glynn, Martin J.G. New York, New York U.S.A.	Director	August 25, 2000	President and Chief Executive Officer of HSBC Bank USA since 2003 and a director since 2000. Mr. Glynn has been a director of HSBC Bank Canada since 1999 and was President and Chief Executive Officer from 1999 to 2003. From 1982 Mr. Glynn held various senior executive positions with HSBC Bank Canada (formerly Hongkong Bank of Canada). Mr. Glynn has been a Director of HSBC North America Inc. since 2002, and a Director of HSBC USA Inc. Mr. Glynn is also a director of Wells Fargo HSBC Trade Bank N.A. and Group General Manager of HSBC Holdings plc.
Hui, Terence C.Y. Vancouver, British Columbia Canada	Director	August 25, 2000	Director, President & Chief Executive Officer, Concord Pacific Group Inc. (a real estate development company) since 1997, Director and President of Adex Securities Inc. (a financial services company) since 1992 and Director and Chairman of Maximizer Software Inc. (formerly Multiactive Software Inc.) and Multiactive Technologies Inc. (computer software companies) since 1995. Mr. Hui was President and Chief Executive Officer of Pacific Place Developments Corp. (a real estate development company) from 1992 to 2001. Mr. Hui is a director of abc Multiactive Limited (a software company).
Kinney, Brent D. Dubai, United Arab Emirates	Director	August 25, 2000	Independent businessman. Mr. Kinney is a director of Dragon Oil plc in the United Arab Emirates. Mr. Kinney was also a director of Aurado Energy Inc. from 2003 until 2004.
Kluge, Holger Toronto, Ontario Canada	Director	August 25, 2000	Corporate Director. Mr. Kluge is a director of Hongkong Electric Holdings Limited, Hutchison Telecommunications (Australia) Limited, TOM Group Limited (formerly TOM.COM LIMITED) Loring Ward International Limited (a financial planning company) and Hutchison Whampoa Limited since 2004. Mr. Kluge holds a Bachelor of Commerce degree and a Master's degree in Business Administration.
Koh, Poh Chan Hong Kong	Director	August 25, 2000	Finance Director, Harbour Plaza Hotel Management (International) Ltd.
Kwok, Eva L. Vancouver, British Columbia Canada	Director	August 25, 2000	Chairman, a director and Chief Executive Officer, Amara International Investment Corp. (an investment holding company) since 1992 and President from 1992 to 1996. Mrs. Kwok has been a director of Bank of Montreal Group of Companies and since 2002, of CK Life Sciences Int'l., (Holdings) Inc. and Cheung Kong Infrastructure Holdings Limited and Shoppers Drug Mart since 2004. Mrs. Kwok was a director of AirCanada from 1998 to 2003 and of Telesystem International Wireless Inc. from 2002 to 2003.

Name and Municipality of Residence	*Office or Position*	*Director Since*	*Principal Occupation During Past 5 Years*
Kwok, Stanley T.L. Vancouver, British Columbia Canada	Director	August 25, 2000	President, Stanley Kwok Consultants (an architecture, planning and development company) since 1993. Mr. Kwok has been a director since 1997 and President since 1999 of Amara International Investment Corp. Mr. Kwok is a director of Cheung Kong (Holdings) Limited and CTC Bank of Canada.
Lau, John C.S. Calgary, Alberta Canada	President & Chief Executive Officer and Director	August 25, 2000	President & Chief Executive Officer of Husky Energy Inc. since August 2000.
Shaw, Wayne E. Toronto, Ontario Canada	Director	August 25, 2000	Senior Partner, Stikeman Elliott LLP, Barristers and Solicitors
Shurniak, William Australia	Deputy Chairman and Director	August 25, 2000	Director and Chairman of ETSA Utilities (a utility company) since 2000, Powercor Australia Limited (a utility company) since 2000 and CitiPower Pty Ltd. (a utility company) since 2001. Mr. Shurniak has been a director of Envestra Limited (a natural gas distributor) since 2000, CrossCity Motorways Pty Ltd. (an infrastructure and transportation company) since 2002 and Hutchison Whampoa Limited since 1984. Mr. Shurniak has been a director of Lane Cove Tunnel Company Pty Ltd. (an infrastructure and transportation company) since 2004. Mr. Shurniak holds an Honorary Doctor of Laws degree from the University of Saskatchewan and from The University of Western Ontario.
Sixt, Frank J. Hong Kong	Director	August 25, 2000	Group Finance Director of Hutchison Whampoa Limited since 1998 and Executive Director since 1991. Mr. Sixt has been Chairman and Director of TOM Online Inc, and a Director of Hutchison Telecommunications International Limited, Hutchison Global Communications Holdings Limited since 2004. Mr. Sixt has held the following positions for more than five years: Chairman and Director of TOM Group Limited, Executive Director of Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited and a Director of Cheung Kong (Holdings) Limited, Hutchison Whampoa Finance (CI) Limited, Hutchison Telecommunications (Australia) Limited, and Partner Communications Company Ltd. Mr. Sixt was also a director of Orange plc. from 1998 to 2000, VoiceStream Wireless Corp. from 2000 to 2001. Mr. Sixt holds a Master's degree in Arts and a Bachelor's degree in Civil Law and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.
McGee, Neil D. Calgary, Alberta	Vice President & Chief Financial Officer		Vice President & Chief Financial Officer of Husky since August 2000.
Ingram, Donald R. Calgary, Alberta	Senior Vice President, Midstream & Refined Products		Senior Vice President, Midstream and Refined Products of Husky since August 2000.
Girgulis, James D. Calgary, Alberta	Vice President, Legal & Corporate Secretary		Vice President, Legal & Corporate Secretary of Husky since August 2000.

The Board of Directors has an Audit Committee (as required by the *Business Corporations Act* (Alberta)) currently consisting of R.D. Fullerton (Chair), M.J.G. Glynn, T. C.Y. Hui, and W.E. Shaw, a Compensation Committee currently consisting of C.K.N. Fok (Chair), H. Kluge, E.L. Kwok and F.J. Sixt, a Health, Safety and Environment Committee currently consisting of H. Kluge, (Chair), B. D. Kinney, and S.T.L. Kwok and a Corporate Governance Committee currently consisting of H. Kluge (Chair), E.L. Kwok and W.E. Shaw. Husky does not have an Executive Committee.

As at February 28, 2005, the directors and officers of Husky, as a group, owned beneficially, directly or indirectly, or exercised control or direction over 449,011 common shares of Husky representing less than 1 percent of the issued and outstanding common shares.

Conflicts of Interest

Certain officers and directors of Husky are also officers and/or directors of other companies engaged in the oil and gas business generally and which, in certain cases, own interests in oil and gas properties in which Husky holds or may in future hold an interest. As a result, situations arise where the interests of such directors and officers conflict with their interests as directors and officers of other companies. In the case of the directors the resolution of such conflicts is governed by applicable corporate laws which require that directors act honestly, in good faith and with a view to the best interests of Husky and, in respect of the Business Corporations Act (Alberta), Husky's governing statute, that directors declare, and refrain from voting on, any matter in which a director may have a conflict of interest.

Corporate Cease Trade Orders or Bankruptcies

None of those persons who are directors or officers of the Company is or has been within the past ten years, a director or officer of any company, including the Company, that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the Company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manger or trustee appointed to hold its assets, other than Eva Kwok who was a director of Air Canada in 2003 at the time it became subject to creditor protection under the *Companies Creditors Arrangement Act* (Canada). In addition, Holger Kluge and Frank Sixt were directors until April 12, 2002 of vLinx Inc., a private Canadian company which was petitioned into bankruptcy on April 15, 2002. vLinx Inc. developed technology and software to facilitate international trade. Mr. Fok acted as a non-executive director of Peregrine Investments Holdings Limited (an investment bank) which was put into compulsory liquidation on March 18, 1998.

Individual Penalties, Sanctions or Bankruptcies

None of the persons who are directors or officers of the Company have, within the past ten years made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the persons who are directors or officers of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

AUDIT COMMITTEE

The members of Husky's Audit Committee are R.D. Fullerton (Chair), M.J.G. Glynn, T.C.Y. Hui and W.E. Shaw. Each of the members of the Company's Audit Committee (the "Committee") are independent in that each member does not have a direct or indirect material relationship with the Company. Multilateral Instrument 52-110 – Audit Committees provides that a material relationship is a relationship which could, in the view of the board of directors of Husky (the "Board"), reasonably interfere with the exercise of a member's independent judgment.

The Committee's Charter provides that the Committee is to be comprised of at least three (3) members of the board of directors, all of whom shall be independent and meet the financial literacy requirements of applicable laws and regulations. Each member of the Committee is financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows.

R.D. Fullerton (Chair) – Before his retirement Mr. Fullerton served as Chief Executive Officer of CIBC and also served as a director and/or an Audit Committee member of 16 major domestic and international public companies as well as director of a number of affiliates of CIBC.

T.C.Y. Hui – Mr. Hui is the President and Chief Executive Officer of Concord Pacific Group Inc. which three years ago was a public company.

M.J.G. Glynn – Mr. Glynn is currently the Chief Executive Officer of HSBC Bank USA and prior thereto served as Chief Executive Officer of HSBC Bank Canada. He has also served as the Chief Executive Officer of two other public companies and has an M.B.A. from the University of British Columbia.

W.E. Shaw – Mr. Shaw is a senior partner of a major Canadian law firm and in that capacity has developed general business knowledge.

Husky's Audit Committee Charter is attached hereto as Schedule "A."

External Auditor Service Fees

The following table provides information about the fees billed to the Company for professional services rendered by KPMG LLP, the Company's external auditor, during fiscal 2004 and 2003:

	Aggregate fees billed by the External Auditor	
	2004	*2003*
	($ thousands)	
Audit fees	805	743
Audit-related fees	207	40
Tax fees	144	220
All other fees	45	40
	1,201	1,042

Audit Fees. Audit fees consist of fees for the audit of the Company's annual financial statements or services that are normally provided in connection with statutory and regulatory filings.

Audit-Related Fees. Audit-related services included attest services not required by statute or regulation and services with respect to acquisitions and dispositions.

Tax Fees. Tax fees included tax planning and various taxation matters.

All Other Fees. Other services provided by the Company's external auditor, other than audit, audit-related and tax services, included advisory services associated with various aspects of the Sarbanes-Oxley Act of 2002.

The Company's Audit Committee has the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and to approve fees, in connection therewith. The Audit Committee approved all of the audit-related, tax and other services provided by KPMG LLP in 2004.

LEGAL PROCEEDINGS

The Company is involved in various claims and litigation arising in the normal course of business. While the outcome of these matters is uncertain and there can be no assurance that such matters will resolved in the Company's favour, the Company does not currently believe that the outcome of adverse decisions in any pending or threatened proceedings related to these or other matters or amount which may be required to pay by reason thereof would have a material adverse impact on its financial position, results of operations or liquidity.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the Company's directors, executive officers or persons or companies that beneficially own directly or indirectly, or exercise control or direction over, more than 10 percent of Husky's common shares, or their associates and affiliates, had any material interest, direct or indirect, in any transaction with the Company within the three most recently completed financial years or during the current financial year that has materially affected or would materially affect the Company except as follows.

Up to and effective July 13, 2004, the Company leased its head office space located in Western Canadian Place in Calgary, Alberta from Western Canadian Place Ltd., which is indirectly controlled by the Company's principal shareholders. The Company's President & Chief Executive Officer and Vice President & Chief Financial Officer are also directors and officers of Western Canadian Place Ltd. The Vice President, Corporate Administration of the Company's subsidiary, Husky Oil Operations Limited, is also a director and officer of Western Canadian Place Ltd. The Company entered into an amended and restated lease for a term ending August 13, 2013 with Western Canadian Place Ltd. on commercial terms consistent with those for leases of comparable space in Class A office buildings in Calgary. Effective July 13, 2004, Western Canadian Place Ltd. sold Western Canadian Place to an unrelated party.

The Company also entered into a management agreement with Western Canadian Place Ltd. for general management of Western Canadian Place. The Company was paid fees of $383,327.69 in 2004 for providing such management services. This management agreement was terminated by the parties effective July 15, 2004.

The Company has also entered into a management agreement effective July 15, 2004 with Western Canadian Place Ltd. for general management of Western Canadian Place Ltd.'s leasehold interest in office space at 635 – 8th Avenue S.W. Calgary, Alberta. The Company was paid fees of $55,836.43 in 2004 for providing such management services.

TRANSFER AGENTS AND REGISTRARS

Husky's transfer agent and registrar is Computershare Trust Company of Canada. In the United States, the transfer agent and registrar is Computershare Trust Company, Inc. The registers for transfers of the Company's common shares are maintained by Computershare Trust Company of Canada at its principal offices in the cities of Calgary and Toronto. Queries should be directed to Computershare Trust Company at 1-888-267-6555 (toll free in North America).

INTERESTS OF EXPERTS

Certain information relating to the Company's reserves included in this Annual Information Form has been calculated by the Company and audited and opined upon as of December 31, 2004 by McDaniel & Associates Consultants Ltd. ("McDaniel"), independent petroleum engineering consultants retained by Husky, and has been so included in reliance on the opinion and analysis of McDaniel, given upon the authority of said firm as experts in reserve engineering. The partners of McDaniel as a group beneficially own, directly or indirectly, less than 1% of the Company's securities of any class.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration, principal shareholders of Husky's common shares and options to purchase common shares is contained in Husky's Management Information Circular dated March 16, 2005, prepared in connection with the annual meeting of shareholders to be held on April 21, 2005.

Additional financial information is provided in Husky's Consolidated Financial Statements and Management's Discussion and Analysis for the most recently completed fiscal year ended December 31, 2004, contained in Husky's 2004 Annual Report.

Additional information relating to Husky Energy Inc. is available on SEDAR at www.sedar.com.

ABBREVIATIONS AND GLOSSARY OF TERMS

As used in this Annual Information Form, the following terms have the meanings indicated:

Units of Measure

Bbl	– barrel
Bbls	– barrels
mbbls	– thousand barrels
mmbbls	– million barrels
Bbls/day	– barrels per calendar day
mbbls/day	– thousand barrels per calendar day
Boe	– barrels of oil equivalent
boe/day	– barrels of oil equivalent per calendar day
Mcf	– thousand cubic feet
mmcf	– million cubic feet
Bcf	– billion cubic feet
mmcf/day	– million cubic feet per calendar day
mcfge	– thousand cubic feet of gas equivalent
lt	– long ton
mlt	– thousand long tons
lt/day	– long tons per calendar day
mlt/day	– thousand long tons per calendar day
mmbtu	– million British thermal units
MW	– megawatts

Acronyms

API	– American Petroleum Institute
COGE Handbook	– Canadian Oil and Gas Evaluation Handbook
FASB	– Financial Accounting Standards Board
FPSO	– floating production, storage and offloading vessel
LLB	– Lloydminster Blend
NGL	– natural gas liquids
NYMEX	– New York Mercantile Exchange
OPEC	– Organization of Petroleum Exporting Countries
PSC	– production sharing contract
SAGD	– steam assisted gravity drainage
SEC	– Securities and Exchange Commission of the United States
SEDAR	– System for Electronic Document Analysis and Retrieval
WTI	– West Texas Intermediate crude oil

API° gravity

Measure of oil density or specific gravity used in the petroleum industry. The American Petroleum Institute (API) scale expresses density such that the greater the density of the petroleum, the lower the degree of API gravity.

Barrel

A unit of volume equal to 42 U.S. gallons.

Bitumen

A highly viscous oil which is too thick to flow in its native state, and which cannot be produced without altering its viscosity. The density of bitumen is generally less than 10 degrees API.

Bulk Terminal

A facility used primarily for the storage and/or marketing of petroleum products.

Coal Bed Methane

The primary energy source of natural gas is methane (CH4). Coal bed methane is methane found and recovered from the coal bed seams. The methane is normally trapped in the coal by water that is under pressure. When the water is removed the methane is released.

Cold Production

A non-thermal production process for heavy oil in unconsolidated sand formations. During the cold production process heavy oil and sand are produced simultaneously through the use of progressive cavity pumps, which produce high pressure in the reservoir.

Debottlenecking

To remove restrictions thus improving flow rates and productive capacity.

Delineation well

A well in close proximity to an oil or gas well that helps determine the areal extent of the reservoir.

Developed area

A drainage unit having a well completed thereon capable of producing oil or gas in paying quantities.

Development well

A well drilled within the proved area of an oil and gas reservoir to the depth of a stratigraphic horizon known to be productive.

Diluent

A lighter gravity liquid hydrocarbon, usually condensate or synthetic oil, added to heavy oil to improve the transmissibility of the oil through a pipeline.

Dry and abandoned well

A well found to be incapable of producing oil or gas in sufficient quantities to justify completion as a producing oil or gas well.

Enhanced recovery

The increased recovery from a crude oil pool achieved by artificial means or by the application of energy extrinsic to the pool, which artificial means or application includes pressuring, cycling, pressure maintenance or injection to the pool of a substance or form of energy but does not include the injection in a well of a substance or form of energy for the sole purpose of aiding in the lifting of fluids in the well, or stimulation of the reservoir at or near the well by mechanical, chemical, thermal or explosive means.

Exploration licence

A licence with respect to the Canadian offshore or the Northwest or Yukon Territories conferring the right to explore for, and the exclusive right to drill and test for, petroleum; the exclusive right to develop the applicable area in order to produce petroleum; and, subject to satisfying the requirements for issuance of a production licence and compliance with the terms of the licence and other provisions of the relevant legislation, the exclusive right to obtain a production licence.

Exploratory well

A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir. Generally, an exploratory well is any well that is not a development well, a service well, or a stratigraphic test well as those items are defined herein.

Field

An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both.

Gathering System

Pipeline system and associated facilities used to gather natural gas or crude oil from various wells and deliver it to a central point where it can be moved from there by a single pipeline to a processing facility or sales point.

Horizontal drilling

Drilling horizontally rather than vertically through a reservoir, thereby exposing more of the well to the reservoir and increasing production.

Hydrogen sulphide

A poisonous gas which is colourless and heavier than air and is found in sour gas.

Infill Well

A well drilled on an irregular pattern disregarding normal spacing requirements. These wells are drilled to produce from parts of a reservoir that would otherwise not be recovered through existing wells drilled in accordance with normal spacing.

Liquefied petroleum gas

Liquefied propanes and butanes, separately or in mixtures.

Miscible Flood

An enhanced recovery method which requires that three fluids exist in the reservoir: the mobile oil to be recovered, a displacing fluid (NGL) injected to move as a bank behind the oil, and a fluid injected to propel the displacing fluid (chase gas) through the reservoir.

Multiple completion well

A well producing from two or more formations by means of separate tubing strings run inside the casing, each of which carry hydrocarbons from a separate and distinct producing formation.

Natural gas liquids ("NGL")

Those hydrocarbon components recovered from raw natural gas as liquids by processing through extraction plants, or recovered from field separators, scrubbers or other gathering facilities. These liquids include the hydrocarbon components ethane, propane, butanes and condensate, or a combination thereof.

Oil Battery

An accessible area to accommodate separators, treaters, storage tanks and other equipment necessary to process and store crude oil and other fluids prior to transportation.

Oil Sands

Sands and other rock materials which contain crude bitumen and includes all other mineral substances in association therewith.

Overriding royalty interests

An interest acquired or withheld in the oil and gas produced (or the proceeds from the sale of such oil and gas), received free and clear of all costs of development, operation, or maintenance and in additional to the usual landowner's royalty reserved to the lessor in an oil and gas lease.

Primary recovery

The oil and gas recovered by any method that may be employed to produce the oil or gas through a single well bore; the fluid enters the well bore by the action of native reservoir energy or gravity.

Production Sharing Contract

A contract for the development of resources under which the contractor's costs (investment) are recoverable each year out of the production but there is a maximum amount of production which can be applied to the cost recovery in any year. This annual allocation of production is referred to as cost oil, the remainder is referred to as profit oil and is divided in accordance with the contract between the contractor and the host government.

Raw gas

Gas as produced from a well before the separation therefrom of liquefiable hydrocarbons or other substances contained therein.

Recoverable oil-in-place

The total original oil-in-place which can be expected to be recovered. This quantity is dependent upon recovery efficiency and the economics of operation.

Secondary recovery

Oil or gas recovered by injecting water or gas into the reservoir to force additional oil to the producing wells. Usually, but not necessarily, this is done after the primary recovery phase has passed.

Seismic (survey)

A method by which the physical attributes in the outer rock shell of the earth are determined by measuring, with a seismograph, the rate of transmission of shock waves through the various rock formations. The rate at which the waves are transmitted varies with the medium through which they pass.

Service well

A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, saltwater disposal, water supply for injection, observation or injection for in-situ combustion.

Significant discovery licence

A licence with respect to the Canadian offshore or the Northwest Territories or Yukon conferring the right to explore for, and the exclusive right to drill and test for, petroleum; the exclusive right to develop the applicable area in order to produce petroleum; and, subject to satisfying the requirements for issuance of a production licence and compliance with other provisions of the relevant legislation, the exclusive right to obtain a production licence.

Sour gas

Natural gas contaminated with chemical impurities, notably hydrogen sulphide or other sulphur compounds. Such compounds must be removed before the gas can be used for commercial or domestic purposes.

Specific Gravity

The ratio between the weight of equal volumes of water and another liquid measured at standard temperature, weight the weight of water as assigned a value of one (1). However, the specific gravity of oil is normally expressed in degrees of API gravity as follows:

$$\text{Degrees API} = \frac{141.5}{\text{Specific gravity @ F60 degrees}} - 131.5$$

Spot Price

The price for a one-time open market transaction for immediate delivery of a specific quantity of product at a specific location where the commodity is purchased "on the spot" at current market rates.

Steam Assisted Gravity Drainage

A recovery method used to produce heavy crude oil and bitumen in-situ. Steam is injected via a horizontal well along a producing formation. The temperature in the formation increases and lowers the viscosity of the crude oil allowing it to fall to a horizontal production well beneath the steam injection well.

Step-out Well

A well drilled adjacent to a proven well but located in an unproven area; a well drilled in an effort to ascertain the extent and boundaries of a producing formation.

Stratigraphic test well

A drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intention of being completed for hydrocarbon production. This classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (i) "exploratory-type", if not drilled in a proved area, or (ii) "development-type", if drilled in a proved area.

Synthetic oil

A mixture of hydrocarbons derived by upgrading heavy crude oils, including bitumen, by through a process that reduces the carbon content and increases the hydrogen content.

Tertiary recovery

The recovery of oil and gas by using exotic or complex recovery schemes involving steam, chemicals, gases or heat. Usually, but not necessarily, this is done after the secondary recovery phase has passed.

Three-D Seismic (survey)

Three dimensional seismic imaging which uses a grid of numerous cable rather than a few lines stretched in one line.

Turnaround

Perform maintenance at a plant or facility which requires the plant or facility to be shut down for the duration.

Undeveloped area

An area in which it has not been established by drilling operations whether oil and/or gas may be found in commercial quantities.

Waterflood

One method of secondary recovery in which water is injected into an oil reservoir for the purpose of forcing oil out of the reservoir and into the bore of a producing well.

Well Abandonment Costs

Costs of abandoning a well (net of any salvage value) and of disconnecting the well from the surface gathering system.

Working interest

An interest in the net revenues of an oil and gas property which is proportionate to the share of exploration and development costs borne until such costs have been recovered, and which entitles the holder to participate in a share of net revenue thereafter.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Information Form are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, 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 Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements made in this Annual Information Form. 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," "estimated," "intends," "plans," "projection" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward looking statements. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the factors discussed throughout this Annual Information Form. Among the key factors that have a direct bearing on the Company's results of operation are the nature of the Company's involvement in the business of exploration, development and production of oil and natural gas reserves and the fluctuation of the exchange rate between the Canadian dollar and the United States dollar. These and other factors are discussed herein under "Management's Discussion and Analysis of Financial Condition and Results of Operations", incorporated by reference in this Annual Information Form and available on SEDAR at www.sedar.com.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements of the Company made by or on behalf of the Company, investors should not place undue reliance on any such forward- looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. 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 statements.

SCHEDULE "A"

Husky Energy Inc.

Audit Committee Charter

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Husky Energy Inc. (the "Company") will have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board, each of whom shall satisfy the independence and financial literacy requirements of applicable securities regulatory requirements. In addition, one of the members of the Committee will be an audit committee financial expert as defined in applicable securities regulatory requirements. The members of the Committee will be elected annually at the organizational meeting of the full Board on the recommendation of the Corporate Governance Committee to the Co-Chairmen and will be listed in the annual report to shareholders. One of the members of the Committee will be elected Committee Chair by the Board.

Responsibility

The Committee is a part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to:

(i) the quarterly and annual financial statements and quarterly and annual MD&A be provided to shareholders and the appropriate regulatory agencies;

(ii) earnings press releases before the Company publicly discloses this information;

(iii) the system of internal controls that management has established;

(iv) the internal and external audit process;

(v) the appointment of qualified reserves evaluators or auditors; and

(vi) the filing of statements and reports with respect to the Company's oil and gas reserves.

In addition, the Committee provides an avenue for communication between the Board and each of internal audit, the external auditors, financial management, external qualified reserves evaluators or auditors and internal qualified reserves evaluators. The Committee should have a clear understanding with the external auditors and the external reserve evaluators or auditors that an open and transparent relationship must be maintained with the Committee.

The Committee will make regular reports to the Board concerning its activities.

While the Audit Committee has the responsibilities and powers set forth in this Charter, the role of the Audit committee is oversight. The members of the Committee are not full time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the external auditors and, as to reserves, the external reserve evaluators or auditors. Management and the external auditors shall also have the responsibility to conduct investigations and to assure compliance with laws and regulations and the Company's business conduct guidelines.

Authority

Subject to the prior approval of the Board, the Committee is granted the authority to investigate any matter or activity involving financial accounting and financial reporting, the internal controls of the Company and the reporting of the Company's reserves and oil and gas activities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Committee.

In recognition of the fact that the independent auditors are ultimately accountable to the Committee, the Committee shall have the authority and responsibility to nominate for shareholder approval, evaluate and, where appropriate, replace the independent auditors and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management and the internal audit group but shall not delegate these responsibilities.

Meetings

The Committee is to meet at least four times annually and as many additional times as the Committee deems necessary. Committee members will strive to be present at all meetings either in person or by telephone. As necessary or desirable, but in any case at least quarterly, the Committee shall meet with members of management and representatives of the external auditors and internal audit in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately. Likewise, as necessary or desirable, but in any case at least annually, the Committee shall meet the management and representatives of the external reserve evaluators or auditors and internal reserves evaluators in separate executive sessions to discuss matters that the Committee or any of these groups believes should be discussed privately. In respect of the Committee's oversight regarding reserves, the Committee engages the services of an independent reserves consultant.

Specific Duties

In carrying out its oversight responsibilities, the Committee will:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. (a) Review with the Company's management, internal audit and external auditors and recommend to the Board for approval the Company's annual financial statements and annual MD&A which is to be provided to shareholders and the appropriate regulatory agencies, including any financial statement contained in a prospectus, information circular, registration statement or other similar document.

   (b) Review with the Company's management, internal audit and external auditors and approve the Company's quarterly financial statements and quarterly MD&A which is to be provided to shareholders and the appropriate regulatory agencies.
3. Review with the Company's management and approve earnings press releases before the Company publicly discloses this information.
4. Recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and the compensation to be paid to the external auditors. The external auditors shall report directly to the Committee.
5. Be directly responsible for the oversight of the work of the external auditors, including the resolution of disagreements between management of the Company and the external auditors regarding financial reporting.
6. Review with the Company's management, internal audit and external auditors the Company's accounting and financial reporting controls. Obtain annually in writing from the external auditors their observations, if any, on significant weaknesses in internal controls as noted during the course of their work.
7. Review with the Company's management, internal audit and external auditor's significant accounting and reporting principles, practices and procedures applied by the Company in preparing its financial statements. Discuss with the external auditors their judgements about the quality, not just the acceptability, of the Company's accounting principles used in financial reporting.
8. Review the scope of internal audit's work plan for the year and receive a summary report of major findings by internal auditors and how management is addressing the conditions reported.

9. Review the scope and general extent of the external auditors' annual audit. The Committee's review should include an explanation from the external auditors of the factors considered in determining the audit scope, including the major risk factors. The external auditors should confirm to the Committee whether or not any limitations have been placed on the scope or nature of their audit procedures.
10. Inquire as to the independence of the external auditors and obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the external auditors and the Company as contemplated by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees.
11. Have a predetermined arrangement with the external auditors that they will advise the Committee, through its Chair and management of the Company, of any matters identified through procedures followed for the review of interim quarterly financial statements of the Company, and that such notification is to be made prior to the related press release. Also receive a written confirmation provided by the external auditors at the end of each of the first three quarters of the year that they have nothing to report to the Committee, if that is the case, or the written enumeration of required reporting issues.
12. At the completion of the annual audit, review with management, internal audit and the external auditors the following:
    - The annual financial statements and related footnotes and financial information to be included in the Company's annual report to shareholders.
    - Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.
    - Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the external auditors during their audit, including access to all requested records, data and information.
    - Inquire of the external auditors whether there have been any material disagreements with management, which, if not satisfactorily resolved, would have caused them to issue a non-standard report on the Company's financial statements.
13. Discuss with the external auditors, without management being present, (a) the quality of the Company's financial and accounting personnel, and (b) the completeness and accuracy of the Company's financial statements. Also, elicit the comments of management regarding the responsiveness of the external auditors to the Company's needs.
14. Meet with management, to discuss any relevant significant recommendations that the external auditors may have, particularly those characterized as 'material' or 'serious'. Typically, such recommendations will be presented by the external auditors in the form of a Letter of Comments and Recommendations to the Committee. The Committee should review responses of management to the Letter of Comments and Recommendations from the external auditors and receive follow-up reports on action taken concerning the aforementioned recommendations.
15. Have the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Committee shall also review and approve disclosures required to be included in periodic reports filed with Canadian securities regulators and the Securities and Exchange Commission with respect to non-audit services performed by external auditors.
16. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, and periodically assess the adequacy of those procedures.
17. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matter, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

18. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
19. Review the appointment and replacement of the senior internal audit executive.
20. Review with management, internal audit and the external auditors the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by Company employees that may have a material impact on the financial statements.
21. Generally as part of the review of the annual financial statements, receive a report(s), at least annually, from the Company's general counsel concerning legal, regulatory and compliance matters that may have a material impact on the financial statements.
22. Review, with reasonable frequency, the Company's procedures relating to the disclosure of information with respect to the Company's oil and gas reserves, including the Company's procedures for complying with the disclosure requirements and restrictions of applicable regulations.
23. Review with management the appointment of external qualified reserves evaluators or auditors, and in the case of any proposed change in such appointment, determine the reasons for the change and whether there have been disputes between the appointed external qualified reserves evaluators or auditors, and management.
24. Review, with reasonable frequency, the Company's procedures for providing information to the external qualified reserves evaluators or auditors who report on reserves and data for the purposes of compliance with applicable securities laws.
25. Before the approval and the release of the Company's reserves data and the report of the qualified reserve evaluators or auditors thereon, meet with management, the external qualified reserves evaluators or auditors and the internal qualified reserves evaluators to determine whether any restrictions affect their ability to report on reserves data without reservation and to review the reserves data and the report of the qualified reserves evaluators.
26. Recommend to the Board for approval the content and filing of required statements and reports relating to the Company's disclosure of reserve data as prescribed by applicable regulations.
27. Review and approve (a) any change or waiver in the Company's Code of Business Conduct for the chief executive officer and senior financial officers and (b) any public disclosure made regarding such change or waiver.

February 16, 2005